

# Investor Relations



Supplementary Information for Investors and Analysts

## **Full Year Results 2006**

(Preliminary and unaudited)



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Rune Bjerke

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DnB NOR Investor Relations	<a href="http://www.dnbnor.com">www.dnbnor.com</a>
DnB NOR's home page	<a href="http://www.dnbnor.no">www.dnbnor.no</a>

### Financial Calendar 2007

Preliminary results 2006	22 February
Annual general meeting	24 April
Ex-dividend date	25 April
First quarter	3 May
Second quarter	9 August
Third quarter	1 November

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In accordance with Section 3-9 of the Norwegian Accounting Act, the DnB NOR Group prepares consolidated accounts in accordance with IFRS principles, including IAS 34 - Interim Financial Reporting. A description of the accounting principles applied by the Group is found in the annual report for 2005, except for financial guarantee contracts issued. See section 1 under Accounting principles.

Statements regarding DnB NOR's relative market positions are, unless otherwise specified, based on internal DnB NOR analyses.

## Section 1

# DnB NOR - an overview

## Financial highlights

### 2006 results

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- Total income up 12.5 per cent to NOK 28.5 billion (25.3)
- Pre-tax operating profit up 12.1 per cent to NOK 14.7 billion (13.1)
- Profit for the period up 16.4 per cent to NOK 11.8 billion (10.1)
- Cost/income ratio cut back to 50.1 per cent (50.2)
- Return on equity was 19.5 per cent (18.8)
- The core capital ratio was 6.7 per cent (7.4)
- Earnings per share were NOK 8.74 (7.59)
- Proposed dividend NOK 4.00 per share (3.50)

Comparable 2005 figures in parentheses.

### Fourth quarter 2006 results

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- Total income up 13.3 per cent to NOK 7.6 billion (6.7)
- Pre-tax operating profit up 3.0 per cent to NOK 3.7 billion (3.6)
- Profit for the period up 13.3 per cent to NOK 3.4 billion (3.0)
- Cost/income ratio was 50.4 per cent (47.5)
- Return on equity was 21.5 per cent (21.5)

Comparable 2005 figures in parentheses.

## DnB NOR – Norway's leading financial services group

### DnB NOR Group

	As at 31 Dec. 2006	
• Total combined assets	NOK	1 692 billion
• Total balance sheet	NOK	1 320 billion
• Net lending to customers	NOK	828 billion
• Customer deposits	NOK	475 billion
• Market capitalisation	NOK	118 billion

### DnB NOR Asset management

• Mutual funds (external clients)	NOK	99 billion
• Discretionary management (external clients)	NOK	273 billion
• Total assets under management (external clients)	NOK	372 billion

### Vital

• Total assets	NOK	224 billion
• - of which unit linked	NOK	19 billion

### Customer base

- Serving 2.1 million retail banking customers throughout Norway, of which 875 000 use Internet in active communication (e-dialogue customers)
- More than 196 000 corporate customers in Norway
- Some 950 000 individuals insured in Norway
- More than 654 000 mutual fund customers in Norway and 323 institutional asset management clients in Norway and Sweden

### Market shares

See business areas

• Corporate Banking and Payment Services	pp. 39-48
• Retail Banking	pp. 49-54
• DnB NOR Markets	pp. 55-59
• Vital	pp. 60-69
• DnB NOR Asset Management	pp. 70-74
• DnB NOR D	pp. 75-77

### Distribution network

- |  |   |
|--|---|
| • 187 domestic DnB NOR branches          | • Online equities trading in 13 markets             |
| • 17 Nordlandsbanken branches            | • Online mutual funds trading                       |
| • 8 international branches               | • About 300 post office counters <sup>1)</sup>      |
| • 3 international representative offices | • About 1 200 in-store postal outlets <sup>1)</sup> |
| • 41 Postbanken sales outlets            | • About 1 800 rural postmen <sup>1)</sup>           |
| • 123 DnB NOR D branches                 | • 85 DnB NOR Eiendom sales offices                  |
| • 8 DnB NOR Monchebank branches          | • 8 Postbanken Eiendom sales offices                |
| • DnB NOR Luxembourg (subsidiary)        | • 18 Vital sales offices                            |
| • Internet banking                       | • 53 Vital agent companies                          |
| • Electronic banking                     |   |
| • Telephone banking                      |   |

1) Provided by Norway Post (the Norwegian postal system)

### Credit ratings from international rating agencies

	Moody's		Standard & Poor's		Dominion Bond Rating Service	
	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term
DnB NOR Bank ASA	Aa3	P-1	A +	A-1	AA	R-1

## Group strategy

DnB NOR has the largest customer base in the Norwegian financial market and is a leader in most market segments. This market position provides a sound basis for generating further growth by developing and strengthening customer relationships. The business idea reflects DnB NOR's ambitions:

DnB NOR will be customers' best financial partner and will meet their needs for financial solutions. DnB NOR's strengths are a local presence and a full range of services.

Important aspects of DnB NOR's strategy are to give improved advisory services, make decisions as close as possible to the customer and further develop service concepts and a product range well-adapted to meet individual customer needs. DnB NOR's business areas cooperate closely to offer solutions that bring convenience to the everyday lives of customers.

In addition to the Group's strong position in Norway, DnB NOR will further develop the presence in markets outside Norway and increase the share of income from international activities. The Group's international growth will be based on comparative advantages in the form of either competence within various customer segments and industries, special product expertise or established relationships where it is logical to accompany customers expanding outside Norway. DnB NOR is the preferred partner for international customers doing business in Norway.

A common value base and culture are prerequisites for creating a uniform DnB NOR image in the market. The Group's shared values, team spirit, simplicity and value creation, describe what should distinguish the organisation and work processes both internally and in relation to customers. Both internal and external communication should be open, honest and easy to understand.

The financial targets reflect the aim to create shareholder value. The Group seeks to achieve a return on equity and share price increases that are competitive in a Nordic context. The specific long-term targets are:

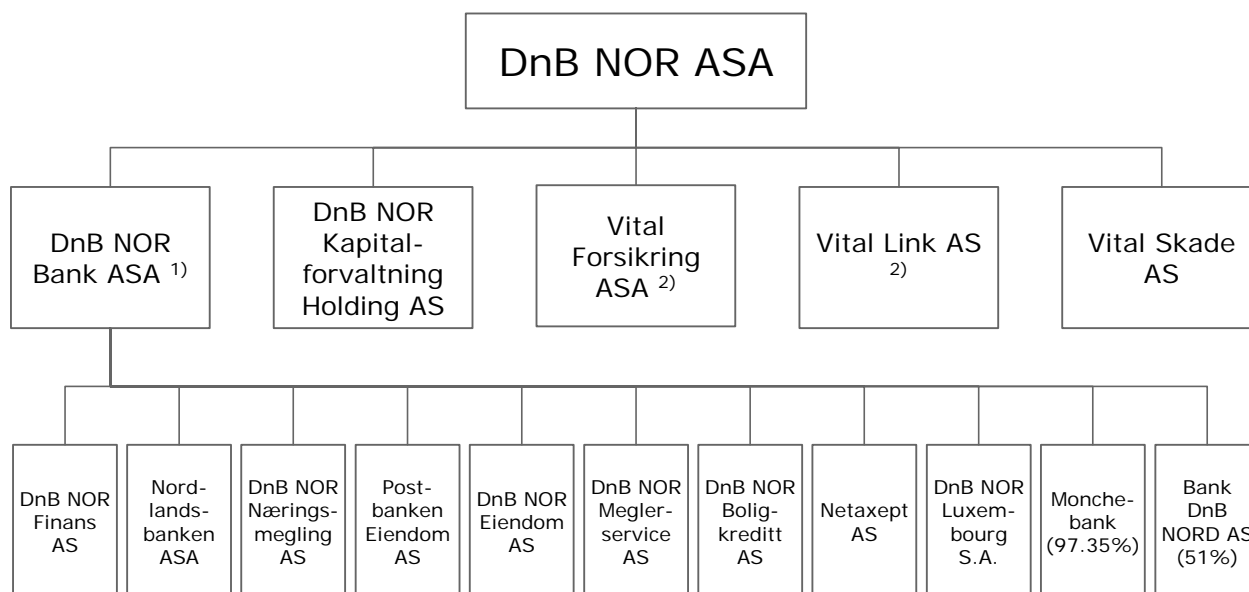
- The return on equity should be above 15 per cent.
- The cost/income ratio should be below 50 per cent by 2008.
- The Group's equity will be structured to ensure that core capital excluding hybrid securities in the long term exceeds the minimum legal requirements by a capital buffer linked to the Group's model for measuring risk-adjusted capital. The capitalisation target corresponds to a core capital ratio of approximately 6.5 per cent as at 31 December 2006.
- Approximately 50 per cent of annual profits should be distributed as dividends, provided that capital adequacy remains at a satisfactory level.
- DnB NOR Bank ASA's ratings for ordinary long-term debt should be maintained at an Aa level according to Moody's rating.



## Legal structure

In accordance with the requirements of the Norwegian regulatory authorities, the banking, asset management and life insurance activities of the DnB NOR Group are organised in separate limited companies under the holding company DnB NOR ASA. Banking activities are organised in DnB NOR Bank ASA. All asset management activities are organised under a common holding company, DnB NOR Kapitalforvaltning Holding AS. Life insurance activities in the form of traditional life and pension products were in 2006 carried out by Vital Forsikring ASA, while unit linked products were offered through Vital Link AS. Vital Forsikring ASA and Vital Link AS merged in February 2007. Vital Skade AS offers non-life insurance as part of a total product package for retail and corporate clients and operates as an agent for domestic and foreign insurance underwriters. The chart below shows the legal structure of the DnB NOR Group at end-December 2006.

### DnB NOR Group - legal structure at end-December 2006



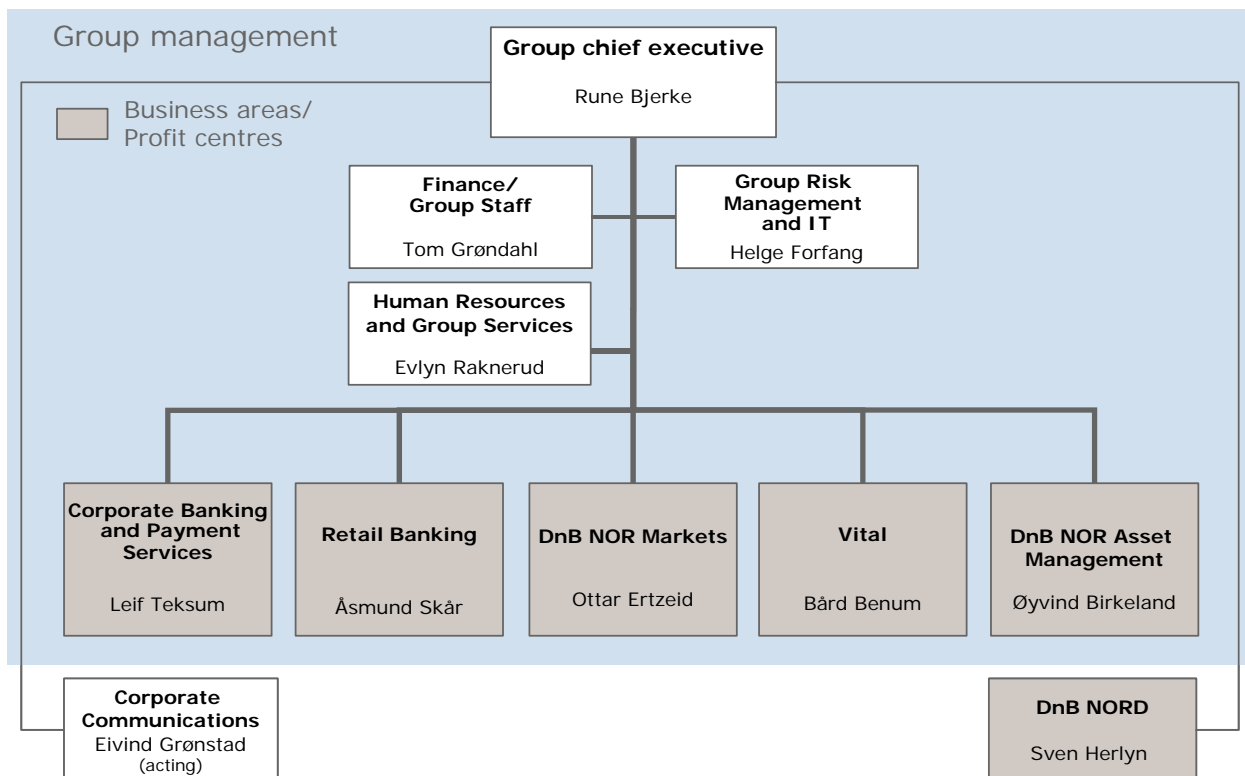
1) Major subsidiaries only. Ownership 100 per cent unless otherwise indicated.

2) Vital Link AS merged with Vital Forsikring ASA in February 2007.

## Group business structure

The operational structure of DnB NOR includes five business areas and four staff and support units. In addition DnB NORD, which was incorporated in the Group from year-end 2005, is reported as a separate profit centre. As independent profit centres, the business areas carry responsibility for customer segments served by the Group, as well as the products offered. The operational structure of DnB NOR deviates from its legal structure as activities in subsidiaries fall in under the business area relevant to the company's operations.

### DnB NOR Group - organisation chart as at 1 January 2007 <sup>1)</sup>



1) Reporting structure.

The business areas carry responsibility for customer relationships and for serving specific customer segments, as well as for key distribution channels for the sale of customer products and for ensuring that the Group's products are adapted to market requirements. Responsibilities include marketing, customer service, distribution and risk assessment in addition to product development, production and product pricing. The business areas are also responsible for the most business-critical support functions and have the opportunity to influence other staff and support units in the Group by changing their demand pattern and levels of ambition.

Cooperation between the business areas is an important element in DnB NOR's strategy. A wide range of products, services and distribution channels enables the Group to offer customer solutions across business areas.

## Accounting principles

The accounts have been prepared according to IFRS principles, including IAS 34 - Interim Financial Reporting. All figures presented are based on such principles, except where explicitly stated otherwise. A description of accounting principles applied by the Group in preparing the accounts is found in the annual report for 2005, except for financial guarantee contracts issued.

In the fourth quarter of 2006 the DnB NOR Group implemented IAS 39 - Financial Guarantee Contracts with effect from 1 January 2006. Under the new principles financial guarantee contracts issued are initially recorded in the balance sheet at fair value and subsequently at the highest of fair value adjusted for any cumulative amortisation of commissions or the implicit liability in the contract. Except for individually identified impaired commitments, any changes in the value of financial guarantee contracts issued including amortisation of commissions are recorded as "Net gains on financial instruments at fair value". Changes in the value of financial guarantee contracts issued included in individually identified impaired commitments are recorded under "Write-downs on loans and guarantees". The fair values of financial guarantee contracts issued are recorded under "Provisions" in the balance sheet. See below for the effect on previously presented accounting figures.

Comparable figures have not been restated for the establishment of DnB NOR and purchase of Monchebank, see description on pages 75-77 and page 48, respectively.

## Changes in accounting figures previously presented

The new principles for financial guarantee contracts implied certain reclassifications in the profit and loss accounts and balance sheets. The accounts for previous periods have been adjusted accordingly. The effects of changes in figures presented earlier are shown in the tables below.

### Changes in income statement

<i>Amounts in NOK million</i>	3Q06	2Q06	1Q06	4Q05	Full year 2005
Commissions and fees receivable etc.	(92)	(89)	(84)	(80)	(303)
Commissions and fees payable etc.	(2)	(1)	(1)	(1)	(3)
Net gains on financial instruments at fair value	109	67	69	87	304
Net other operating income	19	(20)	(14)	8	4
Write-downs on loans and guarantees	19	(20)	(14)	8	4
<b>Profit for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Changes in balance sheet figures

<i>Amounts in NOK million</i>	30 Sept. 2006	30 June 2006	31 March 2006	31 Dec. 2005	1 Jan. 2005
Lending to customers	90	109	89	75	79
<b>Total assets</b>	<b>90</b>	<b>109</b>	<b>89</b>	<b>75</b>	<b>79</b>
Other liabilities	(27)	(26)	(26)	(24)	(17)
Provisions	117	135	115	99	96
<b>Total liabilities and equity</b>	<b>90</b>	<b>109</b>	<b>89</b>	<b>75</b>	<b>79</b>



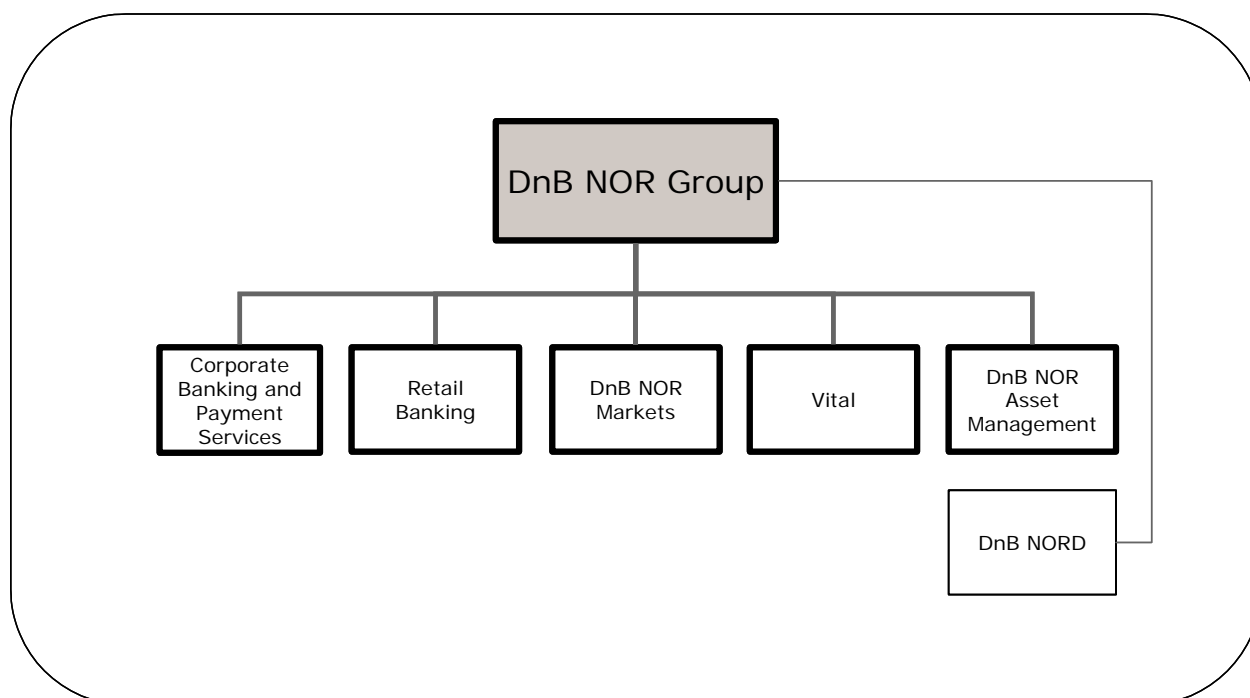
## Section 2

# Financial results DnB NOR Group

Unless otherwise specified,  
figures are based on IFRS

Comparable figures have not been  
restated for the establishment of  
DnB NOR and purchase of Monchebank

Previously reported accounting figures have  
been restated in accordance with new accounting principles  
for financial guarantee contracts issued



## Financial results

### Income statement – condensed <sup>1)</sup>

<i>Amounts in NOK million</i>	4Q06	3Q06	2Q06	1Q06	4Q05	2006	2005
Net interest income	3 975	3 911	3 781	3 622	3 473	15 289	13 610
Net other operating income	3 622	2 951	3 090	3 541	3 230	13 204	11 725
Total operating expenses	3 994	3 491	3 483	3 459	3 336	14 427	12 864
Pre-tax operating profit before write-downs	3 602	3 372	3 388	3 704	3 367	14 066	12 471
Net gains on fixed and intangible assets	66	135	151	12	172	365	775
Write-downs on loans and guarantees	(16)	(51)	(165)	(26)	(40)	(258)	137
Pre-tax operating profit	3 684	3 558	3 703	3 743	3 578	14 689	13 109
Taxes	291	844	853	894	582	2 881	2 965
<b>Profit for the period</b>	<b>3 394</b>	<b>2 714</b>	<b>2 851</b>	<b>2 849</b>	<b>2 996</b>	<b>11 808</b>	<b>10 144</b>

1) For full income statement, see page 32.

### Financial highlights

<i>Amounts in NOK million</i>	4Q06	3Q06	2Q06	1Q06	4Q05	2006	2005
Cost/income ratio (per cent) <sup>1)</sup>	50.4	50.9	50.7	48.3	47.5	50.1	50.2
Return on equity (per cent)	21.5	18.0	19.2	19.2	21.5	19.5	18.8
Earnings per share (NOK)	2.52	2.00	2.11	2.11	2.24	8.74	7.59
Total combined assets at end of period (NOK billion)	1 692	1 630	1 573	1 495	1 463	1 692	1 463
Core capital ratio at end of period (per cent) <sup>2)</sup>	6.7	6.7	6.9	7.2	7.4	6.7	7.4

1) Excluding allocation to DnB NOR's employee funds.

2) Including 50 per cent of profit for the year, except for year-end figures.

### Balance sheets – condensed <sup>1)</sup>

<i>Amounts in NOK billion</i>	31 Dec. 2006	30 Sept. 2006	30 June 2006	31 March 2006	31 Dec. 2005	1 Jan. 2005
Cash and lending to/deposits with credit institutions	82.5	84.6	104.3	70.7	62.1	34.8
Lending to customers	827.9	801.7	764.8	727.6	697.6	583.5
Commercial paper and bonds	234.5	224.4	215.8	208.2	198.1	172.6
Shareholdings	52.9	47.2	44.3	45.0	37.4	31.0
Fixed and intangible assets	37.8	36.9	35.5	34.9	34.4	30.6
Financial assets, customers bearing the risk	18.8	16.0	14.8	15.1	13.1	9.7
Other assets	65.7	57.0	42.5	36.9	38.8	50.1
<b>Total assets</b>	<b>1320.2</b>	<b>1268.0</b>	<b>1222.0</b>	<b>1138.4</b>	<b>1081.4</b>	<b>912.4</b>
Loans and deposits from credit institutions	124.4	121.1	133.0	110.5	108.1	59.1
Deposits from customers	474.5	457.5	459.7	420.8	411.0	353.1
Borrowings through the issue of securities	326.8	316.5	281.5	261.8	236.6	192.8
Insurance liabilities, customers bearing the risk	18.8	16.0	14.8	15.1	13.1	9.7
Liabilities to life insurance policyholders	188.1	182.2	182.2	182.8	174.7	153.0
Other liabilities and provisions	87.2	76.0	59.9	57.3	53.5	69.6
Primary capital	100.4	98.7	90.8	89.9	84.5	75.2
<b>Total liabilities and equity</b>	<b>1320.2</b>	<b>1268.0</b>	<b>1222.0</b>	<b>1138.4</b>	<b>1081.4</b>	<b>912.4</b>

1) For full balance sheets, see page 32.

## Net interest income

### Net interest income

<i>Amounts in NOK million</i>	4Q06	3Q06	2Q06	1Q06	4Q05	2006	2005
Interest income	12 556	10 961	10 001	8 864	8 134	42 381	29 973
Interest expenses	8 581	7 049	6 219	5 242	4 661	27 092	16 363
<b>Net interest income</b>	<b>3 975</b>	<b>3 911</b>	<b>3 781</b>	<b>3 622</b>	<b>3 473</b>	<b>15 289</b>	<b>13 610</b>

### Changes in net interest income <sup>1)</sup>

<i>Amounts in NOK million</i>	2006	Change	2005
<b>Net interest income</b>	<b>15 289</b>	<b>1 679</b>	<b>13 610</b>
DnB NORD	757	757	-
DnB NOR Monchebank	30	30	-
<b>Net interest income, adjusted</b>		<b>892</b>	
Lending and deposit volumes		1 719	
Lending and deposit spreads		(961)	
Other		134	

<i>Amounts in NOK million</i>	4Q06	Change	4Q05
<b>Net interest income</b>	<b>3 975</b>	<b>502</b>	<b>3 473</b>
DnB NORD	220	220	-
DnB NOR Monchebank	9	9	-
<b>Net interest income, adjusted</b>		<b>273</b>	
Lending and deposit volumes		429	
Lending and deposit spreads		(289)	
Non interest-bearing items including equity		206	
Other		(74)	

<i>Amounts in NOK million</i>	4Q06	Change	3Q06
<b>Net interest income</b>	<b>3 975</b>	<b>63</b>	<b>3 911</b>
DnB NORD	220	8	212
DnB NOR Monchebank	9	(0)	9
<b>Net interest income, adjusted</b>		<b>56</b>	
Lending and deposit volumes		107	
Lending and deposit spreads		(151)	
Non interest-bearing items including equity		89	
Other		11	

1) Based on nominal values excluding lending to/deposits with credit institutions and impaired loans.

**Segmental interest rate spreads <sup>1)</sup>**

Per cent	4Q06	3Q06	2Q06	1Q06	4Q05	2006	2005
<b>Lending:</b>							
Corporate Banking	1.08	1.18	1.21	1.30	1.28	1.19	1.38
Retail Banking	1.16	1.29	1.41	1.46	1.49	1.33	1.57
DnB NOR	1.44	1.51	1.59	1.72		1.55	
<b>Total</b>	<b>1.15</b>	<b>1.25</b>	<b>1.35</b>	<b>1.40</b>	<b>1.40</b>	<b>1.28</b>	<b>1.49</b>
<b>Deposits:</b>							
Corporate Banking	0.68	0.60	0.60	0.57	0.60	0.61	0.58
Retail Banking	1.07	1.03	0.96	0.90	0.84	0.99	0.81
DnB NOR	1.61	1.49	1.22	1.13		1.37	
<b>Total</b>	<b>0.89</b>	<b>0.83</b>	<b>0.79</b>	<b>0.75</b>	<b>0.72</b>	<b>0.82</b>	<b>0.70</b>
<b>Combined spread - lending and deposits:</b>							
<b>Total</b>	<b>2.04</b>	<b>2.08</b>	<b>2.14</b>	<b>2.15</b>	<b>2.12</b>	<b>2.10</b>	<b>2.19</b>

1) Based on nominal values excluding lending to/deposits with credit institutions and impaired loans.

**Changes in net interest income 4Q05-4Q06 due to changes in <sup>1)</sup>**

Amounts in NOK million	Volume	Interest rate spreads	Total
Lending <sup>*)</sup>	452	(422)	30
Deposits <sup>**)</sup>	95	205	300
<b>Total</b>	<b>547</b>	<b>(217)</b>	<b>330</b>

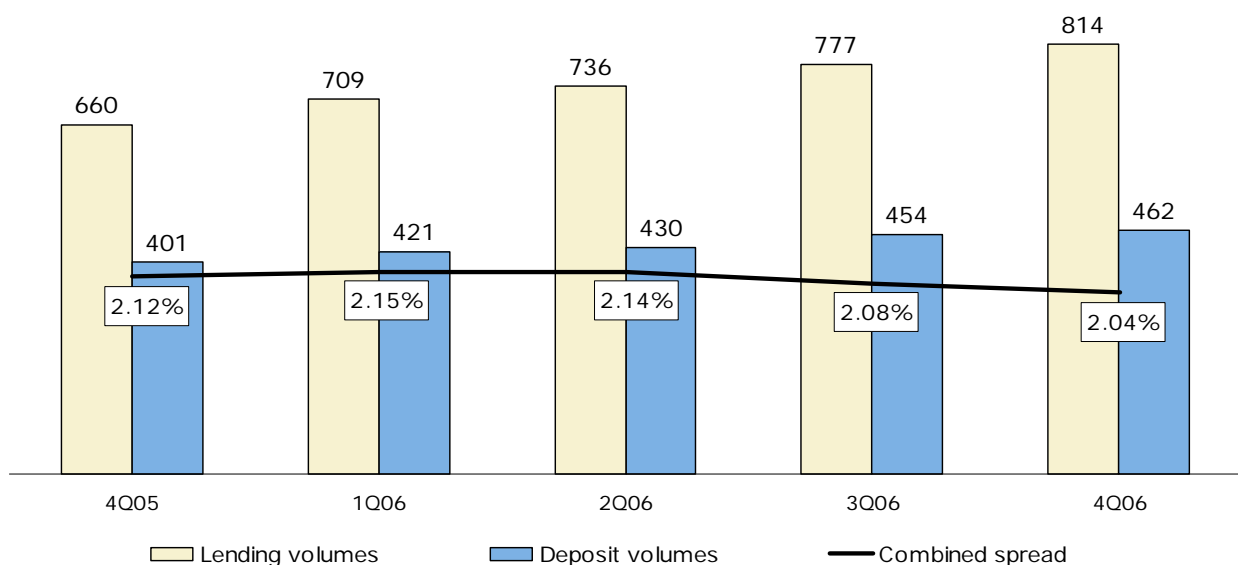
<sup>\*)</sup> Of which DnB NOR 132

<sup>\*\*)</sup> Of which DnB NOR 48

1) Based on nominal values excluding lending to/deposits with credit institutions and impaired loans.

