



Supplementary Information for  
Investors and Analysts

## Full Year Results 2004 (Unaudited)

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

### **Financial Calendar 2005**

Year-end results 2004	24 February
Annual general Meeting	21 April
Ex-dividend date	22 April
Payment of dividend	As from mid May
First quarter	3 May
Second quarter	10 August
Third quarter	27 October

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## **Section 1**

# **DnB NOR- an overview**

Preliminary and unaudited

## Financial highlights

### DnB NOR – a partner to trust

#### Full year 2004 <sup>1)</sup>

- Profits up 37 per cent to NOK 7.4 billion (5.4)
- Ordinary expenses cut back to 53.4 per cent of income (57.0)
- Return on equity rose to 17.4 per cent (14.3)
- Earnings per share rose to NOK 6.05 (4.61)
- Proposed dividend: NOK 2.55 per share (2.20)
- Core capital ratio up from 6.8 to 7.6 per cent

#### Fourth quarter 2004 <sup>2)</sup>

- Profits up 47 per cent to NOK 2.3 billion (1.6)
- Ordinary expenses cut back to 49.3 per cent of income (57.1)
- Return on equity rose to 20.1 per cent (15.6)
- Earnings per share rose to NOK 1.85 (1.31)

1) Figures for 2003 in parentheses

The cost/income ratio, return on equity and earnings per share are calculated before goodwill amortisation

2) Comparable figures for the fourth quarter of 2003 in parentheses. Operations in Elcon are not included in the figures.

The cost/income ratio, return on equity and earnings per share are calculated before goodwill amortisation

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

### Banking operations

- Total assets
- Net lending
- Customer deposits

#### As at 31 Dec. 2004

NOK	714.7 billion
NOK	569.4 billion
NOK	355.3 billion

### Assets under management

- Life Insurance and Pensions
- Mutual funds
- Discretionary management
- Total assets under management

NOK	175 billion
NOK	66 billion
NOK	267 billion
NOK	508 billion

### Customer base

- Serving more than 2.2 million retail customers throughout Norway with various levels of activity
- More than 165 000 corporate customers
- Some 940 000 individuals insured

### Market shares

See business areas, section 3

### Distribution network

- 229 domestic DnB NOR branches
- 18 Nordlandsbanken branches
- 8 international branches
- 5 international representative offices
- 37 Postbanken sales outlets
- Internet banking
- Electronic banking
- Telephone banking
- Online equities trading in 13 markets
- Online mutual funds trading
- About 300 post office counters <sup>1)</sup>
- About 1 200 in-store postal outlets <sup>1)</sup>
- About 2 000 rural postmen <sup>1)</sup>
- 84 DnB NOR Eiendom sales offices
- 25 Vital sales offices
- 25 Vital agent agreements

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

### Credit ratings from international rating agencies

	Moody's		Standard & Poor's	
	Long-term	Short-term	Long-term	Short-term
DnB NOR Bank ASA	Aa3	P-1	A <sup>1)</sup>	A-1

1) Positive outlook

## Changes in group structure

### Operations sold in connection with the merger – discontinuing operations

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

Operations in these companies are 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 section 3, Business areas, these companies are shown separately under the caption "Discontinuing operations". Operations in the 53 branch offices DnB NOR is required to sell are included in the business area accounts as the sale refers only to premises and equipment.

### Sale of Elcon Finans AS

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

Restated figures for the past five quarters, excluding profit and loss and balance sheet items relating to Elcon have been included on page 14 in Section 2, Financial results DnB NOR Group.

### Sale of Gjensidige NOR Fondsforsikring AS

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

### Sale of Postbanken Eiendomsmegling AS

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



## Profit and loss accounts

Amounts in NOK million	Discontinuing operations <sup>1)</sup>	
	2004	2003
<b>Net interest income and credit commissions</b>	<b>258</b>	<b>929</b>
Commissions and fees receivable	17	81
Commissions and fees payable	25	61
Net gain/(loss) on foreign exchange and financial instruments	(1)	6
Sundry ordinary operating income	54	118
Gains on the sale of fixed assets	981	0
<b>Net other operating income</b>	<b>1 026</b>	<b>144</b>
Salaries and other ordinary personnel expenses	82	289
Administrative expenses	39	117
Depreciation	8	25
Sundry ordinary operating expenses	22	98
<b>Total operating expenses</b>	<b>151</b>	<b>529</b>
<b>Pre-tax operating profit before losses</b>	<b>1 133</b>	<b>544</b>
Net losses on loans etc.	23	173
<b>Pre-tax operating profit</b>	<b>1 110</b>	<b>371</b>
Taxes	300	107
<b>Profit for the period</b>	<b>810</b>	<b>264</b>

## Balance sheets

Amounts in NOK million	Discontinuing operations <sup>1)</sup>	
	31 Dec. 2004	31 Dec. 2003
<b>Assets</b>		
Lending to and deposits with credit institutions	33	392
Gross lending to customers	0	27 700
- Specified loan-loss provisions	0	(114)
- Unspecified loan-loss provisions	0	(181)
Net lending to customers	0	27 405
Reposessed assets	0	134
Shareholdings etc.	0	40
Intangible assets	9	152
Fixed assets	3	23
Other assets	1 177	323
Prepayments and accrued income	0	92
<b>Total assets</b>	<b>1 222</b>	<b>28 561</b>
<b>Liabilities and equity</b>		
Loans and deposits from credit institutions	0	24 520
Deposits from customers	0	283
Other liabilities	1	771
Accrued expenses and prepaid revenues	300	180
Provisions for commitments	7	23
Subordinated loan capital	0	350
<b>Total liabilities</b>	<b>308</b>	<b>26 127</b>
<b>Total equity</b>	<b>914</b>	<b>2 434</b>
<b>Total liabilities and equity</b>	<b>1 222</b>	<b>28 561</b>

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

## Implications of new international accounting rules (IFRS)

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

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

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

### Financial instruments, excluding loans and deposits

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

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

### Loans and deposits

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

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

### Insurance operations

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

When preparing group accounts according to IFRS, insurance operations must be fully consolidated. IFRS does not, however, include regulations for the presentation of bank assurance groups. DnB NOR will give priority to working out a presentation model which provides useful information about the Group's total operations for investors and the market, based on uniform

principles in line with international developments. The new presentation model will not affect the Group's return on equity, but will have an impact on the cost/income ratio and other key figures.

**Pension commitments**

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

**Goodwill and intangible assets**

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

**Investments in subsidiaries and associated companies**

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

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



## **Section 2**

# **Financial results DnB NOR Group**

Preliminary and unaudited

(Unless otherwise specified, figures  
are not adjusted for the sale of Elcon)

## Financial highlights

### Financial highlights, adjusted for the sale of Elcon

<i>Amounts in NOK million</i>	4Q04	3Q04	2Q04	1Q04	4Q03	2004	2003
Pre-tax operating profit before losses	2 787	2 353	2 460	2 082	2 072	9 681	8 259
Pre-tax operating profit	2 772	2 498	2 390	1 993	2 032	9 653	6 765
Profit for the period	2 303	1 823	1 745	1 458	1 563	7 329	5 235
Ordinary cost/income ratio excl. goodwill (per cent)	49.3	53.5	53.1	58.5	57.1	53.5	57.3
Return on equity excl. goodwill (per cent)	20.1	16.8	16.8	15.0	15.6	17.3	13.9
Return on equity (per cent)	18.9	15.6	15.5	13.5	14.1	15.9	12.4
Earnings per share excl. goodwill (NOK)	1.85	1.49	1.43	1.23	1.31	6.00	4.49
Earnings per share (NOK)	1.74	1.38	1.32	1.11	1.19	5.55	4.00
Total combined assets at end of period (NOK billion)	1 204	1 222	1 239	1 226	1 185	1 204	1 185
Core capital ratio at end of period <sup>1)</sup> (per cent)	7.6	7.3	7.2	7.1	-	7.6	-

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

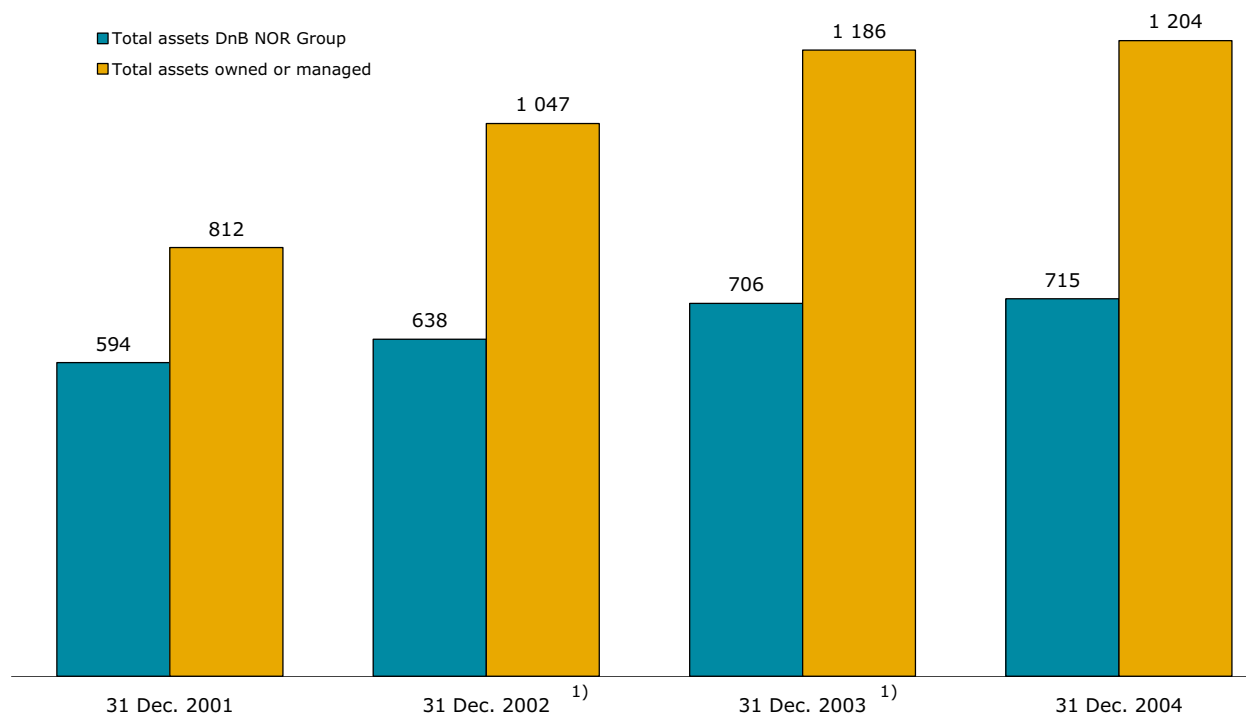
### Financial highlights

<i>Amounts in NOK million</i>	4Q04	3Q04	2Q04	1Q04	4Q03	2004	2003
Pre-tax operating profit before losses	2 787	2 353	2 460	2 199	2 165	9 798	8 681
Pre-tax operating profit	2 772	2 498	2 390	2 078	2 083	9 738	7 014
Profit for the period	2 303	1 823	1 745	1 517	1 570	7 388	5 378
Ordinary cost/income ratio excl. goodwill (per cent)	49.3	53.5	53.1	58.1	57.0	53.4	57.0
Return on equity excl. goodwill (per cent)	20.1	16.8	16.8	15.6	15.7	17.4	14.3
Return on equity (per cent)	18.9	15.6	15.5	14.1	14.2	16.1	12.7
Earnings per share excl. goodwill (NOK)	1.85	1.49	1.43	1.28	1.32	6.05	4.61
Earnings per share (NOK)	1.74	1.38	1.32	1.16	1.20	5.60	4.11
Total combined assets at end of period (NOK billion)	1 204	1 222	1 239	1 226	1 186	1 204	1 186
Core capital ratio at end of period <sup>1)</sup> (per cent)	7.6	7.3	7.2	7.1	6.8	7.6	6.8

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

**Total combined assets**

NOK billion



1) Skandia Asset Management is included as from 2002 and Nordlandsbanken as from 2003.

## Profit and loss accounts

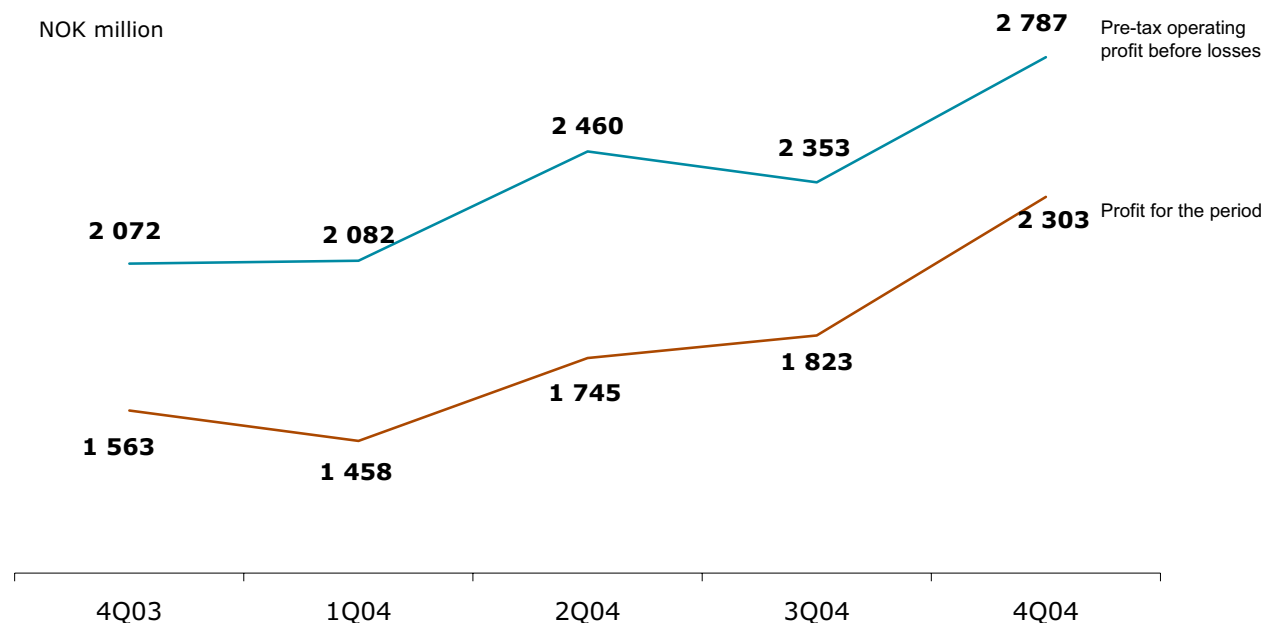
### Profit and loss accounts, adjusted for the sale of Elcon

Amounts in NOK million	4Q04	3Q04	2Q04	1Q04	4Q03	2004	2003
Net interest income	3 314	3 308	3 293	3 061	3 096	12 976	12 971
Net other ordinary operating income	2 742	1 996	2 214	2 199	2 351	9 151	8 205
Ordinary operating expenses	3 124	2 974	3 062	3 226	3 261	12 386	12 721
Ordinary operating profit	2 932	2 330	2 446	2 033	2 186	9 741	8 455
Gains on the sale of fixed assets	(6)	28	20	979	13	1 022	23
Other expenses	139	5	6	931	127	1 082	219
Pre-tax operating profit before losses	2 787	2 353	2 460	2 082	2 072	9 681	8 259
Net losses/(reversals) on loans etc.	70	(121)	82	103	234	134	1 718
Net gain on long-term securities	55	24	13	15	195	106	224
Pre-tax operating profit	2 772	2 498	2 390	1 993	2 032	9 653	6 765
Taxes	469	675	645	535	469	2 325	1 530
<b>Profit for the period</b>	<b>2 303</b>	<b>1 823</b>	<b>1 745</b>	<b>1 458</b>	<b>1 563</b>	<b>7 329</b>	<b>5 235</b>

### Profit and loss accounts

Amounts in NOK million	4Q04	3Q04	2Q04	1Q04	4Q03	2004	2003
Net interest income	3 314	3 308	3 293	3 298	3 299	13 214	13 789
Net other ordinary operating income	2 742	1 996	2 214	2 199	2 361	9 151	8 279
Ordinary operating expenses	3 124	2 974	3 062	3 347	3 381	12 506	13 191
Ordinary operating profit	2 932	2 330	2 446	2 151	2 279	9 859	8 876
Gains on the sale of fixed assets	(6)	28	20	979	13	1 022	23
Other expenses	139	5	6	931	127	1 082	219
Pre-tax operating profit before losses	2 787	2 353	2 460	2 199	2 165	9 798	8 681
Net losses/(reversals) on loans etc.	70	(121)	82	135	276	167	1 891
Net gain on long-term securities	55	24	13	15	195	106	224
Pre-tax operating profit	2 772	2 498	2 390	2 078	2 083	9 738	7 014
Taxes	469	675	645	561	513	2 350	1 636
<b>Profit for the period</b>	<b>2 303</b>	<b>1 823</b>	<b>1 745</b>	<b>1 517</b>	<b>1 570</b>	<b>7 388</b>	<b>5 378</b>

### Profits, adjusted for the sale of Elcon



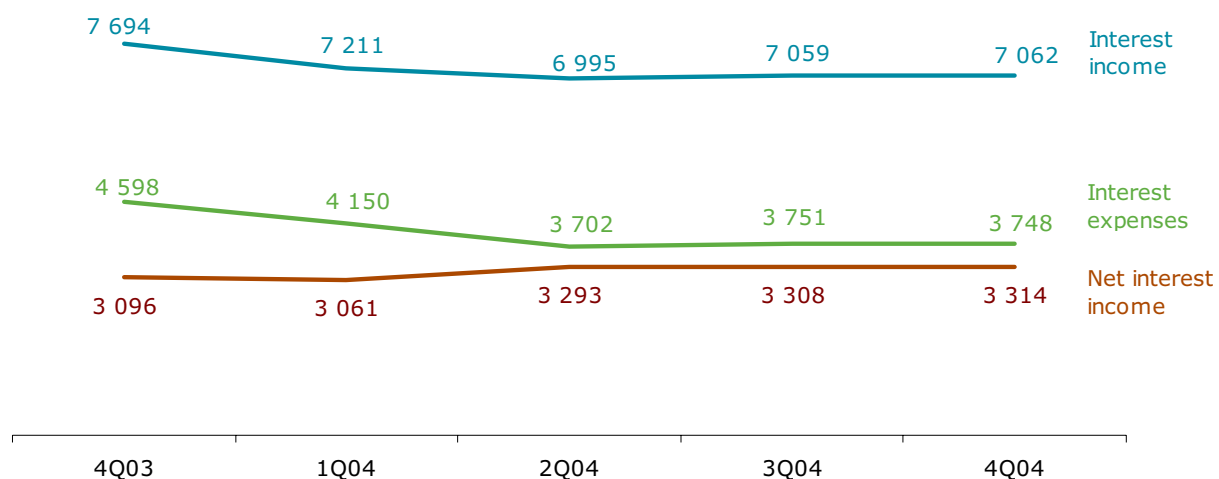


## Net interest income

Amounts in NOK million	4Q04	3Q04	2Q04	1Q04	4Q03	2004	2003
Interest on loans to and deposits with credit institutions	400	423	528	475	522	1 825	2 773
Interest and credit commissions on instalment loans	4 848	4 817	4 744	5 166	5 380	19 574	26 944
Interest and credit commissions on overdraft and working capital facilities	641	633	649	642	672	2 564	3 141
Interest and credit commissions on building loans	74	67	64	64	80	268	419
Leasing income	124	125	123	341	314	714	1 599
Factoring income	16	14	13	36	57	79	185
Front-end fees, etc.	256	272	242	231	227	1 001	868
Interest on other loans to customers	66	78	44	62	89	250	181
<b>Total interest income on loans to customers</b>	<b>6 025</b>	<b>6 006</b>	<b>5 879</b>	<b>6 541</b>	<b>6 818</b>	<b>24 451</b>	<b>33 336</b>
Interest on commercial paper and bonds	555	522	570	425	521	2 071	2 222
Other interest income	82	108	18	22	56	231	98
<b>Total interest income</b>	<b>7 062</b>	<b>7 059</b>	<b>6 995</b>	<b>7 462</b>	<b>7 916</b>	<b>28 578</b>	<b>38 430</b>
Interest on loans and deposits from credit institutions	410	430	432	521	461	1 794	2 362
Interest on demand deposits from customers	827	790	788	969	1 186	3 374	8 373
Interest on time deposits from customers	52	53	46	50	55	201	373
Interest on special-term deposits from customers	235	220	250	290	345	995	2 824
<b>Total interest expenses on deposits from customers</b>	<b>1 115</b>	<b>1 062</b>	<b>1 085</b>	<b>1 308</b>	<b>1 586</b>	<b>4 570</b>	<b>11 570</b>
Interest on securities issued	1 362	1 154	1 049	1 021	1 126	4 585	4 796
Interest on subordinated loan capital	195	183	171	175	171	725	662
Contribution to the banks' guarantee funds	60	70	28	111	123	269	499
Other interest expenses	606	852	936	1 027	1 152	3 421	4 752
<b>Total interest expenses</b>	<b>3 748</b>	<b>3 751</b>	<b>3 702</b>	<b>4 164</b>	<b>4 618</b>	<b>15 365</b>	<b>24 641</b>
<b>Net interest income</b>	<b>3 314</b>	<b>3 308</b>	<b>3 293</b>	<b>3 298</b>	<b>3 299</b>	<b>13 214</b>	<b>13 789</b>

## Net interest income, adjusted for the sale of Elcon

NOK million



## Changes in net interest income

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

<i>Amounts in NOK million</i>	4Q04	Change	4Q03
Net interest income	3 314	15	3 299
Elcon	-	(202)	202
<b>Net adjusted interest income</b>	<b>3 314</b>	<b>218</b>	<b>3 096</b>
Of which:			
Lending and deposit volumes		243	
Lending and deposit spreads		37	
Funding costs and interest reservations on non-performing and doubtful loans		(69)	
Funding costs on equity, share investments and fixed assets		(39)	
Contribution to the banks' guarantee funds		62	
Other		(15)	

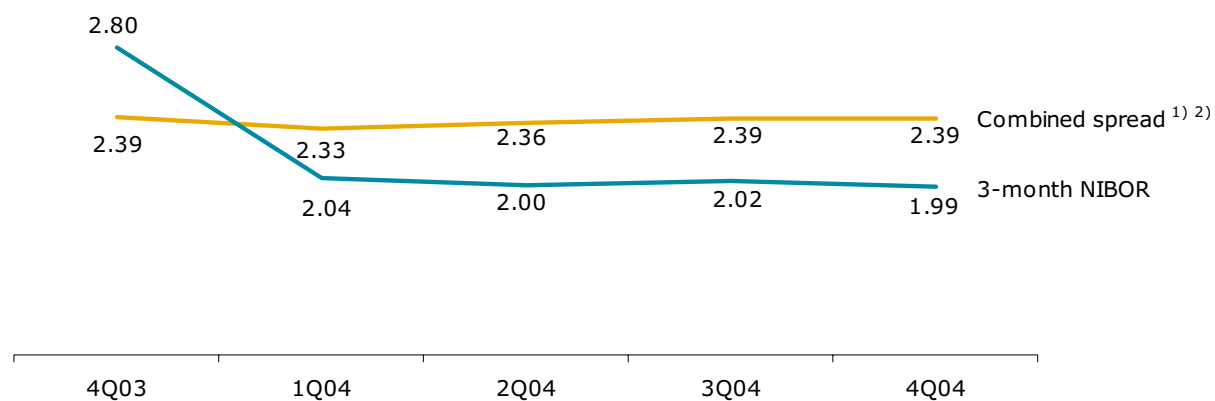
<i>Amounts in NOK million</i>	4Q04	Change	3Q04
<b>Net interest income</b>	<b>3 314</b>	<b>6</b>	<b>3 308</b>
Of which:			
Lending and deposit volumes		53	
Lending and deposit spreads		(5)	
Funding costs and interest reservations on non-performing and doubtful loans		(35)	
Other		(7)	

## Deposit volumes split by interest rate intervals – end December

<i>Amounts in NOK billion</i>	0-0.25%	0.26-1.00%	1.01-2.00%	>2.00 %	Currency deposits/ other agreements	Total
Retail customers	47	30	91	4	2	173
Corporate customers	24	13	108	0	35	182
<b>Total 2004</b>	<b>72</b>	<b>45</b>	<b>198</b>	<b>4</b>	<b>37</b>	<b>355</b>
Total 2003	59	20	150	72	35	336

