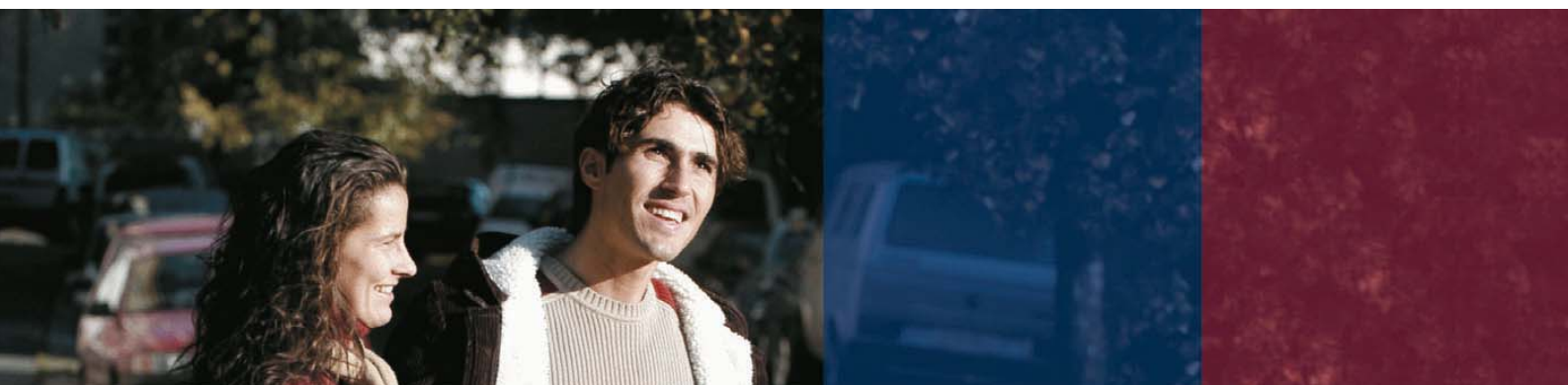


## Third quarter report 2004



# Third quarter report 2004

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

Pre-tax operating profits before losses stood at NOK 7 012 million for the January through September period in 2004, up from NOK 6 516 million for total operations in DnB and Gjensidige NOR in the year-earlier period. Pre-tax operating profits increased from NOK 4 930 million to NOK 6 966 million. After taxes, profits came to NOK 5 085 million for the first nine months of 2004, a 33.5 per cent rise from NOK 3 808 million in the year-earlier period. Corresponding figures for return on equity before goodwill amortisation were 16.5 and 13.7 per cent respectively, while earnings per share stood at NOK 4.21 and NOK 3.28 before goodwill amortisation.

Pre-tax operating profits before losses for the third quarter of 2004 were NOK 2 353 million. The corresponding figure for the two former groups was NOK 2 244 million for the third quarter of 2003. Pre-tax operating profits increased from NOK 1 885 million in 2003 to NOK 2 498 million in the third quarter of 2004, while profits after taxes rose from NOK 1 384 million to NOK 1 823 million. Thus, return on equity before goodwill amortisation increased from 14.5 to 16.8 per cent and earnings per share from NOK 1.18 to NOK 1.49 before goodwill amortisation.

At end-September 2004, total combined assets in the DnB NOR Group were NOK 1 222 billion, up from NOK 1 182 billion a year earlier. The core capital ratio, including 50 per cent of profits for the year to date, was 7.3 per cent at end-September 2004 and 6.6 per cent a year earlier. Excluding interim profits, the corresponding ratios were 6.9 and 6.2 per cent respectively.

Integration effort in the Group has shown healthy progress, and cost synergies have been realised according to plan. The process of moving and reprofiling branch offices and establishing joint customer solutions is well under way. In the third quarter, one of the bank's main agreements for the purchase of IT services was renegotiated. The contract will ensure the realisation of IT-related synergies.

Market activity has been maintained at a high level. DnB NOR focuses efforts on the most profitable segments and products. Retail customers in DnB NOR have achieved better terms through a broader range of customer loyalty programmes and the harmonisation of price structures from the former DnB and Gjensidige NOR. These adjustments will give DnB NOR a sound basis for maintaining and strengthening its position in the retail market. In the corporate market, DnB NOR intends to improve customer contact by delegating considerable credit approval authority to the bank's local and regional account officers. The bank has expanded customer contact through special arrangements in the form of meetings, seminars and courses for representatives from various sectors.

## Net interest income

Net interest income declined by NOK 201 million from the third quarter of 2003. Adjusted for the sale of Elcon, however, there was an underlying increase in net interest income of NOK 28 million. An increase of NOK 40 billion in average lending to customers combined with a NOK 13 billion rise in deposits pushed up net interest income by NOK 240 million. Narrower interest spreads brought down net interest income by NOK 167 million. Lending spreads contracted by an average 0.12 percentage points from the third quarter of 2003, while deposit spreads expanded by 0.03 percentage points. Lower average interest rate levels reduced the net funding effect of equity, share investments and fixed assets by NOK 84 million. However, new guarantee fund rules ensured a NOK 59 million rise in net interest income in the third quarter compared with the previous year. At end-September 2004, interest rates on NOK 73 billion of the total deposit volume were below 0.25 per cent per annum.

The table below specifies changes in net interest income between the two quarters.

## Changes in net interest income

<i>Amounts in NOK million</i>	3rd quarter 2004	Change	3rd quarter 2003
Net interest income	3 308	(201)	3 509
Elcon	-	(229)	229
Net adjusted interest income	3 308	28	3 280
Of which:			
Lending and deposit volumes		240	
Lending and deposit spreads		(167)	
Net funding effect of equity, share investments and fixed assets		(84)	
Contributions to the banks' guarantee funds		59	
Other		(20)	

## Net other operating income

Net other operating income amounted to NOK 2 024 million in the third quarter of 2004, up NOK 7 million from the year-earlier period.

The full takeover of operations in the companies Gjensidige NOR Driftspartner and Gjensidige NOR Markedsstøtte from January 2004 gave a NOK 60 million increase in income in the group accounts compared with the year-earlier period. Driftspartner and Markedsstøtte were previously joint ventures with Gjensidige NOR Forsikring. The above income stems from services provided under cooperation agreements. See further description of corresponding effects under operating expenses. After adjustments for Elcon, Driftspartner and Markedsstøtte, net other operating income declined by NOK 38 million relative to income for comparable operations in the corresponding period of 2003.

In consequence of, among other things, lower volatility for the Norwegian krone and a narrow interest rate differential between NOK and other currencies, total income from traditional financial services declined by NOK 77 million compared with the year-earlier period. The Group's share of profits from life insurance operations was up NOK 109 million in the third quarter of 2004. Trading income on foreign exchange and interest rate instruments in DnB NOR Markets rose by NOK 15 million from the corresponding period in 2003. Equity-related income declined by NOK 106 million due to lower recorded gains on the Group's shareholdings. At end-September 2004, unrealised gains on securities not recorded in the group accounts totalled NOK 80 million.

The table below specifies changes in third-quarter net other operating income from 2003 to 2004.

## Changes in net other operating income

<i>Amounts in NOK million</i>	3rd quarter 2004	Change	3rd quarter 2003
Net other operating income	2 024	7	2 017
Elcon	-	(15)	15
Driftspartner and Markedsstøtte	60	60	-
Net adjusted other operating income	1 964	(38)	2 002
Of which:			
Income from traditional financial services, adjusted		(77)	
Share of profits in Life Insurance and Pensions		109	
Trading income on foreign exchange and interest rate instruments, DnB NOR Markets		15	
Equity-related income		(106)	
Gains on the sale of fixed assets		21	

## Operating expenses

Operating expenses totalled NOK 2 979 million in the July through September period in 2004, down NOK 303 million from the year-earlier period. Of this, NOK 125 million represented expenses incurred by Elcon. The takeover of total operations in Driftspartner and Markedsstøtte pushed up operating expenses by NOK 60 million in the third quarter of 2004 compared with the year-earlier

period. Other expenses were reduced by NOK 30 million. Ordinary operating expenses were brought down by NOK 208 million relative to expenses for comparable operations in the corresponding period of 2003.

Changes in operating expenses from the third quarter of 2003 are shown in the table below.

## Changes in operating expenses

<i>Amounts in NOK million</i>	3rd quarter 2004	Change	3rd quarter 2003
Total operating expenses	2 979	(303)	3 282
Other expenses	5	(30)	35
Elcon	-	(125)	125
Driftspartner and Markedsstøtte	60	60	-
Total adjusted ordinary operating expenses	2 914	(208)	3 122
Of which:			
Wage settlements and pensions		53	
External distribution		13	
Merger synergies		(178)	
Other streamlining measures		(96)	

Wage settlements and higher pension costs pushed up third-quarter expenses by NOK 53 million compared with the year-earlier period. Merger synergies of NOK 178 million were realised in the third quarter of 2004. The initiation of measures to restructure and streamline operations contributed to cost cuts relating to performance-based pay, postage, telecommunications, office supplies and marketing.

The ordinary cost/income ratio, i.e. ordinary expenses relative to income, was 53.5 per cent before goodwill amortisation in the third quarter of 2004, as against 56.1 per cent in 2003.

Staff cuts represented 143 full-time positions in the third quarter of 2004. The reductions will have an increasing impact on future cost developments.

## Loan-loss provisions and non-performing commitments

Net reversals on previous losses on loans and guarantees of NOK 121 million were recorded in the third quarter of 2004, compared with net losses of NOK 356 million in the corresponding period of 2003. New losses and loan-loss provisions amounted to NOK 289 million, while reversals on previous losses and loan-loss provisions totalled NOK 410 million. The third quarter of 2003 saw new losses of NOK 540 million and reversals of NOK 185 million.

Prolonged low interest rate levels and close follow-ups helped hold the loan-loss level down in the retail market. In the corporate market, the low interest rates and weak Norwegian krone contributed to net reversals on losses and loan-loss provisions in the third quarter of 2004, while the Group recorded net losses in the year-earlier period.

Credit quality in the loan portfolio was maintained at roughly the same level as at end-June 2004. Thus, unspecified loan-loss provisions in the Group's balance sheet were not adjusted in the third quarter of 2004.

Non-performing commitments, after specified loan-loss provisions, were scaled back by NOK 1 121 million in the quarter, totalling NOK 4 929 million at end-September 2004. Non-performing and doubtful commitments, after specified loan-loss provisions, were down NOK 1 213 million to NOK 7 112 million.

## Taxes

The DnB NOR Group's tax charge for the third quarter of 2004 was NOK 675 million, based on an anticipated average tax rate of 27 per cent of pre-tax operating profits.

## Balance sheet and assets under management

At end-September 2004, total combined assets in the DnB NOR Group were NOK 1 222 billion, up from NOK 1 182 billion a year earlier. Total assets in the Group's balance sheet were NOK 719 billion. Net lending rose by NOK 32 billion in the January through September period adjusted for the sale of Elcon. Customer deposits rose to NOK 350 billion, from NOK 336 billion at end-December 2003. The ratio of deposits to lending was 62.1 per cent at end-September 2004, compared with 63.2 per cent at the end of 2003, adjusted for the sale of Elcon.

In addition to deposits recorded in the balance sheet, the DnB NOR Group managed customer savings in the form of mutual funds, insurance products etc. for a total of NOK 505 billion at end-September 2004, a rise of NOK 23 billion since the end of 2003.

## Risk and capital adequacy

The estimated capital requirement increased by NOK 2.1 billion to NOK 32.1 billion during the third quarter, mainly as a result of higher risk relating to Vital and growth in credit volume. Calculations indicate that the DnB NOR Group was well capitalised relative to the Group's equity and core capital.

The table below shows developments in the risk-adjusted capital requirement.

Amounts in NOK million	30 Sept. 2004	30 June 2004	31 Dec. 2003 <sup>1)</sup>	31 Dec. 2003
Credit risk	18 848	18 430	17 108	18 025
Market risk	1 783	1 562	1 626	1 631
Liquidity risk	630	780	700	1 107
Ownership risk for Life				
Insurance and Pensions	10 242	8 048	8 498	8 498
Operational risk	5 400	5 400	5 540	5 640
Risk-adjusted capital				
- before diversification <sup>2)</sup>	36 903	34 220	33 471	34 900
- after diversification <sup>2)</sup>	26 884	24 860	23 399	24 457
Addition for variations in expected credit losses	5 264	5 158	4 977	5 317
Estimated capital requirement	32 148	30 018	28 376	29 774

1) Excluding Elcon.

