Second quarter report 2007

DnB NOR

Financial highlights

Second quarter 2007

- Pre-tax operating profits before write-downs were up 19.5 per cent to NOK 4.0 billion (3.4)
- Profit for the period increased by 19.5 per cent to NOK 3.4 billion (2.9)
- Expenses were reduced to 49.1 per cent of income (50.7)
- Return on equity was 20.4 per cent (19.2)
- The core capital ratio, including 50 per cent of interim profits, was 7.4 per cent (6.9)

First half 2007

- Pre-tax operating profits before write-downs were up 10.2 per cent to NOK 7.8 billion (7.1)
- Profit for the period increased by 10.1 per cent to NOK 6.3 billion (5.7)
- Expenses were reduced to 49.4 per cent of income (49.5)
- Return on equity was 18.8 per cent (19.2)
- The core capital ratio, including 50 per cent of interim profits, was 7.4 per cent (6.9)

Comparable figures for 2006 in parentheses.

operations in DnB NORD, there was a NOK 238 million rise in expenses.

The cost trend in the second quarter of 2007 reflected rising personnel expenses due to higher performance-based pay, the result of the 2006 wage settlements and higher pension costs. The Group is in the midst of a period of investment, including product development and international start-ups. The investments will ensure a broader income base and improve conditions for future income growth.

The table below shows changes in operating expenses from the second quarter of 2006 according to main items:

Changes in operating expenses

Amounts in NOK million	2nd quarter 2007	Change	2nd quarter 2006
Operating expenses	3 902	419	3 483
DnB NORD	354	181	173
Performance-based pay		63	
Wage settlements		63	
Pension expenses		44	
Depreciation and write-downs		37	
Other		31	

Net gains on fixed and intangible assets

Net gains on fixed and intangible assets came to NOK 9 million in the second quarter of 2007, compared with NOK 151 million in the year-earlier period. The gains referred to the sale of properties.

Write-downs on commitments

Write-downs on loans and guarantees came to NOK 140 million in the second quarter of 2007, with individual write-downs of NOK 110 million and group write-downs of NOK 30 million. A strong increase in volume contributed to a rise in group write-downs, which was partly offset by improved portfolio quality.

After deductions for individual write-downs, net non-performing and impaired commitments came to NOK 3 984 million at end-June 2007, up NOK 184 million from 31 December 2006. This figure includes net non-performing and impaired commitments of NOK 402 million in BISE Bank. Net non-performing and impaired commitments represented 0.44 per cent of net lending at end-June 2007, down from 0.60 per cent a year earlier. Excluding DnB NORD, these figures were 0.37 per cent and 0.55 per cent respectively.

Taxes

The DnB NOR Group's tax charge for the second quarter of 2007 was NOK 512 million or 13.1 per cent. The tax charge is generally based on an anticipated average tax rate of 23 per cent. During the second quarter of 2007, Vital changed its tax treatment of value adjustments on indirectly owned properties in accordance with the authorities' interpretation of the tax exemption model. This resulted in a NOK 390 million tax gain for the quarter.

Balance sheet and assets under management

At end-June 2007, total combined assets in the DnB NOR Group were NOK 1 802 billion, an increase of NOK 233 billion or 14.9 per cent from a year earlier.

Total assets in the Group's balance sheet were NOK 1 437 billion as at 30 June 2007, as against NOK 1 222 billion a year earlier.

Net lending to customers rose by NOK 118 billion or 15.4 per cent during the twelve-month period.

Customer deposits rose by NOK 68 billion or 14.8 per cent from the second quarter of 2006.

In order to keep the Group's liquidity risk at a low level, the majority of customer loans are financed through customer deposits, long-term securities, subordinated loan capital and equity. With respect to short-term funding of the bank, restrictive borrowing limits have been established.

The ratio of customer deposits to net lending to customers was maintained at a satisfactory level, standing at 59.8 per cent at end-June 2007, compared with 60.1 per cent a year earlier.

Securities issued by the Group increased by NOK 47 billion or 16.7 per cent from the second quarter of 2006, totalling NOK 329 billion at end-June 2007. The majority of the securities were issued in international capital markets. DnB NOR has good access to the European, US and Asian capital markets. As the first Norwegian credit institution, DnB NOR Boligkreditt AS issued covered bonds in the international capital market in July 2007. Covered bonds represent a new and important funding source for the Group, and the introduction of this instrument scales back the Group's liquidity risk.

The rating agencies' assessments of DnB NOR are of significance to the Group's funding terms. DnB NOR Bank has the following long-term ratings: Aa1 from Moody's, AA from Dominion Bond Rating Service and A+ with a positive outlook from Standard & Poor's.

Total assets in Vital were NOK 229 billion as at 30 June 2007, compared with NOK 214 billion a year earlier.

Risk and capital adequacy

DnB NOR quantifies risk by measuring risk-adjusted capital requirements. The net risk-adjusted capital requirement increased by NOK 2.2 billion in the April through June period of 2007, to NOK 43.0 billion. About half of the increase reflects reduced diversification effects between risk categories. The table below shows developments in the risk-adjusted capital requirement:

Amounts in NOK billion	30 June 2007	31 March 2007	31 Dec. 2006	30 June 2006
Credit risk	37.7	35.1	36.0	34.0
Market risk	2.8	2.7	2.4	2.2
Ownership risk for Vital	8.2	9.7	7.5	8.7
Operational risk	5.0	5.0	4.8	4.4
Business risk	2.4	2.4	2.4	2.2
Gross risk-adjusted capital requirement	56.1	55.0	53.0	51.5
Diversification effect [1)]	13.1	14.2	12.3	13.5
Net risk-adjusted capital requirement	43.0	40.8	40.7	38.0
Diversification effect in per cent of gross risk-adjusted capital requirement [1)]	23.3	25.8	23.3	26.3

1) *The diversification effect refers to the effect achieved by the Group in reducing risk by operating within several risk categories where unexpected losses are unlikely to occur at the same time.*

Credit risk increased by NOK 2.6 billion in the second quarter of 2007, mainly due to higher volumes. NOK 0.2 billion of the increase resulted from DnB NORD's purchase of BISE Bank in Poland. Credit quality was sound and stable in the second quarter. There was brisk lending growth in the retail market. In the corporate market, credit growth was particularly high within shipping, offshore, commercial property and energy-related sectors. Some large loans were raised to refinance corporate debt or finance acquisitions and later syndicated. Large volumes have been syndicated in order to reduce concentration risk. Risk hedging in the banking group has not been materially affected by developments in the bond market and in hedge funds. DnB NOR is not directly affected by the problems in the US subprime mortgage loan market. If the unrest in the capital market continues, increases or spreads, however, this could have an indirect impact on DnB NOR.

Risk related to Vital was scaled back by NOK 1.6 billion during the second quarter of 2007, representing NOK 8.2 billion as at 30 June. An increase in buffer capital and higher interest rate levels more than compensated for the rise in total assets. The company's extensive programme to hedge against reductions in equity prices was continued.

During the second quarter, Kredittilsynet (the Financial Supervisory Authority of Norway) presented important clarifications on how the increase in technical insurance provisions resulting from higher life expectancy should be financed. In the short term, Kredittilsynet opened up for financing this mainly through policy-holders' interest result. This will also be permissible under the new regulations for insurance companies entering into force on 1 January 2008.

The table below shows developments in the Group's equity relative to the capitalisation target:

Amounts in NOK billion	30 June 2007	31 March 2007	31 Dec. 2006	30 June 2006
4.25 per cent of risk-weighted assets	38.6	37.2	37.4	34.4
Capital buffer	14.2	13.6	13.3	12.4
Core capital target excl. hybrid securities	52.8	50.8	50.7	46.8
Statutory deductions in core capital	6.8	11.4	4.4	3.7
Equity target	59.7	62.1	55.1	50.5
Actual equity [1]	64.3	67.6	57.8	54.4
Equity reserve	4.6	5.5	2.7	3.9

1) *Includes 50 per cent of interim profits. Equity is calculated according to NGAAP up to and including 31 December 2006 and according to IFRS as from 31 March 2007.*

The equity reserve was NOK 4.6 billion at end-June 2007. Calculations indicate that the Group is well capitalised.

The liquidity risk of the banking group has been reduced after the establishment of covered bonds as a funding instrument.

Risk-weighted volume included in the calculation of the formal capital adequacy requirement increased by NOK 36.7 billion during the second quarter, to NOK 908.3 billion. There was a NOK 37.5 billion reduction according to transitional rules for IRB measurement. In the second quarter of 2007, DnB NOR Boligkreditt was approved as an IRB institution. As from 2007, equity is calculated on the basis of IFRS. The payment of dividends reduced equity in the second quarter, but gave a corresponding reduction in deductions in core capital. Including 50 per cent of interim profits, the core capital ratio was 7.4 per cent, while the capital adequacy ratio was 10.2 per cent.

Business areas

The activities of DnB NOR are organised in four business areas according to the customer segments served by the Group and the products offered. In addition, DnB NORD is regarded as a separate profit centre.

Corporate Banking and Payment Services

Corporate Banking and Payment Services achieved pre-tax operating profits of NOK 1 914 million in the second quarter of 2007, an increase of NOK 303 million from the year-earlier period. A high level of activity with strong growth in volumes contributed to the rise in profits.

Reflecting the healthy rise in credit demand, average loans and guarantees rose by NOK 65.8 billion from the second quarter of 2006, to NOK 462.0 billion in the April through June period in 2007. Adjusted for exchange rate movements, there was an increase of NOK 67.3 billion.

Sound earnings and increased borrowing among corporate clients ensured a boost in liquidity in the business sector. The comfortable liquidity situation helped increase average deposits by NOK 39.5 billion from the year-earlier period, to NOK 279.0 billion.

Income totalled NOK 2 924 million in the second quarter of 2007, up NOK 462 million from the corresponding period in 2006. Ordinary net interest income rose by NOK 168 million. Due to strong competition, the combined spread contracted by 0.16 percentage points, while the deposit spread rose by 0.13 percentage points.

Other operating income increased by NOK 131 million, reflecting a high level of activity and a large number of transactions, which generated a rise in income from foreign exchange and interest rate products, corporate finance activity, guarantees and securities services. On the other hand, lower syndication activity reduced income from this product area. Within payment transfers, the shift to automated products reduced income in spite of rising volumes.

Operating expenses totalled NOK 988 million in the second quarter of the year, up NOK 105 million from the corresponding period of 2006. International expansion has resulted in rising staff numbers and increased investments. In addition, there was strong wage growth in Norwegian operations in 2006. Solid growth in operational leasing gave a significant increase in depreciation. The cost/income ratio was 33.8 per cent in the second quarter, down 2.1 percentage points from the corresponding period in 2006. At end-June 2007, staff in Corporate Banking and Payment Services represented 2 249 full-time positions after the reorganisation of the Group, including 617 positions in subsidiaries and 453 in international units.

Due to sound quality in the credit portfolios combined with the healthy economic trend, write-downs were low in the April through June period. Net write-downs came to NOK 25 million.

Customer satisfaction showed a positive trend. There was strong lending growth in the second quarter of the year, and at end-May 2007, the share of credit to Norwegian corporate clients was 14.6 per cent, as against 15.5 per cent at end-June 2006.