## Developments in average interest rate spreads

Per cent

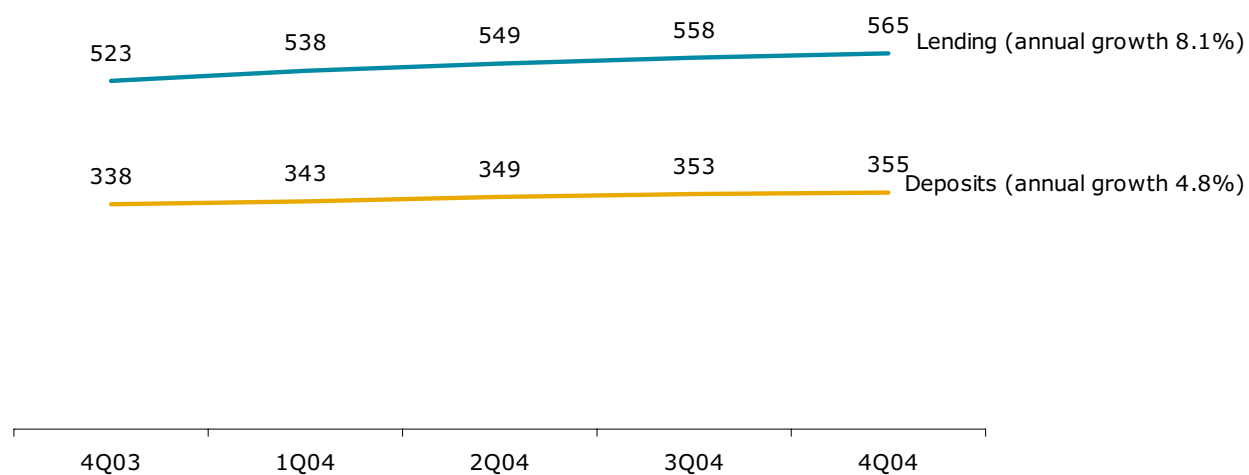


1) Combined spread for lending and deposits

2) Excluding Elcon

## Developments in average volumes

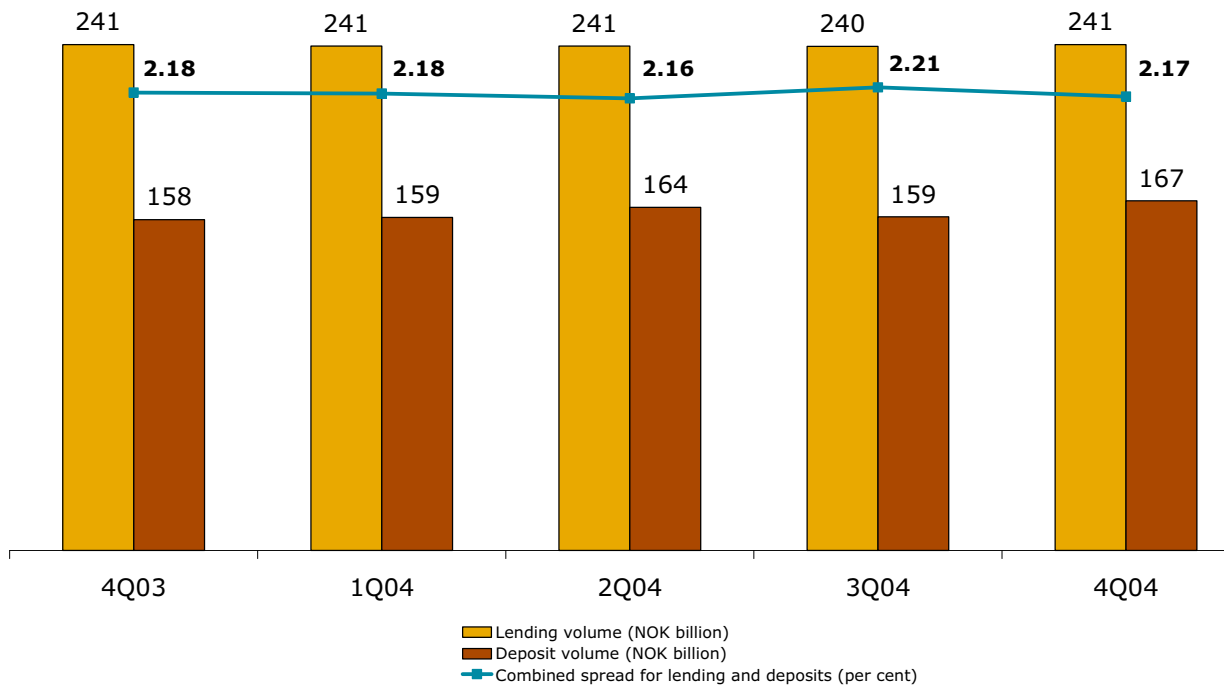
NOK billion



Excluding Elcon

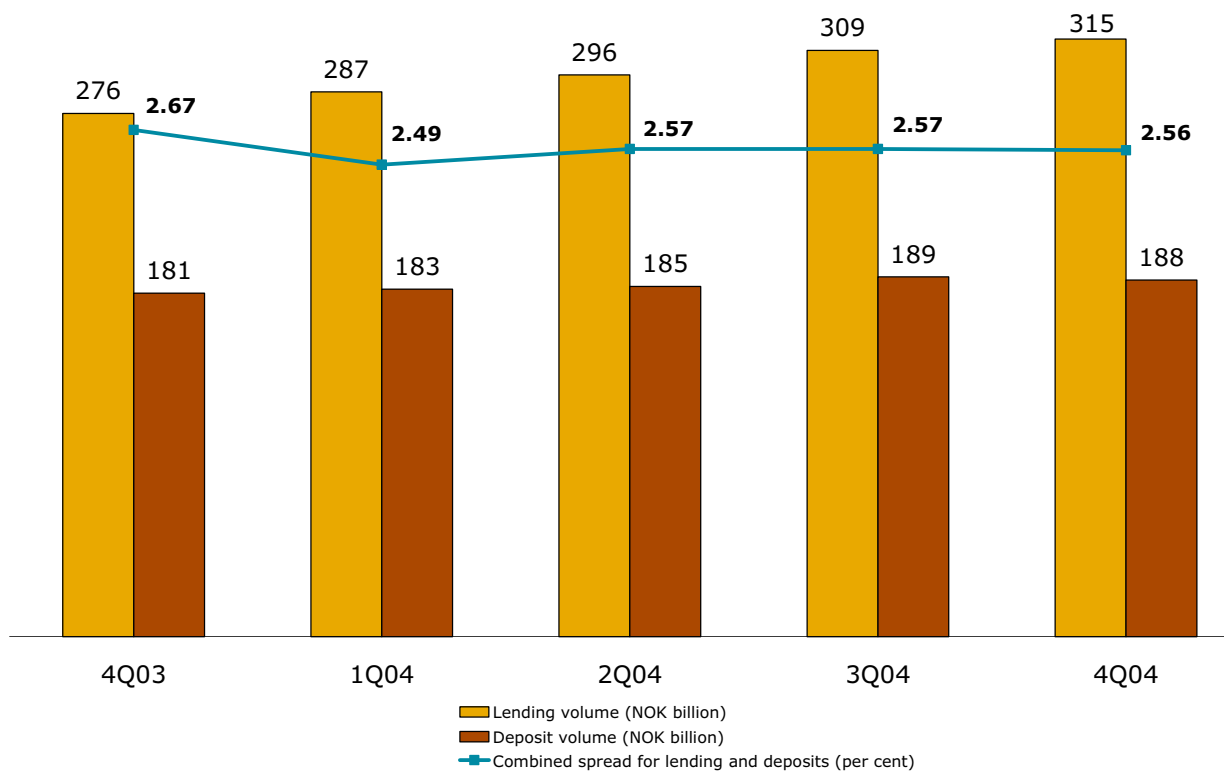
## Average lending and deposit volumes

### Corporate Banking, adjusted for the sale of Elcon <sup>1)</sup>



1) Excluding loan to and deposits with credit institutions

### Retail Banking



## Net other operating income

### Net operating income split by nature of business <sup>1)</sup>

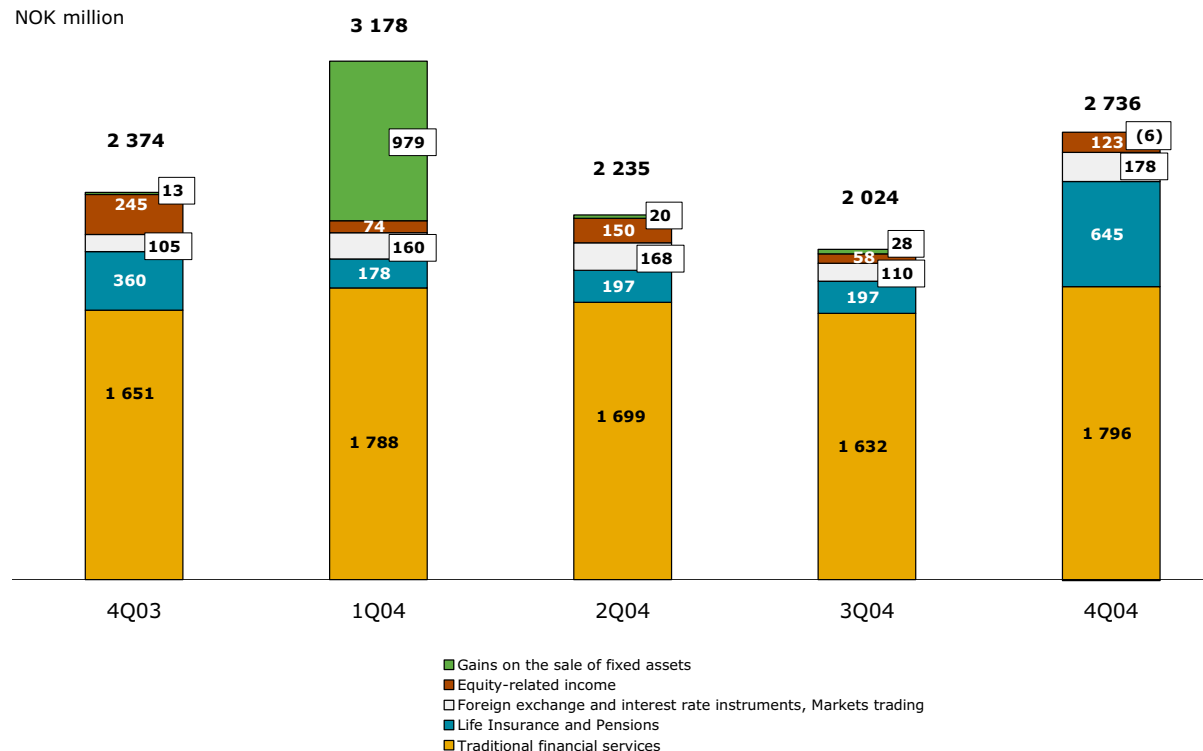
Amounts in NOK million	4Q04	3Q04	2Q04	1Q04	4Q03	2004	2003
Money transfer and interbank transactions	512	525	499	455	459	1 991	1 859
Asset management services	287	251	251	260	258	1 050	886
Credit broking, guarantees etc.	79	90	87	79	79	335	363
Real estate broking	155	145	172	146	160	618	595
Custodial services	49	40	39	41	42	169	159
Securities trading	44	49	41	89	47	223	160
Insurance sales	81	59	59	86	72	285	221
Other from banking services	112	84	101	114	99	411	402
Share of profit in associated companies	35	43	81	58	20	218	159
FX and interest rate instruments trading with customers, Markets	259	209	219	250	259	938	1 167
FX and interest rate instruments trading with customers, other entities	36	28	27	24	42	115	205
Miscellaneous <sup>2)</sup>	147	109	121	185	115	562	406
<b>Traditional financial services</b>	<b>1 796</b>	<b>1 632</b>	<b>1 699</b>	<b>1 788</b>	<b>1 651</b>	<b>6 914</b>	<b>6 581</b>
<i>As a percentage of net ordinary operating income</i>	<i>65.5</i>	<i>81.8</i>	<i>76.7</i>	<i>81.3</i>	<i>69.9</i>	<i>75.6</i>	<i>79.5</i>
<b>Life Insurance and Pensions</b>	<b>645</b>	<b>197</b>	<b>197</b>	<b>178</b>	<b>360</b>	<b>1 216</b>	<b>760</b>
<i>As a percentage of net ordinary operating income</i>	<i>23.5</i>	<i>9.9</i>	<i>8.9</i>	<i>8.1</i>	<i>15.3</i>	<i>13.3</i>	<i>9.2</i>
<b>Foreign exchange and interest rate instruments, Markets trading</b>	<b>178</b>	<b>110</b>	<b>168</b>	<b>160</b>	<b>105</b>	<b>616</b>	<b>312</b>
<i>As a percentage of net ordinary operating income</i>	<i>6.5</i>	<i>5.5</i>	<i>7.6</i>	<i>7.3</i>	<i>4.4</i>	<i>6.7</i>	<i>3.8</i>
Dividends	25	18	89	14	47	146	212
Corporate finance etc.	83	42	82	41	112	247	250
Short-term shareholdings	15	(3)	(20)	20	86	12	163
<b>Equity-related income</b>	<b>123</b>	<b>58</b>	<b>150</b>	<b>74</b>	<b>245</b>	<b>405</b>	<b>625</b>
<i>As a percentage of net ordinary operating income</i>	<i>4.5</i>	<i>2.9</i>	<i>6.8</i>	<i>3.4</i>	<i>10.4</i>	<i>4.4</i>	<i>7.6</i>
<b>Net ordinary operating income</b>	<b>2 742</b>	<b>1 996</b>	<b>2 214</b>	<b>2 198</b>	<b>2 361</b>	<b>9 151</b>	<b>8 279</b>
<b>Gains on the sale of fixed assets <sup>3)</sup></b>	<b>(6)</b>	<b>28</b>	<b>20</b>	<b>979</b>	<b>13</b>	<b>1 022</b>	<b>23</b>
<b>Net other operating income</b>	<b>2 736</b>	<b>2 024</b>	<b>2 235</b>	<b>3 178</b>	<b>2 374</b>	<b>10 173</b>	<b>8 302</b>

1) Presented net of related costs.

2) Total external income from operations in Gjensidige NOR Driftspartner and Gjensidige NOR Markedsstøtte are included in these line items as from the first quarter of 2004.

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

NOK million



## Changes in net other operating income

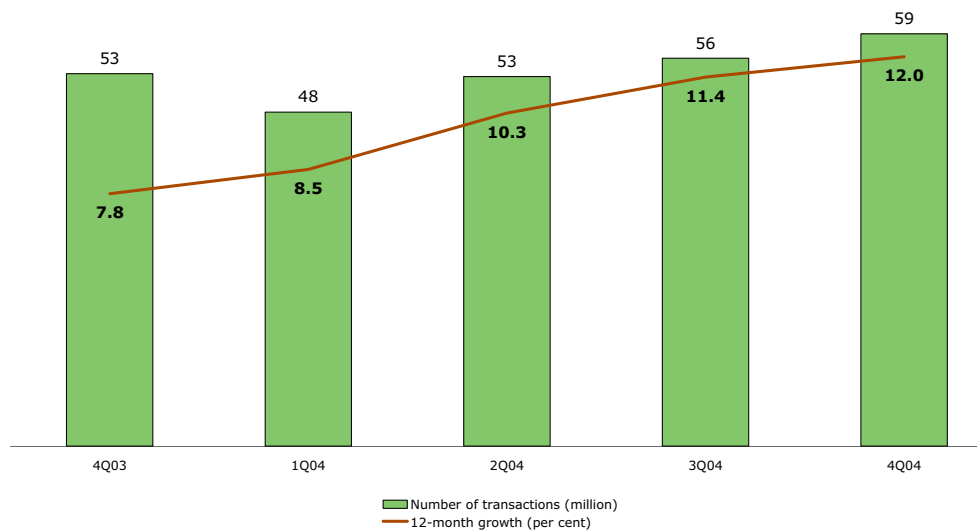
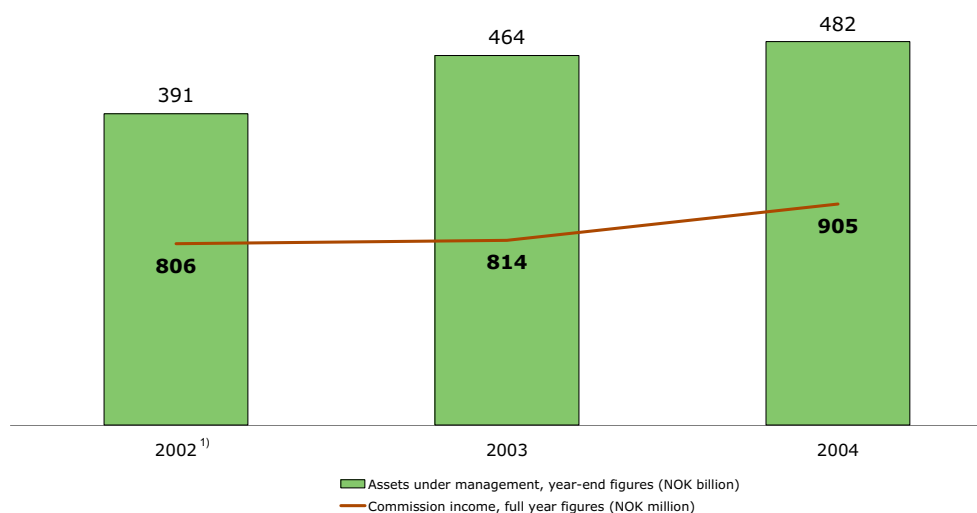
Amounts in NOK million	2004	Change	2003
Net other operating income	10 173	1 871	8 302
Elcon	-	(74)	74
Driftspartner and Markedsstøtte	240	240	-
Gain on the sale of assets	1 022	999	23
<b>Net adjusted other operating income</b>	<b>8 911</b>	<b>706</b>	<b>8 205</b>
Of which:			
Income from traditional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

Amounts in NOK million	4Q04	Change	4Q03
Net other operating income	2 736	362	2 374
Elcon	-	(10)	10
Driftspartner and Markedsstøtte	60	60	-
<b>Net adjusted other operating income</b>	<b>2 676</b>	<b>312</b>	<b>2 364</b>
Of which:			
Income from traditional financial services, adjusted		95	
Net profit from Life Insurance and Pensions		285	
Trading income on foreign exchange and interest rate instruments, DnB NOR Markets		74	
Equity-related income		(122)	
Gains on the sale of fixed assets		(19)	

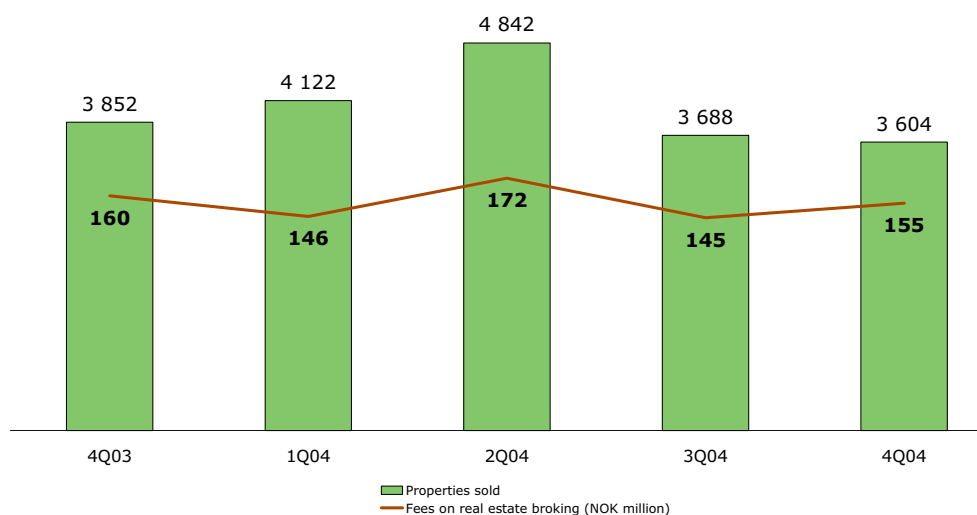
Amounts in NOK million	4Q04	Change	3Q04
<b>Net other operating income</b>	<b>2 736</b>	<b>711</b>	<b>2 024</b>
Of which:			
Income from traditional financial services		164	
Net profit from Life Insurance and Pensions <sup>1)</sup>		448	
Trading income on foreign exchange and interest rate instruments, DnB NOR Markets		69	
Equity-related income		66	
Gains on the sale of fixed assets		(35)	

1) Of which net gain on the sale of non-life products NOK 184 million

(Pro forma accounting figures prior to 31 December 2003)

**Number of "point-of-sale" transactions****Asset Management**

1) Proforma including Skandia Asset Management as from 1 January 2002

**Real estate**

**Net other operating income, gross figures**

<i>Amounts in NOK million</i>	4Q04	3Q04	2Q04	1Q04	4Q03	2004	2003
Dividends	25	18	89	14	47	146	212
Net profit from Life Insurance and Pensions <sup>1)</sup>	645	197	197	178	360	1 216	760
Money transfer fees receivable	806	830	810	747	780	3 193	3 069
Fees on asset management services	310	279	296	295	276	1 180	986
Fees on custodial services	67	59	64	63	56	253	222
Fees on securities broking (incl. corporate finance)	134	100	132	144	169	510	453
Guarantee commissions	99	90	104	96	96	389	378
Interbank fees	44	44	46	48	55	182	214
Credit broking commissions	35	39	28	23	33	126	117
Sales commissions on insurance products	83	61	63	89	70	297	226
Sundry commissions and fees receivable on banking services	180	168	165	203	212	716	734
<b>Total commissions and fees receivable</b>	<b>1 758</b>	<b>1 672</b>	<b>1 708</b>	<b>1 708</b>	<b>1 747</b>	<b>6 846</b>	<b>6 398</b>
Money transfer fees payable	277	289	295	280	310	1 141	1 166
Fees on custodial services payable	18	19	25	21	14	83	63
Interbank fees	60	61	62	60	66	243	258
Sundry commissions and fees payable on banking services	158	160	166	183	200	667	632
<b>Total commissions and fees payable</b>	<b>514</b>	<b>529</b>	<b>547</b>	<b>544</b>	<b>591</b>	<b>2 135</b>	<b>2 119</b>
Net gain/(loss) on short-term shareholdings	15	(3)	(20)	20	86	12	163
Net gain/(loss) on commercial paper and bonds	74	153	(256)	242	4	212	523
Net gain on trading in foreign exchange and financial derivatives <sup>2)</sup>	580	474	1 524	306	280	2 884	1 495
Net gain/(loss) on other short-term interest rate instruments <sup>2)</sup>	(181)	(281)	(852)	(114)	121	(1 428)	(333)
<b>Net gain on foreign exchange and financial instruments</b>	<b>488</b>	<b>344</b>	<b>395</b>	<b>453</b>	<b>492</b>	<b>1 680</b>	<b>1 847</b>
Operating income on real estate	2	11	9	17	15	39	61
Rental income <sup>3)</sup>	47	23	41	50	16	162	63
Fees on real estate broking	155	145	172	146	160	618	595
Share of profit in associated companies	35	43	81	58	20	218	159
Remunerations	3	(3)	(1)	1	11	1	21
Miscellaneous operating income <sup>3)</sup>	98	74	71	118	83	361	282
<b>Total sundry ordinary operating income</b>	<b>340</b>	<b>294</b>	<b>373</b>	<b>390</b>	<b>306</b>	<b>1 398</b>	<b>1 181</b>
Gains on the sale of fixed assets <sup>4)</sup>	(6)	28	20	979	13	1 022	23
<b>Net other operating income</b>	<b>2 736</b>	<b>2 024</b>	<b>2 235</b>	<b>3 178</b>	<b>2 374</b>	<b>10 173</b>	<b>8 302</b>
<i>As a percentage of total income <sup>5)</sup></i>	<i>45.2</i>	<i>38.0</i>	<i>40.4</i>	<i>40.4</i>	<i>41.9</i>	<i>41.1</i>	<i>37.6</i>

1) In the fourth quarter of 2004, Vital sold its non-life activities with a net gain of NOK 184 million.

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

3) Total external income from the operations of 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.

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

5) Gains on the sale of Elcon are not included in the calculation for 2004.



## Net gain on foreign exchange and financial instruments

Amounts in NOK million	4Q04	3Q04	2Q04	1Q04	4Q03	2004	2003
Net gain/(loss) on short-term shareholdings	15	(3)	(20)	20	86	12	163
Net gain/(loss) on commercial paper and bonds	74	153	(256)	242	4	212	523
Net gain on trading in foreign exchange and financial derivatives	580	474	1 524	306	280	2 884	1 495
Net gain/(loss) on other short-term interest rate instruments	(181)	(281)	(852)	(114)	121	(1 428)	(333)
<b>Net gain on foreign exchange and financial instruments</b>	<b>488</b>	<b>344</b>	<b>395</b>	<b>453</b>	<b>492</b>	<b>1 680</b>	<b>1 847</b>
Of which:							
DnB NOR Markets (I+II)	440	331	384	420	380	1 575	1 484
Banking portfolio, equity investments	12	(15)	(17)	10	82	(10)	156
Banking portfolio, other	36	28	28	24	30	115	206

## Total income in DnB NOR Markets

Amounts in NOK million	4Q04	3Q04	2Q04	1Q04	2004
<b>Customer business</b>					
Net gain on trading in foreign exchange and financial instruments (I)	254	210	217	249	931
Net interest income	61	53	56	45	215
Other income	187	154	154	168	663
<b>Total income customer business</b>	<b>501</b>	<b>417</b>	<b>427</b>	<b>463</b>	<b>1 808</b>
<b>Trading/market making</b>					
Net gain on trading in foreign exchange and financial instruments (II)	186	121	167	171	645
Net interest income	(14)	15	1	13	16
Other income	4	(2)	4	(3)	3
<b>Total income trading/market making</b>	<b>176</b>	<b>135</b>	<b>172</b>	<b>181</b>	<b>664</b>
<b>Total income customer business and trading/market making</b>	<b>677</b>	<b>552</b>	<b>599</b>	<b>644</b>	<b>2 472</b>
Interest on allocated equity	9	9	9	11	37
<b>Total income DnB NOR Markets</b>	<b>686</b>	<b>561</b>	<b>608</b>	<b>655</b>	<b>2 510</b>

## Market value above book value, banking portfolio <sup>1)</sup>

Amounts in NOK million	31 Dec. 2004	30 Sept. 2004	30 June 2004	31 March 2004	31 Dec. 2003
Commercial paper and bonds	104	88	61	73	57
Short-term shareholdings	110	65	94	126	45

1) Unrealised gains have not been included in the profit and loss accounts

**Short-term investments in securities** <sup>1)</sup>

<i>Amounts in NOK million</i>	31 Dec. 2004		31 Dec. 2003	
	Book value	Market value	Book value	Market value
<b>Commercial paper and bonds</b>				
Trading portfolio	50 436	50 436	33 735	33 735
Banking portfolio	12 549	12 653	25 663	25 720
Total commercial paper and bonds	62 986	63 090	59 398	59 455
<b>Short-term shareholdings</b>				
Trading portfolio	1 115	1 115	271	271
Banking portfolio	2 977	3 087	2 780	2 825
Total short-term shareholdings	4 092	4 202	3 051	3 096

1) Excluding securities held by Life Insurance and Pensions.

**Major short-term shareholdings as at 31 December 2004** <sup>1)</sup>

<i>Amounts in NOK million</i>	Book value	Market value
IT Fornebu Eiendom	148	114
OVDS	84	128
Elkem	77	105
Troms Fylkes Dampskibsselskap	55	42
Romsdal Fellesbank	50	59
Viking Ship Finance	39	68
Euroclear	33	33
Helgelandske	31	47
Lerøy Seafood	25	32
Orkla	23	80
KS Venturos Technology III	21	5
EFD-Elva Fritz Dusseldorf	20	20
Tomra Systems	20	12
Cape Investments	19	37
Acta Holding	19	18
Industrifinans SMB III	19	11
Equity funds, total	1 675	1 691
Other, banking portfolio	618	584
<b>Total banking portfolio</b>	<b>2 977</b>	<b>3 087</b>
Trading portfolio	1 115	1 115
<b>Total</b>	<b>4 092</b>	<b>4 202</b>

1) Excluding shares held by Life Insurance and Pensions.

## Operating expenses

Amounts in NOK million	4Q04	3Q04	2Q04	1Q04	4Q03	2004	2003
Ordinary salaries <sup>1)</sup>	1 158	1 114	1 100	1 218	1 261	4 590	4 836
Employer's national insurance contributions	133	165	184	205	149	686	712
Pension expenses	174	166	162	182	230	683	666
Social expenses	69	75	56	74	122	274	363
<b>Total salaries and other ordinary personnel expenses</b>	<b>1 534</b>	<b>1 519</b>	<b>1 501</b>	<b>1 679</b>	<b>1 762</b>	<b>6 233</b>	<b>6 577</b>
Fees	103	126	118	136	162	482	526
EDP expenses <sup>2)</sup>	295	331	357	358	294	1 341	1 361
Postage, telecommunications and office supplies <sup>1)</sup>	157	139	152	188	160	636	671
Marketing and public relations	156	83	99	102	115	441	451
Travel expenses	39	39	50	42	57	170	194
Reimbursement to Norway Post for transactions executed <sup>3)</sup>	161	145	144	125	180	574	563
Training expenses	7	7	13	13	9	39	46
Sundry administrative expenses	56	35	49	40	34	180	169
<b>Total administrative expenses</b>	<b>974</b>	<b>905</b>	<b>981</b>	<b>1 004</b>	<b>1 012</b>	<b>3 864</b>	<b>3 982</b>
Goodwill amortisation	123	123	123	140	140	509	550
Other depreciation	138	132	138	150	163	558	649
<b>Total depreciation</b>	<b>261</b>	<b>255</b>	<b>261</b>	<b>290</b>	<b>304</b>	<b>1 067</b>	<b>1 200</b>
Operating expenses on properties and premises <sup>1)</sup>	238	227	225	256	187	946	878
Operating expenses on machinery, vehicles and office equipment	24	15	15	22	37	77	103
Miscellaneous ordinary operating expenses	92	52	79	97	79	319	453
<b>Total sundry ordinary operating expenses</b>	<b>354</b>	<b>294</b>	<b>319</b>	<b>374</b>	<b>303</b>	<b>1 342</b>	<b>1 433</b>
Allocations to employee funds	139	0	0	0	85	139	114
Restructuring expenses	0	0	0	930	13	930	38
Losses on the sale of fixed assets	3	1	6	1	5	12	28
Write-downs/(reversals of write-downs) on rental contracts and fixed assets	(3)	5	0	0	24	1	40
<b>Total other expenses</b>	<b>139</b>	<b>5</b>	<b>6</b>	<b>931</b>	<b>127</b>	<b>1 082</b>	<b>219</b>
<b>Total operating expenses</b>	<b>3 263</b>	<b>2 979</b>	<b>3 068</b>	<b>4 278</b>	<b>3 508</b>	<b>13 588</b>	<b>13 410</b>

### Adjustments for total other expenses:

÷ Total other expenses	139	5	6	931	127	1 082	219
<b>Total ordinary expenses</b>	<b>3 124</b>	<b>2 974</b>	<b>3 062</b>	<b>3 347</b>	<b>3 381</b>	<b>12 506</b>	<b>13 191</b>
Change from the previous period (per cent)	5.04	(2.88)	(8.51)	(1.00)	4.10	(5.19)	-

### Adjustments for goodwill amortisation:

÷ Goodwill amortisation	123	123	123	140	140	509	550
<b>Total ordinary expenses before goodwill amortisation</b>	<b>3 000</b>	<b>2 851</b>	<b>2 939</b>	<b>3 207</b>	<b>3 240</b>	<b>11 997</b>	<b>12 641</b>
Change from the previous period (per cent)	5.26	(2.99)	(8.38)	(1.02)	4.24	(5.09)	-

### Adjustments for acquisitions and sales:

Including Driftspartner	-	-	-	-	58	-	232
Including Markedsstøtte	-	-	-	-	2	-	8
Excluding Elcon	-	-	-	115	114	115	447
<b>Total comparable ordinary expenses before goodwill amortisation</b>	<b>3 000</b>	<b>2 851</b>	<b>2 939</b>	<b>3 093</b>	<b>3 186</b>	<b>11 882</b>	<b>12 434</b>
Change from the previous period (per cent)	5.26	(2.99)	(4.98)	(2.94)	4.49	(4.43)	-

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.