2) 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.

The rise in housing loans remained strong in the third quarter of 2004. Activity was brisk in the shipping sector, and volumes continued to climb. Credit quality remained stable. The trend in loan losses and non-performing commitments confirms that both the Norwegian and the international economy were at a positive stage relative to credit risk at end-September 2004.

Estimated risk-adjusted capital for Vital was NOK 10.2 billion, up from NOK 8 billion at end-June 2004. The increase reflected a rise in equity investments and an increase in total assets. Unrealised gains on securities were up NOK 0.1 billion to NOK 2 billion. The proportion of share investments rose from 15 to 16 per cent, while investments in bonds and money market instruments declined by one percentage point to 17 and 18 per cent respectively.

There was a slight increase in market risk, which can be attributed to the Group's involvement in the refinancing of Pan Fish and investments in Venture and Private Equity Funds. Liquidity risk was somewhat reduced, and the Group stopped funding Elcon. There were no material changes in operational risk during the quarter.

Risk-weighted volume included in the calculation of the formal capital adequacy requirement rose by NOK 3 billion in the third

quarter, to NOK 592 billion. Including 50 per cent of profits, the DnB NOR Group's core capital ratio was 7.3 per cent, while the capital adequacy ratio was 10.4 per cent at end-September 2004. DnB NOR Bank ASA had a core capital ratio of 7.4 per cent and a capital adequacy ratio of 10.9 per cent at end-September 2004. Including 50 per cent of profits in the calculations would raise the ratios to 7.9 and 11.3 per cent respectively.

## Changes in group structure

### Sale of Elcon Finans

In the first quarter of 2004, DnB NOR Bank ASA entered into an agreement with Santander Consumer Finance on the sale of Elcon for a total of NOK 3 600 million. The sale provided a gain of NOK 977 million recorded in the first-quarter accounts. A concession for implementing the transaction was granted on 2 July 2004, and the sales price and financing items were settled in early August.

### Sale of Gjensidige NOR Fondsforsikring

In May 2004, DnB NOR ASA signed an agreement with Forsikringsselskabet Danica on the sale of Gjensidige NOR Fondsforsikring AS. Danica is a subsidiary of Danske Bank. A concession for implementing the transaction was granted on 2 July 2004, and the sale was finalised in early August. NOK 35 million in gains on the sale was recorded in the third-quarter accounts.

### Sale of Postbanken Eiendomsmegling

In June 2004, DnB NOR Bank ASA signed an agreement with Terra-Gruppen AS on the sale of the real estate brokerages Postbanken Eiendomsmegling AS and Aktiv Eiendomsmegling AS. The agreement was approved by the board of directors in Terra-Gruppen in August. The actual takeover will not take place until 3 January 2005. As DnB NOR will carry the risk for and maintain control over operations up till this date, the companies' profits for 2004 will be recorded in the accounts of the DnB NOR Group in the usual manner.

## Changes in bank guarantee scheme

In June 2004, a decision was made to combine the Savings Banks' Guarantee Fund and the Commercial Banks' Guarantee Fund. Over a period of three years, savings banks will be fully exempt from fee payments. In addition, the proposal includes exemption from payment of fees on deposits over NOK 2 million.

For 2003, DnB NOR paid around NOK 500 million in guarantee fund fees. After the introduction of the new regulations, the fee for 2004 is estimated at around NOK 275 million, which is reflected in the accounts for the third quarter of 2004. The guarantee fund fee was reduced from NOK 111 million in the first quarter of 2004 to NOK 28 million in the second and NOK 70 million in the third quarter.

## Implications of new international accounting rules

In consequence of a resolution by the EU, all listed companies are required to prepare accounts in accordance with IFRS – International Financial Reporting Standards (previously IAS) as from 1 January 2005. The main implications of the new accounting rules for DnB NOR relate to financial instruments, including loans and liabilities (IAS 39), the presentation and valuation of insurance operations, treatment of investments in subsidiaries (IAS 27), treatment of goodwill (IAS 36 and 38) and accounting method for pension commitments (IAS 19).

Non-performing and doubtful commitments must be written down to the discounted value of expected future cash flows. Write-downs should also be made on a portfolio basis for credit risk which cannot be linked to specific commitments. IAS 39 does not, however, allow unspecified loan-loss provisions.

During the initial stage from 2005 through 2006, the method

of accounting for insurance contracts is not expected to have any material impact on the DnB NOR Group's profit and loss and balance sheet items.

As insurance business is fundamentally different from operations in the rest of the Group, insurance operations are currently presented in the group accounts according to the equity method. However, the introduction of IFRS implies a consolidation requirement, though there are no specific regulations for the presentation of bankassurance groups. DnB NOR will give priority to preparing a presentation model which provides useful information about total operations in the Group for investors and the market, based on uniform principles.

IFRS implies a more extensive consolidation requirement for several investments in the DnB NOR Group. Still, this is not expected to have any significant impact on the Group's profit and loss accounts, balance sheets or capital adequacy.

Goodwill cannot be amortised according to IFRS, but impairment should be considered on each balance sheet date. During the first three quarters of 2004, goodwill amortisation totalling NOK 462 million was charged to the accounts. Such amortisation will not be included in the IFRS accounts.

IAS 19 requires that pension commitments be calculated on the basis of economic parameters on the balance sheet date. Current practice has allowed a more long-term view on interest rate developments when determining such parameters. The introduction of this standard will result in a reduction in equity when converting to IFRS, and greater profit fluctuations must be expected in DnB NOR's future accounts. It is expected that deviations in estimates not recorded in the accounts will be charged to equity when converting to IFRS.

The new regulations will require adjustments in systems and routines, especially with respect to the valuation of loans. The Group's project for adaptation to the new accounting principles is on schedule.

IAS 39 has not been formally approved by the EU, and the full implications of the regulations thus remain uncertain.

Based on DnB NOR's interpretation of the above IFRS regulations, only minor changes are expected in the Group's primary capital following the conversion, while profits will rise by an amount corresponding to the goodwill amortisation excluded from the accounts.

## Integration project

The integration of DnB and Gjensidige NOR into a new and stronger financial services group is progressing according to plan. Merger plans include staff cuts of 1 630 full-time positions and cost synergies of NOK 1 760 million over a period of three years. As far as possible, redundancies will be handled through voluntary schemes. In 2004, DnB NOR will achieve cost synergies of NOK 528 million, which will be realised at a gradually increasing pace throughout the year.

Integration efforts made headway in the first nine months of 2004, realising synergies of around NOK 426 million. Additional synergies of NOK 93 million relating to the merger were achieved in 2003. In the third quarter, integration efforts were primarily focused on ensuring uniform customer service from the autumn of 2004. The process of combining and reprofiling branches and electronic channels was started, DnB NOR's customer loyalty programmes were launched, and key products and services were coordinated. By the end of the year, more than 70 branches will sport the new corporate image.

## Business areas

The activities of DnB NOR are organised into five business areas in addition to staff and support units. As independent profit centres, the business areas carry responsibility for customer segments

served by the Group, as well as the products offered. Differentiated financial and non-financial requirements have been set for the business areas which in combination will help the DnB NOR Group reach its financial targets.

## Corporate Banking

Corporate Banking recorded pre-tax profits before losses of NOK 3 488 million in the first three quarters of the year, as against NOK 3 594 million in the corresponding period of 2003. Adjusted for lower interest on allocated capital, profits showed a positive trend.

Ordinary net interest income was up NOK 280 million on the year-earlier period, primarily due to more accurate pricing of credit risk during the first three quarters of 2004.

Other income stood at NOK 1 521 million, down from NOK 1 599 million in the year-earlier period. There has been a high level of customer-related activity thus far in 2004. Due to low floating interest rates and the steep interest curve in Norway, demand for hedging products was down and income from foreign exchange and interest rate markets declined in the first nine months of 2004 compared with the year-earlier period. Income relating to leasing and factoring showed a positive trend. The harmonisation of prices and products for corporate customers in connection with the DnB NOR merger was completed in the third quarter.

Costs were reduced by a total of NOK 31 million in the first three quarters of 2004 relative to the year-earlier period. The business area was ahead of schedule in realising synergies relating to the DnB NOR merger.

The use of Internet services has climbed sharply and covers a significant part of customers' everyday banking needs. A new joint Internet portal for DnB NOR was launched in the beginning of September, which has been well received by customers.

The volume of loans and guarantees totalled NOK 292.9 billion as at 30 September, up NOK 0.5 billion since end-September 2003. Market shares for corporate lending showed a slightly negative trend.

As a result of good liquidity among customers in 2004, deposits rose by NOK 5.5 billion to NOK 163.5 billion compared with the year-earlier period. Market shares for deposits were marginally lower than in 2003.

The quality of the credit portfolio was sound and stable. There were net reversals of NOK 52 million on previous loan losses in the January through September period of 2004, reflecting reversals on loan-loss provisions for several commitments.

Volume trends during the remainder of the year will depend on the Norwegian business sector's willingness to invest and demand for credit. The volume of loans and guarantees is expected to increase somewhat through the rest of 2004.

## Retail Banking

Retail Banking showed pre-tax operating profits before losses of NOK 2 521 million in the first three quarters of the year, an increase of NOK 528 million from the corresponding period a year earlier.

Hefty sales efforts resulted in a growth in lending of NOK 42 billion or 16 per cent compared with the year-earlier period. The increase in volume related mainly to well secured housing loans. Lending spreads were stable in the third quarter, representing 1.7 percentage points on average for the portfolio, including credit card activity. Deposit spreads averaged 0.8 percentage points.

Due to the strong lending growth, net interest income was up NOK 77 million compared with the corresponding period of 2003. The Group had a market share for bank lending to wage-earners of 38.6 per cent at end-August 2004, as against 38.4 per cent at end-June 2003.

Net other operating income totalled NOK 2 059 million, a rise of 8 per cent from the corresponding period in 2003. Commission



income from mutual funds and insurance products showed a particularly sound trend.

Operating expenses came to NOK 4 877 million, down NOK 301 million from the year-earlier period. The cost/income ratio in the first three quarters of the year was 65.7 per cent.

Net losses on loans were NOK 126 million for the nine-month period, which represents 0.05 per cent of annual lending.

As at 30 September 2004, there were 4 383 full-time positions in Retail Banking. The business area was ahead of schedule in realising synergies relating to the DnB NOR merger.

Efforts to establish a joint customer service concept, merge bank branches and present offices in the new DnB NOR design are well under way, and prices and products have been harmonised. The price adjustments are positive for customers, and the financial consequences for Retail Banking are better than the negative income synergies projected to result from the merger. Sales of the new customer loyalty programmes started in September, and during 2005 all existing programme customers should have received an offer presenting the new alternatives.

Two new mutual funds were launched in September, Global Selektiv I and DnB NOR Global Allokering, which have been well received in the market. During the autumn, a number of improvements in DnB NOR's range of mutual funds will be introduced. A new joint Internet portal for [dnbnor.no](http://dnbnor.no) was launched in September, and a new, joint telephone number, (+47) 915 04800, for all of DnB NOR's retail customers has been established. The telephone number for Postbanken's customers is (+47) 915 03800.

Lending growth is expected to show a continued positive trend, along with brisk growth for long-term savings alternatives, primarily mutual funds and insurance products. Growth in deposits is expected to be moderate as long as interest rates remain low. Sound advice, good information and relationship building will be key elements in sales efforts.

#### **DnB NOR Markets**

DnB NOR Markets achieved satisfactory profits in the first three quarters of 2004. Pre-tax operating profits were NOK 1 010 million, the same as in the year-earlier period. In general, markets were quieter than last year, with the exception of the equities market where activity was up. DnB NOR Markets strengthened its position as the largest equities brokerage firm on Oslo Børs (the Oslo stock exchange) in the third quarter. In the same period DnB NOR Markets introduced the first perpetual subordinated loan capital securities and credit derivative products for customers.

