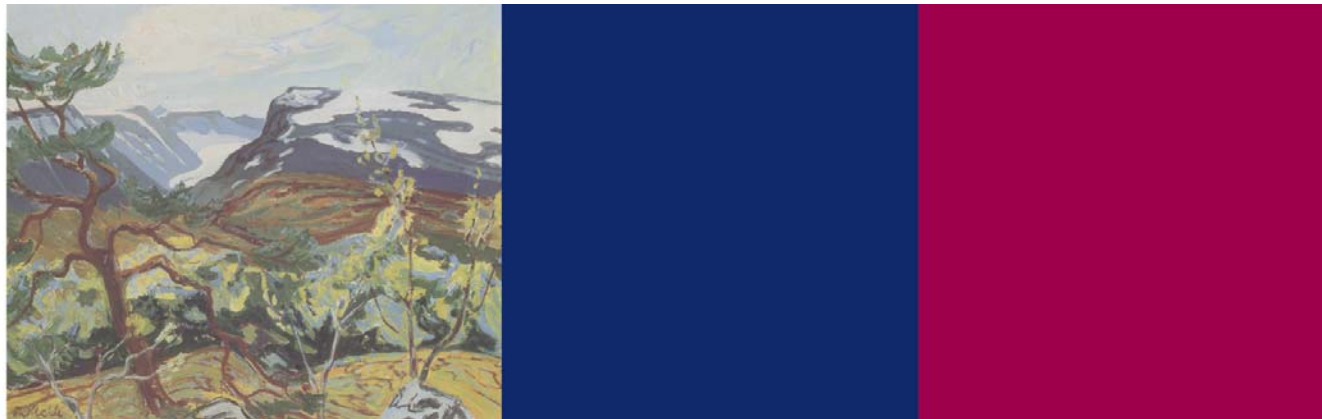


# DnB NOR Group - Results



Third quarter 2005

## 3rd quarter 2005 results



- Pre-tax operating profit up 34 per cent to NOK 3.6 billion (2.7)
- Profit for the period up 37 per cent to NOK 2.7 billion (1.9)
- Expenses cut back to 48.9 per cent of income (56.5)
- Return on equity was 19.5 per cent (16.7)
- Earnings per share were NOK 1.99 (1.47)

Accounting figures according to IFRS. Pro forma figures for the third quarter of 2004 in parentheses.

## DnB NOR – strong organic growth



- Total income rose by 14 per cent to NOK 6 543 million
- Total assets exceeded NOK 1 000 billion, totalling NOK 1 041 billion
- Assets under management rose from NOK 490 billion to NOK 511 billion
- Total assets in Vital up from NOK 172 billion to NOK 193 billion

Figures as at 30 September 2005

# Growth through innovation



- Retail customers – 11 per cent lending growth in the past year
  - First-home loan with interest rate ceiling launched in 3rd quarter
- Corporate customers – 16 per cent lending growth in the past year
  - New loyalty programmes for SME clients launched in 3rd quarter
- DnB NOR Markets – customer-related revenues up 38 per cent on the 3rd quarter of last year
  - New investment products relating to private equity funds, credit derivatives and the petroleum sector were launched in the 3rd quarter

## Growth through innovation (2)



- Vital – 12 per cent growth in total assets over the past twelve months
  - Strong growth in sales of Vital Garanti Kapital
  - New system for defined-contribution pensions provides greater flexibility
- Asset Management – NOK 511 billion under management
  - Positive response to "Save Smart" concept
  - Selected Nordic funds in the international market

## DnB NOR's Innovation Award- the best idea for knowledge-based business development



- **Nationwide** competition in seven regions, with a national final
- **NOK 1 000 000** in total award money, idea test in DnB NOR's iLab

### Candidates

- **More ideas:** 403
- **More women:** 25 per cent in 2005 (15 per cent in 2004)
- **Better quality:** 15 per cent research-based innovation

### The winner

- **ReVolt Technology AS**
- Batteries with energy density four times greater than existing technology



# Growth platform strengthened



- DnB NORD
  - organisation established, premises acquired
  - application for banking concession sent to Danish authorities
  - start-up 1 January 2006
- Sweden
  - operations in Norddeutsche Landesbank taken over – banking activity doubled
  - close to 150 staff members
- China
  - establishment of branch in Shanghai on schedule
- Russia
  - purchase of 97.35 per cent of the shares in Monchebank in Murmansk

# Increasing trade between Norway and Russia



- Norwegian activity targeting Russia stepped up in three of DnB NOR's core areas
  - Energy: Potential for cooperation in Barents Sea region
  - Fishing: Norwegian exports of seafood increased fourfold in five years
  - Shipping and logistics: Murmansk (pop. 340 000) port of shipment for oil and potentially for gas
- Growing interest among Norwegian companies for establishment in Russia, e.g. within real estate
- Monchebank is licensed to engage in all forms of banking operations throughout the country





## Establishment in Russia



- DnB NOR will purchase 97.35 per cent of the shares in Monchebank from Rosgroup
  - Familiar with the bank after several years of close cooperation
- Payment: USD 21 million
  - Total assets of approx. USD 59 million (2004)
  - Four branches, three currency exchange offices
  - 180 employees
  - Around 3 000 corporate clients, some 100 major loan commitments
  - DnB NOR will take over around 50 000 retail customers
- Monchebank is a small bank (no. 120 of around 1 400 regional banks), but has a full range of products and has shown strong growth in the past few years

# Initiatives to improve capital efficiency



- Basel II application sent to the Norwegian authorities
  - potential for an up to 30 per cent reduction in risk-weighted volume over time
  - depends on the authorities' assessments regarding Pillar II
- DnB NOR Boligkreditt established and loan portfolio transferred
  - potential for an around 0.1 percentage point reduction in funding costs on large volumes
  - favourable for both customers and the bank

# Financial highlights



<i>Amounts in NOK million</i>	<i>First three quarters</i>			
	<b>3Q05</b>	<b>3Q04</b>	2005	2004
Ordinary operating profit	<b>3 344</b>	<b>2 490</b>	9 016	7 469
Pre-tax operating profit	<b>3 553</b>	<b>2 657</b>	9 438	7 686
Profit for the period	<b>2 665</b>	<b>1 943</b>	7 079	5 766
Cost/income ratio (per cent)	<b>48.9</b>	<b>56.5</b>	51.7	57.3
Return on equity (per cent)	<b>19.5</b>	<b>16.7</b>	17.8	16.8
Earnings per share (NOK)	<b>1.99</b>	<b>1.47</b>	5.30	4.37
Total combined assets at end of period (NOK billion)	<b>1 389</b>	<b>1 261</b>	1 389	1 261
Core capital ratio at end of period (per cent) <sup>1)</sup>	<b>7.4</b>	<b>7.3</b>	7.4	7.3

1) Including 50 per cent of profit for the period

Pro forma accounting figures prior to 2005.

**DnBNOR**

# Profit and loss accounts



<i>Amounts in NOK million</i>	<b>3Q05</b>	<b>3Q04</b>	<i>First three quarters</i>	
			<i>2005</i>	<i>2004</i>
Net interest income and credit commissions	<b>3 440</b>	<b>3 401</b>	10 196	9 944
Net other operating income	<b>3 103</b>	<b>2 320</b>	8 463	7 555
Total ordinary operating expenses	<b>3 199</b>	<b>3 231</b>	9 644	10 030
Ordinary operating profit	<b>3 344</b>	<b>2 490</b>	9 016	7 469
Other expenses	<b>0</b>	<b>0</b>	0	930
Pre-tax operating profit before write-downs	<b>3 344</b>	<b>2 490</b>	9 016	6 539
Net gains on fixed and intangible assets	<b>130</b>	<b>3</b>	602	947
Write-downs on loans and guarantees	<b>(79)</b>	<b>(164)</b>	180	(200)
Pre-tax operating profit	<b>3 553</b>	<b>2 657</b>	9 438	7 686
Taxes	<b>888</b>	<b>714</b>	2 360	1 999
Profit from discontinuing operations	<b>0</b>	<b>0</b>	0	79
Profit for the period	<b>2 665</b>	<b>1 943</b>	7 079	5 766

Pro forma accounting figures prior to 2005.

