



Annual report

2006

2006 in brief

	2006	2005
Pre-tax operating profits before write-downs (NOK million)	11 917	10 140
Profits for the year (NOK million)	8 872	7 327
Total assets at year-end (NOK billion)	1 103	860
Return on equity (per cent)	18.2	18.7

First quarter 2006

- Operations in DnB NORD and Monchebank became part of the DnB NOR Bank Group

Second quarter 2006

- A successful coordination of the account systems in the former DnB and Gjensidige NOR was completed
- The integration was concluded and the synergy targets were reached ahead of schedule
- DnB NOR Finans established new operations in the Swedish market
- The Board of Directors approved a new capitalisation policy for DnB NOR
- The general meeting renewed the authorisation of the Board of Directors of DnB NOR ASA to acquire the Group's own shares for a total nominal value corresponding to 10 per cent of share capital
- The Group applied for permission to use the advanced IRB approach for credit risk as from 1 January 2008 in connection with Basel II, the new capital adequacy rules
- The Board of Directors of DnB NOR ASA appointed Rune Bjerke as new group chief executive, succeeding Svein Aaser, who retired on 31 December 2006

Third quarter 2006

- DnB NOR Bank established Postbanken Eiendom
- DnB NOR Bank opened a full-service corporate branch in Shanghai
- Dominion Bond Rating Service, the Canadian rating agency, assigned a long-term rating of AA to DnB NOR Bank ASA
- DnB NOR Bank was presented with the annual Lloyd's Shipping Award for its syndicated lending to the shipping industry

Fourth quarter 2006

- DnB NOR Bank launched a USD 2 million three-year bond issue in the US, the first issue in a funding programme for the issue of bonds in the US market
- DnB NOR Bank entered into an agreement to buy 76.3 per cent of BISE Bank in Poland through its partly-owned subsidiary DnB NORD
- The Group received preliminary approval from Kredittilsynet (the Financial Supervisory Authority of Norway) to use the foundation IRB approach for credit risk from 1 January 2007
- DnB NOR established a life phase programme for the Group's employees intended to motivate senior employees to work longer



1) Separate annual and quarterly reports are prepared for the DnB NOR Group and Vital.

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Directors' report 2006 – DnB NOR Bank ASA

In accordance with the provisions of the Norwegian Accounting Act, the Board of Directors confirms that the accounts have been prepared on a going concern basis.

DnB NOR Bank ASA and the banks' subsidiaries prepare consolidated annual accounts in accordance with Norwegian accounting legislation and generally accepted accounting principles. The principles applied are described under accounting principles.

Operations in 2006

The DnB NOR Bank Group ¹⁾ showed a healthy financial performance in 2006. All of the banking group's business areas recorded strong profits and brisk growth in both domestic and international operations. In spite of fierce competition, banking group income increased by 15.1 per cent in 2006 compared with 2005, while ordinary operating expenses were up 12.9 per cent. The cost trend in 2006 reflected the banking group's extensive investments in new international operations, product development and new IT systems.

The rise in income reflected a boost in lending volumes, brisk sales of savings and pension products and the expansion of international operations. Low risk in loan portfolios resulted in very low write-downs on loans and guarantees for the banking group in 2006.

Group chief executive Svein Aaser retired on 31 December 2006, and Rune Bjerke assumed the position as new group chief executive for DnB NOR on 1 January 2007.

The plan for the merger between DnB and Gjensidige NOR included staff cuts of 1 425 full-time positions and cost synergies of NOK 1 600 million, with full effect as from 2007. The integration process was largely completed in 2006, and the synergy targets were reached ahead of schedule. During Easter 2006, the banking group carried out a highly successful integration of the

account systems of the former DnB and Gjensidige NOR, which was the final technical integration project in connection with the merger.

The banking group is well equipped for further expansion in Norway and in selected areas and industries internationally. The banking group has a strong position in all corporate market segments in Norway and strengthened its market shares in 2006 through healthy lending growth. With a 37 per cent market share at the end of 2006, DnB NOR Bank is the leading bank for small and medium-sized companies in Norway.

DnB NOR Bank is one of the world's leading banks within ship finance, with a portfolio of just under NOK 100 billion. In September 2006, the banking group opened a full-service branch in Shanghai and thus became the first foreign financial institution in China to focus on ship finance. In the third quarter of 2006, DnB NOR Bank won the year's Lloyd's Shipping Economist Award for its syndicated lending to the shipping market.

The banking group's international operations were further expanded in 2006. In December, DnB NOR Bank entered into an agreement to acquire 76.3 per cent of the Polish BISE Bank through its partially owned subsidiary DnB NORD, resulting in a twofold increase in DnB NORD's operations in Poland. DnB NORD was established in 2005. In addition to Poland, the bank has operations in Finland, Estonia, Latvia, Lithuania and Denmark. DnB NOR Bank owns 51 per cent of DnB NORD, while Norddeutsche Landesbank owns the remaining shares. DnB NOR Monchebank became part of the banking group in 2006. The bank has given the banking group an important foothold in Northwest Russia.

The banking group serves more than two million customers in the retail market. Through its extensive branch network, the business area Retail Banking represents a broad distribution

¹⁾ DnB NOR Bank ASA is a subsidiary of DnB NOR ASA and part of the DnB NOR Group. The DnB NOR Bank Group, hereinafter called "the banking group", comprises the bank and the bank's subsidiaries. Other companies owned by DnB NOR ASA, including Vital Forsikring and DnB NOR Kapitalforvaltning, are not part of the banking group. Operations in DnB NOR ASA and the total DnB NOR Group are not covered in this report but described in a separate annual report.

channel. The banking group was among the pioneers launching mobile phone banking and real estate broking services. There was considerable growth in the use of web-based solutions in 2006. Retail Banking recorded a strong increase in the sale of customer loyalty programmes during the year. DnB NOR Bank established Postbanken Eiendom during the third quarter of 2006 and plans to offer real estate brokerage services in all of Postbanken's 41 customer service centres.

In the fourth quarter of 2006, DnB NOR Bank's wholly-owned subsidiary DnB NOR Hypotek was merged into the bank. The purpose of the merger was to strengthen marketing initiatives relating to commercial property financing by bringing together expertise in this field in DnB NOR Bank.

All activities in DnB NOR Markets experienced strong growth and higher income in 2006. Again in 2006, DnB NOR Markets was the largest brokerage house on Oslo Børs within equities, bonds and commercial paper.

To make DnB NOR an even more attractive workplace, the Group established a life phase programme in 2006. The programme includes measures to motivate senior employees to work longer instead of opting for early retirement. The programme also includes measures targeting young employees.

In 2006, the Canadian rating agency Dominion Bond Rating Service assigned a long-term rating of AA to DnB NOR Bank ASA, which was a recognition of the successful merger. DnB NOR Bank ASA was upgraded to a long-term rating of Aaa by Moody's in February 2007. DnB NOR Bank ASA already has an A+ rating from Standard & Poor's.

New capital adequacy regulations (Basel II) entered into force as from 2007. On 30 September 2005, the DnB NOR Group sent an application to Kredittilsynet (the Financial Supervisory Authority of Norway) for permission to use the IRB foundation approach (Internal Ratings Based) for credit risk as from 1 January 2007. Kredittilsynet has granted such permission. In June 2006, the Group applied for permission to use the IRB advanced approach for credit risk as from 1 January 2008. The banking group's adaptation to the new capital adequacy regulations is on schedule. Consequently, limitations in transitional rules will determine the impact on risk-weighted volume over the next few years. Primary capital must be minimum 95 per cent of the capital requirement according to previous rules in 2007, 90 per cent in 2008 and 80 per cent in 2009.

The core capital ratio for the banking group was 6.8 per cent as at 31 December 2006. The Board of Directors considers the banking group to be well capitalised relative to the risk level of the loan portfolios and other operations.

During the year, the Board of Directors held 34 meetings. Important measures on the agenda were the banking group's future development, strategies and structure, the Basel II application and the appointment of a new chief executive. The Audit Committee, which also functions as the bank's Audit Committee, held five meetings in 2006. The committee reviewed the quarterly and annual accounts, risk reporting and the work of the internal and statutory auditors.

The Board wishes to thank all of the banking group's employees for their great efforts and high work ethics during a demanding year characterised by considerable market challenges and opportunities as well as extensive integration processes.