Income totalled NOK 1 824 million for the first three quarters of 2004, compared with NOK 1 897 million in the year-earlier period. Interest income on allocated capital was down NOK 43 million due to lower interest levels.

Income on customer business in foreign exchange and interest rate derivatives was NOK 648 million, down NOK 12 million compared with the corresponding period of 2003. Low floating interest rates and a steep interest curve brought down demand for interest rate hedging products.

Customer-related revenues on the sale of securities and other investment products were NOK 382 million in the period from January through September 2004, as against NOK 419 million in the year-earlier period. The benchmark index on Oslo Børs rose by 7.2 per cent in the third quarter, spurring increased activity within equities trading. DnB NOR Markets arranged several major equity transactions in the market. More resources were devoted to research on shipping companies. Income on the sale of capital-guaranteed products was lower in the first three quarters of 2004 than in the year-earlier period.

Earnings on corporate finance services totalled NOK 139 million in the first three quarters of 2004, down from NOK 146 million in the year-earlier period. Low credit demand from companies resulted

in reduced activity in the market for syndicated loans. DnB NOR Markets participated in raising capital for a new fund for private investment capital arranged by Norsk Vekst.

Income from the sale of custodial services totalled NOK 138 million for the January through September period, up from NOK 127 million in the corresponding period last year. Lower prices were offset by higher volumes.

Earnings from market making and other proprietary trading showed a healthy trend, totalling NOK 488 million in the first three quarters of the year, up NOK 16 million from the year-earlier period.

Costs were reduced by NOK 73 million, or 8.2 per cent. At end-September 2004, DnB NOR Markets had realised its target of cutting back staff by 100 full-time positions. Return on equity was 52.6 per cent, while the cost/income ratio stood at 44.8 per cent.

#### **Life Insurance and Pensions**

During the first nine months of 2004, Life Insurance and Pensions (Vital) strengthened its position as Norway's largest provider of pension savings and life insurance products, with total assets of NOK 172 billion at the end of the period. The business area recorded a sound rise in premium income and in the net inflow of transfers. Estimated profits from life insurance operations for allocation to policyholders were NOK 2 107 million, while allocations to the owner totalled NOK 646 million after taxes.

Performance within Life Insurance and Pensions reflected the upturn on Oslo Børs in the first three quarters of 2004. Pre-tax operating profits totalled NOK 792 million, compared with NOK 573 million in the year-earlier period. Vital Forsikring recorded profits after taxes of NOK 646 million, up from NOK 476 million in the first nine months of 2003. The recorded and value-adjusted returns on capital, excluding changes in unrealised gains on long-term securities, were 5.0 and 4.6 per cent respectively, compared with corresponding returns of 5.2 and 7.0 per cent for Vital Forsikring ASA in the year-earlier period.

Premium income recorded in the January through September period in 2004 totalled NOK 16.8 billion, an increase of 48 per cent from the corresponding period in 2003. Reserves totalling NOK 4.8 billion were transferred from other companies during the nine-month period, representing an increase of NOK 2.5 billion from 2003. The recorded net inflow of reserves was NOK 2.9 billion.

Vital Forsikring strengthened disability reserves by NOK 165 million in the first three quarters of the year.

The business area was on schedule in realising synergies in connection with the DnB NOR merger.

Vital Forsikring's solvency capital increased by NOK 3.1 billion in the January through September period, mainly reflecting interim profits and changes in unrealised gains on securities.

Life Insurance and Pensions has a leading position within the management of policyholders' funds, with a market share of 36.2 per cent as at 30 June 2004, up 1 percentage point from end-December 2003. Life Insurance and Pensions was also the largest provider of group pension schemes to companies in the private sector, with a market share of 45.3 per cent.

Non-life products not subject to profit sharing will be sold to Gjensidige NOR Forsikring in the fourth quarter of 2004.

In May 2004, the Ministry of Finance presented its recommendation 'Regarding the Act on amendments to the Act on Insurance Activity etc.' (proposition no. 74 2003-2004 to the Odelsting). The proposal represents a clearer distinction between policyholders' funds and the company's own funds as well as preset product prices. Life Insurance and Pensions is positive to the general direction set out by the proposed amendments, though within certain areas, they could represent challenges for the industry.

Life Insurance and Pensions anticipates continued growth in the market for pension savings. Based on the Norwegian government's

proposal regarding statutory occupational pensions, it is anticipated that an increasing number of companies will offer employees occupational pension schemes. Individual pension savings are expected to show a further rise.

### Asset Management

Asset Management recorded satisfactory profits in the first three quarters of 2004. Pre-tax operating profits before losses were NOK 184 million, up from NOK 105 million in the year-earlier period. Total revenues amounted to NOK 694 million for the period. Commission income came to NOK 671 million, which was NOK 87 million higher than in the corresponding period of 2003.

Commission income from the retail market stood at NOK 265 million, while income from institutional clients totalled NOK 406 million.

Operating expenses for the first nine months of 2004 were NOK 509 million, NOK 17 million lower than for comparable operations in the corresponding period of 2003. The business area was ahead of schedule in realising cost synergies relating to the DnB NOR merger.

As at 30 September 2004, the business area had a total of NOK 489.9 billion under management, an increase of NOK 25.5 billion or 5.5 per cent since 31 December 2003. NOK 24.9 billion of the increase in assets under management stemmed from developments in equity prices and interest rates, while the weaker Norwegian krone gave a negative exchange effect of NOK 1.4 billion on international securities under management. The net inflow of new funds was NOK 2.0 billion. Assets under management for Norwegian clients rose by 10 per cent. For operations outside Norway, the increase in assets under management was 1.0 per cent, or 1.56 per cent measured in customers' local currencies. Investment funds from the retail market amounted to NOK 40.1 billion at end-September after a net outflow of funds of NOK 0.9 billion. The corresponding figures for institutional clients were NOK 449.8 billion and a positive net inflow of NOK 2.9 billion respectively.

The Norwegian savings market has shown a positive trend thus far in 2004. Nevertheless, competition for available funds necessitates further adaptation of products and services. Combining decision-making processes, work methods and resources from the two merged groups will provide additional cost synergies as planned. Customer interests will be further promoted through, for example, a broader range of services. At end-September 2004, the number of customer relationships exceeded 1.2 million. The strong upturn in the Norwegian stock market has helped ensure a sound rise in the value of Norwegian equity funds.

An agreement has been signed with Skandiabanken to take over their asset management operations, scheduled to come into effect in November 2004. The agreement involves discretionary management of assets for a total of SEK 2.5 billion for retail customers and small companies in Sweden.

### Prospects for the rest of the year

The upturn in the Norwegian economy continued in the third quarter. The labour market has shown signs of improvement and activity is high within building and construction. Increased household demand has stimulated the willingness to invest within retail trade and the service sector. Strong growth in real wages is expected to keep demand at a high level. Manufacturing investment appears to be increasing and corporate credit demand has shown a moderate rise. Household demand remains high, though growth was somewhat lower in the third quarter.

The proposed Fiscal Budget for 2005 will have a neutral effect on economic activity. Inflation is expected to remain low for the rest of the year. It is assumed that Norges Bank (the central bank of Norway) will not raise key rates until the spring of 2005. The savings market is expected to see increasing demand for products with a higher risk profile that provide stronger returns than traditional bank savings.

DnB NOR's future performance will largely depend on economic developments in Norway as well as in the international arena. Further expansion in the economy is likely to stimulate credit growth and increase investment opportunities, which in turn will boost customer demand for savings products and other financial services.

Economic trends have been favourable in 2004, which has had a positive effect on credit risk in most customer segments. However, there is potential for further improvement in portfolio quality in some areas, and credit risk and risk pricing are not fully correlated in all areas.

In consequence of the favourable parameters for the business sector and low interest rate levels, loan losses are expected to remain relatively low during the rest of 2004, though developments in certain segments, especially fish farming and related operations, remain uncertain.

Though DnB NOR has a strong position in the Norwegian market in many areas, new income sources can still be found. By using our distribution network more effectively it will be possible to offer a greater number of the Group's financial services to an increasing number of customers. There is also scope for selective growth in many segments and geographic areas. Changes in parameters and market requirements also provide new income opportunities, especially within Life Insurance and Pensions.

Through further development of the organisation and market efforts, DnB NOR will realise the Group's core values: Team spirit, simplicity and value creation.

Oslo, 27 October 2004  
The Board of Directors of DnB NOR ASA



Jannik Lindbæk  
(vice-chairman)



Olav Hytta  
(chairman)



Bjørn Sund  
(vice-chairman)



Helge Leiro Baastad



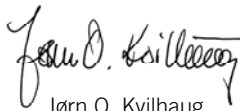
Sverre Finstad



Per Hoffmann



Berit Kjøl



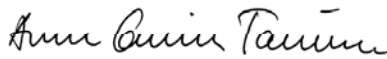
Jørn O. Kvilhaug



Bent Pedersen



Ingjerd Skjeldrum



Anne Carine Tanum



Per Terje Vold



Svein Aaser  
(group chief executive)



## Profit and loss accounts

		DnB NOR Group				
		3rd quarter	Pro forma 3rd quarter	Pro forma January-September	Pro forma Full year	
<i>Amounts in NOK million</i>	Note	2004	2003	2004	2003	2003
Interest income	3	7 059	9 077	21 517	30 514	38 430
Interest expenses	3	3 751	5 568	11 617	20 023	24 641
<b>Net interest income and credit commissions</b>	3	<b>3 308</b>	<b>3 509</b>	<b>9 900</b>	<b>10 490</b>	<b>13 789</b>
Dividends		18	27	121	165	212
Net profit from Life Insurance and Pensions	5	197	88	571	400	760
Commissions and fees receivable	4	1 652	1 623	5 023	4 602	6 335
Commissions and fees payable	4	510	521	1 556	1 479	2 056
Net gain on foreign exchange and financial instruments	4	344	496	1 192	1 355	1 847
Sundry ordinary operating income	4	294	298	1 058	875	1 181
Gains on the sale of fixed assets	2, 4	28	7	1 028	10	23
<b>Net other operating income</b>	4	<b>2 024</b>	<b>2 017</b>	<b>7 437</b>	<b>5 928</b>	<b>8 302</b>
Salaries and other ordinary personnel expenses	6	1 519	1 642	4 699	4 815	6 577
Administrative expenses	6	905	942	2 891	2 970	3 982
Depreciation	6	255	297	806	896	1 200
Sundry ordinary operating expenses	6	294	366	988	1 130	1 433
Other expenses	6	5	35	943	92	219
<b>Total operating expenses</b>	6	<b>2 979</b>	<b>3 282</b>	<b>10 325</b>	<b>9 902</b>	<b>13 410</b>
<b>Pre-tax operating profit before losses</b>		<b>2 353</b>	<b>2 244</b>	<b>7 012</b>	<b>6 516</b>	<b>8 681</b>
Net losses/(reversals) on loans etc.	9, 10	(121)	356	97	1 615	1 891
Net gain/(loss) on long-term securities		24	(3)	51	30	224
<b>Pre-tax operating profit</b>		<b>2 498</b>	<b>1 885</b>	<b>6 966</b>	<b>4 930</b>	<b>7 014</b>
Taxes		675	501	1 881	1 122	1 636
<b>Profit for the period</b>		<b>1 823</b>	<b>1 384</b>	<b>5 085</b>	<b>3 808</b>	<b>5 378</b>
Earnings per share		1.38	1.06	3.86	2.91	4.11
Diluted earnings per share		1.37	1.05	3.84	2.90	4.10
Average total assets		747 641	712 670	740 423	699 947	697 223