# Profit and loss accounts



<i>Amounts in NOK million</i>	<b>3Q05</b>	2Q05	1Q05	4Q04	<b>3Q04</b>	<i>First three quarters</i>	
						2005	2004
Net interest income and credit commissions	<b>3 440</b>	3 407	3 350	3 436	<b>3 401</b>	10 196	9 944
Net other operating income	<b>3 103</b>	2 755	2 605	2 960	<b>2 320</b>	8 463	7 555
Total ordinary operating expenses	<b>3 199</b>	3 241	3 203	3 406	<b>3 231</b>	9 644	10 030
Ordinary operating profit	<b>3 344</b>	2 920	2 752	2 991	<b>2 490</b>	9 016	7 469
Other expenses	<b>0</b>	0	0	139	<b>0</b>	0	930
Pre-tax operating profit before write-downs	<b>3 344</b>	2 920	2 752	2 852	<b>2 490</b>	9 016	6 539
Net gains on fixed and intangible assets	<b>130</b>	455	17	(33)	<b>3</b>	602	947
Write-downs on loans and guarantees	<b>(79)</b>	123	136	21	<b>(164)</b>	180	(200)
Pre-tax operating profit	<b>3 553</b>	3 253	2 633	2 798	<b>2 657</b>	9 438	7 686
Taxes	<b>888</b>	813	658	323	<b>714</b>	2 360	1 999
Profit from discontinuing operations	<b>0</b>	0	0	0	<b>0</b>	0	79
Profit for the period	<b>2 665</b>	2 440	1 974	2 475	<b>1 943</b>	7 079	5 766

Pro forma accounting figures prior to 2005.

**DnBNOR**

# Changes in net interest income



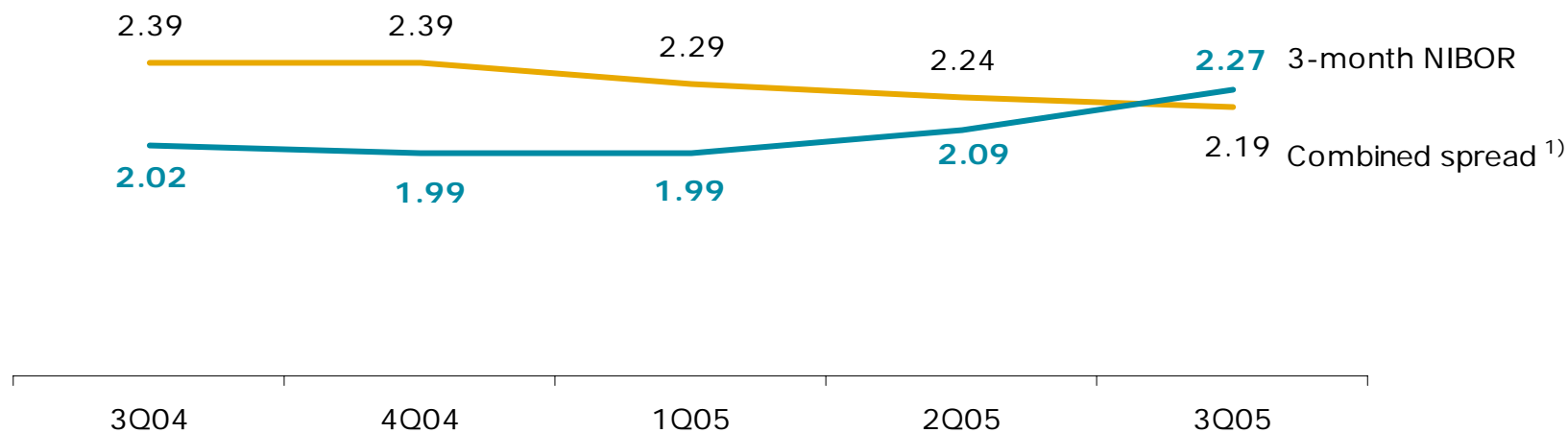
<i>Amounts in NOK million</i>	<i>3Q05</i>	<i>Change</i>	<i>3Q04</i>
<b>Net interest income</b>	<b>3 440</b>	<b>39</b>	<b>3 401</b>
Of which:			
Lending and deposit volumes		293	
Lending and deposit spreads		(285)	
Levies to the banks' guarantee fund		70	
Other		(39)	

Pro forma accounting figures prior to 2005.

# Developments in average interest rate spreads in line with expectations



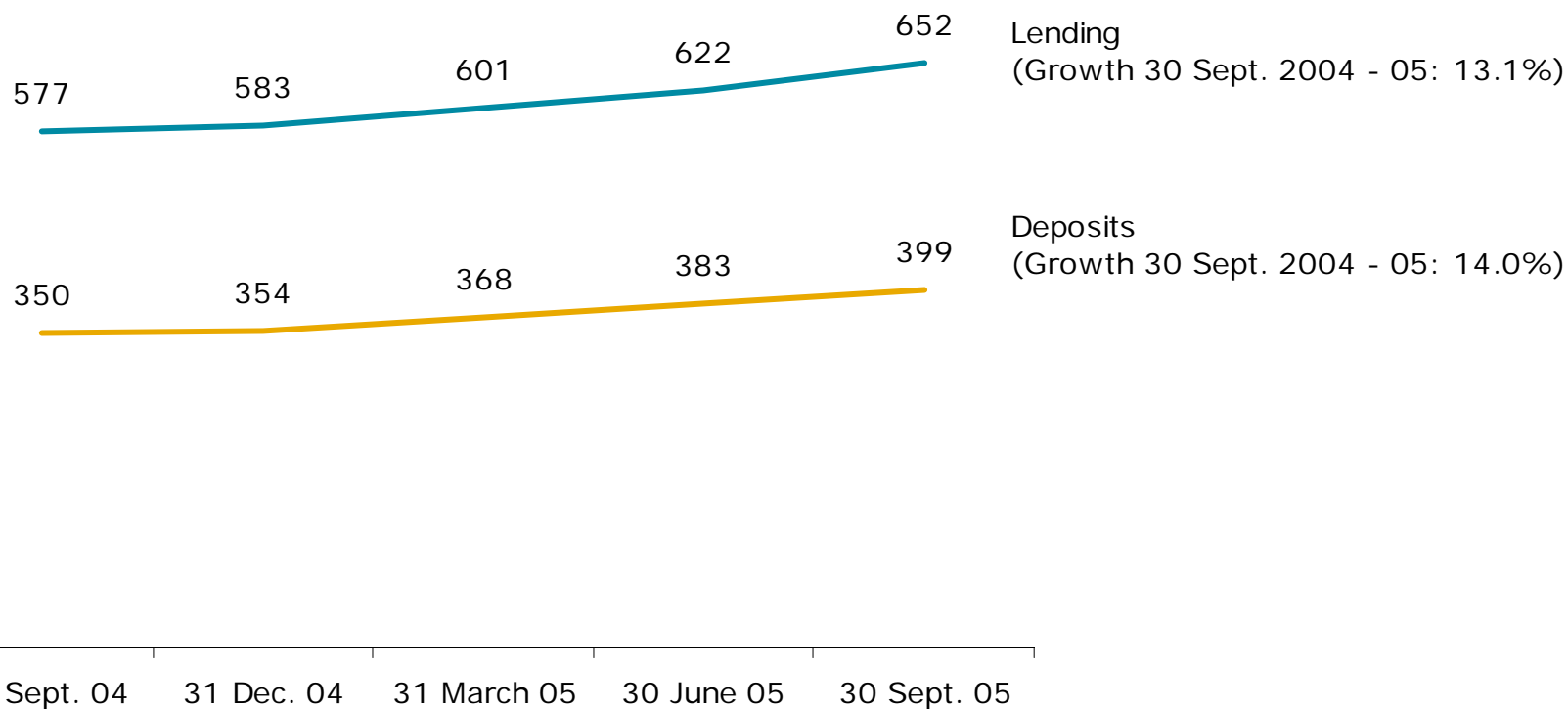
Per cent



1) Combined spread for lending and deposits

# Developments in volumes <sup>1)</sup>

NOK billion



1) Excluding discontinued operations



# Changes in net other operating income



<i>Amounts in NOK million</i>	<i>3Q05</i>	<i>Change</i>	<i>3Q04</i>
<b>Net other operating income</b>	<b>3 103</b>	<b>783</b>	<b>2 320</b>
Of which:			
Commissions receivable		214	
Income on financial instruments		542	
Net income from life insurance and pension operations		89	
Other income		(62)	

Pro forma accounting figures prior to 2005.