**Developments in average volumes and interest margin <sup>1)</sup>**

NOK billion

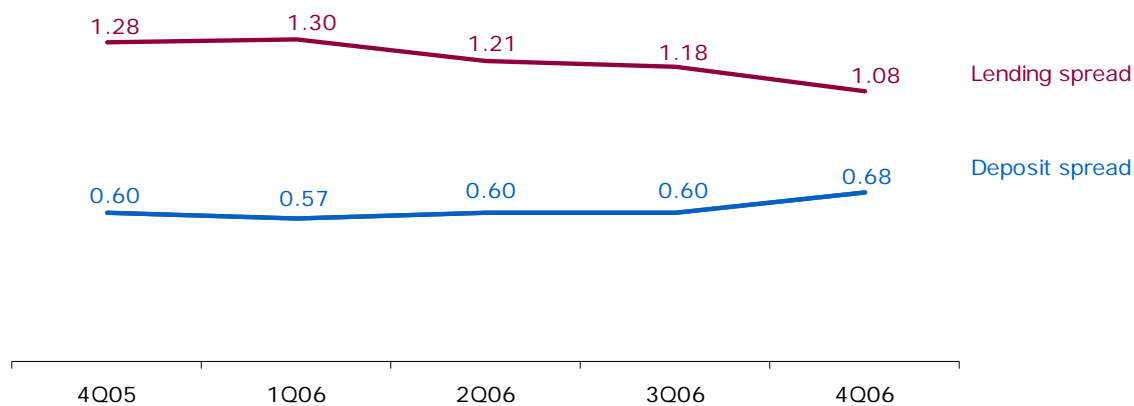


1) Based on nominal values excluding lending to/deposits with credit institutions and impaired loans



## Developments in average interest rate spreads – Corporate Banking and Payment Services <sup>1)</sup>

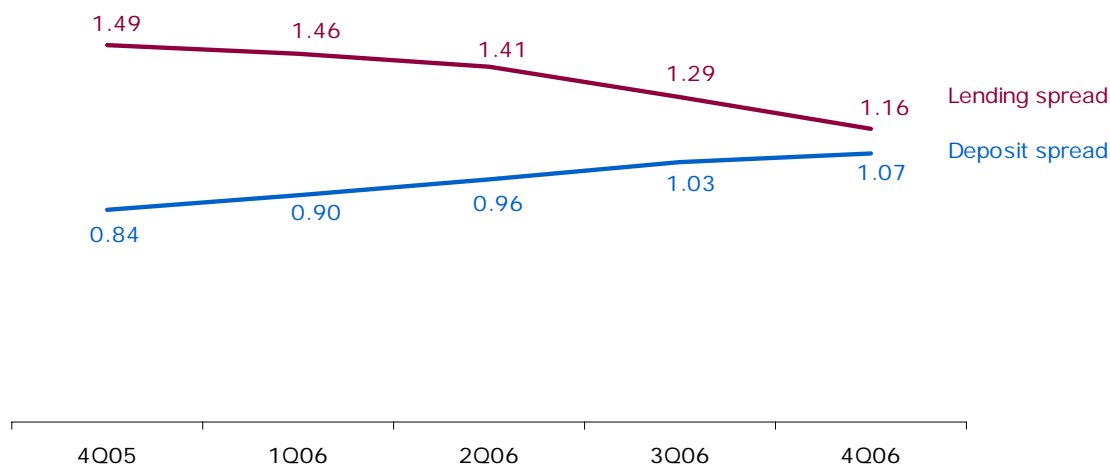
Per cent



1) Based on nominal values excluding lending to/deposits with credit institutions and impaired loans

## Developments in average interest rate spreads – Retail Banking <sup>1)</sup>

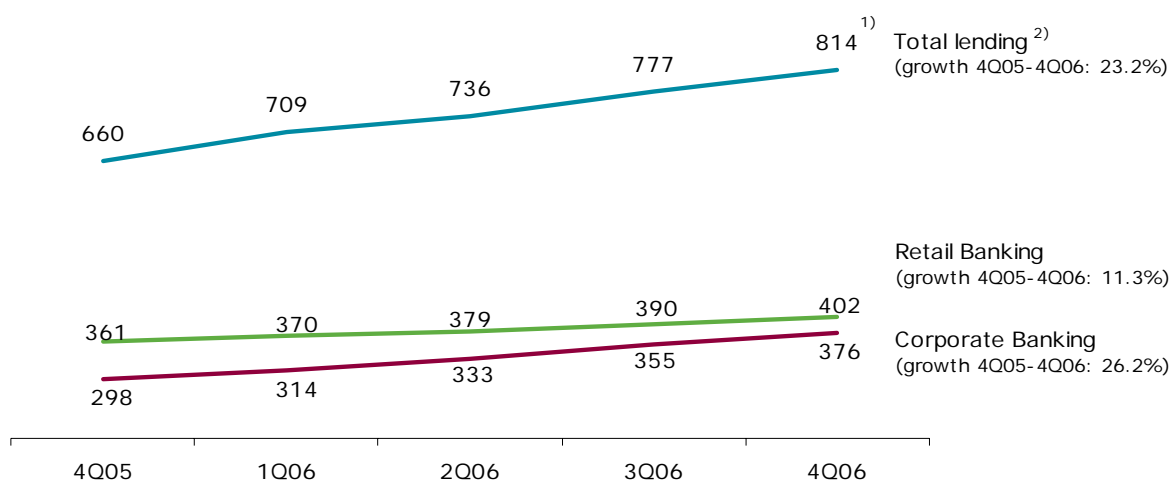
Per cent



1) Based on nominal values excluding impaired loans

## Developments in average volumes - lending

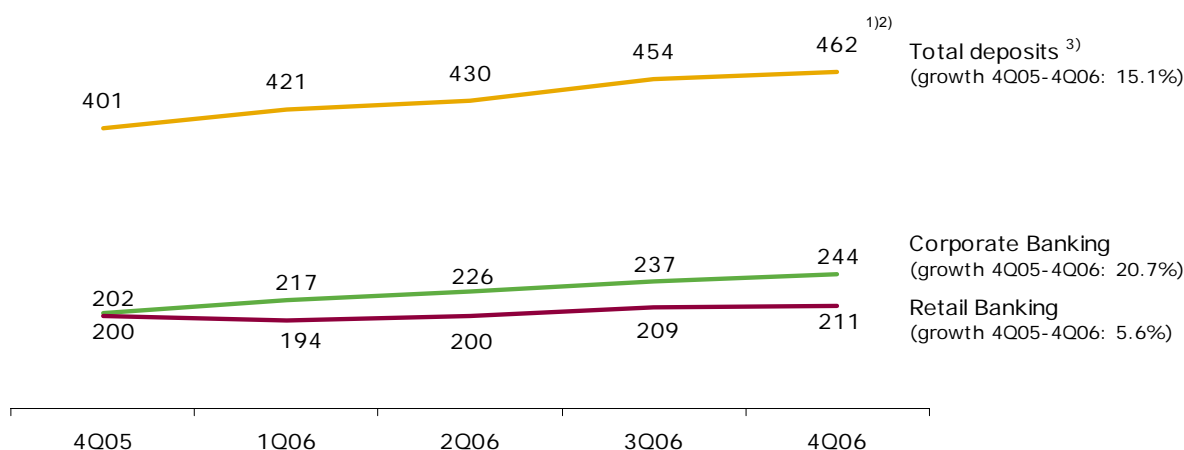
NOK billion



- 1) Of which DnB NORD and DnB NOR Monchebank: NOK 36 billion  
 Excluding DnB NORD and DnB NOR Monchebank: NOK 777 billion (17.7% growth)  
 2) Based on nominal values excluding lending to credit institutions and impaired loans

## Developments in average volumes - deposits

NOK billion



- 1) Of which DnB NORD and DnB NOR Monchebank: NOK 12 billion  
 Excluding DnB NORD and DnB NOR Monchebank: NOK 450 billion (12.0% growth)  
 2) Of which reduction due to inter-companys items etc.: NOK 5 billion  
 3) Based on nominal values

## Net other operating income

<i>Amounts in NOK million</i>	4Q06	3Q06	2Q06	1Q06	4Q05	2006	2005
Money transfer and interbank transactions	471	459	455	461	494	1 845	1 935
Asset management services	316	283	292	305	330	1 197	1 077
Credit broking	83	51	93	30	27	256	(7)
Real estate broking	194	198	197	158	175	746	645
Custodial services	74	56	64	56	69	251	215
Securities trading	78	72	115	125	95	389	339
Sale of insurance products <sup>1)</sup>	497	395	421	451	447	1 764	1 595
Other income from banking services	88	149	116	113	127	465	481
Net gains on equity investments <sup>2)</sup>	204	141	99	222	172	667	958
Corporate finance etc.	182	54	93	214	144	542	408
Other income	153	158	129	160	167	601	590
Net financial and risk result from Vital <sup>*)</sup>	337	371	375	454	362	1 537	1 365
Customer trading in FX and interest rate instruments, DnB NOR Markets	384	247	296	357	323	1 283	1 156
FX and interest rate instruments, DnB NOR Markets	342	250	100	176	139	868	530
FX and interest rate instruments, banking portfolio, other	221	67	244	260	160	791	437
<b>Net other operating income <sup>**)</sup></b>	<b>3 622</b>	<b>2 951</b>	<b>3 090</b>	<b>3 541</b>	<b>3 230</b>	<b>13 204</b>	<b>11 725</b>
As a percentage of total income	47.7	43.0	45.0	49.4	48.2	46.3	46.3

### **\*) Of which:**

Net gains on assets in Vital	6 033	2 714	2 435	4 936	3 913	16 117	14 369
Guaranteed returns and allocations to policyholders in Vital	5 731	2 392	2 008	4 453	3 616	14 584	13 111
Premium income etc. included in the risk result in Vital	1 191	1 001	1 059	1 063	1 595	4 314	3 925
Insurance claims etc. included in the risk result in Vital	1 146	960	1 121	1 097	1 542	4 324	3 828
Net financial and risk result in Vital	348	361	365	449	350	1 523	1 356
Eliminations in the group accounts	(10)	9	10	5	12	14	10
Net financial and risk result from Vital	337	371	375	454	362	1 537	1 365

For a detailed specification of income statement according to IFRS in Vital, see page 63.

### **\*\*\*) Of which:**

DnB NORD	91	69	80	71		310	
DnB NOR Monchebank	4	4	5	6		19	

1) Sale through the banking network and Vital's own sale.

2) Including gains on the sale of Storebrand shares and investments in Brazil in 2005.

## Changes in net other operating income

<i>Amounts in NOK million</i>	2006	Change	2005
<b>Net other operating income</b>	<b>13 204</b>	<b>1 478</b>	<b>11 725</b>
DnB NORD	310	310	-
DnB NOR Monchebank	19	19	-
<b>Net other operating income, adjusted</b>		<b>1 149</b>	
Net commissions and fees		537	
Net gains on equity investments <sup>1)</sup>		(291)	
Net gains on other financial instruments		724	
Net financial and risk result from Vital <sup>2)</sup>		172	
Other income		8	

<i>Amounts in NOK million</i>	4Q06	Change	4Q05
<b>Net other operating income</b>	<b>3 622</b>	<b>392</b>	<b>3 230</b>
DnB NORD	91	91	-
DnB NOR Monchebank	4	4	-
<b>Net other operating income, adjusted</b>		<b>297</b>	
Net commissions and fees		15	
Net gains on equity investments		36	
Net gains on other financial instruments		301	
Net financial and risk result from Vital <sup>2)</sup>		(24)	
Other income		(31)	

<i>Amounts in NOK million</i>	4Q06	Change	3Q06
<b>Net other operating income</b>	<b>3 622</b>	<b>671</b>	<b>2 951</b>
DnB NORD	91	22	69
DnB NOR Monchebank	4	0	4
<b>Net other operating income, adjusted</b>		<b>649</b>	
Net commissions and fees		264	
Net gains on equity investments		67	
Net gains on other financial instruments		384	
Net financial and risk result from Vital <sup>2)</sup>		(34)	
Other income		(33)	

1) Including gains on the sale of Storebrand shares and investments in Brazil in 2005.

2) Excluding guaranteed returns and allocations to policyholders. After eliminations.

## Net other operating income - stock market related

<i>Amounts in NOK million</i>	4Q06	3Q06	2Q06	1Q06	4Q05	2006	2005
Asset management services	316	283	292	305	330	1 197	1 077
Custodial services	74	56	64	56	69	251	215
Securities trading	78	72	115	125	95	389	339
Net gains on equity investments <sup>1)</sup>	204	141	99	222	172	667	958
Corporate finance etc.	182	54	93	214	144	542	408
Owner's share of financial result in Vital <sup>*)</sup>	291	331	437	488	309	1 547	1 268
<b>Stock market related income</b>	<b>1 145</b>	<b>938</b>	<b>1 101</b>	<b>1 410</b>	<b>1 119</b>	<b>4 594</b>	<b>4 265</b>
As a percentage of net other operating income	31.6	31.8	35.6	39.8	34.6	34.8	36.4
As a percentage of total income	15.1	13.7	16.0	19.7	16.7	16.1	16.8

### \*) Of which:

Net gains on assets in Vital	6 033	2 714	2 435	4 936	3 913	16 117	14 369
Guaranteed returns and allocations to policyholders in Vital	5 731	2 392	2 008	4 453	3 616	14 584	13 111
Owner's share of financial result in Vital before eliminations	302	321	427	483	297	1 533	1 258
Eliminations in the group accounts	(10)	9	10	5	12	14	10
Owner's share of financial result in Vital	291	331	437	488	309	1 547	1 268

For a detailed specification of income statement according to IFRS in Vital, see page 63.

1) Including gains on the sale of Storebrand shares and investments in Brazil in 2005.

## Net gains on sale of assets

<i>Amounts in NOK million</i>	4Q06	3Q06	2Q06	1Q06	4Q05	2006	2005
<b>Net gains on financial instruments at fair value</b>	<b>1 150</b>	<b>705</b>	<b>739</b>	<b>1 015</b>	<b>794</b>	<b>3 610</b>	<b>2 915</b>
of which major gains included:							
Investments in Brazil							198
<b>Net realised gains on investment securities (AFS)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>167</b>
of which major gains included:							
Storebrand shares							167
<b>Net gains on fixed and intangible assets</b>	<b>66</b>	<b>135</b>	<b>151</b>	<b>12</b>	<b>172</b>	<b>365</b>	<b>775</b>
of which major gains included:							
Development area, Oppedgård		47				47	
Lodalen Utvikling		44				44	
Kirkegaten 17, Oslo	9	22				31	
Scanrope			16			16	
Exporama			30			30	
Bogstadveien 45, Oslo			61			61	
Haraldsgate 125, Haugesund					52		52
Søndregate 12, Trondheim					46		46
Follalaks							107
Helgelandske							16
Pan Fish							314
Aurora Salmon					4		63
Akersgt. 64-67, Oslo					24		88
Postbanken Eiendomsmegling					2		18
Other	57	22	44	12	44	136	71

## Operating expenses

<i>Amounts in NOK million</i>	4Q06	3Q06	2Q06	1Q06	4Q05	2006	2005
Ordinary salaries	1 559	1 438	1 393	1 424	1 378	5 814	5 179
Employer's national insurance contributions	223	198	193	204	174	818	752
Pension expenses <sup>1)</sup>	233	248	229	203	(36)	913	400
Social expenses	115	102	112	93	119	421	407
<b>Total salaries and other personnel expenses</b>	<b>2 129</b>	<b>1 985</b>	<b>1 927</b>	<b>1 925</b>	<b>1 635</b>	<b>7 967</b>	<b>6 737</b>
Fees	247	161	181	192	140	781	652
EDP expenses	413	336	386	358	364	1 493	1 439
Postage and telecommunications	97	99	110	104	126	410	491
Office supplies	33	26	26	27	30	113	110
Marketing and public relations	177	133	155	134	147	599	506
Travel expenses	76	51	55	51	64	232	197
Reimbursement to Norway Post for transactions executed	36	76	73	83	156	269	555
Training expenses	30	14	16	17	18	77	51
Operating expenses on properties and premises	199	211	213	232	214	855	854
Operating expenses on machinery, vehicles and office equipment taken to expense	38	28	23	32	26	121	89
Allocations to employee funds	164	0	0	0	153	164	153
Restructuring expenses	61	13	0	0	0	73	0
Other operating expenses	97	174	141	145	98	558	377
<b>Other expenses</b>	<b>1 669</b>	<b>1 323</b>	<b>1 379</b>	<b>1 375</b>	<b>1 536</b>	<b>5 745</b>	<b>5 474</b>
Depreciation and impairment of fixed and intangible assets	196	183	177	159	165	715	653
<b>Total operating expenses <sup>*)</sup></b>	<b>3 994</b>	<b>3 491</b>	<b>3 483</b>	<b>3 459</b>	<b>3 336</b>	<b>14 427</b>	<b>12 864</b>

**\*) Of which:**

DnB NORD	229	175	173	151		728	
DnB NOR Monchebank	9	9	9	7		34	

1) The low pension expenses in the fourth quarter of 2005 were due to the fact that changes in the subsidiaries' pension schemes had a much greater impact than previously estimated.

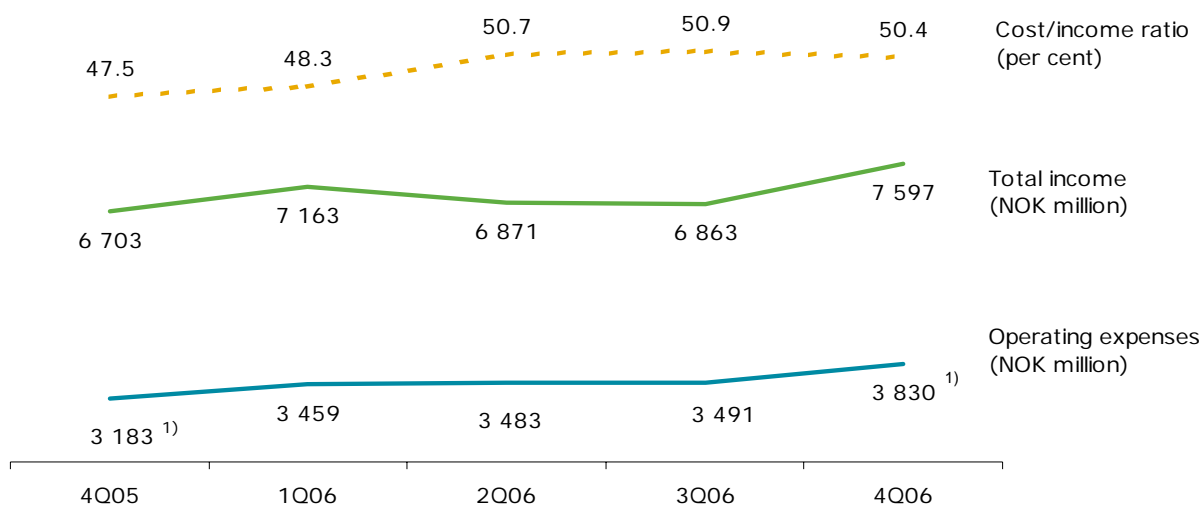
## Changes in total ordinary operating expenses

<i>Amounts in NOK million</i>	2006	Change	2005
<b>Total ordinary operating expenses</b>	<b>14 263</b>	<b>1 552</b>	<b>12 711</b>
DnB NOR	728	728	-
DnB NOR Monchebank	34	34	-
<b>Total ordinary operating expenses, adjusted</b>	<b>13 501</b>	<b>790</b>	<b>12 711</b>
Pension expenses		511	
Wage settlements		160	
Performance-based pay		275	
System development expenses		155	
Merger synergies		(349)	
Other		38	

<i>Amounts in NOK million</i>	4Q06	Change	4Q05
<b>Total ordinary operating expenses</b>	<b>3 830</b>	<b>647</b>	<b>3 183</b>
DnB NOR	229	229	-
DnB NOR Monchebank	9	9	-
<b>Total ordinary operating expenses, adjusted</b>	<b>3 592</b>	<b>409</b>	<b>3 183</b>
Pension expenses		268	
Wage settlements		57	
Performance-based pay		63	
System development expenses		104	
Merger synergies		(48)	
Other		(35)	

<i>Amounts in NOK million</i>	4Q06	Change	3Q06
<b>Total ordinary operating expenses</b>	<b>3 830</b>	<b>340</b>	<b>3 491</b>
DnB NOR	229	54	175
DnB NOR Monchebank	9	1	9
<b>Total ordinary operating expenses, adjusted</b>	<b>3 592</b>	<b>285</b>	<b>3 307</b>
Performance-based pay		100	
System development expenses		67	
Fees		56	
Restructuring		48	
Marketing		40	
Other		(26)	

## Cost/income ratio



1) Excluding allocations to employee funds.

## Number of employees - full-time positions

Full-time positions	31 Dec. 2006	30 Sept. 2006	30 June 2006	31 March 2006	31 Dec. 2005	31 Dec. 2004
Corporate Banking and Payment Services <sup>1)</sup>	2 635	2 584	2 600	2 596	2 356	2 506
Retail Banking	4 080	4 040	4 056	4 073	4 103	4 288
DnB NOR Markets	562	550	545	538	538	531
Vital	815	809	795	769	756	807
DnB NOR Asset Management	300	305	301	296	285	310
DnB NOR D	1 989	1 917	1 845	1 831	1 754	
Staff and support units	1 444	1 456	1 467	1 472	1 542	1 525
<b>Total</b>	<b>11 824</b>	<b>11 661</b>	<b>11 607</b>	<b>11 575</b>	<b>11 334</b>	<b>9 966</b>

1) An increase of 250 full-time positions resulting from the acquisition of Monchebank in January 2006.



## Economic assumptions applied in calculating pension expenses and commitments

<i>Economic assumptions (per cent)</i>	Balances 31 December		Expenses	
	2006	2005	2006	2005
Discount rate	4.5	3.9	3.9	4.7
Anticipated return	5.6	4.9	4.9	5.7
Anticipated rise in salaries	4.5	3.5	3.5	3.5
Anticipated rise in base rate	4.25	3.0	3.0	3.0
Anticipated rise in pensions	2.25	2.5	2.5	2.5
Anticipated CPA acceptance	35.0	40.0	40.0	40.0
Demographic assumptions about mortality <sup>1)</sup>	K2005	K1963	K1963	K1963

1) Statistical assumptions on population mortality, as officially estimated in 1963 and 2005 respectively.

## Pension expenses

<i>Amounts in NOK million</i>	4Q06	3Q06	2Q06	1Q06	4Q05	2006	2005
Regular pensions	183	201	182	156	162	722	690
Changes in pension schemes (one-time effect)					(179)		(322)
Changes in economic assumptions	50	47	47	47	(19)	191	32
<b>Total</b>	<b>233</b>	<b>248</b>	<b>229</b>	<b>203</b>	<b>(36)</b>	<b>913</b>	<b>400</b>

## IT expenses

<i>Amounts in NOK million</i>	4Q06	3Q06	2Q06	1Q06	4Q05	2006	2005
IT operating expenses	396	407	412	403	405	1 618	1 642
Systems development expenses <sup>1)</sup>	204	137	165	175	100	681	526
Vital, after eliminations	93	90	100	94	93	377	349
<b>Total IT expenses <sup>2)</sup></b>	<b>693</b>	<b>633</b>	<b>677</b>	<b>672</b>	<b>597</b>	<b>2 675</b>	<b>2 518</b>

1) In the fourth quarter of 2005, NOK 73 million in systems development costs previously carried to expense were reclassified and recognised as assets.

2) Including salaries and indirect costs.

## Restructuring provisions

<i>Amounts in NOK million</i>	31 Dec. 2006 <sup>1)</sup>	Accrued expenses 2006	31 Dec. 2005 <sup>2)</sup>
<b>DnB NOR merger</b>	<b>30</b>	<b>205</b>	<b>235</b>
Of which:			
IT		72	
Staff cuts		118	
Real estate		15	

1) The remaining restructuring provisions concerns restructuring measures not yet implemented in DnB NOR Asset Management.

2) In connection with the merger between DnB and Gjensidige NOR, a total of NOK 1 860 million was allocated to restructuring measures.

## Write-downs on loans and guarantees

### Write-downs on loans and guarantees

<i>Amounts in NOK million</i>	4Q06	3Q06	2Q06	1Q06	4Q05	2006	2005
New individual write-downs	225	185	251	257	44	919	877
Reassessments and recoveries	220	160	193	186	123	759	643
Total individual write-downs	5	25	58	71	(79)	160	234
Change in group write-downs on loans <sup>1)</sup>	(21)	(76)	(224)	(97)	39	(418)	(97)
<b>Write-downs on loans and guarantees</b>	<b>(16)</b>	<b>(51)</b>	<b>(165)</b>	<b>(26)</b>	<b>(40)</b>	<b>(258)</b>	<b>137</b>

1) The group implemented amendments to IAS 39 regarding financial guarantee contracts issued as from 1 January 2006. In accordance with the new principles group write-downs on guarantees have been reclassified from write-downs on loans and guarantees to net gains on financial instruments at fair value. Accounting figures for previous periods have been restated, see section 1 under Accounting principles.

### Write-downs on loans and guarantees for principal sectors

<i>Amounts in NOK million</i>	4Q06	3Q06	2Q06	1Q06	4Q05	2006	2005
Retail customers	(78)	13	44	69	56	48	270
International shipping	17	2	(1)	0	(15)	18	7
Real estate	(7)	1	(13)	(12)	(25)	(31)	(36)
Manufacturing	11	1	3	7	0	22	29
Services and management	19	(14)	5	3	(71)	13	(101)
Trade	(2)	1	25	4	(9)	28	25
Oil and gas	(5)	0	(2)	0	(1)	(7)	(5)
Transportation and communication	10	7	15	7	2	39	12
Building and construction	(5)	9	(12)	4	5	(4)	11
Power and water supply	1	(1)	0	0	(1)	0	1
Fishing	3	3	8	(3)	38	11	4
Hotels and restaurants	0	3	(11)	0	2	(7)	(4)
Agriculture and forestry	9	(2)	0	4	(1)	11	1
Other sectors	33	2	(3)	(12)	(13)	20	(18)
Total customers	6	25	58	71	(33)	161	196
Credit institutions	(1)	0	0	0	(46)	(1)	38
Change in group write-downs on loans <sup>1)</sup>	(21)	(76)	(224)	(97)	39	(418)	(97)
<b>Write-downs on loans and guarantees</b>	<b>(16)</b>	<b>(51)</b>	<b>(165)</b>	<b>(26)</b>	<b>(40)</b>	<b>(258)</b>	<b>137</b>
Of which individual write-downs on guarantees	(2)	(1)	1	(10)	13	(13)	13

1) The group implemented amendments to IAS 39 regarding financial guarantee contracts issued as from 1 January 2006. In accordance with the new principles group write-downs on guarantees have been reclassified from write-downs on loans and guarantees to net gains on financial instruments at fair value. Accounting figures for previous periods have been restated, see section 1 under Accounting principles.

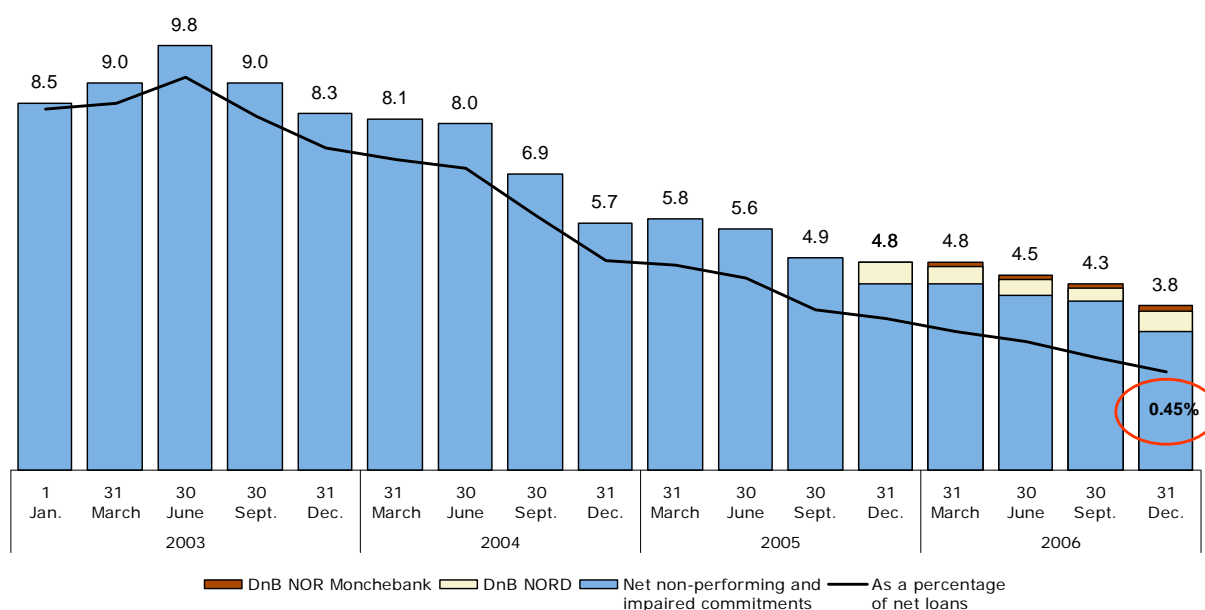
## Write-down ratio

	31 Dec. 2006	30 Sept. 2006	30 June 2006	31 March 2006	31 Dec. 2005	31 Dec. 2004
<i>Amounts in NOK million</i>						
Non-performing (gross)	4 334	4 909	4 811	5 111	5 346	6 802
Impaired commitments (gross)	1 434	1 482	2 066	1 888	1 755	2 427
Gross non-performing and impaired commitments	5 768	6 391	6 877	6 999	7 101	9 229
Individual write-downs	1 968	2 121	2 233	2 241	2 350	3 503
Group write-downs <sup>1)</sup>	892	928	964	1 229	1 344	1 478
Write-down ratio (per cent)	49.6	47.7	46.5	49.6	52.0	54.0
Collateral for loans	2 983	3 330	3 364	3 552	3 570	4 502
Coverage ratio (per cent)	101.3	99.8	95.4	100.3	102.3	102.8

1) The group implemented amendments to IAS 39 regarding financial guarantee contracts issued as from 1 January 2006. In accordance with the new principles group write-downs on guarantees have been reclassified from write-downs on loans and guarantees to net gains on financial instruments at fair value. Accounting figures for previous periods have been restated, see section 1 under Accounting principles.

## Net non-performing and impaired commitments <sup>1)</sup>

NOK billion



1) Pro forma figures prior to 2005.

## Lending

### Net lending to principal sectors <sup>1) 2)</sup>

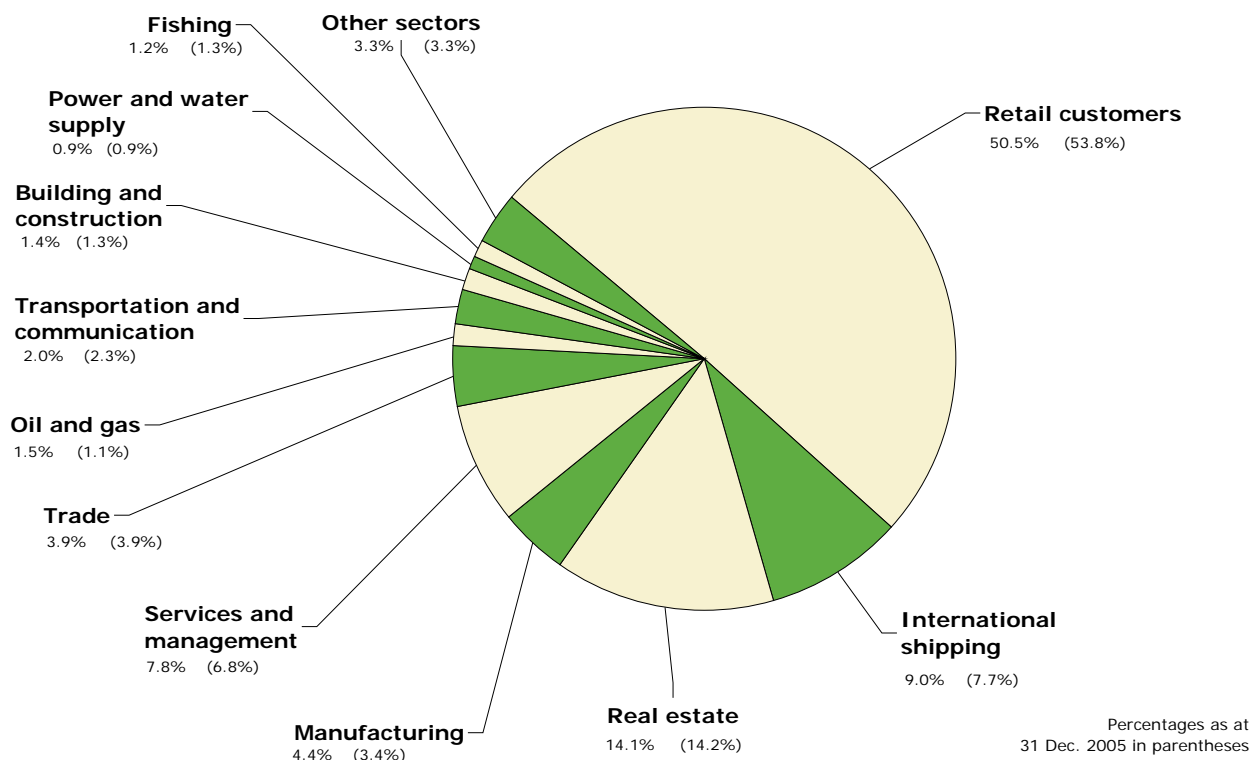
Amounts in NOK billion	31 Dec. 2006	30 Sept. 2006	30 June 2006	31 March 2006	31 Dec. 2005	31 Dec. 2004 <sup>3)</sup>
Retail customers	417.6	406.1	394.3	377.8	374.1	330.8
International shipping	74.1	70.2	63.7	58.2	53.7	32.0
Real estate	116.2	115.5	115.7	108.0	98.9	82.9
Manufacturing	36.7	34.0	30.9	28.4	24.0	20.4
Services and management	64.5	58.4	50.2	46.9	47.2	30.6
Trade	32.0	32.6	32.6	31.1	27.1	21.2
Oil and gas	12.7	13.1	8.8	7.0	7.5	4.8
Transportation and communication	16.7	21.1	17.1	16.9	15.8	13.0
Building and construction	11.2	10.1	10.8	9.7	9.0	6.2
Power and water supply	7.3	7.6	7.2	7.0	6.1	4.7
Fishing	10.1	10.4	10.8	10.6	9.0	9.0
Hotels and restaurants	3.5	3.8	3.7	3.5	3.7	3.6
Agriculture and forestry	7.5	7.1	6.6	6.2	6.4	4.5
Central and local government	7.4	3.4	2.0	4.5	3.4	1.4
Other sectors	8.9	6.6	9.0	10.6	9.5	5.0
<b>Net lending to customers</b>	<b>826.3</b>	<b>800.0</b>	<b>763.4</b>	<b>726.3</b>	<b>695.6</b>	<b>570.1</b>
Of which residential mortgages						
within 80% of collateral value	381.9	374.7	363.2	350.8	342.1	308.2
above 80% of collateral value	11.9	11.9	12.1	11.0	10.7	11.1
<b>Total</b>	<b>393.8</b>	<b>386.7</b>	<b>375.2</b>	<b>361.8</b>	<b>352.8</b>	<b>319.3</b>

1) Split according to official industry definitions which may differ from DnB NOR's business area reporting.