## Balance sheets

		DnB NOR Group		
		30 Sept.	31 Dec.	Pro forma 30 Sept.
<i>Amounts in NOK million</i>	Note	2004	2003	2003
<b>Assets</b>				
Cash and deposits with central banks		12 802	8 570	17 103
Lending to and deposits with credit institutions		24 346	28 331	31 771
Gross lending to customers	11, 12	569 843	565 546	555 591
- Specified loan-loss provisions		(3 701)	(4 329)	(5 035)
- Unspecified loan-loss provisions		(3 534)	(3 714)	(3 753)
Net lending to customers	11, 12	562 608	557 503	546 803
Reposessed assets		580	576	873
Commercial paper and bonds		65 365	59 398	60 172
Shareholdings etc.		4 312	4 011	4 608
Investments in Life Insurance and Pensions and associated companies		8 119	7 365	7 796
Intangible assets	13	6 004	6 484	7 591
Fixed assets		4 194	4 475	4 572
Other assets		25 341	23 643	21 268
Prepayments and accrued income		5 072	5 321	4 830
<b>Total assets</b>		<b>718 744</b>	<b>705 677</b>	<b>707 388</b>
<b>Liabilities and equity</b>				
Loans and deposits from credit institutions		63 501	78 497	82 451
Deposits from customers		349 654	335 576	330 704
Securities issued		192 310	181 649	175 920
Other liabilities		31 018	35 305	36 368
Accrued expenses and prepaid revenues		8 018	5 992	11 621
Provisions for commitments		2 881	2 834	2 865
Subordinated loan capital		23 718	23 709	23 989
Paid-in capital	14	24 868	24 443	24 443
Retained earnings	14	17 689	17 672	15 219
Profit for the period	14	5 085	-	3 808
<b>Total liabilities and equity</b>		<b>718 744</b>	<b>705 677</b>	<b>707 388</b>
Guarantee commitments		53 835	51 306	47 534

# Key figures

	DnB NOR Group				
	3rd quarter 2004	Pro forma 3rd quarter 2003	January-September 2004	Pro forma January-September 2003	Pro forma Full year 2003
<b>Interest rate analysis</b>					
1. Combined average spread for lending and deposits (%)	2.39	2.60	2.39	2.65	2.62
2. Spread for ordinary lending to customers (%)	1.67	1.91	1.70	1.78	1.76
3. Spread for deposits from customers (%)	0.72	0.69	0.69	0.88	0.87
<b>Rate of return/profitability</b>					
4. Net other operating income, per cent of total income	38.0	36.5	39.5	36.1	37.6
5. Cost/income ratio (%)	55.9	59.4	59.6	60.3	60.7
6. Ordinary cost/income ratio before goodwill amortisation (%)	53.5	56.1	54.9	57.0	57.1
7. Cost/income ratio before goodwill amortisation (%)	53.3	56.6	57.1	57.6	57.9
9. Return on equity (%)	15.6	12.9	15.1	12.2	12.7
8. Return on equity before goodwill amortisation (%)	16.8	14.5	16.5	13.7	14.3
10. Goodwill amortisation (NOK million)	148	165	462	487	651
11. Average equity before dividend allocation (NOK million)	46 757	42 800	44 942	41 479	42 206
<b>Financial strength</b>					
12. Core (Tier 1) capital ratio at end of period (%)	6.9	6.2	6.9	6.2	6.8
13. Core (Tier 1) capital ratio incl. 50% of profit for the year to date (%)	7.3	6.6	7.3	6.6	-
14. Capital adequacy ratio at end of period (%)	10.0	9.4	10.0	9.4	9.8
15. Capital adequacy ratio at end of period incl. 50% of profit for the year to date (%)	10.4	9.7	10.4	9.7	-
16. Core capital at end of period (NOK million)	40 850	35 916	40 850	35 916	39 270
17. Total eligible primary capital at end of period (NOK million)	59 137	54 002	59 137	54 002	56 499
18. Risk-weighted volume at end of period (NOK million)	591 794	576 316	591 794	576 316	579 445
<b>Loan portfolio and loan-loss provisions</b>					
19. Loan-loss ratio, annualised (%)	(0.09)	0.26	0.02	0.39	0.34
20. Non-performing and doubtful commitments, per cent of total lending	1.26	1.62	1.26	1.62	1.50
21. Loan-loss provisions relative to total gross lending (%)	1.27	1.58	1.27	1.58	1.42
22. Non-performing commitments at end of period (NOK million)	4 929	6 822	4 929	6 822	6 531
23. Doubtful commitments at end of period (NOK million)	2 183	2 276	2 183	2 276	1 870
<b>Liquidity</b>					
24. Ratio of customer deposits to net lending to customers at end of period (%)	62.1	60.5	62.1	60.5	60.2
<b>Total assets owned or managed</b>					
25. Assets under management at end of period (NOK billion)	517	475	517	475	496
26. Average total combined assets (NOK billion)	1 231	1 173	1 223	1 152	1 120
27. Total combined assets at end of period (NOK billion)	1 222	1 182	1 222	1 182	1 186
28. Customer savings at end of period (NOK billion)	855	806	855	806	818
<b>Staff</b>					
29. Number of full-time positions at end of period	10 115	11 180	10 115	11 180	11 044
30. - of which in Life Insurance and Pensions	994	1 033	994	1 033	1 022
<b>The DnB NOR share</b>					
31. Number of shares at end of period (1 000)	1 321 957	1 309 027	1 321 957	1 309 027	1 309 027
32. Average number of shares (1 000)	1 321 957	1 309 027	1 317 525	1 309 027	1 309 027
33. Average number of shares - fully diluted (1 000)	1 328 828	1 312 341	1 323 462	1 311 084	1 311 737
34. Earnings per share (NOK)	1.38	1.06	3.86	2.91	4.11
35. Earnings per share before goodwill amortisation (NOK)	1.49	1.18	4.21	3.28	4.61
36. Earnings per share - fully diluted (NOK)	1.37	1.05	3.84	2.90	4.10
37. Equity per share (NOK)	36.04	33.21	36.04	33.21	32.17
38. Share price at end of period (NOK)	53.25	33.80	53.25	33.80	44.40
39. Price/book value	1.48	1.02	1.48	1.02	1.38
40. Market capitalisation (NOK billion)	70.4	44.2	70.4	44.2	58.1

## Definitions

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

## Note 1 – Accounting principles

---

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

## Note 2 – Changes in group structure

---

### **Sale of Elcon Finans AS**

In the first quarter of 2004, DnB NOR Bank ASA entered into an agreement with Santander Consumer Finance on the sale of Elcon for a total of NOK 3 600 million. The sale provided a gain of NOK 977 million recorded in the first-quarter accounts. A concession for implementing the transaction was granted on 2 July 2004, and the sales price and financing items were settled in early August.

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

### **Sale of Gjensidige NOR Fondsforsikring AS**

In May 2004, DnB NOR ASA signed an agreement with Forsikringsselskabet Danica on the sale of Gjensidige NOR Fondsforsikring AS. Danica is a subsidiary of Danske Bank. A concession for implementing the transaction was granted on 2 July 2004, and the sale was finalised in early August. The sale provided a gain of NOK 35 million in the third quarter accounts.

### **Sale of Postbanken Eiendomsmegling AS**

In June 2004, DnB NOR Bank ASA signed an agreement with Terra-Gruppen AS on the sale of the real estate brokerages Postbanken Eiendomsmegling AS and Aktiv Eiendomsmegling AS. The agreement was approved by the board of directors in Terra-Gruppen in August. The actual takeover will not take place until 3 January 2005. As DnB NOR will carry the risk for and maintain control over operations up till this date, the companies' profits for 2004 will be recorded in the accounts of the DnB NOR Group in the usual manner.

### **Operations required sold – discontinuing operations**

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

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

## Note 2 – New group structure (continued)

### Profit and loss accounts

Amounts in NOK million	3rd quarter 2004	Pro forma 3rd quarter 2003	Discontinuing operations <sup>1)</sup>		
			Pro forma January-September 2004	Pro forma September 2003	Pro forma Full year 2003
<b>Net interest income and credit commissions</b>	<b>9</b>	<b>248</b>	<b>260</b>	<b>696</b>	<b>934</b>
Net profit from Life Insurance and Pensions	0	0	0	0	0
Commissions and fees receivable	0	20	17	59	81
Commissions and fees payable	0	21	25	41	61
Net gain/(loss) on foreign exchange and financial instruments	0	0	(1)	7	6
Sundry ordinary operating income	9	28	46	85	118
Gains on the sale of fixed assets	29	0	1 006	0	0
<b>Net other operating income</b>	<b>39</b>	<b>28</b>	<b>1 044</b>	<b>110</b>	<b>144</b>
Salaries and other ordinary personnel expenses	2	72	78	208	294
Administrative expenses	2	33	35	81	117
Depreciation	1	6	8	18	25
Sundry ordinary operating expenses	3	21	22	72	98
<b>Total operating expenses</b>	<b>8</b>	<b>132</b>	<b>144</b>	<b>379</b>	<b>534</b>
<b>Pre-tax operating profit before losses</b>	<b>39</b>	<b>143</b>	<b>1 160</b>	<b>426</b>	<b>544</b>
Net losses on loans etc.	0	47	23	131	173
<b>Pre-tax operating profit</b>	<b>39</b>	<b>96</b>	<b>1 137</b>	<b>295</b>	<b>371</b>
Taxes	11	27	307	82	107
<b>Profit for the period</b>	<b>28</b>	<b>69</b>	<b>830</b>	<b>213</b>	<b>264</b>

### Balance sheets

Amounts in NOK million	Discontinuing operations <sup>1)</sup>		
	30 Sept. 2004	31 Dec. 2003	Pro forma 30 Sept. 2003
<b>Assets</b>			
Cash and deposits with central banks	0	0	0
Lending to and deposits with credit institutions	20	392	273
Gross lending to customers	0	27 700	26 787
- Specified loan-loss provisions	0	(114)	(119)
- Unspecified loan-loss provisions	0	(181)	(184)
Net lending to customers	0	27 405	26 484
Reposessed assets	0	134	127
Shareholdings etc.	0	40	33
Investments in Life Insurance and Pensions and associated companies	0	0	0
Intangible assets	9	152	340
Fixed assets	2	23	20
Other assets	1 213	323	78
Prepayments and accrued income	0	92	197
<b>Total assets</b>	<b>1 245</b>	<b>28 561</b>	<b>27 552</b>
<b>Liabilities and equity</b>			
Loans and deposits from credit institutions	0	24 520	23 857
Deposits from customers	0	283	375
Other liabilities	2	771	324
Accrued expenses and prepaid revenues	307	180	189
Provisions for commitments	3	23	33
Subordinated loan capital	0	350	350
<b>Total liabilities</b>	<b>311</b>	<b>26 127</b>	<b>25 128</b>
<b>Total equity</b>	<b>934</b>	<b>2 434</b>	<b>2 424</b>
<b>Total liabilities and equity</b>	<b>1 245</b>	<b>28 561</b>	<b>27 552</b>

1) Includes the accounts of Elcon, Postbanken Eiendomsmegling and Gjensidige NOR Fondsforsikring as included in the accounts of the DnB NOR Group in addition to the capital gain recorded on the sale of Elcon and Gjensidige NOR Fondsforsikring. As at 30 September 2004, Elcon and Gjensidige NOR Fondsforsikring are no longer consolidated in the group accounts.