## Changes in total operating expenses



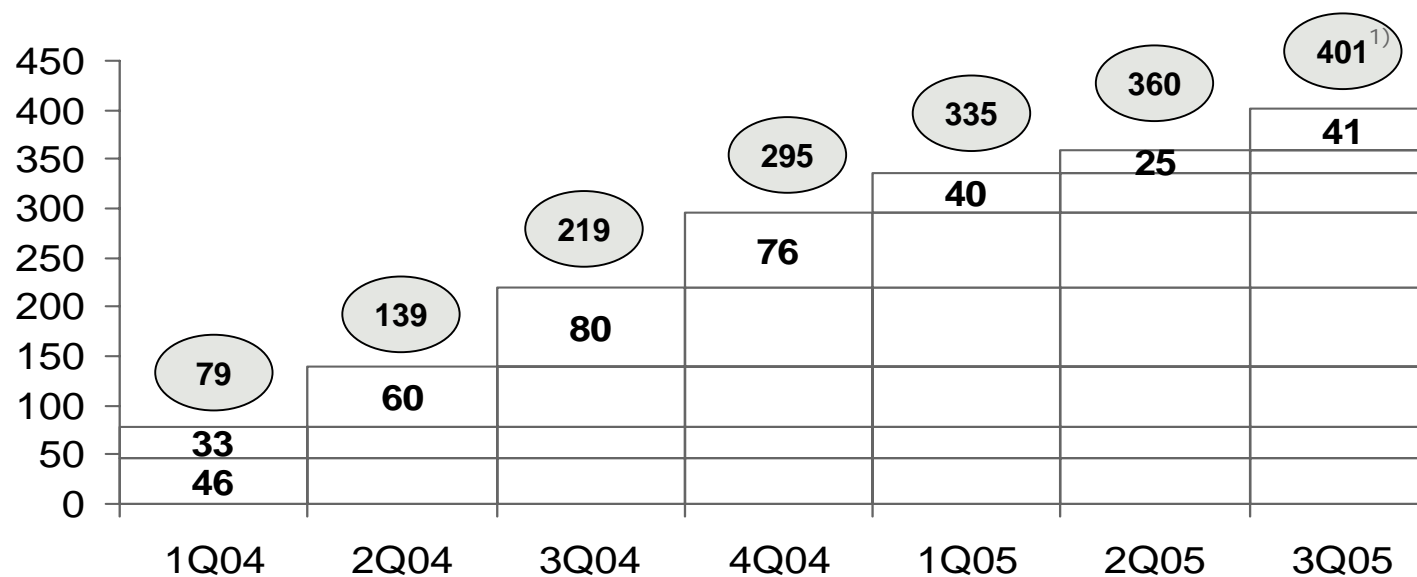
<i>Amounts in NOK million</i>	<i>3Q05</i>	<i>Change</i>	<i>3Q04</i>
<b>Total operating expenses</b>	<b>3 199</b>	<b>(32)</b>	<b>3 231</b>
Of which:			
Wage settlements		31	
Performance-based pay		88	
Marketing		36	
Merger synergies		(182)	
Other		(5)	

Pro forma accounting figures prior to 2005.