Strategy

DnB NOR has the largest customer base in the Norwegian

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

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

Improved advisory services, decision-making as close as possible to the customer and a product range well-adapted to meet individual customer needs are important aspects of the strategy. DnB NOR's various business areas work in close cooperation to offer customers good financial solutions at all times, bringing convenience to their everyday lives.

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

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

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

- Return on equity should be above 15 per cent.
- The cost/income ratio should be below 50 per cent by 2008.
- In the longer term, the Group's equity will be structured to ensure that core capital excluding hybrid securities exceeds the minimum requirement, with the addition of a capital buffer that is determined based on the Group's model for calculating risk-adjusted capital requirements. The Group's capitalisation target corresponds to a core capital ratio of around 6.5 per cent.
- Approximately 50 per cent of annual profits should be distributed as dividends, provided that capital adequacy remains at a satisfactory level.
- DnB NOR Bank ASA's ratings for ordinary long-term debt should at least be Aa level.

Review of the annual accounts

Full year results 2006

The DnB NOR Bank Group recorded pre-tax operating profits before write-downs of NOK 11 917 million in 2006, up NOK 1 777 million or 17.5 per cent compared with 2005. Profits for the year totalled NOK 8 872 million in 2006, an increase of NOK 1 545 million or 21.1 per cent from the previous year. Return on equity was 18.2 per cent in 2006, down from 18.6 per cent in 2005. Due to strong profits in both 2005 and 2006, return on equity exceeded the banking group's long-term target. The ratio of ordinary operating expenses to income was 51.6 per cent in 2006 and 52.5 per cent in 2005.

Income

The banking group's income totalled NOK 24 900 million in 2006, an increase of NOK 3 258 million or 15.1 per cent from 2005.

Net interest income

Net interest income was NOK 15 844 million in 2006, a rise of NOK 2 443 million or 18.2 per cent compared with 2005.

Sound lending and deposit growth in 2006 gave an increase in interest income which more than compensated for narrower spreads. Due to strong competition, the combined spread contracted by 0.07 percentage points in 2006 and was 2.02 per cent in the fourth quarter of the year.

The table below specifies changes from 2005 according to main items:

Changes in net interest income

<i>Amounts in NOK million</i>	2006	Change	2005
Net interest income	15 844	2 443	13 401
DnB NORD	757	757	
DnB NOR Monchebank	30	30	
Net interest income, adjusted		1 656	
Lending and deposit volumes		1 697	
Lending and deposit spreads		(954)	
Non-interest earning items including equity		593	
Installment fees, standby fees etc.		104	
Other		216	

Net other operating income

Net other operating income totalled NOK 9 056 million in 2006, up NOK 815 million or 9.9 per cent from 2005. The increase reflected a rise in brokerage fees and credit broking income, brisk sales of savings and pension products, high income from the banking group's corporate finance activity and gains from the sale of fixed assets. The gains were mainly attributable to the sale of bank buildings. Lower gains on foreign exchange and financial instruments can be explained by the realisation of gains on the sale of Storebrand shares in 2005.

Net other operating income represented 36.4 per cent of total income in 2006 compared with 38.1 per cent in 2005.

The table below specifies changes from 2005 according to main items:

Changes in net other operating income

<i>Amounts in NOK million</i>	2006	Change	2005
Net other operating income	9 056	815	8 241
DnB NORD	320	320	
DnB NOR Monchebank	21	21	
Net other operating income, adjusted		473	
Net commissions and fees		345	
Net gains on foreign exchange and financial instruments		(119)	
Net gains on the sale of fixed assets		234	
Other income		13	

Operating expenses

The Banking group's ordinary operating expenses totalled NOK 12 837 million in 2006, an increase of NOK 1 470 million from 2005. Excluding operations in DnB NORD and DnB NOR Monchebank, expenses rose by NOK 707 million or 6.2 per cent.

The cost trend in 2006 reflected rising personnel expenses due to higher pension costs, performance-based pay and the result of the annual wage settlements. In 2005, pension expenses were particularly low due to the one-off effect of the restructuring of the pension scheme. 2006 was a period of investment, product development and international start-ups for the banking group. The investments will ensure a broader income base and lay a more solid platform for future income growth.

In 2006, the banking group recorded systems development expenses totalling NOK 218 million in the balance sheet, a rise from NOK 119 million in 2005. The balance sheet value of IT systems developed in-house and purchased by the banking group is assessed relative to the discounted value of future cash flows. These calculations did not result in any significant write-downs in 2006 or 2005.

The table below shows changes from 2005 according to main items:

Changes in ordinary expenses

<i>Amounts in NOK million</i>	2006	Change	2005
Ordinary operating expenses	12 837	1 470	11 367
DnB NORD	729	729	
DnB NOR Monchebank	34	34	
Ordinary operating expenses, adjusted		707	
Pension expenses		399	
Wage settlements		145	
Performance-based pay		254	
IT development		153	
Synergies		(325)	
Other		81	

Net gains on longterm investments in securities

Net gains on longterm investments in securities amounted to NOK 3 million in 2006 compared with NOK 203 million in 2005. The gains in 2005 was mainly attributable to the realisation of equity positions in Brazil.

Write-downs on commitments

Due to strong earnings in the business sector and healthy finances among Norwegian households, the banking group recorded low write-downs on loans in 2006. Net reversals on write-downs on loans and guarantees came to NOK 243 million. Individual write-downs totalled NOK 160 million and group write-downs were reduced by NOK 403 million, reflecting the positive trend in the Norwegian economy. The corresponding figure for 2005 was NOK 42 million in net reversals on write-downs, all of which represented individual write-downs.

After deductions for individual write-downs, net non-performing and impaired commitments came to NOK 3 800 million at end-December 2006, a decline of NOK 1 440 million from 2005. Net non-performing and impaired commitments represented 0.45 per cent of net lending at year-end 2006, down from 0.75 per cent a year earlier. The reduction reflected sound risk management and the healthy financial trend in the business community and among retail customers.

Taxes

The banking group's total tax charge for 2006 was NOK 3 292 million, representing 27.1 per cent of pre-tax operating profits. In 2005 the tax charge was NOK 3 058 million or 29.4 per cent of pre-tax operating profits. The banking group anticipates a future

normalised tax level of 27 per cent.

Balance sheet

Total assets in the banking group's balance sheet were NOK 1 103 billion at year-end 2006, as against NOK 860 billion a year earlier.

Net lending to customers rose by NOK 132 billion or 19 per cent during the twelve-month period.

Customer deposits rose by NOK 63 billion or 15 per cent from 2005.

In order to keep the banking group's liquidity risk at a low level, the majority of loans are financed through customer deposits, long-term securities, subordinated loan capital and equity. With respect to short-term funding of the bank, restrictive borrowing limits have been established. The banking group has good access to the European, Asian and US capital markets. The ratio of customer deposits to net lending to customers was maintained at a satisfactory level, standing at 58.3 per cent at end-December 2006, down from 60.4 per cent a year earlier. The Board of Directors considers the banking group's liquidity situation to be sound.

Securities issued by the banking group increased by NOK 115 billion or 48.7 per cent from 2005, totalling NOK 352 billion at end-December 2006. The majority of the securities were issued in international capital markets, and there was a significant increase in the banking group's funding in the US capital market in 2006. In October, DnB NOR Bank launched a bond issue of USD 2 billion with a three-year maturity. The issue was very well received in the US market and helped expand the bank's investor base.

Risk and capital adequacy

The management of the banking group is based on the principles contained in the Norwegian Code of Practice for Corporate Governance. There are no significant deviations between the Code of Practice and the way it is implemented in the banking group. With respect to the special needs of financial institutions, where management of financial risk is part of core activities, the banking group also takes account of recommendations from the Committee of European Banking Supervisors, CEBS. The Board of Directors annually reviews the banking group's key risk areas and internal control.

The banking group quantifies risk by measuring risk-adjusted capital. Net risk-adjusted capital requirements increased by NOK 6.4 billion to NOK 39.7 billion at year-end 2006. The increase reflected higher credit volumes.