**Note 3 – Net interest income and credit commissions**

<i>Amounts in NOK million</i>	<b>DnB NOR Group</b>				
	3rd quarter 2004	Pro forma 3rd quarter 2003	January-September 2004	Pro forma January-September 2003	Pro forma Full year 2003
Interest on loans to and deposits with credit institutions	423	573	1 425	2 251	2 773
Interest and credit commissions on instalment loans	4 817	6 439	14 727	21 563	26 944
Interest and credit commissions on overdraft and working capital facilities	633	735	1 923	2 469	3 141
Interest and credit commissions on building loans	67	97	194	339	419
Leasing income	125	390	589	1 286	1 599
Factoring income	14	39	63	127	185
Front-end fees, etc.	272	226	745	642	868
Interest on other loans to customers	78	59	184	93	181
Total interest income on loans to customers	6 006	7 983	18 426	26 518	33 336
Interest on commercial paper and bonds	522	519	1 516	1 701	2 222
Other interest income	108	2	149	43	98
<b>Total interest income</b>	<b>7 059</b>	<b>9 077</b>	<b>21 517</b>	<b>30 514</b>	<b>38 430</b>
Interest on loans and deposits from credit institutions	430	503	1 384	1 901	2 362
Interest on demand deposits from customers	790	1 823	2 547	7 187	8 373
Interest on time deposits from customers	53	74	149	318	373
Interest on special-term deposits from customers	220	591	760	2 479	2 824
Total interest expenses on deposits from customers	1 062	2 489	3 456	9 984	11 570
Interest on securities issued	1 154	1 150	3 223	3 671	4 796
Interest on subordinated loan capital	183	164	530	491	662
Contribution to the banks' guarantee funds	70	129	209	376	499
Other interest expenses	852	1 134	2 815	3 600	4 752
<b>Total interest expenses</b>	<b>3 751</b>	<b>5 568</b>	<b>11 617</b>	<b>20 023</b>	<b>24 641</b>
<b>Net interest income and credit commissions</b>	<b>3 308</b>	<b>3 509</b>	<b>9 900</b>	<b>10 490</b>	<b>13 789</b>

**Last five quarters**

<i>Amounts in NOK million</i>	<b>DnB NOR Group</b>				
	3rd quarter 2004	2nd quarter 2004	1st quarter 2004	Pro forma 4th quarter 2003	Pro forma 3rd quarter 2003
Interest on loans to and deposits with credit institutions	423	528	475	522	573
Interest and credit commissions on instalment loans	4 817	4 744	5 166	5 380	6 439
Interest and credit commissions on overdraft and working capital facilities	633	649	642	672	735
Interest and credit commissions on building loans	67	64	64	80	97
Leasing income	125	123	341	314	390
Factoring income	14	13	36	57	39
Front-end fees, etc.	272	242	231	227	226
Interest on other loans to customers	78	44	62	89	59
Total interest income on loans to customers	6 006	5 879	6 541	6 818	7 983
Interest on commercial paper and bonds	522	570	425	521	519
Other interest income	108	18	22	56	2
<b>Total interest income</b>	<b>7 059</b>	<b>6 995</b>	<b>7 462</b>	<b>7 916</b>	<b>9 077</b>
Interest on loans and deposits from credit institutions	430	432	521	461	503
Interest on demand deposits from customers	790	788	969	1 186	1 823
Interest on time deposits from customers	53	46	50	55	74
Interest on special-term deposits from customers	220	250	290	345	591
Total interest expenses on deposits from customers	1 062	1 085	1 308	1 586	2 489
Interest on securities issued	1 154	1 049	1 021	1 126	1 150
Interest on subordinated loan capital	183	171	175	171	164
Contribution to the banks' guarantee funds	70	28	111	123	129
Other interest expenses	852	936	1 027	1 152	1 134
<b>Total interest expenses</b>	<b>3 751</b>	<b>3 702</b>	<b>4 164</b>	<b>4 618</b>	<b>5 568</b>
<b>Net interest income and credit commissions</b>	<b>3 308</b>	<b>3 293</b>	<b>3 298</b>	<b>3 299</b>	<b>3 509</b>

## Note 4 – Net other operating income

<i>Amounts in NOK million</i>	<b>DnB NOR Group</b>				
	3rd quarter 2004	Pro forma 3rd quarter 2003	January-September 2004	Pro forma January-September 2003	Pro forma Full year 2003
<b>Dividends</b>	<b>18</b>	<b>27</b>	<b>121</b>	<b>165</b>	<b>212</b>
<b>Net profit from Life Insurance and Pensions</b>	<b>197</b>	<b>88</b>	<b>571</b>	<b>400</b>	<b>760</b>
Money transfer fees receivable	830	797	2 387	2 288	3 069
Fees on asset management services	279	267	870	710	986
Fees on custodial services	40	37	120	117	159
Fees on securities broking	100	96	376	284	453
Guarantee commissions	90	92	290	282	378
Interbank fees	44	52	138	159	214
Credit broking commissions	39	29	90	84	117
Sales commissions on insurance products	61	62	214	156	226
Sundry commissions and fees receivable on banking services	168	190	536	522	734
<b>Total commissions and fees receivable</b>	<b>1 652</b>	<b>1 623</b>	<b>5 023</b>	<b>4 602</b>	<b>6 335</b>
Money transfer fees payable	289	282	864	856	1 166
Interbank fees	61	64	183	191	258
Sundry commissions and fees payable on banking services	160	176	509	431	632
<b>Total commissions and fees payable</b>	<b>510</b>	<b>521</b>	<b>1 556</b>	<b>1 479</b>	<b>2 056</b>
Net gain/(loss) on short-term shareholdings	(3)	81	(3)	77	163
Net gain on commercial paper and bonds	153	58	138	518	523
Net gain on trading in foreign exchange and financial derivatives <sup>1)</sup>	474	456	2 304	1 215	1 494
Net loss on other short-term interest instruments <sup>1)</sup>	281	99	1 247	455	333
<b>Net gain on foreign exchange and financial instruments</b>	<b>344</b>	<b>496</b>	<b>1 192</b>	<b>1 355</b>	<b>1 847</b>
Operating income on real estate	11	15	37	46	61
Rental income <sup>2)</sup>	23	12	114	46	63
Fees on real estate broking	145	161	463	435	595
Share of profit in associated companies	43	41	183	138	159
Remunerations	(3)	2	(3)	10	21
Miscellaneous operating income <sup>2)</sup>	74	67	263	199	282
<b>Total sundry ordinary operating income</b>	<b>294</b>	<b>298</b>	<b>1 058</b>	<b>875</b>	<b>1 181</b>
<b>Gains on the sale of fixed assets <sup>3)</sup></b>	<b>28</b>	<b>7</b>	<b>1 028</b>	<b>10</b>	<b>23</b>
<b>Net other operating income</b>	<b>2 024</b>	<b>2 017</b>	<b>7 437</b>	<b>5 928</b>	<b>8 302</b>

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

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

3) Of which NOK 977 million represented gains on the sale of Elcon in the first quarter of 2004 and NOK 35 million gains on the sale of Gjensidige NOR Fondsforsikring in the third quarter of 2004.



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

<i>Amounts in NOK million</i>	<b>DnB NOR Group</b>				
	3rd quarter 2004	2nd quarter 2004	1st quarter 2004	Pro forma 4th quarter 2003	Pro forma 3rd quarter 2003
<b>Dividends</b>	<b>18</b>	<b>89</b>	<b>14</b>	<b>47</b>	<b>27</b>
<b>Net profit from Life Insurance and Pensions</b>	<b>197</b>	<b>197</b>	<b>178</b>	<b>360</b>	<b>88</b>
Money transfer fees receivable	830	810	747	780	797
Fees on asset management services	279	296	295	276	267
Fees on custodial services	40	39	41	42	37
Fees on securities broking	100	132	144	169	96
Guarantee commissions	90	104	96	96	92
Interbank fees	44	46	48	55	52
Credit broking commissions	39	28	23	33	29
Sales commissions on insurance products	61	63	89	70	62
Sundry commissions and fees receivable on banking services	168	165	203	212	190
<b>Total commissions and fees receivable</b>	<b>1 652</b>	<b>1 683</b>	<b>1 687</b>	<b>1 733</b>	<b>1 623</b>
Money transfer fees payable	289	295	280	310	282
Interbank fees	61	62	60	66	64
Sundry commissions and fees payable on banking services	160	166	183	200	176
<b>Total commissions and fees payable</b>	<b>510</b>	<b>523</b>	<b>523</b>	<b>577</b>	<b>521</b>
Net gain/(loss) on short-term shareholdings	(3)	(20)	20	86	81
Net gain on commercial paper and bonds	153	(256)	242	4	58
Net gain on trading in foreign exchange and financial derivatives <sup>1)</sup>	474	1 524	306	280	456
Net gain/(loss) on other short-term interest instruments <sup>1)</sup>	(281)	(852)	(114)	121	(99)
<b>Net gain on foreign exchange and financial instruments</b>	<b>344</b>	<b>395</b>	<b>453</b>	<b>492</b>	<b>496</b>
Operating income on real estate	11	9	17	15	15
Rental income <sup>2)</sup>	23	41	50	16	12
Fees on real estate broking	145	172	146	160	161
Share of profit in associated companies	43	81	58	20	41
Remunerations	(3)	(1)	1	11	2
Miscellaneous operating income <sup>2)</sup>	74	71	118	83	67
<b>Total sundry ordinary operating income</b>	<b>294</b>	<b>373</b>	<b>390</b>	<b>306</b>	<b>298</b>
<b>Gains on the sale of fixed assets <sup>3)</sup></b>	<b>28</b>	<b>20</b>	<b>979</b>	<b>13</b>	<b>7</b>
<b>Net other operating income</b>	<b>2 024</b>	<b>2 235</b>	<b>3 178</b>	<b>2 374</b>	<b>2 017</b>

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

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

3) Of which NOK 977 million represented gains on the sale of Elcon in the first quarter of 2004 and NOK 35 million gains on the sale of Gjensidige NOR Fondsforsikring in the third quarter of 2004.

## Note 5 – Life Insurance and Pensions

### Net profit from Life Insurance and Pensions

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

#### Profit and loss accounts <sup>1)</sup>

Amounts in NOK million	Life insurance				
	3rd quarter 2004	Pro forma 3rd quarter 2003	January-September 2004	Pro forma January-September 2003	Pro forma Full year 2003
Premium income for own account	3 694	2 394	14 401	9 749	14 047
Income from financial assets	8 629	2 915	17 467	17 163	22 864
Other insurance-related income	8	18	65	47	122
Insurance settlements for own account	2 405	2 959	7 388	8 271	10 876
Increase in insurance provisions etc.	2 403	689	10 575	4 962	8 107
Insurance-related operating expenses	290	295	905	882	1 215
Expenses related to financial assets	6 572	710	10 542	8 139	9 784
Other insurance-related expenses	17	58	79	106	165
Transferred from/(to) securities adjustment reserve	(104)	(830)	482	(2 612)	(2 448)
Result of technical profit and loss accounts before special provisions	539	(214)	2 925	1 987	4 438
Transferred to additional allocations	0	0	0	0	896
Funds transferred to policyholders	280	(364)	2 107	1 336	2 254
Result of technical profit and loss accounts for life insurance operations	259	149	818	651	1 288
Other expenses	24	12	75	117	148
Result of ordinary operations <sup>2)</sup>	235	137	743	535	1 140
Taxes	11	27	97	59	236
Profit for the period	224	111	646	476	904

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

Amounts in NOK million	DnB NOR Group				
	3rd quarter 2004	Pro forma 3rd quarter 2003	January-September 2004	Pro forma January-September 2003	Pro forma Full year 2003
Profit for the period from life insurance operations	224	111	646	476	904
- Goodwill amortisation <sup>3)</sup>	25	25	76	76	101
Net profit from life insurance operations	199	85	570	400	803
Net profit/(loss) from unit linked activities	(2)	2	1	0	(42)
Net profit from Life Insurance and Pensions	197	88	571	400	760

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

Amounts in NOK million	Life insurance		
	30 Sept. 2004	Pro forma 31 Dec. 2003	Pro forma 30 Sept. 2003
Financial assets	148 407	140 243	138 556
Accounts receivable	4 702	2 175	1 710
Other assets	7 029	5 283	2 101
Prepaid expenses and accrued income	2 768	2 467	2 615
Total assets	162 906	150 168	144 982
Paid-in capital	2 343	2 343	2 343
Retained earnings	4 159	3 512	3 989
Subordinated and perpetual subordinated loan capital securities	2 496	2 663	2 877
Securities adjustment reserve	1 966	2 448	2 612
Insurance provisions	147 599	135 135	130 217
Provisions for commitments	865	756	35
Liabilities	1 575	2 792	2 637
Accrued expenses and prepaid income	1 903	519	272
Total equity and liabilities	162 906	150 168	144 982
Market value above acquisition cost of bonds held to maturity	3 692	2 842	2 436

**Note 5 – Life Insurance and Pensions (continued)**

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

2) Breakdown of profit and loss accounts

Amounts in NOK million	Life insurance				
	3rd quarter 2004	Pro forma 3rd quarter 2003	Pro forma January-September 2004	Pro forma 2003	Pro forma full year 2003
Administration result	(31)	(47)	(100)	(132)	(190)
Interest result	577	132	3 335	2 671	5 472
Risk result before additional provisions for disability	31	(43)	(103)	21	(92)
<b>Total</b>	<b>577</b>	<b>42</b>	<b>3 132</b>	<b>2 559</b>	<b>5 190</b>
Transferred to security reserve	(4)	2	3	7	17
Additional provisions for disability <sup>*)</sup>	42	188	165	566	811
Result from other activities/other provisions	(24)	(78)	(114)	(116)	(72)
Profits for distribution <sup>**) </sup>	515	(226)	2 850	1 870	4 290
Transferred to additional allocations	0	0	0	0	896
Funds transferred to policyholders	280	(364)	2 107	1 336	2 254
<b>Result of ordinary operations</b>	<b>235</b>	<b>137</b>	<b>743</b>	<b>535</b>	<b>1 140</b>

<sup>\*)</sup> Life Insurance and Pensions plans to strengthen disability provisions by NOK 220 million in 2004, of which NOK 165 million was charged to the risk result for the first three quarters.