Corporate Banking and Payment Services anticipates a continued high level of activity, though credit growth is expected to slow down. The fierce competition is expected to prevail, causing continued pressure on spreads.

Retail Banking

Retail Banking recorded pre-tax operating profits of NOK 919 million in the second quarter of 2007, down NOK 264 million from the corresponding period in 2006. The decline was anticipated and can mainly be ascribed to narrowing spreads.

Brisk demand for housing loans caused an increase in average lending of 10.4 per cent or NOK 39.5 billion from the second quarter of 2006, to NOK 421.0 billion in the second quarter of 2007. Customer deposits increased by 8.0 per cent or NOK 15.9 billion to NOK 215.8 billion during the same period.

Net interest income from ordinary operations declined by NOK 225 million compared with the second quarter of 2006, to NOK 1 632 million. Due to strong competition in the housing loan market, lending spreads contracted from 1.41 per cent in the second quarter of 2006, to 1.06 per cent in the corresponding period in 2007. Notification periods in connection with changes in customer interest rates will normally cause a shortfall in net interest income during periods of rising interest rates.

Net other operating income totalled NOK 797 million, up NOK 37 million from the year-earlier period. The reduction in income from payment transactions was offset by higher income from sales of savings and insurance products.

Operating expenses were up 6.8 per cent, totalling NOK 1 594 million in the second quarter of the year, up from NOK 1 492 million in the year-earlier period. The cost/income ratio was 61.9 per cent, as against 54.8 per cent in the second quarter of 2006. Retail Banking staff numbered 3 664 full-time positions at end-June 2007 after the reorganisation of the Group.

Write-downs on loans and guarantees totalled NOK 64 million for the April through June period in 2007, an increase from NOK 47 million in the second quarter of 2006.

In the second quarter of 2007, DnB NOR Boligkreditt was granted a concession from Kredittilsynet to operate as a mortgage institution. The credit rating agencies assigned an AAA rating to the mortgage portfolio of DnB NOR Boligkreditt, which will ensure the bank lower funding costs and thus competitive advantages.

In the second quarter of 2007, through cooperation with Vital, retail customers in DnB NOR were offered new savings products. Vital's Individual Market unit launched a new guaranteed fund with limited downside. In addition, it became possible for retail customers to invest in a global portfolio of private equity funds, savings products which have previously been reserved for large institutional clients.

income for group pensions totalled NOK 1.6 billion, virtually unchanged from the second-quarter figure in 2006. In the individual market, premium income came to NOK 2.3 billion, down 23 per cent from the year-earlier period.

Vital recorded a net outflow of transfers of NOK 0.5 billion in the second quarter of 2007, compared with a net outflow of NOK 0.4 billion in the year-earlier period. During the period from the merger with Gjensidige NOR Spareforsikring in 2004 till end-June 2007, Vital recorded a net inflow of transfers of NOK 1.8 billion.

Vital's market share of policyholders' funds was 34.9 per cent at end-March 2007, an increase of 0.2 percentage points from end-December 2006. The company had market shares of 28.5 per cent within group pensions and 52.3 per cent in the individual market, representing increases of 0.5 and 0.1 percentage points respectively. The market share for defined-contribution pensions was 32.3 per cent at end-March 2007, down 1.9 percentage points from end-December 2006.

As at 30 June 2007, solvency capital totalled NOK 28.1 billion, up from NOK 23.9 billion at end-December 2006. The increase reflected profits for the first half of the year, an increase in the securities adjustment reserve and unrealised losses in the portfolio of held-to-maturity securities.

As part of DnB NOR's international initiatives, Vital established operations in Latvia on 19 March 2007, based on distribution via DnB NORD's branch network. The start-up of operations in Lithuania is scheduled for the second half of 2007.

Vital aims to further expand its operations while providing the owner and policyholders with healthy returns.

The process of adapting operations to new regulations entering into force as from 2008 is in progress. The new regulations will imply a clearer distinction between policyholders' funds and owner funds and a more clear-cut risk apportionment between policyholders and the company. In addition, product pricing will be more transparent. There will be material changes, but Vital is well prepared to meet the challenges and capitalise on the opportunities afforded by the new regulations.

DnB NOR Asset Management

DnB NOR Asset Management recorded pre-tax operating profits of NOK 150 million in the second quarter of 2007, up NOK 40 million from the year-earlier period.

Revenues totalled NOK 351 million, an increase of NOK 57 million from the second quarter of 2006. Commission income came to NOK 328 million, up NOK 55 million from the corresponding period in 2006. Commission income from the retail market stood at NOK 140 million, while income from institutional clients was NOK 188 million. Corresponding figures for the second quarter of 2006 were NOK 132 million and NOK 141 million respectively.

The distribution agreement with Retail Banking was renegotiated during the first quarter of 2007. The agreement gives Retail Banking a larger share of revenues. DnB NOR Asset Management's expansion in the Swedish retail market has generated results thus far in 2007. Operating expenses for the April through June period of 2007 were NOK 201 million, up NOK 17 million compared with the corresponding period in 2006. The cost/income ratio was 57.3 per cent. Full-time positions numbered 303 at end-June 2007.

As at 30 June 2007, the business area had NOK 548.5 billion under management, an increase of NOK 26.7 billion from end-June 2006. NOK 53.6 billion of the increase in assets under management stemmed from developments in equity prices and interest rates during the twelve-month period, while the strengthening of the Swedish krona gave a positive exchange effect of NOK 0.2 billion on international securities under management. The net outflow of funds was NOK 27.0 billion. Excluding assets under management for Vital, there was an increase of NOK 19.5 billion in assets under management from end-June 2006, to NOK 365.4 billion at end-June 2007.

Assets under management from the Norwegian market rose by 4.0 per cent. For the portfolio outside Norway, there was a 6.5 per cent increase in assets, measured in Norwegian kroner. Investment funds from the retail market amounted to NOK 65.0 billion at end-June after a net increase of NOK 7.8 billion from end-June 2006. The corresponding figures for institutional clients were NOK 483.6 billion and NOK 19.0 billion respectively.

The market share for mutual funds in the Norwegian retail market was 38.1 per cent at end-June 2007.

Thus far in 2007, all five Spar Smart funds have generated better returns for investors than their respective reference indices. During the second quarter of the year, more than 11 000 new savings schemes were entered into, with the total number of savings schemes exceeding 363 000 at end-June. Annual subscriptions under savings schemes rose by 6.4 per cent in the second quarter of 2007, to NOK 3.4 billion.

At end-June 2007, 43 DnB NOR funds had received four or five stars from the rating company Morningstar, bringing the percentage of DnB NOR funds awarded a minimum of four stars by Morningstar to 35.8 per cent.

DnB NOR Asset Management anticipates a rise in private financial savings in both Norway and Sweden. Competition for new savings will necessitate continued development and adaptation of products and services. Solutions for investment operations services will be upgraded.

The expectations of investors regarding developments in financial markets together with investor confidence in the stock market will have a strong impact on performance in the business area.

DnB NORD

DNB NORD recorded pre-tax operating profits of NOK 148 million in the second quarter of 2007, up NOK 76 million compared with the year-earlier period. The increase mainly reflected a rise in volumes and the acquisition of BISE Bank, which was incorporated in the accounts for the second quarter of 2007.

Lending averaged NOK 47.0 billion in the second quarter of 2007, up 65.1 per cent from the corresponding period in 2006. Average customer deposits rose by 82.3 per cent from the year-earlier period, to NOK 19.2 billion.

Income totalled NOK 523 million in the second quarter of the year, an increase of NOK 272 million or 108.7 per cent from the second quarter of 2006. Costs represented NOK 354 million, up NOK 181 million or 105.1 per cent from for the April through June period in 2006. The consolidation of BISE Bank accounted for NOK 140 million of income growth and NOK 121 million of the increase in costs from the second quarter of 2006. The cost/income ratio was 67.7 per cent in the April through June period. At end-June 2007, DnB NORD staff represented 3 052 full-time positions, with 863 full-time positions in BISE Bank.

BISE Bank in Poland was formally acquired on 26 April 2007 through the purchase of 77 per cent of the shares. Subsequent to this, DnB NORD has regularly purchased minority shares, bringing its holding to 91.9 per cent at end-June. BISE Bank was included in the accounts in the second quarter of 2007. See description in note 2.

At end-March 2007, DnB NORD initiated distribution of life insurance products in Latvia in cooperation with Vital. Initially, DnB NORD's loan customers in Latvia will be offered credit life insurance.

In Denmark and Finland, DnB NORD is a full-service bank for corporate customers, while the entities in the Baltic region and Poland also serve retail customers and small businesses. DnB NORD is well represented in the Baltic region and Poland, with more than 735 000 customers and 172 branches, and is thus well positioned and has good prospects in markets showing considerable growth. Efforts to harmonise and integrate systems and products in the DnB NORD network, ensuring that products and services can be offered across national borders, play an important part in capitalising on DnB NORD's position.

Strong credit growth is expected in the Baltic region in 2007, and DnB NORD expects to grow in pace with the total market. In Poland, there is also brisk growth in the financial sector, and DnB NORD aims to increase market shares here by focusing on small and medium-sized companies. The acquisition of BISE Bank is part of this initiative. In Denmark and Finland, DnB NORD will seek greater market shares among large corporates and medium-sized businesses. In early autumn 2006, DnB NORD initiated measures to limit losses in the event of exchange rate volatility in Latvia. In the short term, a potential currency depreciation will thus have limited effect on DnB NORD's financial performance.

Prospects for the rest of the year

The Norwegian economy is experiencing a period of prosperity and 2007 looks set to be a year with solid growth. A high level of optimism, combined with low interest rates, has led to strong growth in demand for financial services from both the business sector and households. Investments for 2007 are at a higher level than last year and are expected to give high lending growth also in the second half of 2007.

The high capacity utilisation by Norwegian businesses and a growing labour shortage may, however, curb growth opportunities somewhat within parts of the business sector, while the global cooldown and the stronger Norwegian krone may lead to a decline in export growth.

The rise in housing prices and household borrowing was somewhat subdued during the first half of 2007, but remains at a high level. Household credit demand is expected to continue to be relatively high also during the second half of 2007. Norges Bank has signalled further interest rate increases, which are expected to stimulate growth in customer deposits.

In July, DnB NOR sold its premises at Aker Brygge as part of plans to sell all of the Group's bank buildings. The gain of just over NOK 860 million will be recorded as income in the third quarter of 2007.

Due to DnB NOR's position in the domestic market and intensifying competition in Norway, the Group will seek future growth also abroad. The acquisition of Svensk Fastighetsförmedling AB complements DnB NOR's existing operations in Sweden and represents a future potential for growth through greater distribution power. In addition to property sales, the aim is to distribute housing loans and other products from the DnB NOR Group. Possibilities for organic growth, smaller acquisitions in the Nordic region and structural initiatives through DnB NORD are under constant review. DnB NOR is also considering opportunities for expanding cooperation with NORD/LB in relevant areas. The aim is to increase the share of income from international operations in the future.

The Group's productivity and cost awareness will be further strengthened. High priority is being given to improving customer satisfaction and operational stability for customer systems.

Favourable economic conditions for Norway and DnB NOR indicate that 2007 will be a profitable year for the Group.