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

	31 Dec. 2006	31 Dec. 2005
<i>Amounts in NOK billion</i>		
Credit risk	36.0	31.1
Market risk	2.4	1.9
Operational risk	4.0	3.6
Business risk	2.1	1.4
Gross risk-adjusted capital	44.6	38.0
Diversification effect ¹⁾	(4.9)	(4.7)
Net risk-adjusted capital	39.7	33.3
Diversification effect in per cent of gross risk-adjusted capital ¹⁾	11.0	12.3

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

There was brisk credit growth in both the retail and corporate markets in 2006. Growth was particularly strong within shipping and offshore, and the banking group syndicated large volumes to other financial institutions. The banking group is a major international syndication arranger in these sectors. Acquisition financing was another growth area in 2006, reflecting the strong dynamics in the corporate sector. Sound corporate earnings, rising housing prices and falling unemployment rates were additional factors in improving portfolio quality in 2006.

The rise in market risk for the banking group mainly reflected a favourable price trend for equity investments. Limits for equity positions in DnB NOR Markets were increased somewhat in 2006, though income from customer business accounted for a rising share of profits.

The successful integration of the account systems of the former DnB and Gjensidige NOR during Easter 2006 had a positive effect on the banking group's operational risk. There was also a reduction in operational disturbances in the banking group's IT systems in 2006. The banking group recorded no major operational losses in 2006.

Risk-weighted volume included in the calculation of the capital adequacy requirement was NOK 787.3 billion at end-December 2006, up 23.8 per cent from 2005. The core capital ratio was 6.8 per cent, compared with 7.7 per cent in 2005, while the capital adequacy ratio was 10.2 per cent at year-end 2006.

Corporate social responsibility

Due to DnB NOR's role in society, its responsibilities go beyond the management of financial values. It is strategically important for the Group to create a basis for sustainable economic growth. Profitability should be combined with environmental and social considerations.

The manner in which corporate social responsibility is exercised by the Group is a key factor in maintaining the trust of customers, shareholders, employees and society at large. DnB NOR's corporate social responsibility ambitions are outlined in a special policy. The most important elements are:

- DnB NOR wishes to promote sustainable development through responsible business operations giving priority to environmental, ethical and social considerations.
- DnB NOR will not be involved in activities representing a risk of involvement in unethical conduct, infringement of human or labour rights, corruption or harm to the environment.
- DnB NOR aspires to be among the best financial institutions in the Nordic region within corporate social responsibility.

DnB NOR's corporate social responsibility policy is based on the Group's strategy, corporate culture and values, as well as on internationally recognised principles and guidelines. DnB NOR has, among other things, endorsed the principles of the United Nations Global Compact, OECD's guidelines for international companies and the Transparency International anti-corruption principles. In 2006, DnB NOR's Board of Directors approved a new code of ethics to increase awareness of and ensure compliance with the Group's governing ethical standards.

In 2006, corporate social responsibility guidelines for credit operations were revised. In addition, guidelines for socially responsible equity investments were established. The guidelines imply that all credit evaluations and investments are based on ethical, environmental and social criteria.

Special declaration forms for the Group's external suppliers were introduced with effect from 1 January 2006. Suppliers must sign a declaration confirming that they neither contribute to the violation of human or labour rights, nor engage in environmental harm or corruption. Only suppliers that sign the declaration will be considered in connection with the signing of new contracts and the renegotiation of current contracts. Suppliers have responded positively to the special declaration.

DnB NOR's contribution to sustainable development also means being a good partner for cultural activities, sports and humanitarian organisations. The Group supports a number of humanitarian organisations and in 2006 was a general sponsor of Plan Norway and the Nobel Peace Centre. NOK 71 million was paid to sports, cultural activities, humanitarian organisations and as donations to good causes in 2006.

Sparebankstiftelsen DnB NOR (the Savings Bank Foundation), which has a major ownership interest in DnB NOR, gives financial contributions to a wide range of charitable causes. In 2006, the Foundation made donations totalling NOK 80 million.

Employees and managers

Earning the trust of the surrounding community and obtaining lasting commercial success is dependent on each individual employee maintaining high ethical standards. The Group's code of ethics applies to all employees and members of governing bodies, comprising aspects such as customer and supplier relationships, duty of confidentiality, impartiality, gifts and services, trading in financial instruments and insider trading. Training and courses in handling ethical dilemmas are important instruments in making ethics an integrated part of the Group's daily operations. In 2006, the first financial advisors in Retail Banking were certified. All employees who are primarily engaged in advising retail customers shall be certified.

DnB NOR is strongly committed to being an attractive workplace. The Group's human resources policy should ensure diversity and equality, the necessary restructuring measures, competence development, sound health, safety and environmental standards, and good relations with the employee organisations. DnB NOR offers attractive trainee programs, and there are many applicants to the positions offered.

The survey carried out in January 2007 showed that employee satisfaction was up 4.7 points to 72.6 on a scale from 0-100. This survey is one of the tools helping the banking group implement systematic, targeted measures. In addition, special focus areas are selected both at group level and in operative units to improve employee satisfaction.

Competent leadership and the training of good managers are of strategic importance to the banking group. In 2006, 151 managers completed the "Practical management training" programme based on the values team spirit, simplicity and value creation. The programme aims to promote relationship building and networking among managers in the Group. Moreover, approximately 1 000 managers participated in development processes in their respective management teams. The purpose of management training activities in the banking group is to develop a common corporate culture and establish good working methods in the individual units and throughout the Group. Several custom-made management training programmes to suit the specific needs of each business area were also implemented.

External environment

DnB NOR influences the external environment directly and indirectly. The Group's investments and lending activities have an indirect impact on the environment and are governed by corporate social responsibility guidelines for credit operations. DnB NOR has a direct impact on the environment through its consumption of paper and energy, waste management, procurement and use of means of transport.

DnB NOR wishes to reduce the Group's direct environmental impact by keeping its own house in order. Measures implemented include certifying most large buildings under the eco-lighthouse programme. In 2005, a special declaration was introduced regarding suppliers' corporate social responsibility in connection with procurements; see description in the section on corporate social responsibility above. As part of environmental efforts, DnB NOR has drawn up an environmental action plan containing specific targets for energy and paper consumption, waste management, procurements and environmental certification of properties in the period 2006–2008.

Environmental order in our own house – key figures ¹⁾

	Targets for 2006	Results 2006	Targets for 2007	Measures to reach the targets for 2007
Energy consumption	3.5 per cent reduction	19 per cent reduction	Unchanged	
Waste recycling ratio	60 per cent	59.5 per cent	Unchanged	
Paper consumption	2.5 per cent reduction in purchased paper	Increase of 4.3 per cent in purchased paper	2.5 per cent reduction in purchased paper	Install double-sided print as standard option for all printers and increase use of electronic communication.
Domestic air travel	Zero increase in number of air kilometres	16.6 per cent reduction		
International air travel	Maximum increase of 30 per cent	39.7 per cent increase		Increase use of telephone and video conferences as a replacement for physical meetings.
Eco-lighthouse certification	A total of 15 certified buildings	A total of 15 certified buildings	Certification of five new buildings	

1) These figures do not include Nordlandsbanken, DnB NOR Monchebank and DnB NORD. Nordlandsbanken has the same targets for 2007 as the rest of the banking group. DnB NOR Monchebank's target for 2007 is to have no increase in its energy consumption. DnB NOR Monchebank and DnB NORD participate in general environmental improvement programmes in those countries where they are represented.

Health, safety and environment (HS&E)

As part of the Group's systematic and long-term HS&E work, DnB NOR will promote and facilitate physical and cultural activity among its employees. Several thousand DnB NOR employees participate in company sports activities and different cultural groups. Physical training during working hours is offered to units where sedentary work may cause muscular tension. The figures below do not include operations in DnB NOR and DnB NOR Monchebank. No occupational injuries were reported in DnB NOR Monchebank in 2006, and in the course of 2007, HS&E and working environment training programmes will be launched. In the course of 2007, DnB NOR will draw up a joint HS&E strategy for operations, including measures to reduce sickness absence.

Open-plan office solutions

Many employees were relocated in 2006, and the introduction of more open-plan offices changed working methods. The relocations have presented great challenges with respect to planning and involvement of employees. In addition to ergonomic adjustments of work stations, great emphasis has been placed on noise screening measures to ensure a working environment with optimal communication and knowledge-transfer opportunities.

Sickness absence

Sickness absence in the banking group averaged 5.51 per cent in 2006, in comparison with 5.15 per cent in 2005. Sickness absence in DnB NOR Monchebank was 1.24 per cent in 2006. Priority is given to implementing preventive measures and to giving additional assistance to those units with high levels of sickness absence.

