

Fourth quarter report 2004



Preliminary and unaudited

Review of the 2004 annual accounts and the results for the fourth quarter of 2004

All figures for 2003 and previous periods presented below are pro forma accounting figures for total operations in the DnB NOR Group. As from 31 March 2004, Elcon Finans is no longer consolidated in the group accounts. Unless otherwise specified, figures for previous periods have not been adjusted.

The DnB NOR Group recorded profits of NOK 7 388 million for 2004. Comparable profits for 2003 totalled NOK 5 378 million. Profits for the year corresponded to a return on equity excluding goodwill amortisation of 17.4 per cent for 2004, up 3.1 percentage points from 2003. Earnings per share were NOK 6.05 and NOK 4.61 respectively. After goodwill amortisation, return on equity was 16.1 per cent in 2004 and 12.7 per cent in 2003, while earnings per share stood at NOK 5.60 and NOK 4.11 respectively.

The Board of Directors has proposed to distribute a dividend of NOK 2.55 per share, compared with NOK 2.20 for 2003.

Fourth quarter performance

The fourth quarter of 2004 saw pre-tax operating profits before losses of NOK 2 787 million. The comparable figure for the fourth quarter of 2003 was NOK 2 165 million. Pre-tax operating profits rose from NOK 2 083 million in the October through December period in 2003 to NOK 2 772 million in the corresponding period in 2004, while profits after taxes were up from NOK 1 570 million to NOK 2 303 million. Thus, return on equity before goodwill amortisation increased from 15.7 to 20.1 per cent and earnings per share from NOK 1.32 to NOK 1.85 before goodwill amortisation.

Net interest income increased by NOK 15 million from the fourth quarter of 2003 to the corresponding period in 2004. Adjusted for the sale of operations in Elcon, net interest income was up NOK 218 million. A NOK 42 billion increase in average lending to customers combined with a NOK 17 billion rise in deposits lifted net interest income by NOK 243 million. Overall, spreads remained unchanged from the fourth quarter of 2003 to the corresponding period in 2004.

Net other operating income rose NOK 362 million from the fourth quarter of 2003 to the corresponding period in 2004. Adjusted for changes in group structure, other operating income was up NOK 312 million. The Group's share of profits from Life Insurance and Pensions increased by NOK 285 million. Operations within non-life and group life insurance were sold to Gjensidige NOR Forsikring in the fourth quarter of 2004, generating pre-tax profits to the owner of NOK 255 million.

Operating expenses totalled NOK 3 263 million in the October through December period in 2004, down NOK 245 million from the year-earlier period. Adjusted for the sale of operations in Elcon, the takeover of operations in Driftspartner and Markedsstøtte and changes in other expenses, cost reductions represented NOK 197 million. The cost cuts stemmed primarily from the realisation of NOK 219 million in synergies during the period.

Net losses came to NOK 70 million in the fourth quarter of 2004, a reduction from NOK 276 million in the year-earlier period.

The tax charge for the fourth quarter of 2004 was NOK 469 million, representing 17 per cent of pre-tax profits. The low tax charge can be partly attributed to profits from Life Insurance and Pensions, reported net after taxes in the consolidated profit and loss accounts, and the impact of new tax rules for the realisation of shares.

Full year results 2004

Income

Income totalled NOK 23 386 million, a 6 per cent increase from NOK 22 091 million in 2003.

Net interest income

Net interest income declined by NOK 575 million from 2003 to 2004. Adjusted for the sale of operations in Elcon, however, net interest income was virtually unchanged from the previous year. A NOK 41 billion increase in average lending to customers combined with a NOK 12 billion rise in deposits boosted net interest income by NOK 822 million. Narrower interest spreads brought down net interest income by NOK 396 million. Lending spreads contracted by an average 0.04 percentage points compared with 2003, while deposit spreads decreased by 0.17 percentage points. Lower interest rate levels in 2004 than in 2003 caused strong pressure on deposit spreads. At end-December 2004, interest rates on NOK 72 billion of the total deposit volume were 0.25 per cent or lower, as against NOK 59 billion at year-end 2003. Repeated interest rate cuts made it difficult to maintain the level of earnings on deposits. A possible increase in interest rate levels could give a considerable boost to income. Lower average interest rate levels reduced net funding costs on equity, share investments and fixed assets by NOK 633 million. However, new guarantee fund rules ensured a NOK 230 million rise in net interest income compared with 2003. No fees will be charged by the Norwegian Banks' Guarantee Fund in 2005. In 2004, the Group paid NOK 269 million in guarantee fund fees.

Changes in net interest income

<i>Amounts in NOK million</i>	2004	Change	2003
Net interest income	13 214	(575)	13 789
Elcon	238	(581)	818
Net adjusted interest income	12 976	6	12 971
Of which:			
Lending and deposit volumes		822	
Lending and deposit spreads		(396)	
Funding costs on equity, share investments and fixed assets		(633)	
Contributions to the banks' guarantee funds		230	
Other		(16)	

Other operating income

Net other operating income amounted to NOK 10 173 million in 2004, up NOK 1 871 million from 2003. The sale of operations in Elcon generated gains of NOK 946 million, but also caused a NOK 74 million reduction in other operating income. The Group's takeover of total operations in Gjensidige NOR Driftspartner and Gjensidige NOR Markedsstøtte gave a NOK 240 million increase in income. These entities were previously joint ventures with Gjensidige NOR Forsikring and also provided services to cooperating companies. Adjusted for the sale of Elcon and the takeover of Driftspartner and Markedsstøtte, net other operating income increased by NOK 706 million compared with 2003. See description of corresponding effects under operating expenses.

Income from traditional financial services rose by NOK 167 million from the previous year. Due to the strong upturn on Oslo Børs, income increased by NOK 63 million within equities trading and NOK 164 million within fund management. The sale of insurance products through the bank's distribution network raised income by NOK 64 million.

Real estate broking services also showed a positive income trend. In consequence of stable interest rate levels and a narrow interest rate differential between NOK and other currencies, income on customer business in interest rate and foreign exchange instruments in DnB NOR Markets declined by NOK 229 million relative to 2003, but remained at a high level. However, the NOK 90 million rise in net interest income on this business must be taken into account. Income from payment transfers and interbank transactions rose by NOK 132 million from the previous year.

The business area Life Insurance and Pensions achieved profits for allocation to the owner and policyholders of NOK 3 269 million in 2004, a reduction of NOK 124 million from 2003. DnB NOR's share of profits was NOK 1 216 million and NOK 760 million respectively for the two years. The recorded and value-adjusted returns on capital were 6.5 and 7.1 per cent respectively, compared with 7.9 and 9.7 per cent in 2003. Operations within non-life and group life insurance were sold to Gjensidige NOR Forsikring in 2004, generating pre-tax profits to the owner of NOK 255 million.

Earnings from proprietary trading in foreign exchange and interest rate instruments in DnB NOR Markets rose by NOK 304 million relative to 2003, however, interest income on these activities declined by NOK 242 million. Equity-related income, e.g. dividends and gains on shareholdings, was NOK 220 million lower than in 2003. In consequence of rising equity prices in 2004, however, unrealised gains in the equity portfolio not recorded in the group accounts rose by NOK 65 million to NOK 110 million during the year.

Changes in net other operating income

<i>Amounts in NOK million</i>	2004	Change	2003
Net other operating income	10 173	1 871	8 302
Elcon	-	(74)	74
Driftspartner and Markedsstøtte	240	240	-
Gain on the sale of assets	1 022	999	23
Net adjusted other operating income	8 911	706	8 205
Of which:			
Income from traditional financial services, adjusted		167	
Net profit from Life Insurance and Pensions		456	
Trading income on foreign exchange and interest rate instruments, DnB NOR Markets		304	
Equity-related income		(220)	

Operating expenses

Operating expenses totalled NOK 13 588 million in 2004, up NOK 178 million from 2003. The sale of operations in Elcon brought down expenses by NOK 351 million, while the takeover of total operations in Driftspartner and Markedsstøtte pushed up operating expenses by NOK 240 million. Restructuring expenses, which represented the major part of other expenses, totalled NOK 930 million in 2004, compared with NOK 38 million in 2003. Adjusted for the sale of Elcon, the takeover of Driftspartner and Markedsstøtte and other special items, operating expenses were NOK 574 million lower in 2004 than in 2003. Costs were thus reduced 4.5 per cent, mainly as a result of the realisation of cost synergies and other measures to streamline operations. Before goodwill amortisation, the ordinary cost/income ratio, i.e. ordinary expenses relative to income, was 53.4 per cent in 2004, a reduction from 57.0 per cent in 2003.

Wage settlements resulted in a NOK 122 million rise in costs. Marketing expenses were up NOK 41 million, and costs related to sales through external distributors increased by NOK 39 million from the previous year. Merger synergies of NOK 705 million were realised in 2004. The target for the realisation of synergies in 2004 was NOK 528 million. Total synergies thus exceeded the target figure as at end-December 2004 by NOK 177 million. NOK 93 million of the NOK 705 million in total synergies reflected measures implemented in 2003 and

NOK 44 million cost reductions which improved other operating income in the group accounts. Relative to cost levels in 2003, operating expenses for 2004 were brought down by NOK 568 million through the realisation of synergies. Group staff totalled 9 963 full-time positions at year-end 2004, a reduction of 1 081 from the beginning of the year. Adjusted for the sale of Elcon and acquired operations, staff levels were scaled back by 869 full-time positions during the year.

In the second half of 2004, a project was initiated to coordinate customer service. This involves moving branch offices into common premises under the new DnB NOR design, coordinating electronic channels, launching DnB NOR's loyalty programmes and presenting other key products and services under a uniform design. This process is scheduled to be completed in the course of 2005. At year-end 2004, more than 70 branch offices sported the new market profile.

Changes in total operating expenses

<i>Amounts in NOK million</i>	2004	Change	2003
Total operating expenses	13 588	178	13 410
Other expenses	1 082	863	219
Elcon	120	(351)	471
Driftspartner and Markedsstøtte	240	240	-
Total adjusted ordinary operating expenses	12 146	(574)	12 720
Of which:			
Wage settlements		122	
Marketing		41	
External distribution		39	
Performance-related personnel expenses		(40)	
Merger synergies		(568)	
Streamlining of operations		(168)	

Loan-loss provisions and non-performing commitments

Net losses on loans and guarantees totalled NOK 167 million in 2004, down from NOK 1 891 million in 2003. Losses in 2004 were significantly lower than the estimated normalised loss level during a business cycle. New losses and loan-loss provisions amounted to NOK 1 403 million, while reversals and recoveries on previous losses and loan-loss provisions represented a total of NOK 1 236 million. 2003 saw new losses of NOK 2 676 million, while reversals and recoveries came to NOK 785 million.