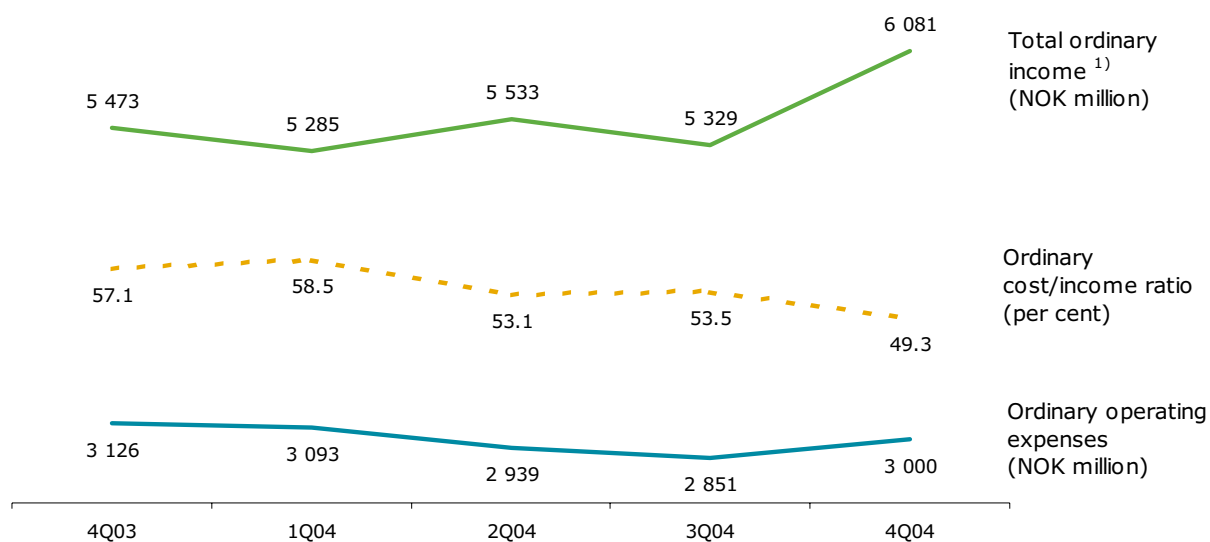
2) These expenses concern the purchase, operation and maintenance of computers and software including depreciation. The Group's total IT expenses are shown on page 31, which in addition to EDP expenses include systems development, remuneration to external consultants, as well as salaries and other operating expenses relating to the Group's IT operations.

3) Further reimbursement to the Norwegian postal system is included in interest expenses and fees payable on banking services.

## Operating expenses, adjusted for the sale of Elcon

Amounts in NOK million	4Q04	3Q04	2Q04	1Q04	4Q03	2004	2003
Ordinary salaries and other personnel expenses	1 534	1 519	1 501	1 606	1 679	6 160	6 292
Administrative expenses	974	905	981	980	1 006	3 840	3 910
Depreciation	261	255	261	279	293	1 056	1 159
Sundry ordinary operating expenses	354	294	319	362	284	1 329	1 360
Other expenses	139	5	6	931	127	1 082	219
<b>Total operating expenses</b>	<b>3 263</b>	<b>2 979</b>	<b>3 068</b>	<b>4 157</b>	<b>3 388</b>	<b>13 467</b>	<b>12 940</b>

## Ordinary cost/income ratio before goodwill amortisation



Excluding Elcon

1) Excluding amortisation of goodwill on the investment in Vital

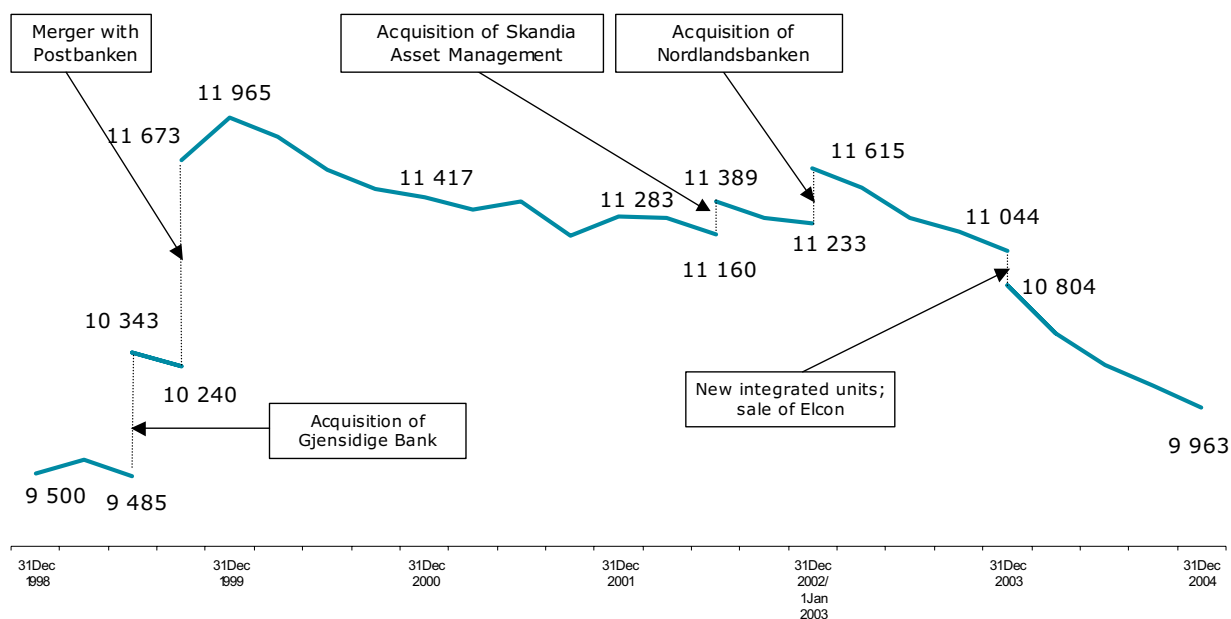
## Changes in total operating expenses

<i>Amounts in NOK million</i>	2004	Change	2003
Total operating expenses	13 588	178	13 410
Other expenses	1 082	863	219
Elcon	120	(351)	471
Driftspartner and Markedsstøtte	240	240	-
<b>Total adjusted ordinary operating expenses</b>	<b>12 146</b>	<b>(574)</b>	<b>12 720</b>
Of which:			
Wage settlements		122	
Marketing		41	
External distribution		39	
Performance-related personnel expenses		(40)	
Merger synergies		(568)	
Streamlining of operations		(168)	
			(736)

<i>Amounts in NOK million</i>	4Q04	Change	4Q03
Total operating expenses	3 263	(245)	3 508
Other expenses	139	12	127
Elcon	-	(120)	120
Driftspartner and Markedsstøtte	60	60	-
<b>Total adjusted ordinary operating expenses</b>	<b>3 064</b>	<b>(197)</b>	<b>3 261</b>
Of which:			
Marketing		60	
Wage settlements		39	
Merger synergies		(219)	
Streamlining of operations		(77)	
			(296)

<i>Amounts in NOK million</i>	4Q04	Change	3Q04
Total operating expenses	3 263	284	2 979
Other expenses	139	134	5
<b>Total ordinary operating expenses</b>	<b>3 124</b>	<b>150</b>	<b>2 974</b>
Of which:			
Marketing		78	
Performance-related personnel expenses		64	
Increased activity		54	
External distribution		14	
Merger synergies		(60)	

## Employees - full-time positions



## Number of employees - full-time positions <sup>1)</sup>

	31 Dec. 2004	Other changes	Intra-group changes	Subsequent changes in group structure <sup>2)</sup>	Changes in group structure resulting from merger <sup>3)</sup>	31 Dec. 2003
<i>Full-time positions</i>						
Corporate Banking <sup>4)</sup>	1 831	(89)	(31)			1 951
Retail Banking	4 288	(385)	14			4 660
DnB NOR Markets	531	(80)				610
Life Insurance and Pensions <sup>4)</sup>	926	(89)	(29)	22		1 022
Asset Management	310	(56)		7		359
Discontinuing operations <sup>4)</sup>	5	(2)			(449)	456
Staff and support units <sup>4)</sup>	2 073	(168)	47		209	1 986
<b>Total</b>	<b>9 963</b>	<b>(869)</b>	<b>0</b>	<b>29</b>	<b>(240)</b>	<b>11 044</b>

1) For information on synergies, see page 50.

2) In the third quarter of 2004 Life Insurance and Pensions established 22 full-time positions with support functions for employees taken over from Gjensidige NOR Forsikring. In the fourth quarter of 2004 Asset Management acquired a Swedish discretionary asset management unit with seven full-time positions.

3) The number of full-time positions was reduced by 441 through the sale of Elcon on 30 March 2004, while the sale of Gjensidige NOR Fondsforsikring resulted in staff cuts of eight full-time positions in the second quarter of 2004. On the other hand, 209 full-time positions from the former jointly controlled companies Gjensidige NOR Driftspartner and Gjensidige NOR Markedsstøtte were transferred to the Group as from 1 January 2004. The net effect of these changes was a reduction of 240 full-time positions.

4) The figures for 2003 have been restated according to new definitions.

## IT expenses

<i>Amounts in NOK million</i>	4Q04	3Q04	2Q04	1Q04 <sup>1)</sup>	1Q04	4Q03	2004	2003
IT operating expenses	379	417	430	456	456	413	1 683	1 785
Systems development expenses	143	143	134	154	163	199	582	727
<b>Total IT expenses, consolidated units</b>	<b>522</b>	<b>559</b>	<b>564</b>	<b>609</b>	<b>620</b>	<b>613</b>	<b>2 265</b>	<b>2 512</b>
Vital IT expenses	122	110	118	113	113	133	464	443
<b>Total IT expenses <sup>2)</sup></b>	<b>644</b>	<b>669</b>	<b>682</b>	<b>722</b>	<b>733</b>	<b>746</b>	<b>2 729</b>	<b>2 955</b>

1) Adjusted for the sale of Elcon.

2) Including salaries and indirect costs.

## Restructuring provisions <sup>1)</sup>

<i>Amounts in NOK million</i>	Provisions as at 31 Dec. 2004	Accrued expenses	New provisions	Provisions as at 31 Dec. 2003
DnB NOR merger *)	958	828	930 <sup>2)</sup>	856
Other restructuring provisions	40	56	0	97
<b>Total</b>	<b>998</b>	<b>885 <sup>3)</sup></b>	<b>930</b>	<b>953</b>
*) Of which:				
IT		259		
Staff cuts		452		
Real estate		55		
Other		61		

1) For information on synergies, see page 50.

2) 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.

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

## Economic assumptions applied in calculating pension expenses and commitments

<i>Economic assumptions</i>	Balances 31 Dec.		Expenses	
	2004	2003	2004	2003
Discount rate	4.7	6.0	6.0	6.0
Anticipated return	5.7	7.0	7.0	7.0
Anticipated rise in salaries	3.5	3.5	3.5	3.5
Anticipated rise in base rate	3.0	3.0	3.0	3.0
Anticipated rise in pensions	2.5	3.0	3.0	3.0

## Losses and reversals on loans and guarantees

### Net losses/(reversals)

<i>Amounts in NOK million</i>	4Q04	3Q04	2Q04	1Q04 <sup>1)</sup>	1Q04	4Q03	2004	2003
New losses	289	289	229	545	595	543	1 403	2 676
Reversals on specified losses	219	410	147	442	460	267	1 236	785
<b>Net losses/(reversals)</b>	<b>70</b>	<b>(121)</b>	<b>82</b>	<b>103</b>	<b>135</b>	<b>276</b>	<b>167</b>	<b>1 891</b>

1) Adjusted for the sale of Elcon.

### Net losses/(reversals) by business area <sup>1)</sup>

<i>Amounts in NOK million</i>	4Q04	3Q04	2Q04	1Q04 <sup>2)</sup>	1Q04	4Q03	2004	2003
Retail Banking	(26)	54	62	10	10	39	100	246
Corporate Banking	57	(175)	19	104	104	232	4	1 477
Discontinuing operations	-	-	-	-	23	40	23	172
Other units	39	0	1	(11)	(1)	(35)	39	(4)
<b>Net losses/(reversals)</b>	<b>70</b>	<b>(121)</b>	<b>82</b>	<b>103</b>	<b>135</b>	<b>276</b>	<b>167</b>	<b>1 891</b>

1) Expected loan losses represented 0.30 per cent of the loan portfolio at the end of December 2004 (0.31 per cent at the end of 2003).

2) Adjusted for the sale of Elcon.

### Net losses/(reversals) for customer sectors <sup>1)</sup>

<i>Amounts in NOK million</i>	4Q04	3Q04	2Q04	1Q04 <sup>2)</sup>	1Q04	4Q03	2004	2003
Retail customers	(76)	62	51	15	20	5	57	271
International shipping	(7)	(14)	(25)	0	0	(27)	(46)	(60)
Real estate	19	(4)	5	(14)	(14)	(3)	7	67
Manufacturing	61	(231)	5	59	61	68	(101)	342
Services and management	13	7	(19)	(225)	(216)	(31)	(215)	319
Trade	(5)	30	(7)	30	32	47	51	141
Oil and gas	(7)	(30)	0	(4)	(4)	(2)	(43)	(3)
Transportation and communication	2	5	6	11	12	20	25	69
Building and construction	9	7	(1)	44	47	93	62	156
Power and water supply	0	0	1	(2)	(2)	0	0	0
Fishing	44	20	70	44	45	23	179	128
Other sectors	10	25	(3)	144	154	83	184	450
<b>Total customers</b>	<b>63</b>	<b>(123)</b>	<b>84</b>	<b>103</b>	<b>135</b>	<b>276</b>	<b>160</b>	<b>1 881</b>
Credit institutions	7	2	(2)	0	0	5	7	5
Change in unspecified provisions	0	0	0	0	0	(5)	0	5
<b>Net losses/(reversals)</b>	<b>70</b>	<b>(121)</b>	<b>82</b>	<b>103</b>	<b>135</b>	<b>276</b>	<b>167</b>	<b>1 891</b>

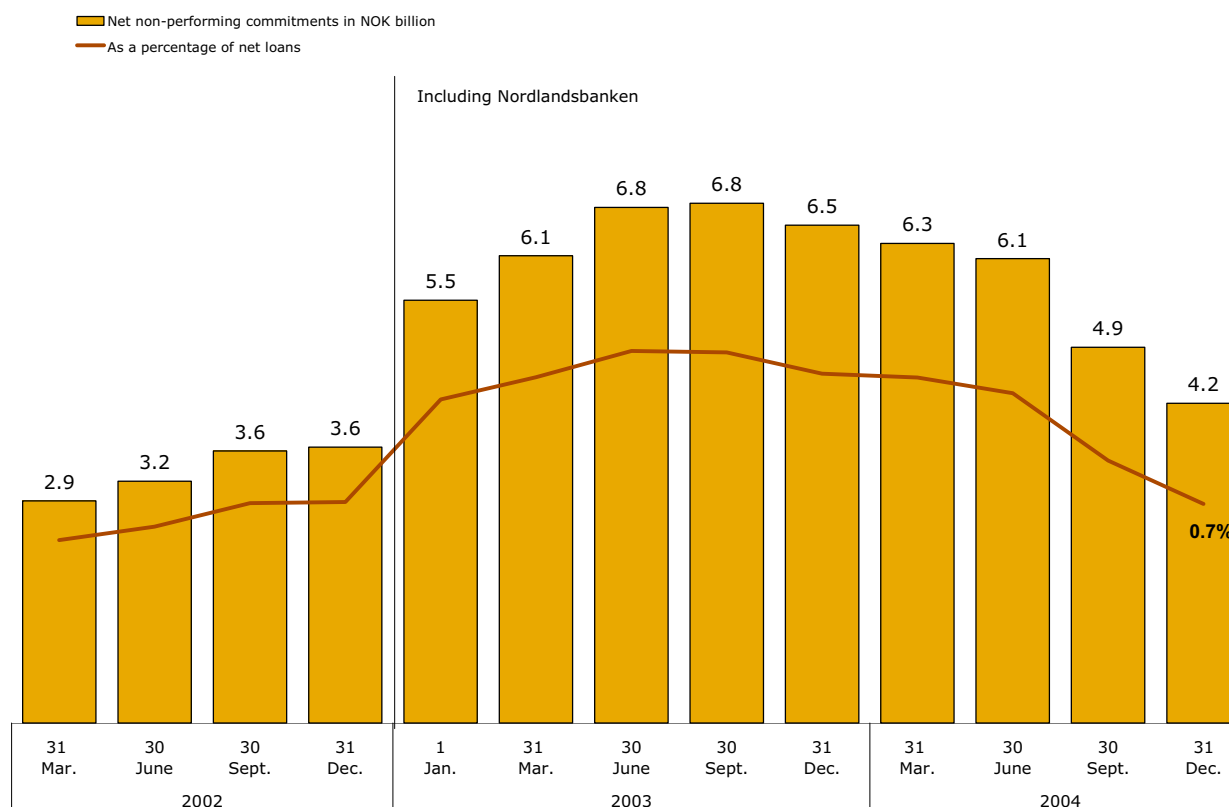
1) Expected loan losses represented 0.30 per cent of the loan portfolio at the end of December 2004 (0.31 per cent at the end of 2003).

2) Adjusted for the sale of Elcon.



## Asset quality

### Non-performing commitments after specified loan-loss provisions



### Non-performing and doubtful commitments

Amounts in NOK million	31 Dec. 2004	30 Sept. 2004	30 June 2004	31 March 2004	31 Dec. 2003 <sup>1)</sup>	31 Dec. 2003	1 Jan. 2003	31 Dec. 2002 <sup>2)</sup>
<b>Non-performing commitments</b>								
Net non-accruing commitments	3 235	3 346	3 531	3 612	4 193	4 411	3 144	2 139
Net accruing commitments	961	1 583	2 519	2 681	2 121	2 121	2 404	1 482
Total net non-performing commitments	4 196	4 929	6 050	6 293	6 313	6 531	5 549	3 622
<b>Doubtful commitments</b>								
Net non-accruing commitments	851	845	621	759	279	430	493	383
Net accruing commitments	927	1 338	1 654	1 333	1 440	1 440	2 581	869
Total net doubtful commitments	1 778	2 183	2 275	2 092	1 719	1 870	3 074	1 252
<b>Total net non-performing and doubtful commitments</b>	<b>5 974</b>	<b>7 112</b>	<b>8 325</b>	<b>8 385</b>	<b>8 032</b>	<b>8 401</b>	<b>8 622</b>	<b>4 874</b>

1) Adjusted for the sale of Elcon

2) Excluding Nordlandsbanken

**Unspecified provisions**

<i>Amounts in NOK million</i>	31 Dec. 2004	31 Dec. 2003 <sup>1)</sup>	31 Dec. 2003 <sup>2)</sup>	31 Dec. 2002
Unspecified provisions in the DnB NOR Group <sup>3)</sup>				3 501
Elements in the calculation as from 31 Dec. 2003:				
Provisions for probable, unidentified losses <sup>4)</sup>	1 726	1 563	1 634	
+ Provisions for risk margins in the ordinary portfolio	1 726	1 661	1 731	
+ Supplementary provisions due to uncertainty in estimates	82	310	349	
<b>Unspecified loan-loss provisions in the accounts</b>	<b>3 534</b>	<b>3 534</b>	<b>3 714</b>	<b>3 501</b>

1) Adjusted for the sale of Elcon.

2) Includes NOK 204 million in unspecified provisions from Nordlandsbanken and NOK 5 million in unspecified provisions on a portfolio of loans acquired from Gjensidige NOR Spareforsikring.

3) As reported in the accounts of DnB and Gjensidige NOR respectively.

4) The calculation of provisions for probable, unidentified losses is based on DnB NOR's risk management system and the division of the loan portfolio into risk categories. As from 31 December 2003 the division into risk categories is based on intervals of normalised losses only, while for previous periods the high-risk categories also included commitments with low normalised losses in cases where the loss ratio was low but combined with a high probability of default.

## Lending

### Lending to principal sectors <sup>1) 2)</sup>

Amounts in NOK billion	31 Dec. 2004	30 Sept. 2004	30 June 2004	31 March 2004	31 Dec. 2003 <sup>3)</sup>	31 Dec. 2003	1 Jan. 2003 <sup>4)</sup>
Retail customers	330.8	322.1	314.6	303.5	293.7	301.6	262.1
International shipping	32.0	32.6	33.9	33.0	30.9	31.2	26.4
Real estate	82.9	82.0	81.9	81.4	81.3	82.2	77.8
Manufacturing	20.4	22.4	20.8	21.5	20.8	24.8	27.9
Services and management	30.6	31.1	30.9	32.0	31.8	36.6	38.0
Trade	21.2	22.1	22.4	22.1	21.7	23.8	22.6
Oil and gas	4.8	3.6	3.6	3.8	3.9	4.2	4.1
Transportation and communication	13.0	12.9	13.0	12.3	11.6	14.0	14.5
Building and construction	6.2	6.1	6.2	5.6	5.7	8.4	8.3
Power and water supply	4.7	4.9	4.8	5.7	6.2	6.3	8.1
Fishing	9.0	9.3	9.4	9.7	10.0	10.4	9.9
Other sectors, of which:							
Hotels and restaurants	3.6	3.9	4.0	3.9	4.0	4.1	3.6
Agriculture and forestry	4.5	4.3	4.3	3.7	3.9	4.7	4.5
Central and local government	1.4	1.8	2.3	2.2	1.7	2.1	2.8
Other	7.8	6.9	5.5	7.2	6.7	6.7	5.5
<b>Total</b>	<b>572.9</b>	<b>566.1</b>	<b>557.7</b>	<b>547.7</b>	<b>533.8</b>	<b>561.2</b>	<b>516.1</b>
Of which residential mortgages							
within 80% of collateral value	304.4	290.6	285.5	265.5	257.7	257.7	223.1
above 80% of collateral value	11.0	9.1	9.3	8.5	8.7	8.7	6.8
<b>Total</b>	<b>315.4</b>	<b>299.7</b>	<b>294.8</b>	<b>274.1</b>	<b>266.4</b>	<b>266.4</b>	<b>229.9</b>

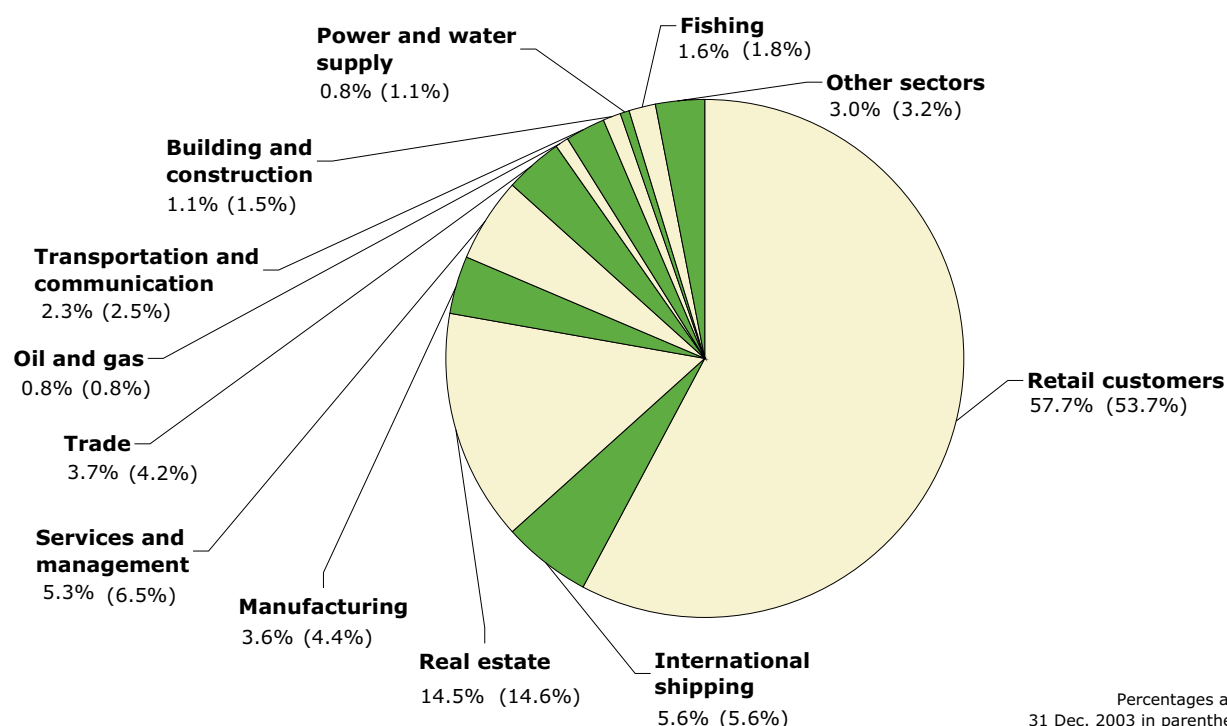
1) Split according to official industry definitions which may differ from DnB NOR's business area reporting.

2) Gross lending after deductions for related specified loan-loss provisions.

3) Adjusted for the sale of Elcon.

4) Including Nordlandsbanken.

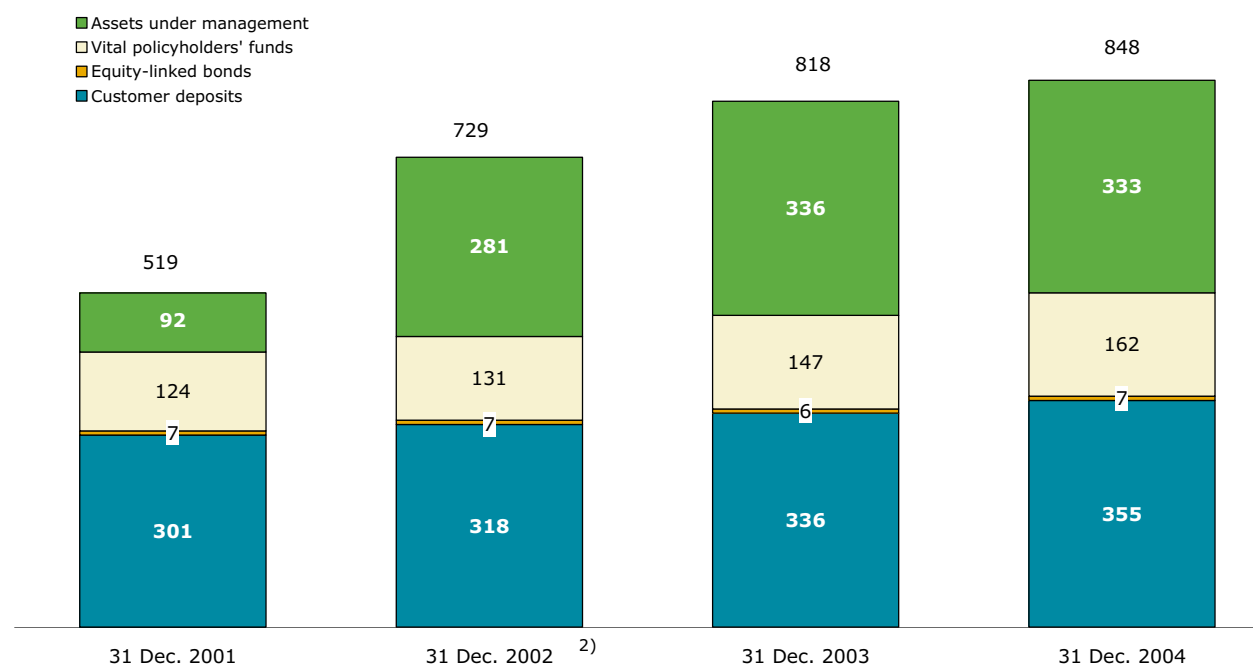
### Lending to principal sectors as at 31 December 2004



## Customer savings

### Customer savings in DnB NOR companies <sup>1)</sup>

NOK billion



1) Totals are net of inter-company balances

2) Skandia Asset Management is included as from 2002

## Deposits

Amounts in NOK billion	31 Dec. 2004	30 Sept. 2004	30 June 2004	31 March 2004	31 Dec. 2003	1 Jan. 2003 <sup>1)</sup>
Retail customers	173	173	178	168	167	163
Corporate customers	182	177	173	173	169	164
<b>Total *)</b>	<b>355</b>	<b>350</b>	<b>352</b>	<b>341</b>	<b>336</b>	<b>327</b>
*) of which:						
NOK	320	316	320	311	311	306
foreign currency	35	34	32	29	25	22

1) Including Nordlandsbanken.

## Capital adequacy and taxes

### Development in primary capital and capital ratios

	DnB NOR Bank	DnB NOR Bank Group	DnB NOR Group	
<i>Amounts in NOK million</i>	31 Dec. 2004	31 Dec. 2004	31 Dec. 2004	31 Dec. 2003
Share capital	16 964	16 964	13 271	13 090
Other equity	17 781	20 774	33 327	29 025
Total equity	34 745	37 738	46 598	42 115
Perpetual subordinated loan capital securities <sup>1) 2)</sup>	5 270	5 531	5 531	5 476
Reductions:				
Pension funds above pension commitments	(814)	(853)	(1 141)	(1 354)
Goodwill	(1 460)	(1 967)	(4 902)	(5 728)
Deferred tax assets	(717)	(646)	(728)	(808)
Other intangible assets etc.	(78)	(88)	(299)	(431)
Core capital	36 945	39 715	45 059	39 270
Perpetual subordinated loan capital <sup>1) 2)</sup>	5 528	5 367	5 367	6 154
Term subordinated loan capital <sup>2)</sup>	12 565	13 538	13 538	11 945
Net supplementary capital	18 092	18 905	18 905	18 099
Deductions	2 514	2 514	455	870
Total eligible primary capital <sup>3)</sup>	52 523	56 105	63 509	56 499
<b>Total risk-weighted volume</b>	<b>480 291</b>	<b>528 240</b>	<b>591 906</b>	<b>579 445</b>
Core capital ratio (%)	7.7	7.5	7.6	6.8
Capital ratio (%)	10.9	10.6	10.7	9.8
Core capital ratio excluding life insurance (%)			8.5	7.6
Capital ratio excluding life insurance (%)			10.7	9.6

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

2) Calculations of capital adequacy include a total of NOK 657 million in subordinated loan capital in life insurance operations and associated companies, in addition to subordinated loan capital in the Group's balance sheet.