# Accumulated cost synergies per quarter adjusted for IFRS principles

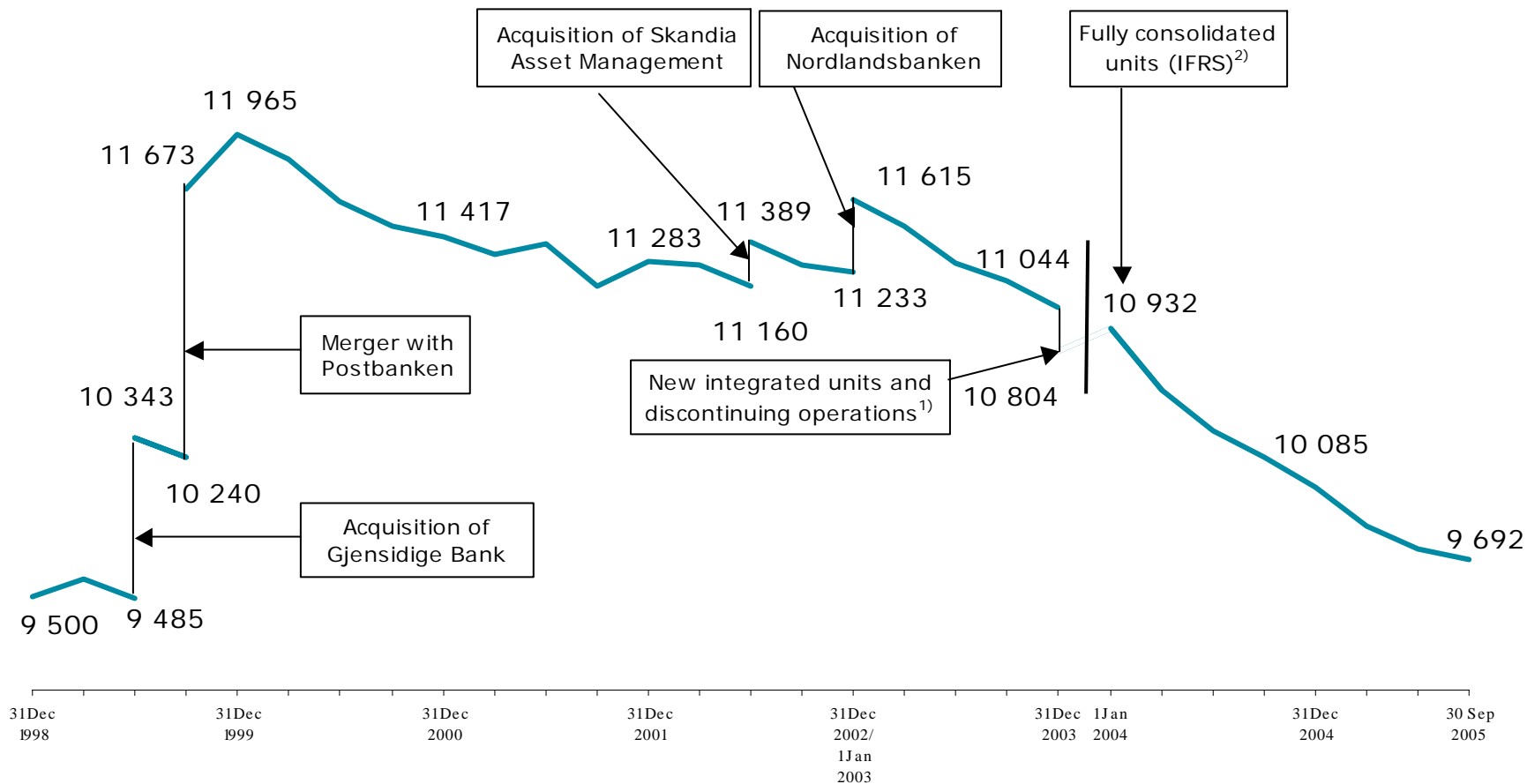


NOK million

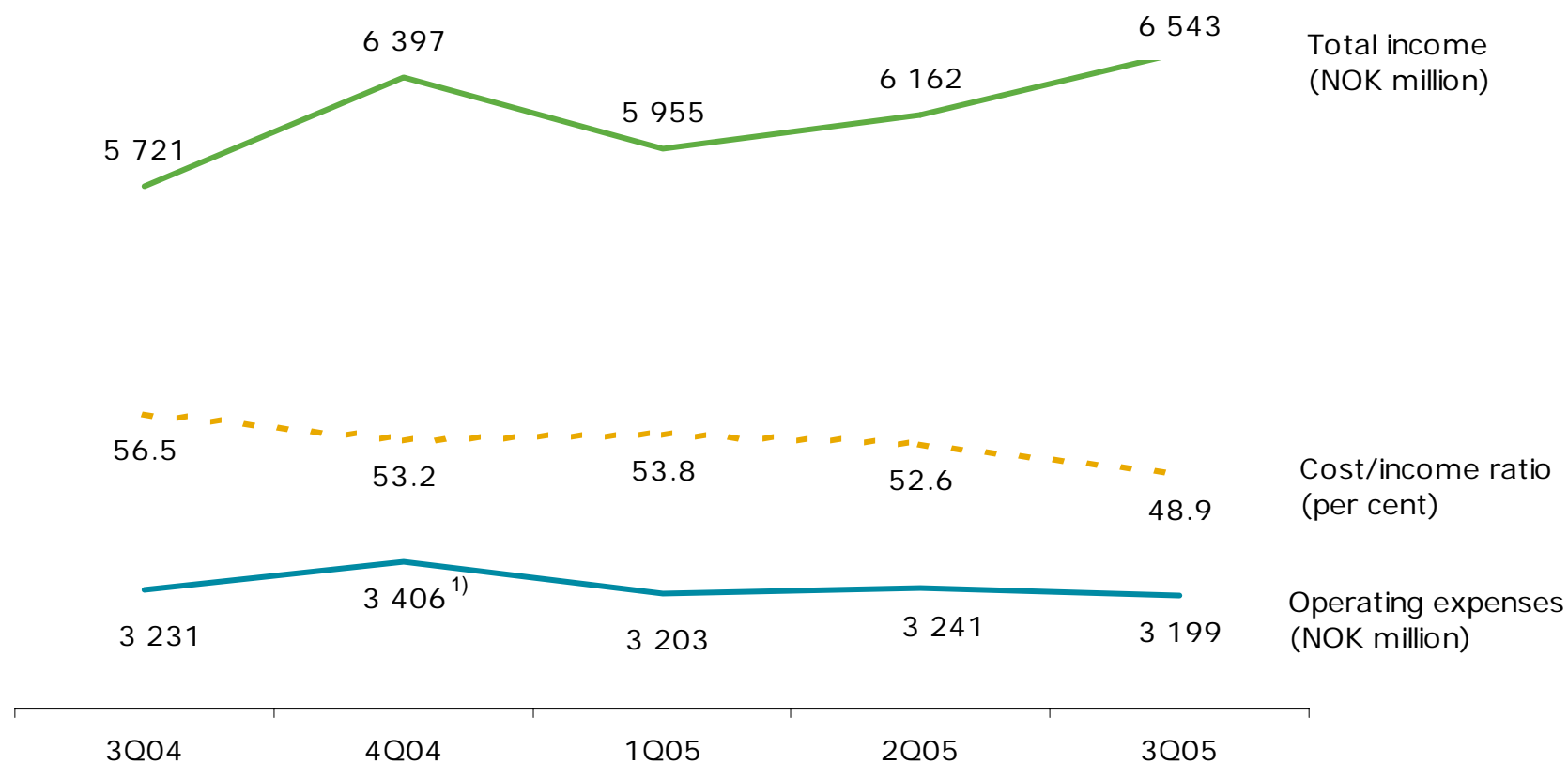


1) Represents 86 per cent of the final synergy target

# Full-time employees



# Cost/income ratio



1) Excluding allocations to employee funds

Pro forma accounting figures prior to 2005.

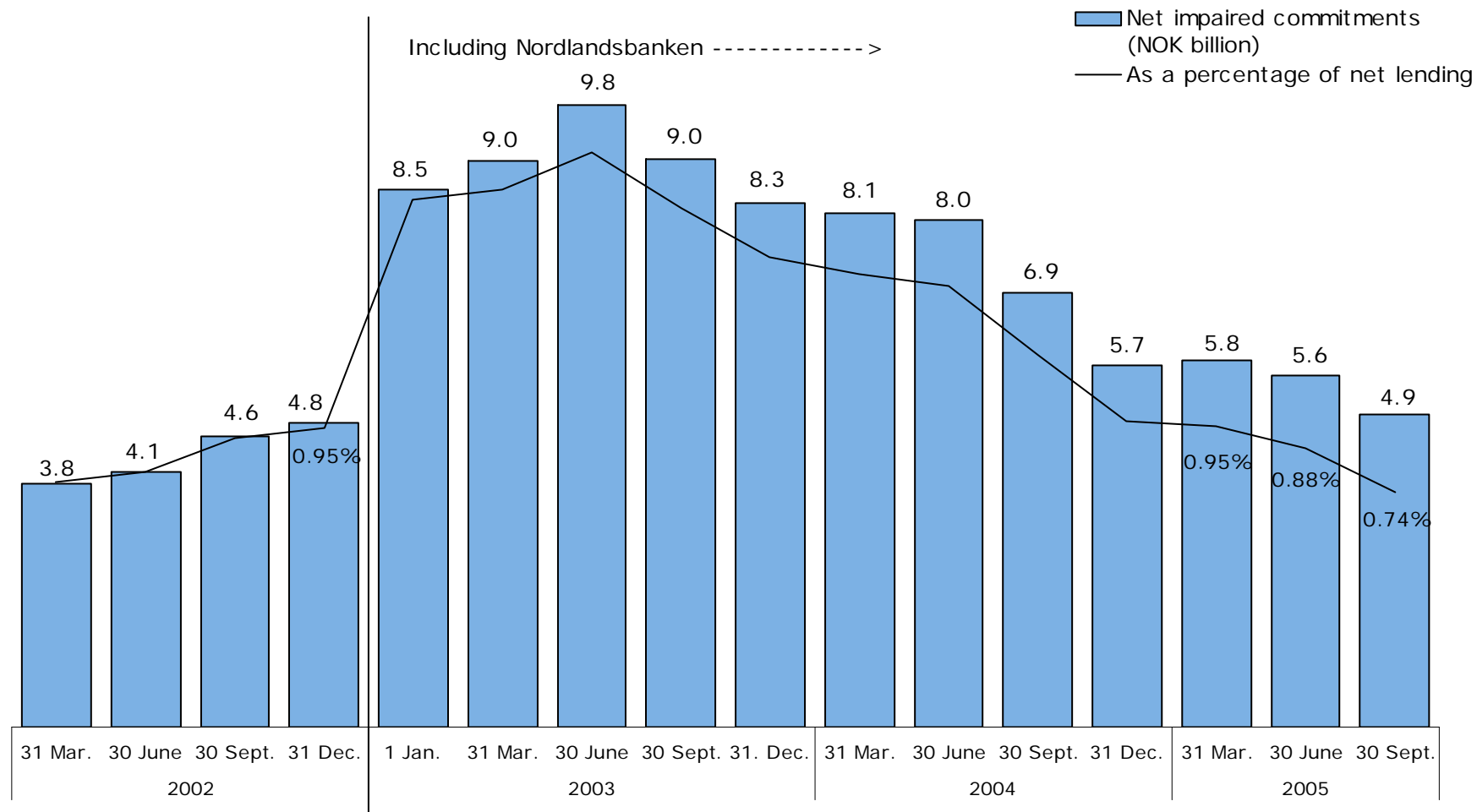
# Net write-downs on loans



Profit and loss accounts	<i>First three quarters</i>						
<i>Amounts in NOK million</i>	<b>3Q05</b>	2Q05	1Q05	4Q04	<b>3Q04</b>	2005	2004
Individual write-downs	<b>(57)</b>	183	186	90	<b>(95)</b>	312	7
Group write-downs	<b>(22)</b>	(60)	(50)	(69)	<b>(69)</b>	(132)	(207)
Total write-downs	<b>(79)</b>	123	136	21	<b>(164)</b>	180	(200)

Pro forma accounting figures prior to 2005.

# Net impaired commitments



Pro forma accounting figures prior to 2005.

# Balance sheets



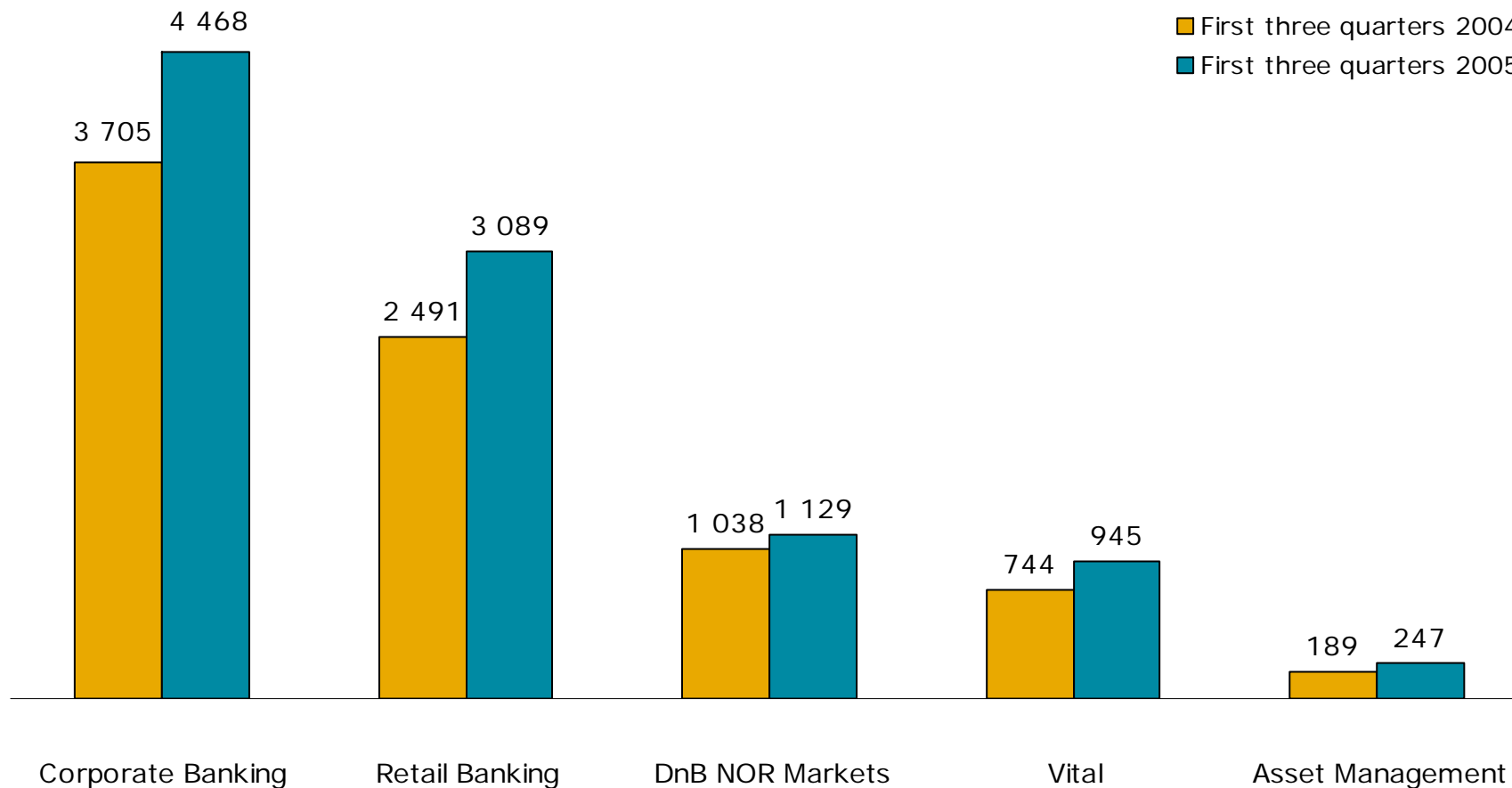
<i>Amounts in NOK billion</i>	<b>30 Sept. 2005</b>	<i>1 Jan. 2005</i>	<b>30 Sept. 2004</b>
Cash and lending to/deposits with credit institutions	<b>77</b>	34	<b>43</b>
Net lending to customers	<b>652</b>	583	<b>577</b>
Commercial paper, bonds etc.	<b>192</b>	172	<b>173</b>
Shareholdings, etc.	<b>35</b>	31	<b>29</b>
Fixed and intangible assets	<b>31</b>	31	<b>30</b>
Financial assets - customers bearing the risk	<b>12</b>	10	<b>9</b>
Other assets	<b>42</b>	52	<b>55</b>
<b>Total assets</b>	<b>1 041</b>	<b>913</b>	<b>916</b>
Loans and deposits from credit institutions	<b>103</b>	59	<b>74</b>
Deposits from customers	<b>399</b>	354	<b>350</b>
Borrowings through the issue of securities	<b>221</b>	193	<b>192</b>
Financial liabilities - customers bearing the risk	<b>12</b>	10	<b>9</b>
Liabilities to life insurance policyholders	<b>168</b>	153	<b>150</b>
Other liabilities and provisions	<b>58</b>	68	<b>68</b>
Primary capital	<b>79</b>	75	<b>73</b>
<b>Total liabilities and equity</b>	<b>1 041</b>	<b>913</b>	<b>916</b>
Ratio of deposits to net lending (per cent)	<b>61.2</b>	60.7	<b>60.7</b>