New losses and loan-loss provisions in the corporate market totalled NOK 1 044 million, and reversals and recoveries came to NOK 936 million. Corresponding figures for 2003 were losses of NOK 2 134 million and reversals of NOK 519 million. Due to the low interest rate levels in 2004, customers' financial position was strengthened. Market trends led to improved portfolio quality, reduced losses and increased reversals, especially in the manufacturing, service, transportation and building and construction industries. Parts of the fisheries industry still experience problems with respect to turnover and liquidity.

In the retail market, net losses came to NOK 57 million in 2004, with losses of NOK 191 million referring to card operations. The corresponding figures for 2003 were NOK 271 million and NOK 215 million respectively.

Non-performing and doubtful commitments, after specified loan-loss provisions, totalled NOK 5 974 million at year-end 2004, a reduction of NOK 2 058 million adjusted for the sale of Elcon. There was strong lending growth in the retail market in 2004, while non-performing and doubtful commitments in this segment were reduced by NOK 77 million from 2003. Non-performing and doubtful commitments in the corporate market were cut back by NOK 1 981 million. Improved portfolio quality compensated for the impact of higher credit and lending volumes, thus no changes were made in unspecified loan-loss provisions in 2004.

Taxes

In 2004, the tax exemption model was introduced for limited companies' share income. This implies that corporate shareholders are exempted from tax on dividends and capital gains on the sale of shares. At the same time, the right to deduct losses on shares has been abolished. The tax exemption model applies to dividends received on 1 January 2004 or later and gains and losses realised on 26 March 2004 or later.

In consequence of the introduction of the tax exemption model, all unrealised timing differences concerning shares were eliminated at year-end 2004. Such timing differences referred primarily to previous write-downs for accounting purposes which were not tax-deductible. This resulted in a tax charge of NOK 82 million.

The shares in Elcon were sold on 29 March 2004. Due to the introduction of the tax exemption model, the Group achieved tax savings of NOK 300 million on the transaction.

The DnB NOR Group's tax charge for 2004 totalled NOK 2 350 million, representing 24 per cent of pre-tax operating profits. In 2003, the tax charge was NOK 1 636 million. The low tax charge in 2004 was due to the introduction of the tax exemption model as well as variations in profit contributions from the business area Life Insurance and Pensions, which is presented according to the equity method in the group accounts.

It has been decided to change year-end adjustments for 2003 for some subsidiaries. Dividends scheduled to be paid to DnB NOR ASA for 2003 will be reclassified as group contributions with no tax effect. This could result in a positive differential RISK adjustment of around NOK 3.40 per share if the reclassification is accepted by the tax authorities.

Balance sheet and assets under management

At end-December 2004, total combined assets in the DnB NOR Group were NOK 1 204 billion, up NOK 18 billion from the previous year.

Total assets in the Group's balance sheet were NOK 715 billion at year-end 2004, an increase from NOK 706 billion at the end of 2003. Lending to customers, after specified loan-loss provisions, totalled NOK 573 billion at end-December 2004, up NOK 12 billion from year-end 2003. Adjusted for the sale of Elcon, there was a NOK 39 billion rise in lending through 2004. Lending to retail customers rose by NOK 37 billion or 12.6 per cent, representing mainly residential mortgages. Adjusted for Elcon's portfolio, lending to corporate clients increased by NOK 2 billion or 0.8 per cent from 2003. The ratio of deposits to lending was 62.4 per cent at the end of 2004. Adjusted for the sale of Elcon, this represented a 0.8 percentage point reduction from 2003.

At end-December 2004, the DnB NOR Group had a core capital ratio of 7.6 per cent, compared with 6.8 per cent at the end of 2003.

Implications of new international accounting rules

In consequence of a resolution by the European Union, all listed companies are required to prepare accounts in accordance with IFRS – International Financial Reporting Standards (previously IAS) as of 1 January 2005. Due to the EEA agreement, this will also apply to Norwegian listed companies.

The main implications of the new accounting rules for the DnB NOR Group concern the valuation and presentation of financial instruments, including loans and deposits, insurance operations, pension commitments, goodwill and investments in subsidiaries and associated companies.

The changes in accounting principles and the presentation model described below will result in an overall reduction in equity upon the transition to IFRS of between NOK 500 million and NOK 1 000 million, while Tier 1 capital will remain virtually unchanged and profits will rise by some NOK 600 million. Adjusted for these changes, return on equity will be 17.8 per cent. The cost/income ratio, i.e. ordinary expenses relative to income, will be 56.2 per cent, while net other operating income will represent 46.5 per cent of total income in 2004. The implications that have been outlined below, especially those relating to financial instruments, could change as a result of differing interpretations and possible adjustments in the rules in 2005.

Financial instruments, excluding loans and deposits

The version of IAS 39 which allows recording the institution's issued debt securities at fair value has yet to be approved by the EU. One of the consequences for DnB NOR is that direct symmetry in the accounting treatment of items included in interest rate risk management will not be achieved, which will cause greater fluctuations in profits. To reduce this volatility, DnB NOR will use various forms of hedge accounting.

DnB NOR wishes to record the company's issued debt securities included in interest rate risk management at fair value, thus ensuring that the accounting treatment as far as possible reflects the actual underlying financial situation. The standard setting body IASB (International Accounting Standards Board) is expected to prepare a new version of IAS within this field during the first half of 2005 which is acceptable to the EU. Under the current version of IAS 39, there would be somewhat greater volatility in the DnB NOR Group's profits.

Loans and deposits

According to IFRS, loans and deposits shall be measured using the effective interest method, i.e. at so-called amortised cost. The effective interest method involves a somewhat different approach for recording items as income. There will be deviations between the previous method of recording nominal values in the profit and loss accounts and balance sheets and the effective interest method with respect to products where, for example, front-end fees exceed marginal direct costs and in cases where the instalment structure is part of contractual terms. This method will present a great challenge with respect to systems applications.

According to IFRS, non-performing and doubtful commitments should be written down to the discounted value of expected future cash flows. Interest taken to income in connection with the initial write-down should not be reversed. Following the confirmation of default, interest taken to income on impaired commitments will correspond to the internal rate of return (effective interest) on the written-down value. According to IFRS, unspecified loan-loss provisions will not be allowed. However, some elements included in unspecified loan-loss provisions can be replaced by so-called group provisioning.

Insurance operations

Until 2007, when the accounting rules for insurance operations are expected to be fully revised, the transition to IFRS will imply no significant changes relative to current accounting principles. IFRS requires a loss test to be carried out to document that returns on assets invested in insurance operations are adequate to cover obligations. Any negative difference must be charged to equity.

When preparing group accounts according to IFRS, insurance operations must be fully consolidated. IFRS does not, however, include regulations for the presentation of bankassurance groups. DnB NOR will give priority to working out a presentation model which provides useful information about the Group's total operations for investors and the market, based on uniform principles in line with international developments. The new presentation model will not affect the Group's return on equity, but will have an impact on the cost/income ratio and other key figures.

Pension commitments

IFRS requires that pension commitments be calculated on the basis of updated economic parameters at the balance sheet date. Norwegian practice has allowed a more long-term view when determining such parameters. According to IFRS, the discount rate can equal the long-term yield on AA-rated corporate bonds. However, where there are no liquid markets for such instruments, it is assumed that yields on government bonds must be used. When converting to IFRS, DnB NOR will have to charge unrecorded pension commitments to equity. The rules will cause greater fluctuations in future profits.

Goodwill and intangible assets

Goodwill cannot be amortised according to IFRS, but impairment should be considered on each balance sheet date. Goodwill amortisation totalling NOK 610 million was charged to the accounts for 2004. Such amortisation will not be included in the IFRS accounts. According to IFRS, any amounts paid in excess of book values in connection with acquisitions should be recognised in intangible assets. The identification requirement for such assets is more extensive than that stipulated in Norwegian accounting rules. Goodwill and intangible assets should be subject to continual evaluation and written down when book value is higher than estimated value.

Investments in subsidiaries and associated companies

IFRS implies a consolidation requirement for all subsidiaries, while a higher number of associated companies must be accounted for according to the equity method. Under Norwegian accounting principles, it has not been necessary to consolidate holdings relating to repossessed credit commitments.

The effect of the different treatment of such investments must be recognised in equity upon conversion to IFRS. The consolidation requirement can be expected to result in greater fluctuations in future profits, since a number of the companies will record assets at market value as a consequence of IFRS.

Business areas

DnB NOR Corporate Banking showed a healthy profit trend in 2004, mainly due to higher net interest income stemming from improved risk pricing, combined with lower costs. Credit demand in the corporate market was weak during most of 2004, but picked up during the fourth quarter. An increasing number of Corporate Banking's customers used the Internet for banking services in 2004.

DnB NOR Retail Banking recorded a sound rise in profits in 2004, which can be attributed to a strong rise in the volume of well-secured housing loans and increased sales of loyalty programmes, mutual funds and insurance products. Costs were brought down, and the realisation of synergies was ahead of schedule. The business area maintained its market shares.

DnB NOR Markets strengthened its position in the market and achieved healthy profits in 2004. Demand for interest rate and foreign exchange products remained brisk in 2004. Low floating interest rates and the steep yield curve brought down demand for hedging interest rates on Norwegian kroner.

Vital strengthened its position as Norway's largest provider of pension savings and life insurance products in 2004 and reported sound profits. There were healthy increases in premium income and total assets during the period, along with a strong influx of customers.

A favourable stock market trend helped ensure sound growth for Asset Management in 2004. The integration of operations continued at a brisk pace during the year, which along with the rise in assets under management contributed to healthy performance.

Future prospects

There was a strong upswing in the international economy in the second half of 2003, which continued into 2004. However, the brisk growth in the first quarter levelled off through the remainder of the year. In general, DnB NOR anticipates sound economic growth in 2005, though it could be somewhat lower than in 2004.

DnB NOR expects that prolonged low interest rate levels will help maintain debt servicing capacity and ensure a continued low level of loan losses and non-performing commitments. The low interest rate levels coupled with the Norwegian economic boom are also expected to lead to rising demand for savings products with a higher risk and return profile than traditional bank savings.