<sup>**) </sup> Specification of profits for distribution	515	(226)	2 850	1 870	4 290
Of which profit for operations subject to profit sharing	539	(145)	2 964	1 984	4 350
- funds transferred to policyholders	280	(364)	2 107	1 336	2 254
- funds transferred to additional allocations	0	0	0	0	896
- profits for allocation to the owner and taxes	259	219	857	648	1 200
Of which profit from operations not subject to profit sharing	(24)	(81)	(114)	(114)	(61)

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

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

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

3) Goodwill is amortised over 10 years.

**Key figures**

Per cent	Life Insurance and Pensions				
	3rd quarter 2004	Pro forma 3rd quarter 2003	Pro forma January-September 2004	Pro forma 2003	Pro forma Full year 2003
Recorded return <sup>1)</sup>	1.3	1.0	5.0	4.7	7.9
Value-adjusted return excl. unrealised gains on long-term securities <sup>1) 2)</sup>	5.1	6.5	6.1	8.8	9.7
Value-adjusted return incl. unrealised gains on long-term securities <sup>1) 2)</sup>	6.9	5.6	6.8	10.2	11.0
Return on equity after taxes <sup>2) 3)</sup>	8.6	6.2	10.1	8.3	11.9
Expenses in per cent of policyholders' funds <sup>1) 2) 4)</sup>	0.87	0.93	0.91	0.94	1.01
Capital adequacy ratio <sup>1) 5)</sup>	12.7	13.8	12.7	13.8	13.8
Core capital ratio <sup>1) 5)</sup>	9.1	9.2	9.1	9.2	9.6
Policyholders' funds, life insurance operations (NOK billion) <sup>5) 6)</sup>	149	132	149	132	137
Asset under management, unit linked operations (NOK billion) <sup>5)</sup>	9	6	9	6	7
Solvency margin capital in per cent of solvency capital requirement <sup>1) 5) 7)</sup>	137	147	137	147	152

1) Life insurance operations.

2) Figures are annualised.

3) Calculated on the basis of allocated risk capital.

4) Expenses charged to the administration result.

5) Figures at end of period.

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

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

## Note 5 – Life Insurance and Pensions (continued)

### Solvency capital

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

<i>Amounts in NOK million</i>	<b>Life insurance</b>		
	30 Sept. 2004	Pro forma 31 Dec. 2003	Pro forma 30 Sept. 2003
Profit for the period	2 850	0	1 870
Securities adjustment reserve	1 966	2 448	2 612
Additional allocations	2 053	2 049	1 141
Security reserve	200	197	187
Equity	5 856	5 856	5 856
Subordinated loan capital and perpetual subordinated loan capital securities	2 496	2 663	2 877
Unrealised gains on long-term securities	3 692	2 842	2 436
<b>Total solvency capital</b>	<b>19 112</b>	<b>16 055</b>	<b>16 979</b>
Guaranteed return on policyholders' funds	4 001	4 966	3 643

## Note 6 – Operating expenses

<i>Amounts in NOK million</i>	<b>DnB NOR Group</b>				
	3rd quarter 2004	Pro forma 3rd quarter 2003	January-September 2004	Pro forma January-September 2003	Pro forma Full year 2003
Ordinary salaries <sup>1)</sup>	1 114	1 222	3 432	3 575	4 836
Employer's national insurance contributions	165	186	553	563	712
Pension expenses	166	152	510	436	666
Social expenses	75	81	204	240	363
<b>Total salaries and other ordinary personnel expenses</b>	<b>1 519</b>	<b>1 642</b>	<b>4 699</b>	<b>4 815</b>	<b>6 577</b>
Fees	126	88	379	364	526
EDP expenses	331	362	1 046	1 067	1 361
Postage, telecommunications and office supplies <sup>1)</sup>	139	165	480	511	671
Marketing and public relations	83	100	284	336	451
Travel expenses	39	39	131	137	194
Reimbursement to Norway Post for transactions executed	145	141	414	383	563
Training expenses	7	10	32	37	46
Sundry administrative expenses	35	37	124	135	169
<b>Total administrative expenses</b>	<b>905</b>	<b>942</b>	<b>2 891</b>	<b>2 970</b>	<b>3 982</b>
Goodwill amortisation	123	139	386	410	550
Other depreciation	132	158	420	486	649
<b>Total depreciation</b>	<b>255</b>	<b>297</b>	<b>806</b>	<b>896</b>	<b>1 200</b>
Operating expenses on properties and premises <sup>1)</sup>	227	227	708	691	878
Operating expenses on machinery, vehicles and office equipment	15	22	53	65	103
Miscellaneous ordinary operating expenses	52	117	227	374	453
<b>Total sundry ordinary operating expenses</b>	<b>294</b>	<b>366</b>	<b>988</b>	<b>1 130</b>	<b>1 433</b>
Allocations to employee funds	0	21	0	29	114
Restructuring expenses	0	8	930	24	38
Losses on the sale of fixed assets	1	2	8	23	28
Write-downs on rental contracts and fixed assets	5	4	4	16	40
<b>Total other expenses</b>	<b>5</b>	<b>35</b>	<b>943</b>	<b>92</b>	<b>219</b>
<b>Total operating expenses</b>	<b>2 979</b>	<b>3 282</b>	<b>10 325</b>	<b>9 902</b>	<b>13 410</b>

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

**Note 6 – Operating expenses (continued)****Last five quarters**

<i>Amounts in NOK million</i>	<b>DnB NOR Group</b>				
	3rd quarter 2004	2nd quarter 2004	1st quarter 2004	Pro forma 4th quarter 2003	Pro forma 3rd quarter 2003
Ordinary salaries <sup>1)</sup>	1 114	1 100	1 218	1 261	1 222
Employer's national insurance contributions	165	184	205	149	186
Pension expenses	166	162	182	230	152
Social expenses	75	56	74	122	81
<b>Total salaries and other ordinary personnel expenses</b>	<b>1 519</b>	<b>1 501</b>	<b>1 679</b>	<b>1 762</b>	<b>1 642</b>
Fees	126	118	136	162	88
EDP expenses	331	357	358	294	362
Postage, telecommunications and office supplies <sup>1)</sup>	139	152	188	160	165
Marketing and public relations	83	99	102	115	100
Travel expenses	39	50	42	57	39
Reimbursement to Norway Post for transactions executed	145	144	125	180	141
Training expenses	7	13	13	9	10
Sundry administrative expenses	35	49	40	34	37
<b>Total administrative expenses</b>	<b>905</b>	<b>981</b>	<b>1 004</b>	<b>1 012</b>	<b>942</b>
Goodwill amortisation	123	123	140	140	139
Other depreciation	132	138	150	163	158
<b>Total depreciation</b>	<b>255</b>	<b>261</b>	<b>290</b>	<b>304</b>	<b>297</b>
Operating expenses on properties and premises <sup>1)</sup>	227	225	256	187	227
Operating expenses on machinery, vehicles and office equipment	15	15	22	37	22
Miscellaneous ordinary operating expenses	52	79	97	79	117
<b>Total sundry ordinary operating expenses</b>	<b>294</b>	<b>319</b>	<b>374</b>	<b>303</b>	<b>366</b>
Allocations to employee funds	0	0	0	85	21
Restructuring expenses	0	0	930	13	8
Losses on the sale of fixed assets	1	6	1	5	2
Write-downs on rental contracts and fixed assets	5	0	0	24	4
<b>Total other expenses</b>	<b>5</b>	<b>6</b>	<b>931</b>	<b>127</b>	<b>35</b>
<b>Total operating expenses</b>	<b>2 979</b>	<b>3 068</b>	<b>4 278</b>	<b>3 508</b>	<b>3 282</b>

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

**Note 7 – Restructuring provisions**

<i>Amounts in NOK million</i>	<b>DnB NOR Group</b>			
	30 Sept. 2004	January-September Accrued expenses	2004 New provisions <sup>1)</sup>	31 Dec. 2003
DnB NOR merger <sup>*)</sup>	1 179	607 <sup>2)</sup>	930	856
Other restructuring provisions	73	24	0	97
<b>Total</b>	<b>1 252</b>	<b>631 <sup>3)</sup></b>	<b>930</b>	<b>953</b>
*) Of which: IT				
Staff cuts		216		
Other		358		
		33		

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

2) Including restructuring expenses of NOK 11.3 million accrued by Vital. The group effect is calculated on the assumption that 35 per cent of expenses are reflected in profit to the owner.

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

**Note 8 – Number of employees/full-time positions <sup>1) 2)</sup>**

			<b>DnB NOR Group</b>		
	3rd quarter	Pro forma	Pro forma	Pro forma	Pro forma
	2004	3rd quarter	January-September	2003	Full year
	2004	2003	2004	2003	2003
Number of employees at end of period	10 509	11 793	10 509	11 793	11 678
Number of employees calculated on a full-time basis at end of period	10 115	11 180	10 115	11 180	11 044
Average number of employees	10 602	11 824	10 972	12 036	11 950
Average number of employees calculated on a full-time basis	10 177	11 236	10 515	11 386	11 341

1) The full-year pro forma 2003 figures include 456 full-time positions in Elcon, Gjensidige NOR Fondsforsikring and Postbanken Eiendomsmegling. These subsidiaries have been sold or sales contracts have been agreed upon during the first half of 2004.

2) Elcon was sold on 30 March 2004, representing 464 employees, corresponding to 441 full-time positions. Gjensidige NOR Fondsforsikring was sold during the second quarter of 2004, representing eight full-time positions. 209 full-time-positions from the former joint venture companies Gjensidige NOR Driftspartner and Gjensidige NOR Markedsstøtte are included as from 1 January 2004.

**Note 9 – Net losses/(reversals) on loans and guarantees**

			<b>DnB NOR Group</b>		
	3rd quarter	Pro forma	Pro forma	Pro forma	Pro forma
	2004	3rd quarter	January-September	2003	Full year
	2004	2003	2004	2003	2003
<i>Amounts in NOK million</i>					
<b>Specification of net losses</b>					
Write-offs <sup>a)</sup>	74	113	359	518	725
Increase in/(reversals on) specified loan-loss provisions <sup>b)</sup>	(27)	(7)	254	244	288
New specified loan-loss provisions <sup>c)</sup>	243	434	501	1 365	1 657
Total new specified provisions	289	540	1 114	2 127	2 671
Reassessed specified provisions <sup>d)</sup>	339	116	800	309	509
Total specified provisions	(50)	424	314	1 818	2 162
Recoveries on commitments previously written off <sup>e)</sup>	71	69	217	208	276
Increase in unspecified provisions during the period <sup>f)</sup>	0	1	0	5	5
<b>Net losses/(reversals) on loans and guarantees <sup>1)</sup></b>	<b>(121)</b>	<b>356</b>	<b>97</b>	<b>1 615</b>	<b>1 891</b>
<b>Specification of changes</b>					
Increase in/(reversals on) specified provisions <sup>b) and c) minus d) and g)</sup>	(389)	245	(716)	880	773
+ Change in unspecified provisions <sup>f)</sup>	0	1	0	5	5
+ Write-offs covered by specified provisions made in previous years <sup>g)</sup>	265	66	671	420	664
+ Write-offs not covered by specified provisions made in previous years <sup>a)</sup>	74	113	359	519	725
- Recoveries on commitments previously written off <sup>e)</sup>	71	69	217	208	276
<b>Net losses/(reversals) on loans and guarantees <sup>1)</sup></b>	<b>(121)</b>	<b>356</b>	<b>97</b>	<b>1 615</b>	<b>1 891</b>
1) Of which net losses/(reversals) on guarantees	(4)	17	(6)	18	(7)
a)-g) Show connections between the items.					