An inclusive workplace

As an inclusive workplace, DnB NOR is committed to closely following up employees absent due to illness and to reducing, as far as possible, such periods of absence. Professional support in this area is provided by external occupational health services. Furthermore, DnB NOR seeks to adapt working hours to suit the different life phases and working situations of the employees.

HS&E and working environment training

DnB NOR endeavours to prevent injuries caused by robberies and threats through extensive security procedures and training programmes. In 2006, 31 managers and 48 safety representatives completed the banking group's internal HS&E and working environment training programme, covering such topics as security and emergency preparedness.

Occupational injuries

In 2006, a total of 31 occupational injuries were reported, of whom seven employees were exposed to threats, but no employees suffered injuries due to robberies. The other reported occupational injuries were minor or moderate.

A security and aftercare training programme has been launched, targeting branch office staff. The programme can be adapted to other target groups in the banking group and consists of a three-hour course, taught by in-house experts.

- Courses and drills in coping with bank robberies: 465
- Threat management training courses: 37
- Security courses: 209
- Disaster recovery exercises: 75

Equality

DnB NOR is committed to equality between men and women in the Group. Measures are implemented to ensure that men and women are given the same opportunities for professional and personal development, career progression, salary levels and other benefits. DnB NOR also has flexible schemes that make it easier to combine a career with family life. At year-end 2006, the gender balance in the banking group was 55 per cent women and 45 per cent men.

DnB NOR seeks greater diversity in its management teams. The target set by the Board of Directors for equality at the four top management levels in the Group calls for a minimum of 25 per cent women by the end of 2006 and minimum 30 per cent by the end of 2009. At the end of 2006, the proportion of women in the management teams at the four top levels was 25 per cent. If figures for management level five are included, the total female representation was 31 per cent. DnB NOR Monchebank and DnB NOR are not included in these figures. DnB NOR Monchebank has 67 per cent women in its two upper management levels. During 2007, DnB NOR will draw up targets for its equal opportunity strategy. At year-end 2006, DnB NOR had 20 per cent women at management level two and in the course of 2007 targets and measures will be determined to increase the number of women managers..

Crescendo

In 2006, an in-house talent development programme for women was started in DnB NOR, called Crescendo. Ten women were selected to develop their management skills. Upon completion of the programme they will be well equipped to take on responsibilities at senior management level. Each participant has been matched with a partner selected among current senior group managers. The programme has a duration of 18 months and is part of DnB NOR's strategy to increase the number of women managers in DnB NOR.

Other equal opportunity measures in DnB NOR:

- Priority to be given to female applicants for management positions, subject to equal qualifications.
- The best female candidate to be considered for positions in units where women are in a minority.
- Equality and diversity to be on the agenda in management training programmes.
- All vacancies to be advertised internally.

Future prospects

The economic climate in Norway was very favourable in 2006. A high level of optimism and low interest rate levels encouraged healthy growth in corporate investments and high credit demand. The demand for housing loans remained at a very high level throughout 2006 despite a gradual rise in interest rate levels.

Continued growth is expected in the Norwegian economy during 2007, despite the warning from Norges Bank that it will tighten its monetary policy. A high level of optimism, healthy income growth and sound corporate and household finances will help maintain good, but somewhat lower future lending growth. Sizeable corporate profits ensured a strong rise in deposits in 2006. The growth is anticipated to be somewhat subdued in 2007. Rising interest rate levels and real wage growth for Norwegian households are expected to lead to an increase in savings and deposits in 2007.

The banking group is determined to exploit in full its size and broad range of products and services. Moreover, productivity and cost awareness will be improved at all levels.

Competition in the housing loan market is expected to become more intense in future, as is competition in the credit card market and within consumer financing. With its wide range of products, extensive distribution network and competence, the banking group is well-equipped to meet the intensifying competition. The banking group aims to enhance customer satisfaction in 2007 and to maintain or increase its market shares in Norway.

The banking group expects robust and targeted international growth in 2007. Operations in Sweden and in DnB NORD will be further strengthened over the next few years. The acquisition of BISE Bank in Poland is part of this expansion. DnB NOR Monchebank has given the banking group an important foothold in North-West Russia, which is an area with sound economic growth. The opening of a branch in China was an important element in DnB NOR Bank's strategy to consolidate its position as one of the world's leading ship finance banks. The banking group's international operations will represent an increasing share of profit growth in 2007.

Dividends and allocation profits

Profits for 2006 in DnB NOR Bank ASA came to NOK 9 659 million. The Board of Directors proposes a group contribution of NOK 7 700 million from DnB NOR Bank ASA to DnB NOR ASA. After taxes the group contribution amounts to NOK 5 544 million.

The banking group's capital adequacy ratio as at 31 December 2006 was 10.2 per cent, with a core capital ratio of 6.8 per cent. Correspondingly, capital adequacy in DnB NOR Bank ASA was 10.6 per cent and core capital 7.1 per cent.

In the opinion of the Board of Directors, following allocations, DnB NOR Bank ASA will have adequate financial strength and flexibility to cover the bank's financial risk, provide satisfactory support to operations in subsidiaries and meet the banking group's expansion requirements.

In connection with the finalisation of the annual accounts, the Board of Directors decided to allocate NOK 14 750 to each employee. The total allocation including employers contribution amounted to NOK 146 million. Importance has been placed on expressing appreciation for the excellent work carried out by the staff during a challenging year for all and for the good results that were achieved.

Oslo, 7 March 2007

The Board of Directors of DnB NOR Bank ASA

Olav Hytta
(chairman)

Bent Pedersen
(vice-chairman)

Per Hoffmann

Sten Sture Larre

Kari Lotsberg

Heidi M. Petersen

Torill Rambjør

Ingjerd Skjeldrum

Rune Bjerke

Profit and loss accounts

DnB NOR Bank ASA					DnB NOR Bank Group		
2004 ¹⁾	2005 ¹⁾	2006	Amounts in NOK million	Note	2006	2005 ¹⁾	2004 ¹⁾
25 908	27 536	39 209	Interest income	4	42 822	29 712	28 803
14 280	15 560	25 723	Interest expenses	4	26 979	16 311	15 428
11 628	11 976	13 486	Net interest income and credit commissions	4	15 844	13 401	13 376
979	1 465	1 264	Dividends	6	103	154	143
5 546	6 073	6 264	Commissions and fees receivable on banking services	6	6 680	6 276	5 764
1 936	1 980	1 866	Commissions and fees payable on banking services	6	1 951	2 025	2 010
1 689	2 117	2 079	Net gains on foreign exchange and financial instruments	6, 7	2 140	2 166	1 675
651	648	654	Sundry ordinary operating income	6	1 607	1 440	1 541
9	143	140	Gains on the sale of fixed assets	6	478	231	1 298
6 937	8 467	8 536	Net other operating income	6	9 056	8 241	8 412
18 566	20 443	22 021	Total income		24 900	21 642	21 788
4 926	4 955	5 538	Salaries and other ordinary personnel expenses	8, 9, 10	6 849	5 718	5 792
3 355	3 287	3 133	Administrative expenses	8	3 568	3 586	3 678
653	589	548	Depreciation	8	882	778	839
1 234	1 169	1 093	Sundry ordinary operating expenses	8	1 300	1 189	1 282
903	188	413	Other expenses	8	382	232	952
11 072	10 188	10 725	Total operating expenses	8	12 982	11 502	12 544
7 493	10 255	11 297	Pre-tax operating profit before write-downs		11 917	10 140	9 244
79	(32)	(325)	Write-downs on loans and guarantees	11, 12	(243)	(42)	167
1 535	108	1 137	Net gains on long-term securities	13	3	203	106
8 950	10 395	12 759	Pre-tax operating profit		12 164	10 385	9 183
2 358	2 973	3 099	Taxes	14	3 292	3 058	2 397
6 592	7 422	9 659	Profit for the year		8 872	7 327	6 786
0	0	0	Minority interests		143	0	0
5 564	1 629	5 544	Group contribution	35	5 544	1 629	5 564
0	1 668	0	Dividends	35	0	1 669	1
0	0	0	Transferred from other equity	35	0	0	0
1 028	4 126	4 115	Transferred to other equity	35	3 186	4 029	1 221
6 592	7 422	9 659	Total transfers and adjustments		8 872	7 327	6 786
38.86	43.12	56.11	Earnings per share (NOK)		51.54	42.56	40.00

1) Items according to former regulations on the treatment of loans and guarantees, but reclassified in accordance with new presentation models, see note 1 Accounting principles.