The Board of Directors of the Norwegian Banks' Guarantee Fund has decided that no fees will be charged in 2005, as the Fund complies with the minimum equity requirement stipulated in the Guarantee Schemes Act. In 2004, the Group paid NOK 269 million in guarantee fund fees.

The integration process will be monitored closely by the Board of Directors and group management in 2004, and the realisation of synergies will be given high priority.

Profit and loss accounts

<i>Amounts in NOK million</i>	Note	DnB NOR Group				
		4th quarter 2004	Pro forma 4th quarter 2003	Full year 2004	Pro forma full year 2003	Pro forma full year 2002
Interest income	3	7 062	7 916	28 578	38 430	42 959
Interest expenses	3	3 748	4 618	15 365	24 641	29 072
Net interest income and credit commissions	3	3 314	3 299	13 214	13 789	13 887
Dividends		25	47	146	212	171
Net profit from Life Insurance and Pensions	5	645	360	1 216	760	(271)
Commissions and fees receivable	4	1 758	1 747	6 846	6 398	5 918
Commissions and fees payable	4	514	591	2 135	2 119	2 019
Net gain on foreign exchange and financial instruments	4	488	492	1 680	1 847	774
Sundry ordinary operating income	4	340	306	1 398	1 181	1 046
Gains on the sale of fixed assets	2, 4	(6)	13	1 022	23	39
Net other operating income	4	2 736	2 374	10 173	8 302	5 658
Salaries and other ordinary personnel expenses	6	1 534	1 762	6 233	6 577	6 005
Administrative expenses	6	974	1 012	3 864	3 982	3 947
Depreciation	6	261	304	1 067	1 200	1 077
Sundry ordinary operating expenses	6	354	303	1 342	1 433	1 508
Other expenses	6	139	127	1 082	219	394
Total operating expenses	6	3 263	3 508	13 588	13 410	12 931
Pre-tax operating profit before losses		2 787	2 165	9 798	8 681	6 613
Net losses on loans etc.	9, 10	70	276	167	1 891	1 023
Net gain/(loss) on long-term securities		55	195	106	224	(316)
Pre-tax operating profit		2 772	2 083	9 738	7 014	5 274
Taxes		469	513	2 350	1 636	1 642
Profit for the period		2 303	1 570	7 388	5 378	3 632
Earnings per share		1.74	1.20	5.60	4.11	2.77
Diluted earnings per share		1.73	1.19	5.57	4.10	2.76
Average total assets		743 951	689 051	741 305	697 223	622 732

Balance sheets

<i>Amounts in NOK million</i>	Note	DnB NOR Group		
		31 Dec. 2004	31 Dec. 2003	Pro forma 31 Dec. 2002
Assets				
Cash and deposits with central banks		8 780	8 570	22 944
Lending to and deposits with credit institutions		21 870	28 331	26 615
Gross lending to customers	11, 12	576 153	565 546	494 601
- Specified loan-loss provisions		(3 255)	(4 329)	(2 884)
- Unspecified loan-loss provisions		(3 534)	(3 714)	(3 501)
Net lending to customers	11, 12	569 364	557 503	488 217
Repossessed assets		538	576	651
Commercial paper and bonds		62 986	59 398	51 745
Shareholdings etc.		4 881	4 011	4 364
Investments in Life Insurance and Pensions and associated companies		8 651	7 365	7 184
Intangible assets	13	5 573	6 484	6 733
Fixed assets		4 173	4 475	4 425
Other assets		22 441	23 643	19 382
Prepayments and accrued income		5 424	5 321	6 098
Total assets		714 680	705 677	638 357
Liabilities and equity				
Loans and deposits from credit institutions		48 940	78 497	80 302
Deposits from customers		355 316	335 576	317 598
Securities issued		192 410	181 649	138 568
Other liabilities		38 955	35 305	35 359
Accrued expenses and prepaid revenues		5 101	5 992	5 034
Provisions for commitments		3 320	2 834	3 000
Subordinated loan capital		24 040	23 709	18 812
Paid-in capital	14	25 012	24 443	24 443
Retained earnings	14	21 586	17 672	15 242
Total liabilities and equity		714 680	705 677	638 357
Guarantee commitments		46 194	51 306	49 465

Key figures

	DnB NOR Group				
	4th quarter 2004	Pro forma 4th quarter 2003	Full year 2004	Pro forma full year 2003	Pro forma full year 2002
Interest rate analysis					
1. Combined average spread for lending and deposits (%)	2.39	2.54	2.39	2.62	2.77
2. Spread for ordinary lending to customers (%)	1.66	1.68	1.69	1.76	1.48
3. Spread for deposits from customers (%)	0.73	0.86	0.70	0.87	1.29
Rate of return/profitability					
4. Net other operating income, per cent of total income	45.2	41.9	41.1	37.6	28.9
5. Cost/income ratio (%)	54.0	61.8	58.1	60.7	66.2
6. Ordinary cost/income ratio before goodwill amortisation (%)	49.3	57.0	53.4	57.0	61.7
7. Cost/income ratio before goodwill amortisation (%)	51.8	59.1	55.7	57.9	63.6
9. Return on equity (%)	18.9	14.2	16.1	12.7	8.9
8. Return on equity before goodwill amortisation (%)	20.1	15.7	17.4	14.3	10.2
10. Goodwill amortisation (NOK million)	148	165	610	651	539
11. Average equity before dividend allocation (NOK million)	48 828	44 252	45 956	42 206	40 738
Financial strength					
12. Core (Tier 1) capital ratio at end of period (%)	7.6	6.8	7.6	6.8	7.1
13. Capital adequacy ratio at end of period (%)	10.7	9.8	10.7	9.8	9.9
14. Core capital at end of period (NOK million)	45 059	39 270	45 059	39 270	36 802
15. Total eligible primary capital at end of period (NOK million)	63 509	56 499	63 509	56 499	51 258
16. Risk-weighted volume at end of period (NOK million)	591 906	579 445	591 906	579 445	516 664
Loan portfolio and loan-loss provisions					
17. Loan-loss ratio, annualised (%)	0.05	0.20	0.03	0.34	0.21
18. Non-performing and doubtful commitments, per cent of total lending	1.04	1.50	1.04	1.50	0.97
19. Loan-loss provisions relative to total gross lending (%)	1.21	1.42	1.21	1.42	1.29
20. Non-performing commitments at end of period (NOK million)	4 196	6 531	4 196	6 531	3 622
21. Doubtful commitments at end of period (NOK million)	1 778	1 870	1 778	1 870	1 232
Liquidity					
22. Ratio of customer deposits to net lending to customers at end of period (%)	62.4	60.2	62.4	60.2	65.1
Total assets owned or managed					
23. Assets under management at end of period (NOK billion)	508	496	508	496	412
24. Average total combined assets (NOK billion)	1 213	1 187	1 214	1 120	930
25. Total combined assets at end of period (NOK billion)	1 204	1 186	1 204	1 186	1 047
26. Customer savings at end of period (NOK billion)	848	818	848	818	729
Staff					
27. Number of full-time positions at end of period	9 963	11 044	9 963	11 044	11 233
28. - of which in Life Insurance and Pensions	926	1 022	926	1 022	1 066
The DnB NOR share					
29. Number of shares at end of period (1 000)	1 327 139	1 309 027	1 327 139	1 309 027	1 309 027
30. Average number of shares (1 000)	1 325 899	1 309 027	1 317 744	1 309 027	1 309 552
31. Average number of shares - fully diluted (1 000)	1 331 299	1 315 764	1 323 786	1 311 737	1 314 781
32. Earnings per share (NOK)	1.74	1.20	5.60	4.11	2.77
33. Earnings per share before goodwill amortisation (NOK)	1.85	1.32	6.05	4.61	3.19
34. Earnings per share - fully diluted (NOK)	1.73	1.19	5.57	4.10	2.76
35. Equity per share including accrued dividend at end of period (NOK)	37.66	34.37	37.66	34.37	32.46
36. Share price at end of period (NOK)	59.75	44.40	59.75	44.40	32.60
37. Price/book value	1.59	1.29	1.59	1.29	1.00
38. Market capitalisation (NOK billion)	79.3	58.1	79.3	58.1	42.7

Definitions

4. Gains on the sale of Elcon are not included in the calculation for 2004.
8. Profit for the period as a percentage of average equity.
17. Net losses on loans (excluding guarantees) as a percentage of lending after the deduction of specified loan-loss provisions at end of period.
18. Non-performing and doubtful commitments after the deduction of specified loan-loss provisions relative to lending after the deduction of specified loan-loss provisions. Figures at end of period.
19. Accumulated specified and unspecified loan-loss provisions relative to gross lending at end of period.
32. Profit for the period divided by the average number of shares.
37. The last quoted share price on the Oslo Stock Exchange at end of period relative to the book value of equity at end of period.
38. Number of shares multiplied by the share price at end of period.

Note 1 – Accounting principles

The quarterly accounts are based on Norwegian accounting legislation, the accounting regulations issued by Kredittilsynet (the Financial Supervisory Authority of Norway) and Norwegian generally accepted accounting principles. The quarterly accounts comply with NRS 11 – the Norwegian accounting standard for interim reporting. A more detailed description of the DnB NOR Group's accounting principles can be found in the annual report for 2003.

Note 2 – Changes in group structure

Sale of Elcon Finans AS

In the first quarter of 2004, DnB NOR Bank ASA entered into an agreement with Santander Consumer Finance on the sale of Elcon for a total of NOK 3 600 million. The sale provided a gain of NOK 946 million after deductions for transaction costs and value adjustments.

Note 18 presents restated figures for the past five quarters, excluding profit and loss and balance sheet items relating to Elcon from the group accounts.

Sale of Gjensidige NOR Fondsforsikring AS

In May 2004, DnB NOR ASA signed an agreement with Forsikringsselskabet Danica on the sale of Gjensidige NOR Fondsforsikring AS. Danica is a subsidiary of Danske Bank. The sale provided a gain of NOK 35 million.

Sale of Postbanken Eiendomsmegling AS

In June 2004, DnB NOR Bank ASA signed an agreement with Terra-Gruppen AS on the sale of the real estate brokerages Postbanken Eiendomsmegling AS and Aktiv Eiendomsmegling AS. The agreement was approved by the board of directors in Terra-Gruppen in August. The actual takeover took place 3 January 2005. As DnB NOR carried the risk for and maintained control over operations up till this date, the companies' profits for 2004 were recorded in the accounts of the DnB NOR Group.