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

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

## Taxes

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

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

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

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

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

## Total assets owned or managed by the DnB NOR Group

### DnB NOR Group balance sheets, adjusted for the sale of Elcon

<i>Amounts in NOK billion</i>	31 Dec. 2004	30 Sept. 2004	30 June 2004	31 March 2004	31 Dec. 2003	1 Jan. 2003 <sup>1)</sup>
Cash and lending to/deposits with credit institutions	30.7	37.1	71.2	63.6	61.6	72.0
Net lending to customers	569.4	562.6	554.1	544.4	530.3	489.3
Commercial paper, bonds, etc.	63.0	65.4	68.2	60.1	59.4	53.3
Shareholdings, etc.	13.5	12.4	12.1	11.7	11.4	12.0
Fixed and intangible assets	9.7	10.2	10.4	10.7	10.6	11.4
Other assets	28.4	31.0	22.8	31.0	31.2	28.7
<b>Total assets</b>	<b>714.7</b>	<b>718.7</b>	<b>738.9</b>	<b>721.6</b>	<b>704.6</b>	<b>666.9</b>
Loans and deposits from credit institutions	48.9	63.5	99.0	75.5	78.7	87.0
Deposits from customers	355.3	349.7	351.7	341.5	335.3	326.5
Borrowings through the issue of securities	192.4	192.3	192.1	192.4	181.6	149.8
Other liabilities and provisions	47.4	41.9	25.9	43.9	43.1	44.4
Primary capital	70.6	71.4	70.2	68.4	65.8	59.2
<b>Total liabilities and equity</b>	<b>714.7</b>	<b>718.7</b>	<b>738.9</b>	<b>721.6</b>	<b>704.6</b>	<b>666.9</b>
Average total assets for the year to date	741.3	740.4	736.8	727.7	696.3	622.7
Ratio of deposits to net lending (%)	62.4	62.1	63.5	62.7	63.2	66.7

1) Including Nordlandsbanken.

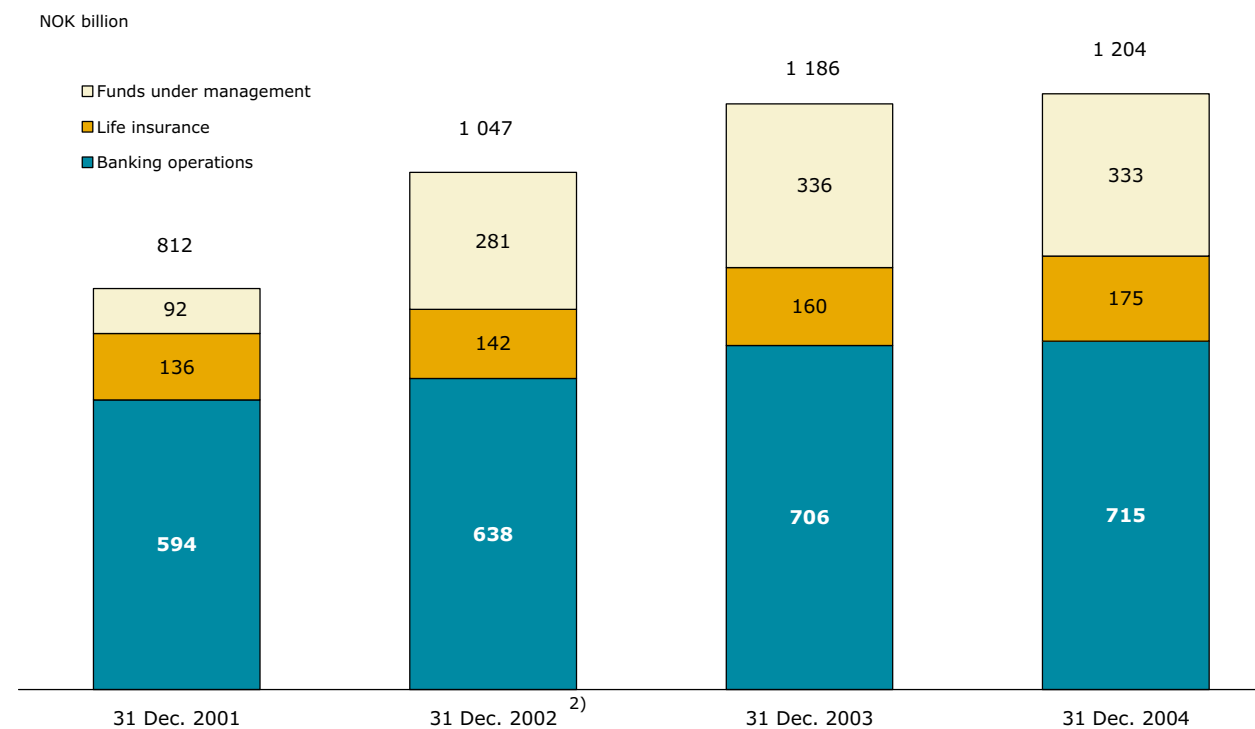
### DnB NOR Group balance sheets

<i>Amounts in NOK billion</i>	31 Dec. 2004	30 Sept. 2004	30 June 2004	31 March 2004 <sup>1)</sup>	31 Dec. 2003	1 Jan. 2003 <sup>2)</sup>
Cash and lending to/deposits with credit institutions	30.7	37.1	71.2	63.6	36.9	50.7
Net lending to customers	569.4	562.6	554.1	544.2	557.5	512.4
Commercial paper, bonds, etc.	63.0	65.4	68.2	60.1	59.4	53.3
Shareholdings, etc.	13.5	12.4	12.1	11.7	11.4	12.0
Fixed and intangible assets	9.7	10.2	10.4	10.9	11.0	11.9
Other assets	28.4	31.0	22.8	31.1	29.5	27.0
<b>Total assets</b>	<b>714.7</b>	<b>718.7</b>	<b>738.9</b>	<b>721.6</b>	<b>705.7</b>	<b>667.3</b>
Loans and deposits from credit institutions	48.9	63.5	99.0	75.5	78.5	86.7
Deposits from customers	355.3	349.7	351.7	341.5	335.6	326.8
Borrowings through the issue of securities	192.4	192.3	192.1	192.4	181.6	149.8
Other liabilities and provisions	47.4	41.9	25.9	43.8	44.1	44.9
Primary capital	70.6	71.4	70.2	68.4	65.9	59.2
<b>Total liabilities and equity</b>	<b>714.7</b>	<b>718.7</b>	<b>738.9</b>	<b>721.6</b>	<b>705.7</b>	<b>667.3</b>
Average total assets for the year to date	741.3	740.4	736.8	727.7	697.2	622.7
Ratio of deposits to net lending (%)	62.4	62.1	63.5	62.8	60.2	63.8
Ratio of average deposits to average net lending (%)	62.6	62.7	62.3	60.9	63.0	64.9

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

2) Including Nordlandsbanken.

(Pro forma accounting figures prior to 31 December 2003)

**Total combined assets <sup>1)</sup>**

1) Totals are net of inter-company balances

2) Skandia Asset Management is included as from 2002

## Financial results DnB NOR Group

<b>Profit and loss accounts</b>	4Q04	3Q04	2Q04	1Q04	4Q03	2004	2003
<i>Amounts in NOK million</i>							
Interest income	7 062	7 059	6 995	7 462	7 916	28 578	38 430
Interest expenses	3 748	3 751	3 702	4 164	4 618	15 365	24 641
<b>Net interest income and credit commissions</b>	<b>3 314</b>	<b>3 308</b>	<b>3 293</b>	<b>3 298</b>	<b>3 299</b>	<b>13 214</b>	<b>13 789</b>
Dividends	25	18	89	14	47	146	212
Net profit from Life Insurance and Pensions	645	197	197	178	360	1 216	760
Commissions and fees receivable	1 758	1 672	1 708	1 708	1 747	6 846	6 398
Commissions and fees payable	514	529	547	544	591	2 135	2 119
Net gain on foreign exchange and financial instruments	488	344	395	453	492	1 680	1 847
Sundry ordinary operating income	340	294	373	390	306	1 398	1 181
Gains on the sale of fixed assets	(6)	28	20	979	13	1 022	23
<b>Net other operating income</b>	<b>2 736</b>	<b>2 024</b>	<b>2 235</b>	<b>3 178</b>	<b>2 374</b>	<b>10 173</b>	<b>8 302</b>
Salaries and other ordinary personnel expenses	1 534	1 519	1 501	1 679	1 762	6 233	6 577
Administrative expenses	974	905	981	1 004	1 012	3 864	3 982
Depreciation	261	255	261	290	304	1 067	1 200
Sundry ordinary operating expenses	354	294	319	374	303	1 342	1 433
Other expenses	139	5	6	931	127	1 082	219
<b>Total operating expenses</b>	<b>3 263</b>	<b>2 979</b>	<b>3 068</b>	<b>4 278</b>	<b>3 508</b>	<b>13 588</b>	<b>13 410</b>
<b>Pre-tax operating profit before losses</b>	<b>2 787</b>	<b>2 353</b>	<b>2 460</b>	<b>2 199</b>	<b>2 165</b>	<b>9 798</b>	<b>8 681</b>
Net losses/(reversals) on loans, etc.	70	(121)	82	135	276	167	1 891
Net gain/(loss) on long-term securities	55	24	13	15	195	106	224
<b>Pre-tax operating profit</b>	<b>2 772</b>	<b>2 498</b>	<b>2 390</b>	<b>2 078</b>	<b>2 083</b>	<b>9 738</b>	<b>7 014</b>
Taxes	469	675	645	561	513	2 350	1 636
<b>Profit for the period</b>	<b>2 303</b>	<b>1 823</b>	<b>1 745</b>	<b>1 517</b>	<b>1 570</b>	<b>7 388</b>	<b>5 378</b>
Earnings per share	1.74	1.38	1.32	1.16	1.20	5.60	4.11
Diluted earnings per share	1.73	1.37	1.31	1.15	1.19	5.57	4.10
Average total assets	743 951	747 641	745 941	727 687	689 051	741 305	697 223

<b>Balance sheets</b>	31 Dec. 2004	30 Sept. 2004	30 June 2004	31 March 2004 <sup>1)</sup>	31 Dec. 2003	1 Jan. 2003 <sup>2)</sup>
<i>Amounts in NOK million</i>						
Cash and deposits with central banks	8 780	12 802	5 496	3 284	8 570	23 658
Lending to and deposits with credit institutions	21 870	24 346	65 725	60 336	28 331	27 009
Gross lending to customers	576 153	569 843	561 522	551 765	565 546	520 537
– Specified loan-loss provisions	(3 255)	(3 701)	(3 870)	(4 066)	(4 329)	(4 439)
– Unspecified loan-loss provisions	(3 534)	(3 534)	(3 534)	(3 534)	(3 714)	(3 705)
Net lending to customers	569 364	562 608	554 117	544 165	557 503	512 393
Reposessed assets	538	580	414	460	576	712
Commercial paper and bonds	62 986	65 365	68 248	60 147	59 398	53 340
Shareholdings etc.	4 881	4 312	4 220	4 000	4 011	4 858
Investments in Life Insurance and Pensions and associated companies	8 651	8 119	7 861	7 722	7 365	7 184
Intangible assets	5 573	6 004	6 165	6 541	6 484	7 023
Fixed assets	4 173	4 194	4 270	4 364	4 475	4 907
Other assets	22 441	25 341	17 013	24 888	23 643	19 643
Prepayments and accrued income	5 424	5 072	5 360	5 705	5 321	6 605
<b>Total assets</b>	<b>714 680</b>	<b>718 744</b>	<b>738 889</b>	<b>721 611</b>	<b>705 677</b>	<b>667 334</b>
Loans and deposits from credit institutions	48 940	63 501	98 964	75 509	78 497	86 692
Deposits from customers	355 316	349 654	351 733	341 469	335 576	326 826
Securities issued	192 410	192 310	192 101	192 386	181 649	149 764
Other liabilities	38 955	31 018	16 202	34 049	35 305	36 399
Accrued expenses and prepaid revenues	5 101	8 018	6 805	6 756	5 992	5 447
Provisions for commitments	3 320	2 881	2 920	3 022	2 834	3 010
Subordinated loan capital	24 040	23 718	24 293	24 283	23 709	19 512
Share capital	13 271	13 220	13 220	13 220	13 090	13 090
Equity reserves	33 327	29 337	29 390	29 401	29 025	26 595
Profit for the period	-	5 085	3 262	1 517	-	-
<b>Total liabilities and equity</b>	<b>714 680</b>	<b>718 744</b>	<b>738 889</b>	<b>721 611</b>	<b>705 677</b>	<b>667 334</b>

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

2) Including Nordlandsbanken.



## Financial results DnB NOR Group 2000-2004

### Profit and loss accounts

Amounts in NOK million

	2004	2003	2002	2001	2000
Interest income	28 578	38 430	42 959	43 655	38 850
Interest expenses	15 365	24 641	29 072	30 345	26 455
<b>Net interest income</b>	<b>13 214</b>	<b>13 789</b>	<b>13 887</b>	<b>13 310</b>	<b>12 395</b>
Dividends	146	212	171	218	329
Net profit/(loss) from Life Insurance and Pensions	1 216	760	(271)	206	632
Commissions and fees receivable on banking services	6 846	6 398	5 918	5 482	5 443
Commissions and fees payable on banking services	2 135	2 119	2 019	1 555	1 286
Net gain on foreign exchange and financial instruments	1 680	1 847	774	1 440	1 779
Sundry ordinary operating income	1 398	1 181	1 046	1 551	902
Gains on the sale of fixed assets	1 022	23	39	30	15
<b>Net other operating income</b>	<b>10 173</b>	<b>8 302</b>	<b>5 659</b>	<b>7 371</b>	<b>7 815</b>
Salaries and other ordinary personnel expenses	6 233	6 577	6 005	5 873	5 498
Administrative expenses	3 864	3 982	3 947	4 129	4 051
Depreciation	1 067	1 200	1 077	1 074	959
Sundry ordinary operating expenses	1 342	1 433	1 508	1 374	1 379
Other expenses	1 082	219	394	123	81
<b>Total operating expenses</b>	<b>13 588</b>	<b>13 410</b>	<b>12 931</b>	<b>12 573</b>	<b>11 968</b>
<b>Pre-tax operating profit before losses</b>	<b>9 798</b>	<b>8 681</b>	<b>6 614</b>	<b>8 107</b>	<b>8 242</b>
Net losses/(reversals) on loans, etc.	167	1 891	1 023	604	(26)
Net gain/(loss) on long-term securities	106	224	(316)	(100)	741
<b>Pre-tax operating profit</b>	<b>9 738</b>	<b>7 014</b>	<b>5 275</b>	<b>7 404</b>	<b>9 009</b>
Taxes	2 350	1 636	1 642	1 378	2 219
<b>Profit for the year</b>	<b>7 388</b>	<b>5 378</b>	<b>3 633</b>	<b>6 026</b>	<b>6 790</b>
Earnings per share (NOK)	5.60	4.11	2.77	4.59	5.15
Diluted earnings per share (NOK)	5.57	4.10	2.76	4.57	5.15
Average total assets	741 305	697 223	622 732	575 183	535 088

### Balance sheets

Amounts in NOK million

	31 Dec. 2004	31 Dec. 2003	31 Dec. 2002	31 Dec. 2001	31 Dec. 2000
Cash and deposits with central banks	8 780	8 570	22 944	5 067	11 751
Lending to and deposits with credit institutions	21 870	28 331	26 615	25 731	27 047
Gross lending to customers	576 153	565 546	494 601	475 811	436 368
- Specified loan-loss provisions	(3 255)	(4 329)	(2 884)	(2 670)	(2 768)
- Unspecified loan-loss provisions	(3 534)	(3 714)	(3 501)	(3 501)	(3 504)
Net lending to customers	569 364	557 503	488 217	469 640	430 096
Reposessed assets	538	576	651	181	137
Commercial paper and bonds.	62 986	59 398	51 745	54 591	46 788
Shareholdings etc.	4 881	4 011	4 364	4 956	4 297
Investments in Life Insurance and Pensions and associated companies	8 651	7 365	7 184	7 114	6 926
Intangible assets	5 573	6 484	6 733	3 974	4 181
Fixed assets	4 173	4 475	4 425	3 774	4 143
Other assets	22 441	23 643	19 382	11 415	13 613
Prepayments and accrued income	5 424	5 321	6 098	7 797	7 143
<b>Total assets</b>	<b>714 680</b>	<b>705 677</b>	<b>638 357</b>	<b>594 242</b>	<b>556 123</b>
Loans and deposits from credit institutions	48 940	78 497	80 302	64 834	81 021
Deposits from customers	355 316	335 576	317 598	300 980	275 447
Securities issued	192 410	181 649	138 568	141 602	115 908
Other liabilities	38 955	35 305	35 359	24 800	28 625
Accrued expenses and prepaid revenues	5 101	5 992	5 034	2 330	2 747
Provisions for commitments	3 320	2 834	3 000	2 342	2 122
Subordinated loan capital	18 770	18 126	13 519	14 675	14 219
Perpetual subordinated loan capital securities	5 270	5 583	5 292	3 601	0
<b>Total liabilities</b>	<b>668 084</b>	<b>663 562</b>	<b>598 672</b>	<b>555 163</b>	<b>520 090</b>
Share capital	13 271	13 090	13 090	13 100	13 181
Share capital reserve	11 741	11 353	11 353	11 353	11 353
Other equity	21 586	17 672	15 242	14 626	11 499
<b>Total liabilities and equity</b>	<b>714 680</b>	<b>705 677</b>	<b>638 357</b>	<b>594 242</b>	<b>556 123</b>

## Key figures

DnB NOR Group							
	4Q04	3Q04	2Q04	1Q04	4Q03	2004	2003
<b>Interest rate analysis</b>							
1 Combined average spread for lending and deposits (%)	2.39	2.39	2.36	2.43	2.54	2.39	2.62
2 Spread for ordinary lending to customers (%)	1.66	1.67	1.70	1.73	1.68	1.69	1.76
3 Spread for deposits from customers (%)	0.73	0.72	0.66	0.70	0.86	0.70	0.87
<b>Rate of return/profitability</b>							
4 Net other operating income, % of total income	45.2	38.0	40.4	40.4	41.9	41.1	37.6
5 Cost/income ratio (%)	54.0	55.9	55.5	66.1	61.8	58.1	60.7
6 Ordinary cost/income ratio before goodwill amortisation (%)	49.3	53.5	53.1	58.1	57.0	53.4	57.0
7 Cost/income ratio before goodwill amortisation (%)	51.8	53.3	53.0	63.6	59.1	55.7	57.9
8 Return on equity (%)	18.9	15.6	15.5	14.1	14.2	16.1	12.7
9 Return on equity before goodwill amortisation (%)	20.1	16.8	16.8	15.6	15.7	17.4	14.3
10 Goodwill amortisation (NOK million)	148	148	149	165	165	610	651
11 Average equity before dividend allocation (NOK million)	48 828	46 757	45 005	43 126	44 252	45 956	42 206
<b>Financial strength</b>							
12 Core (Tier 1) capital ratio at end of period (%)	7.6	6.9	6.9	7.0	6.8	7.6	6.8
13 Core (Tier 1) capital ratio incl. 50 per cent of profit year to date (%)	-	7.3	7.2	7.1	-	-	-
14 Capital adequacy ratio at end of period (%)	10.7	10.0	10.1	10.2	9.8	10.7	9.8
15 Capital adequacy ratio incl. 50 per cent of profit for the year to date (%)	-	10.4	10.4	10.3	-	-	-
16 Core capital at end of period (NOK million)	45 059	40 850	40 760	40 224	39 270	45 059	39 270
17 Total eligible primary capital at end of period (NOK million)	63 509	59 137	59 672	58 763	56 499	63 509	56 499
18 Risk-weighted volume at end of period (NOK million)	591 906	591 794	588 370	576 656	579 445	591 906	579 445
<b>Loan portfolio and loan-loss provisions</b>							
19 Loan-loss ratio annualised (%)	0.05	(0.09)	0.06	0.10	0.20	0.03	0.34
20 Non-performing and doubtful commitments, % of total lending	1.04	1.26	1.49	1.53	1.50	1.04	1.50
21 Loan-loss provisions relative to total gross lending (%)	1.21	1.27	1.32	1.38	1.42	1.21	1.42
22 Non-performing commitments at end of period	4 196	4 929	6 050	6 293	6 531	4 196	6 531
23 Doubtful commitments at end of period	1 778	2 183	2 275	2 092	1 870	1 778	1 870
<b>Liquidity</b>							
24 Ratio of customer deposits to net lending to customers at end of period (%)	62.4	62.1	63.5	62.8	60.2	62.4	60.2
<b>Total assets owned or managed by DnB NOR</b>							
25 Assets under management at end of period (NOK billion)	508	517	514	505	496	508	496
26 Average total combined assets (NOK billion)	1 213	1 231	1 233	1 206	1 187	1 214	1 120
27 Total combined assets at end of period (NOK billion)	1 204	1 222	1 239	1 226	1 186	1 204	1 186
28 Customer savings at end of period (NOK billion)	848	855	855	848	818	848	818
<b>Staff</b>							
29 Number of full-time positions at end of period	9 963	10 115	10 258	10 475	11 044	9 963	11 044
30 - of which in Life Insurance and Pensions	926	994	970	993	1 022	926	1 022
<b>The DnB NOR share</b>							
31 Number of shares at end of period (1 000)	1 327 139	1 321 957	1 321 957	1 321 957	1 309 027	1 327 139	1 309 027
32 Average number of shares (1 000)	1 325 899	1 321 957	1 321 957	1 309 880	1 309 027	1 317 744	1 309 027
33 Average number of shares - fully diluted (1 000)	1 331 299	1 328 828	1 327 524	1 315 516	1 315 764	1 323 786	1 311 737
34 Earnings per share (NOK)	1.74	1.38	1.32	1.16	1.20	5.60	4.11
35 Earnings per share excl. goodwill amortisation (NOK)	1.85	1.49	1.43	1.28	1.32	6.05	4.61
36 Earnings per share fully diluted (NOK)	1.73	1.37	1.31	1.15	1.19	5.57	4.10
37 Equity per share including accrued dividend at end of period (NOK)	37.66	36.04	34.70	33.39	34.37	37.66	34.37
38 Share price at end of period (NOK)	59.75	53.25	47.30	45.00	44.40	59.75	44.40
39 Price/book value	1.59	1.48	1.36	1.35	1.29	1.59	1.29
40 Market capitalisation (NOK billion)	79.3	70.4	62.5	59.5	58.1	79.3	58.1

### Definitions

- 4 Gains on the sale of Elcon are not included in the calculation for 2004.
- 8 Profit for the period as a percentage of average equity.
- 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.
- 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.

## Key figures 2000-2004

	DnB NOR Group <sup>1)</sup>				
	2004	2003	2002	2001	2000
<b>Interest rate analysis</b>					
1 Combined average spread for lending and deposits (%)	2.39	2.62	2.77	2.75	2.91
2 Spread for ordinary lending to customers (%)	1.69	1.76	1.48	1.34	1.33
3 Spread for deposits from customers (%)	0.70	0.87	1.29	1.41	1.58
<b>Rate of return/profitability</b>					
4 Net other operating income, % of total income	43.5	37.6	28.9	35.6	38.7
5 Cost/income ratio (%)	58.1	60.7	66.2	60.8	59.2
6 Ordinary cost/income ratio before goodwill amortisation (%)	53.4	57.0	61.7	58.4	57.3
7 Cost/income ratio before goodwill amortisation (%)	55.7	57.9	63.6	58.9	57.6
8 Return on equity (%)	16.1	12.7	8.9	15.5	18.5
9 Return on equity before goodwill amortisation (%)	17.4	14.3	10.2	16.7	19.5
10 Goodwill amortisation (NOK million)	610	651	539	429	368
11 Average equity before dividend allocation (NOK million)	45 956	42 206	40 738	38 768	36 750
<b>Financial strength</b>					
12 Core (Tier 1) capital ratio at end of period (%)	7.6	6.8	7.1	7.1	6.3
13 Capital adequacy ratio at end of period (%)	10.7	9.8	9.9	10.0	9.6
14 Core capital at end of period (NOK million)	45 059	39 270	36 802	37 007	30 364
15 Total eligible primary capital at end of period (NOK million)	63 509	56 499	51 258	52 138	46 164
16 Risk-weighted volume at end of period (NOK million)	591 906	579 445	516 664	519 202	483 299
<b>Loan portfolio and loan-loss provisions</b>					
17 Loan-loss ratio annualised (%)	0.03	0.34	0.21	0.13	(0.01)
18 Non-performing and doubtful commitments, % of total lending	1.04	1.50	0.97	0.92	0.98
19 Loan-loss provisions relative to total gross lending (%)	1.21	1.42	1.29	1.30	1.44
20 Non-performing commitments at end of period	4 196	6 531	3 622	3 062	3 018
21 Doubtful commitments at end of period	1 778	1 870	1 232	996	999
<b>Liquidity</b>					
22 Ratio of customer deposits to net lending to customers at end of period (%)	62.4	60.2	65.1	64.1	64.0
<b>Total assets owned or managed by DnB NOR</b>					
23 Assets under management at end of period (NOK billion)	508	496	412	216	207
24 Average total combined assets (NOK billion)	1 214	1 120	930	789	732
25 Total combined assets at end of period (NOK billion)	1 204	1 186	1 047	812	765
26 Customer savings at end of period (NOK billion)	848	818	729	519	483
<b>Staff</b>					
27 Number of full-time positions at end of period	9 963	11 044	11 233	11 283	11 417
28 - of which in Life Insurance and Pensions	926	1 022	1 066	1 106	1 128
<b>The DnB NOR share</b>					
29 Number of shares at end of period (1 000)	1 327 139	1 309 027	1 309 027	1 309 968	1 318 036
30 Average number of shares (1 000)	1 317 744	1 309 027	1 309 552	1 313 965	1 318 036
31 Average number of shares - fully diluted (1 000)	1 323 786	1 311 737	1 314 781	1 319 863	1 318 036
32 Earnings per share (NOK)	5.60	4.11	2.77	4.59	5.15
33 Earnings per share excl. goodwill amortisation (NOK)	6.05	4.61	3.19	4.91	5.43
34 Earnings per share fully diluted (NOK)	5.57	4.10	2.76	4.57	5.15
35 Equity per share including accrued dividend at end of period (NOK)	37.66	34.37	32.46	32.27	29.77
36 Share price at end of period (NOK)	59.75	44.40	32.60	40.40	47.50
37 Price/book value	1.59	1.29	1.00	1.25	1.60
38 Market capitalisation (NOK billion)	79.3	58.1	42.7	52.9	62.6
39 Dividend per share (NOK)	2.55	2.20	2.14	2.53	2.43
40 "RISK" adjustment for the share as at 1 Jan. the consecutive year (NOK) <sup>2)</sup>	(2.55)	(5.23)	6.44	(3.66)	2.64
41 "RISK" adjustment for the Gjensidige NOR share as at 1 Jan. the consecutive year (NOK) <sup>2)</sup>	-	-	(0.46)	17.53	28.11

1) Asset management operations acquired from Skandia are included in the figures as from 1 June 2002 and Nordlandsbanken from 1 January 2003.

2) Estimated "RISK" adjustment for 2004

### Definitions

4 Gains on the sale of Elcon are not included in the calculation for 2004.

8 Profit for the period as a percentage of average equity.

17 Net losses on loans (excluding guarantees) as a percentage of lending after the deduction of specified loan-loss provisions at end of period.

18 Non-performing and doubtful commitments after the deduction of specified loan-loss provisions relative to lending after the deduction of specified loan-loss provisions.

19 Accumulated specified and unspecified loan-loss provisions relative to gross lending at end of period.

32 Profit for the period divided by the average number of shares.

37 The last quoted share price on the Oslo Stock Exchange at end of period relative to the book value of equity at end of period.

38 Number of shares multiplied by the share price at end of period.



## **Section 3**

# **DnB NOR Group and business areas**

Preliminary and unaudited

## Group strategy

DnB NOR's strategy was further developed in early 2004 in a process involving more than 500 managers throughout the Group. A strategic platform was established, providing important guidelines for business choices.

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

A local presence and a full range of services are our strengths

DnB NOR will be customers' best financial partner and will meet their needs for financial solutions throughout Norway and in selected areas in the international arena.