**Note 10 – Net losses/(reversals) on loans and guarantees for principal sectors**

<i>Amounts in NOK million</i>	<b>DnB NOR Group</b>				
	3rd quarter 2004	Pro forma 3rd quarter 2003	January-September 2004	Pro forma January-September 2003	Pro forma Full year 2003
Retail customers	62	116	133	269	271
International shipping	(14)	(1)	(39)	(33)	(60)
Real estate	(4)	12	(13)	70	67
Manufacturing	(231)	91	(165)	274	342
Services and management	7	80	(227)	350	319
Trade	30	27	56	95	141
Oil and gas	(30)	5	(34)	(1)	(3)
Transportation and communication	5	21	23	49	69
Building and construction	7	31	53	63	156
Power and water supply	0	0	0	0	0
Fishing	20	(56)	134	105	128
Other sectors	25	29	176	369	450
Total customers	(123)	355	97	1 610	1 881
Credit institutions	2	0	0	0	5
Increase in unspecified provisions	0	1	0	5	5
<b>Total net losses/(reversals) on loans and guarantees</b>	<b>(121)</b>	<b>356</b>	<b>97</b>	<b>1 615</b>	<b>1 891</b>

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

**Note 11 – Lending to principal sectors <sup>1)</sup>**

<i>Amounts in NOK million</i>	<b>DnB NOR Group</b>		
	30 Sept. 2004	31 Dec. 2003	Pro forma 30 Sept. 2003
Retail customers	322 095	301 579	285 909
International shipping	32 626	31 167	30 848
Real estate	82 018	82 155	84 875
Manufacturing	22 408	24 758	25 730
Services and management	31 089	36 613	36 249
Trade	22 113	23 849	24 026
Oil and gas	3 649	4 238	4 509
Transportation and communication	12 901	14 026	14 759
Building and construction	6 061	8 428	8 266
Power and water supply	4 933	6 276	6 236
Fishing	9 318	10 440	10 549
Hotels and restaurants	3 925	4 113	4 211
Agriculture and forestry	4 284	4 749	4 340
Central and local government	1 775	2 094	2 378
Other sectors	6 948	6 731	7 671
Total lending to customers	566 142	561 217	550 556

1) Loans after specified provisions.

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

## Note 12 – Non-performing and doubtful commitments

	Retail customers			Corporate customers			DnB NOR Group		
	30 Sept. 2004	31 Dec. 2003	Pro forma 30 Sept. 2003	30 Sept. 2004	31 Dec. 2003	Pro forma 30 Sept. 2003	Total 30 Sept. 2004	31 Dec. 2003	Pro forma 30 Sept. 2003
<i>Amounts in NOK million</i>									
<b>Non-performing commitments</b>									
Before specified provisions	2 735	3 064	2 873	5 162	6 989	8 070	7 897	10 053	10 943
After specified provisions <sup>1)</sup>	1 927	2 143	1 931	3 002	4 388	4 891	4 929	6 531	6 822
<b>Doubtful commitments</b>									
Before specified provisions	982	436	526	2 144	2 366	2 762	3 126	2 802	3 288
After specified provisions <sup>1)</sup>	696	317	405	1 487	1 553	1 871	2 183	1 870	2 276

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

## Note 13 – Intangible assets

	DnB NOR Group		
	30 Sept. 2004	31 Dec. 2003	Pro forma 30 Sept. 2003
<i>Amounts in NOK million</i>			
Goodwill	4 962	5 601	5 719
Systems development	95	172	167
Postbanken brand name	53	62	65
Deferred tax assets	893	642	1 627
Other intangible assets	1	7	14
<b>Total intangible assets</b>	<b>6 004</b>	<b>6 484</b>	<b>7 591</b>

## Note 14 – Equity

	DnB NOR Group		
	Jan.-Sept. 2004	Full year 2003	Pro forma Jan.-Sept. 2003
<i>Amounts in NOK million</i>			
<b>Shareholders' equity as at 1 January</b>	<b>42 115</b>	<b>26 117</b>	<b>39 685</b>
Minority interests in Netaxept			(2)
Minority interests in DnB Absolute Return Investment AB	2		2
Share issue <sup>1)</sup>	424		
<b>Merger between DnB and Gjensidige NOR</b>			
Share issue		13 647	
Issue costs after taxes		144	
Profit in Gjensidige NOR		2 564	
First-year goodwill amortisation		135	
Profit for the period	5 085	3 017	3 808
Dividends		2 919	
Exchange rate movements	15	(32)	(23)
<b>Shareholders' equity at end of period</b>	<b>47 642</b>	<b>42 115</b>	<b>43 470</b>

1) In accordance with the current subscription rights programme, employees subscribed for 12 929 907 shares at NOK 32.83 per share in the first quarter of 2004.

## Note 15 – Capital adequacy

<i>Amounts in NOK million</i>	DnB NOR Group		
	30 Sept. 2004	31 Dec. 2003	Pro forma 30 Sept. 2003
Share capital	13 220	13 090	13 090
Other equity	29 337	29 025	26 572
Total equity	42 557	42 115	39 662
Perpetual subordinated loan capital securities <sup>1) 2)</sup>	5 859	5 476	5 570
Reductions			
Pension funds above pension commitments	(1 322)	(1 354)	(1 169)
Goodwill	(5 085)	(5 728)	(5 836)
Deferred tax assets	(912)	(808)	(1 889)
Other intangible assets etc.	(247)	(431)	(422)
Core capital	40 850	39 270	35 916
Perpetual subordinated loan capital <sup>1) 2)</sup>	5 829	6 154	6 441
Term subordinated loan capital <sup>2)</sup>	12 748	11 945	12 875
Net supplementary capital	18 577	18 099	19 316
Deductions	291	870	1 230
Total eligible primary capital <sup>3)</sup>	59 137	56 499	54 002
Total risk-weighted volume	591 794	579 445	576 316
Core capital ratio (per cent)	6.9	6.8	6.2
Capital ratio (per cent)	10.0	9.8	9.4
Including 50 per cent of profit for the period			
Core capital ratio (per cent)	7.3	-	6.6
Capital ratio (per cent)	10.4	-	9.7

1) Perpetual subordinated loan capital securities can represent up to 15 per cent of core capital. The excess will qualify as perpetual supplementary capital.

2) Calculations of capital adequacy include a total of NOK 717 million in subordinated loan capital in life insurance operations and associated companies, in addition to subordinated loan capital in the Group's balance sheet.

3) Primary capital and nominal amounts used in calculating risk-weighted volume deviate from figures in the DnB NOR Group's accounts as a different consolidation method ("pro rata consolidation") is used in calculating capital adequacy.

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

## Note 16 – Business areas <sup>1)</sup>

Profit and loss accounts, January - September <sup>2)</sup>							DnB NOR Group					
<i>Amounts in NOK million</i>	Net interest income		Net other operating income		Operating expenses		Pre-tax operating profit/(loss) before losses		Net losses on loans and long-term securities		Pre-tax operating profit/(loss)	
	Jan.-Sept. 2004	Jan.-Sept. 2003	Jan.-Sept. 2004	Jan.-Sept. 2003	Jan.-Sept. 2004	Jan.-Sept. 2003	Jan.-Sept. 2004	Jan.-Sept. 2003	Jan.-Sept. 2004	Jan.-Sept. 2003	Jan.-Sept. 2004	Jan.-Sept. 2003
Corporate Banking	4 384	4 443	1 521	1 599	2 416	2 448	3 488	3 594	(52)	1 233	3 540	2 361
Retail Banking	5 339	5 262	2 059	1 910	4 877	5 178	2 521	1 994	113	207	2 408	1 787
DnB NOR Markets	212	404	1 611	1 493	816	889	1 007	1 008	(3)	(1)	1 010	1 010
Life Insurance and Pensions	0	0	792	573	0	0	792	573	0	0	792	573
Asset Management	11	37	683	595	509	527	184	105	0	0	184	105
Discontinuing operations	258	614	1 044	110	144	379	1 158	344	23	131	1 135	213
Other operations <sup>3)</sup>	(304)	(269)	(273)	(351)	1 563	482	(2 139)	(1 102)	(35)	16	(2 105)	(1 117)
DnB NOR Group	9 900	10 490	7 437	5 928	10 325	9 902	7 012	6 516	45	1 586	6 966	4 930

Profit and loss accounts, third quarter <sup>2)</sup>							DnB NOR Group					
<i>Amounts in NOK million</i>	Net interest income		Net other operating income		Operating expenses		Pre-tax operating profit/(loss) before losses		Net losses on loans and long-term securities		Pre-tax operating profit/(loss)	
	3rd quarter 2004	3rd quarter 2003	3rd quarter 2004	3rd quarter 2003	3rd quarter 2004	3rd quarter 2003	3rd quarter 2004	3rd quarter 2003	3rd quarter 2004	3rd quarter 2003	3rd quarter 2004	3rd quarter 2003
Corporate Banking	1 528	1 496	456	517	784	811	1 200	1 203	(175)	214	1 375	989
Retail Banking	1 824	1 773	686	689	1 591	1 737	919	726	54	81	865	644
DnB NOR Markets	77	118	484	460	245	286	317	292	(0)	(0)	317	292
Life Insurance and Pensions	0	0	254	148	0	0	254	148	0	0	254	148
Asset Management	8	8	237	211	156	177	89	41	0	0	89	41
Discontinuing operations	8	227	39	28	8	132	39	123	0	47	39	76
Other operations	(138)	(114)	(131)	(36)	196	138	(464)	(288)	(24)	17	(440)	(305)
DnB NOR Group	3 308	3 509	2 024	2 017	2 979	3 282	2 353	2 244	(145)	359	2 498	1 885

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

Amounts in NOK billion	Interest on allocated capital (NOK million)		Allocated capital <sup>4)</sup>		BIS capital <sup>5)</sup>		Net lending to customers		Customer deposits		Assets under management <sup>6)</sup>	
	Jan.-Sept.		Jan.-Sept.		Jan.-Sept.		Jan.-Sept.		Jan.-Sept.		Jan.-Sept.	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Corporate Banking	297.0	636.2	19.0	17.6	19.1	18.6	246.2	249.0	163.5	158.0		
Retail Banking	117.9	244.3	7.5	6.7	11.3	9.9	297.3	255.6	185.7	180.3		
DnB NOR Markets	28.9	72.3	1.8	2.0	1.8	1.7	1.4	1.6	9.3	10.0		
Life Insurance and Pensions	139.8	285.9	8.9	7.9	4.2	4.0					152.6	134.7
Asset Management	15.3	30.8	1.0	0.9	-	-					482.6	425.7
Discontinuing operations							9.4	24.9	0.2	0.4		
Other operations <sup>3)</sup>			6.7	6.4			1.8	1.1	(10.2)	(12.3)	(138.6)	(117.8)
DnB NOR Group			44.9	41.5	41.4	40.3	556.2	532.1	348.5	336.5	496.6	442.6

**Key figures**

Per cent	Cost/income ratio excl. goodwill amortisation		Ratio of deposits to lending		Return on equity		Return on equity (BIS)		Full-time positions	
	Jan.-Sept.		Jan.-Sept.		Jan.-Sept.		Jan.-Sept.		30 Sept. 31 Dec.	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Corporate Banking	40.8	40.4	66.4	63.5	17.9	12.9	17.9	12.4	1 837	1 951
Retail Banking	65.7	71.9	62.4	70.5	30.7	25.5	21.0	18.5	4 383	4 660
DnB NOR Markets	44.8	46.9			52.6	48.6	55.4	57.2	530	610
Life Insurance and Pensions					10.1	8.3	19.2	12.4	994	1 022
Asset Management	73.4	83.4			18.2	11.8	-	-	313	359
Discontinuing operations									7	456
Other operations									2 050 <sup>7)</sup>	1 986
DnB NOR Group	54.9	57.0	62.7	63.2	15.1	12.2	16.3	11.9	10 115	11 044

1) Figures for 2003 are pro forma.