Balance sheets

DnB NOR Bank ASA				DnB NOR Bank Group			
31 Dec. 2004 ¹⁾	31 Dec. 2005 ¹⁾	31 Dec. 2006	Amounts in NOK million	Note	31 Dec. 2006	31 Dec. 2005 ¹⁾	31 Dec. 2004 ¹⁾
Assets							
8 286	19 715	9 346	Cash and deposits with central banks		11 453	21 229	8 780
54 947	86 156	116 815	Lending to and deposits with credit institutions	15, 16	64 494	31 342	21 604
525 645	600 680	712 239	Gross lending to customers	15, 16, 17	827 958	698 881	584 230
2 494	1 478	1 213	- Individual write-downs	15, 18	1 820	2 065	3 255
3 230	3 230	842	- Group write-downs	15, 18	982	3 576	3 534
519 921	595 972	710 184	Net lending to customers	15, 16, 17	825 156	693 240	577 441
64 615	78 221	138 111	Commercial paper and bonds	15, 21	139 715	79 259	62 986
4 338	2 759	2 694	Shareholdings etc.	15, 22, 26	2 839	2 939	4 735
830	537	569	Investments in associated companies	15, 25	1 349	1 261	1 601
5 597	8 122	8 594	Investments in subsidiaries	15, 26	-	-	-
3 038	1 493	2 154	Intangible assets	14, 15, 27	2 940	2 418	3 511
2 552	2 264	2 091	Fixed assets	15, 28, 29	4 832	4 371	4 279
23 138	19 901	44 027	Other assets	15	43 592	19 288	22 943
3 946	4 097	6 102	Prepayments and accrued income	15	6 409	4 645	4 477
691 207	819 238	1 040 687	Total assets		1 102 779	859 993	712 356
Liabilities and equity							
47 608	87 341	109 437	Loans and deposits from credit institutions	30	113 673	97 870	48 950
353 741	401 942	458 177	Deposits from customers	30, 31	481 157	418 395	360 240
184 572	230 124	324 697	Securities issued	30, 32, 37, 38	352 016	236 711	192 410
40 337	27 024	60 100	Other liabilities	30	62 398	28 527	41 140
4 318	4 832	5 735	Accrued expenses and prepaid revenues	30	6 150	5 426	5 013
4 525	3 698	4 001	Provisions for commitments	30	4 278	4 145	4 952
18 092	19 373	27 822	Subordinated loan capital	30, 34	28 506	20 333	18 770
5 270	5 465	5 360	Perpetual subordinated loan capital securities	35, 34	5 360	5 465	5 270
658 465	779 800	995 330	Total liabilities		1 053 539	816 873	676 745
0	0	0	Minority interests	35	2 201	946	1 551
16 964	17 214	17 214	Share capital	35	17 214	17 214	16 964
7 745	9 995	9 995	Share premium reserve	35	10 711	10 711	8 461
8 033	12 228	18 148	Other equity	35	19 113	14 248	8 634
32 743	39 438	45 357	Total equity		49 240	43 119	35 611
691 207	819 238	1 040 687	Total liabilities and equity		1 102 779	859 993	712 356
Other commitments and conditional commitments				46			

1) Items according to former regulations on the treatment of loans and guarantees, but reclassified in accordance with new presentation models, see note 1 Accounting principles.

Cash flow statements

DnB NOR Bank ASA			DnB NOR Bank Group	
2005	2006	Amounts in NOK million	2006	2005
OPERATIONS				
(81 030)	(117 360)	Net payments on loans to customers	(134 705)	(86 662)
45 230	59 277	Net receipts on deposits from customers	65 439	45 373
22 455	36 635	Interest received from customers	40 103	25 325
(6 519)	(8 857)	Interest paid to customers	(9 226)	(6 592)
(12 835)	(50 249)	Net payments on trading in foreign exchange and financial derivatives	(50 017)	(13 207)
6 097	6 543	Net receipts on commissions and fees	6 959	6 300
(11 692)	(11 464)	Payments to operations	(13 503)	(12 997)
(5)	(469)	Taxes paid	(562)	(5)
586	580	Other receipts	1 407	1 377
(37 713)	(85 364)	Net cash flow relating to operations	(94 105)	(41 088)
INVESTMENT ACTIVITY				
(107)	(255)	Payments on the acquisition of fixed assets	(929)	(166)
(1 379)	555	Receipts/payments on the sale of long-term investments in shares	45	(58)
1 427	1 215	Dividends received on long-term investments in shares	45	93
(59)	1 515	Net cash flow relating to investment activity	(839)	(131)
FUNDING ACTIVITY				
21 454	(5 265)	Net loans from credit institutions	(13 759)	26 703
(613)	(6 185)	Net receipts on other short-term liabilities	(5 388)	(960)
40 214	98 552	Net issue of bonds and commercial paper ¹⁾	119 320	37 687
1 594	10 302	Issue of subordinated loan capital	10 302	1 594
(683)	(1 857)	Redemptions of subordinated loan capital	(2 152)	(952)
2 500	0	Share issue	0	2 500
(7 430)	(3 932)	Group contribution payments	(3 932)	(7 430)
(5 861)	(16 121)	Net interest payments on funding activity	(16 989)	(7 265)
51 175	75 494	Net cash flow from funding activity	87 402	51 877
13 403	(8 355)	Net cash flow	(7 542)	10 658
16 735	30 138	Cash as at 1 January	25 698	13 916
0	0	Increase in cash and deposits through acquisitions	74	1 124
13 403	(8 355)	Net receipts/payments on cash	(7 542)	10 658
30 138	21 783	Cash as at 31 December	18 230	25 698

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

1) A significant share of the Group's operations was during 2005 and 2006 funded by issuing bonds and commercial paper.

Note 1 Accounting principles etc.

The accounts of DnB NOR Bank and the bank including subsidiaries, the banking group, are based on Norwegian accounting legislation, the accounting regulations issued by the Ministry of Finance and Norwegian generally accepted accounting principles. For the time being, it is not permissible for unlisted Norwegian banks to prepare the accounts according to IFRS.

CHANGES IN ACCOUNTING PRINCIPLES

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

DnB NOR Bank implemented regulations from the Ministry of Finance on the accounting treatment of loans and guarantees in the accounts of DnB NOR Bank and the banking group effective 1 January 2006.

COMPARABLE FIGURES

Figures for previous periods have not been restated, but reclassified in accordance with the new presentation format.

Comparable figures have not been restated following the establishment of DnB NOR and the acquisition of Monchebank.

CONSOLIDATION

The consolidated accounts of DnB NOR Bank ASA ("DnB NOR Bank" or "the banking group") include DnB NOR Bank ASA, subsidiaries and associated companies. Subsidiaries are defined as companies in which DnB NOR Bank has control, directly or indirectly, through a long-term ownership interest and a holding of more than 50 per cent of the voting share capital or primary capital and a decisive influence on the company's operations. Subsidiaries are consolidated from the time DnB NOR Bank takes over control of the company, including financial risk.

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

Associated companies in which the banking group has a long-term holding of between 20 and 50 per cent and a significant influence on operations, are carried in the group accounts according to the equity method. In the accounts of the individual companies, ownership interests in the form of share investments are valued at cost, while holdings in general partnerships are recorded according to the equity method.

Balance sheet items of foreign branches and subsidiaries are translated into Norwegian kroner at the rates prevailing on the balance sheet date, while profit and loss items are translated according to exchange rates on the transaction date. Changes in net assets due to exchange rate fluctuations are recorded directly against equity.

When acquiring operations to be consolidated, cost is recorded under identifiable assets and liabilities in subsidiaries, which are recorded at fair value in the consolidated accounts on the acquisition date. Any positive residual value is classified as goodwill. Goodwill is amortised in the group accounts over its expected useful economic life. Any negative residual value, which cannot be linked to assets or conditional commitments, is recorded as negative goodwill and charged systematically to the profit and loss account over the relevant period of time.

Goodwill recorded in the balance sheet is reviewed on each reporting date. Assets generating joint cash flows are considered collectively. Goodwill from the acquisition of companies generating cash flows in foreign currencies is recorded in the balance sheet in the same currency and translated at rates of exchange ruling on the balance sheet date. The need for impairment testing is considered according to the principles described under other fixed assets. Goodwill previously written-down is not reversed.