Oslo, 8 August 2007
The Board of Directors of DnB NOR ASA

Olav Hytta (chairman)	Johan Nic. Vold (vice-chairman)	Per Hoffmann
Nina Britt Husebø	Jørn O. Kvilhaug	Bent Pedersen
Heidi M. Petersen	Trine Sæther Romuld	Ingjerd Skjeldrum
Bjørn Sund	Anne Carine Tanum	Rune Bjerke (group chief executive)

Contents – quarterly accounts

DnB NOR Group

Notes to the accounts

DnB NOR ASA

Income statement [1)]

Amounts in NOK million	Note	2nd quarter 2007	2nd quarter 2006	1st half 2007	1st half 2006	Full year 2006
						DnB NOR Group
Total interest income	5	14 798	10 001	28 184	18 865	42 381
Total interest expenses	5	10 579	6 219	19 980	11 462	27 092
Net interest income	5	**4 219**	**3 781**	**8 204**	**7 403**	**15 289**
Commissions and fees receivable etc.	6	2 429	2 215	4 751	4 543	8 963
Commissions and fees payable etc.	6	562	566	1 149	1 140	2 253
Net gains on financial instruments at fair value	6, 7	989	739	2 047	1 754	3 610
Net gains on assets in Vital	6	6 118	2 445	10 690	7 386	16 131
Guaranteed returns and allocations to policyholders in Vital	6	5 598	2 008	9 791	6 460	14 584
Premium income etc. included in the risk result in Vital	6	917	1 059	2 331	2 122	4 314
Insurance claims etc. included in the risk result in Vital	6	904	1 121	2 305	2 218	4 324
Net realised gains on investment securities (AFS)	6	0	0	0	0	0
Profit from companies accounted for by the equity method	6	21	24	58	52	171
Other income	6	323	302	629	592	1 176
Net other operating income	6	**3 733**	**3 090**	**7 261**	**6 630**	**13 204**
Total income		**7 952**	**6 871**	**15 465**	**14 034**	**28 493**
Salaries and other personnel expenses	8	2 207	1 927	4 335	3 852	7 967
Other expenses	8	1 453	1 379	2 869	2 754	5 745
Depreciation and impairment of fixed and intangible assets	8	242	177	442	336	715
Total operating expenses	8	**3 902**	**3 483**	**7 646**	**6 942**	**14 427**
Net gains on fixed and intangible assets	10	9	151	14	163	365
Write-downs on loans and guarantees	11	140	(165)	191	(192)	(258)
Pre-tax operating profit		**3 919**	**3 703**	**7 642**	**7 447**	**14 689**
Taxes		512	853	1 368	1 747	2 881
Profit from discontinuing operations after taxes		0	0	0	0	0
Profit for the period		**3 407**	**2 851**	**6 274**	**5 700**	**11 808**
Profit attributable to shareholders		3 329	2 816	6 141	5 631	11 665
Profit attributable to minority interests		78	34	133	69	143
Earnings per share (NOK) [2)]		2.50	2.11	4.60	4.21	8.74
Earnings per share for discontinuing operations (NOK) [2)]		0.00	0.00	0.00	0.00	0.00

1) *See note 4 for specification of income statement items in Vital.*

2) *DnB NOR has not issued options or other financial instruments that could cause dilution of earnings per share.*

Balance sheet 1)

Amounts in NOK million	Note	30 June 2007	31 Dec. 2006	30 June 2006
		DnB NOR Group		
Assets				
Cash and deposits with central banks		8 951	11 453	14 022
Lending to and deposits with credit institutions	13	127 298	71 091	90 282
Lending to customers	12, 13, 14	882 810	827 947	764 766
Commercial paper and bonds		157 273	172 040	154 927
Shareholdings		65 570	51 393	42 868
Financial assets, customers bearing the risk		19 105	18 840	14 800
Financial derivatives		61 024	57 999	34 085
Shareholdings, available for sale		0	0	0
Commercial paper and bonds, held to maturity		62 906	62 444	60 898
Investment property		26 662	25 816	24 042
Investments in associated companies		1 462	1 515	1 425
Intangible assets	15	7 196	6 471	6 264
Deferred tax assets		80	38	40
Fixed assets		5 245	5 478	5 152
Biological assets		0	0	0
Discontinuing operations	2	812	27	67
Other assets		10 668	7 691	8 376
Total assets		**1 437 061**	**1 320 242**	**1 222 016**
Liabilities and equity				
Loans and deposits from credit institutions		163 739	124 372	133 036
Deposits from customers		527 937	474 526	459 734
Financial derivatives		63 100	58 812	33 217
Securities issued	16	328 508	326 806	281 508
Insurance liabilities, customers bearing the risk		19 105	18 840	14 800
Liabilities to life insurance policyholders		191 452	188 096	182 208
Payable taxes		5 466	4 091	2 457
Deferred taxes		426	730	1 819
Other liabilities		31 239	18 812	18 039
Discontinuing operations	2	0	0	0
Provisions		4 503	4 768	4 355
Subordinated loan capital	16	34 152	33 977	31 235
Total liabilities		**1 369 627**	**1 253 829**	**1 162 409**
Minority interests		2 536	2 201	1 551
Revaluation reserve		0	0	0
Share capital		13 341	13 341	13 342
Other reserves and retained earnings		51 557	50 870	44 715
Total equity		**67 434**	**66 413**	**59 607**
Total liabilities and equity		**1 437 061**	**1 320 242**	**1 222 016**
Off-balance sheet transactions and contingencies	18			

1) *See note 4 for specification of balance sheet items in Vital.*

Statement of changes in equity

DnB NOR Group

Amounts in NOK million	Minority interests [1)]	Revalu-ation reserve	Share capital	Share premium reserve	Other equity [1)]	Total other reserves and retained earnings	Total equity [1)]
Balance sheet as at 31 December 2005	**946**	**0**	**13 369**	**11 963**	**32 075**	**44 038**	**58 353**
Net change in currency translation reserve	(12)				(95)	(95)	(107)
Profit for the period	69				5 631	5 631	5 700
Net income for the period	57				5 536	5 536	5 593
Dividends 2005					(4 680)	(4 680)	(4 680)
Own shares			(27)		(177)	(177)	(204)
Minority interests DnB NORD	545						545
Other minority interests	3				(1)	(1)	2
Balance sheet as at 30 June 2006	**1 551**	**0**	**13 342**	**11 963**	**32 752**	**44 715**	**59 607**
Balance sheet as at 31 December 2006	**2 201**	**0**	**13 341**	**11 963**	**38 907**	**50 870**	**66 413**
Net change in currency translation reserve	(71)				(117)	(117)	(188)
Profit for the period	133				6 141	6 141	6 274
Net income for the period	62				6 024	6 024	6 086
Dividends 2006					(5 336)	(5 336)	(5 336)
Minority interests DnB NORD	273						273
Balance sheet as at 30 June 2007	**2 536**	**0**	**13 341**	**11 963**	**39 594**	**51 557**	**67 434**

1) Of which currency translation reserve:

	Minority interests	Other equity	Total equity
Balance sheet as at 31 December 2005	*0*	*(76)*	*(76)*
Net change in currency translation reserve	*(12)*	*(95)*	*(107)*
Balance sheet as at 30 June 2006	*(12)*	*(172)*	*(184)*
Balance sheet as at 31 December 2006	*44*	*(44)*	*0*
Net change in currency translation reserve	*(71)*	*(117)*	*(188)*
Balance sheet as at 30 June 2007	*(27)*	*(161)*	*(188)*

Cash flow statement

Amounts in NOK million	1st half 2007	1st half 2006	Full year 2006
	DnB NOR Group		
Operations			
Net payments on loans to customers	(51 472)	(71 250)	(135 673)
Net receipts on deposits from customers	45 933	49 442	66 315
Interest received from customers	24 886	16 589	40 136
Interest paid to customers	(6 844)	(3 078)	(9 065)
Net receipts/payments on the sale/aquisition of financial assets for investment or trading	17 105	(17 863)	(33 948)
Net receipts on commissions and fees	4 855	4 489	9 243
Payments to operations	(8 537)	(8 129)	(15 726)
Taxes paid	(353)	(12)	(613)
Receipts on premiums	11 236	9 098	17 442
Net payments on premium reserve transfers	(688)	(496)	(2 209)
Payments of insurance settlements	(12 373)	(6 063)	(11 942)
Other receipts	644	790	1 107
Net cash flow relating to operations	**24 393**	**(26 483)**	**(74 932)**
Investment activity			
Net payments on the acquisition of fixed assets	(886)	(238)	(932)
Net receipts on the sale of long-term investments in shares	0	0	212
Payments on the acquisition of long-term investments in shares	(1 293)	(144)	(167)
Dividends received on long-term investments in shares	167	43	115
Net cash flow relating to investment activity	**(2 012)**	**(339)**	**(771)**
Funding activity			
Net payments on loans from credit institutions	(19 546)	(18 119)	(8 215)
Net receipts/payments on other short-term liabilities	6 537	(6 542)	(2 786)
Net receipts on issue of bonds and commercial paper [1)]	4 977	52 709	95 281
Issue of subordinated loan capital	4 310	6 825	10 302
Redemptions of subordinated loan capital	(2 186)	(296)	(2 433)
Repurchase of own shares/share issue	0	433	(212)
Dividend payments	(5 336)	(4 680)	(4 680)
Net interest payments on funding activity	(14 519)	(5 594)	(17 674)
Net cash flow from funding activity	**(25 763)**	**24 736**	**69 583**
Net cash flow	**(3 382)**	**(2 086)**	**(6 120)**
Cash as at 1 January	18 594	24 714	24 714
Net payments of cash	(3 382)	(2 086)	(6 120)
Cash at end of period	15 211	22 628	18 594

The cash flow statement shows receipts and payments of cash and cash equivalents during the year. The statement has been prepared in accordance with the direct method and has been adjusted for items that do not generate cash flows, such as accruals, depreciation and write-downs on loans and guarantees. Cash flows are classified as operating activities, investment activities or funding activities. Balance sheet items are adjusted for the effects of exchange rate movements. Cash is defined as cash and deposits with central banks, and deposits with credit institutions with no agreed period of notice.