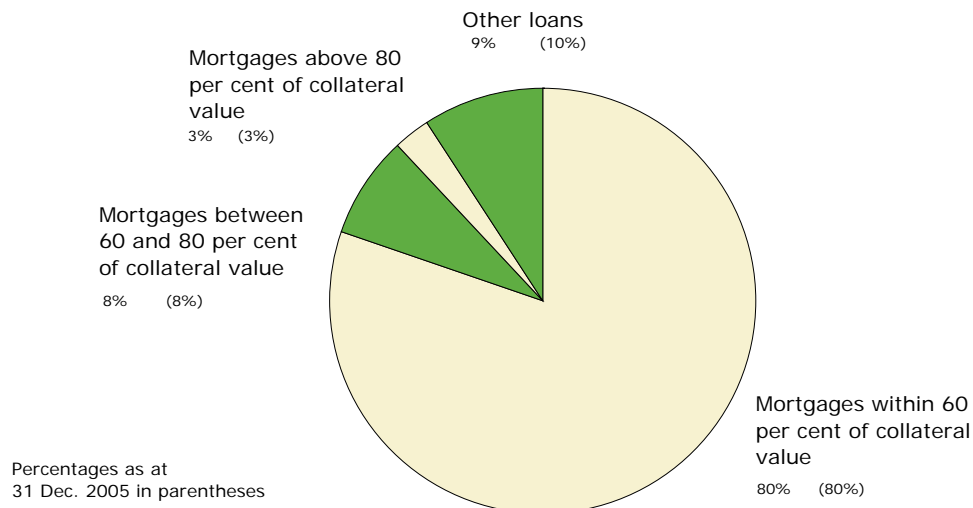
2) Lending after individual write-downs.

3) Pro forma figures.

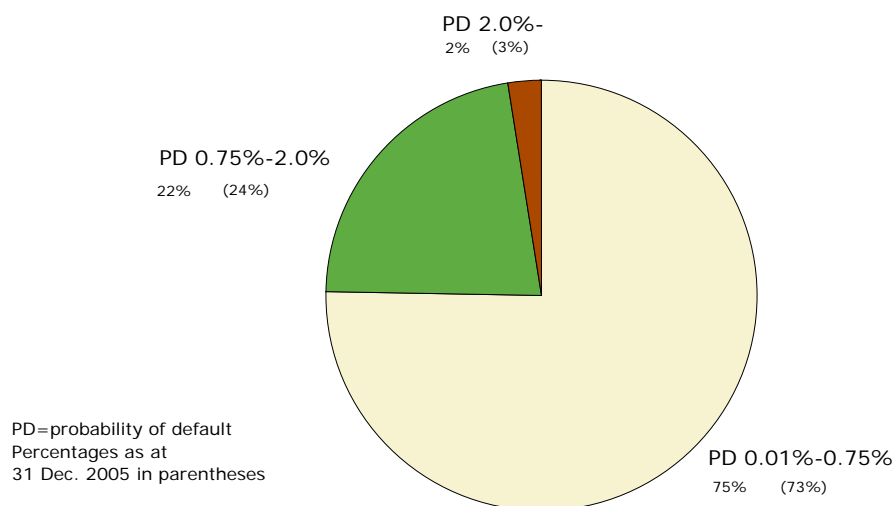
### Net lending to principal sectors as at 31 December 2006



### Retail market lending as at 31 December 2006



### Corporate exposure by risk classification as at 31 December 2006 <sup>1)</sup>



1) Based on DnB NOR's risk classification system. The volume represents the expected outstanding amount in the event of default.

### DnB NOR's risk classification <sup>1)</sup>

Risk class	Probability of default (per cent)		External rating		
	As from	Up to	Moody's	Standard & Poor's	Dominion Bond Rating Service
1	0.01	0.10	Aaa - A3	AAA - A-	AAA - A low
2	0.10	0.25	Baa1	BBB+	BBB high
3	0.25	0.50	Baa2 - Baa3	BBB/BBB-	BBB/BBB low
4	0.50	0.75	Ba1	BB+	BB high
5	0.75	1.25	Ba2	BB	BB
6	1.25	2.00	Ba3	BB-	BB low
7	2.00	3.00		B+	B high
8	3.00	5.00	B1		B
9	5.00	8.00	B2	B	B/B low
10	8.00	40.00	B3, Caa/C	B-, CCC/C	B low/CCC/ C

1) DnB NOR's risk classification system, where 1 represents the lowest risk and 10 the highest risk.

## Capital adequacy according to NGAAP

### Development in primary capital and capital ratios – NGAAP <sup>1)</sup>

	DnB NOR Bank		DnB NOR Bank Group		DnB NOR Group	
	31 Dec. 2006	31 Dec. 2005	31 Dec. 2006	31 Dec. 2005	31 Dec. 2006	31 Dec. 2005
<i>Amounts in NOK million</i>						
Share capital	17 214	17 214	17 214	17 214	13 341	13 369
Other equity	28 143	22 223	32 026	25 905	44 492	36 491
<b>Total equity <sup>1)</sup></b>	<b>45 357</b>	<b>39 438</b>	<b>49 240</b>	<b>43 119</b>	<b>57 833</b>	<b>49 859</b>
Perpetual subordinated loan capital securities <sup>2) 3)</sup>	5 360	5 465	5 603	5 698	5 603	5 698
Reductions:						
Pension funds above pension commitments	(39)	(40)	(49)	(51)	(182)	(165)
Goodwill	(1 094)	(1 318)	(1 990)	(2 175)	(4 454)	(4 673)
Deferred tax assets	(752)	(6)	(625)	(93)	(671)	(111)
Other intangible assets etc.	(308)	(169)	(394)	(219)	(884)	(499)
Additions:						
Portion of unrecognised actuarial gains/losses <sup>4)</sup>	1 664	2 218	1 768	2 357	1 810	2 413
<b>Core capital</b>	<b>50 188</b>	<b>45 588</b>	<b>53 554</b>	<b>48 638</b>	<b>59 054</b>	<b>52 523</b>
Perpetual subordinated loan capital <sup>2) 3)</sup>	7 502	5 670	7 602	5 770	7 602	5 770
Term subordinated loan capital <sup>3)</sup>	19 885	13 664	20 969	14 868	20 969	14 868
Supplementary capital	27 387	19 334	28 571	20 638	28 571	20 638
Deductions	2 144	2 182	2 144	2 182	0	0
<b>Total eligible primary capital <sup>5)</sup></b>	<b>75 431</b>	<b>62 740</b>	<b>79 766</b>	<b>67 094</b>	<b>87 625</b>	<b>73 161</b>
<b>Total risk-weighted volume</b>	<b>708 428</b>	<b>562 052</b>	<b>787 311</b>	<b>635 707</b>	<b>880 292</b>	<b>714 039</b>
Core capital ratio (%)	7.1	8.1	6.8	7.7	6.7	7.4
Capital ratio (%)	10.6	11.2	10.2	10.6	10.0	10.2
Core capital ratio excluding life insurance (%)					7.6	8.3
Capital ratio excluding life insurance (%)					10.1	10.1

\*) Equity - connection between capital adequacy and the accounts:

<i>Amounts in NOK million</i>	DnB NOR Group 31 Dec. 2006
Equity in the capital adequacy calculations	57 833
Repurchase of capital <sup>6)</sup>	105
<b>Equity according to NGAAP</b>	<b>57 938</b>
IFRS effects:	
Dividends, retained in equity until disbursement	5 336
Exclusion of goodwill amortisation	1 269
Extended use of fair value of financial instruments	1 262
Market value of buildings for own use upon transition to IFRS	529
Other	79
<b>Equity according to IFRS</b>	<b>66 413</b>

- 1) Kredittilsynet has not adapted Norwegian capital adequacy regulations to IFRS. For the time being, capital adequacy calculations are based on special consolidation rules for statutory accounts, which thus far are not allowed to be stated according to IFRS. As from 1 January 2006 new regulations on the accounting treatment of loans and guarantees were implemented in the accounts for DnB NOR Bank and DnB NOR Bank Group. This led to a slight increase in capital adequacy ratios.
- 2) Perpetual subordinated loan capital securities can represent up to 15 per cent of core capital. The excess will qualify as perpetual supplementary capital.
- 3) Calculations of capital adequacy include a total of NOK 744 million in subordinated loan capital in associated companies, in addition to subordinated loan capital in the Group's balance sheet.
- 4) Upon implementation of NRS 6A (IAS 19) in 2005, unrecognised actuarial gains/losses for pension commitments were charged to equity in the accounts. The Ministry of Finance has established a transitional rule whereby three-fifths of the amount recorded against equity can be included in capital adequacy calculations as at 31 December 2006. This effect will be reduced by one-fifth yearly.
- 5) 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 in relation to associated companies.
- 6) In connection with DnB NOR's repurchase of own shares, and in accordance with an agreement with the Norwegian Government, represented by the Ministry of Trade and Industry, a proportional share of government holdings has been redeemed to ensure that the government's percentage of ownership in DnB NOR is maintained at 34 per cent.

## Taxes

The DnB NOR Group's total tax charge for 2006 was NOK 2 881 million, representing 19.6 per cent of pre-tax operating profits. The low tax charge primarily reflected taxation rules for capital gains on equities. In 2005, the tax charge was NOK 2 965 million or 22.6 per cent of pre-tax operating profits. The DnB NOR Group anticipates a future normalised tax level of 23 per cent.

## Financial results DnB NOR Group

### Full income statement

Amounts in NOK million

	4Q06	3Q06	2Q06	1Q06	4Q05	2006	2005
Total interest income	12 556	10 961	10 001	8 864	8 134	42 381	29 973
Total interest expenses	8 581	7 049	6 219	5 242	4 661	27 092	16 363
<b>Net interest income</b>	<b>3 975</b>	<b>3 911</b>	<b>3 781</b>	<b>3 622</b>	<b>3 473</b>	<b>15 289</b>	<b>13 610</b>
Commissions and fees receivable etc.	2 371	2 050	2 215	2 328	2 298	8 963	8 362
Commissions and fees payable etc.	583	530	566	574	565	2 253	2 320
Net gains on financial instruments at fair value	1 150	705	739	1 015	794	3 610	2 915
Net gains on assets in Vital	6 022	2 723	2 445	4 941	3 925	16 131	14 379
Guaranteed returns and allocations to policyholders in Vital	5 731	2 392	2 008	4 453	3 616	14 584	13 111
Premium income etc. included in the risk result in Vital	1 191	1 001	1 059	1 063	1 594	4 314	3 925
Insurance claims etc. included in the risk result in Vital	1 146	960	1 121	1 097	1 542	4 324	3 828
Net realised gains on investment securities (AFS)	0	0	0	0	0	0	167
Profit from companies accounted for by the equity method	24	94	24	29	1	171	118
Other income	323	262	302	290	342	1 176	1 117
<b>Net other operating income</b>	<b>3 622</b>	<b>2 951</b>	<b>3 090</b>	<b>3 541</b>	<b>3 230</b>	<b>13 204</b>	<b>11 725</b>
<b>Total operating income</b>	<b>7 597</b>	<b>6 863</b>	<b>6 871</b>	<b>7 163</b>	<b>6 703</b>	<b>28 493</b>	<b>25 335</b>
Salaries and other personnel expenses	2 129	1 985	1 927	1 925	1 635	7 967	6 737
Other expenses	1 669	1 323	1 379	1 375	1 536	5 745	5 474
Depreciation and impairment of fixed and intangible assets	196	183	177	159	165	715	653
<b>Total operating expenses</b>	<b>3 994</b>	<b>3 491</b>	<b>3 483</b>	<b>3 459</b>	<b>3 336</b>	<b>14 427</b>	<b>12 864</b>
Net gains on fixed and intangible assets	66	135	151	12	172	365	775
Write-downs on loans and guarantees	(16)	(51)	(165)	(26)	(40)	(258)	137
<b>Pre-tax operating profit</b>	<b>3 684</b>	<b>3 558</b>	<b>3 703</b>	<b>3 743</b>	<b>3 578</b>	<b>14 689</b>	<b>13 109</b>
Taxes	291	844	853	894	582	2 881	2 965
Profit from discontinuing operations after taxes	0	0	0	0	0	0	0
<b>Profit for the period</b>	<b>3 394</b>	<b>2 714</b>	<b>2 851</b>	<b>2 849</b>	<b>2 996</b>	<b>11 808</b>	<b>10 144</b>
Profit attributable to shareholders	3 366	2 668	2 816	2 815	2 996	11 665	10 131
Profit attributable to minority interests	28	46	34	34	0	143	13
Earnings per share (NOK)	2.52	2.00	2.11	2.11	2.24	8.74	7.59
Diluted earnings per share (NOK)	2.52	2.00	2.11	2.11	2.24	8.74	7.59

### Full balance sheets

Amounts in NOK million

	31 Dec. 2006	30 Sept. 2006	30 June 2006	31 March 2006	31 Dec. 2005	1 Jan. 2005
Cash and deposits with central banks	11 453	15 474	14 022	2 742	21 229	8 780
Lending to and deposits with credit institutions	71 091	69 116	90 282	67 955	40 854	26 013
Lending to customers	827 947	801 747	764 766	727 571	697 579	583 510
Commercial paper and bonds	172 040	161 954	154 927	151 725	145 475	116 990
Shareholdings	51 393	45 781	42 868	43 510	35 980	29 195
Financial assets, customers bearing the risk	18 840	16 005	14 800	15 143	13 136	9 747
Financial derivatives	57 999	51 539	34 085	30 468	33 913	43 164
Shareholdings, available for sale	0	0	0	0	0	303
Commercial paper and bonds, held to maturity	62 444	62 478	60 898	56 518	52 587	55 645
Investment property	25 816	25 173	24 042	23 583	23 143	19 423
Investments in associated companies	1 515	1 457	1 425	1 440	1 402	1 507
Intangible assets	6 471	6 446	6 264	6 159	6 042	5 689
Deferred tax assets	38	42	40	53	52	326
Fixed assets	5 478	5 244	5 152	5 121	5 120	5 146
Biological assets	0	0	0	0	0	278
Discontinuing operations	27	43	67	0	27	51
Other assets	7 691	5 460	8 376	6 407	4 889	6 626
<b>Total assets</b>	<b>1 320 242</b>	<b>1 267 961</b>	<b>1 222 016</b>	<b>1 138 395</b>	<b>1 081 428</b>	<b>912 393</b>
Loans and deposits from credit institutions	124 372	121 100	133 036	110 518	108 056	59 130
Deposits from customers	474 526	457 485	459 734	420 836	410 991	353 084
Financial derivatives	58 812	46 533	33 217	31 280	31 845	44 721
Securities issued	326 806	316 466	281 508	261 847	236 631	192 753
Insurance liabilities, customers bearing the risk	18 840	16 005	14 800	15 143	13 136	9 747
Liabilities to life insurance policyholders	188 096	182 181	182 208	182 838	174 675	152 965
Payable taxes	4 091	3 331	2 457	1 687	943	2 574
Deferred taxes	730	1 740	1 819	1 832	1 759	(0)
Other liabilities	18 812	20 031	18 039	18 090	14 333	16 612
Discontinuing operations	0	0	0	0	0	24
Provisions	4 768	4 399	4 355	4 412	4 594	5 619
Subordinated loan capital	33 977	36 199	31 235	28 215	26 112	24 654
<b>Total liabilities</b>	<b>1 253 829</b>	<b>1 205 469</b>	<b>1 162 409</b>	<b>1 076 695</b>	<b>1 023 075</b>	<b>861 885</b>
Minority interests	2 201	1 650	1 551	1 520	946	33
Revaluation reserve	0	0	0	0	0	122
Share capital	13 341	13 341	13 342	13 369	13 369	13 271
Other reserves and retained earnings	50 870	47 501	44 715	46 811	44 038	37 082
<b>Total equity</b>	<b>66 413</b>	<b>62 492</b>	<b>59 607</b>	<b>61 699</b>	<b>58 353</b>	<b>50 508</b>
<b>Total liabilities and equity</b>	<b>1 320 242</b>	<b>1 267 961</b>	<b>1 222 016</b>	<b>1 138 395</b>	<b>1 081 428</b>	<b>912 393</b>



Key figures <sup>1)</sup>

	4Q06	3Q06	2Q06	1Q06	4Q05	2006	2005
<b>Interest rate analysis</b>							
1 Combined average spread for lending and deposits (%)	2.04	2.08	2.14	2.15	2.12	2.10	2.19
2 Spread for ordinary lending to customers (%)	1.15	1.25	1.35	1.40	1.40	1.28	1.49
3 Spread for deposits from customers (%)	0.89	0.83	0.79	0.75	0.72	0.82	0.70
<b>Rate of return/profitability</b>							
4 Net other operating income, per cent of total income	47.7	43.0	45.0	49.4	48.2	46.3	46.3
5 Cost/income ratio (%)	50.4	50.9	50.7	48.3	47.5	50.1	50.2
6 Return on equity, annualised (%)	21.5	18.0	19.2	19.2	21.5	19.5	18.8
7 RARORAC, annualised (%)	22.8	19.7	21.0	24.8	25.0	22.0	24.1
8 RORAC, annualised (%)	25.4	24.4	27.0	28.9	29.6	26.4	29.8
9 Average equity including allocated dividend (NOK million)	62 527	59 449	58 680	58 793	55 816	59 862	53 111
10 Return on average risk-weighted volume, annualised (%)	1.56	1.30	1.44	1.54	1.74	1.50	1.58
<b>Financial strength</b>							
11 Core (Tier 1) capital ratio at end of period (%)	6.7	6.3	6.6	7.0	7.4	6.7	7.4
12 Core (Tier 1) capital ratio incl. 50% of profit for the period (%)	-	6.7	6.9	7.2	-	-	-
13 Capital adequacy ratio at end of period (%)	10.0	9.8	9.9	10.0	10.2	10.0	10.2
14 Capital adequacy ratio incl. 50% of profit for the period (%)	-	10.3	10.2	10.2	-	-	-
15 Core capital at end of period (NOK million)	59 054	53 897	53 560	54 053	52 523	59 054	52 523
16 Risk-weighted volume at end of period (NOK million)	880 292	857 063	810 569	770 232	714 039	880 292	714 039
<b>Loan portfolio and write-downs</b>							
17 Write-downs relative to net lending to customers, annualised	(0.01)	(0.03)	(0.09)	(0.01)	(0.02)	(0.03)	0.02
18 Net non-performing and impaired commitments, per cent of net lending	0.45	0.52	0.60	0.64	0.63	0.45	0.63
19 Net non-performing and impaired comm. at end of period (NOK million)	3 800	4 271	4 645	4 758	4 751	3 800	4 751
<b>Liquidity</b>							
20 Ratio of customer deposits to net lending to customers at end of period (%)	57.3	57.1	60.1	57.8	58.9	57.3	58.9
<b>Total assets owned or managed by DnB NOR</b>							
21 Assets under management at end of period (NOK billion)	579	560	547	554	570	579	570
22 Total combined assets at end of period (NOK billion)	1 692	1 630	1 573	1 495	1 463	1 692	1 463
23 Customer savings at end of period (NOK billion)	1 056	1 021	1 011	980	987	1 056	987
<b>Staff</b>							
24 Number of full-time positions at end of period	11 824	11 661	11 607	11 575	11 334	11 824	11 334
<b>The DnB NOR share</b>							
25 Number of shares at end of period (1 000)	1 334 089	1 334 089	1 334 190	1 336 875	1 336 875	1 334 089	1 336 875
26 Average number of shares (1 000)	1 334 089	1 334 101	1 336 427	1 336 875	1 336 875	1 335 449	1 334 474
27 Earnings per share (NOK)	2.52	2.00	2.11	2.11	2.24	8.74	7.59
28 Total shareholder's return (%)	15.2	3.4	(9.0)	22.6	6.7	27.8	25.3
29 Dividend yield (%)	-	-	-	-	-	4.52	4.86
30 Equity per share including allocated dividend at end of period (NOK)	48.13	45.61	43.51	45.01	42.94	48.13	42.94
31 Share price at end of period (NOK)	88.50	79.90	77.25	88.25	72.00	88.50	72.00
32 Price/book value	1.84	1.75	1.78	1.96	1.68	1.84	1.68
33 Market capitalisation (NOK billion)	118.1	106.6	103.1	118.0	96.3	118.1	96.3

1) Comparable figures excluding DnB NOR and DnB NOR Monchebank.

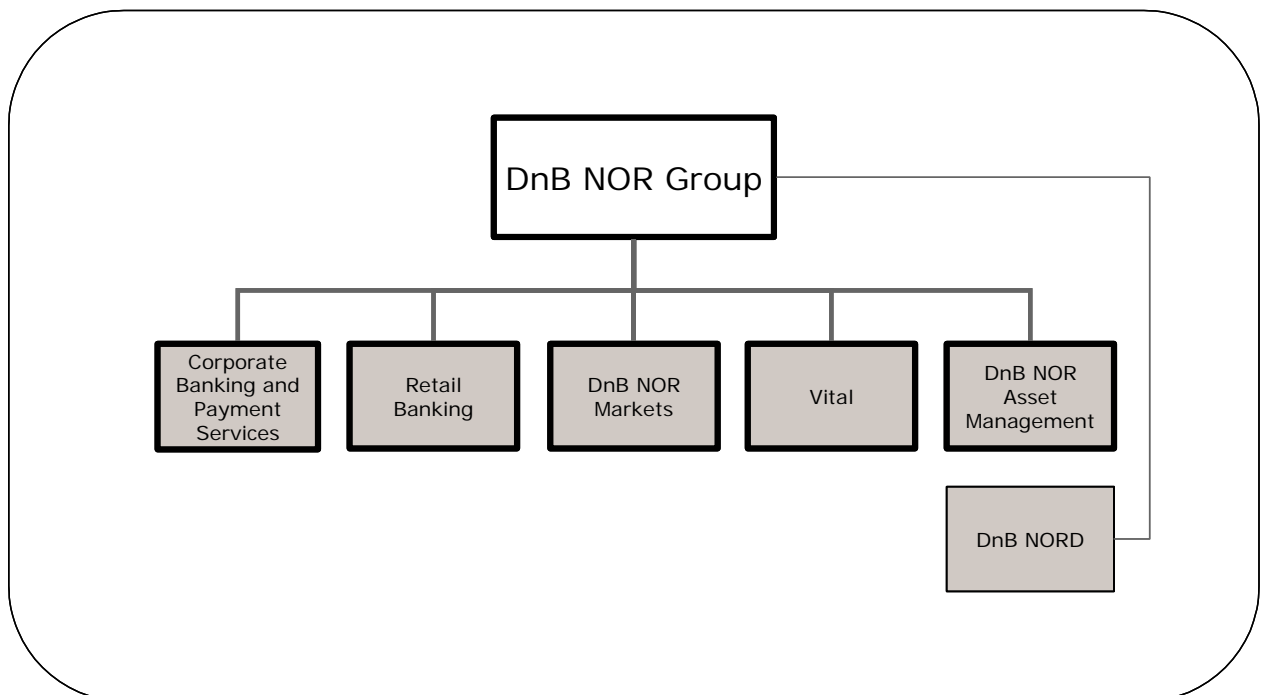
## Definitions

- 1, 2, 3 Based on nominal values excluding lending to / deposits with credit institutions and impaired loans.
- 5 Ordinary expenses relative to total income. Ordinary expenses are excluding allocations to DnB NOR's employee funds.
- 6 Profits for the period are exclusive of profits attributable to minority interests and are adjusted for the period's change in fair value recognised directly in equity. Average equity is calculated on the basis of recorded equity excluding minority interests.
- 7 RARORAC (Risk-Adjusted Return On Risk-Adjusted Capital) is defined as risk-adjusted profits relative to risk-adjusted capital. Risk-adjusted profits indicate the level of profits in a normalized situation.
- 8 RORAC (Return On Risk-Adjusted Capital) is defined as profits for the period relative to risk-adjusted capital. Profits for the period are exclusive of profits attributable to minority interests and are adjusted for the period's change in fair value recognised directly in equity and for the difference between recorded interest on average equity and interest on risk-adjusted capital.
- 10 Profit for the period divided by average risk-weighted volume.
- 21 Total assets under management for customers in DnB NOR Asset Management and Vital.
- 22 Total assets and assets under management.
- 23 Total deposits from customers, assets under management and equity-linked bonds.
- 25 Excluding the 2 786 thousand own shares repurchased in accordance with the authorisation issued by DnB NOR's General Meeting.
- 27 Excluding discontinuing operations and profits attributable to minority interests. Holdings of own shares are not included in calculations of the number of shares.
- 28 Closing price at end of period less closing price at beginning of period, included dividends reinvested in DnB NOR shares on the dividend payment date, divided by closing price at beginning of period.
- 30 Equity at end of period excluding minority interests divided by number of shares at end of period.
- 32 The last quoted share price on Oslo Børs at end of period relative to recorded equity at end of period.
- 33 Number of shares multiplied by the closing share price at end of period.



## Section 3

# DnB NOR Group - business areas



## Business areas – financial performance

The operational structure of DnB NOR include five business areas. In addition, DnB NOR, which was incorporated in the Group from year-end 2005, is reported as a separate profit centre. The business areas are independent profit centres and carry the responsibility for customer segments served by the Group and the products offered.

Selected income, expenses and balance sheet figures for the business areas have been prepared on the basis of internal financial reporting for the functional organisation of the DnB NOR Group.

Return on capital for the business areas are presented in the descriptions of each area in this section. For Retail Banking, Corporate Banking, DnB NOR Markets and DnB NOR return on capital is measured as the business area's profits after taxes relative to average capital requirements according to BIS rules (6.5 per cent capital requirement), while for Vital and DnB NOR Asset Management, the calculations are based on average recorded equity. This is consistent with the manner in which most other financial institutions present their business areas.

### Financial targets for business areas

Differentiated financial and non-financial targets have been set for the business areas to ensure that the DnB NOR Group reach communicated financial targets. Return on risk-adjusted capital is the key financial ratio for the business areas in internal governance and follow-up of the operations. Return on risk-adjusted capital is defined as each area's profits after taxes relative to the calculated risk-adjusted capital. The risk-adjusted capital requirement is based on the risk involved in operations in accordance with DnB NOR's total risk model.

### Internal pricing

DnB NOR's financial management model and operational organisation entail the sale of products and services between the business areas in the Group. The pricing of such intra-group transactions is regulated by internal agreements based on market terms.

Certain customers and transactions of major importance require extensive cooperation within the Group. To stimulate such cooperation, net income relating to some of these customers and transactions is recorded in the accounts of all relevant business areas. This refers primarily to income from customer trading in DnB NOR Markets. In 2006, such income totalled NOK 1 283 million. Double entries are eliminated in the group accounts.

Services provided by staff and support units will as far as possible be scaled and priced according to use. Joint expenses incurred by group staff units and other group expenditures that cannot be debited according to use, are charged to the business areas' accounts on the basis of special distribution formulas. Costs relating to the Group's equity transactions, including strategic investments, and direct shareholder-related expenses and costs concerning the Group's governing bodies are not charged to the business areas.

## Extracts from income statement, fourth quarter

Amounts in NOK million	Corporate Banking and Payment Services		Retail Banking		DnB NOR Markets		Vital		DnB NOR Asset Management		DnB NOR <sup>1)</sup>		Other operations/eliminations <sup>2)</sup>	
	4Q06	4Q05	4Q06	4Q05	4Q06	4Q05	4Q06	4Q05	4Q06	4Q05	4Q06	4Q05	4Q06	4Q05
Net interest income - ordinary operations	1 777	1 474	1 718	1 894	57	64	0	0	0	(19)	197		225	60
Interest on allocated capital	256	147	129	82	30	14	0	0	16	8	23		(454)	(252)
Net interest income	2 033	1 621	1 847	1 976	87	78			16	(10)	220		(229)	(193)
Net other operating income	791	606	757	903	1 132	784	674	664	319	302	91		(142)	(29)
Total income	2 824	2 227	2 604	2 880	1 219	862	674	664	335	292	311		(370)	(222)
Operating expenses <sup>*)</sup>	1 050	868	1 551	1 634	443	340	338	291	184	147	229		200	56
Pre-tax operating profit before write-downs	1 774	1 359	1 054	1 246	777	522	336	373	151	145	82		(570)	(278)
Net gains on fixed and intangible assets	(4)	16	9	0	0	0	0	0	0	0	2		59	157
Write-downs on loans and guarantees	(39)	(145)	(32)	67	0	0	0	0	0	0	38		17	39
Pre-tax operating profit	1 810	1 521	1 094	1 179	777	522	336	373	151	145	45	0	(528)	(160)

\*) of which group overhead 19 16 12 9 5 3 3 6 2 1 0 (42) (34)

## Extracts from income statement, full-year

Amounts in NOK million	Corporate Banking and Payment Services		Retail Banking		DnB NOR Markets		Vital		DnB NOR Asset Management		DnB NOR <sup>1)</sup>		Other operations/eliminations	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
Net interest income - ordinary operations	6 594	5 700	7 216	7 363	251	235	0	0	(4)	(21)	689		544	334
Interest on allocated capital	814	501	433	286	93	47	0	0	49	29	68		(1 459)	(863)
Net interest income	7 408	6 201	7 649	7 649	344	282			45	8	757		(915)	(530)
Net other operating income	2 717	2 554	3 100	3 084	3 582	2 733	2 686	2 423	1 162	1 028	310		(353)	(97)
Total income	10 125	8 755	10 749	10 733	3 927	3 015	2 686	2 423	1 207	1 036	1 067		(1 268)	(626)
Operating expenses <sup>*)</sup>	3 704	3 284	6 076	6 215	1 537	1 268	1 254	1 105	718	642	728		410	350
Pre-tax operating profit before write-downs	6 421	5 471	4 673	4 518	2 390	1 747	1 431	1 318	489	393	339		(1 678)	(976)
Net gains on fixed and intangible assets	134	511	9	(1)	0	0	0	0	0	(2)	9		212	267
Write-downs on loans and guarantees	(43)	(28)	111	254	0	10	0	0	0	0	74		(400)	(100)
Pre-tax operating profit	6 599	6 011	4 571	4 263	2 390	1 736	1 431	1 318	489	391	274		(1 065)	(610)

\*) of which group overhead 95 61 49 35 21 14 27 23 10 3 0 (202) (136)

1) DnB NOR was included in the DnB NOR figures from year-end 2005.