Pro forma accounting figures prior to 2005.



# Business areas - pre-tax operating profit (IFRS)

NOK million



Pro forma accounting figures prior to 2005.

# Corporate Banking



<i>Amounts in NOK million</i>	<i>First three quarters</i>	
	<i>2005</i>	<i>2004</i>
Net interest income - ordinary operations	4 225	4 257
Interest on allocated capital	364	343
Net interest income	4 588	4 599
Net other operating income	1 900	1 440
Total income	6 489	6 039
Operating expenses	2 399	2 517
Pre-tax operating profit before losses	4 090	3 521
Net gains on fixed and intangible assets	495	6
Write-downs on loans	117	(177)
Pre-tax operating profit	4 468	3 705
Net lending to customers (NOK billion)	272	257
Deposits from customers (NOK billion)	194	174
Cost/income ratio (per cent)	37.0	41.7
Ratio of deposits to lending (per cent)	71.6	67.8
Return on capital BIS (per cent)	18.9	16.3

- High levels of activity and rising volumes compensate for narrowing spreads
- Doubling of operations in Stockholm
- Successful initiatives and sound growth in SME market
- Extensive syndication activity
- Healthy growth within shipping

Pro forma accounting figures prior to 2005.

# Financing solutions for our corporate customers



<i>Amounts in NOK billion</i>	<b>3Q05</b>	2Q05	1Q05	4Q04	<b>3Q04</b>
Commercial paper (no. 1 in Norway)	<b>15</b>	14	14	19	<b>17</b>
Syndicated loans (no. 3 in the Nordic region) <sup>1)</sup>	<b>55</b>	38	36	31	<b>13</b>
Bond issues (no. 1 in Norway)	<b>5</b>	8	6	8	<b>3</b>

- High syndication activity ensures capital efficiency and low risk

1) Total for syndicates in which DnB NOR participates

# Retail Banking







<i>Amounts in NOK million</i>	<i>First three quarters</i>	
	<i>2005</i>	<i>2004</i>
Net interest income - ordinary operations	5 469	5 250
Interest on allocated capital	209	185
Net interest income	5 678	5 435
Net other operating income	2 181	2 073
Total income	7 858	7 508
Operating expenses	4 581	4 823
Pre-tax operating profit before losses	3 277	2 685
Net gains on fixed and intangible assets	(1)	(1)
Write-downs on loans	187	193
Pre-tax operating profit	3 089	2 491
Net lending to customers (NOK billion)	343	307
Deposits from customers (NOK billion)	196	187
Cost/income ratio (per cent)	58.3	64.2
Ratio of deposits to lending (per cent)	57.2	60.9
Return on capital BIS (per cent)	22.7	20.3

- First-home loan with interest rate ceiling well received by young adults
- Sales success in large cities along the coast
- DnB NOR Bolig-kreditt established

Pro forma accounting figures prior to 2005.

# Retail Banking – broad distribution ...



Main brands:	Distribution channels:
	<ul style="list-style-type: none"><li>• 194 bank branches</li><li>• 23 investment centres</li><li>• Private banking</li><li>• Internet bank, dnbnor.no</li><li>• Telephone bank</li><li>• Real estate broking, 77 offices</li></ul>
	<ul style="list-style-type: none"><li>• 43 customer service centres</li><li>• Internet bank, postbanken.no</li><li>• Telephone bank</li><li>• 300 post offices</li><li>• 1200 in-store postal outlets</li></ul>
	<ul style="list-style-type: none"><li>• 17 bank branches</li><li>• Internet bank, nordlandsbanken.no</li><li>• Telephone bank</li></ul>
	<ul style="list-style-type: none"><li>• External distribution of credit cards</li></ul>
	<ul style="list-style-type: none"><li>• Around 130 cooperation agreements with independent companies/financial advisers</li></ul>

## Retail Banking – broad distribution ensures influx of customers



- Number of visits to new DnB NOR branches greater than expected
- Number of housing loan customers rose by 12 170 to 432 900
- Number of loyalty programme customers increased by 97 400 to 892 000
- Number of Internet banking agreements increased by 136 000 to 1 113 000 (net)
- Number of Internet banking transactions up 7 million to 37 million for the year to date
- Number of e-dialogue customers increased by 121 700 to 778 700

12-month growth

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# DnB NOR Markets



<i>Amounts in NOK million</i>	<i>First three quarters</i>	
	<i>2005</i>	<i>2004</i>
Net interest income - ordinary operations	171	150
Interest on allocated capital	35	31
Net interest income	206	180
Net other operating income	1 861	1 674
Total income	2 067	1 855
Operating expenses	928	816
Pre-tax operating profit before losses	1 140	1 039
Net gains on fixed and intangible assets	0	(1)
Write-downs on loans	10	0
Pre-tax operating profit	1 129	1 038
Cost/income ratio (per cent)	44.9	44.0
Return on capital BIS (per cent)	49.3	51.1

- Income on customer business up 30 per cent
- DnB NOR Markets arranged 12 of 27 IPOs on Oslo Børs
- Rising demand for currency and interest rate hedging instruments
- Strong demand for property investments and capital-guaranteed savings products