1) *A significant share of the Group's operations was during 2006 funded by issuing bonds and commercial paper.*

Key figures

	2nd quarter 2007	2nd quarter 2006	1st half 2007	1st half 2006	Full year 2006
					DnB NOR Group
Interest rate analysis					
1. Combined average spread for lending and deposits (%)	2.09	2.14	2.07	2.14	2.10
2. Spread for ordinary lending to customers (%)	1.08	1.35	1.09	1.37	1.28
3. Spread for deposits from customers (%)	1.01	0.79	0.98	0.77	0.82
Rate of return / profitability					
4. Net other operating income, per cent of total income	46.9	45.0	46.9	47.2	46.3
5. Cost/income ratio (%)	49.1	50.7	49.4	49.5	50.1
6. Return on equity, annualised (%)	20.4	19.2	18.8	19.2	19.5
7. RARORAC, annualised (%)	23.5	21.0	23.1	22.9	22.0
8. RORAC, annualised (%)	25.9	27.0	26.0	27.9	26.4
9. Average equity including allocated dividend (NOK million)	65 357	58 680	65 464	58 737	59 862
10. Return on average risk-weighted volume, annualised (%)	1.53	1.44	1.40	1.50	1.50
Financial strength					
11. Core (Tier 1) capital ratio at end of period (%)	7.0	6.6	7.0	6.6	6.7
12. Core (Tier 1) capital ratio incl. 50 per cent of profit for the period (%)	7.4	6.9	7.4	6.9	-
13. Capital adequacy ratio at end of period (%)	9.9	9.9	9.9	9.9	10.0
14. Capital adequacy ratio incl. 50 per cent of profit for the period (%)	10.2	10.2	10.2	10.2	-
15. Core capital at end of period (NOK million)	63 827	53 560	63 827	53 560	59 054
16. Risk-weighted volume at end of period (NOK million)	908 346	810 569	908 346	810 569	880 292
Loan portfolio and write-downs					
17. Write-downs relative to net lending to customers, annualised	0.06	(0.09)	0.04	(0.05)	(0.03)
18. Net non-performing and impaired commitments, per cent of net lending	0.44	0.60	0.44	0.60	0.45
19. Net non-performing and impaired commitments at end of period (NOK million)	3 984	4 645	3 984	4 645	3 800
Liquidity					
20. Ratio of customer deposits to net lending to customers at end of period (%)	59.8	60.1	59.8	60.1	57.3
Total assets owned or managed by DnB NOR					
21. Assets under management at end of period (NOK billion)	576	543	576	543	575
22. Total combined assets at end of period (NOK billion)	1 802	1 569	1 802	1 569	1 688
23. Average total assets (NOK billion)	1 431	1 163	1 386	1 144	1 209
24. Customer savings at end of period (NOK billion)	1 105	1 007	1 105	1 007	1 052
Staff					
25. Number of full-time positions at end of period	13 021	11 607	13 021	11 607	11 824
The DnB NOR share					
26. Number of shares at end of period (1 000)	1 334 089	1 334 190	1 334 089	1 334 190	1 334 089
27. Average number of shares (1 000)	1 334 089	1 336 427	1 334 089	1 336 651	1 335 449
28. Earnings per share (NOK)	2.50	2.11	4.60	4.21	8.74
29. Dividend per share (NOK)	-	-	-	-	4.00
30. Total shareholders' return (%)	(0.1)	(9.0)	(0.1)	11.6	27.8
31. Dividend yield (%)	-	-	-	-	4.52
32. Equity per share including allocated dividend at end of period (NOK)	48.65	43.51	48.65	43.51	48.13
33. Share price at end of period (NOK)	76.20	77.25	76.20	77.25	88.50
34. Price/earnings ratio	7.63	9.15	8.28	9.17	10.13
35. Price/book value	1.57	1.78	1.57	1.78	1.84
36. Market capitalisation (NOK billion)	102.0	103.1	102.0	103.1	118.1

Definitions

1, 2, 3	Based on nominal values excluding lending to and deposits with credit institutions and impaired loans.
5	Total expenses relative to total income. Expenses are exclusive of allocation to employees.
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 requirement. Risk-adjusted profits indicate the level of profits in a normalised situation. The risk-adjusted capital requirement is described in further detail in the chapter "Management in DnB NOR" in the DnB NOR Group's annual report for 2006.
8	RORAC (Return On Risk-Adjusted Capital) is defined as profits for the period relative to risk-adjusted capital requirement. 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 relative to average risk-weighted volume.
21	Total assets under management for customers in Life Insurance and Asset Management.
22	Total assets and assets under management.
24	Total deposits from customers, assets under management and equity-linked bonds.
26	Number of shares at end of 2006 are excluding the 2 786 thousand own shares repurchased in accordance with the authorisation issued by DnB NOR's General Meeting.
28	Excluding discontinuing operations and profits attributable to minority interests. Holdings of own shares are not included in calculations of the number of shares.
30	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, relative to closing price at beginning of period.
32	Equity at end of period excluding minority interests relative to number of shares at end of period.
33	Closing price at end of period relative to annualised earnings per share.
35	Closing price at end of period relative to recorded equity at end of period.
36	Number of shares multiplied by closing price at end of period.

Note 3 – Business areas (continued)

*) *Group Centre - pre-tax operating profit in NOK million*	*2nd quarter 2007*	*2nd quarter 2006*
Income on equities	*246*	*51*
Uallocated income	*124*	*(74)*
Net gains on fixed and intangible assets	*0*	*113*
Unallocated write-downs on loans and guarantees	*(27)*	*204*
Funding costs on goodwill	*(50)*	*(34)*
Ownership-related expenses (costs relating to shareholders, investor relations, strategic planning etc.)	*(54)*	*(45)*
Portfolio hedging, Treasury	*(117)*	*(100)*
Other	*(2)*	*51*
Pre-tax operating profit	*120*	*166*

Main average balance sheet items **DnB NOR Group**

	Corporate Banking and Payment Services		Retail Banking		DnB NOR Markets		Life Insurance and Asset Management		DnB NORD		Other operations/ eliminations	
	2nd quarter		2nd quarter		2nd quarter		2nd quarter		2nd quarter		2nd quarter	
Amounts in NOK billion	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Net lending to customers [1)]	397.1	339.7	421.0	381.5	17.0	11.0			47.0	28.5	(1.8)	(2.8)
Deposits from customers [1)]	279.0	239.5	215.8	199.9	18.3	15.7			19.2	10.6	(1.8)	(15.5)
Assets under management [2)]							591.3	563.8				

Key figures **DnB NOR Group**

	Corporate Banking and Payment Services		Retail Banking		DnB NOR Markets		Life Insurance and Asset Management		DnB NORD		Other operations	
	2nd quarter		2nd quarter		2nd quarter		2nd quarter		2nd quarter		2nd quarter	
Per cent	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Cost/income ratio	33.8	35.9	61.9	54.8	39.0	38.8	48.8	53.1	67.7	68.9		
Ratio of deposits to lending [1)]	70.3	70.5	51.3	52.4					40.9	37.0		
Return on capital [3) 4)]	18.5	18.4	20.9	23.8	47.0	54.4	35.2	16.4	13.9	12.0		
Number of full-time positions as at 30 June [5)]	2 249	2 600	3 664	4 056	580	545	1 130	1 095	3 052	1 845	2 345	1 467

1) *Based on nominal values and includes lending to and deposits from credit institutions.*
2) *Assets under management include total assets in Vital.*
3) *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 Life Insurance and Asset Management.*
4) *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 20 per cent for 2007 and 15 per cent for 2006 while accounted taxes are applied for Vital.*
5) *As a consequence of the reorganisation of the Group in June 2007, 405 and 444 full-time positions respectively have been transferred from Corporate Banking and Payment Services and Retail Banking to Other operations. This is expected to have limited effects on operating expenses as the services provided will be charged to the business areas, and no adjustments have been made in the presented figures.*

Note 4 – Vital

The business area Life Insurance and Asset Management in DnB NOR comprises Vital Forsikring ASA and DnB NOR Kapitalforvaltning Holding AS, both with subsidiaries. The income statement, balance sheet and key figures presented below refer solely to operations in Vital Forsikring ASA including subsidiaries.

Vital Link AS and Vital Forsikring ASA merged in February 2007 with accounting effect from 1 January 2007. Vital Forsikring ASA including subsidiaries, hereinafter referred to as "Vital", is fully consolidated in the DnB NOR Group's accounts. Profit sharing between policyholders and the owner in life insurance companies is based on special accounting regulations for such operations stipulated by the Norwegian Ministry of Finance. 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. Below, the income statement and balance sheet for Vital as included in the DnB NOR Group's accounts are described.

Income statement [1)]

					Vital
	2nd quarter	2nd quarter	1st half	1st half	Full year
Amounts in NOK million	2007	2006	2007	2006	2006
Total interest income					
Total interest expenses					
Net interest income					
Commissions and fees receivable etc.	453	455	910	905	1 836
Commissions and fees payable etc.	138	164	297	341	673
Net gains on financial instruments at fair value					
Net gains on assets in Vital	6 116	2 435	10 688	7 371	16 117
Guaranteed returns and allocations to policyholders in Vital	5 598	2 008	9 791	6 460	14 584
Premium income etc. included in the risk result in Vital	917	1 059	2 331	2 122	4 314
Insurance claims etc. included in the risk result in Vital	904	1 121	2 305	2 218	4 324
Net realised gains on investment securities (AFS)					
Profit from companies accounted for by the equity method					
Other income					
Net other operating income	**846**	**656**	**1 536**	**1 378**	**2 686**
Total income	**846**	**656**	**1 536**	**1 378**	**2 686**
Salaries and other personnel expenses	188	172	363	325	676
Other expenses	164	128	285	252	501
Depreciation and impairment of fixed and intangible assets	31	20	52	41	77
Total operating expenses	**383**	**321**	**700**	**618**	**1 254**
Net gains on fixed and intangible assets					
Write-downs on loans and guarantees					
Pre-tax operating profit	**464**	**335**	**835**	**760**	**1 431**
Taxes	(390)	(2)	(390)	(4)	(771)
Profit from discontinuing operations after taxes					
Profit for the period [2)]	**853**	**337**	**1 225**	**764**	**2 202**

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

Note 4 – Vital (continued)

2) *Breakdown of income statement*

	Vital				
Amounts in NOK million	*2nd quarter 2007*	*2nd quarter 2006*	*1st half 2007*	*1st half 2006*	*Full year 2006*
Interest result	*3 316*	*1 607*	*5 760*	*3 762*	*7 094*
Risk result	*13*	*(62)*	*26*	*(96)*	*(10)*
Administration result	*(68)*	*(30)*	*(87)*	*(54)*	*(91)*
Transferred from security reserve	*1*	*0*	*(8)*	*(1)*	*(5)*
*Profit for distribution within Vital *)*	*3 263*	*1 515*	*5 690*	*3 611*	*6 987*
Transferred to additional allocations	*0*	*0*	*0*	*0*	*2 740*
Funds transferred to policyholders	*2 805*	*1 185*	*4 866*	*2 862*	*2 838*
+ Reversal of goodwill amortisation	*5*	*5*	*11*	*11*	*22*
Pre-tax operating profit in Vital	*464*	*335*	*835*	*760*	*1 431*
Taxes	*(390)*	*(2)*	*(390)*	*(4)*	*(771)*
Profit for the period in Vital	*853*	*337*	*1 225*	*764*	*2 202*

**) Specification of profits for distribution:*

Profit for operations subject to profit sharing	*3 309*	*1 518*	*5 753*	*3 615*	*4 267*
- funds transferred to policyholders	*2 805*	*1 185*	*4 866*	*2 862*	*2 838*
- profits for allocation to the owner and taxes	*505*	*333*	*887*	*753*	*1 429*
Profit from operations not subject to profit sharing	*(47)*	*(3)*	*(63)*	*(4)*	*(20)*

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

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

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

Note 4 – Vital (continued)