2) Other operations/eliminations:	Eliminations of double entries		Other eliminations		Group Centre <sup>*)</sup>	
	4Q06	4Q05	4Q06	4Q05	4Q06	4Q05
<i>Amounts in NOK million</i>						
Net interest income - ordinary operations	(2)	(3)	(49)	(35)	277	98
Interest on allocated capital					(454)	(252)
Net interest income	(2)	(3)	(49)	(35)	(177)	(154)
Net other operating income	(401)	(297)	55	101	204	167
Total income	(403)	(300)	6	66	27	13
Operating expenses			28	86	172	(30)
Pre-tax operating profit before write-downs	(403)	(300)	(22)	(20)	(145)	43
Net gains on fixed and intangible assets			0	0	59	157
Write-downs on loans and guarantees			0	0	17	39
Pre-tax operating profit	(403)	(300)	(22)	(20)	(103)	160

The Group Centre includes Human Resources and Group Services, Finance/Group Staff, Risk Management and IT, Corporate Communications, investments in IT infrastructure and shareholder-related expenses. In addition, the Group Centre includes that part of the Group's equity that is not allocated to the business areas. The eliminations refer mainly to internal services from support units to business areas and between business areas. Further, intra-group company transactions and 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.

<sup>*)</sup> Group Centre - pre-tax operating profit in NOK million	4Q06	4Q05
Income on equities	168	107
Net gains on fixed and intangible assets	59	157
Group write-downs	21	(31)
Allocation to employee funds (concerns employees in the Group Centre)	(22)	(20)
Funding costs on goodwill	(42)	(30)
Portfolio hedging, Treasury	(87)	(78)
Ownership-related expenses (costs relating to shareholders, investor relations, strategic planning etc.)	(46)	(52)
Unallocated	(73)	58
Other	(80)	49
Pre-tax operating profit	(103)	160

### Main average balance sheet items

	Corporate Banking and Payment Services		Retail Banking		DnB NOR Markets		Vital <sup>1)</sup>		DnB NOR Asset Management		DnB NORD <sup>2)</sup>		Other operations/eliminations	
	4Q06	4Q05	4Q06	4Q05	4Q06	4Q05	4Q06	4Q05	4Q06	4Q05	4Q06	4Q05	4Q06	4Q05
<i>Amounts in NOK billion</i>														
Net lending to customers <sup>3)</sup>	382.9	304.2	404.3	362.8	9.3	3.6					37.2		2.3	(34.9)
Customer deposits <sup>3)</sup>	257.1	216.3	211.0	199.5	11.4	14.5					11.9		(12.7)	(43.7)
Assets under management							218.6	198.1	541.6	529.8			(174.7)	(165.1)

### Key figures

	Corporate Banking and Payment Services		Retail Banking		DnB NOR Markets		Vital		DnB NOR Asset Management		DnB NORD <sup>2)</sup>		Other operations	
	4Q06	4Q05	4Q06	4Q05	4Q06	4Q05	4Q06	4Q05	4Q06	4Q05	4Q06	4Q05	4Q06	4Q05
<i>Per cent</i>														
Cost/Income ratio	37.2	39.0	59.5	56.7	36.3	39.5			55.0	50.4	73.6			
Ratio of deposits to lending <sup>3)</sup>	67.2	71.1	52.2	55.0							32.1			
Return on capital BIS <sup>4)5)</sup>	18.3	18.9	22.1	26.2	66.4	65.9	48.7	31.3	25.0	31.7	5.7			
Full-time positions <sup>6)</sup>	2 635	2 356	4 080	4 103	562	538	815	756	300	285	1 989	1 754	1 444	1 542

- 1) Assets under management include total assets.
- 2) Included in the balance sheet of the DnB NOR Group as of 31 December 2005.
- 3) Based on nominal values and includes lending to credit institutions.
- 4) Return on capital is calculated on the basis of allocated capital. Allocated capital for Corporate Banking and Payment Services, Retail Banking, DnB NOR Markets and DnB NORD is calculated as 6.5 per cent of risk-weighted volume. Recorded equity is used for Vital and DnB NOR Asset Management.
- 5) Estimated return on capital is based on profit after tax. A Tax rate of 28 per cent is applied for Corporate Banking and Payment Services, Retail Banking, DnB NOR Markets and DnB NOR Asset Management. The expected tax rate for DnB NORD is 15 per cent while accounted taxes are applied for Vital.
- 6) Figures are as at 31 December. An increase of 250 full-time positions in Corporate Banking and Payment Services resulting from the acquisition of Monchebank in January 2006.

## Corporate Banking and Payment Services

Corporate Banking and Payment Services serves Norwegian enterprises in all segments, Swedish medium-sized and large corporates and international businesses where DnB NOR has or can build up a competitive advantage based on relationships, expertise or products - alone or in cooperation with partners.

DnB NOR holds a strong position in all segments of the Norwegian corporate market, and is one of the world's leading shipping banks. Corporate Banking and Payment Services is organised in ten divisions and two subsidiaries; DnB NOR Finans and Nordlandsbanken. Leif Teksum, group executive vice president, heads the business area.

Corporate Banking and Payment Services aims to be the customers' best partner, meeting their needs for financial solutions throughout the Norwegian and Swedish markets and in selected areas in international markets.

Norway and Sweden are the main countries in which Corporate Banking and Payment Services perform market activities and seek growth. Corporate Banking and Payment Services also offers international services to shipping and energy clients around the world. Further international expansion will come within shipping, energy and certain other sectors where competitive advantages and a substantial knowledge base provide growth potential.

### Financial performance

<i>Amounts in NOK million</i>	4Q06	3Q06	2Q06	1Q06	4Q05	2006	2005
Net interest income - ordinary operations	1 777	1 691	1 627	1 499	1 474	6 594	5 700
Interest on allocated capital	256	220	184	154	147	814	501
Net interest income	2 033	1 911	1 810	1 653	1 621	7 408	6 201
Net other operating income	791	620	643	663	606	2 717	2 554
Total income	2 824	2 531	2 454	2 317	2 227	10 125	8 755
Operating expenses	1 050	906	884	864	868	3 704	3 284
Pre-tax operating profit before write-downs	1 774	1 625	1 570	1 453	1 359	6 421	5 471
Net gains on fixed and intangible assets	(4)	95	36	7	16	134	511
Write-downs on loans and guarantees	(39)	(3)	3	(4)	(145)	(43)	(28)
Pre-tax operating profit	1 810	1 723	1 603	1 463	1 521	6 599	6 011
Net lending to customers (NOK billion) <sup>1)</sup>	382.9	362.1	339.7	320.1	304.2	351.4	279.8
Deposits from customers (NOK billion) <sup>1)</sup>	257.1	251.0	239.5	230.7	216.3	244.7	199.9
Cost/income ratio (%)	37.2	35.8	36.0	37.3	39.0	36.6	37.5
Ratio of deposits to lending (%)	67.2	69.3	70.5	72.1	71.1	69.6	71.4
Return on capital BIS (% p.a.)	18.3	18.0	18.3	18.1	18.9	18.1	19.3

1) Average balances. Based on nominal values.

### Comments to the financial performance in 2006

- Corporate Banking and Payment Services maintained a strong market position in 2006 and achieved growth in pre-tax operating profit compared with 2005. Bolstered by an expanding Norwegian economy, the high level of activity and continuing strong growth in volumes contributed to a healthy rise in profits.
- Net interest income from ordinary operations was up NOK 894 million. Strong competition resulted in narrowing spreads that was more than offset by strong volume growth in both lending and deposits. The average combined spread was 1.80 per cent in 2006, compared with 1.97 per cent in 2005. Portfolio quality improved further, and pricing reflected credit risk.
- There was a high level of customer activity in 2006 and income from syndicated loans, corporate finance, foreign exchange and derivative products, securities services, guarantees and commercial property broking increased compared with the corresponding period in 2005.
- Net reversals on loans totalled NOK 43.5 million and net gains on assets totalled NOK 134.5 million in 2006.

- Average lending and guarantees to customers increased by NOK 85.2 billion in 2006 and average deposits were up NOK 44.7 billion.
- A total of NOK 51.9 billion in syndicated credits defined as the difference between underwriting and final hold, was arranged for customers in cooperation with DnB NOR Markets in 2006. NOK 85.7 billion in commercial paper and bonds were issued in 2006.

### Customers and market developments

- DnB NOR is the leading financial institution in the market for large Norwegian corporates. In addition to the Norwegian and Swedish markets, Corporate Banking and Payment Services is offering services in New York, Houston, London, Singapore, Copenhagen, Hamburg and Helsinki. DnB NOR Monchebank, headquartered in Murmansk, Russia, is organised as a part of Corporate Banking and Payment Services. The bank has all necessary licenses to do banking business in Russia. On 20 September DnB NOR established a full-service branch in Shanghai, and the office will play a major role in DnB NOR's strategy within the shipping sector. In Sweden, which is defined as part of the Bank's extended home market, Corporate Banking and Payment Services has high growth ambitions.
- The cooperation between DnB NOR and Corporate Banking and Payment Services has strengthened DnB NOR's position in Denmark, Finland, Lithuania, Latvia, Estonia and Poland, supporting DnB NOR's aim to become one of the most attractive supplier of financial services throughout this region.
- Through a wide distribution network, DnB NOR offers customers local and regional expertise as well as national sector analysis and a broad product range.
- The strong position in the Norwegian SME market was maintained through 2006. A total of 11 600 new clients were acquired over this period, which is 1 800 more than through 2005.
- The customer loyalty programmes for SME clients, 'Partner' and 'Partner pluss', which include agreement on the use of Internet banking applications and credit cards as well as favourable prices on a number of the Group's products, had more than 12 800 clients at year-end 2006. A total of 2 700 new programme memberships were established through 2006, both among new and existing SME clients. In October 2006 DnB NOR launched two new programs, "Partner Start", targeting entrepreneurs and 'Partner Landbruk', targeting farmers.
- Customer surveys show that DnB NOR has a strong position among large corporates with respect to quality and customer satisfaction. Over all satisfaction is improved as well as quality within important areas. Customer satisfaction in the SME market is at an acceptable level, but initiatives have been taken to improve satisfaction levels among the smallest companies.
- Corporate Banking and Payment Services aims to be the preferred provider of Internet services to corporate clients and new products were offered in 2006. More than 90 million transactions amounting to more than NOK 5 900 billion were carried out by corporate customers through the Internet bank in 2006.
- Mandatory occupational pension schemes has been introduced from 2006. DnB NOR has launched new life insurance products for its corporate customers, delivered by Vital and distributed through the Group's broad regional network and via telephone sales. This successful cooperation resulted in a total of 14 500 new corporates with mandatory occupational pension for 210 000 new members.
- DnB NOR is committed to maintain and further enhance a strong local presence. Local management and employees have extensive pertinent expertise and are authorised to grant credits that meet the requirements of the SME segment as well as larger clients.
- Nordlandsbanken enhances DnB NOR's position in the northernmost part of Norway. The subsidiary serves the county of Nordland and operates under the brand name Nordlandsbanken.



**Corporate Banking market shares, excluding off-balance sheet instruments <sup>1) 2)</sup>**

Per cent	30 Nov. 2006	30 Sept. 2006	30 June 2006	31 March 2006	31 Dec. 2005
Of total lending to corporate clients <sup>3)</sup>	15.2	15.2	15.6	15.3	14.9
Of deposits from corporate clients <sup>4)</sup>	37.8	38.4	38.8	37.6	37.3

Per cent	30 Sept. 2005	30 June 2005	31 March 2005	31 Dec. 2004	30 Sept. 2004
Of total lending to corporate clients <sup>3)</sup>	15.0	14.5	14.4	14.8	15.1
Of deposits from corporate clients <sup>4)</sup>	38.7	37.5	37.6	38.1	39.4

1) Based on nominal values.

2) Updated according to adjusted data from Norges Bank.

3) Overall lending includes all credits extended to Norwegian customers by domestic commercial and savings banks, state banks, insurance companies, finance companies and foreign institutions, as well as bonds and commercial paper. Excluding lending to financial institutions, central government and social security services.

4) Domestic savings and commercial banks. Excluding deposits from financial institutions, central government and social security services.

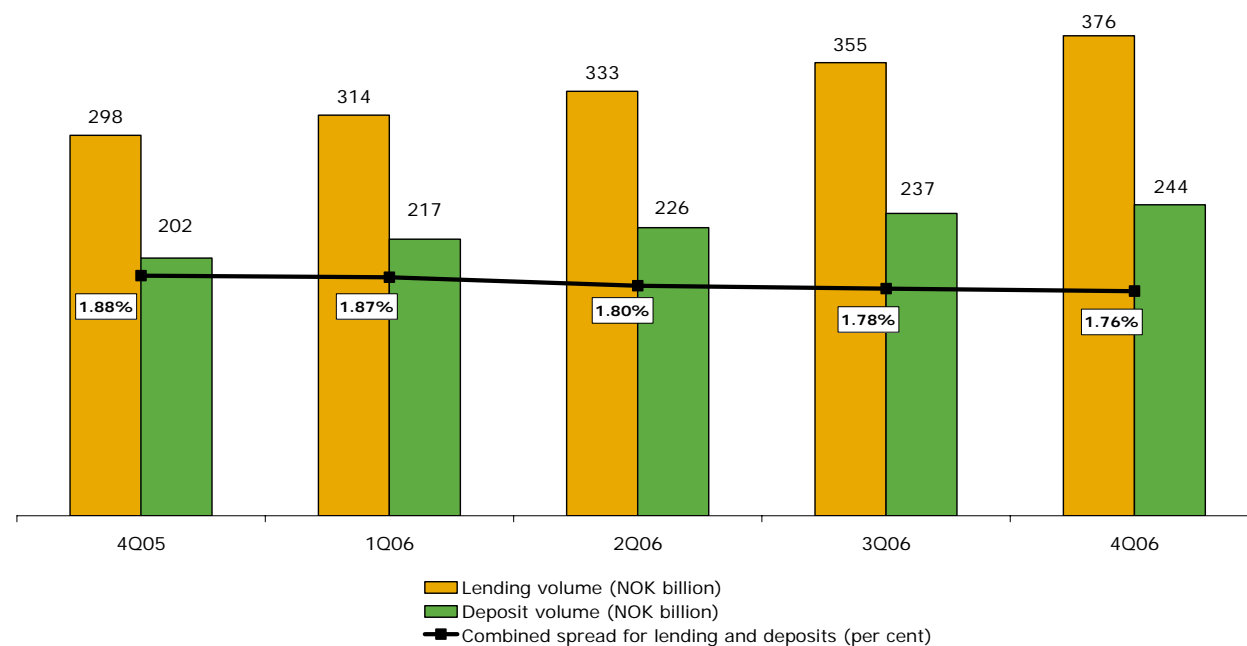
Source: Norges Bank, DnB NOR

**Average total volumes**

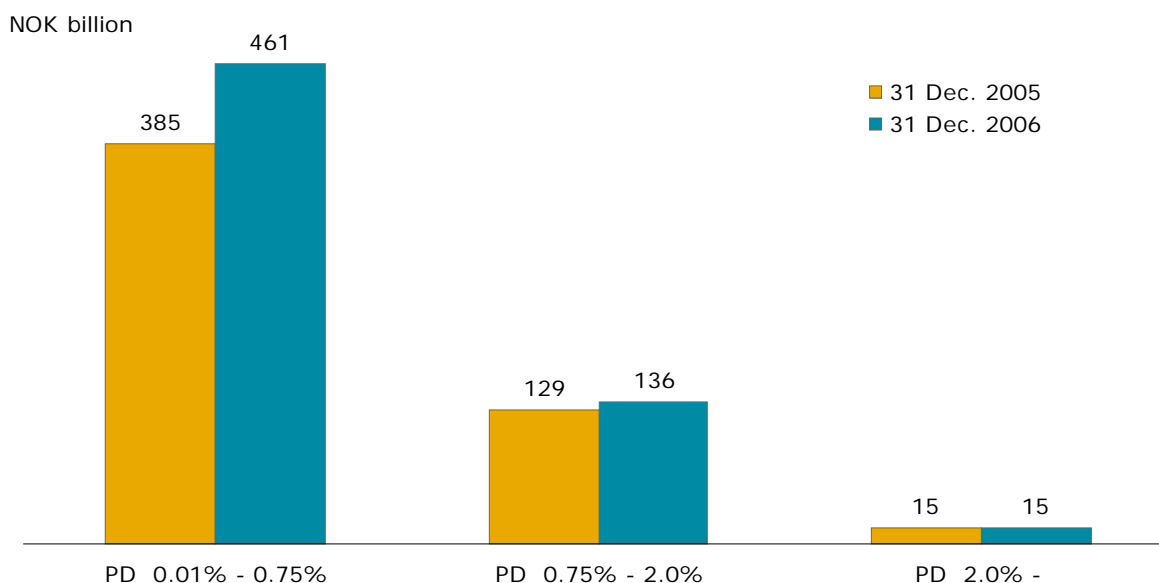
Amounts in NOK billion	4Q06	3Q06	2Q06	1Q06	4Q05	2006	2005
Loans <sup>1)</sup>	380	362	340	320	304	351	279
Guarantees	63	60	57	49	42	57	43
Total loans and guarantees	443	422	396	369	346	407	322
Adjusted for exchange rate movements	443	423	398	368	346	407	323
Commercial paper during the period	16	13	7	18	19	54	62
Syndicated loans during the period <sup>2)</sup>	14	11	23	3	8	52	39
Bond issues during the period	9	7	10	6	7	32	26

1) Based on nominal values.

2) Difference between DnB NOR underwriting and DnB NOR final hold.

**Combined spread and average lending and deposit volumes <sup>1)</sup>**

1) Based on nominal values excluding loans to and deposits with credit institutions and impaired loans.

**Risk classification of portfolio <sup>1)</sup>**

1) Based on DnB NOR's risk classification system. The volume represents the expected outstanding amount in the event of default.  
PD = probability of default

**Organisation and distribution**

Corporate Banking and Payment Services is organised in ten divisions:

- The Nordic Corporate Division and the International Corporate and Institutions Division serve large Norwegian corporates, the public sector, international companies that do business in Norway, international customers in the oil and energy, Telecom, Media and Technology, healthcare and pulp and paper industries sectors as well as financial institutions.
- The Shipping, Offshore and Logistics Division serves Norwegian and international shipping, offshore and maritime logistics companies.
- Regional Division East and Regional Division Coast serve businesses in three different segments based on geographical location.
- The Sweden Division serves large and medium sized businesses in Sweden.
- The Workout Division is responsible for supporting the customer divisions in their work on high-risk customers and non-performing commitments.
- Telephone & Online Banking, Market and Product Division is responsible for cash management, marketing, telephone and on-line banking.
- Bank Production is responsible for customer support, credit and collateral administration as well as carrying out payments.
- Administration and Payment Services is responsible for management support as well as group-wide responsibility for payment products and infrastructure projects affecting both retail and corporate customers. DnB NOR's operations in Finland, Denmark, Germany and Russia are also organised in this division.

**Products**

Corporate Banking and Payment Services offers customers a broad range of financial services, including lending, bond issues, syndication of loans, deposits, cash management, eCommerce products, commercial real estate broking services, FX/treasury products, corporate finance and acquisition finance, either directly or in cooperation with DnB NOR Markets.

Through DnB NOR Markets Inc. in the US, DnB NOR offers investment banking services, including mergers and acquisitions and advisory services, to international clients, particularly in the shipping and energy sectors.

**Employees**

- The considerable expertise of DnB NOR employees in local business, specific industry knowledge, credit risk, customer needs and product offerings is an important competitive advantage of Corporate Banking and Payment Services in the domestic market. Corporate Banking and Payment Services has a broad competence base and is committed to its continuous development. Competence training has top priority and particular emphasis has been placed on systematic specialised training in credit rating and risk and profitability analyses.
- Competence has been strengthened in areas that enable Corporate Banking and Payment Services staff to offer customers strategic advice, including training programs in presentation and communication skills.
- To strengthen the skills for employees working within the important SME segment the "SME Academy" was started in the fourth quarter of 2006. 180 employees attended Module 1 the last three months of 2006. Almost 400 employees are expected to attend in 2007.
- To stimulate enterprising and customer-focused management based on the Group's values, the 18-month training programme "Fram" was started for potential managers in Regional Division East and Regional Division Coast in 2006. The first programme has 16 participants.
- The importance of empowerment has been addressed in 2006. It has been decided to develop a training program, called Wise leadership – My way of being. The program is specific for leaders in Corporate Banking and Payment Services. Leaders in the business area also attend the Groups International Management Program, based on DnB NOR's Leadership Principle.
- At year-end 2006, the business area had a staff of 2 635 full-time positions, with 2 202 in Norway, of which 588 in subsidiaries, as well as 433 full-time positions in international units.
- Incentive structures and balanced scorecards are tailored to the goals of the different divisions. In order to maximise performance and attract the best account officers, remuneration varies from division to division.

**Cooperation with other group entities**

Through extensive cooperation with other business areas and support functions in the Group, corporate customers are offered a broad range of financial services particularly within corporate finance, FX and interest rate instruments, life insurance and pension products.

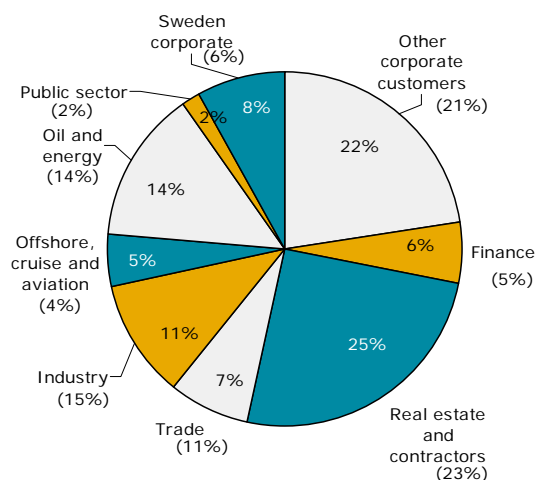
## Nordic Corporate Division and International Corporate and Institutions Division

### Average volumes

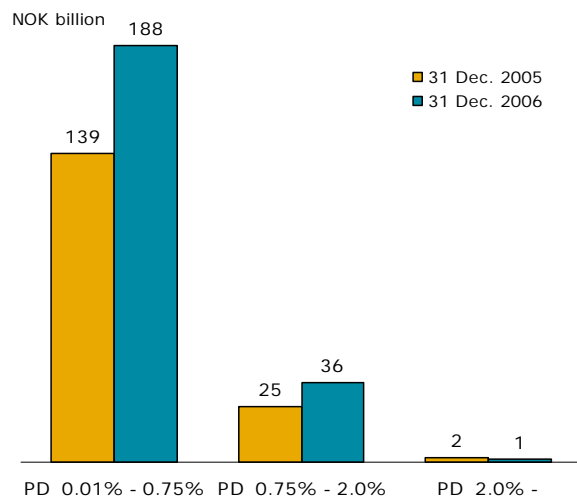
Amounts in NOK billion	4Q06	3Q06	2Q06	1Q06	4Q05	2006	2005
Net lending to customers <sup>1)</sup>	123	124	113	105	101	117	88
Guarantees	42	39	36	32	26	37	27
Customer deposits	106	109	105	97	93	105	86

1) In the fourth quarter of 2006 NOK 8.9 billion in net lending to customers was transferred from Nordic Corporate Divisions and International Corporate Division to Regional Division East and Regional Division Coast due to the termination of DnB NOR Hypotek

### Exposure at default according to sector <sup>1)</sup>



### Risk classification of portfolio <sup>2)</sup>



1) Figures as at 31 December 2006. Percentages as at 31 December 2005 in parentheses.

2) Based on DnB NOR's risk classification system. The volume represents the expected outstanding amount in the event of default. PD = probability of default

### Business profile

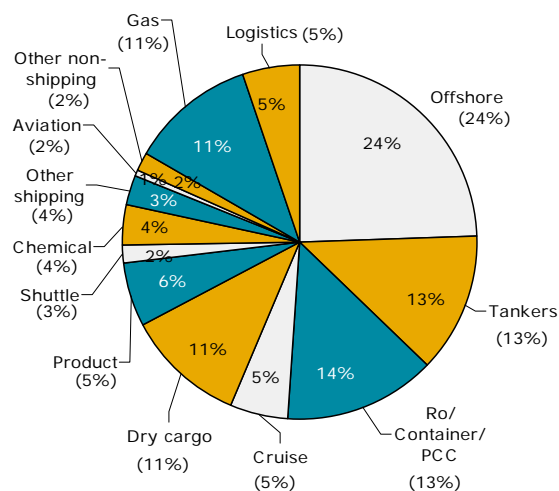
- Serving large Norwegian and Swedish corporates and public sector, international companies that do business in Norway, international customers in the oil, energy, Telecom, Media and Technology, healthcare and pulp and paper industries as well as financial institutions.
- DnB NOR is market leader in the large corporate segment in Norway. The majority of Norway's largest corporations use DnB NOR as their lead banker. In addition, DnB NOR has extensive interaction with most of the other institutions in this segment.
- The business volume generated by DnB NOR in Sweden is growing. At the year-end 2006 committed credits amounted to around SEK 20.5 billion, mainly to large and medium sized corporates.
- Commercial real estate broking services are offered through the subsidiary DnB NOR Næringsmegling.

## Shipping, Offshore and Logistics Division

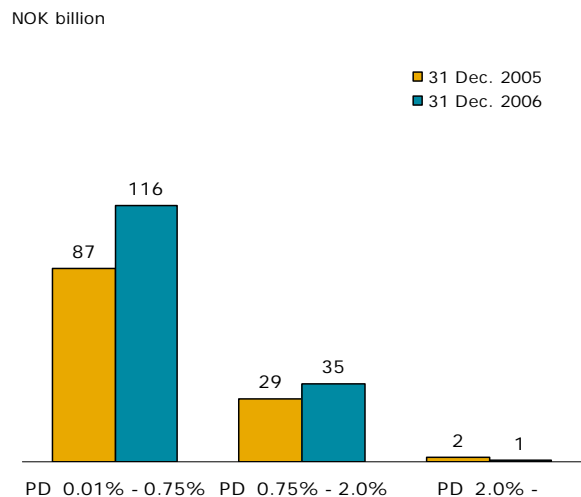
### Average volumes

Amounts in NOK billion	4Q06	3Q06	2Q06	1Q06	4Q05	2006	2005
Net lending to customers	81	74	67	65	59	72	53
Guarantees	9	7	8	6	4	8	5
Customer deposits	47	44	41	43	38	44	34

### Exposure at default according to sector <sup>1)</sup>



### Risk classification of portfolio <sup>2)</sup>



1) Figures as at 31 December 2006. Percentages as at 31 December 2005 in parentheses.

2) Based on DnB NOR's risk classification system. The volume represents the expected outstanding amount in the event of default. PD = probability of default

### Business profile

- The Shipping, Offshore and Logistics Division provides commercial and investment banking services to high-quality Norwegian and international shipping, offshore and logistics clients from offices in Oslo, Bergen, New York, London, Singapore and Shanghai.
- The division aims to achieve satisfactory growth in risk-adjusted profitability by being one of the leading international shipping banks.
- The division aims to be the preferred strategic discussion partner for clients, while also expanding the client base through further development of the logistics and LNG portfolio and strengthening of the market position in Germany and the Nordic countries.
- The division focuses on competence development to further improve the quality and range of client services.

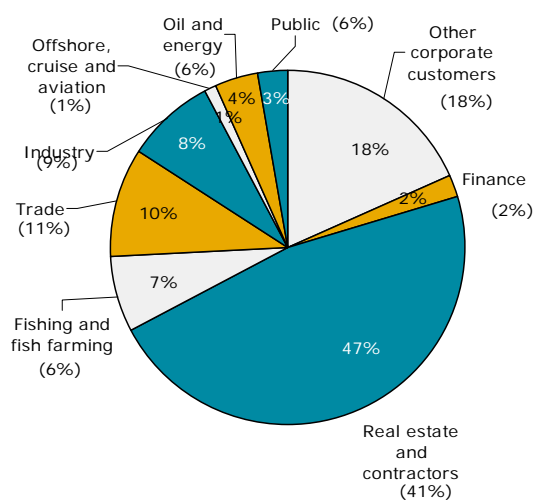
## Regional Division East and Regional Division Coast

### Average volumes

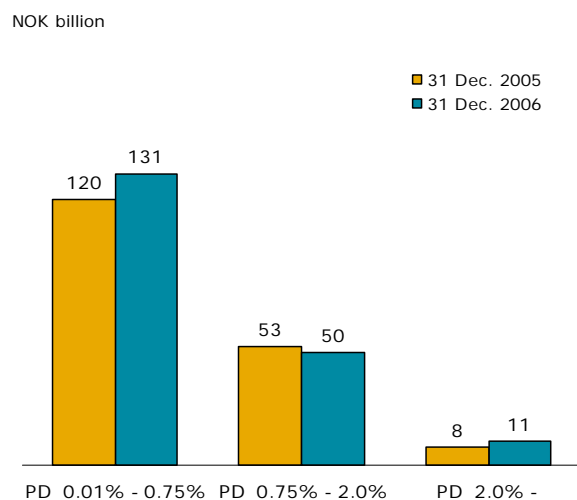
Amounts in NOK billion	4Q06	3Q06	2Q06	1Q06	4Q05	2006	2005
Net lending to customers <sup>1)</sup>	139	130	126	117	110	128	108
Guarantees	11	11	12	10	10	11	10
Customer deposits	97	93	90	86	82	91	78

1) In the fourth quarter of 2006 NOK 8.9 billion in net lending to customers was transferred from Nordic Corporate Divisions and International Corporate Division to Regional Division East and Regional Division Coast due to the termination of DnB NOR Hypotek

### Exposure at default according to sector <sup>1)</sup>



### Risk classification of portfolio <sup>2)</sup>



1) Figures as at 31 December 2006. Percentages as at 31 December 2005 in parentheses.

2) Based on DnB NOR's risk classification system. The volume represents the expected outstanding amount in the event of default. PD = probability of default

### Business profile

- Serving more than 95 000 clients throughout Norway.
- Substantial market shares in all segments - large, medium-sized and small enterprises. Market shares vary in different geographical regions, and there is a sound growth potential in selected areas.
- Local presence combined with the expertise of a major bank are key priorities for clients served by these two divisions.
- A broad regional network provides service through experienced account managers and advisors, as well as over the telephone and via the Internet.
- Payment services are available through 187 DnB NOR branches in Norway and corporate clients are served at 60 locations. Products from DnB NOR Markets are available at 13 regional offices.
- DnB NOR has a sound platform for strengthening its position as the preferred provider of financial products and services for these customer segments.