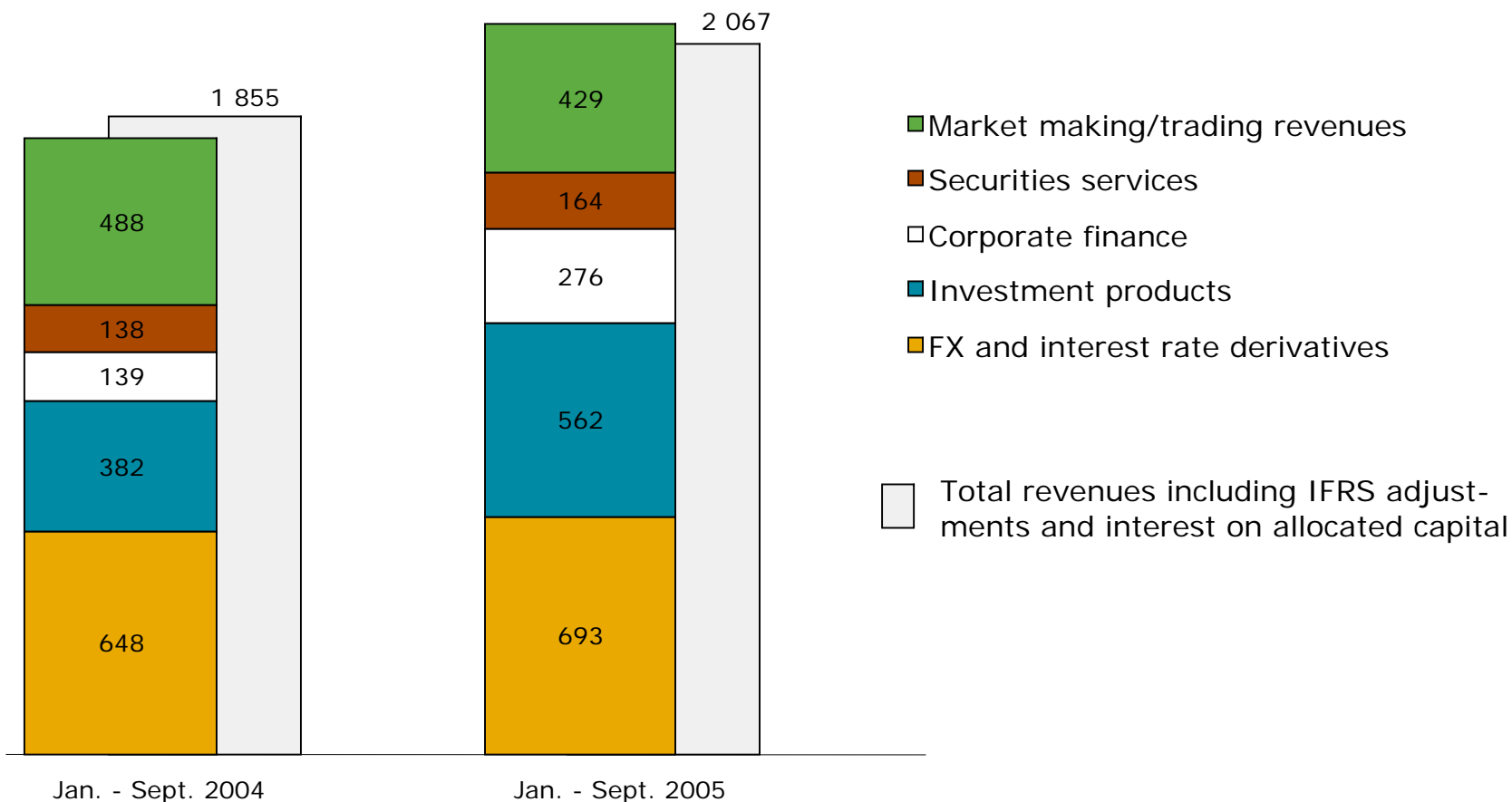
Pro forma accounting figures prior to 2005.

# DnB NOR Markets

## - a broad income base



NOK million



Pro forma accounting figures prior to 2005.



# Vital



<i>Amounts in NOK million</i>	<i>First three quarters</i>	
	<i>2005</i>	<i>2004</i>
Interest result	4 141	3 335
Risk result	42	(268)
Administration result	(68)	(100)
Other	0	(114)
Transferred to security reserve	6	3
Profit for distribution in life insurance	4 109	2 850
Funds transferred to policyholders	3 172	2 107
Tax charge	(28)	97
Profit in life insurance	965	646
+ Profit in unit linked	6	1
= Profit for the period	971	647
Total assets (NOK billion) <sup>1)</sup>	193	172
Return on capital (per cent) <sup>2)</sup>	16.3	13.5

1) Assets at end of period

2) Calculated on the basis of recorded equity

- Healthy returns
  - Value-adjusted 6.0 per cent and recorded 5.2 per cent
- 18 per cent growth in total premiums and a net inflow of transfers
- Solvency capital up NOK 5.7 billion to NOK 24.8 billion
- An agreement with Norway Post on a defined-contribution pension scheme will be signed in the fourth quarter

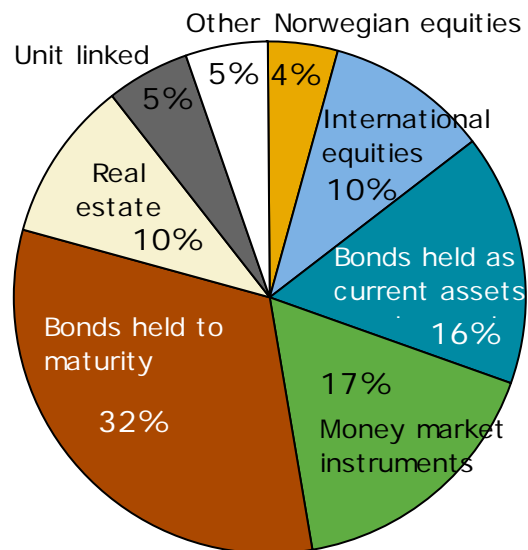
Pro forma accounting figures prior to 2005.

# Vital

## - development in asset mix

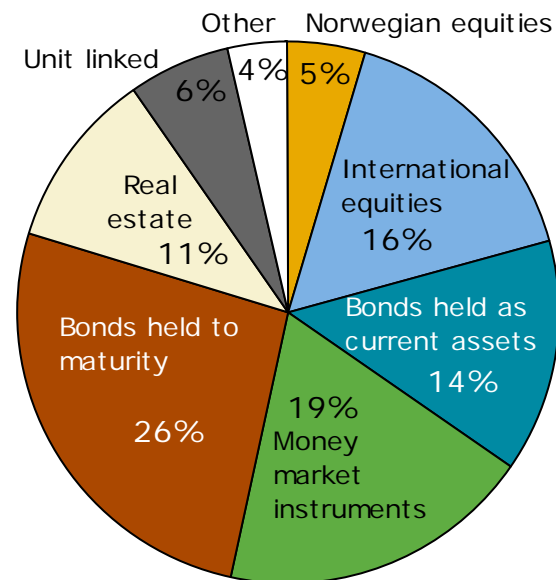


As at 30 Sept. 2004



Total: NOK 172 billion

As at 30 Sept. 2005



Total: NOK 193 billion

Pro forma accounting figures prior to 2005.

# Asset Management



<i>Amounts in NOK million</i>	<i>First three quarters</i>	
	<i>2005</i>	<i>2004</i>
Commission income	714	671
Other income	31	27
Total income	744	698
Operating expenses	496	509
Pre-tax operating profit before losses	249	189
Net gains on fixed and intangible assets	(2)	0
Pre-tax operating profit	247	189
Assets under management (NOK billion) <sup>1)</sup>	494	483
Assets under management (NOK billion) <sup>2)</sup>	511	490
Cost/income ratio (per cent)	66.6	73.0
Return on capital (per cent) <sup>3)</sup>	18.3	14.6

- Sound asset management performance
- Assets under management exceed NOK 500 billion for the first time
- Positive response to "Save Smart" concept