In the corporate and retail customer segments, the process of further developing service concepts and a product range closely adapted to individual customer needs is well under way. Improved advisory services and decision-making as close as possible to the customer are important aspects of the strategy. DnB NOR's various business areas cooperate closely to be able to offer customers good solutions at all times. DnB NOR must develop new products and services in step with the market. It is essential to offer solutions that bring convenience to the everyday lives of customers. Both internal and external communication should be open, honest and easy to understand.

The Group will base growth in the international arena on comparative advantages in the form of competence within various customer segments and industries, special product expertise or established relationships where it is logical to follow the customer outside Norway. DnB NOR has a strong position within asset management in the Nordic region and a leading position in international shipping. In certain other sectors, such as energy and fisheries, the Group has strong expertise and an international presence. DnB NOR is the preferred partner for international customers doing business in Norway.

A common value base and culture are prerequisites for creating a uniform DnB NOR image in the market. The Group's shared values, team spirit, simplicity and value creation, describe what should distinguish the organisation and work processes both internally and in relation to customers. The process of creating a DnB NOR culture will take several years, but is off to a good start through the work on the Group's strategic platform. Under the heading "This is the way we do things", units throughout the Group have defined what the Group's business idea and values mean for individual units and staff members. These values are also reflected in the leadership principles and in how the Group's brands will be projected in the market.

The Group has specified targets with respect to different stakeholder groups: customers, employees, shareholders and society at large. DnB NOR wishes to deliver products and services that are easily understood and adapted to meet the financial needs of customers. The Group seeks to offer a diversified and challenging workplace and to be the preferred alternative for investors giving priority to long-term value creation. At the same time DnB NOR wishes to be perceived as a financial services institution showing social responsibility.

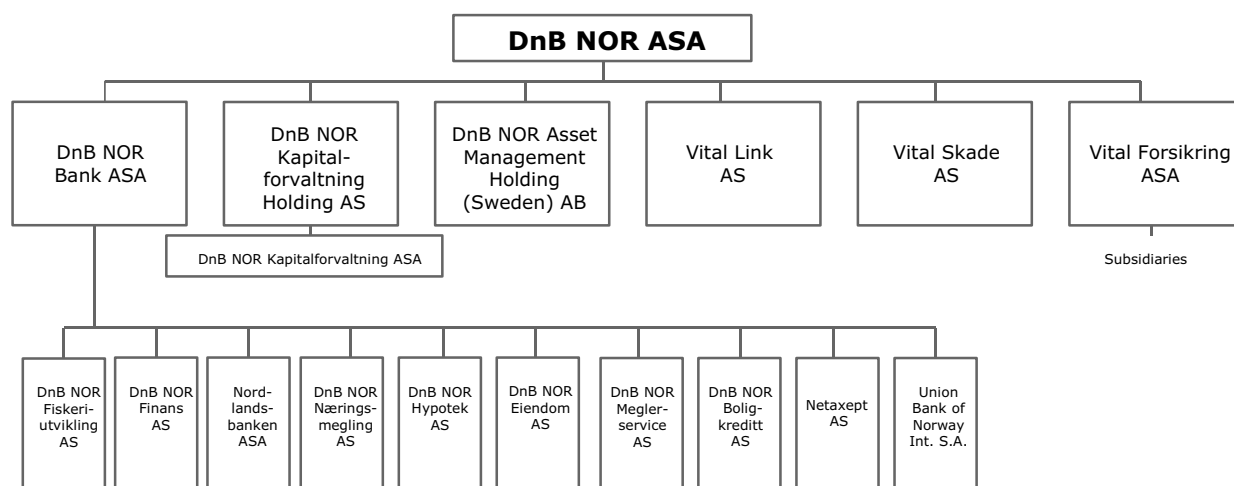
The financial targets reflect the aim to create shareholder value. The Group seeks to achieve a return on equity and share price increases that are competitive in a Nordic context. The specific long-term targets are:

- A return on equity of over 15 per cent after tax but before goodwill amortisation
- A cost/income ratio under 50 per cent before goodwill amortisation
- A core capital ratio of minimum 7 per cent
- Around 50 per cent of annual profits should be distributed as dividends, provided that capital adequacy remains at a satisfactory level
- DnB NOR Bank ASA's ratings for ordinary long-term debt should be maintained at an Aa level

## Legal structure

In accordance with the requirements of the Norwegian regulatory authorities, the banking, asset management and life insurance activities of the DnB NOR Group are organised in separate limited companies under the holding company DnB NOR ASA. Banking activities are organised in DnB NOR Bank ASA, while asset management activities are organised in two companies: DnB NOR Kapitalforvaltning Holding AS and DnB NOR Asset Management Holding (Sweden) AB. Life insurance activities in the form of traditional life and pension products are carried out by Vital Forsikring ASA, while unit linked products are offered through Vital Link AS. Vital Skade AS offers non-life insurance as part of a total product package for retail and corporate clients and operates as an agent for domestic and foreign insurance underwriters. The chart below shows the legal structure of the DnB NOR Group at year-end 2004.

### DnB NOR Group - legal structure at year-end 2004



1. An agreement has been signed with Terra-Gruppen on the sale of Postbanken Eiendomsmegling AS. The risk of operations was transferred as at 3 January 2005.

## Group business structure

The activities of DnB NOR are organised into five operational business areas and four 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. The operational structure of DnB NOR deviates from its legal structure as activities in subsidiaries fall in under the business area relevant to the company's operations.

The business areas carry responsibility for specific customer segments and key distribution channels, including sales of customer products, marketing, customer service, distribution and risk assessment in addition to product development, production and product pricing. The business areas are also responsible for the most business-critical support functions and have the opportunity to influence other staff and support units in the Group.

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

### Financial targets

Differentiated financial requirements have been set for the business areas, which in combination will help the DnB NOR Group reach its financial targets.

Return on equity is the key ratio for the business areas, representing each area's profits after taxes relative to financial capital requirements. The need for financial capital is based on the risk involved in operations in accordance with DnB NOR's risk management model. In addition, differentiated financial and non-financial targets have been set for the business areas.

### Internal pricing

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

Services provided by staff and support units will as far as possible be scaled and priced according to use. Joint expenses incurred by group staff units and other group expenditures that cannot be debited according to use, are charged to the business areas' accounts on the basis of special distribution formulas. Goodwill amortisation and costs relating to the Group's equity transactions, including strategic investments, are not charged to the business areas. Nor are the business areas charged with direct shareholder-related expenses and costs concerning the Group's governing bodies.

Certain customers and transactions of major importance require extensive cooperation within the Group. To stimulate such cooperation, net income relating to some of these transactions is recorded in the accounts of all relevant business areas. This refers primarily to income from customer trading in Markets. In 2004, such income totalled NOK 723 million. Double entries are eliminated in the group accounts. The effect of internal transactions between the Group's trading portfolio and banking portfolio are not eliminated.

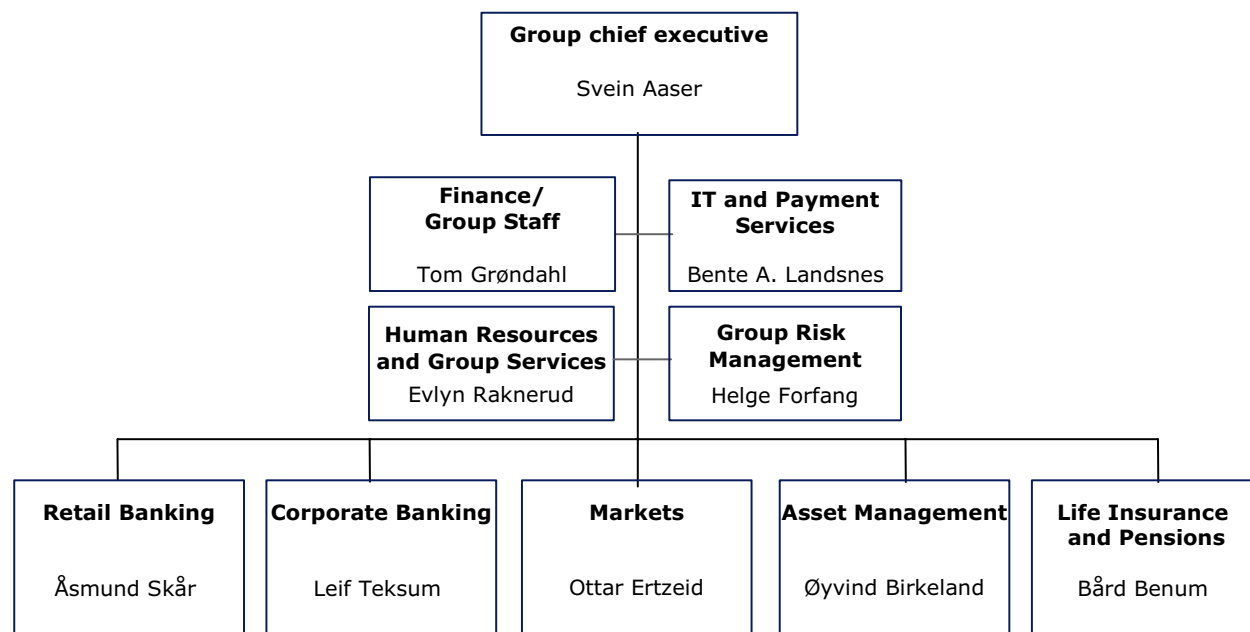
### Sale of companies

In accordance with the terms of the authorities' concession for the merger, the DnB NOR Group was required to sell certain legal entities. This applied to Elcon Finans, Postbanken Eiendomsmegling, Aktiv Eiendomsmegling and Gjensidige NOR Fondsforsikring. All of these companies were sold or sales arranged in 2004.

The description of the business areas, including financial information, has been prepared as though these companies are no longer part of the Group. In the accounts for the business areas, pro forma accounts for the companies are combined under the item "Discontinuing operations".

The terms of the merger also require the sale of a total of 53 banking outlets. This process is under way, and the accounts and descriptions for the business areas include operations in branch offices that have not been sold.



**DnB NOR Group - organisation chart at end February 2005**

## Synergies

### Cost synergies resulting from the DnB NOR merger

#### Planned annual cost synergies following full implementation in 2007

<i>Amounts in NOK million</i>	Cost synergies	Staff reductions (full-time positions)	Restructuring costs
Retail Banking	745	740	365
Corporate Banking	150	200	145
DnB NOR Markets	105	100	120
Asset Management <sup>1)</sup>	110	70	175
IT and Payment Services	235	85	560
Human Resources and Group Services	160	110	160
Staff units/other <sup>2)</sup>	205	190	260
<b>Total</b>	<b>1 710</b>	<b>1 495</b>	<b>1 785</b>
Life Insurance and Pensions (effect for owner) <sup>1) 3)</sup>	50	135	75
<b>Total including Life Insurance and Pensions</b>	<b>1 760</b>	<b>1 630</b>	<b>1 860</b>

#### Realised synergies <sup>4)</sup>

<i>Amounts in NOK million and full time positions</i>	Cost synergies 2004	Staff reductions 2003	Staff reductions 2004	Total staff reductions 2003/2004
Retail Banking	243	97	357	454
Corporate Banking	67	28	117	145
DnB NOR Markets <sup>5)</sup>	105	17	84	101
Asset Management <sup>1)</sup>	39	15	56	71
Staff units/other <sup>6)</sup>	237	17	132	149
<b>Total</b>	<b>691</b>	<b>174</b>	<b>746</b>	<b>920</b>
Life Insurance and Pensions (effect for owner) <sup>1) 3)</sup>	14	4	54	58
<b>Total including Life Insurance and Pensions</b>	<b>705</b>	<b>178</b>	<b>800<sup>7)</sup></b>	<b>978</b>

1) Asset Management and Life Insurance and Pensions include synergies related to IT and office space. With respect to other units, these synergies appear under staff units/other operations (IT and Group Services).

2) Includes Treasury. Some synergies have an overall impact and apply to all business areas. Such synergies are not allocated to specific units.

3) The effect is calculated on the assumption that 35 per cent of cost savings are reflected in profits to the owner.

4) Excluding operations sold or due to be sold.

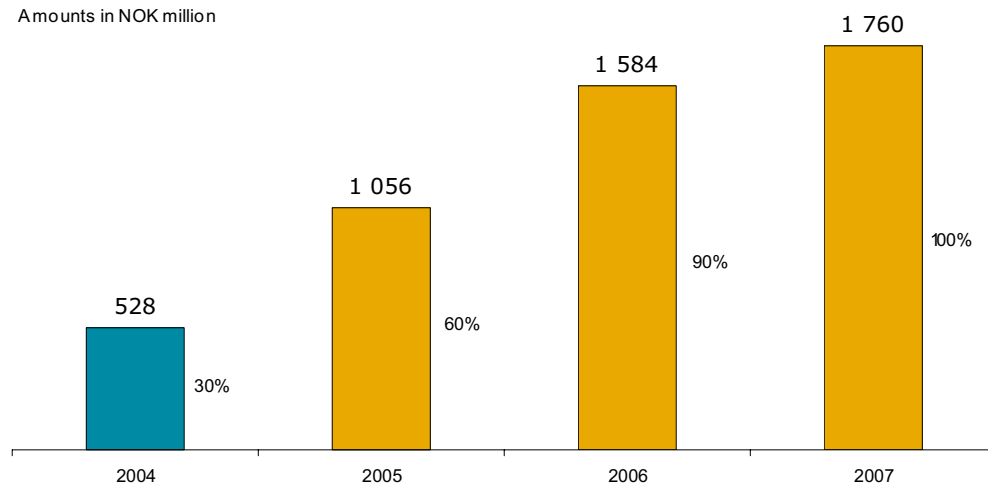
5) Total staff reductions in DnB NOR Markets represented 80 full-time positions, compared with the reported synergy target of 84. Due to strategic priorities, staff was increased by four full-time positions.

6) Includes IT and Payment Services, Human Resources, Group Services and Treasury. Some synergies have an overall impact and apply to all business areas. Such synergies are not allocated to specific units.

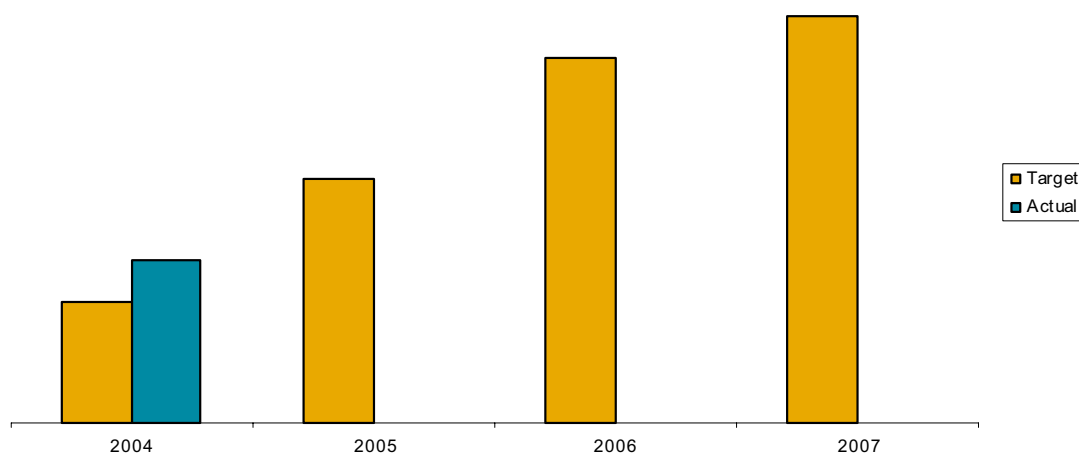
7) Total staff reductions in DnB NOR represented 869 full-time positions. In addition to realised staff synergies of 800 full-time positions, 28 full-time positions were eliminated due to general measures to streamline operations. The remaining staff cuts are temporary.

**DnB NOR's cost synergy targets <sup>1)</sup>**

Amounts in NOK million

**Cost synergies in 2004 <sup>1) 2)</sup>**

Amounts in NOK million



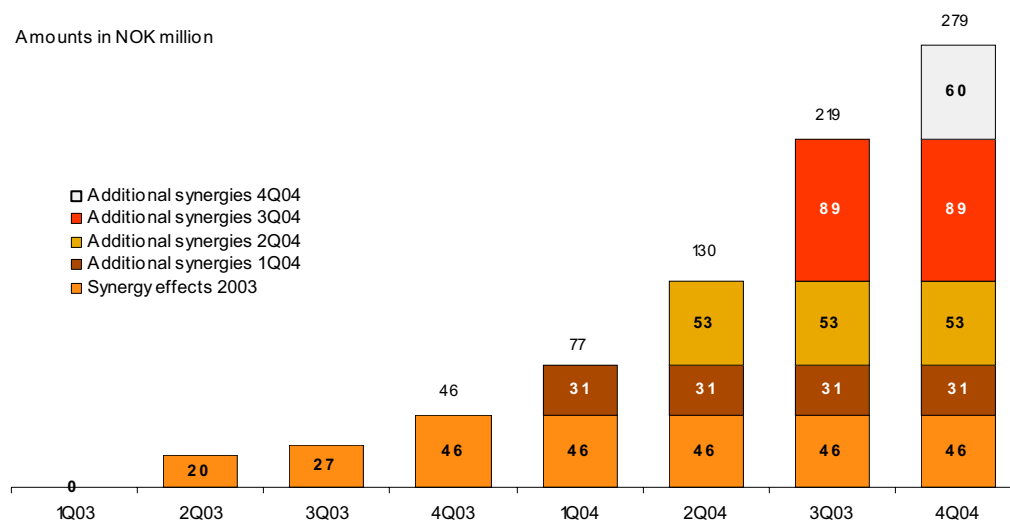
1) Cost synergy targets are calculated on the basis of ordinary operating expenses in 2003 adjusted for a 1 per cent rise in costs.

2) Profit and loss effects. The synergy effects and the target relating to Vital have been calculated on the assumption that 35 per cent of the cost savings are reflected in profits to the owner

**Accumulated cost synergies per quarter <sup>1)</sup>**

- Profit and loss effect 2003: NOK 93 million
- Profit and loss effect 2004: NOK 705 million <sup>2)</sup>

Amounts in NOK million



1) Profit and loss effects. The synergy effects and the target relating to Vital have been calculated on the assumption that 35 per cent of the cost savings are reflected in profits to the owner.

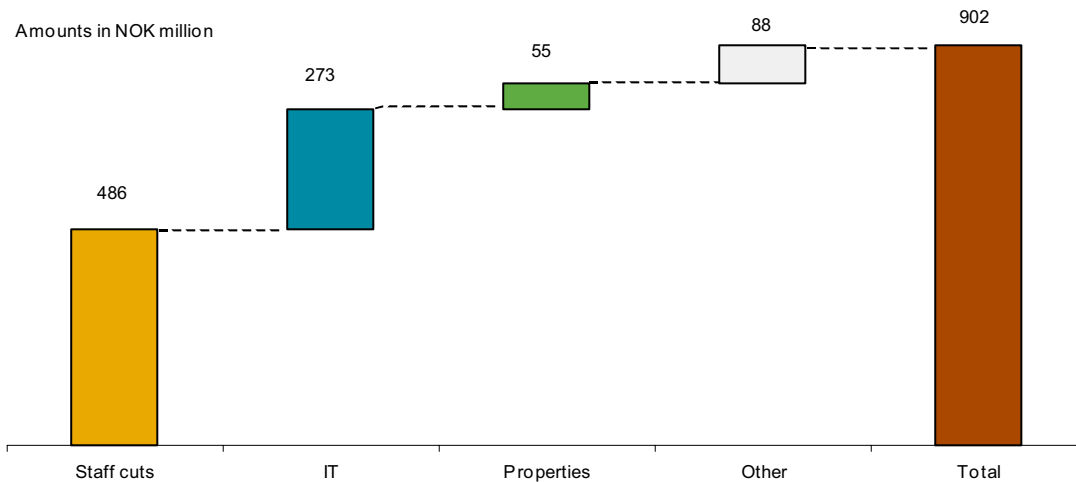
2) Includes cost synergies of NOK 44 million included in net other ordinary operating income stemming from profit contributions from Life Insurance and Pensions (NOK 14 million) and commissions and fees payable (NOK 30 million).

**Changes in total operating expenses**

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

1) Merger synergies	568
Cost synergies 2003	93
Cost synergies included in net other ordinary operating income	44
Accumulated synergy effects 2004	705

### Use of restructuring provisions Accumulated



- NOK 74 million of the provisions was used in 2003
- 48 per cent of total restructuring provisions of NOK 1 860 million have been used to date

### DnB NOR delivers results in accordance with the merger plan

- All company mergers have been implemented
- The integration of DnB NOR Markets was completed in 2004
- Most conditions stipulated by the Norwegian Competition Authority have already been fulfilled
- The process of redesigning branch offices is nearing completion
- The new website [www.dnbnor.no](http://www.dnbnor.no) and joint customer service channels have been launched
- Prices and products have been harmonised
- New joint customer loyalty programmes have been launched

## Business areas

### Operating results and key financial data for main business areas

The business area accounts are based on internal management reporting to the Board of Directors and the group chief executive. In 2004, changes were made in the allocation of certain items between the business areas and the method for allocating capital to Life Insurance and Pensions. Figures for 2003 have been adjusted correspondingly.

#### Extracts from profit and loss accounts <sup>1)</sup>

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

#### Main balance sheet items, average balances <sup>1)</sup>

	Interest on allocated capital (NOK million)		Allocated capital <sup>3)</sup>		BIS Capital <sup>4)</sup>		Net lending to customers <sup>5)</sup>		Customer deposits <sup>5)</sup>		Assets under management <sup>6)</sup>	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
<i>Amounts in NOK billion</i>												
Corporate Banking	394	765	18.9	17.8	21.9	21.7	246.8	248.7	165.4	158.6		
Retail Banking	158	296	7.6	6.9	11.5	10.1	302.1	260.5	186.2	180.4		
DnB NOR Markets	37	86	1.8	2.0	1.9	2.0	1.4	1.5	9.4	10.1		
Life Insurance and Pensions	147	283	7.1	6.6	4.2	3.9					154.5	136.7
Asset Management	19	37	0.9	0.9	-	-					482.4	433.4
Discontinuing operations <sup>2)</sup>							7.1	24.8	0.1	0.4		
Other operations			9.6	8.2	1.6	2.4	15.2	2.5	(6.0)	(6.1)	(140.6)	(120.0)
DnB NOR Group			46.0	42.2	41.1	40.0	572.5	538.0	355.1	343.4	496.4	450.1

#### Key figures

	Cost/income ratio excl. goodwill amortisation		Ratio of deposits to lending		Return on equity <sup>7)</sup>		Return on equity (BIS) <sup>8)</sup>		Full-time positions	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003 <sup>9)</sup>
<i>Per cent</i>										
Corporate Banking	40.0	40.6	67.0	63.8	18.2	13.6	16.0	11.7	1 831	1 951
Retail Banking	65.4	74.2	61.6	69.2	31.5	22.7	21.3	16.4	4 288	4 660
DnB NOR Markets	43.4	46.8			56.9	48.1	53.2	47.6	531	610
Life Insurance and Pensions					17.9	13.7	28.5	20.8	926	1 022
Asset Management	72.5	79.2			20.1	15.1	-	-	310	359
Discontinuing operations <sup>2)</sup>									5	456
Other operations									2 073 <sup>10)</sup>	1 986
DnB NOR Group	53.4	57.0	62.0	63.8	16.1	12.7	17.1	12.7	9 963	11 044

(Pro forma accounting figures prior to 31 December 2003)

- 1) The DnB NOR Group's income, expenses and balance sheet volumes are allocated to the business areas. In the table above some of the income generated in DnB NOR Markets related to foreign exchange/treasury instruments, sales of securities in the primary market, as well as custodial services, is also included in the net other operating income of Retail Banking and Corporate Banking. The elimination of these double entries is reflected under "Other operations". "Other operations" can be split into the following components:

	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)	
Amounts in NOK million	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Group Centre	(256)	(299)	692	577	2 151	1 027	(1 715)	(748)	(56)	(219)	(1 659)	(529)
Double entries	9	(13)	(731)	(654)	0	2	(723)	(670)	0	0	(723)	(670)
Eliminations	(33)	(22)	(204)	(456)	(206)	(335)	(31)	(143)	6	2	(38)	(144)
Total	(280)	(334)	(243)	(533)	1 945	694	(2 468)	(1 561)	(49)	(218)	(2 419)	(1 343)

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

The Group Centre comprises Human Resources and Group Services, Finance/Group Staff, IT and Payment Services, Strategy, Development and Corporate Communications, investments in IT infrastructure and shareholder-related expenses. The Group Centre also holds the part of the Group's equity which is not allocated to the business areas.

Goodwill related to mergers and acquisitions initiated by the Group is not allocated to the business areas. Goodwill related to the merger between Gjensidige NOR and DnB totalled NOK 1 717 million, of which NOK 188 million referred to Elcon Finans. The remaining goodwill will generally be amortised over twenty years starting in January 2003. Goodwill related to Cresco will be amortised over eight years. After the sale of Elcon Finans annual goodwill amortisation related to the merger will amount to NOK 112 million. Goodwill related to the acquisition of Nordlandsbanken amounted to NOK 531 million and is amortised over ten years starting in January 2003. Goodwill related to the acquisition of Skandia Asset Management amounted to SEK 3 402 million and is amortised over twenty years starting in January 2002. Goodwill in Vital is amortised by NOK 25 million each quarter, ending in 2005. The amortisation of Postbanken's fair value adjustments amounts to NOK 10 million per quarter, with the major items ending in 2004. In connection with the merger between Gjensidige and Union Bank of Norway in the second quarter of 1999, goodwill totalling NOK 849 million was capitalised with an amortisation period of between five and eight years. In 2001, goodwill in the Gjensidige NOR companies totalling NOK 383 million was recorded in the balance sheet. The remaining goodwill as at 31 December 2003 was NOK 341 million, with annual amortisation of NOK 180 million.

- 2) Discontinuing operations include Elcon Finans, Postbanken Eiendomsmegling and Gjensidige NOR Fondsforsikring. On 30 March 2004, Elcon Finans was sold to Santander Consumer Finance. The company's first-quarter income and expenses are included in the table above. The sale provided a gain of NOK 946 million after deductions for transaction costs and value adjustments. Gjensidige NOR Fondsforsikring was sold to Forsikringsselskapet Danica in May 2004. The sale provided a gain of NOK 35 million in the third quarter accounts. An agreement has been signed with Terra-Gruppen AS on the sale of the real estate brokerages Postbanken Eiendomsmegling and Aktiv Eiendomsmegling AS. The actual takeover took place 3 January 2005. See section 1.
- 3) 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.
- 4) BIS capital is estimated at 7 per cent of average risk-weighted volume for the business areas.
- 5) Net lending to customers includes lending to credit institutions with NOK 13.6 billion in 2004 and NOK 1.4 billion in 2003. Customer deposits includes deposits from credit institutions with NOK 5.1 billion in 2004 and 5.2 billion in 2003. Deposits with and from banks are not included.
- 6) The line "other operations" includes assets managed by Asset Management on behalf of Life Insurance and Pensions, representing NOK 140.6 billion in 2004 and NOK 119.6 billion in 2003.
- 7) Calculations of return on equity are based on profits after taxes and allocated equity capital.
- 8) Calculations of return on equity are based on profits after taxes and BIS capital.
- 9) Restated according to new definitions.
- 10) 209 full-time positions in the former jointly controlled companies Gjensidige NOR Driftspartner and Gjensidige NOR Markedsstøtte are included as from 1 January 2004.

## Corporate Banking

Corporate Banking serves the entire corporate market ranging from small and medium-sized (SME) to large companies, including the public sector and international corporates. DnB NOR holds a strong position in all segments of the domestic corporate market, and is one of the world's leading shipping banks. Market activities are organised in six divisions and the two subsidiaries DnB NOR Finans and Nordlandsbanken. The business area is headed by Leif Teksum, group executive vice president.

DnB NOR Corporate Banking aims to be customers' best financial partner, meeting their needs for financial solutions throughout Norway and in selected sectors of the Nordic and international markets.

The domestic market is the prime target for market activities and growth. Corporate Banking also offers international services to shipping and energy clients around the globe. Further international expansion is planned within shipping, energy and certain other sectors where competitive advantages and a substantial knowledge base provide growth potential.