## Nordlandsbanken – Corporate Banking

### Average volumes

<i>Amounts in NOK billion</i>	4Q06	3Q06	2Q06	1Q06	4Q05	2006	2005
Net lending to customers	11	11	10	10	10	11	10
Guarantees	1	1	1	1	1	1	1
Customer deposits	5	4	4	4	4	4	3

### Business profile

- Corporate Banking in Nordlandsbanken serves businesses and the public sector in the county of Nordland.
- Nordlandsbanken serves corporate customers through 17 branches in Nordland and holds a leading position in the corporate segment with a market share of approximately 47 per cent of the active private limited companies in Nordland County.
- Nordlandsbanken aims to be the preferred financial partner for companies in Nordland by meeting their needs for financial solutions through local expertise and as part of a large nationwide financial institution.

## DnB NOR Finans

### Average volumes

<i>Amounts in NOK billion</i>	4Q06	3Q06	2Q06	1Q06	4Q05	2006	2005
Net lending to customers	25	24	23	22	22	24	20

### Business profile

- DnB NOR Finans is Norway's leading finance company.
- The company meets customer requirements for administrative, financial and risk-reducing services related to investments and operations.
- Business operations focus mainly on leasing, leasing concepts for Information and Communications Technology (ICT), factoring, motor vehicle financing and Autolease car fleet management (Norway, Sweden and Denmark).
- DnB NOR Finans has a strong local presence in Norway through 14 branches, most of which have the same location as DnB NOR Bank. In addition to Norway, DnB NOR Finance has local representation in Denmark and in Sweden. Products offered in Denmark are Autolease and Equipment Finance, and in Sweden Autolease, Equipment Finance, ICT Finance and Factoring.
- There was a 12 per cent increase in new leasing and lending contracts in 2006 relative to 2005.
- The value of processed factoring invoices was up 23 per cent in 2006 relative to 2005.

## DnB NOR Monchebank

### Average volumes

<i>Amounts in NOK billion</i>	4Q06	3Q06	2Q06	1Q06	2006
Net lending to customers	0.3	0.3	0.2	0.2	0.3
Guarantees	0.0	0.0	0.0	0.0	0.0
Customer deposits	0.4	0.4	0.4	0.4	0.4

### Business profile

- DnB NOR Monchebank is a regional bank that serves corporate and retail customers and has a firm foothold in the Kola Region in Russia.
- DnB NOR Monchebank is licensed to engage in banking business everywhere in Russia.
- DnB NOR Monchebank will be the basis for developing DnB NOR business in Northwestern Russia further, primarily based on Nordic companies' expansion in Russia.

### Financial performance

<i>Amounts in NOK million</i>	4Q06	3Q06	2Q06	1Q06	2006
Net interest income	9	9	6	6	30
Net other operating income	4	4	5	6	19
Total income	13	13	10	12	49
Operating expenses	9	9	9	7	34
Pre-tax operating profit before write-downs	4	5	1	5	15
Net gains on fixed and intangible assets	1	1	0	-	2
Write-downs on loans and guarantees	(2)	0	0	2	0
Pre-tax operating profit	7	6	1	3	17
Taxes	1	1	0	0	2
Profit for the period	6	5	1	3	14
Net lending to customers (NOK billion) <sup>1)</sup>	0.3	0.3	0.2	0.2	0.3
Deposits from customers (NOK billion) <sup>1)</sup>	0.4	0.4	0.4	0.4	0.4
Cost/income ratio (%)	71.1	65.5	90.3	55.4	69.7
Ratio of deposits to lending (%)	133.6	143.6	172.7	174.5	153.3
Return on capital (% p.a.) <sup>2)</sup>	16.2	25.2	4.8	13.7	15.4

1) Average figures based on nominal values.

2) Calculated on the basis of recorded equity.



## Retail Banking

Retail Banking, serving private customers and small companies under the main brand names DnB NOR, Postbanken and Nordlandsbanken, is Norway's largest retail bank. Åsmund Skår, group executive vice president, is head of the business area. Retail Banking aims to maintain its leading market position and stand out as the customers' best financial partner.

Good advisory services, loyalty programmes and relevant dialogue are central tools building strong customer relations. Customer satisfaction is vital to the bank. We are continually working towards improving this, by taking suitable steps such as offering new products and distribution channels. DnB NOR should be easily accessible, and its distribution channels should be further developed to reflect customer preferences.

Economic growth is strong in Norway and Norwegian households face good future prospects. Private consumption is high and certain business sectors are suffering from a labour shortage. There is a high demand for savings products and loans, even though interest rates are rising and the growth in house prices is predicted to slow over the next few years. Interest rate and lending trends are expected to lift deposit volumes in 2007, and the high capacity utilisation indicates an increase in salaries. Competition for housing loan customers is intensifying among both domestic and Nordic players, as is competition in the credit card market. Due to DnB NOR's dominant position in the domestic market and sharpening competition in Norway, Retail Banking is also looking for future growth opportunities abroad.

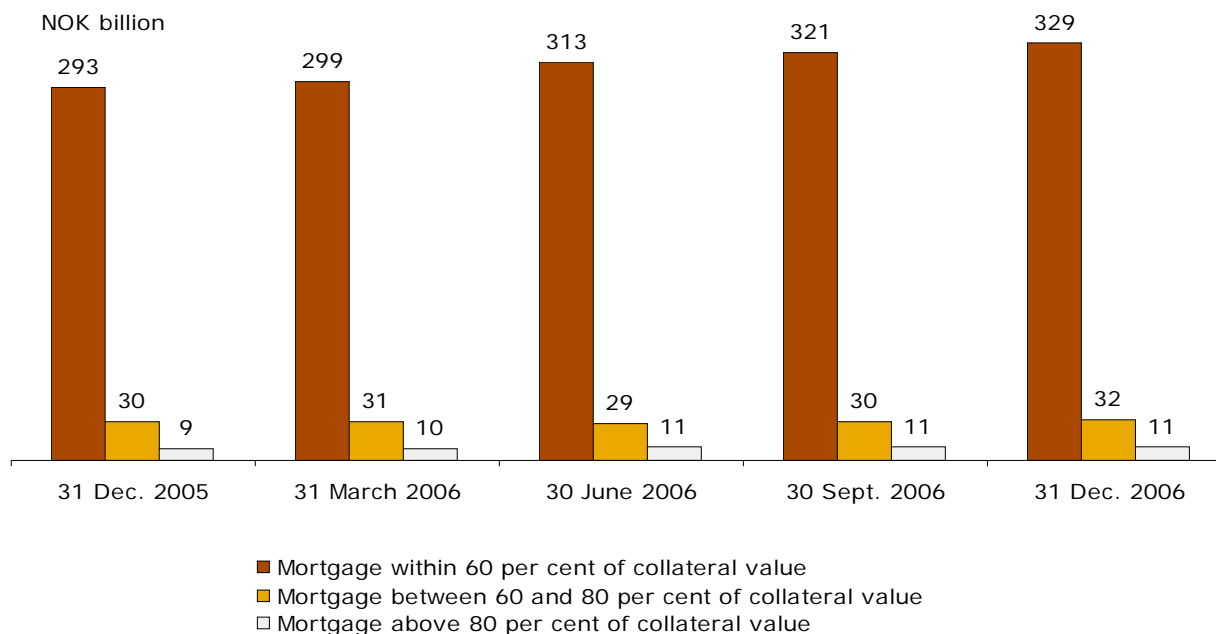
### Financial performance

<i>Amounts in NOK million</i>	4Q06	3Q06	2Q06	1Q06	4Q05	2006	2005
Net interest income - ordinary operations	1 718	1 851	1 858	1 789	1 894	7 216	7 363
Interest on allocated capital	129	112	104	88	82	433	286
Net interest income	1 847	1 963	1 962	1 877	1 976	7 649	7 649
Net other operating income	757	783	760	800	903	3 100	3 084
Total income	2 604	2 746	2 722	2 676	2 880	10 749	10 733
Operating expenses	1 551	1 533	1 492	1 500	1 634	6 076	6 215
Pre-tax operating profit before write-downs	1 054	1 213	1 230	1 176	1 246	4 673	4 518
Net gains on fixed and intangible assets	9	0	0	0	0	9	(1)
Write-downs on loans and guarantees	(32)	24	47	71	67	111	254
Pre-tax operating profit	1 094	1 189	1 183	1 105	1 179	4 571	4 263
Net lending to customers (NOK billion) <sup>1)</sup>	404.3	392.0	381.5	371.1	362.8	387.2	347.7
Deposits from customers (NOK billion) <sup>1)</sup>	211.0	209.3	199.9	194.3	199.5	203.6	197.0
Cost/income ratio (%)	59.5	55.8	54.8	56.0	56.7	56.5	57.9
Ratio of deposits to lending (%)	52.2	53.4	52.4	52.4	55.0	52.6	56.7
Return on capital BIS (% p.a.)	22.1	24.7	23.8	23.9	26.2	23.6	24.0

1) Average balances. Based on nominal values.

### Comments to the financial performance in 2006

- Satisfactory profits – return on BIS capital 23.6 per cent.
- Cost/income ratio improved from 57.9 to 56.5 per cent.
- Including consumer finance average lending spreads represented 1.33 percentage points, a reduction from 1.57 percentage points in 2005. Deposit spreads averaged 0.99 percentage points in 2006.
- Average lending increased by NOK 40 billion or 11.4 per cent, referring primarily to well-secured housing loans. Deposits increased by NOK 7 billion or 3.4 per cent.
- Net other operating income increased by NOK 16 million or 0.5 per cent, mainly due to higher fee income from real estate broking activities and increased sale of savings products. Income from money transfer fees was reduced by 15 per cent.
- Operating expenses were reduced by 2.2 per cent.
- Write-downs on loans remained at a low level.
- The volume of non-performing and impaired commitments was at a satisfactory level.

**Residential mortgages <sup>1)</sup>**

1) Residential mortgages in the business area Retail Banking in Norway.

**Customers/markets**

- Serving 2.1 million private individuals
- 414 000 housing loan customers
- 639 000 subscribe to the new DnB NOR loyalty programmes and 417 000 to Postbanken Leve
- 1.4 million clients use the Group's Internet banks
- dnbnor.no and postbanken.no are Norway's largest Internet banks
- 50.1 million payment transactions were carried out through the Internet banks in 2006
- 875 000 customers have agreed to receive notifications from the bank, such as account statements via e-mail
- 830 000 DnB NOR customers have access to mobile phone banking
- Brand names
  - DnB NOR
  - Postbanken
  - Cresco
  - Nordlandsbanken
  - Vital Skade

**Retail Banking market shares <sup>1)</sup>**

Per cent	30 Nov. 2006	30 Sept. 2006	30 June 2006	31 March 2006	31 Dec. 2005
Total lending to households <sup>2)</sup>	29.7	29.9	30.0	30.2	30.5
Bank deposits from households <sup>3)</sup>	34.5	34.8	34.9	35.1	35.1

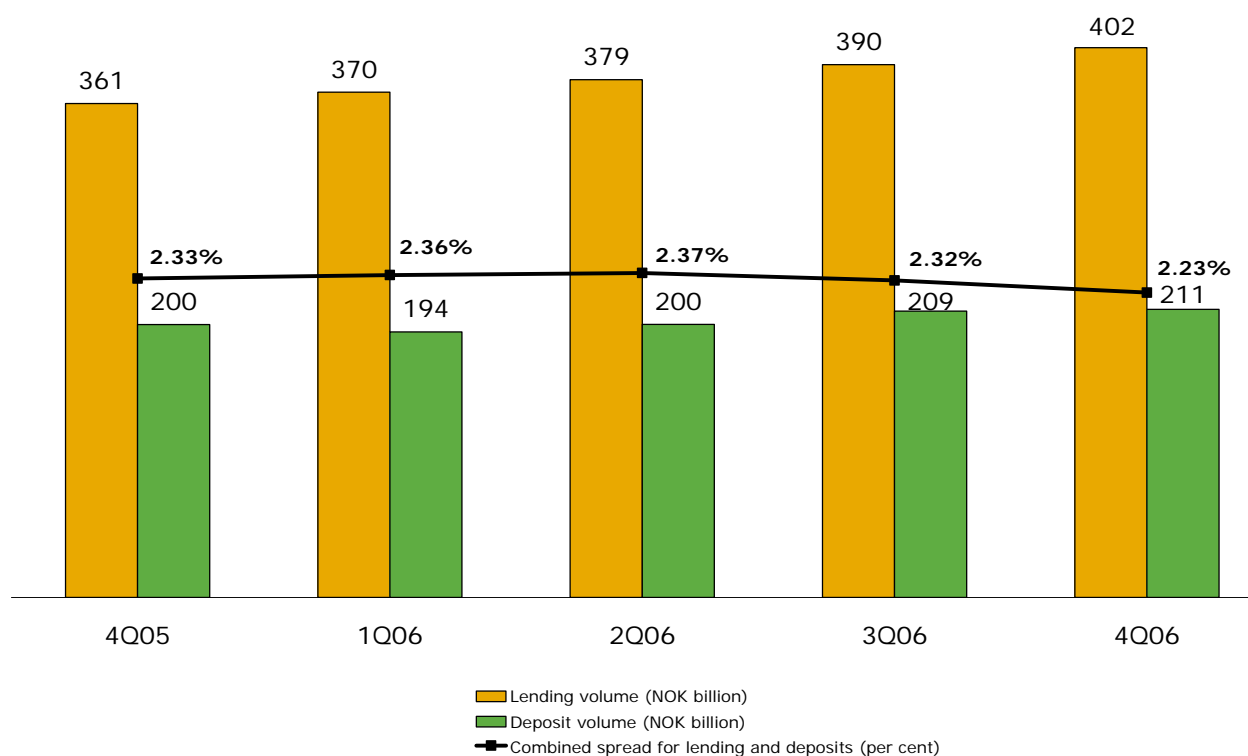
Per cent	30 Sept. 2005	30 June 2005	31 March 2005	31 Dec. 2004	30 Sept. 2004
Total lending to households <sup>2)</sup>	30.6	30.8	30.9	31.0	31.2
Bank deposits from households <sup>3)</sup>	36.1	36.2	36.5	36.7	36.8

1) Based on nominal values.

2) Total lending includes all credits extended to Norwegian customers by domestic commercial and savings banks, state banks, insurance companies and finance companies.

3) Domestic commercial and savings banks.

Source: Norges Bank, DnB NOR

**Combined spread and average lending and deposit volumes <sup>1)</sup>**

1) Based on nominal values excluding impaired loans

**Interest rate spreads**

Per cent	4Q06	3Q06	2Q06	1Q06	4Q05	2006	2005
Lending	1.16	1.29	1.41	1.46	1.49	1.33	1.57
Deposits	1.07	1.03	0.96	0.90	0.84	0.99	0.81
<b>Total</b>	<b>2.23</b>	<b>2.32</b>	<b>2.37</b>	<b>2.36</b>	<b>2.33</b>	<b>2.32</b>	<b>2.38</b>

**Organisation and distribution**

Retail Banking offers a wide range of financial products and services through Norway's largest distribution network, in terms of number of contact points with customers. The major distribution channels are:

- DnB NOR's, Postbanken's and Nordlandsbanken's branch offices
- The postal network
- Internet and telephone
- Investment Advisory Services

DnB NOR Bank ASA and Norway Post have signed an agreement relating to the distribution of financial services through the postal network. The agreement is mainly based on transaction-specific prices and a common aim to increase the number of financial services distributed through the postal network and will remain in force until December 2012.

Postbanken and Norway Post have established joint service solutions provided through 1 184 in-store postal outlets where customers can carry out everyday banking transactions in their local stores. 6.8 million payment transactions were carried out through these channels in 2006. Norway Post has entered into an agreement with DnB NOR for the purchase and installation of up to 2 500 payment terminals for use in post offices and in-store postal outlets.

Production, staff and support functions are largely centralised in cost-efficient units. The cooperation with 16 regional savings banks involves the provision of technological solutions and distribution of the Group's products. The current agreement is in force until the end of 2009. However, four of the savings banks have already terminated the agreement and thereby ended their cooperation during 2006, and three more will end their cooperation during 2007.

**DnB NOR Boligkreditt AS**

DnB NOR Boligkreditt AS was established in 2003 and an application will be made to operate as a mortgage institution once the necessary amendments have been made to laws and regulations. It is expected that the new laws and regulations will be in place in the first quarter of 2007. DnB NOR Boligkreditt AS was established to secure less expensive funding for the DnB NOR Group, thereby increasing Retail Banking's competitiveness. The company will issue covered bonds based on a portfolio of well-secured housing loans. Expectations are high that these bonds will receive an AAA rating. The issue of AAA rated bonds will attract completely new investor groups, and less expensive funding can be achieved. This will reduce DnB NOR's liquidity risk.

**New products**

- Home Equity Credit Lines were launched in autumn 2006. The product is a flexible home loan, and customers service the loan via their Internet bank.
- DnB NOR's mobile bank was launched in 2006, a simplified version of online banking that is easily accessible to customers. November 2006 saw the launch of a simple SMS service to check balances, and the mobile bank will be further developed to offer a wider spectre of services. In order to realise the visions for DnB NOR's mobile bank, good security solutions are required and work is in progress to put into place a Norwegian infrastructure for BankID on mobile phones.
- DnB NOR launched Young Adult Car Loans in 2006. The product is part of a campaign directed at the young adult market. With reduced own-damage cover and adjusted own capital requirements, young adults are able to finance and insure cars in their own name.
- New e-commerce security solution - "Verified by Visa".
- Complete property guide on WAP.
- Loyalty programmes introduced in Nordlandsbanken.

**Employees**

As at the end of December 2006 Retail Banking staff represented 4 080 full-time positions. During the autumn 70 new employees have been recruited to Retail Banking and will follow a three-year training programme.

To ensure a high level of professional expertise and advisory services of a superior ethical standard, DnB NOR has initiated certification of advisers in Retail Banking. All employees who are primarily engaged in advising retail customers will be certified.

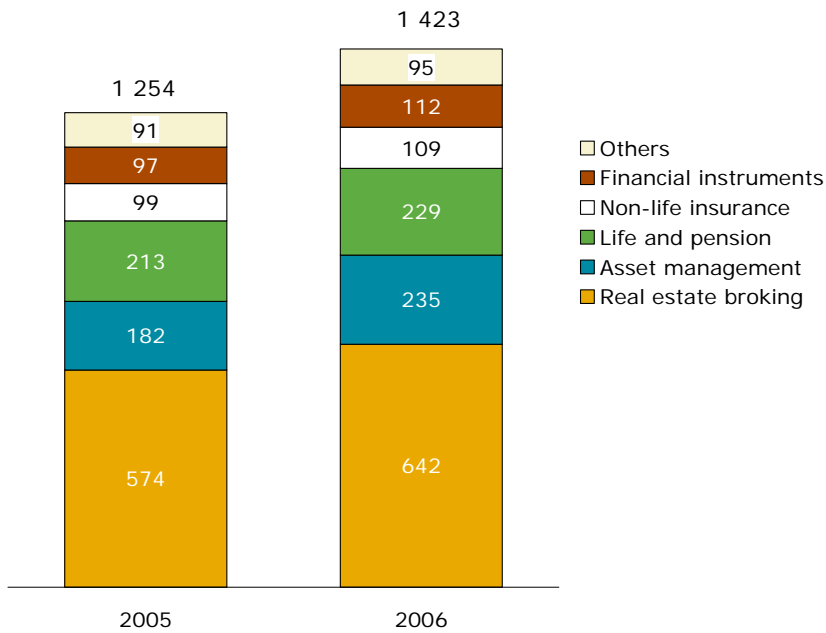
**Cooperation with other group entities**

Cross-selling of products is one of the major strengths of the DnB NOR Group. Through its distribution network Retail Banking offers:

- Asset management services (DnB NOR Asset Management)
- Life and pension insurance (Vital)
- Financial instruments (DnB NOR Markets)
- Car loans (DnB NOR Finans)

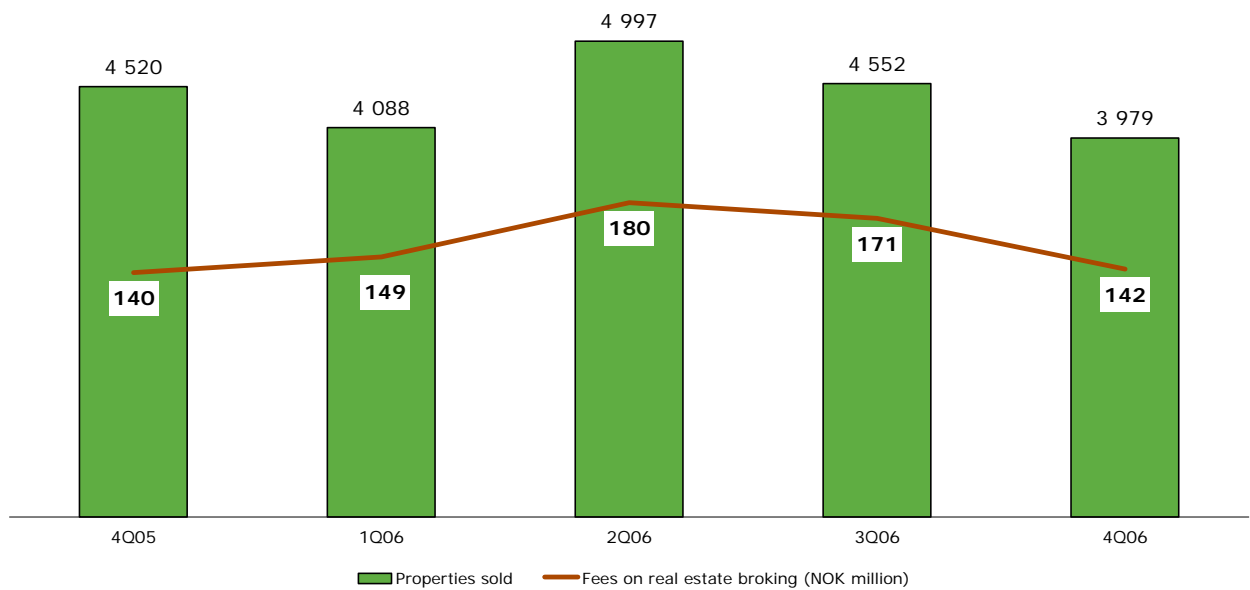
**Income from products sales**

NOK million



**Residential real estate broking**

DnB NOR's real estate broking activities are coordinated by DnB NOR Eiendom AS, a market leader within the real estate broking business. DnB NOR Eiendom had 85 outlets located in DnB NOR branches as at the end of December 2006. Postbanken Eiendom has been relaunched, with the aim of establishing real estate broking at all Postbanken customer service centres in Norway. In addition to fee income, real estate broking operations generate business in the form of residential mortgages and savings.



**Properties sold and market shares**

<i>Properties sold</i>	4Q06	3Q06	2Q06	1Q06	4Q05	2006	2005
Total properties sold	3 979	4 552	4 997	4 088	4 520	17 616	16 805
Market share, per cent <sup>1)</sup>						15 %	14 %

1) Management's estimates.

**Consumer finance**

- DnB NOR's card-based services and consumer finance activities are coordinated in DnB NOR Kort (an entity within DnB NOR Bank ASA).
- DnB NOR Kort's lending volume increased to NOK 10 858 million, from NOK 10 672 million at year-end 2005.
- Consumer finance activities generated healthy profits in 2006.
- DnB NOR Kort is Norway's leading card issuer in terms of cards issued and lending volume. As at 31 December 2006, the entity had issued more than 1.5 million credit and charge cards. Including debit cards, the DnB NOR Group had issued approximately 3.6 million cards.

**Non-life insurance**

Vital Skade was the first company in Norway to develop a totally integrated virtual insurance site where Internet banking customers can buy non-life insurance products (home, car, travel etc.). Products are sold on a commission basis. Vital Skade operates as an agent and assumes no risk on its own.

Vital Skade has entered into non-exclusive agreements with 13 academic associations offering non-life insurance products through specialised service centres. Premium income generated in Vital Skade in 2006 totalled NOK 518 million, an increase of 11 per cent on the 2005 figures. Academic associations account for 46 per cent of total premiums. Sales through the Internet banking application continued to show strong growth compared with the previous year, with total premiums of NOK 159 million, up from NOK 122 million in 2005. Commission income increased by 9 per cent, from NOK 86 million in 2005 to NOK 95 million in 2006.

## DnB NOR Markets

DnB NOR Markets is Norway's largest provider of a wide range of securities and investment banking services. DnB NOR Markets comprises the following units:

- FX/Rates/Credit/Real Estate
- Equities
- Corporate Finance
- Securities Services

The Group Treasury is organised within DnB NOR Markets though profits and losses for the unit are not recorded under this business area. Ottar Ertzeid, group executive vice president, is head of DnB NOR Markets.

DnB NOR Markets aims to be the leading investment bank for Norwegian and Norwegian-related customers, as well as international clients requiring services relating to Norway and the Norwegian krone. Clients outside Norway are served through the Group's international units, especially shipping and energy clients and Norwegian companies' international entities.

DnB NOR Markets is a full-service investment bank with leading market positions in Norway. The business area has:

- A diversified business/revenues mix (products and customers)
- A sound mix of customer and trading activities
- Cost- and capital-efficient operations

### Financial performance

<i>Amounts in NOK million</i>	4Q06	3Q06	2Q06	1Q06	4Q05	2006	2005
Net interest income - ordinary operations	57	70	65	59	64	251	235
Interest on allocated capital	30	25	21	17	14	93	47
Net interest income	87	95	87	76	78	344	282
Net other operating income	1 132	667	836	947	784	3 582	2 733
Total income	1 219	762	923	1 023	862	3 927	3 015
Operating expenses	443	327	352	415	340	1 537	1 268
Pre-tax operating profit before write-downs	777	435	570	607	522	2 390	1 747
Net gains on fixed and intangible assets	0	0	0	0	0	0	0
Write-downs on loans and guarantees	0	0	0	0	0	0	10
Pre-tax operating profit	777	435	570	607	522	2 390	1 736
Cost/income ratio (%)	36.3	42.9	38.2	40.6	39.5	39.1	42.1
Return on capital BIS (% p.a.)	66.4	39.7	55.8	68.3	65.9	57.3	59.6

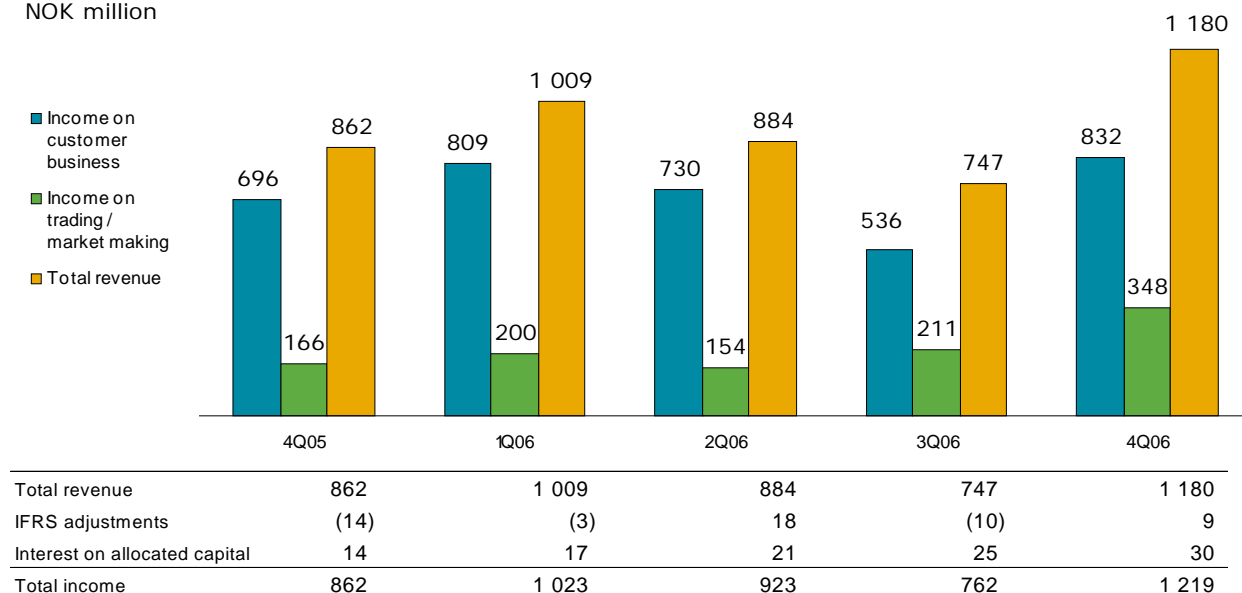
### Comments to the financial performance in 2006

- DnB NOR Markets achieved record-high revenues and profits in 2006. Income rose in all areas compared with the year-earlier period.
- Total revenues increased by NOK 912 million or 30 per cent, and pre-tax operating profit rose by 38 per cent.
- Income on customer business increased by NOK 516 million, or 22 per cent, with the most pronounced rise within equities brokerage, debt capital markets and custodial and other securities services.
- Market conditions were favourable and activity levels high, especially during the periods from January through May and October through December.
- The business area recorded a very satisfactory cost/income ratio and a sound return on equity. The increase in operating expenses mainly reflected performance-based pay and investments in information technology.
- Customer demand for interest rate and currency products remained strong.

- Record-high activity within equities brokerage and strong growth in the Norwegian derivative market.
- Brisk demand for alternative investment products, such as capital-guaranteed savings and, most notably, commercial property and shipping investments.
- There was record-high activity within securities lending.
- Market making/trading revenues totalled NOK 913 million, up NOK 318 million compared with the year-earlier period, with particularly good performance within NOK interest rate products.

### Income distribution DnB NOR Markets

NOK million



### Products and services

- Foreign exchange and interest rate derivatives.
- Securities and other investment products.
- Debt and equity financing in capital markets, as well as mergers and acquisitions and other advisory and corporate finance services.
- Custodial and other securities services.
- DnB NOR Markets introduced a number of new products in 2006, including DnB NOR Eiendomsfond and bank deposits with returns linked to exchange rate movements, infrastructure, property and private equity. In addition, a number of new investment products were launched, including real return bonds, shipping investments and investments based on credit derivatives.