1) Average assets for the period

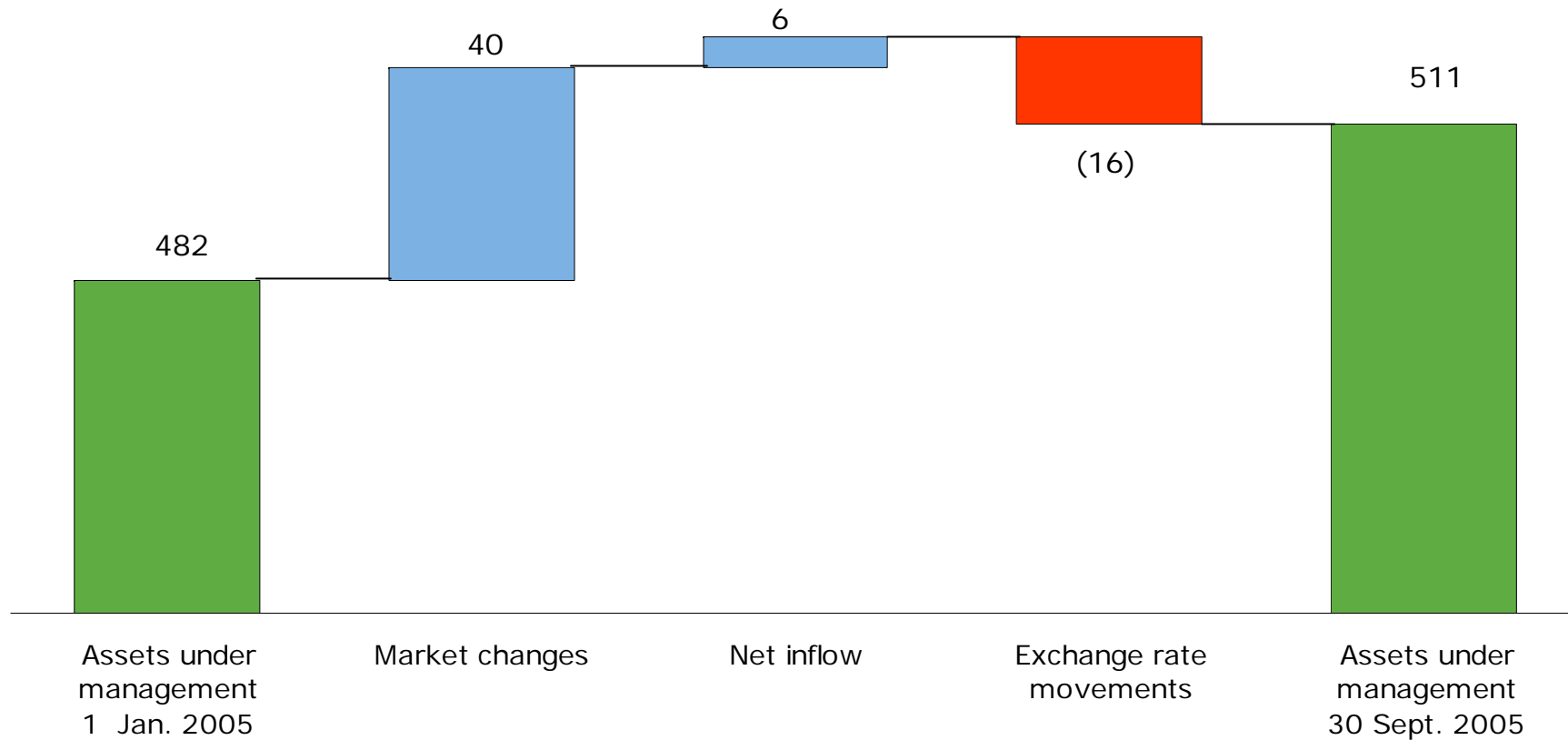
2) Assets at end of period

3) Calculated on the basis of recorded equity

Pro forma accounting figures prior to 2005.

**DnBNOR**

# Assets management - developments in assets under management

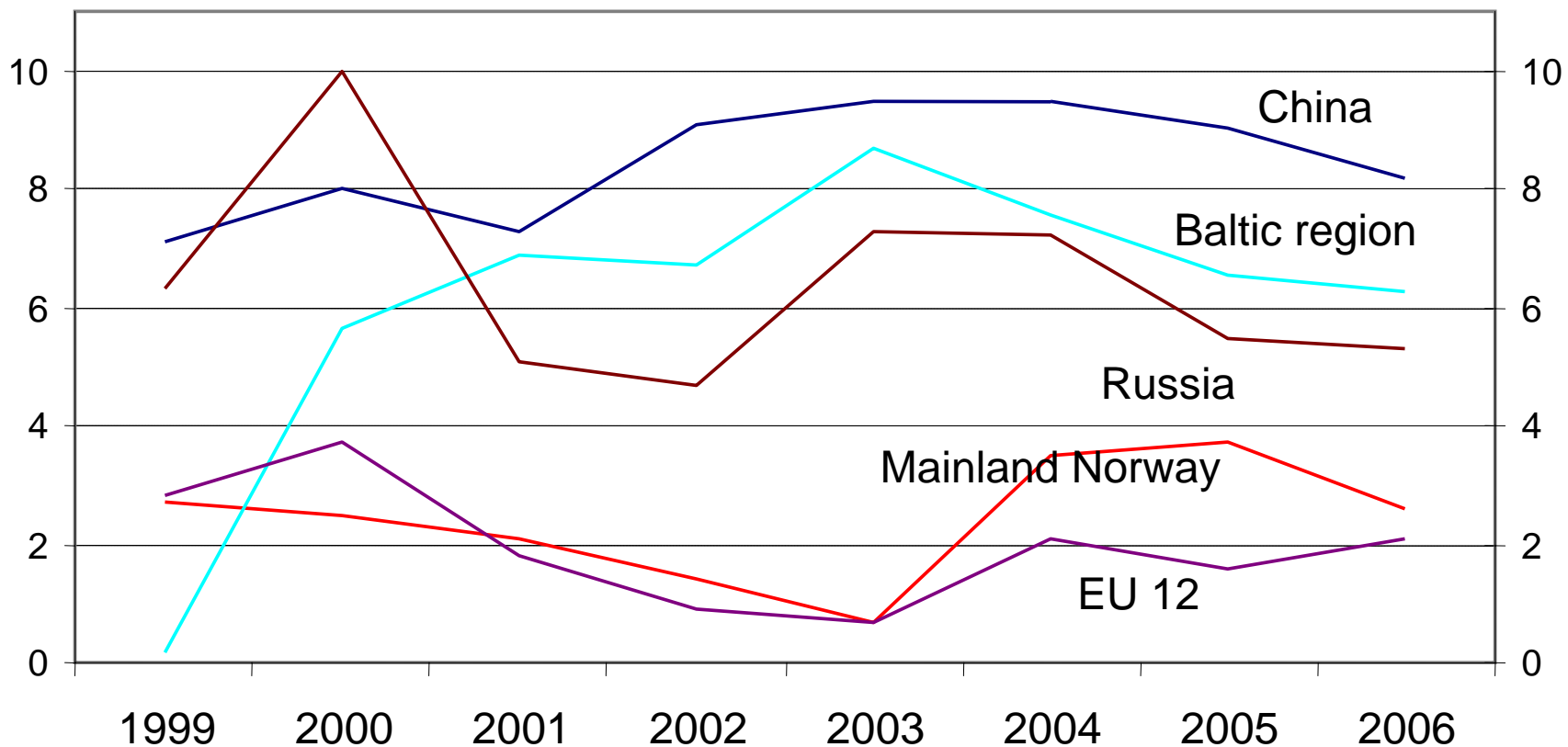


Pro forma accounting figures prior to 2005.

# GDP growth in Norway and internationally



Percentage growth in volume from previous year. Actual and estimated.