Operations required sold – discontinuing operations

In the accounts for DnB NOR Group, operations in the companies required to be sold are included (see above). To facilitate analysis of operations in DnB NOR after the sales mentioned above, separate accounts for total operations in these companies have been prepared.

Operations in these companies will be included in DnB NOR's accounts until a binding sales agreement has been concluded and all substantial risk has been transferred to the purchaser. The accounts of the companies to be sold are shown below as they have been included in the DnB NOR Group's accounts. In note 16, Business areas, these companies are shown separately under the caption "Discontinuing operations". The figures in note 16 have been restated according to the Group's current principles for the distribution of costs and allocation of capital to the business areas. Operations in the 53 branch offices DnB NOR was required to sell are included in the business area accounts as the sale refers only to premises and equipment.

Note 2 – New group structure (continued)**Profit and loss accounts**

<i>Amounts in NOK million</i>	Discontinuing operations ¹⁾				
	4th quarter 2004	Pro forma 4th quarter 2003	Full year 2004	Pro forma full year 2003	Pro forma full year 2002
Net interest income and credit commissions	(1)	233	258	929	718
Commissions and fees receivable	0	22	17	81	73
Commissions and fees payable	0	20	25	61	18
Net gain/(loss) on foreign exchange and financial instruments	0	(1)	(1)	6	(1)
Sundry ordinary operating income	7	34	54	118	97
Gains on the sale of fixed assets	(26)	0	981	0	0
Net other operating income	(19)	35	1 026	144	151
Salaries and other ordinary personnel expenses	4	81	82	289	244
Administrative expenses	3	36	39	117	120
Depreciation	0	7	8	25	21
Sundry ordinary operating expenses	0	25	22	98	82
Total operating expenses	7	150	151	529	468
Pre-tax operating profit before losses	(27)	118	1 133	544	402
Net losses on loans etc.	0	42	23	173	76
Pre-tax operating profit	(27)	76	1 110	371	326
Taxes	(7)	25	300	107	92
Profit for the period	(20)	51	810	264	234

Balance sheets

<i>Amounts in NOK million</i>	Discontinuing operations ¹⁾		
	31 Dec. 2004	31 Dec. 2003	Proforma 31 Dec. 2002
Assets			
Cash and deposits with central banks	0	0	104
Lending to and deposits with credit institutions	33	392	364
Gross lending to customers	0	27 700	23 508
- Specified loan-loss provisions	0	(114)	(65)
- Unspecified loan-loss provisions	0	(181)	(177)
Net lending to customers	0	27 405	23 267
Repossessed assets	0	134	238
Shareholdings etc.	0	40	32
Intangible assets	9	152	334
Fixed assets	3	23	18
Other assets	1 177	323	42
Prepayments and accrued income	0	92	63
Total assets	1 222	28 561	24 462
Liabilities and equity			
Loans and deposits from credit institutions	0	24 520	20 858
Deposits from customers	0	283	287
Other liabilities	1	771	627
Accrued expenses and prepaid revenues	300	180	144
Provisions for commitments	7	23	34
Subordinated loan capital	0	350	375
Total liabilities	308	26 127	22 325
Total equity	914	2 434	2 137
Total liabilities and equity	1 222	28 561	24 462

1) Includes the accounts of Elcon, Postbanken Eiendomsmegling and Gjensidige NOR Fondsforsikring as included in the accounts of the DnB NOR Group in addition to the capital gain recorded on the sale of Elcon and Gjensidige NOR Fondsforsikring. As at 31 December 2004, Elcon and Gjensidige NOR Fondsforsikring are no longer consolidated in the group accounts.

Note 3 – Net interest income and credit commissions

<i>Amounts in NOK million</i>	DnB NOR Group				
	4th quarter	Pro forma	Full year	Pro forma	Pro forma
	2004	4th quarter	2004	full year	full year
	2004	2003	2004	2003	2002
Interest on loans to and deposits with credit institutions	400	522	1 825	2 773	3 161
Interest and credit commissions on instalment loans	4 848	5 380	19 574	26 944	30 181
Interest and credit commissions on overdraft and working capital facilities	641	672	2 564	3 141	3 462
Interest and credit commissions on building loans	74	80	268	419	527
Leasing income	124	314	714	1 599	1 949
Factoring income	16	57	79	185	202
Front-end fees, etc.	256	227	1 001	868	686
Interest on other loans to customers	66	89	250	181	180
Total interest income on loans to customers	6 025	6 818	24 451	33 336	37 188
Interest on commercial paper and bonds	555	521	2 071	2 222	2 555
Other interest income	82	56	231	98	56
Total interest income	7 062	7 916	28 578	38 430	42 959
Interest on loans and deposits from credit institutions	410	461	1 794	2 362	2 579
Interest on demand deposits from customers	827	1 186	3 374	8 373	11 782
Interest on time deposits from customers	52	55	201	373	415
Interest on special-term deposits from customers	235	345	995	2 824	4 022
Total interest expenses on deposits from customers	1 115	1 586	4 570	11 570	16 219
Interest on securities issued	1 362	1 126	4 585	4 796	4 731
Interest on subordinated loan capital	195	171	725	662	517
Contribution to the banks' guarantee funds	60	123	269	499	471
Other interest expenses	606	1 152	3 421	4 752	4 556
Total interest expenses	3 748	4 618	15 365	24 641	29 072
Net interest income and credit commissions	3 314	3 299	13 214	13 789	13 887

Last five quarters

<i>Amounts in NOK million</i>	DnB NOR Group					
	4th quarter	3rd quarter	2nd quarter	1st quarter	Pro forma	
	2004	2004	2004	2004	4th quarter	2003
	2004	2004	2004	2004	2004	2003
Interest on loans to and deposits with credit institutions	400	423	528	475	522	522
Interest and credit commissions on instalment loans	4 848	4 817	4 744	5 166	5 380	5 380
Interest and credit commissions on overdraft and working capital facilities	641	633	649	642	672	672
Interest and credit commissions on building loans	74	67	64	64	80	80
Leasing income	124	125	123	341	314	314
Factoring income	16	14	13	36	57	57
Front-end fees, etc.	256	272	242	231	227	227
Interest on other loans to customers	66	78	44	62	89	89
Total interest income on loans to customers	6 025	6 006	5 879	6 541	6 818	6 818
Interest on commercial paper and bonds	555	522	570	425	521	521
Other interest income	82	108	18	22	56	56
Total interest income	7 062	7 059	6 995	7 462	7 916	7 916
Interest on loans and deposits from credit institutions	410	430	432	521	461	461
Interest on demand deposits from customers	827	790	788	969	1 186	1 186
Interest on time deposits from customers	52	53	46	50	55	55
Interest on special-term deposits from customers	235	220	250	290	345	345
Total interest expenses on deposits from customers	1 115	1 062	1 085	1 308	1 586	1 586
Interest on securities issued	1 362	1 154	1 049	1 021	1 126	1 126
Interest on subordinated loan capital	195	183	171	175	171	171
Contribution to the banks' guarantee funds	60	70	28	111	123	123
Other interest expenses	606	852	936	1 027	1 152	1 152
Total interest expenses	3 748	3 751	3 702	4 164	4 618	4 618
Net interest income and credit commissions	3 314	3 308	3 293	3 298	3 299	3 299

Note 4 – Net other operating income

<i>Amounts in NOK million</i>	DnB NOR Group				
	4th quarter 2004	Pro forma 4th quarter 2003	Full year 2004	Pro forma full year 2003	Pro forma full year 2002
Dividends	25	47	146	212	171
Net profit from Life Insurance and Pensions	645	360	1 216	760	(271)
Money transfer fees receivable	806	780	3 193	3 069	3 019
Fees on asset management services	310	276	1 180	986	885
Fees on custodial services	67	56	253	222	203
Fees on securities broking	134	169	510	453	362
Guarantee commissions	99	96	389	378	327
Interbank fees	44	55	182	214	192
Credit broking commissions	35	33	126	117	144
Sales commissions on insurance products	83	70	297	226	172
Sundry commissions and fees receivable on banking services	180	212	716	734	614
Total commissions and fees receivable	1 758	1 747	6 846	6 398	5 917
Money transfer fees payable	277	310	1 141	1 166	1 221
Fees on custodial services payable	18	14	83	63	48
Interbank fees	60	66	243	258	243
Sundry commissions and fees payable on banking services	158	200	667	632	507
Total commissions and fees payable	514	591	2 135	2 119	2 019
Net gain/(loss) on short-term shareholdings	15	86	12	163	(343)
Net gain on commercial paper and bonds	74	4	212	523	199
Net gain on trading in foreign exchange and financial derivatives ¹⁾	580	280	2 884	1 495	1 210
Net gain/(loss) on other short-term interest instruments ¹⁾	(181)	121	(1 428)	(333)	(292)
Net gain on foreign exchange and financial instruments	488	492	1 680	1 847	774
Operating income on real estate	2	15	39	61	58
Rental income ²⁾	47	16	162	63	61
Fees on real estate broking	155	160	618	595	516
Share of profit in associated companies	35	20	218	159	111
Remunerations	3	11	1	21	27
Miscellaneous operating income ²⁾	98	83	361	282	272
Total sundry ordinary operating income	340	306	1 398	1 181	1 046
Gains on the sale of fixed assets ³⁾	(6)	13	1 022	23	39
Net other operating income	2 736	2 374	10 173	8 303	5 658

1) As these activities are managed collectively, the items must be evaluated together and relative to interest income on the same activities.

2) Total external income from operations in Gjensidige NOR Driftspartner and Gjensidige NOR Markedsstøtte are included in these items as from the first quarter of 2004, representing NOK 60 million per quarter.

3) Of which NOK 946 million represented gains on the sale of Elcon, after deduction for transactions cost and value adjustments, and NOK 35 million represented gains on the sale of Gjensidige NOR Fondsforsikring in 2004.