### Financial performance

<i>Amounts in NOK million</i>	4Q04	3Q04	2Q04	1Q04	4Q03	2004	2003
Net interest income from operations	1 305	1 429	1 361	1 296	1 326	5 392	5 132
Interest on allocated capital	97	99	96	102	129	394	765
Net interest income	1 402	1 528	1 457	1 399	1 455	5 786	5 897
Net other operating income	686	456	501	563	613	2 206	2 212
Total income	2 087	1 984	1 958	1 962	2 067	7 992	8 109
Operating expenses	786	784	809	824	847	3 203	3 295
Pre-tax operating profit before losses	1 301	1 200	1 149	1 138	1 220	4 789	4 814
Net losses on loans and long term securities	54	(175)	20	102	234	2	1 467
Pre-tax operating profit	1 247	1 375	1 129	1 036	986	4 787	3 346
Net lending to customers (NOK billion) <sup>1)</sup>	248.6	245.6	246.6	246.4	247.7	246.8	248.7
Deposits from customers (NOK billion) <sup>1)</sup>	171.0	162.7	166.4	161.5	160.2	165.4	158.6
Cost/income ratio excl. goodwill (%)	37.6	39.4	41.2	41.9	40.9	40.0	40.6
Ratio of deposits to lending (%)	68.8	66.2	67.5	65.5	64.7	67.0	63.8
Return on equity (% p.a.)	19.0	20.2	17.3	16.2	15.4	18.2	13.6

1) Average balances

### Comments to the financial performance in 2004

- Low losses and sound operations enabled the business area to record healthy profits in spite of sluggish credit demand in the business sector
- The increase in net interest income was primarily due to more accurate risk pricing
- The average combined spreads was 2.17 per cent in the fourth quarter of 2004 compared with 2.18 per cent in the corresponding period in 2003
- Net other operating income was down NOK 6 million from 2003. There was a positive trend in income from guarantees, payment transfers and cash handling services and in profits from associated companies. However, income growth from these areas was offset by reduced gains on foreign exchange, interest rate instruments and corporate finance services
- Average lending to customers increased by NOK 0.9 billion from the fourth quarter of 2003 to the corresponding period of 2004. Average deposits were up NOK 10.7 billion from the fourth quarter of 2003 to the fourth quarter of 2004
- Adjusted for exchange rate movements, there was an increase of NOK 4 billion in loans and guarantees from the fourth quarter of 2003 to the same period in 2004
- In cooperation with DnB NOR Markets, a total of NOK 88 billion in syndicated credits was arranged for customers. Furthermore, NOK 91 billion in commercial paper and bonds was issued during 2004
- New provisions on loans and guarantees totaled NOK 986 million. Reversals on provisions totaled NOK 851 million, and recoveries amounted to NOK 132 million



**Customers and market developments**

- In the market for large Norwegian corporates DnB NOR is the leading Norwegian financial institution, offering services in New York, London, Singapore, Copenhagen, Stockholm, Hamburg and Helsinki in addition to the domestic market
- The bank maintained its position in the Norwegian SME market in 2004. In 2004 Corporate Banking acquired 7 800 new clients. Through a wide distribution network, DnB NOR offers customers local and regional expertise as well as national sector analysis and a broad product range
- DnB NOR is committed to maintaining and further enhancing a strong local presence. Local management and employees have extensive pertinent expertise and are authorised to grant credits that meet the requirements of the SME segment as well as most of the larger clients
- More than 66 000 customers make use of DnB NOR's extensive range of Internet services and Internet-based financial products
- The merger has broadened the product range and increased the potential for cross selling and product penetration in the SME market in general
- Nordlandsbanken has enhanced DnB NOR's position in the northernmost parts of Norway. The subsidiary serves the county of Nordland and operates under the brand name Nordlandsbanken

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

Per cent	31 Dec. 2004	30 Sept. 2004	30 June 2004	31 March 2004	31 Dec. 2003
Of total lending to corporate clients <sup>2)</sup>	15.0	15.1	15.2	15.6	15.8
Of deposits from corporate clients <sup>3)</sup>	38.1	39.4	38.2	38.9	38.4

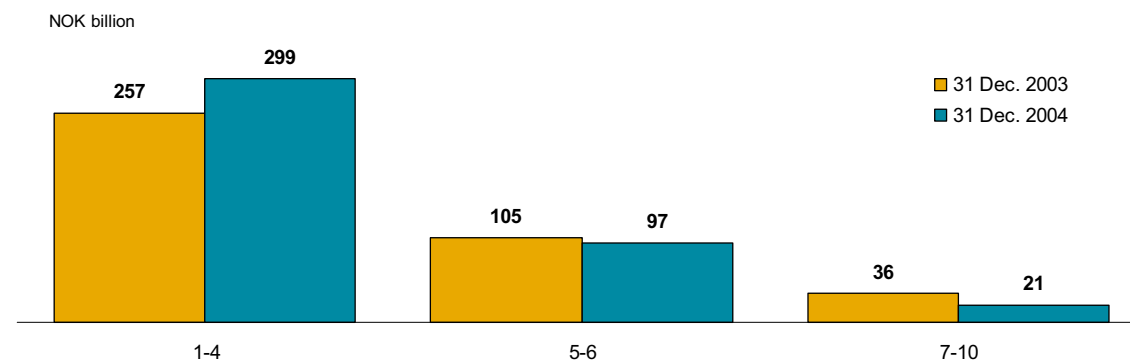
1) Updated according to adjusted data from Norges Bank

2) Overall lending includes all credits extended to Norwegian customers by domestic commercial and savings banks, state banks, insurance companies, finance companies and foreign institutions, as well as bonds and commercial paper

3) Domestic savings and commercial banks

Source: Norges Bank, DnB NOR

- Credit growth in the domestic market moved from negative to positive during the last months of 2004. The lack of willingness to invest in the business sector combined with very sound liquidity resulted in sluggish growth in new lending and limited use of credit facilities. DnB NOR's market share in the domestic market declined somewhat during 2004, which can be attributed to the structure of the portfolio with respect to the size and financial strength of customers, as well as the respective volumes in Norwegian kroner and foreign currency. Developments in the market share of lending should also be seen in light of increasing volumes of other credit instruments and exchange rate movements. Against this background, DnB NOR is comfortable with the development in market shares
- The market share of domestic corporate deposits also decreased slightly during 2004, partly due to strong competition for deposits in the Norwegian market. However, this trend must also be viewed in light of the positive funding situation for DnB NOR

**Development in risk classification <sup>1)</sup>**

1) Based on DnB NOR's risk classification system where 1 represents the lowest risk and 10 the highest risk. The volume represents the expected outstanding amount in the event of default.

**Organisation and distribution**

Corporate Banking is organised into six divisions:

- The Nordic Corporate Division and the International Corporate and Institutions Division serve large Norwegian corporates, the public sector, international companies that do business in Norway, international customers in the oil and energy sectors as well as financial institutions
- The Shipping Division serves Norwegian and international shipping, offshore and maritime logistics companies
- Regional Division East and Regional Division Coast serve businesses in two different segments based on geographical location
- The Business Support Division is divided into customer support, credit and collateral administration, marketing and Internet development departments

**Products**

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

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

**Employees**

- One of Corporate Banking's competitive advantages in the domestic market is the considerable expertise of the employees with regard to local business, credit risk, customer needs and product offerings. The merger has expanded the Group's competence base and Corporate Banking is committed to its continuous development. Competence training has top priority and particular emphasis has been placed on systematic specialised training in credit rating and risk and profitability analyses. Corporate Banking believes that competence training will help underpin the growth strategy
- The integration of the two financial services groups is ahead of schedule in Corporate Banking
- At the end of 2004, the business area had a staff of 1 831 full-time positions, with 1 691 in Norway, of which 521 in subsidiaries, as well as 140 full-time positions in international units
- Incentive structures and balanced scorecards are tailored to the goals of the different divisions. In order to maximise performance and attract the best account managers, remuneration varies from division to division and in accordance with market rates

**Cooperation with other group entities**

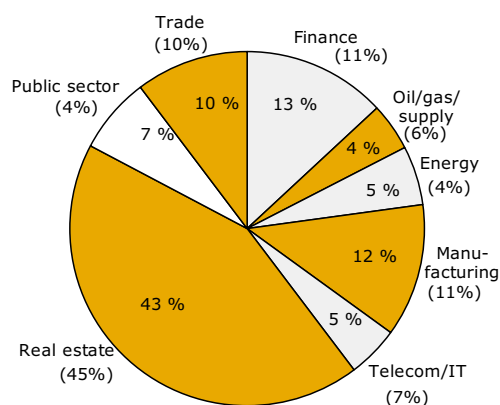
Through extensive cooperation with other business areas and support functions in the Group, particularly within corporate finance and FX and interest rate instruments, corporate customers are offered a broad range of financial services and life insurance and pension products.

## Nordic Corporate Division and International Corporate and Institutions Division

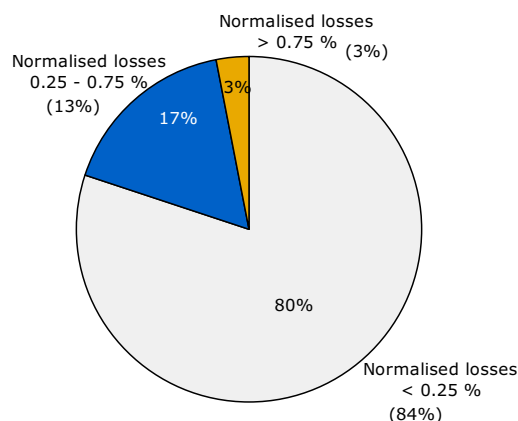
### Average volumes

Amounts in NOK billion	4Q04	3Q04	2Q04	1Q04	4Q03	2004	2003
Net lending to customers	81	78	79	81	83	80	84
Guarantees	28	29	27	28	28	28	27
Customer deposits	75	71	76	72	70	73	69

### Lending according to sector <sup>1)</sup>



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



1) Figures as at 31 December 2004. Percentages as at 31 December 2003 in parentheses

### Business profile

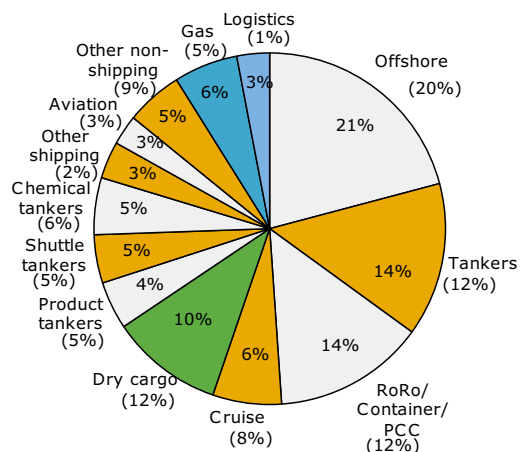
- Corporate Banking serves large Norwegian corporates, the Norwegian public sector, international companies that do business in Norway, international customers in the oil and energy industries as well as financial institutions
- DnB NOR is market leader in the large corporate segment. The majority of Norway's largest corporations use DnB NOR as their lead banker. In addition, DnB NOR has extensive interaction with most of the other institutions in this segment
- Commercial real estate broking services are offered through the subsidiary DnB NOR Næringsmegling
- DnB NOR Hypotek offers hypothecary financing of commercial real estate. Lending volume was NOK 17 billion at the end of 2004

## Shipping Division

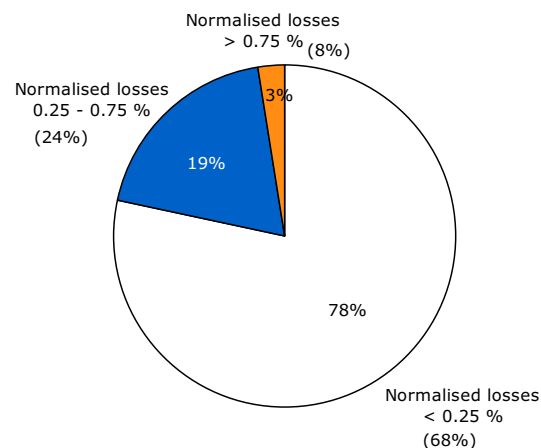
### Average volumes

Amounts in NOK billion	4Q04	3Q04	2Q04	1Q04	4Q03	2004	2003
Net lending to customers	39	39	39	38	39	39	37
Guarantees	11	13	11	11	11	11	11
Customer deposits	20	19	18	17	16	19	16

### Lending according to sector <sup>1)</sup>



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



1) Figures as at 31 December 2004. Percentages as at 31 December 2003 in parentheses

### Business profile

- Provides commercial and investment banking services to high-quality Norwegian and international shipping and offshore clients from the Group's offices in Oslo, Bergen, London, New York and Singapore
- The Shipping Division aims to achieve satisfactory growth in risk-adjusted profitability by maintaining third place among international shipping banks. The division aims to be the preferred strategic discussion partner for clients, expand its client base through further development of the logistics and LNG portfolio and strengthen its market position in Germany and the Nordic countries. Competence development will continue

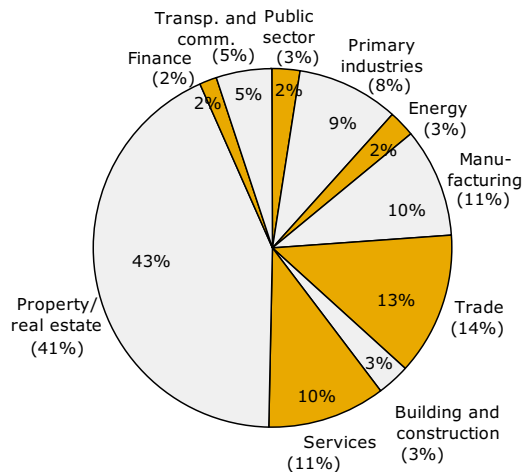
(Pro forma accounting figures prior to 31 December 2003)

## Regional Division East and Regional Division Coast

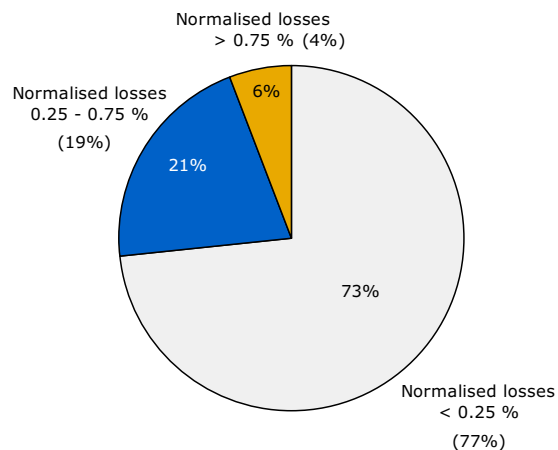
### Average volumes

Amounts in NOK billion	4Q04	3Q04	2Q04	1Q04	4Q03	2004	2003
Net lending to customers	100	103	101	100	99	101	99
Guarantees	9	9	10	10	10	9	10
Customer deposits	73	70	69	70	72	71	71

### Lending according to sector <sup>1)</sup>



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



1) Figures as at 31 December 2004. Percentages as at 31 December 2003 in parentheses

### Business profile

- Serving more than 85 000 businesses divided into two segments: Large companies and small and medium-sized enterprises
- Service is provided by a broad regional network, as well as over the telephone and via the Internet

The priorities of clients served by these two divisions when choosing their bankers is local presence combined with the expertise of a major bank. DnB NOR has financial services centres throughout Norway that offer a broad range of products and services and have considerable know-how that is pertinent for the customers. DnB NOR has a sound platform for strengthening its position as the preferred provider of financial products and services for this customer segment.

## Nordlandsbanken – Corporate Banking

### Average volumes

Amounts in NOK billion	4Q04	3Q04	2Q04	1Q04	4Q03	2004	2003
Net lending to customers	10	11	11	11	12	11	11
Guarantees	1	1	1	1	1	1	1
Customer deposits	3	3	3	3	3	3	3

### Business profile

- Corporate Banking in Nordlandsbanken serves businesses and the public sector in the county of Nordland
- Nordlandsbanken is represented through 17 branches in the county of Nordland and holds a leading position in the corporate segment
- Nordlandsbanken aims to be the preferred financial partner for companies in Nordland by meeting their needs for financial solutions through local expertise and as a part of a large national financial institution

## DnB NOR Finans

### Average volumes

Amounts in NOK billion	4Q04	3Q04	2Q04	1Q04	4Q03	2004	2003
Net lending to customers	18	17	17	16	16	17	15

### Business profile

- DnB NOR Finans is one of Norway's leading finance companies
- The company meets customer requirements for administrative, financial and risk-reducing services related to current assets and objects
- Business operations focus mainly on leasing, leasing concepts for Information and Communications Technology, factoring, motor vehicle financing and Autolease car fleet management (Norway and Denmark)
- DnB NOR Finans has a strong local presence through 14 branches, most of which have the same location as DnB NOR Bank
- There was a 25 per cent increase in new leasing and loan contracts in 2004 compared with 2003
- The value of processed factoring invoices was up 17 per cent in 2004 relative to 2003

## Retail Banking

Retail Banking, serving private customers and small companies under the main brand names DnB NOR, Postbanken and Nordlandsbanken, is Norway's largest retail bank. The business area is headed by Åsmund Skår, group executive vice president.

Integration in 2004 proceeded according to plan with respect to reductions in the number of branches as well as staff numbers. In 2005, the number of branches in DnB NOR will be reduced to 193 by moving geographically overlapping units into joint premises. Sales of the new customer loyalty programmes for the DnB NOR brand started in September, and in 2005 the new programmes will be offered to all existing programme customers.

Customer satisfaction within Retail Banking has shown a positive trend in core customer segments. Retail Banking has focused on improving customer satisfaction and loyalty for all target groups, and the customer segment young adults will be a key priority in 2005.

Interest rates are expected to remain low. The labour market is showing slight improvement and housing prices are expected to continue to rise in 2005. This situation provides the basis for continued high lending growth. Increased focus on pension savings is expected to lead to greater demand for insurance and savings products. Given its current position in the Norwegian banking market, Retail Banking will face competition from both domestic and Nordic participants. Competition for the bank's high net worth customers is expected to increase, and there will be many competitors in the growing market for pension savings. Retail Banking is prepared to meet the competition through good customer relations, new loyalty programmes and an extensive distribution network.

## Financial performance

Amounts in NOK million	4Q04	3Q04	2Q04	1Q04	4Q03	2004	2003
Net interest income from operations	1 792	1 784	1 816	1 620	1 573	7 013	6 590
Interest on allocated capital	40	40	38	40	51	158	296
Net interest income	1 832	1 824	1 854	1 661	1 624	7 171	6 886
Net other operating income	696	686	701	673	645	2 755	2 555
Total income	2 528	2 510	2 554	2 333	2 269	9 926	9 440
Operating expenses	1 642	1 591	1 652	1 634	1 851	6 519	7 028
Pre-tax operating profit before losses	886	919	902	700	418	3 407	2 412
Net losses on loans and long term securities	(25)	54	49	10	40	87	247
Pre-tax operating profit	911	865	853	690	379	3 320	2 165
Net lending to customers (NOK billion) <sup>1)</sup>	316.5	308.8	296.3	286.9	275.6	302.1	260.5
Deposits from customers (NOK billion) <sup>1)</sup>	187.9	189.5	184.5	183.0	180.9	186.2	180.4
Cost/income ratio excl. goodwill (%)	64.7	63.1	64.4	69.7	81.3	65.4	74.2
Ratio of deposits to lending (%)	59.4	61.4	62.3	63.8	65.6	61.6	69.2
Return on equity (% p.a.)	33.6	31.5	33.3	27.2	15.1	31.5	22.7

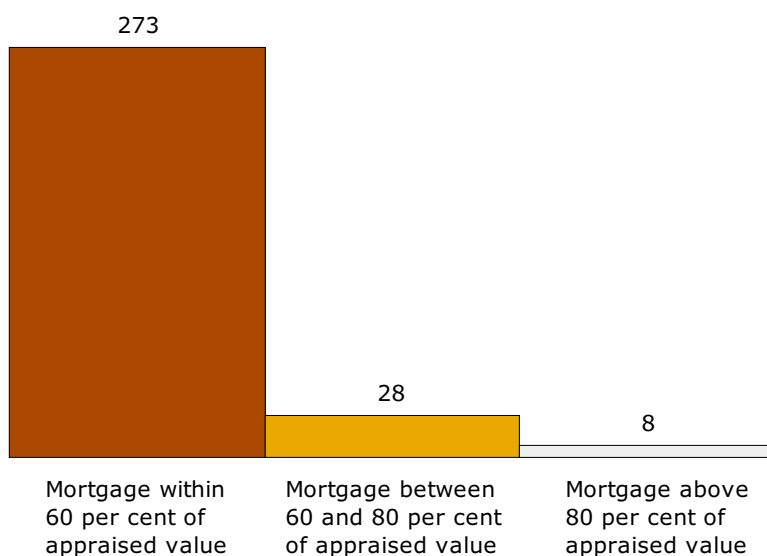
1) Average balances

**Comments to the financial performance in 2004**

- Overall performance for the year was satisfactory – return on equity 31.5 per cent
- Net interest income increased by NOK 285 million, mainly due to a higher lending volume
- Stable lending and deposit spreads. Lending spreads averaged 1.72 percentage points and deposit spreads 0.82 percentage points
- Lending increased by NOK 42 billion or 16 per cent, referring primarily to well-secured housing loans
- Deposits increased by 3 per cent
- Net other operating income increased by NOK 200 million or 8 per cent due to higher income from payment services and commission income from the sale of mutual funds and insurance products
- Expenses decreased by 7 per cent through restructuring and streamlining measures
- The cost/income ratio excluding goodwill rose to 65.4 per cent
- Loan losses remained at a low level and were mainly related to consumer finance
- The volume of non-performing and doubtful commitments was at a satisfactory level

**Residential mortgages as at 31 December 2004**

NOK billion



The principles for classifying residential mortgages according to the level of collateral were changed in the fourth quarter of 2004. Underlying analyses indicate that the proportion of well-secured loans is rising.

**Customers/markets**

- Serving more than 2.2 million private individuals
- 550 000 customers subscribe to DnB NOR loyalty programmes
- 317 000 customers subscribe to Postbanken Leve
- More than 1 million clients use the Group's Internet banks
- Postbanken.no is Norway's largest Internet bank
- 41 million payment transactions were carried out through the Internet banks in 2004, compared with 32 million last year
- 690 000 customers have agreed to receive notices such as account statements via e-mail



**Retail Banking market shares**

Per cent	31 Dec. 2004	30 Sept. 2004	30 June 2004	31 March 2004	31 Dec. 2003
Total lending to households <sup>1)</sup>	31.0	31.2	31.1	31.0	30.9
Bank lending to households <sup>2)</sup>	38.2	38.5	38.7	38.7	38.9
Bank deposits from households <sup>3)</sup>	36.7	36.8	36.9	37.2	37.4

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

2) Overall lending includes all credits extended to Norwegian customers by domestic commercial and savings banks.

3) Domestic commercial and savings banks

Source: Norges Bank, DnB NOR

**Organisation and distribution**

Through Norway's largest distribution network, Retail Banking offers a wide range of financial products and services. Production, staff and support functions are largely centralised in cost-efficient joint units. The major distribution channels are:

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

Retail Banking has a long-term cooperation agreement with Gjensidige NOR Forsikring, which among other things allows the bank to offer its customers simple non-life insurance products.

The cooperation with 16 regional savings banks involves the provision of technological solutions and distribution of the Group's products.

DnB NOR and Norway Post have a master agreement relating to the distribution of financial services through the postal network, which will remain in effect until 31 December 2005. The agreement is mainly based on transaction-specific prices and a common aim to increase the number of financial services distributed through the postal network.

- Postbanken and Norway Post have established joint service solutions provided through 1 202 in-store postal outlets, where customers can carry out everyday banking transactions in their local stores
- 8.3 million payment transactions were carried out through these channels in 2004 vs. 8.6 million transactions in 2003. There was a reduction in manual transactions, while electronic transactions increased

**Employees**

- The number of full-time positions within Retail Banking totaled 4 288 at the end of December 2004. The integration plans include a reduction in staff to around 3 900 full-time positions by the end of 2006
- To achieve the targets for restructuring and staff cuts, the process must be carried out in a considerate manner in close cooperation with the employee organisations. More efficient production and distribution of services through new and better IT solutions, telephone and Internet banking will reduce the number of employees in the coming years
- Changing customer needs and the introduction of new products make it vital to upgrade professional skills. This will mainly be achieved by educating and relocating the existing workforce

**Cooperation with other group entities**

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

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

### Residential real estate broking

DnB NOR's real estate broking activities are coordinated in DnB NOR Eiendom, a market leader within the real estate broking business. DnB NOR Eiendom will establish 11 new real estate offices in 2005. In addition to fee income, real estate broking operations generate business in the form of residential mortgages and savings.

### Properties sold and market shares

Properties sold	4Q04	3Q04	2Q04	1Q04	4Q03	2004	2003
DnB NOR Eiendom	3 538	3 607	4 749	4 056	3 784	15 950	15 458
NordMegler (Nordlandsbanken)	66	81	93	66	68	306	324
Total properties sold	3 604	3 688	4 842	4 122	3 852	16 256	15 782
Market share, per cent <sup>1)</sup>	16	16	18	15	17	16	17

1) Management's estimates

### Consumer finance

- DnB NOR's card-based services and consumer finance activities are coordinated in DnB NOR Kort (an entity within DnB NOR Bank ASA)
- DnB NOR Kort's lending volume increased to NOK 9 787 million, from NOK 9 513 million at year-end 2003
- Consumer finance activities showed healthy profits in 2004
- DnB NOR Kort is Norway's leading card issuer. As at 31 December 2004, the entity had issued more than 1.3 million credit and charge cards. Including debit cards, the DnB NOR Group had issued approximately 3.5 million cards
- External distribution is also carried out under the brand name Cresco

### Non-life insurance

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

Vital Skade has entered into non-exclusive agreements with 13 academic associations offering non-life insurance products through specialised service centres. Premium income generated in Vital Skade in 2004 totalled NOK 364 million, an increase of 30 per cent on the 2003 figures. Academic associations account for 50 per cent of total premiums. Sales through the Internet banking application continued to show strong growth compared with the previous year, with total premiums of NOK 84 million, up from NOK 20 million in 2003. Commission income increased from NOK 40 million in 2003 to NOK 70 million in 2004. Operating expenses were in line with 2003, totalling 50 million. The profit margin for 2004 was 38 per cent, compared with 21 per cent in 2003.

## DnB NOR Markets

DnB NOR Markets is Norway's largest provider of a wide range of securities and investment services. DnB NOR Markets comprises the following units: FX/Treasury - Customers, FX/Treasury - Trading, Equities Sales/Research, Corporate Finance and Securities Services. The Group Treasury is organised within DnB NOR Markets though profits and losses for the unit are not recorded under this business area. Ottar Ertzeid, group executive vice president, is head of DnB NOR Markets.

DnB NOR Markets aims to be the leading investment bank for Norwegian and Norwegian-related customers, as well as international clients requiring services relating to Norway and the Norwegian krone.

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

- 35 per cent of total revenues for Norwegian investment banks
- A diversified business/revenues mix (products and customers)
- A sound mix of customer and trading activities
- Cost and capital-efficient operations

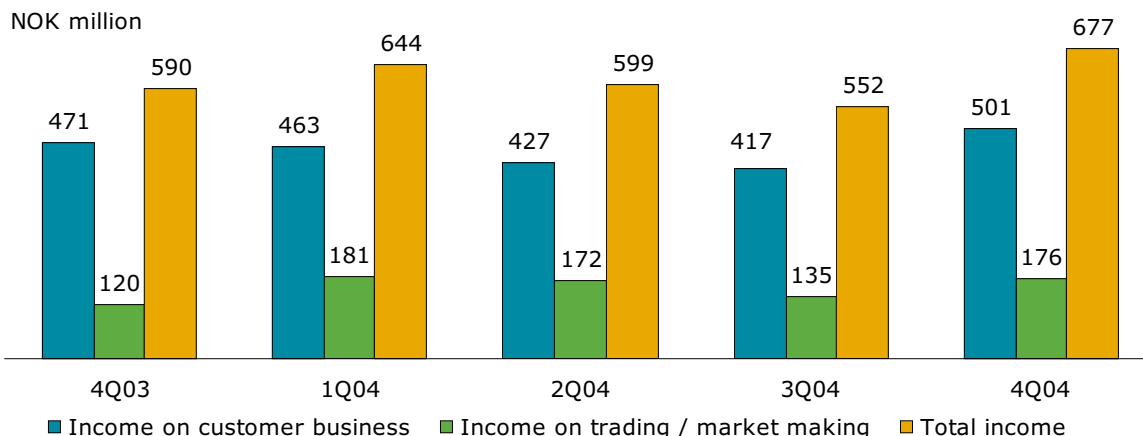
The DnB NOR integration was completed and staff and cost synergy targets reached during 2004.