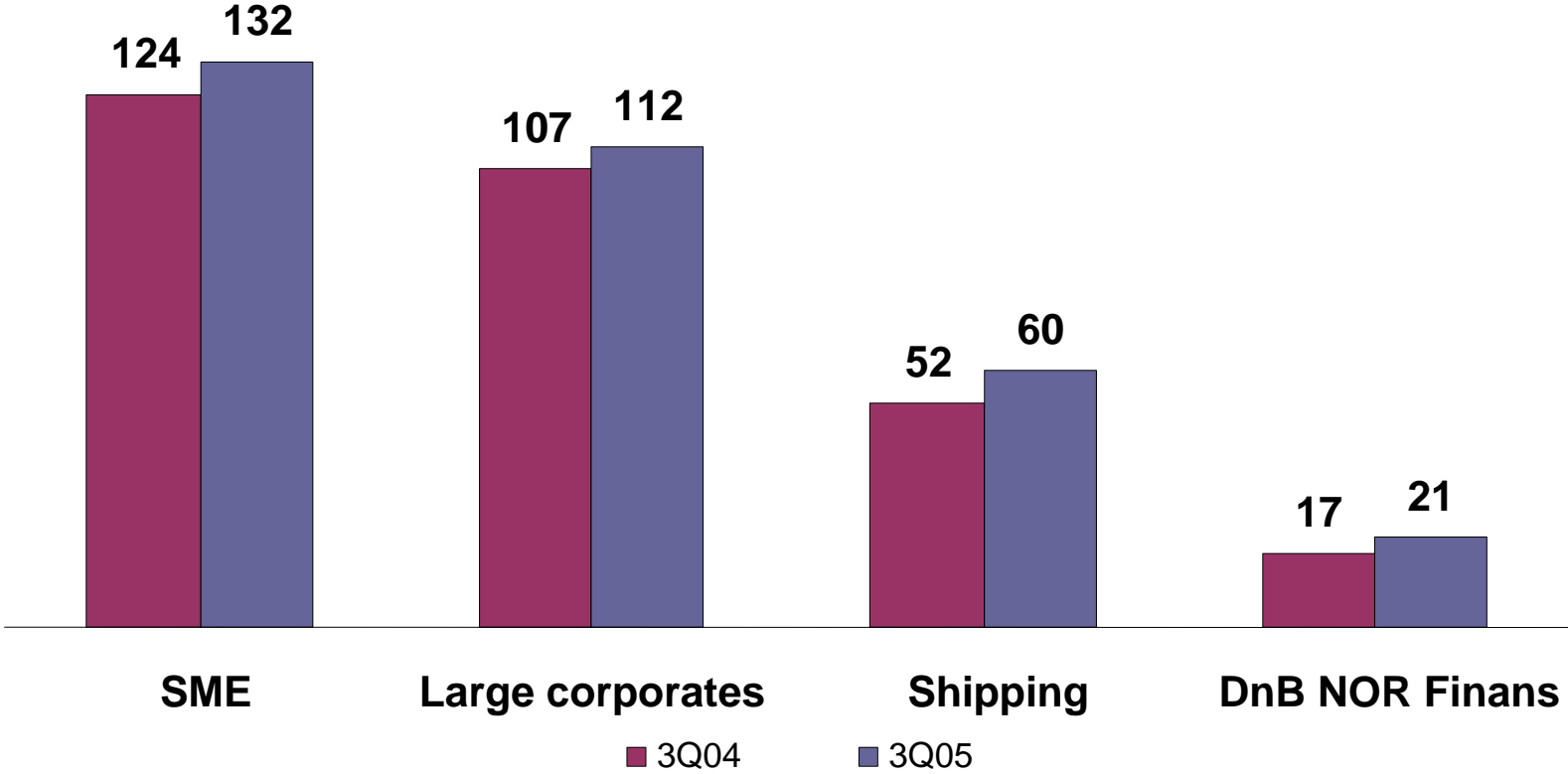


Sources: Eurostat, IMF, OECD, DnB NOR Markets

# Healthy growth in loans and guarantees.....



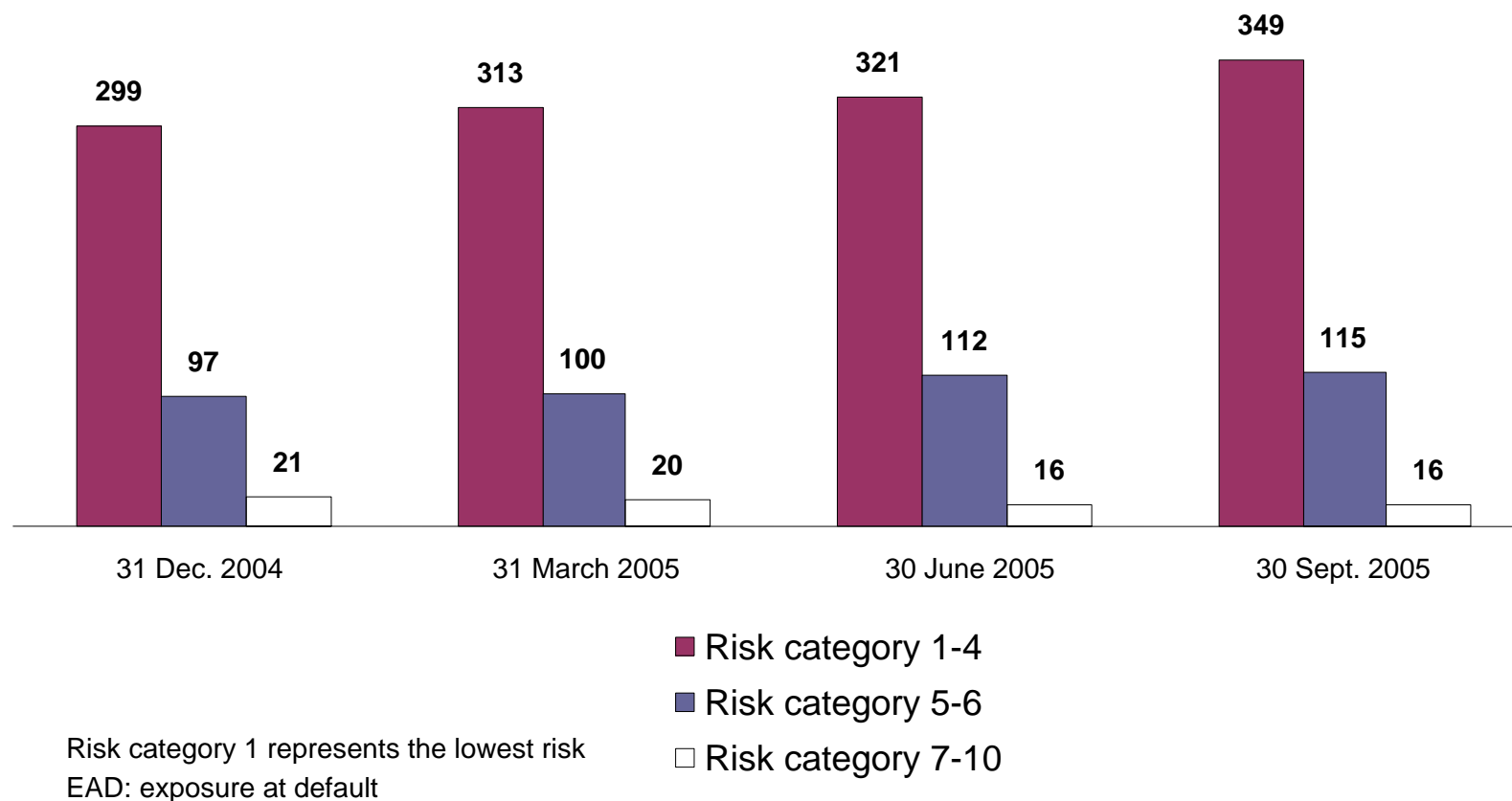
Loans and guarantees to corporate customers, NOK billion



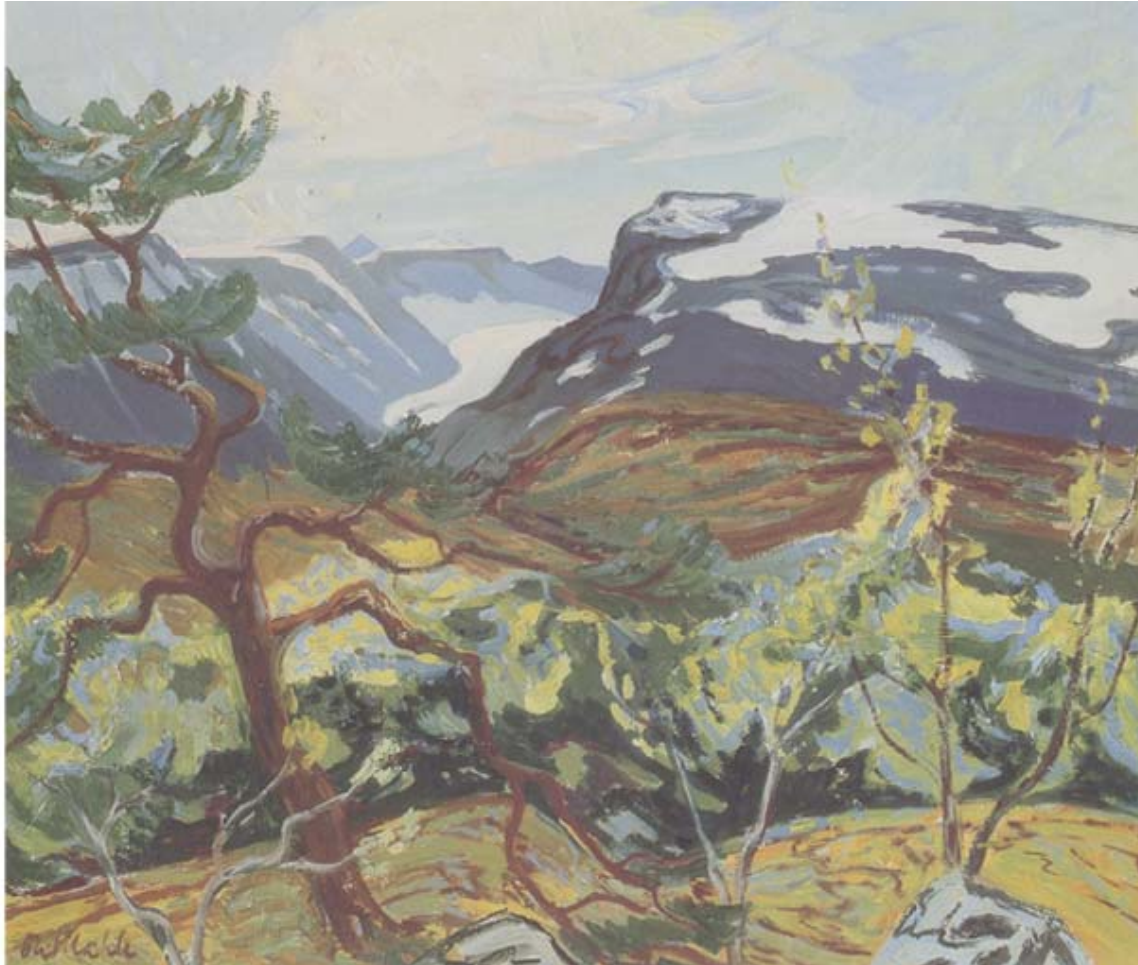
.....within acceptable risk levels



Total lending to corporate customers, EAD, NOK billion



# Sound and controlled growth



From the Group's art collection:  
Ole Mæhle, *View of the Mountain*