Balance sheets [1]			**Vital**
	30 June	31 Dec.	30 June
Amounts in NOK million	2007	2006	2006
Assets			
Cash and deposits with central banks			
Lending to and deposits with credit institutions	10 634	7 185	8 850
Lending to customers			
Commercial paper and bonds	44 687	57 838	61 973
Shareholdings	60 183	47 291	39 347
Financial assets, customers bearing the risk	19 105	18 840	14 800
Financial derivatives	1 739	1 654	1 427
Commercial paper and bonds, held to maturity	62 906	62 444	60 898
Investment property	26 524	25 668	23 869
Investments in associated companies	16	16	14
Intangible assets	342	294	304
Deferred tax assets		185	
Fixed assets	49	75	46
Discontinuing operations			
Other assets	3 160	2 161	2 751
Total assets	**229 346**	**223 650**	**214 279**
Liabilities and equity			
Loans and deposits from credit institutions			
Deposits from customers			
Financial derivatives	587	1 166	807
Securities issued			
Insurance liabilities, customers bearing the risk	19 105	18 840	14 800
Liabilities to life insurance policyholders	191 452	188 096	182 208
Payable taxes			
Deferred taxes	494		662
Other liabilities	6 318	3 259	4 880
Discontinuing operations			
Provisions	199	124	192
Subordinated loan capital	2 534	2 556	2 557
Total liabilities	**220 690**	**214 040**	**206 107**
Minority interests			
Revaluation reserve			
Share capital	1 310	1 310	1 310
Other reserves and retained earnings	7 345	8 300	6 862
Total equity	**8 656**	**9 610**	**8 172**
Total liabilities and equity	**229 346**	**223 650**	**214 279**

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

Note 4 – Vital (continued)

Key figures

Per cent	2nd quarter 2007	2nd quarter 2006	1st half 2007	1st half 2006	Vital Full year 2006
Recorded return, excluding unrealised gains on financial instruments 1)	2.6	1.7	4.8	3.8	7.5
Value-adjusted return, excluding changes in unrealised gains on commercial paper and bonds, held to maturity 1)	3.7	(0.2)	5.1	2.6	8.1
Value-adjusted return, including changes in unrealised gains on commercial paper and bonds, held to maturity, and unrealised gains on current assets 1)	3.0	(0.8)	4.1	1.4	6.4
Return on capital after taxes 2) 3)	37.4	15.6	26.0	17.3	25.0
Expenses in per cent of insurance provisions 2)	1.03	1.01	0.99	1.01	1.00
Capital adequacy ratio at the end of the period 4) 5)	8.6	10.5	8.6	10.5	9.8
Core capital ratio at the end of the period 4) 5)	6.5	7.9	6.5	7.9	7.4
Policyholders funds from operations from products with guaranteed returns, at the end of the period (NOK billion)	191	182	191	182	188
Policyholders funds from operations from products with a choice of investment profile, at the end of the period (NOK billion)	19	15	19	15	19
Solvency margin capital in per cent of requirement, at the end of the period 4) 5) 6)	165	147	165	147	164
Number of employees calculated on a full-time basis at the end of the period	828	795	828	795	815

1) *Refers to operations from products with guaranteed returns.*
2) *Figures are annualised.*
3) *Calculated on the basis of recorded equity.*
4) *Kredittilsynet (the Financial Supervisory Authority of Norway) and the Ministry of Finance have not adapted capital adequacy or solvency margin capital regulations to IFRS.*
5) *Operations from products with a choice of investment profile are included from 1 January 2007.*
6) *Solvency margin capital is measured against the solvency margin requirement, which is linked to the company's insurance commitments. The solvency margin capital requirements for Norwegian life insurance companies are subject to regulations laid down by the Ministry of Finance on 19 May 1995.*

Note 5 – Net interest income

Amounts in NOK million	2nd quarter 2007	2nd quarter 2006	1st half 2007	1st half 2006	DnB NOR Group Full year 2006
Interest on loans to and deposits with credit institutions	1 519	679	2 667	1 123	2 904
Interest on loans to customers	11 788	8 207	22 336	15 658	34 630
Interest on impaired commitments	38	59	66	70	124
Interest on commercial paper and bonds	1 371	863	2 860	1 587	3 934
Front-end fees etc.	73	72	193	157	281
Other interest income	8	121	61	269	508
Total interest income	**14 798**	**10 001**	**28 184**	**18 865**	**42 381**
Interest on loans and deposits from credit institutions	1 757	1 096	3 175	1 944	4 610
Interest on demand deposits from customers	4 221	2 250	7 813	4 226	9 892
Interest on securities issued	3 951	2 731	7 964	5 060	12 194
Interest on subordinated loan capital	512	328	992	622	1 466
Other interest expenses	139	(186)	37	(389)	(1 069)
Total interest expenses	**10 579**	**6 219**	**19 980**	**11 462**	**27 092**
Net interest income	**4 219**	**3 781**	**8 204**	**7 403**	**15 289**

Note 6 – Net other operating income

					DnB NOR Group
	2nd quarter	2nd quarter	1st half	1st half	Full year
Amounts in NOK million	2007	2006	2007	2006	2006
Money transfer fees receivable	701	710	1 372	1 427	2 852
Fees on asset management services	338	322	633	658	1 325
Fees on custodial services	106	99	204	189	370
Fees on securities broking	90	126	212	259	427
Corporate finance	236	96	384	313	548
Interbank fees	32	36	62	75	148
Credit broking commissions	94	103	201	140	290
Sales commissions on insurance products	487	488	1 016	1 000	2 000
Sundry commissions and fees receivable on banking services	346	236	666	484	1 003
Total commissions and fees receivable etc.	**2 429**	**2 215**	**4 751**	**4 543**	**8 963**
Money transfer fees payable	241	237	473	474	936
Commissions payable on fund management services	39	30	69	60	128
Fees on custodial services payable	35	35	71	68	119
Interbank fees	50	54	98	112	219
Credit broking commissions	0	10	17	17	34
Commissions payable on the sale of insurance products	53	67	125	128	236
Sundry commissions and fees payable on banking services	143	133	297	281	582
Total commissions and fees payable etc.	**562**	**566**	**1 149**	**1 140**	**2 253**
Net gains on financial instruments at fair value	**989**	**739**	**2 047**	**1 754**	**3 610**
Net gains on assets in Vital	**6 118**	**2 445**	**10 690**	**7 386**	**16 131**
Guaranteed returns and allocations to policyholders in Vital	**5 598**	**2 008**	**9 791**	**6 460**	**14 584**
Premium income etc. included in the risk result in Vital	**917**	**1 059**	**2 331**	**2 122**	**4 314**
Insurance claims etc. included in the risk result in Vital	**904**	**1 121**	**2 305**	**2 218**	**4 324**
Net realised gains on investment securities (AFS)	**0**	**0**	**0**	**0**	**0**
Profit from companies accounted for by the equity method	**21**	**24**	**58**	**52**	**171**
Income from owned/leased premises	12	34	33	63	108
Fees on real estate broking	214	197	381	355	746
Net unrealised gains on investment property	(2)	(1)	(2)	0	0
Miscellaneous operating income	99	73	218	174	322
Total other income	**323**	**302**	**629**	**592**	**1 176**
Net other operating income	**3 733**	**3 090**	**7 261**	**6 630**	**13 204**

Note 7 – Net gains on financial instruments at fair value

					DnB NOR Group
	2nd quarter	2nd quarter	1st half	1st half	Full year
Amounts in NOK million	2007	2006	2007	2006	2006
Dividends	128	61	142	95	109
Net gains on foreign exchange and financial derivatives	627	781	1 261	1 679	3 441
Net gains on financial derivatives, hedging	(524)	(288)	(731)	(778)	(560)
Net gains on fixed rate loans	(353)	(332)	(492)	(720)	(1 247)
Net gains on financial guarantees	108	67	225	136	341
Net gains on commercial paper and bonds	(102)	(168)	(160)	(262)	(504)
Net gains on shareholdings	132	39	385	227	558
Net gains on other financial assets	(41)	(13)	(39)	(6)	(8)
Net gains on financial liabilities, hedged items	589	306	816	819	555
Net gains on financial liabilities, other	302	246	427	512	784
Net interest on interest rate positions	123	39	215	52	141
Net gains on financial instruments at fair value	**989**	**739**	**2 047**	**1 754**	**3 610**

Note 8 – Operating expenses

	DnB NOR Group				
Amounts in NOK million	2nd quarter 2007	2nd quarter 2006	1st half 2007	1st half 2006	Full year 2006
Ordinary salaries	1 627	1 393	3 135	2 818	5 814
Employer's national insurance contributions	229	193	457	397	818
Pension expenses [1)]	275	229	539	432	913
Other personnel expenses	75	112	205	205	421
Total salaries and other personnel expenses	**2 207**	**1 927**	**4 335**	**3 852**	**7 967**
Fees	196	181	403	373	781
EDP expenses	424	386	816	743	1 493
Postage and telecommunications	105	110	207	214	410
Office supplies	31	26	62	54	113
Marketing and public relations	165	155	328	289	599
Travel expenses	65	55	123	105	232
Reimbursement to Norway Post for transactions executed	59	73	99	156	269
Training expenses	21	16	42	33	77
Operating expenses on properties and premises	206	213	414	445	855
Operating expenses on machinery, vehicles and office equipment	33	23	70	55	121
Allocation to employees	0	0	0	0	164
Restructuring expenses	2	0	3	0	73
Other operating expenses	147	141	301	286	558
Other expenses	**1 453**	**1 379**	**2 869**	**2 754**	**5 745**
Depreciation and impairment of fixed and intangible assets	**242**	**177**	**442**	**336**	**715**
Total operating expenses	**3 902**	**3 483**	**7 646**	**6 942**	**14 427**

1) *With effect from 31 December 2006, the Group changed the assumption concerning life expectancy in connection with the calculation of pension commitments. This has affected pension expenses for 2007.*

Note 9 – Number of employees/full-time positions

	DnB NOR Group				
	2nd quarter 2007	2nd quarter 2006	1st half 2007	1st half 2006	Full year 2006
Number of employees at end of period	13 394	11 984	13 394	11 984	12 187
- of which number of employees abroad	3 795	2 518	3 795	2 518	2 647
Number of employees calculated on a full-time basis at end of period	13 021	11 607	13 021	11 607	11 824
- of whitch number of employees calculated on a full-time basis abroad	3 747	2 480	3 747	2 480	2 618
Average number of employees	13 148	11 969	12 707	11 893	11 993
Average number of employees calculated on a full-time basis	12 789	11 583	12 317	11 509	11 616

Note 10 – Net gains on fixed and intangible assets

					DnB NOR Group
Amounts in NOK million	2nd quarter 2007	2nd quarter 2006	1st half 2007	1st half 2006	Full year 2006
Development area, Oppegård					47
Lodalen Utvikling					44
Kirkegaten 17, Oslo					31
Scanrope		16		16	16
Exporama		30		30	30
Bogstadveien 45, Oslo		61		61	61
Other	9	44	14	56	136
Net gains on fixed and intangible assets	**9**	**151**	**14**	**163**	**365**

Note 11 – Write-downs on loans and guarantees

					DnB NOR Group
Amounts in NOK million	2nd quarter 2007	2nd quarter 2006	1st half 2007	1st half 2006	Full year 2006
Write-offs	41	38	97	113	227
New individual write-downs	225	213	452	395	692
Total new individual write-downs	266	251	549	508	919
Reassessed individual write-downs	72	72	184	178	371
Total individual write-downs	194	179	365	330	548
Recoveries on commitments previously written off	84	121	167	201	388
Change in group write-downs on loans	30	(224)	(7)	(321)	(418)
Write-downs on loans and guarantees [1)]	**140**	**(165)**	**191**	**(192)**	**(258)**
Write-offs covered by individual write-downs made in previous years	201	273	382	354	699
1) Of which individual write-downs on guarantees	*(6)*	*1*	*5*	*(9)*	*(13)*