Note 4 – Net other operating income (continued)**Last five quarters**

<i>Amounts in NOK million</i>	DnB NOR Group				
	4th quarter 2004	3rd quarter 2004	2nd quarter 2004	1st quarter 2004	Pro forma 4th quarter 2003
Dividends	25	18	89	14	47
Net profit from Life Insurance and Pensions	645	197	197	178	360
Money transfer fees receivable	806	830	810	747	780
Fees on asset management services	310	279	296	295	276
Fees on custodial services	67	59	64	63	56
Fees on securities broking	134	100	132	144	169
Guarantee commissions	99	90	104	96	96
Interbank fees	44	44	46	48	55
Credit broking commissions	35	39	28	23	33
Sales commissions on insurance products	83	61	63	89	70
Sundry commissions and fees receivable on banking services	180	168	165	203	212
Total commissions and fees receivable	1 758	1 672	1 708	1 708	1 747
Money transfer fees payable	277	289	295	280	310
Fees on custodial services payable	18	19	25	21	14
Interbank fees	60	61	62	60	66
Sundry commissions and fees payable on banking services	158	160	166	183	200
Total commissions and fees payable	514	529	547	544	591
Net gain/(loss) on short-term shareholdings	15	(3)	(20)	20	86
Net gain/(loss) on commercial paper and bonds	74	153	(256)	242	4
Net gain on trading in foreign exchange and financial derivatives ¹⁾	580	474	1 524	306	280
Net gain/(loss) on other short-term interest instruments ¹⁾	(181)	(281)	(852)	(114)	121
Net gain on foreign exchange and financial instruments	488	344	395	453	492
Operating income on real estate	2	11	9	17	15
Rental income ²⁾	47	23	41	50	16
Fees on real estate broking	155	145	172	146	160
Share of profit in associated companies	35	43	81	58	20
Remunerations	3	(3)	(1)	1	11
Miscellaneous operating income ²⁾	98	74	71	118	83
Total sundry ordinary operating income	340	294	373	390	306
Gains on the sale of fixed assets ³⁾	(6)	28	20	979	13
Net other operating income	2 736	2 024	2 235	3 178	2 374

1) As these activities are managed collectively, the items must be evaluated together and relative to interest income on the same activities.

2) Total external income from operations in Gjensidige NOR Driftspartner and Gjensidige NOR Markedsstøtte are included in these items as from the first quarter of 2004, representing NOK 60 million per quarter.

3) Of which NOK 946 million represented gains on the sale of Elcon, after deduction for transaction cost and value adjustments, and NOK 35 million gains on the sale of Gjensidige NOR Fondsforsikring in 2004.

Note 5 – Life Insurance and Pensions

Net profit from Life Insurance and Pensions

The business area Life Insurance and Pensions in DnB NOR comprises Vital Forsikring ASA including subsidiaries and the sister company Vital Link AS. Gjensidige NOR Fondsforsikring AS is not included in the figures. The company was sold to Forsikringsselskabet Danica in May 2004. Engaged in life and unit linked insurance, the business area applies accounting standards which in certain respects deviate from the principles used for the Group's other operations. Regulations relating to profit sharing between the owner and policyholders in life insurance companies limit the DnB NOR Group's access to revenues and assets from life insurance operations. The item "Net profit from Life Insurance and Pensions" in the group accounts represents the DnB NOR Group's share of profits from the business area less goodwill amortisation. Columns showing figures for Life insurance refer to operations in Vital Forsikring ASA including subsidiaries. Columns showing figures for Life Insurance and Pensions refer to the life insurance company and unit linked operations in Vital Link.

Profit and loss accounts ¹⁾

Amounts in NOK million	4th quarter 2004	Life insurance			
		Pro forma 4th quarter 2003	Full year 2004	Pro forma full year 2003	Pro forma full year 2002
Premium income for own account	4 695	4 296	19 096	14 047	15 984
Income from financial assets	2 087	5 701	19 554	22 864	28 796
Other insurance-related income	200	75	265	122	60
Insurance settlements for own account	3 273	2 606	10 661	10 876	8 272
Increase in insurance provisions etc.	2 356	3 116	12 931	8 078	11 392
Insurance-related operating expenses	295	333	1 200	1 215	1 177
Expenses related to financial assets	(1 654)	1 645	8 888	9 784	26 930
Other insurance-related expenses	400	59	479	165	82
Transferred from/(to) securities adjustment reserve	(1 572)	166	(1 090)	(2 448)	53
Result of technical profit and loss accounts before special provisions	740	2 479	3 666	4 467	(2 960)
Transferred to additional allocations	(300)	(925)	(300)	(925)	2 796
Funds transferred to/(from) policyholders	(74)	918	2 033	2 254	31
Result of technical profit and loss accounts for life insurance operations	514	636	1 333	1 288	(195)
Other expenses	22	31	97	148	171
Result of ordinary operations ²⁾	492	605	1 236	1 140	(366)
Taxes	(161)	177	(64)	236	(229)
Profit for the period	653	428	1 300	904	(137)

Adjustments in the DnB NOR Group's accounts when accounting for Life Insurance and Pensions

Amounts in NOK million	4th quarter 2004	DnB NOR Group			
		Pro forma 4th quarter 2003	Full year 2004	Pro forma full year 2003	Pro forma full year 2002
Profit for the period from life insurance operations	653	428	1 300	904	(137)
- Goodwill amortisation ³⁾	25	25	101	101	101
Net profit from life insurance operations	628	403	1 199	803	(238)
Net profit/(loss) from unit linked activities	16	(42)	17	(42)	(33)
Net profit from Life Insurance and Pensions	645	360	1 216	760	(271)

Balance sheets ¹⁾

Amounts in NOK million	31 Dec. 2004	Life insurance	
		Pro forma 31 Dec. 2003	Pro forma 31 Dec. 2002
Financial assets	158 387	140 243	126 650
Accounts receivable	1 916	2 175	4 025
Other assets	1 962	5 283	2 720
Prepaid expenses and accrued income	2 726	2 467	2 211
Total assets	164 991	150 168	135 606
Paid-in capital	2 343	2 343	2 343
Retained earnings	4 812	3 512	3 512
Subordinated and perpetual subordinated loan capital securities	2 449	2 663	3 052
Securities adjustment reserve	3 538	2 448	0
Insurance provisions	149 790	135 135	125 221
Provisions for commitments	659	756	35
Liabilities	836	2 792	1 281
Accrued expenses and prepaid income	564	519	162
Total equity and liabilities	164 991	150 168	135 606
Market value above acquisition cost of bonds held to maturity	3 935	2 842	924

Note 5 – Life Insurance and Pensions (continued)

1) The profit and loss accounts and balance sheets for life insurance operations have been prepared in conformity with general accounting principles and regulations for the annual accounts of insurance companies issued by Kredittilsynet.

2) Breakdown of profit and loss accounts

Amounts in NOK million	Life insurance				
	4th quarter 2004	Pro forma 4th quarter 2003	Full year 2004	Pro forma full year 2003	Pro forma full year 2002
Administration result ^{a)}	(287)	(58)	(387)	(190)	(242)
Interest result ^{b)}	802	2 829	4 137	5 501	(2 793)
Risk result before additional provisions for disability	39	(113)	(84)	(122)	137
Total	554	2 658	3 666	5 189	(2 898)
Transferred from/(to) security reserve	3	(10)	0	(17)	52
Additional provisions for disability ^{c)}	83	245	228	781	206
Result from other activities/other provisions ^{b)}	245	44	131	(72)	(79)
Profits for distribution ^{d)}	719	2 448	3 569	4 319	(3 131)
Transferred from/(to) additional allocations	(300)	(925)	(300)	(925)	2 796
Funds transferred to policyholders	(74)	918	2 033	2 254	31
Result of ordinary operations	492	605	1 236	1 140	(366)

a) Administration result was in fourth quarter 2004 charged with NOK 250 million in restructuring costs, in connection with the merger between Vital Forsikring ASA and Gjensidige NOR Spareforsikring ASA.

b) Including profit to owner before taxes from sale of operations within non-life and group life insurance with total NOK 255 million in fourth quarter 2004.

c) NOK 140 million has been allocated to strengthen the premium reserve to cover insurance claims in 2004. Further allocations of NOK 140 million are scheduled for 2005.

d) Specification of profits for distribution	719	2 448	3 569	4 319	(3 131)
Of which profit for operations subject to profit sharing	461	2 395	3 426	4 379	(3 082)
- funds transferred to/(from) policyholders	(74)	918	2 033	2 254	31
- funds transferred from/(to) additional allocations	(300)	(925)	(300)	(925)	2 796
- profits for allocation to the owner and taxes	235	552	1 093	1 200	(317)
Of which profit from operations not subject to profit sharing	257	53	143	(61)	(49)

Profits for allocation to the owner and taxes for life insurance operations subject to profit sharing include:

- return on equity, subordinated loan capital and the security reserve, calculated as the company's return on capital, less accrued interest on subordinated loans and allocations to the security reserve
- margin on policyholders' funds
- margin on effective risk premium adjusted for survival risk on contracts providing sufficient profits

According to regulations, profits for allocation to the owner and taxes cannot exceed 35 per cent of profits for operations subject to profit sharing. If this figure is negative, the entire amount should be charged to the owner. Total profits to the owner and taxes also include profits from operations not subject to profit sharing.

3) Goodwill is amortised over 10 years.

Key figures

Per cent	Life Insurance and Pensions				
	4th quarter 2004	Pro forma 4th quarter 2003	Full year 2004	Pro forma full year 2003	Pro forma full year 2002
Recorded return ¹⁾	1.5	3.1	6.5	7.9	1.6
Value-adjusted return excl. unrealised gains on long-term securities ¹⁾	2.5	2.8	7.1	9.7	1.5
Value-adjusted return incl. unrealised gains on long-term securities ¹⁾	2.7	3.1	7.7	11.0	2.0
Return on equity after taxes ^{2) 3)}	28.0	27.9	17.9	13.7	(5.9)
Expenses in per cent of policyholders' funds ^{1) 2) 4)}	0.87	1.01	0.90	0.96	1.05
Capital adequacy ratio ^{1) 5)}	14.1	13.8	14.1	13.8	15.3
Core capital ratio ^{1) 5)}	10.7	9.6	10.7	9.6	10.1
Policyholders' funds, life insurance operations (NOK billion) ^{5) 6)}	152	137	152	137	125
Asset under management, unit linked operations (NOK billion) ⁵⁾	10	7	10	7	4
Solvency margin capital in per cent of solvency capital requirement ^{1) 5) 7)}	159	153	159	153	155

1) Life insurance operations.

2) Figures are annualised.

3) Calculated on the basis of allocated risk capital.

4) Expenses charged to the administration result.

5) Figures at end of period.

6) Policyholders' funds include insurance provisions and 75 per cent of the securities adjustment reserve.