### Revenues within various segments

Amounts in NOK million	4Q06	3Q06	2Q06	1Q06	4Q05	2006	2005
FX and interest rate derivatives	330	213	233	268	277	1 044	970
Investment products	212	151	229	259	234	851	797
Corporate finance	208	100	176	212	112	695	387
Securities services	82	72	92	70	73	316	237
Total customer revenues	832	536	730	809	696	2 907	2 392
Market making/trading revenues	348	211	154	200	166	913	594
IFRS adjustments	9	(10)	18	(3)	(14)	13	(18)
Interest income on allocated capital	30	25	21	17	14	93	47
Total income	1 219	762	923	1 023	862	3 927	3 015



### Distribution and cooperation with other entities

Maintaining a broad distribution network and effective cooperation with other business areas within the Group, such as Corporate Banking and Payment Services and Retail Banking, are key priorities for DnB NOR Markets. Customers are served through:

- Central units located in Oslo
- International offices (London, New York, Singapore and Shanghai) and 13 regional offices in Norway. The branch in Shanghai was opened in September 2006.
- Electronic channels and the Internet
- Cooperating savings banks
- External agents

### Customers and market shares

- In spite of intensifying competition, DnB NOR Markets maintained its leading market position in Norway within foreign exchange and interest rate and equity-related activities and was also manager for the greatest number of Norwegian kroner bond issues on Oslo Børs (the Oslo stock exchange) in 2006. Source: Oslo Børs/DnB NOR Markets.
- DnB NOR Markets was the largest equity brokerage house on Oslo Børs in 2006 with a market share of close to 10 per cent. Source: Oslo Børs.
- There was a high level of activity within share issues and initial public offerings during the first half of the year, and DnB NOR Markets was given a number of assignments based on its sound expertise within industries such as fisheries and aquaculture, shipping, energy, real estate and IT. DnB NOR Markets has a leading position within derivatives and structured products in Norway. Source: Oslo Børs.
- Approximately 37 and 87 per cent respectively of customer trading in equity options and forward contracts on Oslo Børs was handled by DnB NOR Markets in 2006. Source: Oslo Børs.
- Approximately 37 per cent market share of equity-linked deposits products. Source: Norges Bank/DnB NOR Markets.
- Leading within domestic securities services. Source: Norwegian Central Securities Depository.
- 55 per cent of limited companies use DnB NOR Markets as registrar in the Norwegian Central Securities Depository. Source: Norwegian Central Securities Depository.
- DnB NOR was named best Norwegian foreign exchange bank by the Global Finance magazine in 2006.

### Employees

- At year-end 2006 DnB NOR Markets had a staff of 562 full-time positions located in offices in Norway and abroad.
- DnB NOR Markets achieved the desired stability in staff levels and also recruited new employees within growth areas during 2006. In addition, a number of young people were recruited to ensure a dynamic working environment.

### Risk profile

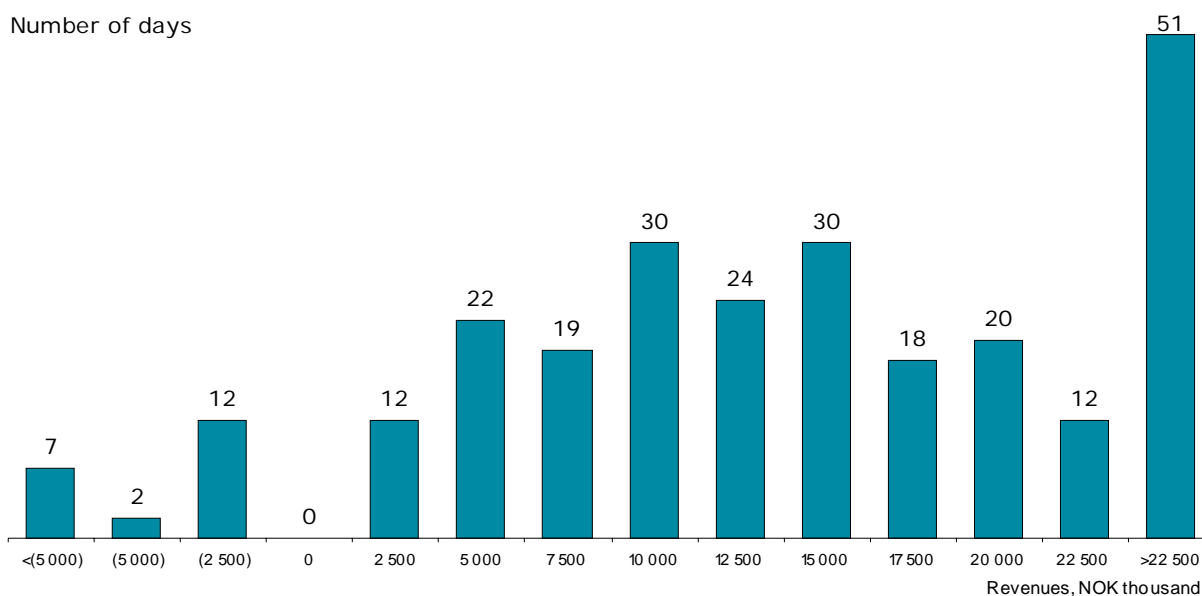
DnB NOR Markets has a moderate risk profile. Customer activities represent the main business. Trading activities support customer activities with products and prices, with focus on Norwegian kroner products.

### Daily revenue statistics for DnB NOR Markets

<i>Amounts in NOK thousand</i>	2006	2005
Minimum	(19 419)	(9 656)
Maximum	78 586	92 987
Average	15 143	11 530
Loss days	21	14
Gain days	238	245

**Daily revenue distribution in 2006**

Number of days

**Total income***Amounts in NOK million*

	2006
Total daily revenues	3 820
IFRS adjustments	13
Interest on allocated capital	93
<b>Total income</b>	<b>3 927</b>

**Value at risk**

Market risk exposures for DnB NOR Markets, i.e. DnB NOR Bank's trading portfolio/activities, increased during 2006 to take advantage of favourable market conditions.

**Value at risk (one day holding period, 99 per cent confidence level)**

<i>Amounts in NOK thousand</i>	31 Dec. 2006	2006		
	Actual	Average	Maximum	Minimum
Currency risk	8 640	8 862	22 990	805
Interest rate risk	18 290	15 338	24 880	9 690
Diversification effects	(5 200)	(5 988)		
<b>Total</b>	<b>21 730</b>	<b>18 212</b>		

Equity investment risk for DnB NOR Markets was insignificant.

### Interest rate sensitivity

The value of financial investments recorded on and off the balance sheet is affected by interest rate movements. The table below shows potential losses for DnB NOR resulting from parallel one percentage point changes in all interest rates. The calculations are based on a hypothetical situation where interest rate movements in all currencies are unfavourable for DnB NOR relative to the Group's positions. Also, all interest rate movements within the same interval are assumed to be unfavourable for the Group. The calculations are based on the Group's positions as at 31 December 2006 and market rates on the same date.

### Potential losses for DnB NOR resulting from parallel one percentage point changes in all interest rates

<i>Amounts in NOK million</i>	Up to 1 month	From 1 month to 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years	Total
<b>Trading portfolio</b>						
NOK	12	59	38	313	255	25
USD	3	14	58	34	1	75
EURO	0	4	4	5	1	13
GBP	0	4	3	1	0	6
Other currencies	5	5	5	13	2	21
<b>Banking portfolio</b>						
NOK	8	48	21	96	29	33
<b>Total</b>						
NOK	20	106	59	409	284	58
USD	3	14	58	34	1	75
EURO	0	4	4	5	1	13
GBP	0	4	3	1	0	6
Other currencies	5	5	5	13	2	21

The table does not include administrative interest rate risk, interest rate risk relating to non-interest-earning assets and interest rate risk in Vital.

## Vital

Vital offers group pension schemes to businesses and the public sector, the most important products being group life and workers' compensation insurance. In the fourth quarter, Vital also offered employers' liability insurance to the corporate market. In the retail market, long-term savings alternatives are offered in the form of individual pension agreements and annuities.

Vital comprises Vital Forsikring ASA including subsidiaries and the sister company Vital Link AS. Vital aims to be Norway's strongest entity within pension savings. Vital seeks continued growth within the company's business segments and aims to deliver competitive results to its policyholders and owner. Devoting further efforts to improving cost efficiency, providing top-quality advisory services, maintaining high levels of service and customer relationship management and serving as an attractive entry portal for customers into the DnB NOR Group will be instrumental in reaching these targets. Vital Forsikring and Vital Link merged in February 2007. The merger was reflected in the accounts as from 1 January 2007.

### Financial results

Vital Forsikring ASA including subsidiaries and Vital Link AS are fully consolidated in the DnB NOR Group's accounts. Figures below marked "Vital" comprise Vital Forsikring including subsidiaries and Vital Link AS. Figures marked "life insurance" comprise Vital Forsikring ASA including subsidiaries.

Profit sharing between policyholders and the owner in life insurance companies is based on special accounting regulations for such operations stipulated by Kredittilsynet (the Financial Supervisory Authority of Norway). 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.

### Financial performance Vital

<i>Amounts in NOK million</i>	4Q06	3Q06	2Q06	1Q06	4Q05	2006	2005
Interest result <sup>1)</sup>	2 990	342	1 607	2 155	1 912	7 094	6 053
Risk result	45	40	(62)	(34)	53	(10)	98
Administration result <sup>2)</sup>	(12)	(25)	(30)	(24)	24	(91)	(37)
Transferred to security reserve	4	0	0	1	(2)	5	5
Profit in Vital before additional allocations	3 020	357	1 515	2 096	1 991	6 987	6 109
Transferred to additional allocations	2 740	-	-	-	1 500	2 740	1 500
Profit for distribution in Vital	280	357	1 515	2 096	491	4 247	4 609
Funds transferred to policyholders in life insurance <sup>1)</sup>	(51)	27	1 185	1 677	118	2 838	3 290
+ Reversal of goodwill amortisation	5	6	5	6	-	22	-
Net profit in Vital	336	336	335	425	373	1 431	1 318
Tax charge	(765)	(1)	(2)	(2)	(306)	(771)	(331)
<b>Profit from Vital</b>	<b>1 101</b>	<b>337</b>	<b>337</b>	<b>426</b>	<b>679</b>	<b>2 202</b>	<b>1 649</b>

1) See table below.

2) Figures for 2005 are exclusive of pension expenses resulting from Vital's transition to IFRS in 2005. The transition generated expenses of NOK 434 million, with NOK 282 million for policyholders and NOK 152 million for the owner and taxes. The expenses were reversed in the group accounts when DnB NOR introduced IFRS for pensions with effect from 1 January 2004.

### Interest result – Vital

<i>Amounts in NOK million</i>	4Q06	3Q06	2Q06	1Q06	4Q05	2006	2005
Net result from equities	4 130	2 304	(2 600)	3 654	1 843	7 486	7 939
Net result from other asset classes	2 494	1 303	2 200	1 610	2 166	7 607	5 967
Value-adjusted financial result <sup>1)</sup>	6 624	3 607	(400)	5 264	4 009	15 093	13 906
Guaranteed return on policyholders' funds	1 640	1 556	1 636	1 638	1 535	6 471	5 887
Financial result after guaranteed returns	4 984	2 050	(2 036)	3 626	2 474	8 622	8 019
+ From securities adjustment reserve	(1 993)	(1 710)	3 644	(1 469)	(562)	(1 528)	(1 966)
Recorded interest result	2 990	342	1 607	2 155	1 912	7 094	6 053

1) Before changes in unrealised gains on long-term securities.

**Comments to the financial performance in 2006**

- A NOK 552 million rise in profit from Vital, to NOK 2 202 million.
- Return on equity up to 25 per cent.
- Healthy return on assets in life insurance: recorded 7.5 per cent and value adjusted 8.1 per cent.
- A 10.4 per cent growth in total assets, to NOK 223.7 billion.
- A NOK 4.2 billion rise in additional allocations and security adjustment reserve from the year-end 2005.
- A 38 per cent rise in European Embedded value result, to above 5 billion.
- Market share of insurance funds including unit-linked products was 35.2 per cent by end-September, unchanged from end-December 2005.
- Market share of 32.4 per cent and market leader in the mandatory occupational pension market by end-December 2006.
- Launch of employer's fund in the corporate market

**Extracts from balance sheets and key figures – Vital**

<i>Amounts in NOK million</i>	31 Dec. 2006	30 Sept. 2006	30 June 2006	31 Mar. 2006	31 Dec. 2005	1 Jan. 2005
Total liabilities to life insurance policyholders	188 096	182 181	182 208	182 838	174 675	152 965
of which group pension - defined benefit	119 211	113 901	114 582	113 748	110 583	99 790
of which group pension - defined contribution <sup>1)</sup>	0	533	502	446	374	193
Insurance liabilities - customer bearing the risk	18 840	16 005	14 800	15 143	13 136	9 747
of which group pension - defined contribution <sup>1)</sup>	2 214	1 252	1 036	968	657	364

1) In the fourth quarter of 2006, the "group pension - defined contribution" included in the liabilities to life insurance policyholders were converted to the portfolio "insurance liabilities - customer bearing the risk".

<i>Amounts in NOK million</i>	4Q06	3Q06	2Q06	1Q06	4Q05	2006	2005
Solvency capital <sup>1)</sup>	23 504	24 190	21 644	24 824	22 415	23 504	22 415
Return on capital (per cent) <sup>2)</sup>	48.7	15.9	15.6	18.9	31.3	25.0	20.7
Expenses in per cent of insurance provisions <sup>3)</sup>	0.84	0.81	0.85	0.85	1.03	0.84	0.90

1) Life insurance. For the composition of solvency capital, see table on page 68.

2) Calculations of return on capital are based on recorded equity, after taxes, and are annualised.

3) Life insurance. Calculated according to NGAAP, including costs charged to the administration result. The figures are annualised.

**Financial performance – Life insurance**

<i>Amounts in NOK million</i>	4Q06	3Q06	2Q06	1Q06	4Q05	2006	2005
Interest result (note 1) <sup>1)</sup>	2 975	340	1 608	2 157	1 912	7 080	6 053
Transferred to additional allocations (note 2)	2 740	-	-	-	1 500	2 740	1 500
Risk result (note 3)	46	42	(62)	(34)	52	(8)	94
Administration result (note 4)	12	(19)	(23)	(21)	(15)	(51)	(83)
Pension costs <sup>2)</sup>	-	-	-	-	380	-	380
Transferred to security reserve	3	0	0	-	(2)	3	4
Profit for distribution <sup>3)</sup>	291	362	1 523	2 102	71	4 278	4 180
Funds transferred to policyholders	(51)	27	1 185	1 677	(164)	2 838	3 008
Tax charge life insurance	(608)	0	0	-	(372)	(608)	(400)
<b>Profit life insurance</b>	<b>950</b>	<b>335</b>	<b>338</b>	<b>425</b>	<b>607</b>	<b>2 048</b>	<b>1 572</b>

1) For developments in the asset mix and return on assets in life insurance, see tables on pages 65 and 62.

2) Increase in pensions costs after transition to IFRS for pensions in Vital in 2005. The effect for the owner and taxes was NOK 152 million. The expenses were reversed in the group accounts when DnB NOR introduced IFRS for pensions with effect from 1 January 2004.

3) See table on page 62.

Note 1–4: see page 64 for a table that specifies Vital's various profit and loss items included in the DnB NOR Group's income statement.

**Value-adjusted return on assets – life insurance**

<i>Per cent</i>	4Q06	3Q06	2Q06	1Q06	4Q05	2006	2005
Financial assets							
Norwegian equities	23.5	(2.6)	(4.2)	19.7	0.8	36.4	42.5
International equities	6.6	4.5	(1.4)	3.7	7.5	13.4	22.3
Norwegian bonds	(0.5)	1.9	(0.3)	(0.1)	0.2	1.0	3.8
International bonds	(0.1)	2.7	(0.7)	(1.6)	0.1	0.3	3.4
Money market instruments	0.9	0.7	0.7	0.6	0.6	2.9	2.2
Bonds held to maturity	1.3	1.3	1.4	1.3	1.5	5.3	5.7
Investment property	5.6	2.6	3.6	2.8	8.6	14.6	13.6
<b>Value-adjusted return on assets I <sup>1)</sup></b>	<b>3.6</b>	<b>1.9</b>	<b>(0.2)</b>	<b>2.8</b>	<b>2.4</b>	<b>8.1</b>	<b>8.3</b>
Value-adjusted return on assets II <sup>2)</sup>	2.8	2.2	(0.8)	2.2	2.1	6.4	7.7
Recorded return on assets <sup>3)</sup>	2.6	1.1	1.7	2.1	2.1	7.5	7.3
Value-adjusted return on assets I, annualised <sup>1)</sup>	14.4	7.6	(0.8)	11.6	9.6	8.1	8.3
Value-adjusted return on assets II, annualised <sup>2)</sup>	11.2	8.7	(3.2)	8.9	8.4	6.4	7.7

1) Excluding changes in value of commercial paper and bonds held to maturity.

2) Including changes in unrealised gains on commercial paper and bonds held to maturity.

3) Excluding changes in unrealised gains on financial instruments.

**Specification of profit for distribution – life insurance**

<i>Amounts in NOK million</i>	4Q06	3Q06	2Q06	1Q06	4Q05	2006	2005
Profit for distribution	291	362	1 523	2 102	71	4 278	4 180
from operations subject to profit sharing <sup>1)</sup>	295	357	1 518	2 097	47	4 267	4 148
- Funds transferred to policyholders	(51)	27	1 185	1 677	(164)	2 838	3 008
- Profit for allocation to the owner and taxes	346	330	333	420	211	1 429	1 140
from operations not subject to profit sharing	(4)	5	5	5	24	11	32

1) Profit for allocation to the owner and taxes for operations subject to profit sharing in life insurance includes:

- 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
- a margin on policyholders' funds
- a margin on effective risk premium adjusted for survival risk on contracts providing sufficient profits

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

**Premium income – Vital**

<i>Amounts in NOK million</i>	4Q06	3Q06	2Q06	1Q06	4Q05	2006	2005
Total premiums due <sup>1) 2)</sup>	4 220	3 062	4 381	8 221	7 411	19 884	21 434
Inflow of reserves <sup>3)</sup>	1 321	544	227	1 593	301	3 685	3 232
Outflow of reserves <sup>3)</sup>	1 465	2 499	670	1 950	531	6 584	2 186
Net premiums paid	4 076	1 107	3 938	7 864	7 181	16 985	22 480
Outflow of reserves <sup>3)</sup>	1 465	2 499	670	1 950	531	6 584	2 186
<b>Total premium income</b>	<b>5 541</b>	<b>3 606</b>	<b>4 608</b>	<b>9 814</b>	<b>7 712</b>	<b>23 569</b>	<b>24 666</b>

1) Of which group pension - defined benefit

2) Of which group pension - defined contribution

3) Of which transfers between Vital companies

1 225 1 220 1 587 4 640 1 011 8 672 7 521

447 294 177 200 118 1 118 482

776 182 196 184 173 1 338 1 975

**Market shares – Vital**

Per cent	30 Sept. 2006	31 Dec. 2005	30 Sept. 2005
Of insurance funds including unit linked products	35.2	35.2	34.9
- Retail market	52.2	51.0	50.0
- Corporate market	28.5	28.9	29.1
Of insurance funds for unit linked products	40.3	39.3	39.2

Source: The Norwegian Financial Services Association (FNH) and DnB NOR

**Income statement <sup>1)</sup>**

Amounts in NOK million	4Q06	3Q06	2Q06	1Q06	4Q05	2006	2005
Total interest income							
Total interest expenses							
<b>Net interest income</b>							
Commissions and fees receivable etc. (note 4)	498	433	455	450	500	1 836	1 630
Commissions and fees payable etc. (note 4)	172	160	164	177	185	673	562
Net gains on financial instruments at fair value							
Net gains on assets in Vital (note 1)	6 033	2 714	2 435	4 936	3 913	16 117	14 369
Guaranteed returns and allocations to policyholders in Vital (note 2)	5 731	2 392	2 008	4 453	3 616	14 584	13 111
Premium income etc. included in the risk result in Vital (note 3)	1 191	1 001	1 059	1 063	1 595	4 314	3 925
Insurance claims etc. included in the risk result in Vital (note 3)	1 146	960	1 121	1 097	1 542	4 324	3 828
Net realised gains on investment securities (AFS)							
Profit from companies accounted for by the equity method							
Other income							
<b>Net other operating income</b>	<b>674</b>	<b>634</b>	<b>656</b>	<b>722</b>	<b>664</b>	<b>2 686</b>	<b>2 423</b>
<b>Total income</b>	<b>674</b>	<b>634</b>	<b>656</b>	<b>722</b>	<b>664</b>	<b>2 686</b>	<b>2 423</b>
Salaries and other personnel expenses	183	168	172	153	151	676	575
Other expenses	137	112	128	124	116	501	434
Depreciation and impairment of fixed and intangible assets	19	18	20	21	24	77	97
<b>Total operating expenses (note 4)</b>	<b>338</b>	<b>298</b>	<b>321</b>	<b>297</b>	<b>291</b>	<b>1 254</b>	<b>1 105</b>
Net gains on fixed and intangible assets							
Write-downs on loans and guarantees							
<b>Pre-tax operating profit</b>	<b>336</b>	<b>336</b>	<b>335</b>	<b>425</b>	<b>373</b>	<b>1 431</b>	<b>1 318</b>
Taxes	(765)	(1)	(2)	(2)	(306)	(771)	(331)
Profit from discontinuing operations after taxes							
<b>Profit for the period <sup>2)</sup></b>	<b>1 101</b>	<b>337</b>	<b>337</b>	<b>426</b>	<b>679</b>	<b>2 202</b>	<b>1 649</b>

1) The figures encompass Vital Forsikring ASA including subsidiaries and Vital Link AS as included in the DnB NOR Group accounts before eliminations for intra-group transactions and balances.

2) For a detailed statement of financial performance, see page 60.

Note 1–4: In the table on the next page, the items marked in grey indicate Vital's various profit and loss items included in the DnB NOR Group's income statement.

**The table below specifies the owner's share of net financial and risk result from Vital <sup>1)</sup>**

Amounts in NOK million	4Q06	3Q06	2Q06	1Q06	4Q05	2006	2005
Net gains on assets in Vital	6 033	2 714	2 435	4 936	3 913	16 117	14 369
Guaranteed returns and allocations to policyholders in Vital	5 731	2 392	2 008	4 453	3 616	14 584	13 111
Premium income etc. included in the risk result in Vital	1 191	1 001	1 059	1 063	1 595	4 314	3 925
Insurance claims etc. included in the risk result in Vital	1 146	960	1 121	1 097	1 542	4 324	3 828
Net financial and risk result in Vital	348	361	365	449	350	1 523	1 356
Eliminations in the group accounts	(10)	9	10	5	12	14	10
Net financial and risk result from Vital	337	371	375	454	362	1 537	1 365

1) For a specification of net other operating income in the DnB NOR Group, see page 19.

In the table below, the items marked in grey indicate Vital's various profit and loss items included in the DnB NOR Group's income statement.

<b>Note 1</b>	4Q06	3Q06	2Q06	1Q06	4Q05	2006	2005
Interest result in life insurance	2 975	340	1 608	2 157	1 912	7 080	6 053
Guaranteed returns to policyholders in life insurance	1 640	1 556	1 636	1 638	1 535	6 471	5 887
Financial result life insurance <sup>1)</sup>	4 616	1 896	3 244	3 795	3 447	13 551	11 940
Financial result on policyholders funds in unit linked operations	1 417	811	(815)	1 136	463	2 549	2 434
Transferred from security reserve in Vital	(4)	0	0	(1)	2	(5)	(5)
Other items recorded as net gains on financial instruments, including reclassifications	5	6	5	6	1	22	0
<b>Net gains on assets in Vital, IFRS</b>	<b>6 033</b>	<b>2 714</b>	<b>2 435</b>	<b>4 936</b>	<b>3 913</b>	<b>16 117</b>	<b>14 369</b>

<b>Note 2</b>	4Q06	3Q06	2Q06	1Q06	4Q05	2006	2005
Transferred to additional allocations in life insurance	2 740	0	0	0	1 500	2 740	1 500
Funds transferred to policyholders in life insurance	(51)	27	1 185	1 677	(164)	2 838	3 008
Total allocations to policyholders in life insurance	2 689	27	1 185	1 677	1 336	5 578	4 508
Guaranteed return on policyholders funds in life insurance	1 640	1 556	1 636	1 638	1 535	6 471	5 887
Guaranteed returns and allocations to policyholders in life insurance	4 329	1 584	2 821	3 315	2 871	12 049	10 395
Funds transferred on policyholders funds in unit linked operations	1 402	809	(813)	1 137	463	2 535	2 434
Pension costs <sup>2)</sup>	0	0	0	0	282		282
<b>Guaranteed returns and allocations to policyholders in Vital, IFRS</b>	<b>5 731</b>	<b>2 392</b>	<b>2 008</b>	<b>4 453</b>	<b>3 616</b>	<b>14 584</b>	<b>13 111</b>
<b>Net financial result in Vital, IFRS</b>	<b>302</b>	<b>322</b>	<b>427</b>	<b>483</b>	<b>297</b>	<b>1 533</b>	<b>1 258</b>

<b>Note 3</b>	4Q06	3Q06	2Q06	1Q06	4Q05	2006	2005
Risk result in life insurance	46	42	(62)	(34)	52	(8)	94
Risk result in unit linked	(1)	(2)	0	(1)	1	(3)	4
Total risk result in Vital, NGAAP	46	40	(62)	(34)	53	(10)	98
Premium income etc. included in the risk result in Vital, IFRS	1 191	1 001	1 059	1 063	1 595	4 314	3 925
Insurance claims etc. included in the risk result in Vital, IFRS	1 146	960	1 121	1 097	1 542	4 324	3 828
<b>Total risk result in Vital, IFRS</b>	<b>46</b>	<b>40</b>	<b>(62)</b>	<b>(34)</b>	<b>53</b>	<b>(10)</b>	<b>98</b>

<b>Note 4</b>	4Q06	3Q06	2Q06	1Q06	4Q05	2006	2005
Administration result in life insurance	12	(19)	(23)	(21)	(15)	(51)	(83)
Administration result in unit linked	(24)	(6)	(7)	(3)	(15)	(40)	(8)
Administration result Vital, NGAAP	(12)	(25)	(30)	(24)	(30)	(91)	(91)
Pension costs <sup>2)</sup>			0	0	54		54
Other items charged to the administration result according to IFRS, including reclassifications			0	0	0		
Administration result in Vital according to IFRS	(12)	(25)	(30)	(24)	24	(91)	(37)
Commission income and fees receivable, IFRS	498	433	455	450	500	1 836	1 630
Commission expense and fees payable, IFRS	172	160	164	177	185	673	562
Operating expenses, IFRS	338	298	321	297	291	1 254	1 105
<b>Administration result in Vital according to IFRS</b>	<b>(12)</b>	<b>(25)</b>	<b>(30)</b>	<b>(24)</b>	<b>24</b>	<b>(91)</b>	<b>(37)</b>
<b>Pre-tax operating profit from Vital</b>	<b>336</b>	<b>336</b>	<b>335</b>	<b>425</b>	<b>373</b>	<b>1 431</b>	<b>1 318</b>
Taxes	(765)	(1)	(2)	(2)	(306)	(771)	(331)
<b>Profit for the period</b>	<b>1 101</b>	<b>337</b>	<b>337</b>	<b>426</b>	<b>679</b>	<b>2 202</b>	<b>1 649</b>

1) Before changes in unrealised gains.

2) Increase in pension cost after transition to IFRS for pensions in Vital in 2005.



**Balance sheets <sup>1)</sup>**

<i>Amounts in NOK million</i>	31 Dec. 2006	30 Sept. 2006	30 June 2006	31 March 2006	31 Dec. 2005	1 Jan. 2005
Cash and deposits with central banks						
Lending to and deposits with credit institutions	7 185	6 234	8 850	7 978	11 527	5 781
Lending to customers						
Commercial paper and bonds	57 838	58 258	61 973	67 144	67 457	55 313
Shareholdings	47 291	42 412	39 347	39 956	32 445	24 371
Financial assets, customers bearing the risk	18 840	16 005	14 800	15 143	13 136	9 747
Financial derivatives	1 654	1 251	1 427	2 255	786	2 194
Shareholdings, available for sale						
Commercial paper and bonds, held to maturity	62 444	62 478	60 898	56 518	52 587	55 645
Investment property	25 668	25 026	23 869	23 350	22 872	19 252
Investments in associated companies	16	14	14	14	14	14
Intangible assets	294	318	304	279	252	262
Deferred tax assets	185					30
Fixed assets	75	43	46	48	50	77
Biological assets						
Discontinuing operations						
Other assets	2 161	1 497	2 751	3 039	1 533	2 699
<b>Total assets</b>	<b>223 650</b>	<b>213 536</b>	<b>214 279</b>	<b>215 725</b>	<b>202 659</b>	<b>175 385</b>
Loans and deposits from credit institutions						
Deposits from customers						
Financial derivatives	1 166	1 480	807	233	1 080	5
Securities issued						
Insurance liabilities, customers bearing the risk	18 840	16 005	14 800	15 143	13 136	9 747
Liabilities to life insurance policyholders	188 096	182 181	182 208	182 838	174 675	152 965
Payable taxes						
Deferred taxes	0	661	662	665	99	423
Other liabilities	3 259	1 920	4 880	6 340	1 991	2 422
Discontinuing operations						
Provisions	124	205	192	121	133	37
Subordinated loan capital	2 556	2 575	2 557	2 581	2 594	2 519
<b>Total liabilities</b>	<b>214 040</b>	<b>205 027</b>	<b>206 107</b>	<b>207 919</b>	<b>193 708</b>	<b>168 118</b>
Minority interests						
Revaluation reserve						
Share capital	1 310	1 310	1 310	1 307	1 307	1 302
Other reserves and retained earnings	8 300	7 199	6 862	6 498	7 643	5 965
<b>Total equity</b>	<b>9 610</b>	<b>8 509</b>	<b>8 172</b>	<b>7 805</b>	<b>8 951</b>	<b>7 267</b>
<b>Total liabilities and equity</b>	<b>223 650</b>	<b>213 536</b>	<b>214 279</b>	<b>215 725</b>	<b>202 659</b>	<b>175 385</b>

1) The figures encompass Vital Forsikring ASA including subsidiaries and Vital Link AS as included in the DnB NOR Group accounts before eliminations for intra-group transactions and balances.

### Products and organisation

- Group pension schemes to businesses, adapted to customer needs for defined-benefit, defined-contribution and single premium pension schemes. Vital launched employer's liability insurance in the corporate market in the fourth quarter of 2006.
- Long-term savings alternatives in the form of individual pension agreements, annuities in the retail market.
- Products are offered with guaranteed returns or with a choice of investment profile (unit linked).
- Savings products from other units in the DnB NOR Group, including mutual funds from DnB NOR Asset Management and equity-linked bonds from DnB NOR Markets.

The business area is represented in most parts of Norway through sales offices and provides services through DnB NOR and Postbanken's distribution networks and independent agents, as well as via the Internet.

In the Norwegian fiscal budget, released on 6 October, the government proposed the removal of tax relief on private pension savings through individual pension agreements and annuities, with effect from 12 May 2006 and 1 January 2007 respectively. The proposed changes will entail limited tax incentives to encourage long-term pension savings.

### Cooperation with other group entities

- By taking advantage of the strength of the DnB NOR Group's total distribution network, Vital is well positioned to enjoy continued market growth.
- Vital's growth in the retail market is not least due to the business area's extensive distribution network, where other business areas in the Group play a principal role.
- In the fourth quarter of 2006, other business areas accounted for 41.2 per cent of the sales of Vital's products in the retail market, compared with 65.8 per cent in the corresponding period of 2005. The reduction is caused by a decrease in sales of certain products in the retail market.

### Employees

Vital gives priority to retaining and developing a high level of expertise within insurance products, management and other relevant areas of competence.

### Full-time positions – Vital

	31 Dec. 2006	31 Dec. 2005
Life insurance	786	730
Unit link	29	25
<b>Total</b>	<b>815</b>	<b>756</b>

## Balance sheets and capital adequacy according to NGAAP

The analyses below are prepared on the basis of accounting principles according to Norwegian accounting legislation etc. (NGAAP). Tables marked "Vital" refer to life insurance operations including unit linked operations in Vital Link AS. Tables marked "life insurance" refer to operations in Vital Forsikring ASA including subsidiaries.