Note 12 – Lending to customers

			DnB NOR Group
Amounts in NOK million	30 June 2007	31 Dec. 2006	30 June 2006
Lending to customers, nominal amount	732 137	692 207	628 023
Individual write-downs	1 987	1 820	2 083
Lending to customers, after individual write-downs	730 150	690 387	625 940
+ Accrued interest and amortisation	2 514	2 046	1 603
– Individual write-downs of accrued interest and amortisation	417	399	542
– Group write-downs	932	892	964
Lending to customers, at amortised cost	731 315	691 141	626 038
Lending to customers, nominal amount	151 340	136 271	137 903
+ Accrued interest	794	681	449
+ Adjustment to fair value	(640)	(147)	376
Lending to customers, classified at fair value	151 495	136 805	138 728
Lending to customers	**882 810**	**827 947**	**764 766**

Note 13 – Net lending to principal sectors [1)]

	DnB NOR Group		
Amounts in NOK million	30 June 2007	31 Dec. 2006	30 June 2006
Retail customers	438 210	417 594	394 313
International shipping	76 378	74 184	63 739
Real estate	127 772	116 207	115 653
Manufacturing	38 688	36 676	30 875
Services and management	70 111	64 536	50 192
Trade	35 689	32 066	32 583
Oil and gas	18 013	12 720	8 805
Transportation and communication	19 177	16 698	17 068
Building and construction	12 059	11 223	10 798
Power and water supply	7 689	7 304	7 244
Fishing	9 854	10 069	10 812
Hotels and restaurants	3 503	3 544	3 662
Agriculture and forestry	6 310	7 533	6 607
Central and local government	6 759	7 394	2 028
Other sectors	11 278	8 910	9 464
Total customers, nominal amount after individual write-downs	881 490	826 658	763 843
– Group write-downs, customers	932	892	964
+ Other adjustments	2 251	2 181	1 887
Lending to customers	**882 810**	**827 947**	**764 766**
Credit institutions, nominal amount after individual write-downs	126 877	70 381	90 245
– Group write-downs, credit institutions	2	0	0
+ Other adjustments	423	710	37
Lending to and deposits with credit institutions	**127 298**	**71 091**	**90 282**

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

Note 14 – Net non-performing and impaired commitments for principal sectors [1)]

	DnB NOR Group		
Amounts in NOK million	30 June 2007	31 Dec. 2006	30 June 2006
Retail customers	1 927	1 888	2 284
International shipping	0	0	0
Real estate	475	384	829
Manufacturing	380	532	437
Services	444	306	331
Trade	146	152	206
Oil and gas	1	1	10
Transportation and communication	215	132	145
Building and construction	164	119	129
Power and water supply	10	0	0
Fishing	58	86	74
Hotels and restaurants	46	71	66
Agriculture and forestry	93	119	125
Central and local government	0	0	0
Other sectors	25	10	7
Total customers	3 984	3 800	4 645
Credit institutions	0	0	0
Total	3 984	3 800	4 645

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

Note 15 – Intangible assets

	DnB NOR Group		
	30 June	31 Dec.	30 June
Amounts in NOK million	2007	2006	2006
Goodwill 1)	6 375	5 823	5 723
Postbanken brand name	51	51	51
Systems development	642	520	427
Other intangible assets 1)	127	77	63
Total intangible assets	**7 196**	**6 471**	**6 264**

1) *As at 30 June 2007 the figures for Svensk Fastighetsförmedling AB and BISE Bank are based on preliminary acquisition analyses. See note 2.*

Note 16 – Securities issued and subordinated loan capital

As an element in liquidity management, the DnB NOR Group issues and redeems own securities.

Securities issued	DnB NOR Group		
	30 June	31 Dec.	30 June
Amounts in NOK million	2007	2006	2006
Commercial paper issued, nominal amount	70 175	68 216	67 602
Bond debt, nominal amount	257 421	257 379	212 745
Adjustments	913	1 211	1 161
Total securities issued	**328 508**	**326 806**	**281 508**

Changes in securities issued						DnB NOR Group
	Balance sheet 30 June	Issued	Matured/ redeemed	Exchange rate movements	Changes in adjustments	Balance sheet 31 Dec.
Amounts in NOK million	2007	2007	2007	2007	2007	2006
Commercial paper issued, nominal amount	70 175	50 421	47 729	(734)	0	68 216
Bond debt, nominal amount	257 421	30 022	21 780	(8 201)	0	257 379
Adjustments	913	0	0	0	(298)	1 211
Total securities issued	**328 508**	**80 443**	**69 509**	**(8 934)**	**(298)**	**326 806**

Subordinated loan capital and perpetual subordinated loan capital securities						DnB NOR Group
	Balance sheet 30 June	Issued	Matured/ redeemed	Exchange rate movements	Net change in recorded costs and adjustments	Balance sheet 31 Dec.
Amounts in NOK million	2007	2007	2007	2007	2007	2006
Term subordinated loan capital, nominal amount	17 919	84	2 271	(660)	2	20 764
Perpetual subordinated loan capital, nominal amount	7 341	0	10	(391)	0	7 741
Perpetual subordinated loan capital securities, nominal amount 1)	9 277	4 143	0	(228)	2	5 360
Adjustments	(386)	0	0	0	(498)	113
Total subordinated loan capital and perpetual subordinated loan capital securities	**34 152**	**4 227**	**2 281**	**(1 279)**	**(494)**	**33 977**

1) *Perpetual subordinated loan capital securities are eligible for inclusion in core capital by an amount not exceeding 15 per cent of total core capital. Kredittilsynet may require that the securities should be written down proportionally to equity if the bank's core capital ratio falls below 5 per cent or capital adequacy ratio falls below 6 per cent. Amounts written down on the securities must be revalued before the distribution of dividends to shareholders or revaluation of equity.*

Note 17 – Capital adequacy

New capital adequacy regulations, Basel II, entered into force on 1 January 2007, see below for further description of the DnB NOR Group's implementation of the Basel II regulations.

Capital adequacy calculations are subject to special consolidation rules governed by the Consolidation Regulations. Primary capital and nominal amounts used in calculating risk-weighted volume will deviate from figures in the DnB NOR Group's accounts, as associated companies which are consolidated in the accounts according to the equity method are consolidated according to the gross method in capital adequacy calculations.

Valuation rules used in the statutory accounts form the basis for the consolidation. As from the first quarter 2007, the Norwegian regulations on the use of IFRS have been implemented in statutory accounts of the companies in the Group. According to new regulations on primary capital calculations, most items that have affected equity upon transition to the Norwegian regulation on the use of IFRS should be deducted from core capital. The deductions are specified below.

Primary capital	**DnB NOR Group**	
Amounts in NOK million	30 June 2007	31 Dec. 2006 [1)]
Share capital	13 341	13 341
Other equity	47 847	44 492
Total equity	61 188	57 833
Perpetual subordinated loan capital securities [2) 3)]	9 513	5 603
Deductions		
Pension funds above pension commitments	(198)	(182)
Goodwill	(6 407)	(4 454)
Deferred tax assets	(127)	(671)
Other intangible assets	(840)	(884)
Dividends payable	0	-
Unrealised gains on fixed assets	(558)	-
50 per cent of investments in other financial institutions	0	0
Other	49	-
Additions		
Portion of unrecognised actuarial gains/losses, pension costs [4)]	1 207	1 810
Core capital	63 827	59 054
Perpetual subordinated loan capital	7 265	7 602
Perpetual subordinated loan capital securities [2) 3)]	-	-
Term subordinated loan capital [3)]	18 153	20 969
Deductions		
50 per cent of investments in other financial institutions	0	0
Additions		
45 per cent of unrealised gains on fixed assets	342	-
Supplementary capital	25 759	28 571
Total eligible primary capital [5)]	89 586	87 625

Minimum capital requirement	**DnB NOR Group**
Amounts in NOK million	30 June 2007
Credit risk, IRB [6)]	12 372
Of which:	
Retail commitments secured by residential property	3 435
Corporate commitments, small and medium sized companies	8 937
Claims calculated according to Basel I, transitional rules [7)]	49 392
Total minimum capital requirement, credit risk	61 764
Counterparty risk	1 013
Position risk	3 422
Settlement risk	2
Foreign exchange risk	144
Total minimum capital requirement, market risk	4 581
Operational risk	2 857
Deduction	0
Total capital requirements according to Basel II	68 189
Additions due to transitional rules (maximum 5 per cent reduction in relation to Basel I) [8)]	4 479
Total minimum capital requirement	72 668

Note 17 – Capital adequacy (continued)

The table below illustrates the effect of the transition to Basel II regulations in the first half of 2007. The column "Basel I" reflects calculations based on the former capital adequacy regulations. The results of the Basel II calculations have been included in the capital adequacy calculations shown in column "Basel II". The transitional rules limits the effect of Basel II calculations to a reduction to 95 per cent of Basel I requirements in the first year of implementation. This restriction known as "Capital floor" is reflected in the capital adequacy shown in column "Reported" in the table below.

Capital adequacy **DnB NOR Group**

	Reported	Basel II	Basel I	
	30 June 2007 [8)]	30 June 2007	30 June 2007	31 Dec. 2006 [1)]
Risk-weighted volume (NOK million) [5)]	908 346	852 354	945 868	880 292
Core capital ratio (%)	7.0	7.5	6.7	6.7
Capital ratio (%)	9.9	10.5	9.5	10.0
Core capital ratio including 50 per cent of profit for the period (%)	7.4	7.8	7.1	-
Capital ratio including 50 per cent of profit for the period (%)	10.2	10.9	9.8	-

1) *Figures for previous periods have been prepared in accordance with rules prevailing on the reporting dates.*
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) *As at 30 June 2007 calculations of capital adequacy include a total of NOK 700 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 two-fifths of the amount recorded against equity can be included in capital adequacy calculations as at 30 June 2007. This effect will be reduced by one-fifth yearly up until and including 2008.*
5) *Primary capital and nominal amounts used in calculating risk-weighted volume deviate from figures in the DnB NOR Group's accounts, as associated companies which are assessed in the accounts according to the equity method, are assessed according to the gross method in capital adequacy calculations.*
6) *In the second quarter of 2007, credit risk for loans to retail customers secured by residential property in DnB NOR Bank ASA, excluding such loans under the brand-name Postbanken, commitments with small and medium sized corporate customers in the Regional Division East and the Regional Division Coast and the housing- loan portfolio of DnB NOR Boligkreditt AS are reported according to the foundation IRB approach, Internal Ratings Based.*
7) *The minimum primary capital requirement for portfolios not mentioned in footnote 6 is 8 per cent of risk-weighted volume calculated according to Basel I regulations.*
8) *Due to transitional rules, minimum capital requirements for 2007, 2008 and 2009 can maximum be reduced to 95, 90 and 80 per cent respectively of the requirement according to Basel I rules.*

Basel II implementation

Monitoring and managing risk is an integral part of financial operations. In DnB NOR, sound risk management is a strategic tool to enhance value generation. Risk-adjusted return is a key financial management parameter in the internal management of the DnB NOR Group. The Group's risk is measured in the form of risk-adjusted capital requirements, calculated for main risk categories and for all of the Group's business areas. Capital is thus allocated to the business areas on the basis of the estimated risk of operations, and return on capital is continually monitored.