CLASSIFICATION AND VALUATION

Trading portfolio and banking portfolio

DnB NOR makes a distinction in the accounting treatment of financial

instruments entered into as part of proprietary trading to achieve a gain by exploiting price differences and changes, and agreements regarding the management of other group operations. Agreements in the first category constitute the trading portfolio and are part of DnB NOR Markets' operations, while all other agreements are included in the banking portfolio.

The trading portfolio includes negotiable securities, investment fund holdings, interest rate instruments recorded in the balance sheet, foreign currency positions and financial derivatives.

Income from trading in interest rate and currency positions recorded in DnB NOR Markets' balance sheet is classified as interest income.

Other income from the trading portfolio is included under "Net gain on foreign exchange and financial instruments" and "Commissions and fees receivable etc."

Lending

Loans are recorded at amortised cost, and income is calculated using the internal rate method. When using the internal rate method, the internal rate of return for the contract is calculated. Discounting contractual cash flows based on the expected life of the financial instrument sets the internal rate of return. Cash flows include front-end fees and direct marginal transaction costs not covered by the customer, as well as any residual value at the end of the expected life of the instrument. Amortised cost is the net present value of such cash flows discounted by the internal rate of return.

Loans are recorded, dependent on the counterparty, either as lending to and deposits with credit institutions or lending to customers.

Interest income on loans is included in the line item "Net interest income and credit commission" using the internal rate method.

Impairments on loans

Individual write-downs

If objective evidence of a decrease in value can be found, write-downs on loans are calculated as the difference between the value of the loan in the balance sheet and the net present value of estimated future cash flows discounted by the internal rate of return on the loan. The internal rate of return used is the internal rate of return on the loan prior to the identification of objective evidence of impairment, adjusted for changes in market rates up to the measurement date. Changes in the credit risk of the loan due to objective evidence of impairment are not taken into consideration when adjusting the internal rate of return used for discounting.

Objective evidence of a decrease in value of a loan or loan portfolio includes serious financial problems on the part of the debtor, non-payment or other serious breaches of contract, the probability that the debtor will enter into debt negotiations or other special circumstances that have occurred.

Individual write-downs reduce the value of commitments in the balance sheet, and changes during the period are recorded under "Write-downs on loans and guarantees". Interest calculated according to the internal rate method on the written-down value of the loan is included in "Net interest income and credit commissions".

Group write-downs

Loans, which have not been individually evaluated for impairment, are evaluated collectively in groups. Loans, which have been individually evaluated, but not written down, are also evaluated in groups. The evaluation is based on objective evidence of a decrease in value after initial recognition that has occurred on the balance sheet date and can be related to the group.

Loans are grouped on the basis of similar risk and value characteristics in accordance with the division of customers into main sectors or industries and risk classes. The need for write-downs is estimated per customer group based on estimates of the general economic situation

and loss experience for the respective customer groups.

Group write-downs reduce the value of commitments in the balance sheet, and changes during the period are recorded under "Write-downs on loans and guarantees". Like individual write-downs, group write-downs are based on discounted cash flows. Cash flows are discounted on the basis of statistics derived from individual write-downs. Interest is calculated on commitments subject to group write-downs according to the same principles and experience base as for commitments evaluated on an individual basis.

Interest calculated according to the internal rate method on the written-down value of the loan is included in "Net interest income and credit commissions".

Leasing

Finance leases are agreements, which basically transfer all risk and returns associated with the leasing object to the lessee. Such leases are classified as lending. Leasing income is recorded according to the annuity method, where the interest component is recorded under net interest income while instalments reduce the balance sheet value of lending. In cases where another party guarantees the residual value due to the lessee, the residual value is repaid over the term of the contract.

Operational leases are agreements where DnB NOR guarantees the residual value for the lessee at the end of the contract period. Leasing income is recorded under other operating income. Operating equipment is recorded as machinery, fittings and vehicles in the balance sheet. Depreciation for accounting purposes is calculated using the annuity method and classified as ordinary depreciation.

Upon the sale of leasing objects, gains or losses will regularly occur. The net present value of expected future net sales gains is recorded in the balance sheet. Realised gains and changes in value of future sales gains are included in net interest income and credit commissions.

Factoring

Accounts receivable where the credit risk of the account debtors has been assumed, are recorded under other assets in the balance sheet. Financing of accounts receivable in excess of the credit risk assumed and financing of accounts receivable without any credit risk coverage is recorded under lending in the balance sheet.

In the event that advances paid on accounts receivable for which credit risk has been assumed amount to less than the credit risk, the difference is included under liabilities in the balance sheet. Accounts receivable factored without assuming credit risk and without financing are not recorded in the balance sheet.

Financial instruments

Financial instruments include securities such as shares, PCCs, bonds and commercial paper, as well as investment fund holdings, other short-term debt instruments and financial derivatives.

Securities in the trading portfolio

Securities included in the trading portfolio are recorded at market value on the balance sheet date.

Short-term debt instruments included in the trading portfolio are reported at net present value, and unrealised gains and losses are recorded in the accounts.

Securities in the banking portfolio

Short-term investments in shares are recorded at the lower of the total portfolio's acquisition cost and market value.

Bonds and commercial paper are recorded at the lower of the total portfolio's acquisition cost and market value. Holdings of bonds issued by DnB NOR and included in the banking portfolio are netted against bond debt in the balance sheet.

Issued index-linked bonds are classified as securities issued. The bond element is recorded as a zero-coupon bond. Discounts or yields on the bond are recorded in the profit and loss account over the life of the bond. The value of the bond on the issue date is netted against the

hedging contract, and any gains or losses are recorded in the profit and loss account.

Shares held as long-term investments are stated at cost. If the fair market value of the shares is significantly lower than cost, and the decrease in value is not expected to be temporary, the shares will be written down. Write-downs are reversed when the conditions for writing down the shares no longer apply.

Financial derivatives

Financial derivatives are contracts stipulating financial values in the form of interest rate terms, exchange rates and the value of equity instruments for fixed periods of time. Corresponding contracts stipulating prices on commodities and indexes are defined as financial derivatives in this context. Derivatives include swaps, forward contracts and options as well as combinations thereof, including forward rate agreements (FRAs), financial futures and agreements on the transfer of securities.

Interest rate and foreign exchange contracts are classified as part of either the trading portfolio or banking portfolio when entered into, depending on the intentions behind the individual agreement.

When financial derivatives are used to hedge securities recorded in the balance sheet, the value of the derivatives is included when stipulating the securities' market value. Positions are hedged when financial instruments are linked to other identified financial instruments on the transaction date, and the maturities and prices of the instruments are closely related.

Financial derivatives included in the trading portfolio are recorded at market value. Gains and losses on financial derivatives included in the banking portfolio are amortised according to the underlying maturity and reported under the related items in the profit and loss account.

When financial derivatives are used to manage risk on balance-sheet items, due to cost factors such agreements are entered into through the business units in the banking group trading such instruments in the market. Internal transactions between the trading portfolio and the banking portfolio are valued according to principles relevant to these portfolios without eliminating internal gains and losses. See note 45.

Properties and other fixed assets

Bank buildings and other properties in the balance sheet are stated at cost adjusted for previous revaluations with the deduction of accumulated ordinary depreciation and write-downs. Properties belonging to similar categories are evaluated on a portfolio basis. When negative net future cash flows related to leases on vacated and sublet premises are identified, the net present value of the cash flow is charged to the profit and loss account.

Other ordinary operating assets have been valued according to the same principle as that applied for bank buildings and other properties.

On each balance sheet date, fixed assets are reviewed to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of asset's net selling price and value in use. If the recoverable amount of the relevant asset proves to be lower than its carrying amount, the asset is written down to its recoverable amount.

Such write-downs are reversed when the reasons for writing down the assets no longer apply.

IT-systems and software

Acquired software is recorded at cost with the addition of expenses incurred to make the software ready for use. Identifiable costs for internally developed software controlled by the banking group where it is probable that economic benefits will cover development expenses at the balance sheet date, are recorded as intangible assets. Direct expenses include expenses covering pay to employees directly involved in the project, materials and a share of relevant overhead expenses. Expenses relating to maintenance of software and IT systems are charged to the profit and loss account as they occur. Software expenses recorded in the balance sheet are depreciated over their expected useful life, usually five years. The need for impairment testing is considered according to the

principles described under other fixed assets.

Assets and liabilities in foreign currency

Assets and liabilities denominated in foreign currencies classified as monetary items are translated to NOK according to exchange rates prevailing on the balance sheet date.