Kredittilsynet and the Ministry of Finance have not adapted solvency capital or capital adequacy regulations to IFRS. The Norwegian Ministry of Finance is expected to establish guidelines for further efforts to determine capital requirements for insurance companies up until the introduction of Solvency II.

### Balance sheets – Vital – NGAAP

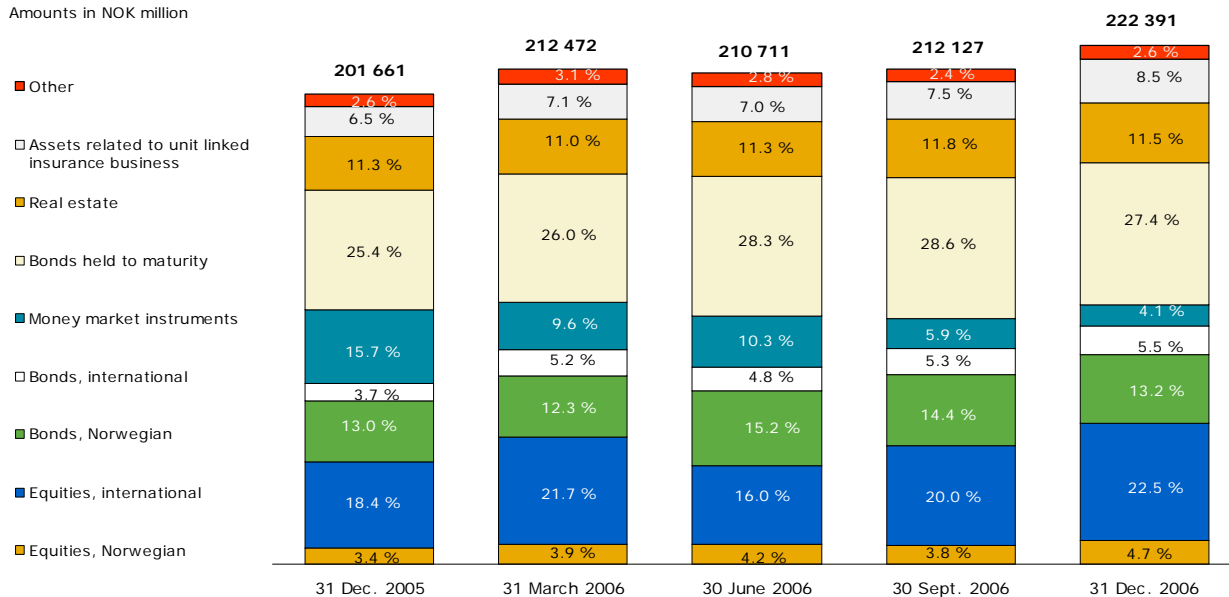
<i>Amounts in NOK million</i>	31 Dec. 2006	30 Sept. 2006	30 June 2006	31 Mar. 2006	31 Dec. 2005	31 Dec. 2004
<b>Financial assets</b>						
Norwegian equities <sup>1)</sup>	13 005	10 784	11 464	11 132	9 088	7 077
International equities <sup>2)</sup>	34 717	32 425	29 042	29 746	23 550	17 476
Norwegian bonds <sup>3)</sup>	29 380	30 645	31 739	31 096	29 008	26 636
International bonds <sup>4)</sup>	15 931	13 526	12 683	13 450	13 116	18 776
Money market instruments <sup>5)</sup>	18 169	17 794	21 507	26 694	34 391	15 654
Bonds held to maturity	60 825	60 761	59 692	55 228	51 246	54 172
Real estate	25 668	25 026	23 869	23 350	22 872	19 410
Assets related to unit linked insurance business	18 840	16 005	14 800	15 143	13 136	9 741
Other	5 856	5 162	5 914	6 633	5 253	6 203
<b>Total assets</b>	<b>222 391</b>	<b>212 127</b>	<b>210 711</b>	<b>212 472</b>	<b>201 661</b>	<b>175 145</b>
<b>Equity</b>	<b>7 408</b>	<b>8 493</b>	<b>8 161</b>	<b>7 799</b>	<b>7 378</b>	<b>7 307</b>
Subordinated loan capital	2 556	2 575	2 557	2 581	2 594	2 519
Securities adjustment reserve	7 032	5 038	3 328	6 972	5 503	3 538
<b>Insurance provisions</b>						
Premium reserve	167 403	167 653	168 746	165 602	159 457	140 701
Additional allocations	6 429	3 713	3 733	3 747	3 788	2 357
Premium fund and pension regulation fund	6 436	4 941	5 566	5 686	5 124	5 992
Security reserve	205	201	201	201	201	201
Other reserves	592	627	627	622	602	545
Provisions in unit linked insurance business	18 840	16 005	14 800	15 143	13 136	9 741
Other liabilities	5 491	2 880	2 992	4 119	3 877	2 244
<b>Total equity and liabilities</b>	<b>222 391</b>	<b>212 127</b>	<b>210 711</b>	<b>212 472</b>	<b>201 661</b>	<b>175 145</b>

Net exposure after adjustment for derivative contracts:

1) Norwegian equities	10 411	8 158	8 757	8 389	6 757	6 664
2) International equities	49 939	42 490	33 723	46 057	37 023	20 787
- of which investments in hedge funds	1 960	2 106	1 824	1 877	1 823	1 447
3) Norwegian bonds	29 380	30 645	32 068	26 230	26 306	21 649
4) International bonds	12 326	11 336	10 147	11 143	7 404	8 199
5) Money market instruments	9 146	12 545	21 741	20 300	31 664	28 320

**Balance sheet – Vital <sup>1)</sup> – NGAAP**

Amounts in NOK million



1) Net exposure in Vital Forsikring and Vital Link after adjustment for derivative contracts.

**Solvency capital – life insurance – NGAAP <sup>1)</sup>**

Amounts in NOK million

	31 Dec. 2006	30 Sept. 2006	30 June 2006	31 Mar. 2006	31 Dec. 2005	31 Dec. 2004
Interim profit, accumulated	-	3 987	3 625	2 102	-	-
Securities adjustment reserve	7 032	5 038	3 328	6 972	5 503	3 538
Additional allocations	6 429	3 713	3 733	3 747	3 788	2 357
Security reserve	205	201	201	201	201	197
Equity	7 155	7 155	7 155	7 155	7 155	7 155
Subordinated loan capital and perpetual subordinated loan capital securities	2 461	2 480	2 462	2 486	2 499	2 449
Unrealised gains on long-term securities	222	1 615	1 139	2 160	3 268	3 935
<b>Solvency capital</b>	<b>23 504</b>	<b>24 190</b>	<b>21 644</b>	<b>24 824</b>	<b>22 415</b>	<b>19 630</b>
<b>Buffer capital <sup>2)</sup></b>	<b>15 144</b>	<b>14 560</b>	<b>12 426</b>	<b>14 752</b>	<b>11 564</b>	<b>8 577</b>

1) The above shows the composition of and development in solvency capital. 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.

2) Buffer capital is equity in excess of the minimum statutory capital requirement and interim profits, additional allocations and the securities adjustment reserve.

**Capital adequacy and solvency margin capital – life insurance – NGAAP**

<i>Amounts in NOK million</i>	31 Dec. 2006	30 Sept. 2006	30 June 2006	31 Mar. 2006	31 Dec. 2005	31 Dec. 2004
<b>Capital adequacy <sup>1)</sup></b>						
Total eligible primary capital	9 240	9 120	9 161	9 252	9 312	8 953
Capital adequacy ratio (%)	9.8	10.2	10.5	10.4	11.7	14.1
Core capital	7 004	6 941	6 954	6 991	7 038	6 801
Core capital (%)	7.4	7.8	7.9	7.9	8.9	10.7
Risk-weighted assets	94 272	89 306	87 489	88 611	79 293	63 325
<b>Solvency margin capital <sup>2)</sup></b>						
Solvency margin capital	12 546	11 068	11 118	11 216	11 296	10 238
Solvency margin capital exceeding minimum requirement	4 898	3 602	3 576	3 804	4 166	3 949
Solvency margin capital in per cent of solvency margin capital requirement (%)	164	148	147	151	158	163

1) Capital adequacy regulations regulate the relationship between the company's primary capital and the investment exposure on the asset side of the balance sheet. Life insurance companies are subject to a minimum capital adequacy requirement of 8 per cent.

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

## DnB NOR Asset Management

DnB NOR Asset Management provides mutual funds and discretionary portfolio management services to Norwegian and other Nordic corporate clients, the public sector, private pension funds and retail clients. Øyvind Birkeland, group executive vice president, heads the business area.

DnB NOR Asset Management seeks to provide first-class returns on customer funds within the preferred risk profile and investment horizon. DnB NOR aspires to be the leading asset manager for clients in the Nordic region, providing sound long-term returns and a high level of service based on a thorough understanding of customer needs.

Mutual fund packages, the 'Spar Smart' concept, launched in September 2005, were well received in the market. During 2006, more than 22 000 'Spar Smart' savings schemes were signed. The number of active savings schemes was up 9.9 per cent during the last year.

During the fourth quarter, eight additional DnB NOR funds received four or more stars from the rating company Morningstar, bringing the percentage of DnB NOR funds awarded a minimum of four stars by Morningstar to 40.2 per cent.

### Financial performance

<i>Amounts in NOK million</i>	4Q06	3Q06	2Q06	1Q06	4Q05	2006	2005
Net interest income - ordinary operations	0	(3)	2	(3)	(19)	(4)	(21)
Interest on allocated capital <sup>1)</sup>	16	13	11	9	8	49	29
Net interest income	16	10	13	6	(10)	45	8
Commission income							
- from retail customers	153	119	132	126	112	530	371
- from institutional clients	158	150	141	154	182	602	636
Other income	8	8	8	4	8	29	20
Total income	335	288	294	290	292	1 207	1 036
Operating expenses	184	179	184	172	147	718	642
Pre-tax operating profit before write-downs	151	109	110	119	145	489	393
Net gains on fixed and intangible assets	0	0	0	0	0	0	(2)
Write-downs on loans and guarantees	0	0	0	0	0	0	0
Pre-tax operating profit	151	109	110	119	145	489	391
<b>Assets under management (NOK billion)<sup>2)</sup></b>							
Institutional	489	477	465	470	488	489	488
- of which Vital	177	173	172	174	167	177	167
Retail	60	57	57	60	60	60	60
Total	549	534	522	530	549	549	549
<b>Key figures</b>							
Cost/income ratio (%)	55.0	62.2	62.5	59.1	50.4	59.5	62.0
Return on capital (% p.a.) <sup>1)</sup>	25.0	19.0	20.7	23.8	31.7	22.1	21.6

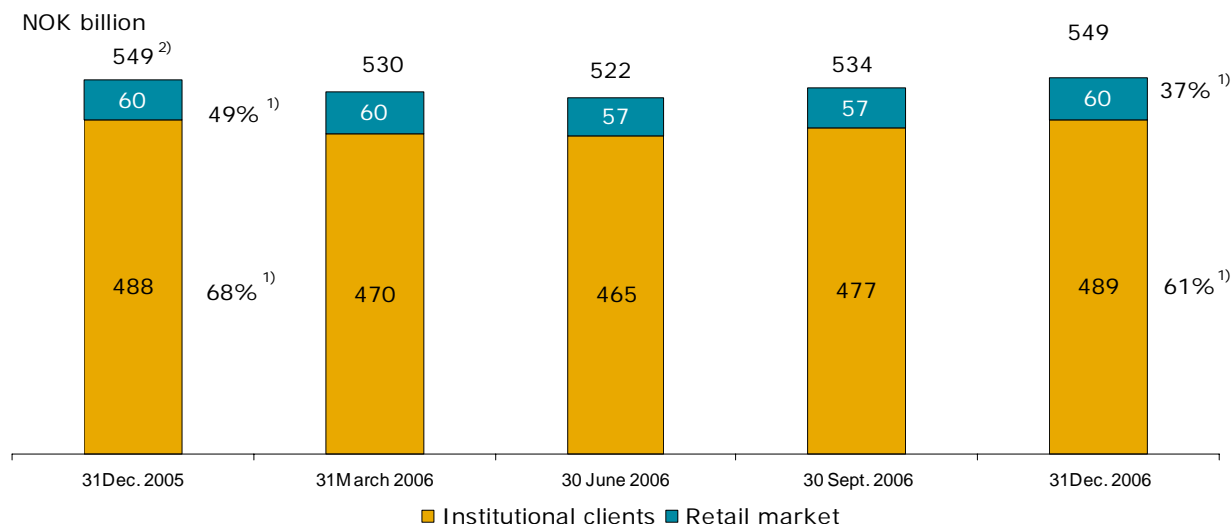
1) Calculated on the basis of recorded equity.

2) Assets under management at end of period.

**Comments to the financial performance in 2006**

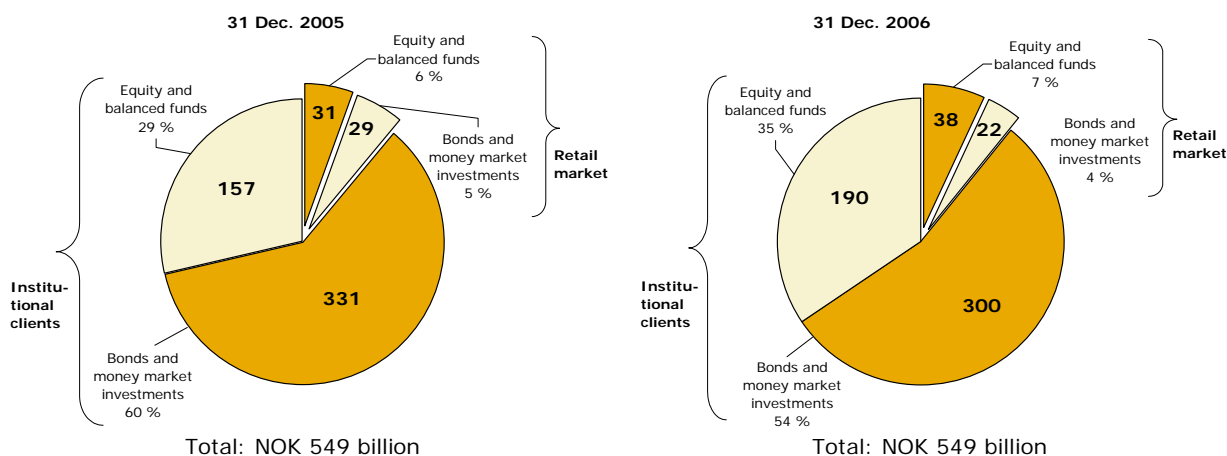
- Commission income increased by NOK 126 million from 2005 to 2006. This was mainly due to growth in assets under management, an increased share of equity funds in the portfolio and performance fee.
- Operating expenses in 2006 were NOK 718 million, up NOK 76 million from 2005, which was mainly due to pension expenses, new activity, performance-related pay and fees.

**Assets under management - distribution by market segment**



1) Share of total assets in the institutional and retail market respectively, invested in bonds, fixed-income funds and money market funds.  
 2) Reduced to NOK 519 billion in the beginning of January 2006 following termination of an investment mandate.

**Assets under management - distribution by investment type**



(Amounts in NOK billion and per cent of total assets)

**Changes in assets under management - net inflow**

Amounts in NOK million	4Q06	3Q06	2Q06	1Q06 <sup>1)</sup>	4Q05	2006 <sup>1)</sup>	2005 <sup>2)</sup>
Retail market	(40)	(1 254)	(1 459)	(3 717)	12 045	(6 471)	10 892
Institutional clients <sup>3)</sup>	(7 855)	(8 568)	(2 923)	(29 011)	13 495	(48 357)	20 389
Total	(7 895)	(9 823)	(4 382)	(32 728)	25 540	(54 828)	31 281

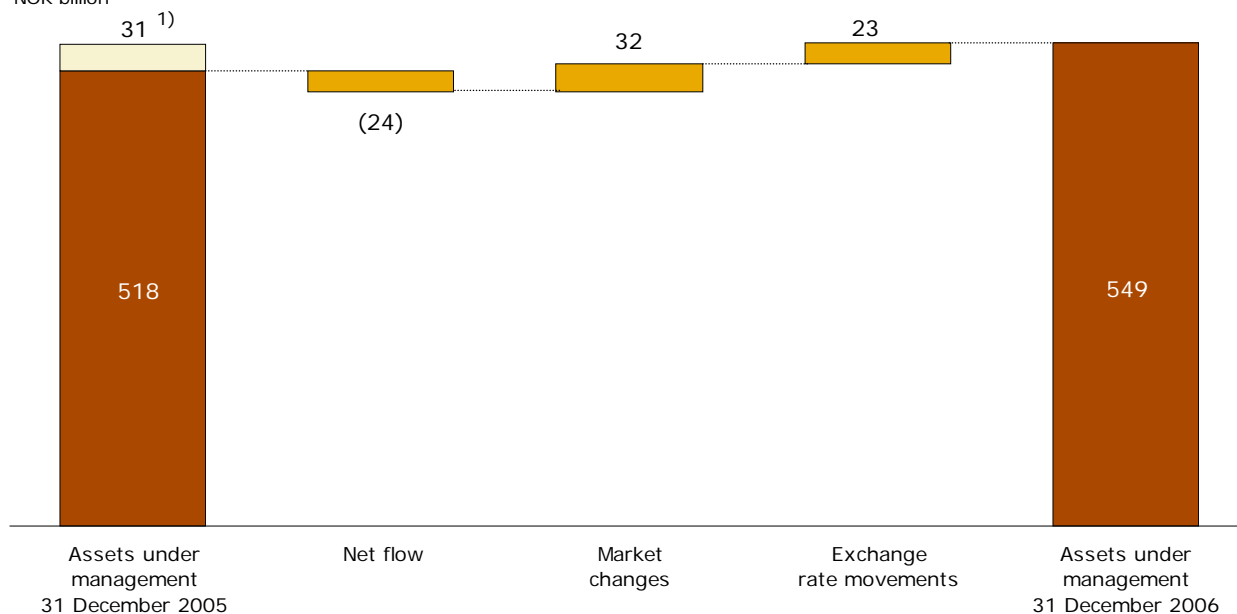
1) Excluding dividends of NOK 957 million, of which NOK 475 million refers to retail and NOK 482 million to institutional clients.

2) Excluding dividends of NOK 1 446 million, of which NOK 446 million refers to retail and NOK 1 000 million to institutional clients.

3) Of which NOK 30.5 billion represents termination of an investment mandate in 1Q06.

**Changes in assets under management**

NOK billion



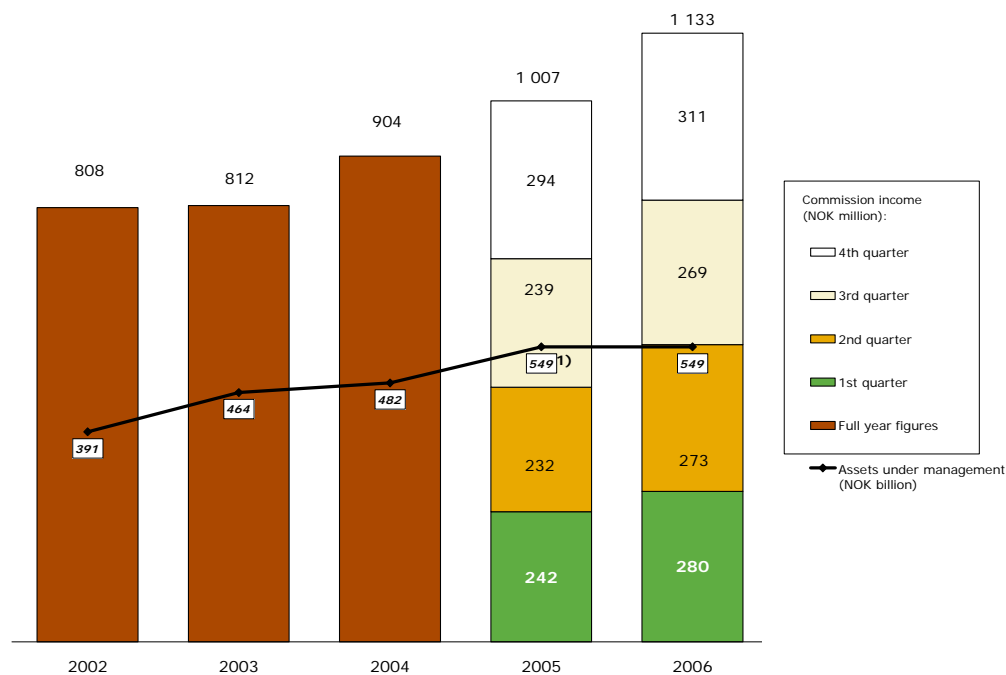
1) Represents termination of one investment mandate.

**Comments to changes in assets under management from end 2005**

- Net flow:
  - Assets under management in total were unchanged from end-2005 to end-2006.
  - There was a net outflow of funds from institutional clients of NOK 48.4 billion or 9.9 per cent, of which the termination of one investment mandate as from 1 January 2006 represented a net outflow of 30.5 billion or 6.3 per cent.
  - New institutional mandates were won in both Sweden and Norway.
  - There was a net outflow of funds from the retail market of NOK 6.5 billion or 10.9 per cent.
- Market changes:
  - Market developments led to a NOK 32 billion increase in assets under management, representing 5.8 per cent measured in clients' base currencies.
  - During 2006, Morgan Stanley's global equity index increased by 20.1 per cent measured in USD and by 10.4 per cent measured in NOK.
  - The stock exchange in Stockholm (OMX) increased by 19.5 per cent and the stock exchange in Oslo (OSEBX) climbed by 32.4 per cent during 2006.
- Exchange rate movements:
  - The depreciation of NOK against other currencies, especially SEK, increased assets under management by NOK 23 billion or 4.3 per cent.



### Development in commission income and assets under management



1) Reduced to NOK 519 billion in the beginning of January 2006 following termination of an investment mandate.

### Investment returns on assets under management

- Healthy returns on assets under management.
- Returns on a number of major client portfolios and funds outperformed relevant benchmarks, including Vital Forsikring's total portfolio, as well as Norwegian equity and bond investments and major Swedish equity portfolios.
- Fund managers' specialisation has led to strong performance for several industry-specific funds (percentage point return in excess of benchmark in parentheses):
  - Postbanken Teknologi (16.1)
  - DnB NOR Telecom (15.8)
  - DnB NOR Nordic Technology (9.3)

### Clients/markets

- DnB NOR Asset Management serves the Norwegian and Swedish savings markets, offering domestic and international asset management services.
- Brand names:
  - DnB NOR Kapitalforvaltning in the Norwegian institutional and retail markets
  - DnB NOR Asset Management and Carlson in the Swedish institutional and retail markets.
- A leading position in the institutional market in both Norway and Sweden with 323 institutional clients. The largest clients are Skandia Liv and Vital.
- The number of mutual fund clients in Norway was more than 654 000 at the end of 2006. The number of savings schemes exceeded 302 000.
- Market shares:
 

▪ DnB NOR Kapitalforvaltning (retail mutual funds in Norway)	38.3 per cent	<sup>1)</sup>
▪ Carlson Fonder (total mutual funds in Sweden)	1.4 per cent	
▪ Institutional market in Norway	> 29 per cent	
▪ Institutional market in Sweden	> 20 per cent	

1) Source: Norwegian Mutual Fund Association.

**Retail: Fund capital and market shares in Norway**

	31 December 2006		31 December 2005		31 December 2004	
	Fund capital	Market share	Fund capital	Market share	Fund capital	Market share
<i>Amounts in NOK million and per cent</i>						
Equity funds	24 690	26.9	21 345	29.6	19 403	35.6
Balanced funds	9 298	74.9	7 320	77.4	3 689	71.6
Fixed-income funds	20 541	54.1	28 099	51.0	16 628	66.4
<b>Total mutual funds</b>	<b>54 529</b>	<b>38.3</b>	<b>56 763</b>	<b>41.5</b>	<b>39 720</b>	<b>46.9</b>

Source: Norwegian Mutual Fund Association

**Products and services**

- Mutual funds, hedge funds and absolute return products
- Discretionary portfolio management
- Management and monitoring of investment portfolios
- Asset allocation and risk management advisory services

**Organisation**

- One holding company, DnB NOR Kapitalforvaltning Holding AS with separate asset management companies in the main markets.
- Customer activity is concentrated in Norway and Sweden. In order to provide competitive global asset management, investment operations have also been established in London, New York and Hong Kong.
- A combination of regional and sector-oriented management teams with a presence in all major financial markets.
- Asset management services are provided through channels adapted to the various markets:

Retail clients in Norway

- DnB NOR's extensive network of branches and regional financial services centres
- Post offices and in-store postal outlets
- The Internet
- External channels including brokers, investment advisers and regional and local savings banks

Retail clients in Sweden

- Local distributors

Institutional markets in Sweden and Norway

- The business area's own sales force and, in Norway, through cooperation with Corporate Banking.

**Employees**

- Staff growth corresponding to 15 full-time positions in 2006
- 300 full-time positions at the end of the year

**Cooperation with other group entities**

- DnB NOR's extensive network represents the major distribution channel in the Norwegian retail market.
- DnB NOR Asset Management and Corporate Banking and Payment Services cooperate in providing a complete range of financial services to corporate clients.
- DnB NOR Asset Management manages Vital's equity and bond portfolios.
- DnB NOR Asset Management cooperates with other group entities in developing products adapted to the various markets.

## DnB NOR

In 2005, DnB NOR's growth platform was strengthened through an expansion of its international operations. DnB NOR and Norddeutsche Landesbank, NORD/LB, decided to establish a jointly owned bank in the Baltic Sea region, DnB NORD. DnB NORD was established in December 2005 and is owned 51 per cent by DnB NOR and 49 per cent by NORD/LB from year-end 2005. The bank is headquartered in Copenhagen and is headed by Sven Herlyn.

The Baltic States and Poland are important markets experiencing strong growth, and an increasing number of DnB NOR's customers are establishing operations in this area. Thus, the creation of DnB NORD is an important strategic initiative in accompanying customers into one of Europe's most dynamic regions. DnB NORD aims to become a leading bank for cross-border solutions around the Baltic Sea. DnB NORD has taken over NORD/LB's operations in Estonia, Latvia, Lithuania and Poland. DnB NORD has a strong market position from the start, as the third largest bank in Lithuania and the fourth largest in Latvia. DnB NORD is also represented in Finland and Denmark, benefiting from the corporate portfolio taken over from DnB NOR and NORD/LB and can provide a full service operation for corporate banking.

### Financial performance <sup>1)</sup>

<i>Amounts in NOK million</i>	4Q06	3Q06	2Q06	1Q06	2006	Pro forma 2005
Net interest income - ordinary operations	197	193	156	143	689	448
Interest on allocated capital (BIS)	23	20	15	11	68	29
Net interest income	220	212	170	154	757	478
Net other operating income	91	69	80	71	310	246
Total income	311	281	250	225	1 067	723
Operating expenses	229	175	173	151	728	546
Pre-tax operating profit before write-downs	82	106	78	74	339	177
Net gains on fixed and intangible assets	2	3	2	3	9	-
Write-downs on loans and guarantees	38	16	8	11	74	27
Pre-tax operating profit	45	92	72	65	274	150
Net lending to customers (NOK billion) <sup>2)</sup>	37.6	35.6	29.7	26.6	37.6	23.5
Deposits from customers (NOK billion) <sup>2)</sup>	12.7	11.2	11.0	10.2	12.7	12.6
Cost/income ratio (%)	73.6	62.4	68.9	67.2	68.2	75.5
Ratio of deposits to lending (%)	33.7	31.6	36.9	38.5	33.7	53.8
Return on capital BIS (% p.a.)	5.7	12.5	12.0	13.5	10.5	9.6

1) DnB NORD calculated according to internal DnB NOR capital allocation. Net interest income - ordinary operation does not include interest on equity. The pro forma figures for DnB NORD are not included in the DnB NOR Group 2005 figures.

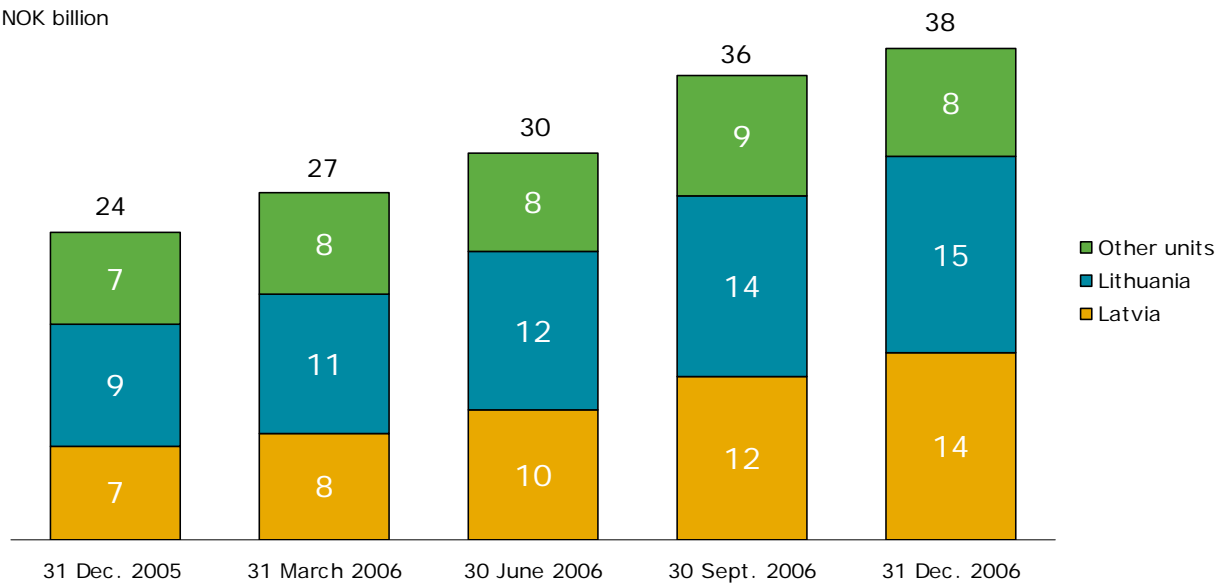
2) Balances at end-period. Based on nominal values. Pro forma 2005 include portfolios taken over in the beginning of 2006.

### Comments to the financial performance in 2006

- Profit for the period was NOK 274 million, corresponding to a return on calculated BIS capital of 10.5 per cent.
- Strong growth in loan volumes in the Baltic and Poland. Growth in total customer lending was 60 per cent compared to pro forma figures including corporate portfolio, which was taken over from DnB NOR and NORD/LB in the beginning of 2006 and 5,6 per cent from end-September 2006. The rise in lending reflected the appreciation of euro, and growth equalled 88 and 6 per cent respectively when adjusted for exchange rate movements.
- Lower deposit to lending ratio than year-end 2005 due to high growth in loan volumes.
- Total assets of NOK 46,4 billion.
- Cost/income ratio of 73.6 per cent in the fourth quarter of 2006 compared to 62.4 per cent in the third quarter. Expenses in the fourth quarter were high due to performance-based pay and higher activity towards the end of the year.