7) Solvency margin capital is measured against the solvency margin requirement, which is linked to the company's insurance commitments. The solvency margin requirements for Norwegian life insurance companies are subject to regulations laid down by the Ministry of Finance on 19 May 1995.

Note 5 – Life Insurance and Pensions (continued)

Solvency capital

The solvency capital consists of the securities adjustment reserve, additional allocations, the security reserve, equity, subordinated loan capital and perpetual subordinated loan capital securities and unrealised gains on long-term securities. All these elements, with the exception of part of the security reserve, can be used to meet the guaranteed rate of return on policyholders' funds.

<i>Amounts in NOK million</i>	Life insurance		
	31. des. 2004	Pro forma 31. des. 2003	Pro forma 31. des. 2002
Securities adjustment reserve	3 538	2 448	0
Additional allocations	2 357	2 050	1 211
Security reserve	197	197	180
Equity	7 156	5 856	5 856
Subordinated loan capital and perpetual subordinated loan capital securities	2 449	2 662	3 052
Unrealised gains on long-term securities	3 935	2 842	924
Total solvency capital	19 630	16 056	11 223
Guaranteed return on policyholders' funds	5 271	4 936	4 691

Note 6 – Operating expenses

<i>Amounts in NOK million</i>	DnB NOR Group				
	4th quarter 2004	Pro forma 4th quarter 2003	Full year 2004	Pro forma full year 2003	Pro forma full year 2002
Ordinary salaries ¹⁾	1 158	1 261	4 590	4 836	4 550
Employer's national insurance contributions	133	149	686	712	691
Pension expenses	174	230	683	666	456
Social expenses	69	122	274	363	308
Total salaries and other ordinary personnel expenses	1 534	1 762	6 233	6 577	6 005
Fees	103	162	482	526	576
EDP expenses	295	294	1 341	1 361	1 271
Postage, telecommunications and office supplies ¹⁾	157	160	636	671	681
Marketing and public relations	156	115	441	451	477
Travel expenses	39	57	170	194	219
Reimbursement to Norway Post for transactions executed	161	180	574	563	491
Training expenses	7	9	39	46	56
Sundry administrative expenses	56	34	180	169	176
Total administrative expenses	974	1 012	3 864	3 982	3 947
Goodwill amortisation	123	140	509	550	437
Other depreciation	138	163	558	649	640
Total depreciation	261	304	1 067	1 200	1 077
Operating expenses on properties and premises ¹⁾	238	187	946	878	900
Operating expenses on machinery, vehicles and office equipment	24	37	77	103	81
Miscellaneous ordinary operating expenses	92	79	319	453	526
Total sundry ordinary operating expenses	354	303	1 342	1 433	1 508
Allocations to employee funds	139	85	139	114	46
Restructuring expenses	0	13	930	38	299
Losses on the sale of fixed assets	3	5	12	28	10
Write-downs/(reversals of write-downs) on rental contracts and fixed assets	(3)	24	1	40	39
Total other expenses	139	127	1 082	219	394
Total operating expenses	3 263	3 508	13 588	13 410	12 931

1) Total expenses from operations in Gjensidige NOR Driftspartner and Gjensidige NOR Markedsstøtte are included in these line items as from the first quarter of 2004, represented NOK 60 million per quarter.

Note 6 – Operating expenses (continued)

<i>Amounts in NOK million</i>	DnB NOR Group				
	4th quarter 2004	3rd quarter 2004	2nd quarter 2004	1st quarter 2004	Pro forma 4th quarter 2003
Last five quarters					
Ordinary salaries ¹⁾	1 158	1 114	1 100	1 218	1 261
Employer's national insurance contributions	133	165	184	205	149
Pension expenses	174	166	162	182	230
Social expenses	69	75	56	74	122
Total salaries and other ordinary personnel expenses	1 534	1 519	1 501	1 679	1 762
Fees	103	126	118	136	162
EDP expenses	295	331	357	358	294
Postage, telecommunications and office supplies ¹⁾	157	139	152	188	160
Marketing and public relations	156	83	99	102	115
Travel expenses	39	39	50	42	57
Reimbursement to Norway Post for transactions executed	161	145	144	125	180
Training expenses	7	7	13	13	9
Sundry administrative expenses	56	35	49	40	34
Total administrative expenses	974	905	981	1 004	1 012
Goodwill amortisation	123	123	123	140	140
Other depreciation	138	132	138	150	163
Total depreciation	261	255	261	290	304
Operating expenses on properties and premises ¹⁾	238	227	225	256	187
Operating expenses on machinery, vehicles and office equipment	24	15	15	22	37
Miscellaneous ordinary operating expenses	92	52	79	97	79
Total sundry ordinary operating expenses	354	294	319	374	303
Allocations to employee funds	139	0	0	0	85
Restructuring expenses	0	0	0	930	13
Losses on the sale of fixed assets	3	1	6	1	5
Write-downs/(reversals of write-downs) on rental contracts and fixed assets	(3)	5	0	0	24
Total other expenses	139	5	6	931	127
Total operating expenses	3 263	2 979	3 068	4 278	3 508

1) Total expenses from operations in Gjensidige NOR Driftspartner and Gjensidige NOR Markedsstøtte are included in these line items as from the first quarter of 2004, represented NOK 60 million per quarter.

Note 7 – Restructuring provisions

<i>Amounts in NOK million</i>	DnB NOR Group				
	31 Dec. 2004	Accrued expenses 2004	New provisions 2004 ¹⁾	31 Dec. 2003	Pro forma 31 Dec. 2002
DnB NOR merger *)	958	828	930	856	0
Other restructuring provisions	40	56	0	97	266
Total	998	885 ²⁾	930	953	266
*) Of which:		259			
Staff cuts		452			
Real estate		55			
Other		61			

1) In March 2004, the Board of Directors of DnB NOR ASA approved a restructuring plan for the integration of DnB NOR. The provisions represent 50 per cent of total restructuring provisions in the DnB NOR merger.

2) In addition, a total of NOK 74 million was utilised in 2003 concerning the DnB NOR merger.

Note 8 – Number of employees/full-time positions ^{1) 2)}

	4th quarter 2004	Pro forma 4th quarter 2003	Full year 2004	DnB NOR Group	
				Pro forma full year 2003	Pro forma full year 2002
Number of employees at end of period	10 359	11 678	10 359	11 678	11 971
Number of employees calculated on a full-time basis at end of period	9 963	11 044	9 963	11 044	11 233
Average number of employees	10 408	11 690	10 831	11 950	11 987
Average number of employees calculated on a full-time basis	10 034	11 123	10 390	11 341	11 281

- 1) The full-year pro forma 2003 figures include 456 full-time positions in Elcon, Gjensidige NOR Fondsforsikring and Postbanken Eiendomsmegling. These subsidiaries have been sold or sales contracts have been agreed upon during the first half of 2004.
- 2) Elcon was sold on 30 March 2004, representing 464 employees, corresponding to 441 full-time positions. Gjensidige NOR Fondsforsikring was sold during the second quarter of 2004, representing eight full-time positions. 209 full-time-positions from the former joint venture companies Gjensidige NOR Driftspartner and Gjensidige NOR Markedsstøtte are included as from 1 January 2004.

Note 9 – Net losses on loans and guarantees

Amounts in NOK million	4th quarter 2004	Pro forma 4th quarter 2003	Full year 2004	DnB NOR Group	
				Pro forma full year 2003	Pro forma full year 2002
Specification of net losses					
Write-offs ^{a)}	148	207	507	725	461
Increase in specified loan-loss provisions ^{b)}	124	44	378	288	283
New specified loan-loss provisions ^{c)}	17	334	518	1 657	1 076
Total new specified provisions	289	585	1 403	2 671	1 820
Reassessed specified provisions ^{d)}	125	200	924	509	371
Total specified provisions	164	385	479	2 162	1 449
Recoveries on commitments previously written off ^{e)}	94	68	312	276	425
Increase in unspecified provisions during the period ^{f)}	0	(42)	0	5	0
Net losses on loans and guarantees	70	276	167	1 891	1 023
Specification of changes					
Increase in/(reversals on) specified provisions ^{b) and c) minus d) and g)}	(87)	(65)	(865)	773	343
+ Change in unspecified provisions ^{f)}	0	(42)	0	5	0
+ Write-offs covered by specified provisions made in previous years ^{g)}	103	244	837	664	644
+ Write-offs not covered by specified provisions made in previous years ^{a)}	148	207	507	725	461
- Recoveries on commitments previously written off ^{e)}	94	68	312	276	425
Net losses on loans and guarantees	70	276	167	1 891	1 023
Of which net losses/(reversals) on guarantees	21	(25)	15	(7)	35

a)-g) Show connections between the items.

a) and e) Losses on commitments taken over from Elcon have been charged to the accounts of DnB NOR Bank ASA, but netted against gains on the sale of Elcon in the accounts of the banking group and the consolidated accounts of the DnB NOR Group.

Note 10 – Net losses on loans and guarantees for principal sectors

<i>Amounts in NOK million</i>	DnB NOR Group				
	4th quarter 2004	Pro forma		Pro forma full year 2003	Pro forma full year 2002
		4th quarter 2004	4th quarter 2003		
Retail customers	(76)	5	57	271	224
International shipping	(7)	(27)	(46)	(60)	(110)
Real estate	19	(3)	7	67	183
Manufacturing	61	68	(101)	342	236
Services and management	13	(31)	(215)	319	235
Trade	(5)	47	51	141	105
Oil and gas	(7)	(2)	(43)	(3)	(65)
Transportation and communication	2	20	25	69	15
Building and construction	9	93	62	156	15
Power and water supply	0	0	0	0	(3)
Fishing	44	23	179	128	59
Other sectors	10	83	184	450	129
Total customers	63	276	160	1 881	1 023
Credit institutions	7	5	7	5	0
Change in unspecified provisions	0	(5)	0	5	0
Total net losses/(reversals) on loans and guarantees	70	276	167	1 891	1 023

The breakdown into principal sectors is based on standardised sector and industry categories set up by Statistics Norway. Customers are classified according to their main line of business.