ACCRUALS

Income is recorded in the profit and loss account when accrued. Costs are matched against income and charged to the accounts in the same accounting period as related income. Incurred costs related to income earned in subsequent periods are deferred. Costs, which will occur in future periods concerning accrued income, are charged to the profit and loss account during the same period. Future costs not related to future income are charged to the accounts when the costs are identified.

Recording of interest and fees

Interest and commissions are included in the profit and loss account when earned as income or incurred as expenses. Unrealised gains and losses on loans, deposits and borrowings arising on interest rate hedges in connection with changes in market rates, are amortised under net interest income.

Fees, which represent direct payment for services rendered, are recognised as income upon payment. Fees for the establishment of loan agreements are included in cash flows when calculating amortised cost and recorded under "Net interest income and credit commissions" according to the internal rate method.

Premiums and discounts on bonds issued

Issued bonds are recorded in the balance sheet at their nominal value with the addition of premiums or deduction of discounts. Premiums and discounts are amortised as an adjustment to current interest expenses until final maturity of the bonds. Discounts on raising other long-term capital are treated correspondingly.

DnB NOR Bank will regularly repurchase bonds issued by itself in connection with ongoing funding activity. Gains or losses resulting from the repurchase and resale of own bonds are in this respect amortised over the remaining term of the bonds according to the straight-line principle.

Provisions for restructuring measures

If restructuring plans are approved which change the scope of operations or the way operations are carried out, the need for provisions for restructuring measures will be considered. If expenses arising from the implementation of such measures are not linked to future income and the future expenses represent actual commitments on the balance sheet date, the net present value of future cash flows is charged to the accounts and recorded under liabilities in the balance sheet. The provisions are reversed when costs are incurred.

Pensions

The basis for calculating pension expenses is a linear distribution of pension entitlements measured against estimated accumulated commitments at the time of retirement. Expenses are calculated on the basis of pension entitlements earned during the year with the deduction of the return on funds assigned to pensions.

Pension commitments, which are administered through life insurance companies or pension funds, are matched against funds within the scheme. When total pension funds exceed estimated pension commitments on the balance sheet date, the net value is classified as an asset in the balance sheet if it has been rendered probable that the overfunding can be utilised to cover future commitments. When pension commitments exceed pension funds, the net commitments are classified under liabilities in the balance sheet. Each scheme is considered separately.

Pension commitments, which are not administered through life insurance companies or pension funds, are recorded as liabilities in the balance sheet.

Pension commitments represent the present value of estimated future pension payments, which in the accounts are classified as

accumulated on the balance sheet date. The calculation of pension commitments is based on actuarial and economic assumptions about life expectancy rise in salaries and early retirement. The discount rate used is determined by reference to market yields at the balance sheet date on long term (10-year) government bonds, plus an addition that takes into account the relevant duration of the pension liabilities.

Deviations in estimates are recorded in the profit and loss account over the average remaining service period when the difference exceeds the greatest of 10 per cent of pension funds and 10 per cent of pension commitments.

The financial effects of changes in pension schemes are recorded as income or charged to expense on the date of the change, unless the rights under the new pension scheme are conditional on the employee remaining in service for a specified period.

Pension expenses are based on assumptions determined at the start of the period. Expenses in connection with the accumulation of pension rights are classified as personnel expenses in the profit and loss account. Employer's contributions are included in pension expenses and pension commitments.

Depreciation of operating assets and intangible assets

Ordinary depreciation is based on the estimated economic life of the asset. The straight-line principle is applied.

Taxation

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

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

BUSINESS AREAS

The activities of DnB NOR, which also include DnB NOR Bank ASA, and subsidiaries are organised into five functional business areas and four staff and support units. DnB NOR is classified as a separate business area as of 2006. The business areas, which include the activities of DnB NOR Bank ASA and other companies of the Group, are set up according to the customer segments served by the Group as well as the products offered independent of the Group's legal structure. Consequently, profit and loss accounts and balance sheets for the business areas are prepared only for the business areas' combined operations in the DnB NOR Group. A description of the business areas and their accounts is included in the annual report of DnB NOR ASA.

CASH FLOW STATEMENTS

The consolidated cash flow statements are structured on the basis of banking operations and reflect the main aspects of the banking group's liquidity management, with special emphasis on cash flows relating to lending and funding activities.

CAPITAL ADEQUACY

The capital adequacy rules are based on the statutory accounts and "pro rata consolidation".

The Norwegian Accounting Standard 6A opens up for eliminating unamortized deviations in estimates relating to pensions in the statutory accounts. Companies in the banking group took this accounting standard into use as from the fourth quarter of 2005 and have chosen to charge deviations in estimates and effects of changes in pension schemes not recorded according to previous accounting principles, against equity. In capital adequacy calculations, equity is reduced by one-fifth on the adjustment each year for five years, starting in 2005.

Note 2 Important accounting estimates and discretionary assessments

Estimates and discretionary assessments are subject to continual evaluation and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The banking group makes estimates and assumptions concerning the future. The resulting accounting estimates will rarely be fully consistent with the final outcome. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Estimated impairment of goodwill

Goodwill recorded in the balance sheet is reviewed on each reporting date. Assets generating joint cash flows are considered collectively. If there are indications of impairment, impairment tests based on future cash flows are carried out. Future cash flows are estimated based on the market situation for comparable assets, taking account of expected price developments, growth prospects, return requirements and the duration of cash flows.

Income taxes

The banking group is subject to income taxes in numerous jurisdictions. Significant discretion is required in determining the worldwide provision for income taxes in the group accounts. The final tax liability relating to many transactions and calculations will be uncertain. The banking group recognises liabilities related to the future outcome of tax disputes based on estimates of additional taxes. If the final outcome of the cases deviates from the originally allocated amounts, the deviations will affect income tax entered in the applicable period.

Write-downs on loans

Write-downs will be made if objective evidence of impairment can be identified. Objective evidence of a decrease in value of a loan includes serious financial problems on the part of the debtor, non-payment or other serious breaches of contract, the probability that the debtor will enter into debt negotiations or other special circumstances that have occurred. Criteria for objective evidence for group write-downs in DnB NOR Banking Group include indicators for portfolio quality and business prospects for specific industries.

All write-downs will be made based on discounted values, the discount rate being the loans' internal rate prior to impairment. In principle, all cash flows on commitments and groups should be identified and an assessment must be made as to which cash flows are at risk. Given the large number of commitments that are reviewed at both individual and group level, such estimations must be based on approximations and historical material. Since the group write-down system does not provide access to the actual cash flows included in the relevant commitments, discounting for group write-downs is estimated based on historical data for individual write-downs.

The average discount effect for individual commitments is estimated in relation to discounted cash flows. Based on the ratio of these cash flows to calculated commitment values, an estimate is made of the cash flows represented in the basis for group write-downs.

See note 1 Accounting principles for a further description of the method used for individual write-downs and group write-downs.

Pension commitments

The net present value of pension commitments depends on current economic and actuarial assumptions. Any change made to these assumptions affects the pension commitments amount recorded in the balance sheet and the pension expense.

The discount rate used is determined by reference to market yields at the balance sheet date on long term (10-year) government bonds, plus an addition that takes into account the relevant duration of the pension liabilities. The type of pension fund investments and historical returns determine the expected return on pension funds. In the past, the average return on pension funds has been higher than the risk-free rate of interest as part of the pension funds have normally been placed in securities with slightly higher risk than government bonds. Over the last 12 years, Norwegian life insurance companies have recorded an average excess return of 1.1 percentage points. The expected return has thus been estimated on the basis of the discount rate plus an addition reflecting past excess returns.

Other fundamental assumptions for pension commitments include annual rise in salaries, annual rise in pensions, anticipated increase in the National Insurance basic amount (G) and anticipated CPA acceptance (early retirement pension). See note 9 Pensions and note 1 Accounting principles.

Economic life for technical installations and equipment

DnB NOR Bank Group determines the economic life and related depreciation rates for fixed assets. Depreciation is increased if the economic life is shorter than previously estimated, and technically obsolete and discarded assets are written down.

Systems development

The balance sheet value of IT systems developed in-house and purchased is assessed relative to the discounted value of future cash flows.

Contingencies

Due to its extensive operations in Norway and abroad, the DnB NOR Bank Group will regularly be party to a number of legal actions. Any impact on the accounts will be considered in each case. See note 46.