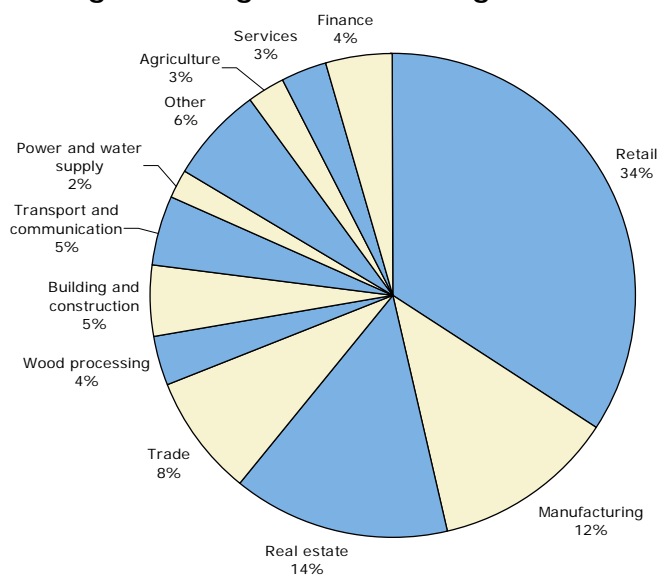
**Development in lending volumes <sup>1)</sup>**

NOK billion



1) Figures as at 31 December 2005 are pro forma including portfolios taken over from DnB NOR and NORD/LB in the beginning of 2006.

**Lending according to customer segments <sup>1)</sup>**



1) Distribution of lending as at 31 December 2006.

**Organisation and market**

- DnB NOR serves more than 695 000 retail and corporate clients through 123 branches and offices in six countries.
- DnB NOR employed 2 003 persons at the end of December 2006, corresponding to 1 989 full-time positions.
- DnB NOR is the third largest bank in Lithuania and the fourth largest in Latvia.
- DnB NOR's growth will continue based on the following core values: dynamics, reliability, team spirit and simplicity.
  - DnB NOR expects to grow at least in pace with the total market in the Baltic and Poland.
  - A purchase agreement for BISE Bank in Poland was signed in December 2006. BISE Bank will double DnB NOR's operations in Poland.
- All branches are now branded DnB NOR, re-branding activities were completed in May 2006.
- The DnB NOR office in Copenhagen was officially opened in March 2006 and the office in Finland in April 2006.
- In March 2006 Latvia officially opened a branch in Tallinn, Estonia.



## Section 4

# Shareholder information

## Equity-related data

### Key figures

	IFRS			NGAAP	
	2006	2005 <sup>1)</sup>	2004 <sup>2)</sup>	2003	2002 <sup>3)</sup>
Number of shares at end of period (1 000) <sup>4)</sup>	1 334 089	1 336 875	1 327 139	1 309 027	1 309 007
Average number of shares (1 000)	1 335 449	1 334 474	1 317 744	1 309 027	1 309 552
Earnings per share (NOK)	8.74	7.59	6.25	4.11	2.77
Return on equity (%)	19.5	18.8	17.7	12.7	8.9
RARORAC (%) <sup>5)</sup>	23.0	25.7	24.2	n/a	n/a
RORAC (%) <sup>6)</sup>	27.6	31.8	29.2	n/a	n/a
Share price at end of period (NOK)	88.50	72.00	59.75	44.40	32.60
Price/earnings ratio <sup>7)</sup>	10.13	9.49	9.55	10.81	11.75
Price/book value	1.84	1.68	1.57	1.29	1.00
Proposed dividend per share (NOK) <sup>8)</sup>	4.00	3.50	2.55	2.20	2.40
Dividend yield (per cent) <sup>8)</sup>	4.52	4.86	4.27	4.95	7.36
Equity per share including allocated dividend at end of period (NOK)	48.13	42.94	38.03	34.37	32.46

- 1) Including the effect of the 9 736 376 shares issued on 31 March 2005 in connection with the subscription rights programme for employees in the former DnB Group.
- 2) Including the effect of the 12 929 907 shares issued on 26 March 2004 in connection with the subscription rights for employees in the former DnB Group and the effect of 5 181 408 shares issued in October 2004 in connection with the subscription rights programme for employees in the former Gjensidige NOR Group.
- 3) Including the effect of the cancellation of shares at the AGM 2002 (8 067 420 shares) and AGM 2003 (960 000 shares).
- 4) The Annual General Meeting authorised the Board of Directors of DnB NOR ASA to acquire own shares for a total face value of up to NOK 1 336 874 898, corresponding to 10 per cent of share capital. After the repurchase DnB NOR held a total of 2 786 047 own shares as at 31 December 2006.
- 5) RARORAC (Risk-Adjusted Return On Risk-Adjusted Capital) is defined as risk-adjusted profits relative to risk-adjusted capital. Risk-adjusted profits indicate the level of profits in a normalized situation.
- 6) RORAC (Return On Risk-Adjusted Capital) is defined as profits for the period relative to risk-adjusted capital. Profits for the period are exclusive of profits attributable to minority interests and are adjusted for the period's change in fair value recognised directly in equity and for the difference between recorded interest on average equity and interest on risk-adjusted capital.
- 7) Based on the share price at end of period, and annualised EPS.
- 8) Dividend per share and dividend yield prior to 2003 are based on DnB Holding ASA's payment of dividend and DnB Holding's share price.

### Share price development – 1 January 2006 to 15 February 2007



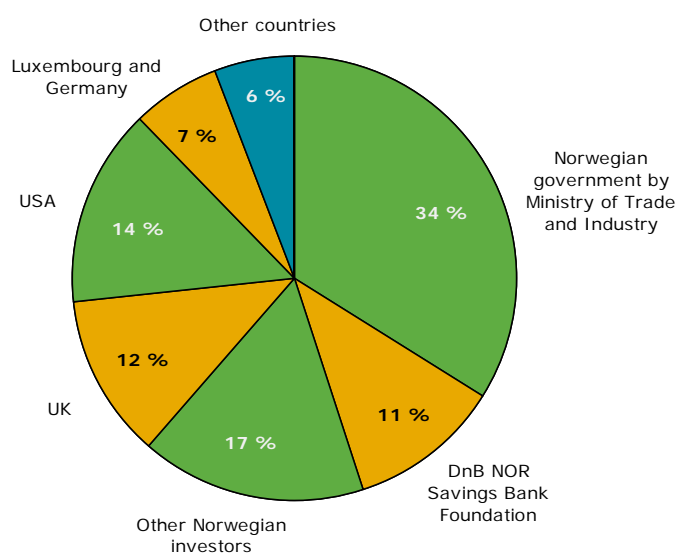


## Shareholder structure as at 31 December 2006

### Major shareholders

	Shares in 1 000	Ownership in %
Norwegian Government by Ministry of Trade and Industry	454 537	34.07
DnB NOR Savings Bank Foundation	146 391	10.97
Fidelity	98 760	7.40
Folketrygdfondet	50 236	3.77
Capital	36 058	2.70
Deutsche Bank AG/DWS Investment	19 114	1.43
DnB NOR Employees Fund	16 967	1.27
Pioneer Asset Management	15 572	1.17
Jupiter Asset Management	15 454	1.16
DnB NOR Asset Management	14 048	1.05
Oslo Pensjonsforsikring	10 000	0.75
Orkla	9 000	0.67
Putnam	8 737	0.65
The Income Fund of America INC	7 500	0.56
Gjensidige Forsikring	5 718	0.43
ABN AMRO	5 685	0.43
Storebrand Livsforsikring	5 088	0.38
L&G Legal and General	4 900	0.37
Stichting Pensionenfond	4 514	0.34
KLP	4 466	0.33
<b>Total largest shareholders</b>	<b>932 745</b>	<b>69.92</b>
Other	401 344	30.08
<b>Total</b>	<b>1 334 089</b>	<b>100.00</b>

### Shareholder structure





## Section 5

# The Norwegian economy

## Basic information

Area	385 356 square kilometres
Population	4.6 million
Fertility rate	1.8
Life expectancy	Male: 77.7 Female: 82.5
Work participation rate, per cent 15 – 74 years	72.8 (Male: 76.4 Female: 69.1)
Gross domestic product 2005	USD 266.6 billion
GDP per capita 2005	USD 57 500
Rating, S&P and Moody's	AAA, Aaa
Currency exchange rate used	6.44 USD/NOK
Current balance 2005	USD 49.6 billion or 16.8 per cent of GDP

Source: Statistics Norway

## Key macro-economic indicators

Per cent	2005	2006	2007	2008
GDP growth				
- Norway, total	2.4	2.9	2.8	1.5
- Mainland Norway	4.1	4.3	3.3	2.0
Private consumption	3.3	4.3	3.5	2.8
Gross fixed investment	11.2	7.6	3.8	(0.1)
Inflation (CPI)	1.6	2.4	1.4	1.9
Savings ratio <sup>1)</sup>	8.6	6.5	6.2	6.3
Unemployment rate	4.6	3.5	2.8	3.0
Current account <sup>2)</sup>	15.5	16.7	13.9	14.3
Net foreign assets <sup>2) 3)</sup>	75.5	88.0	103.9	
General government budget balance <sup>2) 3)</sup>	16.4	19.5	18.6	

1) Per cent of disposable income.

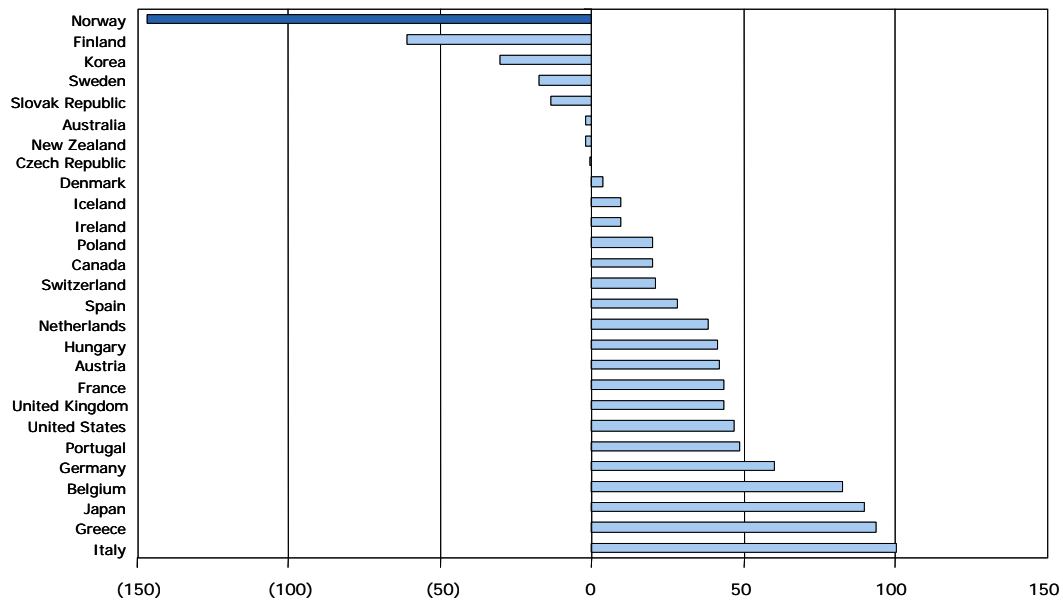
2) Per cent of GDP

3) Source: Ministry of Finance

## Contribution to volume growth in GDP mainland Norway

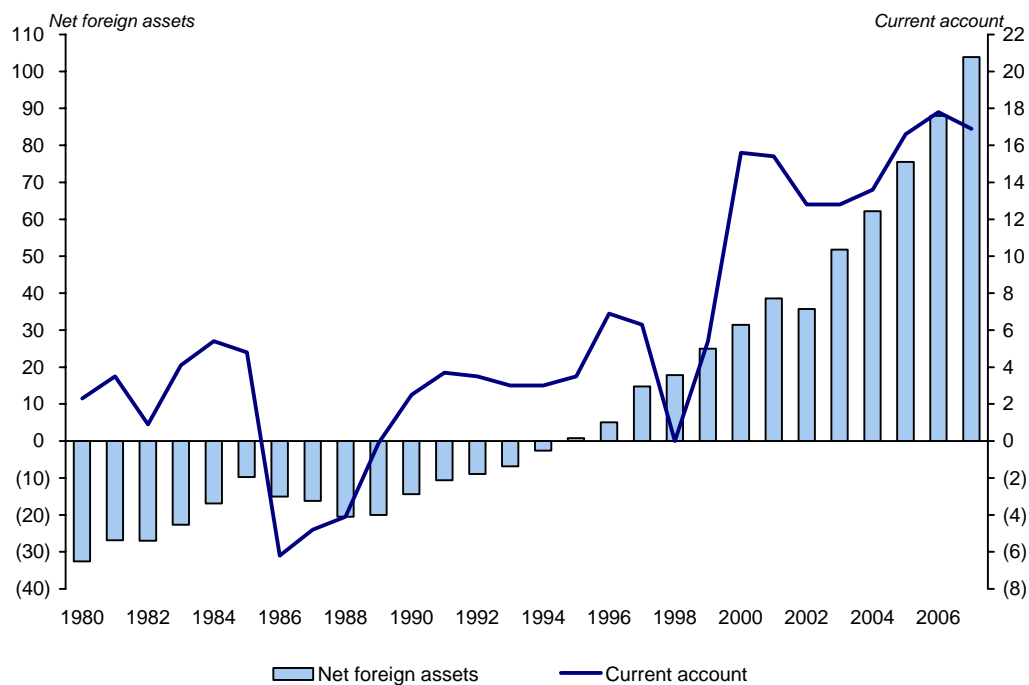
Per cent	2003	2004	2005	2006
Household demand	4.0	2.6	2.8	2.1
Gross fixed capital formation, mainland companies	0.6	0.8	0.8	0.4
Gross fixed capital formation, petroleum activity	(0.2)	1.1	0.3	0.7
Public sector demand	0.5	0.5	0.5	0.7
Exports, mainland Norway	0.9	1.5	1.3	1.1
Imports, mainland Norway	(3.0)	(3.3)	(2.8)	(2.3)
Changes in stocks and statistical discrepancies	1.5	0.9	1.5	0.7
GDP, mainland Norway	4.4	4.1	4.3	3.3

### Government net financial liabilities (Per cent of GDP)



Source: OECD Economic Outlook No. 79, June 2006

### Current account and net foreign assets (incl. private sector) <sup>1)</sup> (Per cent of GDP)

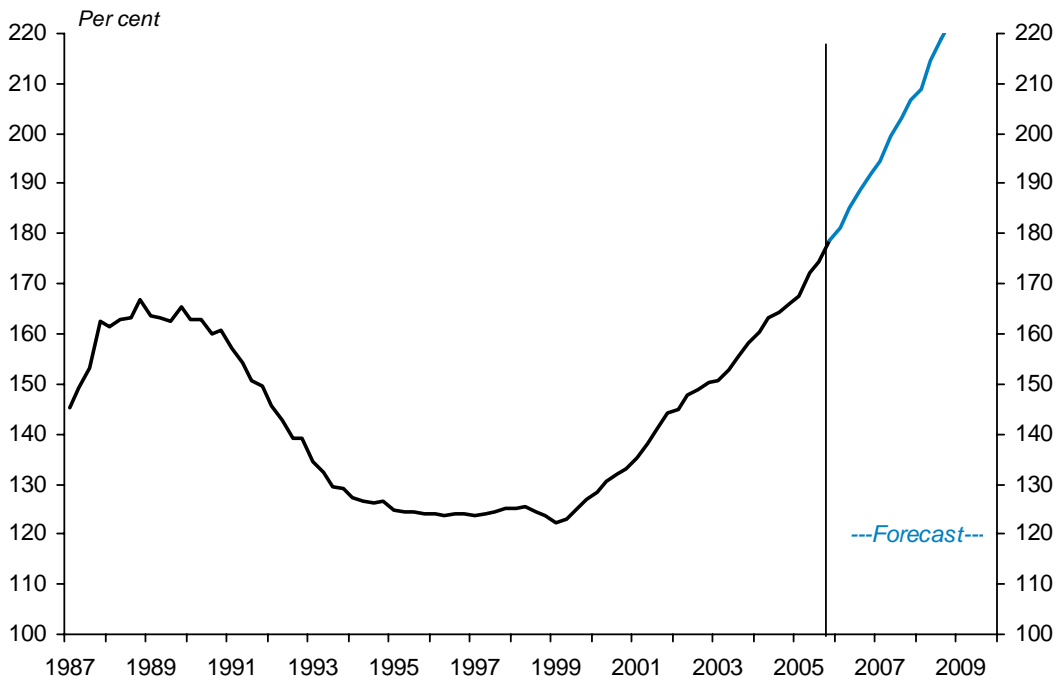


Source: Ministry of Finance

1) The projections are based on an assumed oil price of NOK 425 per barrel in 2006 and NOK 390 in 2007. The oil price in December 2006 was NOK 389 per barrel.

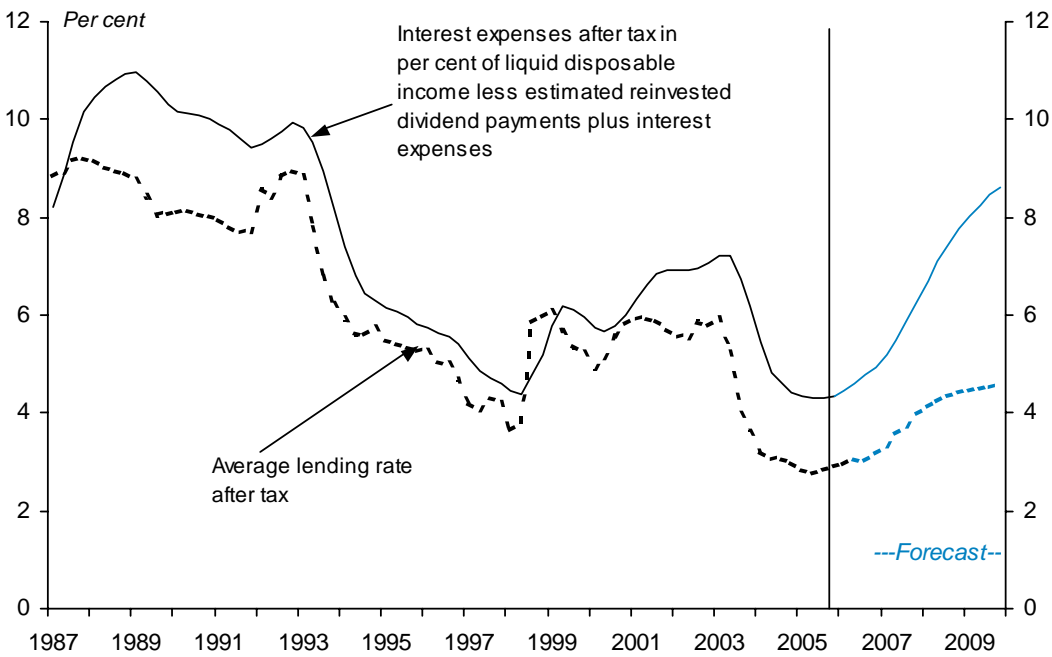
### Household debt burden

Loan debt in per cent of liquid disposable income less estimated reinvested dividend payments



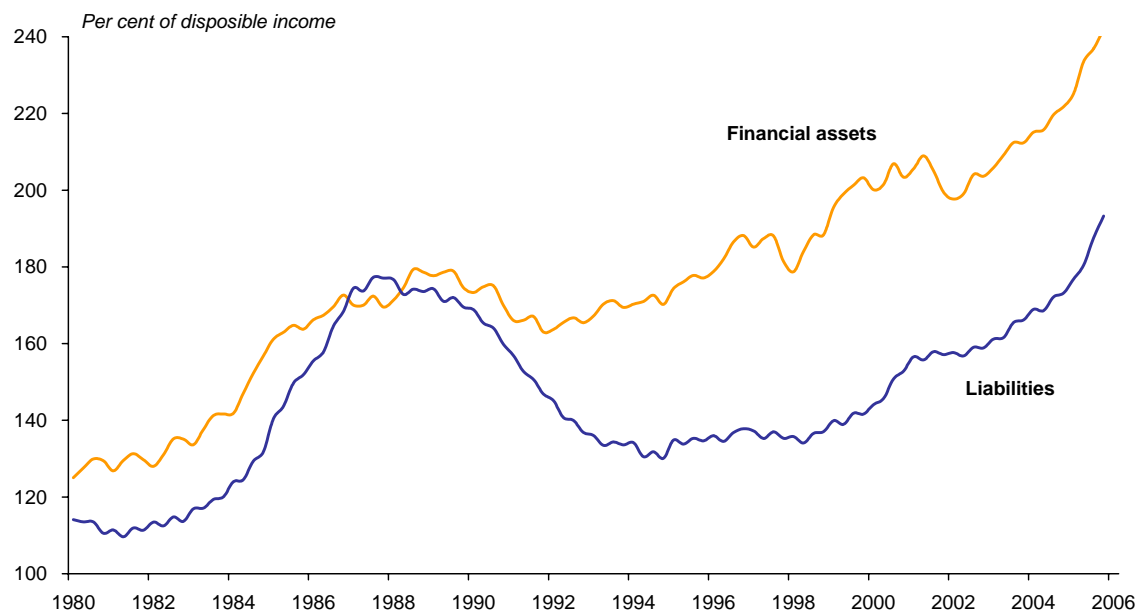
Source: Norges Bank

### Household interest burden



Source: Norges Bank

## Household financial assets and liabilities (per cent of disposable income)



Source: EcoWin

## Financial market growth

Percentage change from previous year	31 Dec. 2003	31 Dec. 2004	31 Dec. 2005	30 Nov. 2006
<b>Credit <sup>1)</sup></b>				
Total	4.9	8.6	14.2	15.4 <sup>5)</sup>
- of which commercial and savings banks	7.8	9.2	18.2	20.6
- of which commercial and savings banks, mortgage institutions and finance companies	8.9	10.3	15.6	16.7
Total retail market	11.8	12.4	13.6	13.9
Total corporate market	0.4	5.9	14.7	16.6 <sup>5)</sup>
<b>Savings</b>				
Total <sup>2)</sup>	9.1	11.2	15.1	14.7 <sup>4)</sup>
- of which commercial and savings banks	3.8	7.5	9.9	14.7
Total retail market <sup>2)</sup>	8.7	8.2	18.2	13.5 <sup>4)</sup>
Total corporate market <sup>3)</sup>	8.6	14.0	13.3	16.5 <sup>4)</sup>

1) Commercial and savings banks, state banks, insurance companies, mortgage institutions, finance companies, bonds, commercial paper, foreign institutions.

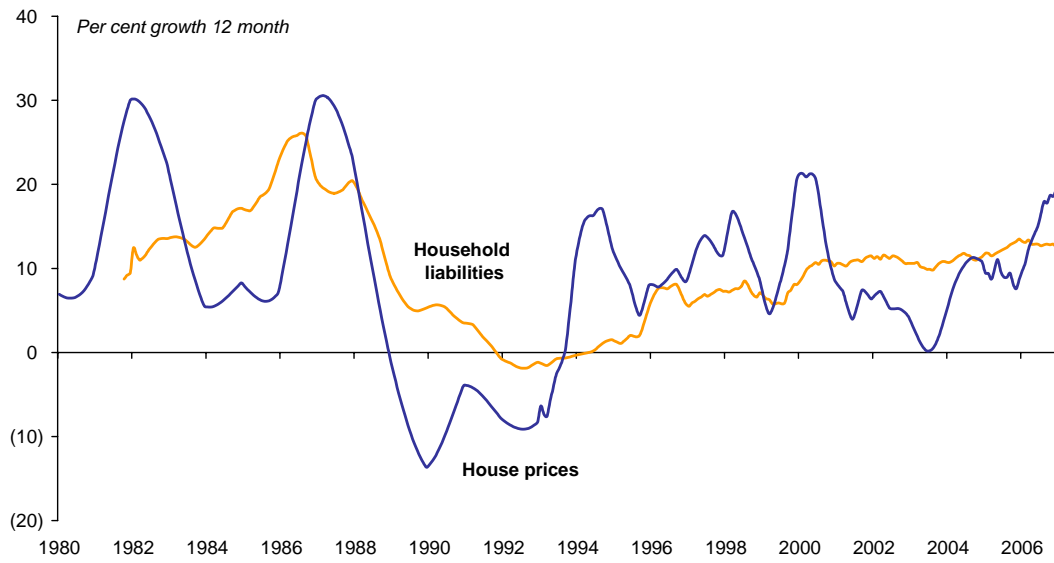
2) Deposits in commercial and savings banks, participation in mutual funds, funds for insurance commitments, equity-linked bonds.

3) Deposits in commercial and savings banks, participation in mutual funds, funds for insurance commitments.

4) As at 30 September 2006.

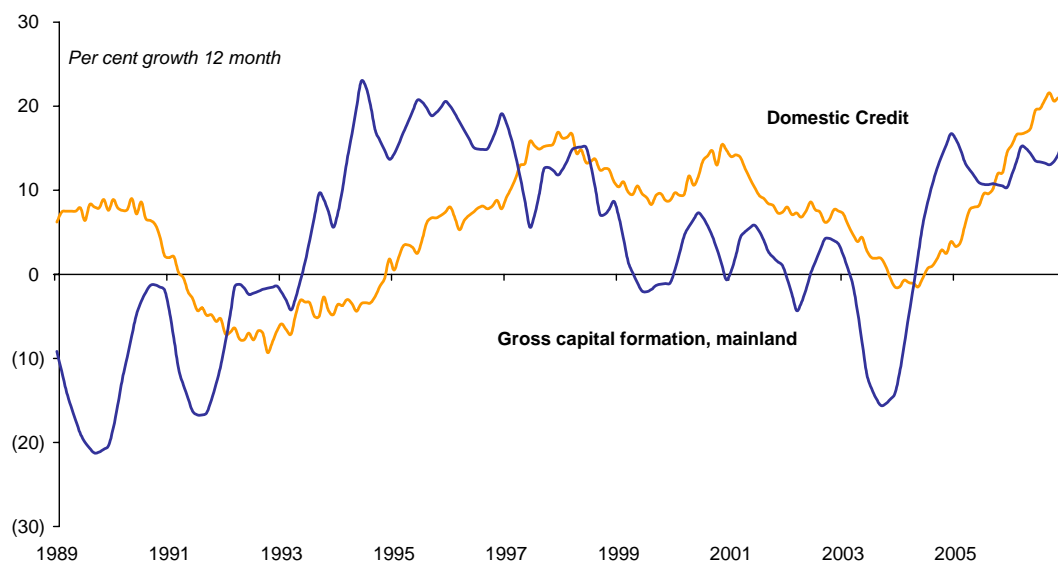
5) As at 31 October 2006.

### House prices and household liabilities



Source: Statistics Norway and Norges Bank

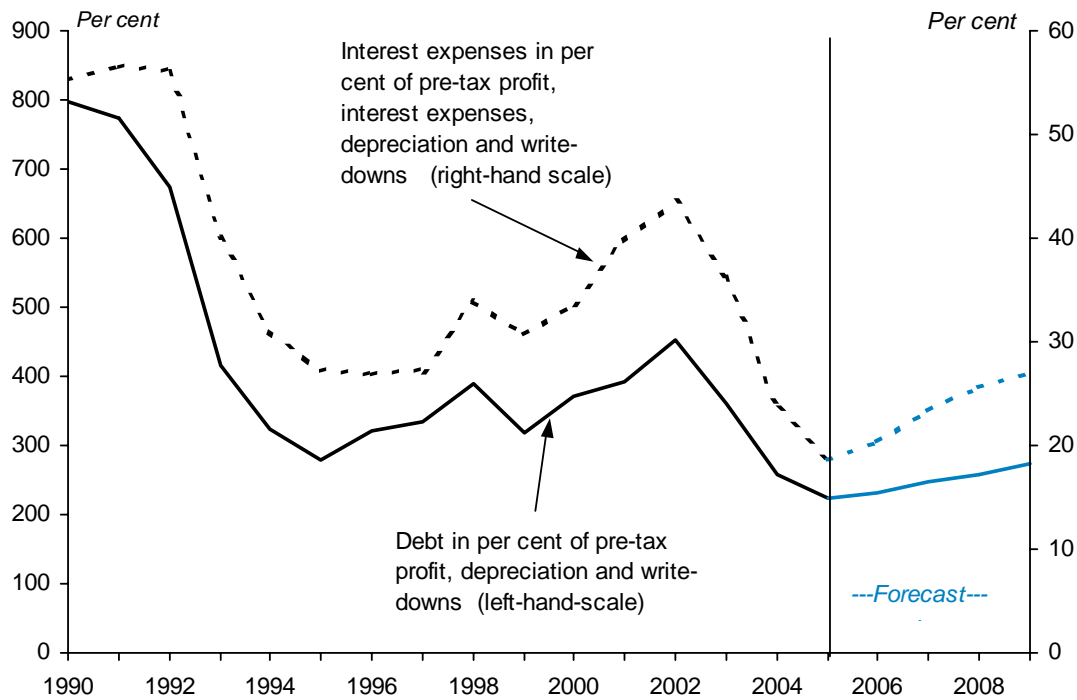
### Corporates: domestic credit and gross capital formation, mainland



Source: Statistics Norway and Norges Bank



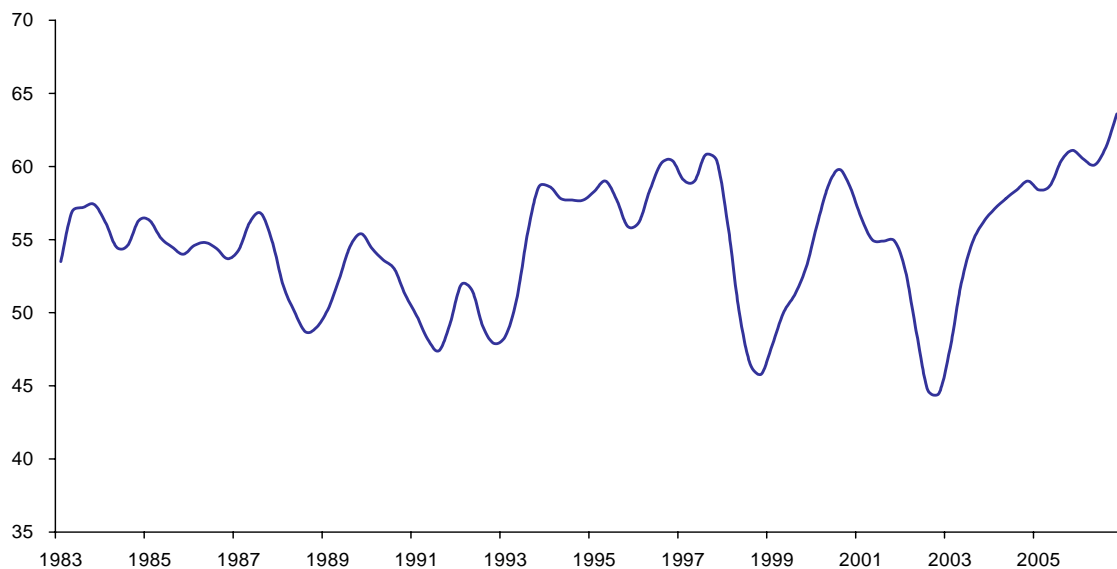
### Corporates' interest and debt burden <sup>1)</sup>



Source: Norges Bank

1) For non-financial corporates excluding petroleum and international shipping

### Business surveys, manufacturing sector (general judgement of outlooks for next quarter, trend)



Source: EcoWin

1) The survey is based on a sample of mainly larger enterprises. The survey focuses on the industry leaders judgements of the general business situation and the outlooks for a fixed set of variables e.g. production, new orders etc.

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