Basel II

New capital requirements, Basel II, entered into force on 1 January 2007 and is divided into three parts, so-called pillars. Pillar 1 is about minimum capital adequacy requirements and is based on the previous capital adequacy regulations, Basel I. Pillar 2 is about institutions' assessment of their overall capital requirement and supervisory review, while Pillar 3 is about the disclosure of financial information. The regulations entail that there will be greater consistency between the authorities' capital adequacy regulations for financial institutions and the methodologies used by the financial institutions themselves in calculating capital requirements. The minimum capital requirement is still 8 per cent, with minimum 50 per cent representing core capital. The new regulations will result in changes in the risk-weighted volume included in the calculation of the capital adequacy requirement. A new methodology has been introduced for calculating credit risk, while operational risk calculations have been added as a new element. The shift from Basel I to Basel II has a more limited impact on the treatment of market risk.

Pillar 1 Approach used in capital adequacy calculations

Pillar 1 includes capital requirements for credit, market and operational risk. The DnB NOR Group has been granted permission to use the foundation IRB, Internal Ratings Based, approach for credit risk to calculate the Group's capital adequacy as from 1 January 2007.

Use of the foundation IRB approach implies that the bank's own classification systems are used for capital adequacy purposes. The IRB system is defined as the models, work processes, decision-making processes, control mechanisms, IT systems and internal guidelines and routines used to classify and quantify credit risk. During 2006, DnB NOR implemented important parts of the IRB system, mainly through the development of routines, procedures and IT systems.

The portfolios for which the Group has been granted permission to use the foundation IRB approach as from the first quarter of 2007 comprises loans to small and medium-sized companies as well as loans secured by residential property in DnB NOR Bank ASA excluding Postbanken. DnB NOR Boligkreditt AS was also granted permission to report its housing-loan portfolio according to the IRB approach as from the second quarter of 2007. All other credit portfolios are reported in accordance with the former capital adequacy requirements, Basel I.

<u>Credit risk</u>

Credit risk represents the chief risk category for the Group and refers to all claims against customers, mainly loans. In order to avoid large risk concentrations, the risk levels of individual customers, industries and geographical areas are monitored closely. In addition to verifying risk classifications, exposures to large clients are supervised through calculations which take the customer's credit quality and collateral into account.

Note 17 – Capital adequacy (continued)

The classification of commitments provides the basis for statistical calculations of expected losses in a long-term perspective and the need for equity on the basis of portfolio risk. DnB NOR's models for risk classification of customers are subject to continual improvement and testing. The models are adapted to different industries and segments and are successively upgraded to satisfy quality requirements according to Basel II. The models are based on three components:

1. *Estimated probability of default.* The counterparty (customer) is classified according to a scale of ten risk categories based on the probability of default. In addition, impaired and non-performing commitments are placed in categories 11 and 12 respectively for reporting purposes. The risk categories are defined on the basis of the scales used by international rating agencies.
2. *Exposure at default.* Exposure is an estimated figure which includes amounts drawn under credit limits (loans) as well as a percentage share of committed, undrawn credit lines.
3. *Loss given default*. This is a statistically modelled quantity indicating how much the Group expects to lose if the customer fails to meet his obligations, taking the collateral provided into consideration. Realisation values for collateral are set on the basis of experience and/or external data.

The credit risk models should show the average probability of default during a business cycle. However, no model is completely unaffected by cyclical fluctuations. Consequently, stress testing is used to assess whether the bank would be required to hold additional capital during a recession. Such assessments will be taken into account in the bank's management process to determine the correct level of capital.

<u>Operational risk</u>
On 1 January 2007, new regulations for capital requirements for operational risk entered into force. In a separate policy for operational risk management, the Board of Directors states that DnB NOR will have low operational risk. Thus, management places great emphasis on risk and quality in the management of the Group.

DnB NOR Bank ASA will report according to the standardised approach in 2007 and will consider a shift to the Advanced Measurement Approach at a later date.

<u>Market risk</u>
Overall, market risk represents a moderate share of the Group's total risk. Market risk in Vital is included under ownership risk in DnB NOR ASA. In 2007, DnB NOR reports market risk according to the standardised approach.

<u>Further progress</u>
In June 2006, the Group applied for permission to use the advanced IRB approach for credit risk as from 1 January 2008. A major reduction in risk-weighted assets is expected upon full implementation of the IRB system. Due to transitional rules, however, the minimum capital adequacy requirements for 2007, 2008 and 2009 will be reduced to a maximum of 95, 90 and 80 per cent respectively relative to the Basel I requirements.

Pillar 2 Institutions' assessment of total capital requirement and supervisory review
According to Pillar 2, DnB NOR is required to have a process for assessing the Group's overall capital adequacy. This includes an analysis of the risks not encompassed by the Pillar 1 process and the capital requirement for growth, as well as an indication of how much above the minimum regulatory capital ratios the Group chooses to set its capital levels.

The staff unit Group Risk Management has overall responsibility for risk management and internal control and for assessing and reporting the Group's overall risk situation. Each quarter, Group Risk Management prepares a report to the board of Directors of DnB NOR ASA regarding developments in the various risk categories as well as a report to the Board of Directors of DnB NOR Bank ASA regarding the trend in the banking group's credit risk.

As part of the adaptation to Pillar 2, the Board of Directors approved a new group capitalisation policy in April 2006, aimed at ensuring that group equity is adequate to ensure effective and optimal use of equity relative to the scope and risk profile of operations. The equity of DnB NOR should enable the Group to achieve a competitive return on equity and obtain competitive terms in funding markets. Also, it should put the Group in a position to exploit growth opportunities in the market through either organic growth or acquisitions while meeting minimum capital adequacy requirements with a margin adapted to the Group's adopted risk profile and risk tolerance.

In the longer term, the Group's equity will be structured to ensure that core capital excluding hybrid securities exceeds 4.25 per cent of risk-weighted assets, with the addition of a capital buffer. The calculation model for risk-adjusted capital is used to measure the size of the capital buffer relative to risk tolerance limits. Risk will be quantified through calculations of risk-adjusted capital. In addition, stress tests for credit and market risk are important reference points. The capitalisation policy is reviewed annually as part of the Group's budget and strategy process.

As part of its supervisory process, Kredittilsynet will prepare an annual overall risk assessment for the Group, including feedback on the capitalisation of the Group. These assessments will play a significant part when determining the actual effect of the transfer to new capital adequacy regulations.

Pillar 3 Requirements concerning the disclosure of financial information
Pillar 3 presents requirements concerning the disclosure of financial information on the Internet. The information must cover DnB NOR's adaptation to and compliance with the new capital adequacy regulations. Such information are presented on separate pages on www.dnbnor.com.

Note 18 – Off-balance sheet transactions and contingencies

Off-balance sheet transactions and additional information		**DnB NOR Group**	
Amounts in NOK million	30 June 2007	31 Dec. 2006	30 June 2006
Unutilised ordinary credit lines	248 321	245 827	226 116
Documentary credit commitments	17 269	15 705	13 634
Other commitments	440	447	353
Total commitments	266 030	261 979	240 103
Performance guarantees	22 748	21 702	16 997
Payment guarantees	17 933	18 010	19 623
Loan guarantees [1]	7 081	6 302	7 018
Guarantees for taxes etc.	5 308	3 948	3 378
Other guarantee commitments	6 419	4 791	5 905
Total guarantee commitments [2]	59 489	54 753	52 920
Support agreements	5 330	5 267	4 571
Total guarantee commitments etc. [*]	64 819	60 020	57 491
*) Of which:			
Counter-guaranteed by financial institutions	1 689	1 584	1 505
Securities	70 751	75 931	56 494
are pledged as security for: Loans [3]	70 639	75 816	56 383
Other activities	112	115	111

1) *DnB NOR carries loans in its balance sheet that subject to legal agreement have been transferred to Eksportfinans and for which DnB NOR has issued guarantees. According to the agreement, DnB NOR still carries interest rate risk and credit risk for the transferred portfolio. Customer loans in the portfolio totalling NOK 9 993 million were recorded in the balance sheet as at 30 June 2007.*
2) *Liabilities included in issued financial guarantees are measured at fair value and recorded in the balance sheet.*
3) *NOK 70 639 million in securities as at 30 June 2007 has been pledged as collateral for credit facilities with Norges Bank (the Norwegian central bank). According to regulations, these loans must be fully collateralised by a mortgage on interest-bearing securities and/or the bank's deposits with Norges Bank. As at 30 June 2007, DnB NOR Group had borrowings of NOK 10 030 million from Norges Bank.*

Contingencies

Due to its extensive operations in Norway and abroad, the DnB NOR Group will regularly be party to a number of legal actions. None of the current disputes are expected to have any material impact on the Group's financial position.

In 2004, DnB NOR Bank issued a writ against the Norwegian government, represented by the Central Tax Office for Large Companies, requiring that the tax assessment for 2002 be invalidated. The bank claimed that the tax authorities made incorrect use of the realisation principle with respect to interest rate and currency swaps, as no tax credit was awarded for net losses in the tax assessment. In 2006, the bank lost the case in the District Court. The outcome will have no material effect on the result for the DnB NOR Group. The decision has been appealed.

Lloyd´s Underwriters has announced an action for damages against Vital Skade AS, maintaining that the company has been wrongfully involved in an insurance claim of up to NOK 200 million by Vital Skade. The claim is contested.

Heidelberger Cement Pensjonskasse/Norcem AS has filed a complaint with the court of conciliation against Vital Forsikring, with a claim for damages of up to NOK 110 million. It is claimed that Vital Forsikring ASA gave incorrect advice in connection with a transfer of assets from a premium fund under the company's pension scheme. The claim is contested.