### Financial performance

Amounts in NOK million	4Q04	3Q04	2Q04	1Q04	4Q03	2004	2003
Net interest income from operations	47	68	57	58	48	231	380
Interest on allocated capital	9	9	9	11	13	37	86
Net interest income	56	77	66	69	62	268	466
Net other operating income	630	484	542	586	542	2 242	2 035
Total income	686	561	608	655	604	2 510	2 501
Operating expenses	274	245	264	308	282	1 090	1 171
Pre-tax operating profit before losses	412	317	344	347	321	1 419	1 329
Net losses on loans and long-term securities	0	0	0	(3)	0	(3)	(1)
Pre-tax operating profit	412	317	344	350	321	1 422	1 331
Cost/income ratio excl. goodwill (%)	39.9	43.6	43.4	47.1	46.8	43.4	46.8
Return on equity (% p.a.)	71.4	51.1	54.5	52.1	46.6	56.9	48.1

### Comments to the financial performance in 2004

- DnB NOR Markets achieved its best results ever
- The business area recorded a healthy cost/income ratio and a sound return on equity
- Interest income on allocated capital was down NOK 48 million due to lower NOK interest rates
- Market making/trading revenues increased by NOK 72 million from a high level
- Income on customer business declined by NOK 15 million
- Customer demand for currency and interest rate hedging products remained strong in 2004. Low interest levels and the steep yield curve for NOK reduced demand for interest rate hedging products
- Increased activity in the market for raising private investment capital
- DnB NOR Markets Inc., established on 1 January 2004, participated in several share and bond issues for the bank's customers in the US market
- The range of securities financing services was expanded
- Costs were brought down 6.9 per cent

**Income distribution DnB NOR Markets <sup>1)</sup>**

1) Excluding interest on allocated capital

**Products and services**

- Foreign exchange and rate derivatives
- Securities and other investment products
- Debt and equity financing in capital markets, as well as mergers and acquisitions and other advisory and corporate finance services
- Custodial and other securities services
- In the third quarter the first credit derivatives for customers were introduced

**Distribution and cooperation with other entities**

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

- Central units located in Oslo
- International offices (London, Singapore and New York) and 13 regional offices
- Electronic channels and the Internet
- Cooperating savings banks
- External agents

**Customers and market shares**

- DnB NOR Markets is Norway's largest investment bank with a market share in 2004 of 35 per cent in terms of revenues for Norwegian firms
- The merger has enhanced the business area's market position within trading in bonds and commercial paper, equities, equity derivatives and research
- In terms of turnover (10.7 per cent) and number of transactions (14.0 per cent), DnB NOR Markets was the largest equity brokerage house on Oslo Børs (the Oslo Stock Exchange) in 2004
- Largest fixed-income securities broker on Oslo Børs with a market share of close to 30 per cent
- Leading position within derivatives and structured products in Norway
- Approximately 40 per cent of customer trading in equity derivatives on Oslo Børs was handled by DnB NOR Markets
- Approximately 40 per cent market share of capital-guaranteed equity-linked investment products
- Leading arranger of debt financing in capital markets for Norwegian borrowers
- Leading within domestic securities services with settlement for most foreign remote members of Oslo Børs
- DnB NOR Markets acts as registrar in the Norwegian Central Securities Depository (VPS) for 58 per cent of the companies registered in VPS, for 40 per cent of commercial paper issues and 34 per cent of bond issues
- Ranked best foreign exchange bank in Norway and Scandinavia by Global Finance in March 2004

(Pro forma accounting figures prior to 31 December 2003)

**Employees**

- DnB NOR Markets completed the process of ensuring optimal staff and competence profiles in the business area early in 2004
- DnB NOR Markets has a staff of 531 full-time positions located in offices in Norway and abroad. At year-end 2004, DnB NOR Markets had fully realised its target of cutting back staff by 100 full-time positions

**Revenues within various segments**

<i>Amounts in NOK million</i>	4Q04	3Q04	2Q04	1Q04	4Q03
FX and interest rate derivatives	228	209	207	232	207
Investment products	148	102	130	151	146
Corporate finance	70	60	42	37	74
Securities services	55	47	48	43	44
Total customer revenues	501	417	427	463	471
Market making/trading revenues	176	135	172	181	120
Interest income on allocated capital	9	9	9	11	13
Total revenues	686	561	608	655	604
Operating expenses	274	245	264	308	282
Net losses/(reversals)	0	0	0	( 3)	0
<b>Pre-tax operating profit</b>	<b>412</b>	<b>317</b>	<b>344</b>	<b>350</b>	<b>321</b>

<i>Amounts in NOK million</i>	2004	2003	2002
FX and interest rate derivatives	876	866	766
Investment products	530	565	491
Corporate finance	209	220	182
Securities services	193	171	174
Total customer revenues	1 808	1 823	1 613
Market making/trading revenues	664	592	406
Interest income on allocated capital	37	86	127
Total revenues	2 510	2 501	2 146
Operating expenses	1 090	1 171	1 165
Net losses/(reversals)	( 3)	( 1)	( 38)
<b>Pre-tax operating profit</b>	<b>1 422</b>	<b>1 331</b>	<b>1 020</b>

**Risk profile**

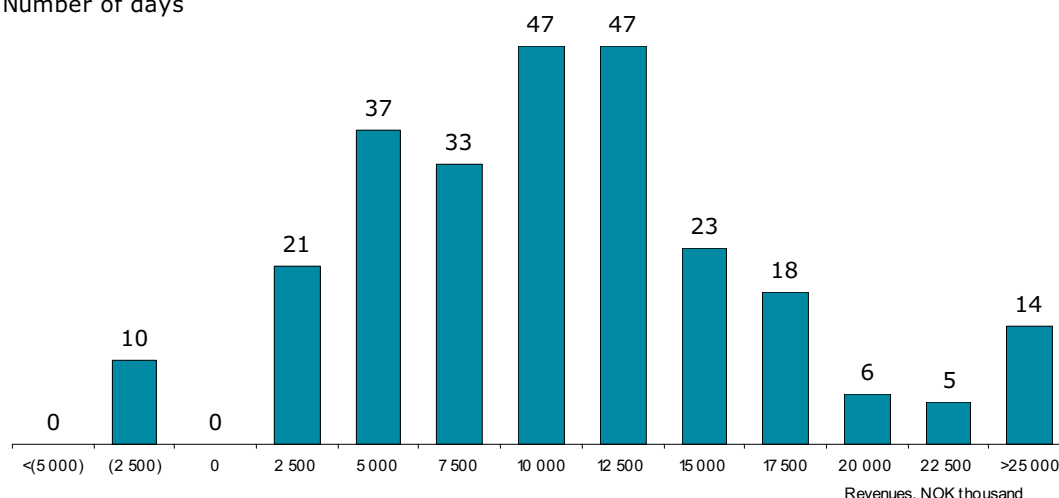
DnB NOR Markets has a moderate risk profile. Customer activities represent the main business. Trading activities support customer activity with products and prices, with focus on Norwegian krone products.

**Daily revenue statistics for DnB NOR Markets**

<i>Amounts in NOK thousand</i>	2004	2003
Minimum	(3 676)	(3 007)
Maximum	62 056	51 894
Average	9 616	9 654
Loss days	10	3
Gain days	251	256

**Daily revenue distribution**

Number of days

**Interest rate sensitivity**

The value of financial investments recorded on and off the balance sheet is affected by interest rate movements. The table below shows potential losses for DnB NOR resulting from parallel one-percentage point changes in all interest rates. The calculations are based on a hypothetical situation where interest rate movements in all currencies are unfavourable for DnB NOR relative to the Group's positions. Also, all interest rate movements within the same interval are assumed to be unfavourable for the Group. In the trading portfolio, such losses will be charged to the accounts as they occur. In the banking portfolio, the losses will be amortised over the remaining maturity. The calculations are based on the Group's positions as at 31 December 2004 and market rates on the same date.

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

Amounts in NOK million	Up to 1 month	From 1 month to 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years	Total
<b>Trading portfolio</b>						
NOK	3	37	60	121	154	53
USD	4	27	20	2	7	39
EURO	4	0	5	4	72	77
GBP	1	1	2	2	1	3
Other currencies	1	4	4	4	1	11
<b>Banking portfolio</b>						
NOK	33	22	51	59	11	153
<b>Total</b>						
NOK	29	15	111	62	143	206
USD	4	27	20	2	7	39
EURO	4	0	5	4	72	77
GBP	1	1	2	2	1	3
Other currencies	1	4	4	4	1	11

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

## Life Insurance and Pensions

Life Insurance and Pensions offers group pension schemes to businesses and the public sector. In the retail market, long-term savings alternatives are offered in the form of individual pension agreements and annuities. Bård Benum, group executive vice president, is head of Life Insurance and Pensions.

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

Vital Forsikring ASA and Gjensidige NOR Spareforsikring ASA merged in March 2004, and life insurance operations are continued in Vital Forsikring. The integration process moved forward according to schedule in 2004.

Columns marked "life insurance" refer to operations in Vital Forsikring ASA including subsidiaries. Columns marked "Life Insurance and Pensions" refer to life insurance operations including unit linked operations in Vital Link.

Gjensidige NOR Fondsforsikring AS is not included in the figures. The company was sold to Forsikringsselskabet Danica in May 2004. Operations within non-life and group life insurance were sold to Gjensidige NOR Forsikring in 2004.

### Financial performance – Life Insurance and Pensions

<i>Amounts in NOK million</i>	4Q04	3Q04	2Q04	1Q04	4Q03	2004	2003
Interest result <sup>1) 2)</sup>	502	577	1 697	1 061	1 904	3 837	4 576
Risk result <sup>3)</sup>	(44)	(11)	(110)	(147)	(358)	(312)	(903)
Administration result <sup>4)</sup>	(287)	(31)	(44)	(25)	(58)	(387)	(190)
Other <sup>2)</sup>	245	(24)	(52)	(38)	44	131	(72)
Transferred to/(from) security reserve	(3)	(4)	3	4	10	-	17
Profit for distribution <sup>5)</sup>	419	515	1 488	847	1 523	3 269	3 394
Funds transferred to policyholders	(74)	280	1 220	607	918	2 033	2 254
Tax charge	(161)	11	47	39	177	(64)	236
<b>Profit life insurance</b>	<b>653</b>	<b>225</b>	<b>222</b>	<b>201</b>	<b>428</b>	<b>1 300</b>	<b>904</b>
Net profit /(loss) in Vital Link	16	(2)	(1)	4	(42)	17	(42)
Net profit from Life Insurance and Pensions	669	223	221	205	385	1 317	862
Goodwill amortisation Life Insurance and Pensions	25	25	25	25	25	101	101
<b>Net profit from Life Insurance and Pensions in the group accounts</b>	<b>644</b>	<b>197</b>	<b>195</b>	<b>180</b>	<b>360</b>	<b>1 216</b>	<b>760</b>
+ Adjustment in the group accounts <sup>6)</sup>	4	9	4	6	(8)	24	(17)
+ Goodwill amortisation Life Insurance and Pensions	25	25	25	25	25	101	101
+ Taxes	(175)	11	46	40	160	(78)	218
<b>Pre-tax operating profit for the business area</b>	<b>499</b>	<b>242</b>	<b>270</b>	<b>251</b>	<b>537</b>	<b>1 263</b>	<b>1 062</b>

1) For developments in the financial result, asset mix and returns, see tables on pages 75 and 76.

2) Including pre-tax profits to the owner of NOK 255 million from the sale of operations within non-life and group life insurance in the fourth quarter 2004.

3) NOK 228 million was charged to the risk result for 2004 to strengthen disability provisions, compared with NOK 781 million in 2003. Life Insurance and Pensions plans to further strengthen the premium reserve by NOK 140 million to cover insurance claims in 2005.

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

5) See table on next page.

6) Includes adjustment for group allocation of costs and allocated capital. Allocated capital represents ownership risk for Life Insurance and Pensions and is based on DnB NOR's risk assessment model. Pro forma figures are adjusted according to new definitions. From the fourth quarter of 2004, the method for allocating capital to Life Insurance and Pensions has been adjusted. Figures for previous periods have been adjusted correspondingly.

**Specification of profit for distribution**

Amounts in NOK million	4Q04	3Q04	2Q04	1Q04	4Q03	2004	2003
<b>Profit for distribution</b>	419	515	1 488	847	1 523	3 269	3 394
from operations subject to profit sharing <sup>1)</sup>	162	539	1 541	884	1 470	3 126	3 456
- Funds transferred to policyholders	(74)	280	1 220	607	918	2 033	2 254
- Profit for allocation to the owner and taxes	236	259	321	277	552	1 093	1 201
from operations not subject to profit sharing	257	(24)	(53)	(37)	53	143	(61)

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

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

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

**Extracts from balance sheets and key figures**

Amounts in NOK million	31 Dec. 2004	30 Sept. 2004	30 June 2004	31 Mar. 2004	31 Dec. 2003	31 Dec. 2004	31 Dec. 2003
Policyholders' funds life insurance <sup>1)</sup>	152 443	149 074	146 501	143 617	136 970	152 443	136 970
of which group pension <sup>2)</sup>							
- defined benefit	96 092	94 618	92 266	89 001	84 915	96 092	84 915
- defined contribution	193	163	148	118	88	193	88
Policyholders' funds unit linked	9 746	9 230	8 947	8 681	7 292	9 746	7 292
of which group pension <sup>2)</sup>							
- defined contribution	303	304	253	216	167	303	167

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

2) Insurance provisions

Per cent	4Q04	3Q04	2Q04	1Q04	4Q03	2004	2003
Solvency capital (NOK million) <sup>1)</sup>	19 630	19 112	17 896	19 120	16 056	19 630	16 056
Return on equity <sup>2)</sup>	28.0	11.1	13.0	12.9	27.9	17.9	13.7
Expenses in per cent of insurance provisions <sup>3)</sup>	0.87	0.87	0.93	0.93	1.01	0.90	0.96

1) Life insurance. For the composition of solvency capital, see table on page 75

2) Calculations of return on equity are based on allocated capital, after tax charges, and are annualised.

3) Life insurance. Annualised, including costs charged to the administration result

**Comments to the financial performance in 2004**

- 11 per cent growth in total assets, to NOK 175 billion
- 33 per cent rise in premium income
- Net inflow of transfers increased by NOK 3.7 billion
- Recorded return on assets 6.5 per cent and value-adjusted return on assets 7.1 per cent
- NOK 3.6 billion rise in solvency capital to NOK 19.6 billion
- NOK 201 million rise in pre-tax operating profit
- Operations within non-life and group life insurance were sold to Gjensidige NOR Forsikring in 2004, generating a pre-tax profit to the owner of NOK 255 million
- The administration result was charged with NOK 250 million in connection with the merger between Vital Forsikring ASA and Gjensidige NOR Spareforsikring ASA in 2004
- In consequence of the introduction of the tax exemption model for equities in the EEA area, tax revenues were recorded in 2004
- Return on equity increased from 13.7 per cent to 17.9 per cent
- New capital guaranteed product well received



(Pro forma accounting figures prior to 1 January 2004)

**Premium income – Life Insurance and Pensions**

Amounts in NOK million	4Q04	3Q04	2Q04	1Q04	4Q03	2004	2003
Total premiums due <sup>1) 2)</sup>	4 431	3 123	2 468	6 400	4 504	16 421	13 523
Inflow of reserves <sup>3)</sup>	896	1 041	2 245	1 528	739	5 710	3 077
Outflow of reserves <sup>4)</sup>	234	545	594	798	729	2 171	3 810
Net premiums paid	5 091	3 619	4 120	7 131	4 515	19 961	12 790
Outflow of premiums	234	545	594	798	729	2 171	3 810
<b>Total premium income</b>	<b>5 326</b>	<b>4 164</b>	<b>4 713</b>	<b>7 929</b>	<b>5 243</b>	<b>22 132</b>	<b>16 600</b>

1) of which group pension - defined benefit

1 524

2 065

936

3 301

1 547

7 826

7 224

2) of which group pension - defined contribution

82

53

63

70

35

268

132

3) of which inter-company transfers

90

40

183

108

189

421

545

4) The figure for 4 quarter 2004 does not include NOK 1 035 million in reserves from the sale of operations within non-life and group life insurance

**Market shares**

Per cent	30 Sept. 2004	30 Sept. 2003
Of total premiums due	29.8	32.2
Of total premiums incl. inflow of premium reserves	36.4	34.1
Of new business	42.3	46.0
Of insurance funds including unit linked products	35.6	35.4
- Retail market	52.3	53.0
- Corporate market	29.7	29.1
Of insurance funds for unit linked products	40.8	36.2

All premiums include reserves transferred from other life insurance companies

Source: Association of Norwegian Financial Managers in the Finance Sector, FNN and DnB NOR

**Products and organisation**

Life Insurance and Pensions offers:

- Group pension schemes to businesses, adapted to customer needs for defined-benefit, defined-contribution and single premium pension schemes
- Long-term savings alternatives in the form of individual pension agreements and annuities in the retail market
- Products are offered with guaranteed returns or with a choice of investment profile (unit linked)
- Group life, endowment and personal insurance in cooperation with Gjensidige NOR Forsikring from 1 July 2004
- Savings products from other units in the DnB NOR Group, including mutual funds from DnB NOR Kapitalforvaltning and equity-linked bonds from DnB NOR Markets

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

**Employees**

- Life Insurance and Pensions gives priority to retaining and developing a high level of expertise within insurance products, management and other relevant areas of competence

**Development in full-time positions**

	31 Dec. 2004	31 Dec. 2003
Life insurance	898	993
Unit link	28	29
<b>Total</b>	<b>926</b>	<b>1 022</b>

**Cooperation with other group entities**

- By taking advantage of the strength of the DnB NOR Group's total distribution network, Life Insurance and Pensions is well positioned to enjoy continued market growth
- Life Insurance and Pensions' growth in the retail market is not least due to the company's extensive distribution network, where DnB NOR channels play a principal role
- In the fourth quarter of 2004, DnB NOR accounted for 58.5 per cent of the sales of Life Insurance and Pensions' products in the retail market, compared with 55.5 per cent in the corresponding period of 2003

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

<i>Amounts in NOK million</i>	31. Dec. 2004	30 Sept. 2004	30 June 2004	31 March 2004	31 Dec. 2003
Interim profit, accumulated	0	2 850	2 335	847	0
Securities adjustment reserve	3 538	1 966	1 862	3 486	2 448
Additional allocations	2 357	2 053	2 059	2 067	2 050
Security reserve	197	200	204	201	197
Equity	7 155	5 856	5 856	5 856	5 856
Subordinated loan capital and perpetual subordinated loan capital securities	2 449	2 496	2 619	2 616	2 662
Unrealised gains on long-term securities	3 935	3 692	2 961	4 047	2 842
<b>Solvency capital</b>	<b>19 630</b>	<b>19 112</b>	<b>17 896</b>	<b>19 120</b>	<b>16 056</b>
<b>Buffer capital <sup>2)</sup></b>	<b>8 577</b>	<b>8 328</b>	<b>7 938</b>	<b>8 247</b>	<b>6 335</b>

1) The table above shows the composition of and development in solvency capital. All these elements, with the exception of part of the security reserve, can be used to meet the guaranteed rate of return on policyholders' funds.

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

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

<i>Amounts in NOK million</i>	31 Dec. 2004	30 Sept. 2004	30 June 2004	31 March 2004	31 Dec. 2003
<b>Capital adequacy <sup>1)</sup></b>					
Total eligible primary capital	8 953	7 661	7 760	7 749	7 724
Capital adequacy ratio (%)	14.1	12.7	13.1	13.2	13.8
Core capital	6 801	5 497	5 480	5 484	5 390
Core capital (%)	10.7	9.1	9.3	9.3	9.6
Risk-weighted assets	63 325	60 566	59 129	58 872	56 151
<b>Solvency margin capital <sup>2)</sup></b>					
Solvency margin capital	10 238	8 777	8 881	8 873	8 838
Solvency margin capital exceeding minimum requirement	3 788	2 358	2 598	2 755	3 045
Solvency margin capital in per cent of solvency margin capital requirement (%)	159	137	141	145	153

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

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

(Pro forma accounting figures prior to 1 January 2004)

**Balance sheets – life insurance**

<i>Amounts in NOK million</i>	31 Dec. 2004	30 Sept. 2004	30 June 2004	31 March 2004	31 Dec. 2003
<b>Financial assets</b>					
Norwegian equities <sup>1)</sup>	7 077	7 684	6 958	7 135	7 518
International equities <sup>2)</sup>	17 476	15 062	15 731	14 889	12 023
Norwegian bonds <sup>3)</sup>	26 636	27 442	27 014	26 162	23 687
International bonds <sup>4)</sup>	18 776	16 880	16 324	15 600	15 746
Money market instruments <sup>5)</sup>	15 654	14 475	13 272	14 397	21 034
Bonds held to maturity	54 172	55 020	54 619	51 912	46 723
Real estate	19 410	17 723	17 613	17 949	17 633
Other	5 790	8 620	7 322	7 635	5 804
<b>Total assets</b>	<b>164 991</b>	<b>162 906</b>	<b>158 853</b>	<b>155 678</b>	<b>150 168</b>
<b>Equity</b>	<b>7 155</b>	<b>6 502</b>	<b>6 279</b>	<b>6 057</b>	<b>5 856</b>
Subordinated loan capital	2 449	2 496	2 619	2 616	2 662
Securities adjustment reserve	3 538	1 966	1 862	3 486	2 448
<b>Insurance provisions</b>					
Premium reserve	140 701	139 112	136 185	132 295	126 193
Additional allocations	2 357	2 053	2 059	2 067	2 050
Premium fund and pension regulation fund	5 992	5 601	6 124	5 664	5 678
Security reserve	197	200	204	201	197
Other reserves	543	632	559	775	1 017
Other liabilities	2 059	4 344	2 962	2 516	4 068
<b>Total equity and liabilities</b>	<b>164 991</b>	<b>162 906</b>	<b>158 853</b>	<b>155 678</b>	<b>150 168</b>

Net exposure after adjustment for derivative contracts:

1) Norwegian equities	6 664	7 684	6 958	7 135	7 518
2) International equities	20 787	17 659	16 685	14 889	12 023
Share of investments in hedge funds	1 447	1 406	1 443	1 780	1 712
3) Norwegian bonds	21 649	19 595	27 014	26 162	23 687
4) International bonds	8 199	7 855	9 020	15 600	15 746
5) Money market instruments	28 320	28 749	19 622	14 397	21 034

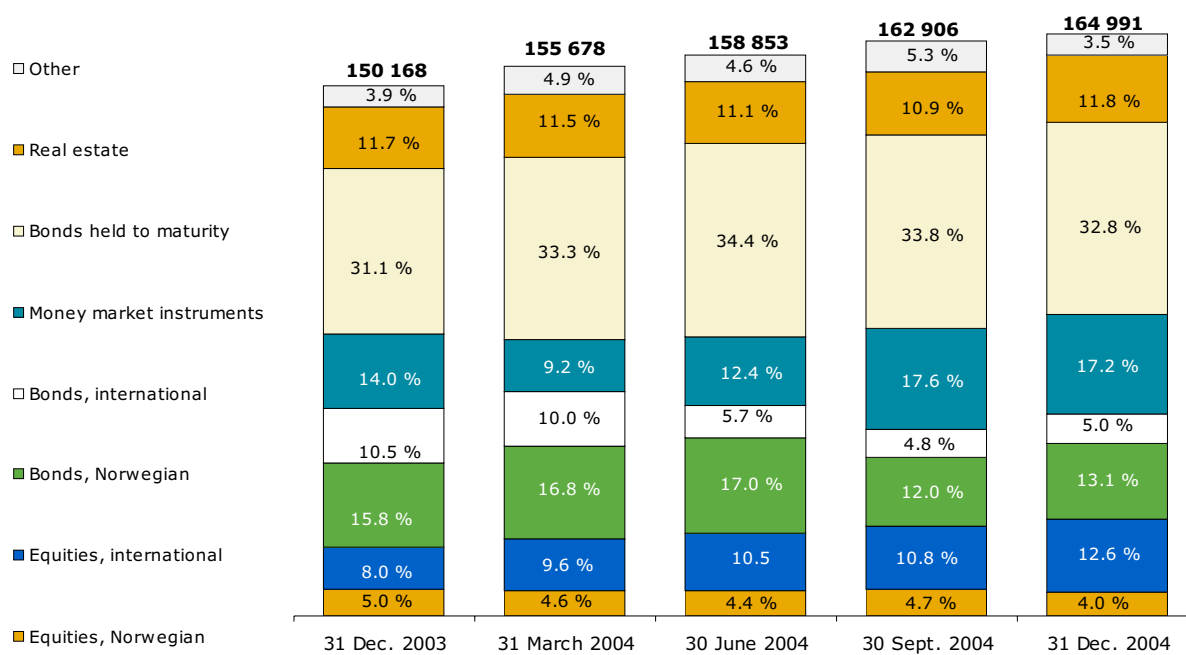
**Financial results – Life Insurance and Pensions**

<i>Amounts in NOK million</i>	4Q04	3Q04	2Q04	1Q04	4Q03	2004	2003
Net result from equities	766	(99)	572	1 696	1 858	2 935	3 955
Net result from other asset classes	2 784	2 161	872	1 746	2 069	7 563	8 930
Value-adjusted financial result <sup>1)</sup>	3 550	2 062	1 444	3 442	3 927	10 498	12 885
Guaranteed return on policyholders' funds	1 176	1 381	1 372	1 342	1 262	5 271	4 936
Financial result	2 374	681	72	2 100	2 665	5 227	7 949
+ From/(to) securities adjustment reserve	(1 572)	(104)	1 625	(1 039)	164	(1 090)	(2 448)
+ Transferred to additional allocations	300	0	0	0	925	300	925
Recorded interest result	502	577	1 697	1 061	1 904	3 837	4 576

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

**Balance sheet – life insurance <sup>1)</sup>**

(Amounts in NOK million)



1) Net exposure in life insurance after adjustment for derivative contracts.

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

Per cent	4Q04	3Q04	2Q04	1Q04	4Q03	2004	2003
<b>Financial assets</b>							
Norwegian equities	9.5	7.8	5.9	14.9	18.9	38.1	48.4
International equities	0.6	(3.5)	1.6	5.6	9.1	4.3	21.3
Norwegian bonds	1.9	2.5	(0.4)	2.7	2.4	6.7	13.4
International bonds	2.0	2.8	(1.3)	2.8	0.3	6.3	7.0
Money market instruments	0.5	0.7	0.4	0.7	1.0	2.3	5.5
Long-term bonds	1.5	1.4	1.3	1.5	1.9	5.7	6.9
Real estate	3.8	1.6	1.4	1.9	1.3	8.7	6.7
<b>Value-adjusted return on assets I <sup>1)</sup></b>	<b>2.5</b>	<b>1.3</b>	<b>1.0</b>	<b>2.3</b>	<b>2.8</b>	<b>7.1</b>	<b>9.7</b>
Value-adjusted return on assets II <sup>2)</sup>	2.7	1.7	0.3	3.0	3.1	7.7	11.0
Recorded return on assets <sup>3)</sup>	1.5	1.3	2.1	1.6	3.1	6.5	7.9
Value-adjusted return on assets I, annualised <sup>1)</sup>	10.0	5.1	3.9	9.4	12.1	7.1	9.7
Value-adjusted return on assets II, annualised <sup>2)</sup>	10.8	6.9	1.0	12.5	13.3	7.7	11.0

1) Excluding changes in value of bonds held to maturity

2) Including changes in unrealised gains on financial assets and changes in value of bonds held to maturity

3) Excluding changes in unrealised gains on financial assets and changes in value of bonds held to maturity

## Asset Management

Asset Management provides mutual funds and discretionary portfolio management services to Norwegian and other Nordic corporate clients, the public sector, private pension funds and retail customers. Øyvind Birkeland, group executive vice president, heads the business area.

Asset Management seeks to provide first-class returns on customer funds within the preferred risk profile and investment horizon. DnB NOR aspires to be the leading asset manager for customers in the Nordic region, providing sound long-term returns and a high level of service based on a thorough understanding of customer needs. In 2004 Carlson Privat Banking was established in Sweden.

Managers have been appointed for all units in the business area, and the organisation was in place in March 2004. The asset management companies including mutual funds companies were merged in June 2004. Products, services and the organisations will be further integrated, which is expected to result in annual cost synergies of NOK 110 million by the end of 2006. The initial integration process in 2003 resulted in staff cuts of 15 full-time positions. In 2004 staff was reduced by 56 full-time positions. Staff reduction are thus ahead of target.

New mutual funds launched in 2004 were well received in the market. Hedge funds will be a priority area. The new tax reform will be an incentive for mutual fund savings.