Note 11 – Lending to principal sectors ¹⁾

<i>Amounts in NOK million</i>	DnB NOR Group		
	31 Dec. 2004	Pro forma	
		31 Dec. 2003	31 Dec. 2002
Retail customers	330 785	301 579	253 332
International shipping	32 003	31 167	25 841
Real estate	82 900	82 155	74 018
Manufacturing	20 422	24 758	26 593
Services and management	30 569	36 613	35 766
Trade	21 207	23 849	21 193
Oil and gas	4 811	4 238	4 073
Transportation and communication	12 966	14 026	13 546
Building and construction	6 239	8 428	7 417
Power and water supply	4 725	6 276	8 027
Fishing	8 973	10 440	7 432
Hotels and restaurants	3 622	4 113	2 453
Agriculture and forestry	4 455	4 749	2 511
Central and local government	1 424	2 094	5 387
Other sectors	7 797	6 731	4 128
Total lending to customers	572 898	561 217	491 718

1) *Loans after specified provisions.*

The breakdown into principal sectors is based on standardised sector and industry categories set up by Statistics Norway. Customers are classified according to their main line of business.

Note 12 – Non-performing and doubtful commitments

Amounts in NOK million	Retail customers			Corporate customers			DnB NOR Group		
	31 Dec. 2004	31 Dec. 2003	Pro forma	31 Dec. 2004	31 Dec. 2003	Pro forma	Total		
			31 Dec. 2002			31 Dec. 2002	31 Dec. 2004	31 Dec. 2003	31 Dec. 2002
Non-performing commitments									
Before specified provisions	2 844	3 064	2 559	4 051	6 989	3 348	6 895	10 053	5 906
After specified provisions ¹⁾	2 079	2 143	1 769	2 117	4 388	1 852	4 196	6 531	3 622
Doubtful commitments									
Before specified provisions	279	436	413	2 181	2 366	1 563	2 460	2 802	1 976
After specified provisions ¹⁾	207	317	276	1 571	1 553	956	1 778	1 870	1 232

1) Includes provisions for losses on lending to credit institutions.

Note 13 – Intangible assets

Amounts in NOK million	DnB NOR Group		
	31 Dec. 2004	31 Dec. 2003	Pro forma 31 Dec. 2002
Goodwill	4 789	5 601	5 309
Systems development	27	172	164
Postbanken brand name	50	62	74
Deferred tax assets	692	642	1 154
Other intangible assets	15	7	31
Total intangible assets	5 573	6 484	6 733

Note 14 – Equity

Amounts in NOK million	DnB NOR Group	
	Full year 2004	Full year 2003
Shareholders' equity as at 1 January	42 115	26 117
Minority interests		2
Reversal of dividends 2003 ¹⁾		10
Share issue ²⁾		568
Merger between DnB and Gjensidige NOR		
Share issue		13 647
Issue costs after taxes		144
Profit in Gjensidige NOR		2 564
First-year goodwill amortisation		135
Profit for the period	7 388	3 017
Dividends	3 415	2 919
Exchange rate movements	(71)	(32)
Shareholders' equity as at 31 December	46 598	42 115

1) Allocations to cover dividends relating to subscription rights not exercised.

2) In accordance with the current subscription rights programme, employees subscribed for 12 929 907 shares at NOK 32.83 per share in the first quarter of 2004 and 5 181 408 shares at NOK 27.95 per share in the fourth quarter of 2004.

Note 15 – Capital adequacy

<i>Amounts in NOK million</i>	DnB NOR Group		
	31 Dec. 2004	31 Dec. 2003	31 Dec. 2002
Share capital	13 271	13 090	13 090
Other equity	33 327	29 025	26 595
Total equity	46 598	42 115	39 685
Perpetual subordinated loan capital securities ^{1) 2)}	5 531	5 476	5 440
Reductions			
Pension funds above pension commitments	(1 141)	(1 354)	(940)
Goodwill	(4 902)	(5 728)	(5 756)
Deferred tax assets	(728)	(808)	(1 179)
Other intangible assets	(299)	(431)	(446)
Core capital	45 059	39 270	36 802
Perpetual subordinated loan capital ^{1) 2)}	5 367	6 154	7 014
Term subordinated loan capital ²⁾	13 538	11 945	8 682
Net supplementary capital	18 905	18 099	15 696
Deductions	455	870	1 240
Total eligible primary capital ³⁾	63 509	56 499	51 258
Total risk-weighted volume	591 906	579 445	516 664
Core capital ratio (per cent)	7.6	6.8	7.1
Capital ratio (per cent)	10.7	9.8	9.9

- 1) Perpetual subordinated loan capital securities can represent up to 15 per cent of core capital. The excess will qualify as perpetual supplementary capital.
- 2) Calculations of capital adequacy include a total of NOK 657 million in subordinated loan capital in life insurance operations and associated companies, in addition to subordinated loan capital in the Group's balance sheet.
- 3) Primary capital and nominal amounts used in calculating risk-weighted volume deviate from figures in the DnB NOR Group's accounts as a different consolidation method ("pro rata consolidation") is used in calculating capital adequacy.

All figures are presented in accordance with rules prevailing at the time in question.

Note 16 – Business areas ¹⁾

<i>Amounts in NOK million</i>	DnB NOR Group											
	Net interest income		Net other operating income		Operating expenses		Pre-tax operating profit/(loss) before losses		Net losses on loans and long-term securities		Pre-tax operating profit/(loss)	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Corporate Banking	5 786	5 897	2 206	2 212	3 203	3 295	4 789	4 814	2	1 467	4 787	3 346
Retail Banking	7 171	6 886	2 755	2 555	6 519	7 028	3 407	2 412	87	247	3 320	2 165
DnB NOR Markets	268	466	2 242	2 035	1 090	1 171	1 419	1 329	(3)	(1)	1 422	1 331
Life Insurance and Pensions	0	0	1 263	1 062	0	0	1 263	1 062	0	0	1 263	1 062
Asset Management	13	45	925	828	681	692	258	181	0	0	258	181
Discontinuing operations	257	829	1 025	144	151	529	1 131	443	23	172	1 108	270
Other operations ³⁾	(280)	(334)	(243)	(533)	1 945	694	(2 468)	(1 561)	(49)	(218)	(2 419)	(1 343)
DnB NOR Group	13 214	13 789	10 173	8 302	13 588	13 410	9 798	8 681	60	1 667	9 738	7 014

Profit and loss accounts, fourth quarter ²⁾

<i>Amounts in NOK million</i>	Net interest income		Net other operating income		Operating expenses		Pre-tax operating profit/(loss) before losses		Net losses on loans and long-term securities		Pre-tax operating profit/(loss)	
	4th quarter		4th quarter		4th quarter		4th quarter		4th quarter		4th quarter	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Corporate Banking	1 402	1 455	686	613	786	847	1 301	1 220	54	234	1 247	986
Retail Banking	1 832	1 624	696	645	1 642	1 851	886	418	(25)	40	911	379
DnB NOR Markets	56	62	630	542	274	282	412	321	0	0	412	321
Life Insurance and Pensions	0	0	499	537	0	0	499	537	0	0	499	537
Asset Management	3	9	242	233	172	165	73	77	0	0	73	77
Discontinuing operations	(1)	215	(18)	34	7	150	(27)	99	0	41	(27)	58
Other operations	24	(65)	1	(230)	382	213	(358)	(508)	(15)	(234)	(343)	(274)
DnB NOR Group	3 314	3 299	2 736	2 374	3 263	3 508	2 787	2 165	15	81	2 772	2 083

Note 16 – Business areas ¹⁾ (continued)**Main balance sheet items, average balances ²⁾****DnB NOR Group**

Amounts in NOK billion	Interest on allocated capital (NOK million)		Allocated capital ⁴⁾		BIS capital ⁵⁾		Net lending to customers ⁶⁾		Customer deposits ⁶⁾		Assets under management ⁷⁾	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
	Corporate Banking	393.8	765.2	18.9	17.8	21.9	21.7	246.8	248.7	165.4	158.6	
Retail Banking	157.9	295.6	7.6	6.9	11.5	10.1	302.1	260.5	186.2	180.4		
DnB NOR Markets	37.4	85.8	1.8	2.0	1.9	2.0	1.4	1.5	9.4	10.1		
Life Insurance and Pensions	147.0	283.0	7.1	6.6	4.2	3.9					154.5	136.7
Asset Management	19.2	37.4	0.9	0.9	-	-					482.4	433.4
Discontinuing operations							7.1	24.8	0.1	0.4		
Other operations ³⁾			9.6	8.2	1.6	2.4	15.2	2.5	(6.0)	(6.1)	(140.6)	(120.0)
DnB NOR Group			46.0	42.2	41.1	40.0	572.5	538.0	355.1	343.4	496.4	450.1

Key figures

Per cent	Cost/income ratio excl. goodwill amortisation		Ratio of deposits to lending		Return on equity		Return on equity (BIS)		Full-time positions	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Corporate Banking	40.0	40.6	67.0	63.8	18.2	13.6	16.0	11.7	1 831	1 951
Retail Banking	65.4	74.2	61.6	69.2	31.5	22.7	21.3	16.4	4 288	4 660
DnB NOR Markets	43.4	46.8			56.9	48.1	53.2	47.6	531	610
Life Insurance and Pensions					17.9	13.7	28.5	20.8	926	1 022
Asset Management			72.5	79.2			20.1	15.1	310	359
Discontinuing operations									5	456
Other operations									2 073 ⁸⁾	1 986
DnB NOR Group	53.4	57.0	62.0	63.8	16.1	12.7	17.1	12.7	9 963	11 044

1) Figures for 2003 are pro forma.

2) Figures for the business areas are based on internal management reporting. The figures have been restated in accordance with the Group's current principles for allocating costs and capital between business areas. The management principles applied have been coordinated, thus the figures are not comparable with figures for previous periods for either DnB or Gjensidige NOR. In 2004, changes were made in the allocation of certain items between the business areas and the method for allocating capital to Life Insurance and Pensions. Historical figures have been adjusted correspondingly.

3) Other operations:

Amounts in NOK million	Net interest income		Net other operating income		Operating expenses		Pre-tax operating profit/(loss) before losses		Net losses on loans and long-term securities		Pre-tax operating profit/(loss)	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Group Centre *)	(256)	(299)	692	577	2 151	1 027	(1 715)	(748)	(56)	(219)	(1 659)	(529)
Double entries	9	(13)	(731)	(654)	0	2	(723)	(670)	0	0	(723)	(670)
Eliminations	(33)	(22)	(204)	(456)	(206)	(335)	(31)	(143)	6	2	(38)	(144)
Total	(280)	(334)	(243)	(533)	1 945	694	(2 468)	(1 561)	(49)	(218)	(2 419)	(1 343)

*) Total external income and expenses from operations in Gjensidige NOR Driftspartner are included in these items as from the first quarter of 2004, representing NOK 58 million per quarter.