Note 19 – Profit and balance sheet trends

Income statement

Amounts in NOK million	DnB NOR Group 2nd quarter 2007	1st quarter 2007	4th quarter 2006	3rd quarter 2006	2nd quarter 2006
Total interest income	14 798	13 386	12 556	10 961	10 001
Total interest expenses	10 579	9 401	8 581	7 049	6 219
Net interest income	**4 219**	**3 985**	**3 975**	**3 911**	**3 781**
Commissions and fees receivable etc.	2 429	2 322	2 371	2 050	2 215
Commissions and fees payable etc.	562	587	583	530	566
Net gains on financial instruments at fair value	989	1 057	1 150	705	739
Net gains on assets in Vital	6 118	4 572	6 022	2 723	2 445
Guaranteed returns and allocations to policyholders in Vital	5 598	4 193	5 731	2 392	2 008
Premium income etc. included in the risk result in Vital	917	1 414	1 191	1 001	1 059
Insurance claims etc. included in the risk result in Vital	904	1 401	1 146	960	1 121
Net realised gains on investment securities (AFS)	0	0	0	0	0
Profit from companies accounted for by the equity method	21	37	24	94	24
Other income	323	306	323	262	302
Net other operating income	**3 733**	**3 528**	**3 622**	**2 951**	**3 090**
Total income	**7 952**	**7 513**	**7 597**	**6 863**	**6 871**
Salaries and other personnel expenses	2 207	2 129	2 129	1 985	1 927
Other expenses	1 453	1 416	1 669	1 323	1 379
Depreciation and impairment of fixed and intangible assets	242	199	196	183	177
Total operating expenses	**3 902**	**3 744**	**3 994**	**3 491**	**3 483**
Net gains on fixed and intangible assets	9	5	66	135	151
Write-downs on loans and guarantees	140	51	(16)	(51)	(165)
Pre-tax operating profit	**3 919**	**3 723**	**3 684**	**3 558**	**3 703**
Taxes	512	856	291	844	853
Profit from discontinuing operations after taxes	0	0	0	0	0
Profit for the period	**3 407**	**2 866**	**3 394**	**2 714**	**2 851**
Earnings per share (NOK)	2.50	2.11	2.52	2.00	2.11

Note 19 – Profit and balance sheet trends (continued)

Balance sheet					DnB NOR Group
	30 June	31 March	31 Dec.	30 Sept.	30 June
Amounts in NOK million	2007	2007	2006	2006	2006
Assets					
Cash and deposits with central banks	8 951	18 685	11 453	15 474	14 022
Lending to and deposits with credit institutions	127 298	109 713	71 091	69 116	90 282
Lending to customers	882 810	842 298	827 947	801 747	764 766
Commercial paper and bonds	157 273	165 668	172 040	161 954	154 927
Shareholdings	65 570	61 091	51 393	45 781	42 868
Financial assets, customers bearing the risk	19 105	18 867	18 840	16 005	14 800
Financial derivatives	61 024	58 006	57 999	51 539	34 085
Shareholdings, available for sale	0	0	0	0	0
Commercial paper and bonds, held to maturity	62 906	60 093	62 444	62 478	60 898
Investment property	26 662	25 846	25 816	25 173	24 042
Investments in associated companies	1 462	1 467	1 515	1 457	1 425
Intangible assets	7 196	6 393	6 471	6 446	6 264
Deferred tax assets	80	28	38	42	40
Fixed assets	5 245	5 590	5 478	5 244	5 152
Biological assets	0	0	0	0	0
Discontinuing operations	812	27	27	43	67
Other assets	10 668	9 888	7 691	5 460	8 376
Total assets	**1 437 061**	**1 383 659**	**1 320 242**	**1 267 961**	**1 222 016**
Liabilities and equity					
Loans and deposits from credit institutions	163 739	141 592	124 372	121 100	133 036
Deposits from customers	527 937	503 129	474 526	457 485	459 734
Financial derivatives	63 100	59 474	58 812	46 533	33 217
Securities issued	328 508	330 288	326 806	316 466	281 508
Insurance liabilities, customers bearing the risk	19 105	18 867	18 840	16 005	14 800
Liabilities to life insurance policyholders	191 452	189 715	188 096	182 181	182 208
Payable taxes	5 466	4 707	4 091	3 331	2 457
Deferred taxes	426	767	730	1 740	1 819
Other liabilities	31 239	23 951	18 812	20 031	18 039
Discontinuing operations	0	0	0	0	0
Provisions	4 503	4 582	4 768	4 399	4 355
Subordinated loan capital	34 152	37 432	33 977	36 199	31 235
Total liabilities	**1 369 627**	**1 314 503**	**1 253 829**	**1 205 469**	**1 162 409**
Minority interests	2 536	2 226	2 201	1 650	1 551
Revaluation reserve	0	0	0	0	0
Share capital	13 341	13 341	13 341	13 341	13 342
Other reserves and retained earnings	51 557	53 589	50 870	47 501	44 715
Total equity	**67 434**	**69 156**	**66 413**	**62 492**	**59 607**
Total liabilities and equity	**1 437 061**	**1 383 659**	**1 320 242**	**1 267 961**	**1 222 016**

DnB NOR ASA

Income statement

Amounts in NOK million	2nd quarter 2007	2nd quarter 2006	1st half 2007	1st half 2006	Full year 2006
Total interest income	72	34	113	62	132
Total interest expenses	62	44	117	84	185
Net interest income	**10**	**(9)**	**(3)**	**(22)**	**(53)**
Commissions and fees payable etc.	2	2	3	3	6
Net gains on financial instruments at fair value	0	0	0	0	11
Other income [1)]	0	0	0	0	9 904
Net other operating income	**(2)**	**(2)**	**(3)**	**(3)**	**9 909**
Salaries and other personnel expenses	0	0	0	0	2
Other expenses	53	45	106	90	182
Total operating expenses	**54**	**45**	**106**	**90**	**185**
Pre-tax operating profit	**(45)**	**(57)**	**(112)**	**(115)**	**9 672**
Taxes	(13)	(16)	(31)	(32)	2 311
Profit for the period	**(33)**	**(41)**	**(81)**	**(83)**	**7 360**
Earnings per share (NOK) [2)]	(0.02)	(0.03)	(0.06)	(0.06)	5.51
Earnings per share for discontinuing operations (NOK) [2)]	0.00	0.00	0.00	0.00	0.00

1) *Dividends from group companies/group contributions.*
2) *DnB NOR has not issued options or other financial instruments that could cause dilution of earnings per share.*

Balance sheet

Amounts in NOK million	30 June 2007	31 Dec. 2006	30 June 2006
Assets			
Deposits with DnB NOR Bank ASA	6 832	3 617	3 532
Lending to other group companies	225	225	225
Investments in group companies	48 642	48 642	48 642
Other receivables due from group companies	26	12 656	35
Other assets	31	0	77
Total assets	**55 757**	**65 140**	**52 511**
Liabilities and equity			
Loans from DnB NOR Bank ASA	5 557	5 719	5 719
Loans from other group companies	422	4 227	262
Other liabilities and provisions	1 246	6 582	18
Paid-in capital	25 275	25 275	25 276
Retained earnings	23 257	23 337	21 237
Total liabilities and equity	**55 757**	**65 140**	**52 511**

Note 1 – Transition to IFRS and accounting principles etc.

Transition to IFRS

DnB NOR ASA has as of 1 January 2007 prepared accounts according to the Norwegian Ministry of Finance's regulations on annual accounts, Section 1-5, on the use of IFRS (International Financial Reporting Standards), hereinafter called the Norwegian IFRS regulations. These regulations give permission to record provisions for dividends and group contributions in subsidiaries as income and record the Board of Directors' proposed dividends and group contributions as liabilities on the balance sheet date. According to IFRS, dividends should be classified as equity until approved by the general meeting. DnB NOR ASA is the parent company in the DnB NOR Group, which implemented IFRS in the consolidated accounts as of 1 January 2005. The DnB NOR Group's opening balance date was 1 January 2004.

Up until 31 December 2006, DnB NOR ASA prepared statutory accounts based on Norwegian accounting legislation, the accounting regulations issued by the Ministry of Finance and Norwegian generally accepted accounting principles, hereinafter referred to as NGAAP. Transition to IFRS did not entail changes in accounting principles other than certain reclassifications in income statement.

Changes in the income statement

- The line "dividends from group companies/group contributions" is no longer included, and these items are presented under "other income".
- The lines "net gains on foreign exchange and financial instruments" and "net gains on long-term securities" are no longer included, and these items are presented on the line "net gains on financial instruments at fair value".

Accounting principles etc.

Changes in accounting principles

The effects of changes in accounting principles are recorded directly against equity.

Ownership interests in group companies

Subsidiaries are defined as companies in which DnB NOR ASA has control, directly or indirectly, through a long-term ownership interest and a holding of more than 50 per cent of the voting share capital or primary capital. DnB NOR ASA's subsidiaries are DnB NOR Bank ASA, Vital Forsikring ASA, DnB NOR Kapitalforvaltning Holding AS and Vital Skade AS. All subsidiaries are 100 per cent owned.

In the accounts of DnB NOR ASA, investments in subsidiaries are recorded at cost.

Transactions with group companies

Transactions with subsidiaries are conducted in accordance with general business conditions and principles whereby income, expenses, losses and gains are distributed as correctly as possible between the group companies.

Dividends and group contributions

Dividends and group contributions from group companies are recorded in the accounts in the same year as provisions are made in the relevant companies. Group contributions received are classified as dividends when considered to represent return on invested capital. Distributed dividends and group contributions are recorded as liabilities in accordance with the Board of Directors proposal on the balance sheet date.

Taxation

Taxes for the year comprise payable taxes for the financial year and changes in the value of deferred taxes and deferred tax assets.

Deferred taxes are calculated on the basis of differences between the profits stated in the accounts and the profits computed for tax purposes, which will be offset in the future. Evaluations are based on the balance sheet and tax position on the balance sheet date. Taxable and tax-deductible timing differences will be netted against each other within the same time interval. Deferred tax assets can be recognised as assets in the balance sheet when it is considered probable that the tax-deductible timing differences may be realised.

Information about the DnB NOR Group

Head office DnB NOR ASA

Mailing address	NO-0021 Oslo
Visiting address	Stranden 21, Oslo
Telephone	+47 915 03000
Internet	www.dnbnor.com
Organisation number	Register of Business Enterprises NO 981 276 957 MVA

Board of Directors in DnB NOR ASA

Olav Hytta, chairman
Johan Nic. Vold, vice-chairman
Per Hoffmann
Nina Britt Husebø
Jørn O. Kvilhaug
Bent Pedersen
Heidi M. Petersen
Trine Sæther Romuld
Ingjerd Skjeldrum
Bjørn Sund
Anne Carine Tanum

Group management

Rune Bjerke	Group chief executive
Tom Grøndahl	Deputy CEO/chief financial officer
Leif Teksum	Group executive vice president, Corporate Banking and Payment Services
Åsmund Skår	Group executive vice president, Retail Banking
Ottar Ertzeid	Group executive vice president, DnB NOR Markets
Liv Fiksdahl	Group executive vice president, Operations
Tom Rathke	Group executive vice president, Life Insurance and Asset Management
Anne-Brit Folkvord	Group executive vice president, HR
Cathrine Klouman	Group executive vice president, IT

Investor Relations

Tom Grøndahl, deputy CEO/chief financial officer	tel. +47 22 48 29 22	tom.grondahl@dnbnor.no
Per Sagbakken, head of IR/Long-term Funding	tel. +47 22 48 20 72	per.sagbakken@dnbnor.no
Thor Tellefsen	tel. +47 22 94 93 88	thor.tellefsen@dnbnor.no
Jo Teslo	tel. +47 22 94 92 86	jo.teslo@dnbnor.no
Helge Stray	tel. +47 22 94 93 76	helge.stray@dnbnor.no

Financial calendar 2007

Annual General Meeting	24 April
Distribution of dividends	as of 7 May
First quarter	3 May
Second quarter	9 August
Third quarter	1 November

Other sources of information

Annual reports

Annual reports for the DnB NOR Group are available on www.dnbnor.com. Separate annual reports are prepared for the DnB NOR Bank Group and Vital.

Quarterly publications

Quarterly reports and supplementary information for investors and analysts are available on www.dnbnor.com. Separate quarterly reports are prepared for the DnB NOR Bank Group and Vital.

The publications can be ordered by sending an e-mail to investor.relations@dnbnor.no.

The quarterly report has been produced by Group Financial Reporting, Corporate Communications and the Graphic Centre in DnB NOR.
Print: LO&S Grafisk AS

www.dnbnor.com

DnB NOR Graphic Centre – Photo: DnB NOR