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

3) Other operations:

Amounts in NOK million	Net interest income		Net other operating income		Operating expenses		Pre-tax operating profit/(loss) before losses		Net losses on loans and long-term securities		Pre-tax operating profit/(loss)	
	Jan.-Sept.		Jan.-Sept.		Jan.-Sept.		Jan.-Sept.		Jan.-Sept.		Jan.-Sept.	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Group Centre *)	(316)	(312)	543	461	1 752	670	(1 525)	(521)	(41)	14	(1 484)	(535)
Double entries	9	(1)	(455)	(478)	0	2	(447)	(481)	0	0	(447)	(481)
Eliminations	4	44	(361)	(334)	(190)	(190)	(167)	(100)	6	2	(174)	(101)
Total	(304)	(269)	(273)	(351)	1 563	482	(2 139)	(1 102)	(35)	16	(2 105)	(1 117)

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

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

Group Centre - pre-tax operating profit/(loss) in NOK million	Jan.-Sept.	
	2004	2003
Restructuring provisions, DnB NOR merger	(930)	
Goodwill amortisation	(439)	(461)
Ownership-related expenses (costs relating to shareholders, investor relations, strategic planning etc.)	(106)	(115)
Income on equity investments	92	156
Income on unallocated capital	104	233
Other	(205)	(348)
Pre-tax operating profit/(loss)	(1 484)	(535)

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

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

6) The "other operations" line includes assets managed by Asset Management on behalf of Life Insurance and Pensions, representing NOK 138.5 billion in the first three quarters of 2004 and NOK 117.4 billion in the first three quarters of 2003.

7) 209 full-time positions in the former joint venture companies Gjensidige NOR Driftspartner and Gjensidige NOR Markedsstøtte are included as from 1 January 2004.

## Note 17 – Profit and balance sheet trends

Profit and loss accounts	DnB NOR Group				
	3rd quarter	2nd quarter	1st quarter	Pro forma	Pro forma
<i>Amounts in NOK million</i>	2004	2004	2004	4th quarter	3rd quarter
	2003	2003	2003	2003	2003
<b>Net interest income and credit commissions</b>	<b>3 308</b>	<b>3 293</b>	<b>3 298</b>	<b>3 299</b>	<b>3 509</b>
Dividends	18	89	14	47	27
Net profit from Life Insurance and Pensions	197	197	178	360	88
Commissions and fees receivable	1 652	1 683	1 687	1 733	1 623
Commissions and fees payable	510	523	523	577	521
Net gain on foreign exchange and financial instruments	344	395	453	492	496
Sundry ordinary operating income	294	373	390	306	298
Gains on the sale of fixed assets	28	20	979	13	7
<b>Net other operating income</b>	<b>2 024</b>	<b>2 235</b>	<b>3 178</b>	<b>2 374</b>	<b>2 017</b>
Salaries and other ordinary personnel expenses	1 519	1 501	1 679	1 762	1 642
Administrative expenses	905	981	1 004	1 012	942
Depreciation	255	261	290	304	297
Sundry ordinary operating expenses	294	319	374	303	366
Other expenses	5	6	931	127	35
<b>Total operating expenses</b>	<b>2 979</b>	<b>3 068</b>	<b>4 278</b>	<b>3 508</b>	<b>3 282</b>
<b>Pre-tax operating profit before losses</b>	<b>2 353</b>	<b>2 460</b>	<b>2 199</b>	<b>2 165</b>	<b>2 244</b>
Net losses/(reversals) on loans etc.	(121)	82	135	276	356
Net gain/(loss) on long-term securities	24	13	15	195	(3)
<b>Pre-tax operating profit</b>	<b>2 498</b>	<b>2 390</b>	<b>2 078</b>	<b>2 083</b>	<b>1 885</b>
Taxes	675	645	561	513	501
<b>Profit for the period</b>	<b>1 823</b>	<b>1 745</b>	<b>1 517</b>	<b>1 570</b>	<b>1 384</b>
Earnings per share	1.38	1.32	1.16	1.20	1.06
Diluted earnings per share	1.37	1.31	1.15	1.19	1.05
Average total assets	747 641	745 941	727 687	689 051	712 670

Balance sheets	DnB NOR Group				
	30 Sept.	30 June	31 March	31 Dec.	Pro forma
<i>Amounts in NOK million</i>	2004	2004	2004 <sup>1)</sup>	2003	30 Sept.
	2003	2003	2003	2003	2003
<b>Assets</b>					
Cash and deposits with central banks	12 802	5 496	3 284	8 570	17 103
Lending to and deposits with credit institutions	24 346	65 725	60 336	28 331	31 771
Net lending to customers	562 608	554 117	544 165	557 503	546 803
Reposessed assets	580	414	460	576	873
Commercial paper and bonds	65 365	68 248	60 147	59 398	60 172
Shareholdings etc.	4 312	4 220	4 000	4 011	4 608
Investments in Life Insurance and Pensions and associated companies	8 119	7 861	7 722	7 365	7 796
Other assets	40 611	32 808	41 498	39 923	38 261
<b>Total assets</b>	<b>718 744</b>	<b>738 889</b>	<b>721 611</b>	<b>705 677</b>	<b>707 388</b>
<b>Liabilities and equity</b>					
Loans and deposits from credit institutions	63 501	98 964	75 509	78 497	82 451
Deposits from customers	349 654	351 733	341 469	335 576	330 704
Securities issued	192 310	192 101	192 386	181 649	175 920
Other liabilities	41 918	25 927	43 827	44 132	50 854
Subordinated loan capital	23 718	24 293	24 283	23 709	23 989
Equity	47 642	45 872	44 138	42 115	43 470
<b>Total liabilities and equity</b>	<b>718 744</b>	<b>738 889</b>	<b>721 611</b>	<b>705 677</b>	<b>707 388</b>

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

## Note 18 – Profit and balance sheet trends excluding Elcon

### Profit and loss accounts

Amounts in NOK million	DnB NOR Group				
	3rd quarter 2004	2nd quarter 2004	1st quarter 2004	Pro forma 4th quarter 2003	Pro forma 3rd quarter 2003
<b>Net interest income and credit commissions</b>	<b>3 308</b>	<b>3 293</b>	<b>3 061</b>	<b>3 096</b>	<b>3 280</b>
Dividends	18	89	14	47	27
Net profit from Life Insurance and Pensions	197	197	178	360	88
Commissions and fees receivable	1 652	1 683	1 670	1 716	1 609
Commissions and fees payable	510	523	498	561	507
Net gain on foreign exchange and financial instruments	344	395	455	493	495
Sundry ordinary operating income	294	373	381	296	283
Gains on the sale of fixed assets	28	20	979	13	7
<b>Net other operating income</b>	<b>2 024</b>	<b>2 235</b>	<b>3 178</b>	<b>2 364</b>	<b>2 002</b>
Salaries and other ordinary personnel expenses	1 519	1 501	1 606	1 679	1 570
Administrative expenses	905	981	980	1 006	916
Depreciation	255	261	279	293	287
Sundry ordinary operating expenses	294	319	362	284	350
Other expenses	5	6	931	127	35
<b>Total operating expenses</b>	<b>2 979</b>	<b>3 068</b>	<b>4 157</b>	<b>3 388</b>	<b>3 157</b>
<b>Pre-tax operating profit before losses</b>	<b>2 353</b>	<b>2 460</b>	<b>2 082</b>	<b>2 072</b>	<b>2 125</b>
Net losses/(reversals) on loans etc.	(121)	82	103	234	309
Net gain/(loss) on long-term securities	24	13	15	195	(3)
<b>Pre-tax operating profit</b>	<b>2 498</b>	<b>2 390</b>	<b>1 993</b>	<b>2 032</b>	<b>1 813</b>
Taxes	675	645	535	469	479
<b>Profit for the period</b>	<b>1 823</b>	<b>1 745</b>	<b>1 458</b>	<b>1 563</b>	<b>1 333</b>
Earnings per share	1.38	1.32	1.11	1.19	1.02
Diluted earnings per share	1.37	1.31	1.11	1.19	1.02
Average total assets	747 641	745 941	727 687	687 955	711 709

### Balance sheets

Amounts in NOK million	DnB NOR Group				
	30 Sept. 2004	30 June 2004	31 March 2004	31 Dec. 2003	Pro forma 30 Sept. 2003
<b>Assets</b>					
Cash and deposits with central banks	12 802	5 496	3 284	8 570	17 103
Lending to and deposits with credit institutions	24 346	65 725	60 336	53 065	55 892
Net lending to customers	562 608	554 117	544 383	530 295	520 522
Repossessed assets	580	414	620	601	906
Commercial paper and bonds	65 365	68 248	60 147	59 398	60 172
Shareholdings etc.	4 312	4 220	4 000	4 005	4 582
Investments in Life Insurance and Pensions and associated companies	8 119	7 861	7 722	7 365	7 796
Other assets	40 611	32 808	41 126	41 282	39 453
<b>Total assets</b>	<b>718 744</b>	<b>738 889</b>	<b>721 617</b>	<b>704 581</b>	<b>706 426</b>
<b>Liabilities and equity</b>					
Loans and deposits from credit institutions	63 501	98 964	75 509	78 672	82 543
Deposits from customers	349 654	351 733	341 469	335 293	330 329
Securities issued	192 310	192 101	192 386	181 649	175 920
Other liabilities	41 918	25 927	43 892	43 144	50 312
Subordinated loan capital	23 718	24 293	24 283	23 709	23 989
Equity	47 642	45 872	44 078	42 115	43 333
<b>Total liabilities and equity</b>	<b>718 744</b>	<b>738 889</b>	<b>721 617</b>	<b>704 581</b>	<b>706 426</b>



## Profit and loss accounts DnB NOR ASA

<i>Amounts in NOK million</i>	3rd quarter 2004	3rd quarter 2003	January-September 2004	January-September 2003	Full year 2003
Interest income	35	39	69	138	169
Interest expenses	44	56	182	219	276
<b>Net interest income and credit commissions</b>	<b>(9)</b>	<b>(16)</b>	<b>(113)</b>	<b>(81)</b>	<b>(107)</b>
Dividends from group companies/group contributions	0	0	0	0	3 629
Commissions and fees payable	2	10	7	27	4
<b>Net other operating income</b>	<b>(2)</b>	<b>(10)</b>	<b>(7)</b>	<b>(27)</b>	<b>3 625</b>
Salaries and other ordinary personnel expenses	1	1	22	2	19
Administrative expenses	26	19	80	57	63
Sundry ordinary operating expenses	2	3	4	5	7
Other expenses	0	0	7	0	0
<b>Total operating expenses</b>	<b>29</b>	<b>23</b>	<b>113</b>	<b>64</b>	<b>89</b>
<b>Pre-tax operating profit/(loss) before losses</b>	<b>(40)</b>	<b>(49)</b>	<b>(234)</b>	<b>(171)</b>	<b>3 429</b>
Net gain on long-term securities	13	0	13	0	0
<b>Pre-tax operating profit/(loss)</b>	<b>(26)</b>	<b>(49)</b>	<b>(220)</b>	<b>(171)</b>	<b>3 429</b>
Taxes/(tax revenues)	(7)	(14)	(62)	(48)	311
<b>Profit/(loss) for the period</b>	<b>(19)</b>	<b>(35)</b>	<b>(159)</b>	<b>(123)</b>	<b>3 118</b>

## Balance sheets DnB NOR ASA

<i>Amounts in NOK million</i>	30 Sept. 2004	31 Dec. 2003	30 Sept. 2003
<b>Assets</b>			
Deposits with DnB NOR Bank ASA	3 921	1 423	2 900
Lending to other group companies	2 061	1 825	1 801
Investments in group companies	45 975	46 121	28 569
Other receivables due from group companies	359	6 103	48
Other assets	55	30	10
<b>Total assets</b>	<b>52 371</b>	<b>55 502</b>	<b>33 328</b>
<b>Liabilities and equity</b>			
Loans from DnB NOR Bank ASA	6 153	6 370	3 690
Loans from other group companies	1 882	2 420	1 859
Other liabilities and provisions	277	2 919	350
Paid-in capital	13 220	13 090	7 696
Retained earnings	30 998	30 703	19 856
Profit/(loss) for the period	(159)	-	(123)
<b>Total liabilities and equity</b>	<b>52 371</b>	<b>55 502</b>	<b>33 328</b>