Eliminations refer mainly to internal deliveries between the support units Human Resources and Group Services, IT and Payment Services and the business areas. Further, inter-company transactions and possible gains and losses on transactions between companies in the Group are eliminated. The elimination of double entries concerns net profits on customer business carried out in cooperation between DnB NOR Markets and other business areas and taken to income in both areas.

Group Centre - pre-tax operating profit/(loss) in NOK million	2004	2003
Restructuring provisions, DnB NOR merger	(930)	
Goodwill amortisation/ fair value adjustments	(614)	(689)
Funding costs, equity investments	(175)	(353)
Ownership-related expenses (costs relating to shareholders, investor relations, strategic planning etc.)	(146)	(101)
Unallocated pension expenses	(119)	(42)
Unallocated losses	(40)	
Allocation to employee funds (concerns employees in the Group centre)	(37)	(29)
Unallocated income from associated companies	69	
Income on equity investments	168	418
Income on unallocated capital	201	352
Other	(34)	(84)
Pre-tax operating profit/(loss)	(1 659)	(529)

4) The figures include the average capital requirement for the period. The allocation of capital is based on DnB NOR's internal management model, which includes credit, market, insurance, liquidity and operational risk for each business area. In addition, capital is maintained to comply with statutory requirements, cover uncertainty in risk estimates and serve as a buffer to meet future needs.

5) BIS capital is estimated at 7 per cent of average risk-weighted volume for the business areas.

6) Net lending to customers includes lending to credit institutions with NOK 13.6 billion in 2004 and NOK 1.4 billion in 2003. Customer deposits includes deposits from credit institutions with NOK 5.1 billion in 2004 and 5.2 billion in 2003. Deposits with and from banks are not included.

7) The "other operations" line includes assets managed by Asset Management on behalf of Life Insurance and Pensions, representing NOK 140.6 billion in 2004 and NOK 119.6 billion in 2003.

8) 209 full-time positions in the former joint venture companies Gjensidige NOR Driftspartner and Gjensidige NOR Markedsstøtte are included as from 1 January 2004.

Note 17 – Profit and balance sheet trends

Profit and loss accounts	DnB NOR Group				
	4th quarter 2004	3rd quarter 2004	2nd quarter 2004	1st quarter 2004	Pro forma 4th quarter 2003
<i>Amounts in NOK million</i>					
Net interest income and credit commissions	3 314	3 308	3 293	3 298	3 299
Dividends	25	18	89	14	47
Net profit from Life Insurance and Pensions	645	197	197	178	360
Commissions and fees receivable	1 758	1 672	1 708	1 708	1 747
Commissions and fees payable	514	529	547	544	591
Net gain on foreign exchange and financial instruments	488	344	395	453	492
Sundry ordinary operating income	340	294	373	390	306
Gains on the sale of fixed assets	(6)	28	20	979	13
Net other operating income	2 736	2 024	2 235	3 178	2 374
Salaries and other ordinary personnel expenses	1 534	1 519	1 501	1 679	1 762
Administrative expenses	974	905	981	1 004	1 012
Depreciation	261	255	261	290	304
Sundry ordinary operating expenses	354	294	319	374	303
Other expenses	139	5	6	931	127
Total operating expenses	3 263	2 979	3 068	4 278	3 508
Pre-tax operating profit before losses	2 787	2 353	2 460	2 199	2 165
Net losses/(reversals) on loans etc.	70	(121)	82	135	276
Net gain on long-term securities	55	24	13	15	195
Pre-tax operating profit	2 772	2 498	2 390	2 078	2 083
Taxes	469	675	645	561	513
Profit for the period	2 303	1 823	1 745	1 517	1 570
Earnings per share	1.74	1.38	1.32	1.16	1.20
Diluted earnings per share	1.73	1.37	1.31	1.15	1.19
Average total assets	743 951	747 641	745 941	727 687	689 051

Balance sheets	DnB NOR Group				
	31 Dec. 2004	30 Sept. 2004	30 June 2004	31 March 2004 ¹⁾	31 Dec. 2003
<i>Amounts in NOK million</i>					
Assets					
Cash and deposits with central banks	8 780	12 802	5 496	3 284	8 570
Lending to and deposits with credit institutions	21 870	24 346	65 725	60 336	28 331
Net lending to customers	569 364	562 608	554 117	544 165	557 503
Repossessed assets	538	580	414	460	576
Commercial paper and bonds	62 986	65 365	68 248	60 147	59 398
Shareholdings etc.	4 881	4 312	4 220	4 000	4 011
Investments in Life Insurance and Pensions and associated companies	8 651	8 119	7 861	7 722	7 365
Other assets	37 610	40 611	32 808	41 498	39 923
Total assets	714 680	718 744	738 889	721 611	705 677
Liabilities and equity					
Loans and deposits from credit institutions	48 940	63 501	98 964	75 509	78 497
Deposits from customers	355 316	349 654	351 733	341 469	335 576
Securities issued	192 410	192 310	192 101	192 386	181 649
Other liabilities	47 376	41 918	25 927	43 827	44 132
Subordinated loan capital	24 040	23 718	24 293	24 283	23 709
Equity	46 598	47 642	45 872	44 138	42 115
Total liabilities and equity	714 680	718 744	738 889	721 611	705 677

1) As from 31 March 2004, Elcon is no longer consolidated in the group accounts.

Note 18 – Profit and balance sheet trends excluding Elcon

Profit and loss accounts	DnB NOR Group				
	4th quarter 2004	3rd quarter 2004	2nd quarter 2004	1st quarter 2004	Pro forma 4th quarter 2003
<i>Amounts in NOK million</i>					
Net interest income and credit commissions	3 314	3 308	3 293	3 061	3 096
Dividends	25	18	89	14	47
Net profit from Life Insurance and Pensions	645	197	197	178	360
Commissions and fees receivable	1 758	1 672	1 708	1 691	1 730
Commissions and fees payable	514	529	547	519	575
Net gain on foreign exchange and financial instruments	488	344	395	455	493
Sundry ordinary operating income	340	294	373	381	296
Gains on the sale of fixed assets	(6)	28	20	979	13
Net other operating income	2 736	2 024	2 235	3 178	2 364
Salaries and other ordinary personnel expenses	1 534	1 519	1 501	1 606	1 679
Administrative expenses	974	905	981	980	1 006
Depreciation	261	255	261	279	293
Sundry ordinary operating expenses	354	294	319	362	284
Other expenses	139	5	6	931	127
Total operating expenses	3 263	2 979	3 068	4 157	3 388
Pre-tax operating profit before losses	2 787	2 353	2 460	2 082	2 072
Net losses/(reversals) on loans etc.	70	(121)	82	103	234
Net gain on long-term securities	55	24	13	15	195
Pre-tax operating profit	2 772	2 498	2 390	1 993	2 032
Taxes	469	675	645	535	469
Profit for the period	2 303	1 823	1 745	1 458	1 563
Earnings per share	1.74	1.38	1.32	1.11	1.19
Diluted earnings per share	1.73	1.37	1.31	1.11	1.19
Average total assets	743 951	747 641	745 941	727 687	687 955

Balance sheets	DnB NOR Group				
	31 Dec. 2004	30 Sept. 2004	30 June 2004	31 March 2004	31 Dec. 2003
<i>Amounts in NOK million</i>					
Assets					
Cash and deposits with central banks	8 780	12 802	5 496	3 284	8 570
Lending to and deposits with credit institutions	21 870	24 346	65 725	60 336	53 065
Net lending to customers	569 364	562 608	554 117	544 383	530 295
Repossessed assets	538	580	414	620	601
Commercial paper and bonds	62 986	65 365	68 248	60 147	59 398
Shareholdings etc.	4 881	4 312	4 220	4 000	4 005
Investments in Life Insurance and Pensions and associated companies	8 651	8 119	7 861	7 722	7 365
Other assets	37 610	40 611	32 808	41 126	41 282
Total assets	714 680	718 744	738 889	721 617	704 581
Liabilities and equity					
Loans and deposits from credit institutions	48 940	63 501	98 964	75 509	78 672
Deposits from customers	355 316	349 654	351 733	341 469	335 293
Securities issued	192 410	192 310	192 101	192 386	181 649
Other liabilities	47 376	41 918	25 927	43 892	43 144
Subordinated loan capital	24 040	23 718	24 293	24 283	23 709
Equity	46 598	47 642	45 872	44 078	42 115
Total liabilities and equity	714 680	718 744	738 889	721 617	704 581

Profit and loss accounts DnB NOR ASA

<i>Amounts in NOK million</i>	4th quarter 2004	4th quarter 2003	Full year 2004	Full year 2003	Full year 2002
Interest income	32	31	101	169	273
Interest expenses	47	57	229	276	360
Net interest income and credit commissions	(15)	(26)	(128)	(107)	(87)
Dividends from group companies/group contributions	7 881	3 629	7 881	3 629	3 504
Commissions and fees payable	0	(23)	8	4	11
Net other operating income	7 881	3 652	7 874	3 625	3 493
Salaries and other ordinary personnel expenses	15	18	37	19	(3)
Administrative expenses	22	5	102	63	79
Sundry ordinary operating expenses	3	2	7	7	5
Other expenses	0	0	7	0	0
Total operating expenses	40	25	153	89	81
Pre-tax operating profit before losses	7 826	3 601	7 592	3 429	3 325
Net gain/(loss) on long-term securities	2	0	15	0	(1)
Pre-tax operating profit	7 828	3 601	7 607	3 429	3 324
Taxes	2 180	311	2 118	311	935
Profit for the period	5 648	3 290	5 489	3 118	2 389

Balance sheets DnB NOR ASA

<i>Amounts in NOK million</i>	31 Dec. 2004	31 Dec. 2003	31 Dec. 2002
Assets			
Deposits with DnB NOR Bank ASA	4 021	1 423	2 267
Lending to other group companies	2 055	1 825	1 563
Investments in group companies	45 975	46 121	28 539
Other receivables due from group companies	8 110	6 103	3 517
Other assets	15	30	10
Total assets	60 177	55 502	35 896
Liabilities and equity			
Loans from DnB NOR Bank ASA	6 153	6 370	3 690
Loans from other group companies	1 994	2 420	1 844
Other liabilities and provisions	5 583	2 919	2 810
Paid-in capital	24 983	24 414	10 940
Retained earnings	21 463	19 379	16 612
Total liabilities and equity	60 177	55 502	35 896