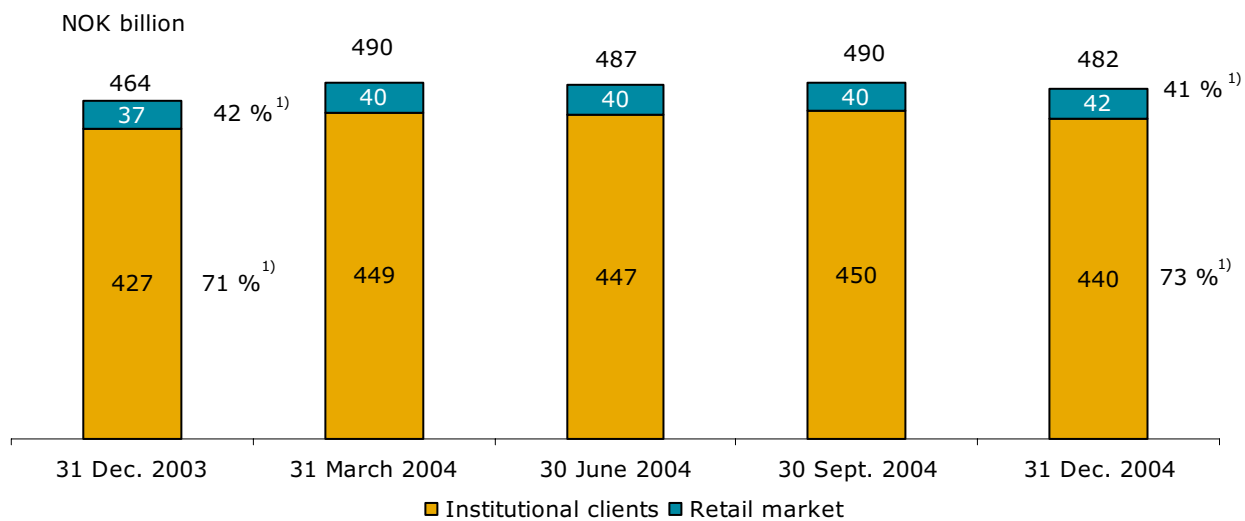
### Financial performance

<i>Amounts in NOK million</i>	4Q04	3Q04	2Q04	1Q04	4Q03	2004	2003
Net interest income from operations	(1)	3	(3)	(5)	3	(6)	8
Interest on allocated capital	4	5	5	5	7	19	37
Net interest income	3	8	2	1	9	13	45
Commission income							
- from retail customers	95	96	80	89	66	360	239
- from institutional clients	139	127	145	133	165	545	575
Other income	8	13	4	(5)	3	20	14
Total income	245	245	231	218	242	939	873
Operating expenses	172	156	172	181	165	681	692
Pre-tax operating profit	73	89	59	37	77	258	181
<b>Assets under management <sup>1)</sup></b>							
Institutional	440	450	447	449	427	440	427
- of which Life Insurance and Pensions	149	145	141	140	128	149	128
Retail	42	40	40	40	37	42	37
Total	482	490	487	490	464	482	464
<b>Key figures</b>							
Cost/income ratio excl. goodwill	70.0	63.7	74.6	83.0	68.3	72.5	79.2
Return on equity (% p.a.)	27.9	24.9	18.0	11.1	23.6	20.1	15.1

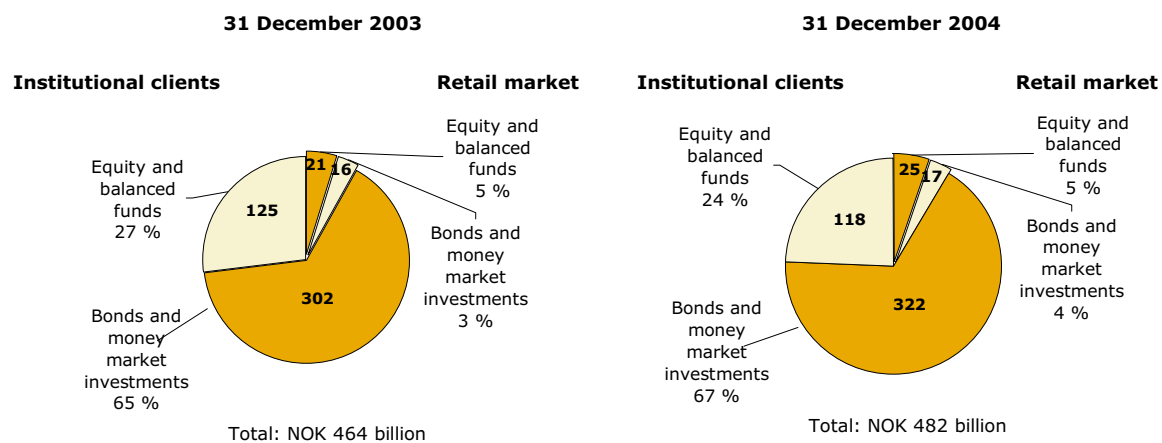
1) Assets under management at end of period

### Comments to the financial performance in 2004

- Commission income increased by NOK 91 million from 2003 to 2004. This was mainly due to growth in assets under management and a shift to equity investments in the retail market
- Operating expenses in 2004 were NOK 681 million, which was NOK 11 million below operating expenses in 2003
- Marketing and IT activities were at a minimum in 2003 due to the upcoming integration of DnB and Gjensidige NOR. Such expenses returned to a normal level in 2004

**Assets under management**

1) Share of total assets in the institutional and retail market respectively, invested in bonds, fixed-income funds and money market funds.



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

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

Amounts in NOK million	4Q04	3Q04	2Q04	1Q04 <sup>1)</sup>	4Q03	2004 <sup>1)</sup>	2003 <sup>2)</sup>
Retail market	909	(480)	94	(485)	745	38	(1 000)
Institutional clients	(17 585) <sup>3)</sup>	1 279	(612)	2 231	(6 402)	(14 686)	2 888
Total	(16 675)	799	(518)	1 746	(5 658)	(14 648)	1 888

1) Excluding dividends of NOK 1 821 million, of which NOK 779 million refers to retail and NOK 1 042 million to institutional clients.

2) Excluding dividends of NOK 1 771 million, of which NOK 948 million refers to retail and NOK 823 million to institutional clients.

3) The reduction was due to the termination of one large contract which, according to agreement, should have been terminated two quarters earlier.

**Comments to changes in assets under management**

- Assets under management increased by NOK 17.3 billion or 3.7 per cent in 2004
- Overall, there were no significant changes in assets under management in the retail market in 2004
- There was a total net outflow of funds from institutional clients of NOK 14.7 billion or 3.4 per cent in 2004, however, in Norway there was a net inflow of NOK 14.3 billion from institutional clients
- New institutional mandates were won in both Sweden and Norway
- Market developments led to a NOK 35.4 billion increase in assets under management, representing 7.6 per cent measured in customers' base currencies
- The appreciation of NOK against other currencies, especially SEK, reduced assets under management by NOK 3.5 billion or 0.7 per cent
- During 2004, Morgan Stanley's global equity index (MSCI World Net Div.) rose by 14.7 per cent measured in USD and by 4.4 per cent in NOK
- The stock exchanges in Stockholm (OMX) and Oslo (OSEBX) climbed by 16.6 and 38.5 per cent respectively during 2004

**Investment returns on assets under management**

- Returns on a number of major client portfolios and funds outperformed relevant benchmarks, including Vital Forsikring's total portfolio, as well as Norwegian equity and bond investments and major Swedish equity portfolios
- Fund managers' specialisation has led to strong performance for several industry-specific funds (percentage point return in excess of benchmark in 2004 in parentheses):
  - DnB NOR Global Health Care (+5.8)
  - DnB NOR Nordic Technology (+14.3)
  - Avanse Helse (+5.3)
  - Avanse Telecom (+16.1)

**Customers/markets**

- Asset Management serves the Norwegian and Swedish savings markets, offering domestic and international asset management services
- Brand names:
  - DnB NOR Kapitalforvaltning in the Norwegian institutional and retail markets
  - DnB NOR Asset Management and Carlson in the Swedish institutional and retail markets
- A leading position in the institutional market in both Norway and Sweden with around 470 institutional clients. The largest clients are Skandia Liv and Vital
- The number of mutual fund customers in Norway was more than 710 000 at the end of 2004. The number of savings agreements was more than 245 000
- Market shares
 

▪ DnB NOR Kapitalforvaltning (mutual funds in Norway)	36.6 per cent
▪ Carlson Fonder (mutual funds in Sweden)	1.2 per cent
▪ Institutional market in Norway	> 30 per cent
▪ Institutional market in Sweden	> 20 per cent

**Fund capital and market shares in Norway**

Amounts in NOK million and per cent	31 Dec. 2004		30 Sept. 2004		30 June 2004		31 March 2004		31 Dec. 2003	
	Fund capital	Market share	Fund capital	Market share	Fund capital	Market share	Fund capital	Market share	Fund capital	Market share
Equity funds (Norwegian)	10 280	27.4	10 207	28.5	9 650	34.4	9 436	34.0	8 552	33.8
Equity funds (international)	13 582	23.4	13 557	27.5	13 888	25.7	14 157	27.7	13 595	30.0
Balanced funds	4 251	62.0	3 927	59.7	3 896	58.5	3 691	57.6	3 093	56.2
Fixed-income funds	11 107	39.9	10 397	40.7	9 087	38.6	9 415	40.5	8 972	42.3
Money market funds	26 899	53.1	28 022	53.8	27 709	55.1	28 179	56.3	28 282	57.3
<b>Total mutual funds</b>	<b>66 119</b>	<b>36.6</b>	<b>66 111</b>	<b>39.1</b>	<b>64 230</b>	<b>39.5</b>	<b>64 877</b>	<b>40.9</b>	<b>62 495</b>	<b>42.7</b>

Source: Norwegian Mutual Fund Association

**Products and services**

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

**Organisation**

- Legal structure simplified through the merging of all operational asset management companies in Norway
- Customer activity is concentrated in Norway and Sweden. In order to provide competitive global asset management, investment operations have also been established in London, New York and Hong Kong
- A combination of regional and sector-oriented management teams with a presence in all major financial markets
- Asset management services are provided through channels adapted to the various markets:

Retail customers in Norway

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

Retail customers in Sweden

- Local distributors

Institutional markets in Sweden and Norway

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

**Employees**

- Staff cuts corresponding to 56 full-time positions in 2004
- 310 full-time positions at the end of 2004 including six full-time positions in Absolute Return Investments AB, a joint venture with Skandia AB
- In the fourth quarter of 2004 Asset Management acquired a Swedish discretionary asset management unit with seven full-time positions

**Cooperation with other group entities**

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



## **Section 4**

# **Shareholder information**

## Equity-related data

### Key figures

	2004 <sup>1)</sup>	2003	2002 <sup>2)</sup>	2001 <sup>2)</sup>	2000
Shares outstanding at end of period (1 000)	1 327 139	1 309 027	1 309 007	1 309 968	1 318 036
Average number of shares (1 000)	1 317 744	1 309 027	1 309 552	1 313 965	1 318 036
Average no. of shares - fully diluted (1 000) <sup>3)</sup>	1 323 786	1 311 737	1 314 781	1 319 863	1 318 036
Earnings per share excluding goodwill (NOK)	6.05	4.61	3.19	4.91	5.43
Earnings per share (NOK)	5.60	4.11	2.77	4.59	5.15
Earnings per share fully diluted (NOK)	5.57	4.10	2.76	4.57	5.15
Return on equity excluding goodwill (NOK)	17.4	14.3	10.2	16.7	19.5
Return on equity (per cent)	16.1	12.7	8.9	15.5	18.5
RARORAC (per cent)	16.0	14.4	n/a	n/a	n/a
Price at end of period	59.75	44.40	32.60	40.40	47.50
Price/earnings ratio <sup>4)</sup>	10.67	10.81	11.75	8.81	9.22
Price/book value	1.59	1.29	1.00	1.25	1.60
Dividend per share (NOK)	2.55	2.20	2.40 <sup>5)</sup>	2.40 <sup>5)</sup>	2.25 <sup>5)</sup>
Dividend yield (per cent) <sup>5)</sup>	4.27	4.95	7.36	5.94	4.74
Equity per share including accrued dividend at end of period (NOK)	37.66	34.37	32.46	32.27	29.77

1) Including the effect of the of 12 929 907 shares issued 26 March 2004 in connection with the subscription rights for employees, but excluding the effect of 5 181 408 shares issued in October 2004 in connection with the subscription right programme for former employees of the Gjensidige NOR Group.

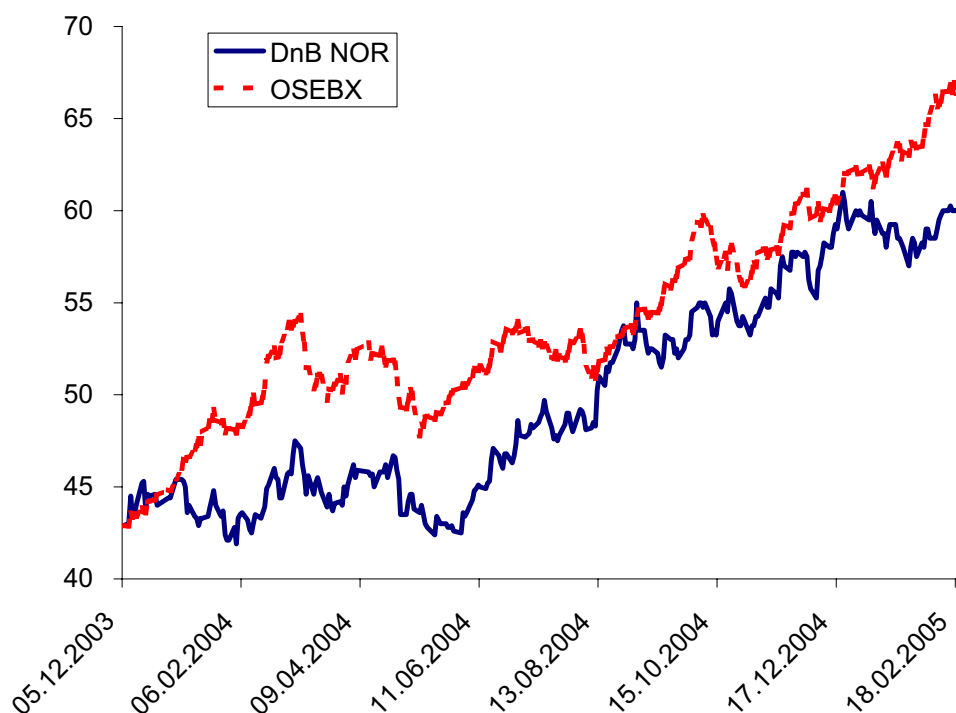
2) Including the effect of the cancellation of shares at the AGM 2002 (8 067 420 shares) and AGM 2003 (960 000 shares)

3) Based on the dilution effect of a total of 17 132 780 subscription rights, of which 5 181 408 was issued in October 2004 at a price of NOK 27.95, and 11 733 963 may be issued in March 2005 at a price of NOK 32.83. The latter are linked to a Nordic financial institution index which includes Sparebanken Midt-Norge, Danske Bank, SEB, Svenska Handelsbanken and Nordea.

4) Based on the share price at end of period, and annualised EPS.

5) Dividend per share and dividend yield prior to 2003, is based on DnB Holding ASA's payment of dividend and DnB Holding's shareprice.

### Share price development – 5 December 2003 to 23 February 2005

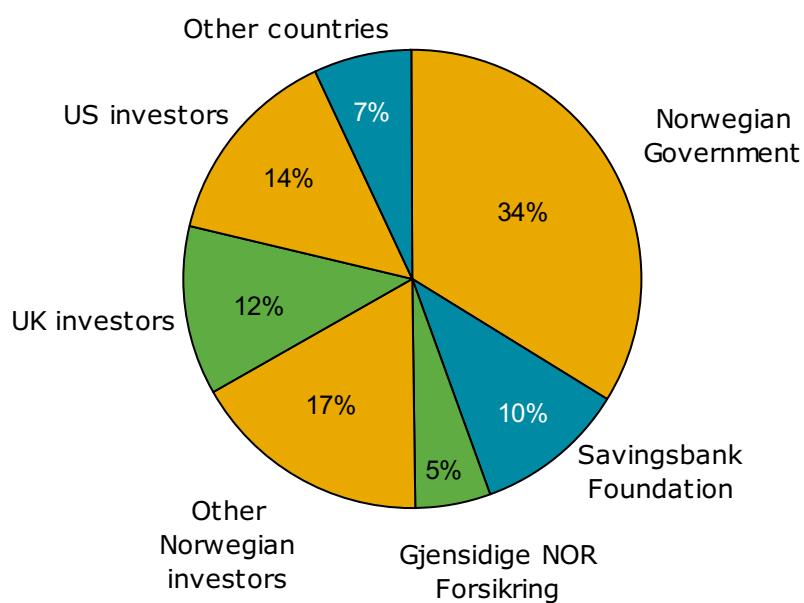


## Shareholder structure as at 31 December 2004

### Major shareholders

		Shares in 1 000	Ownership in %
Norwegian Government		451 227	34.00
Savingsbank Foundation		137 838	10.39
Gjensidige NOR Forsikring		70 473	5.31
JPMorgan Chase Bank, Bank Clients	NOM	60 301	4.54
State Street Bank, clients omnibus D	NOM	52 156	3.93
Capital Euro Pac Growth Fund	NOM	32 600	2.46
Folketrygdfondet		29 640	2.23
The Northern Trust, C Treaty	NOM	23 504	1.77
Mellon Bank AS Agent	NOM	18 383	1.39
Orkla ASA		16 954	1.28
DnB NOR employee funds		15 787	1.19
JPMorgan Chase Bank, Omnibus Lending	NOM	13 435	1.01
Fidelity Lending		11 946	0.90
The Northern Trust, USL Treaty Account	NOM	11 745	0.88
Capital International World Growth		10 936	0.82
Oslo Pensjonsforsikring		9 558	0.72
Fidelity Funds- Europe Fund		8 448	0.64
State Street Bank, clients omnibus F	NOM	7 894	0.59
Credit Agricole Indo Caylon		7 152	0.54
Total largest shareholders		<b>989 977</b>	<b>74.59</b>
Other		337 162	25.41
Total		<b>1 327 139</b>	<b>100.00</b>

### Shareholder structure





## **Section 5**

# **The Norwegian economy**

## The Norwegian economy

### Key macro-economic indicators

Per cent	2006	2005	2004	2003
GDP growth				
- Norway, total	2.2	3.7	3.0	0.4
- Mainland Norway	2.7	3.9	3.2	0.7
Private consumption	3.2	3.4	4.4	3.0
Gross fixed investment	1.7	11.1	7.5	(2.0)
Inflation (CPI)	2.0	1.8	0.4	2.5
Savings ratio <sup>1)</sup>	7.2	8.9	10.9	10.1
Unemployment rate	3.8	4.0	4.4	4.5
Current account <sup>2)</sup>	8.0	10.4	13.8	12.8
Net foreign assets <sup>2) 3)</sup>		79.0	68.1	53.7
General government budget balance <sup>2) 3)</sup>		9.8	11.3	8.3

1) Per cent of disposable income

2) Per cent of GDP

3) Source: Ministry of Finance

Source if not otherwise indicated: DnB NOR Markets

### Financial market growth

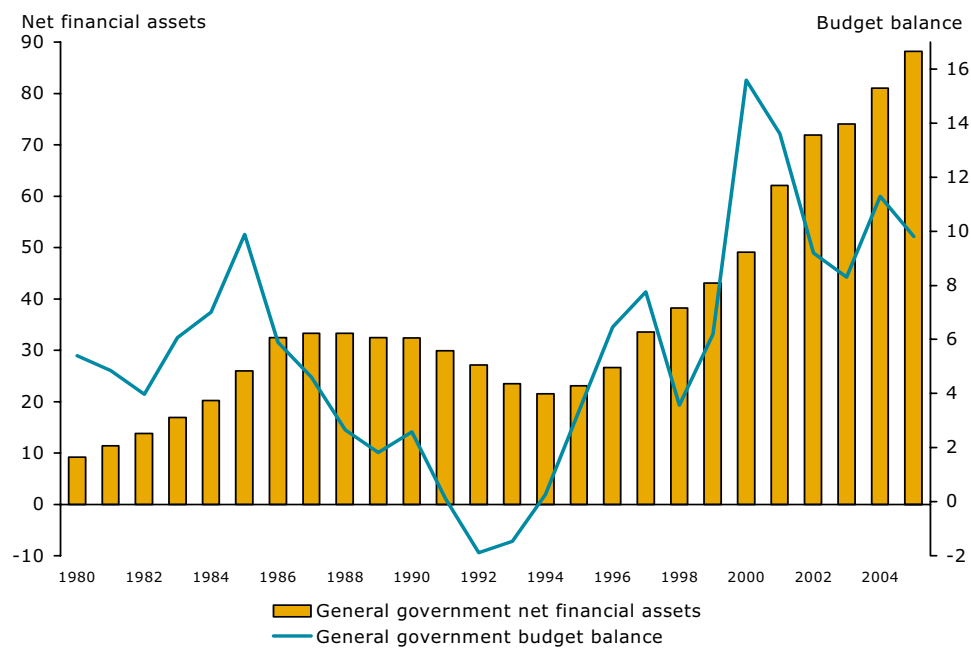
Percentage change from previous year	31 Dec. 2004	31 Dec. 2003	31 Dec. 2002	31 Dec. 2001
<b>Credit</b> <sup>1)</sup>				
Total	7.0	6.3	4.4	9.0
- of which commercial and savings banks	9.9	7.5	6.4	9.9
Total retail market	12.5	11.8	11.3	12.5
Total corporate market	3.1	2.8	0.3	7.1
<b>Savings</b>				
Total <sup>2)</sup>	10.5	8.7	4.0	6.3
- of which commercial and savings banks	7.5	3.8	7.7	9.0
Total retail market <sup>2)</sup>	8.1	8.7	4.7	6.3
Total corporate market <sup>3)</sup>	12.6	8.6	3.6	5.9

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

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

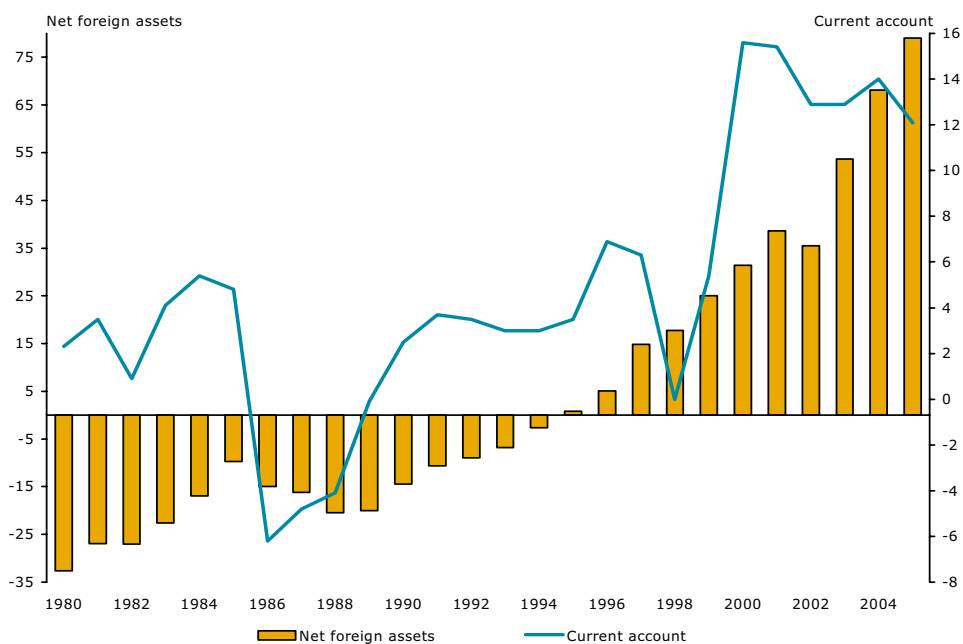
3) Deposits in commercial and savings banks, participation in mutual funds, funds for insurance commitments

## General government's financial position <sup>1)</sup> (Per cent of GDP)



Source: The ministry of Finance

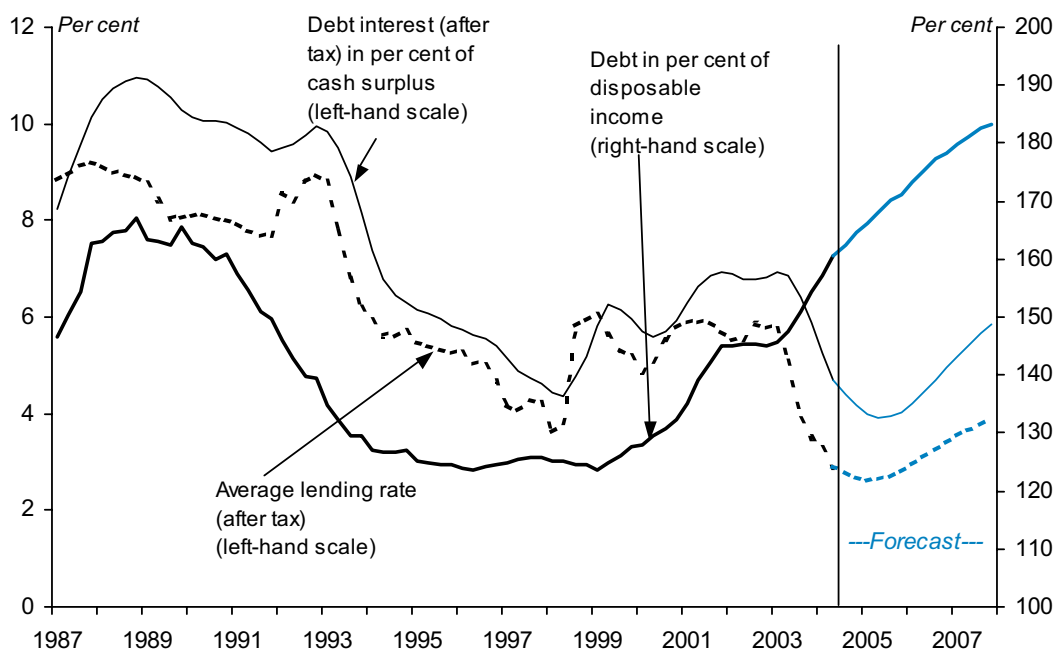
## Current account and net foreign assets (incl. private sector) <sup>1)</sup> (Per cent of GDP)



Source: The ministry of Finance

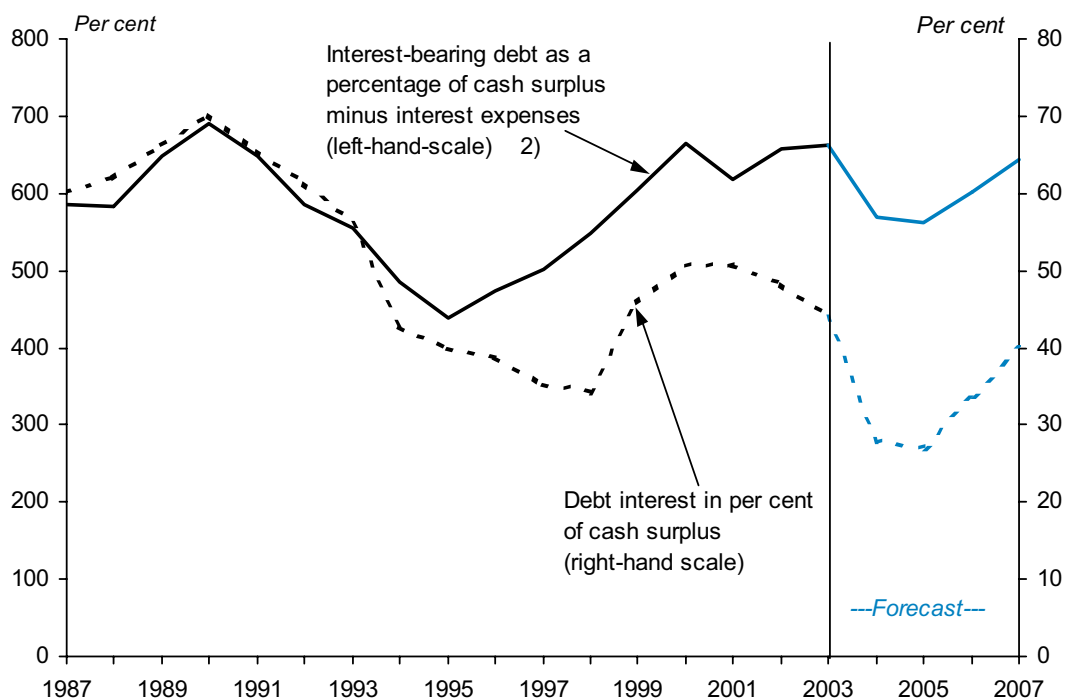
1) The projections are based on an assumed oil price of NOK 250 per barrel in 2004, NOK 230 in 2005 and NOK 190 in 2008. The oil price in September 2004 was NOK 294.5 per barrel and in December 2004 NOK 243.8 per barrel.

## Household debt servicing capacity



Source: Norges Bank

## Corporates' interest-bearing debt and interest paid <sup>1)</sup>



Source: Norges Bank

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

2) Interest-bearing debt is defined as loans from domestic and financial institutions and from the bond and short-term paper markets. Cash surplus is defined as the sum of value added and wealth income less wages and tax. Interest expenses are deducted from the cash surplus to provide a measure of the sector's ability to make principal payments.



## Notes

## **Notes**

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