Note 3 Changes in group structure

Bank DnB NORD

In December 2005, DnB NOR Bank and Norddeutsche Landesbank, NORD/LB, established a joint bank, Bank DnB NORD, owned 51 per cent by DnB NOR Bank and 49 per cent by NORD/LB. Headquartered in Copenhagen, Bank DnB NORD has operations in Denmark, Finland, Estonia, Latvia, Lithuania and Poland. Bank DnB NORD was included in the banking group's balance sheet as from 31 December 2005.

At the beginning of 2006, loan portfolios in Denmark and Finland totalling NOK 4.5 billion were transferred from NORD/LB and DnB NOR Bank to Bank DnB NORD. In consequence, the banking group's capitalised goodwill referring to Bank DnB NORD increased by EUR 1 million, representing compensation to NORD/LB for excess values related to the Finnish portfolio.

DnB NOR Monchebank

During 2005, DnB NOR Bank entered into an agreement to acquire the Russian bank Monchebank, headquartered in Murmansk. The agreement came into effect on 1 January 2006. DnB NOR Bank paid USD 21.8 million for 97.3 per cent of Monchebank. In connection with the purchase of Monchebank, goodwill representing RUB 302 million was recorded in the banking group's balance sheet, the equivalent of NOK 72.4 million.

At the time of the acquisition, Monchebank had net customer loans of NOK 206 million, commercial paper and bonds of NOK 130 million and total assets of NOK 475 million. The bank's equity totalled NOK 76 million. In 2006, DnB NOR Monchebank recorded profits of NOK 14 million.

At year-end 2006, DnB NOR Bank owned 99 per cent of DnB NOR Monchebank.

Postbanken Eiendom

DnB NOR Bank ASA established the wholly owned subsidiary Postbanken Eiendom AS in September 2006.

DnB NOR Hypotek

In the fourth quarter of 2006, DnB NOR Bank's wholly-owned subsidiary DnB NOR Hypotek was merged into the bank. The merger was reflected in the accounts as from 1 January 2006. The purpose of the merger was to strengthen marketing initiatives relating to commercial property financing by bringing together expertise in this field in DnB NOR Bank.

Note 4 Net interest income and credit commission

DnB NOR Bank ASA			DnB NOR Bank Group	
2005	2006	Amounts in NOK million	2006	2005
2 227	4 391	Interest on loans to and deposits with credit institutions, amortised cost ¹⁾	2 891	1 495
22 141	29 698	Interest on loans to customers, amortised cost ¹⁾	34 617	24 913
58	101	Interest on impaired commitments	124	78
2 142	3 873	Interest on commercial paper and bonds	3 998	2 174
968	629	Front-end fees, etc. ²⁾	681	1 052
0	517	Other interest income	510	0
27 536	39 209	Total interest income	42 822	29 712
2 095	3 867	Interest on loans and deposits from credit institutions	4 299	2 278
5 611	9 741	Interest on demand deposits from customers	10 054	5 681
5 997	11 871	Interest on securities issued	12 232	6 368
912	1 436	Interest on subordinated loan capital	1 466	915
945	(1 192)	Other interest expenses	(1 072)	1 069
15 560	25 723	Total interest expenses	26 979	16 311
11 976	13 486	Net interest income and credit commissions	15 844	13 401

1) Amortisation effects refer only to 2006.

2) Excluding front-end fees from customers included in the calculation of amortised cost in 2006. Such fees are carried to income over the expected life of the loan and recorded under "Interest on loans to customers, amortised cost".

Note 5 Interest rates on selected balance sheet items ¹⁾

DnB NOR Bank ASA			DnB NOR Bank Group	
2005	2006	Per cent	2006	2005
Assets				
2.58	3.60	Lending to and deposits with credit institutions	4.05	3.17
3.91	4.48	Lending to customers	4.56	3.96
2.67	4.36	Commercial paper and bonds	4.55	2.77
Liabilities				
2.77	3.93	Loans and deposits from credit institutions	3.97	2.92
1.47	2.27	Deposits from customers	2.24	1.46
3.37	3.93	Securities issued	4.01	3.46

1) The average interest rate is calculated as interest in per cent of average capital.

Note 6 Net other operating income

DnB NOR Bank ASA			DnB NOR Bank Group	
2005	2006	Amounts in NOK million	2006	2005
1 465	1 264	Dividends	103	154
2 989	2 710	Money transfer fees receivable	2 855	3 060
188	246	Fees on asset management services	248	190
309	369	Fees on custodial services	370	309
370	425	Fees on securities	427	373
384	546	Corporate Finance	548	415
359	403	Guarantee commissions	431	378
185	148	Interbank fees	148	185
190	290	Credit broking commissions	290	190
305	349	Sales commissions on insurance products	359	309
792	779	Sundry commissions and fees receivable on banking services	1 004	866
6 073	6 264	Total commissions and fees receivable on banking services	6 680	6 276
1 032	914	Money transfer fees payable	936	1 045
18	48	Fees payable on asset management services	48	18
94	124	Fees on custodial services payable	124	94
259	218	Interbank fees	219	259
173	34	Credit broking commissions payable	34	197
404	528	Sundry commissions and fees payable on banking services	591	412
1 980	1 866	Total commissions and fees payable on banking services	1 951	2 025
276	(134)	Net gains on short-term shareholdings	(150)	282
(155)	(670)	Net gains on commercial paper and bonds	(674)	(150)
1 259	2 374	Net gains on trading in foreign exchange and financial derivatives ¹⁾	2 456	1 296
738	508	Net gains on other short-term interest instruments ¹⁾	508	738
2 117	2 079	Net gains on foreign exchange and financial instruments	2 140	2 166
18	16	Operating income on real estate	14	12
101	99	Rental income	99	98
0	0	Fees in real estate broking	746	645
4	4	Share of profit in associated companies	131	97
526	535	Miscellaneous operating income	616	587
648	654	Total sundry ordinary operating income	1 607	1 440
143	140	Gains on the sale of fixed assets	478	231
8 467	8 536	Net other operating income	9 056	8 241

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

Note 7 Net gains on foreign exchange and financial instruments

DnB NOR Bank ASA			DnB NOR Bank Group	
2005	2006	Amounts in NOK million	2006	2005
1 896	2 106	Net gains on trading portfolio	2 106	1 896
157	34	Net gains on equity investments in the banking portfolio	18	164
64	(60)	Net gains on other investments in the banking portfolio	16	107
2 117	2 079	Net gains on foreign exchange and financial instruments	2 140	2 166
Unrecorded market value above book value in the banking portfolio at end of period				
10	137	Short-term shareholdings	198	96
4	5	Commercial paper and bonds	9	7

Note 8 Operating expenses

DnB NOR Bank ASA			DnB NOR Bank Group	
2005	2006	Amounts in NOK million	2006	2005
3 772	4 018	Ordinary salaries	5 039	4 422
510	533	Employer's national insurance contributions	692	599
401	718	Pension expenses	794	393
272	269	Other personnel expenses	324	304
4 955	5 538	Total salaries and other ordinary personnel expenses	6 849	5 718
399	556	Fees	593	442
1 109	1 107	EDP expenses ¹⁾	1 242	1 214
407	322	Postage and telecommunications	367	439
86	77	Office supplies	103	98
375	399	Marketing and public relations	518	441
131	150	Travel expenses	186	154
555	269	Reimbursement to Norway Post for transactions executed ²⁾	269	555
37	52	Training expenses	68	44
188	202	Sundry administrative expenses	223	199
3 287	3 133	Total administrative expenses	3 568	3 586
127	114	Depreciation on EDP equipments etc.	148	154
210	182	Goodwill amortisation	270	271
164	168	Depreciation on other machinery, equipment and vehicles	320	207
76	72	Depreciation on properties and premises	127	134
12	12	Other depreciation	18	12
589	548	Total depreciation	882	778
723	737	Rent and operating expenses on rented premises	682	608
194	111	Operating expenses on real estate	164	230
68	81	Operating expenses on machinery, vehicles and office equipment	120	88
38	14	Insurance	22	41
10	14	Membership fees, Norwegian Financial Services Association and Savings Banks Association	14	10
137	136	Miscellaneous ordinary operating expenses	300	212
1 169	1 093	Total sundry ordinary operating expenses	1 300	1 189
117	124	Allocation to employees	146	135
0	260	Restructuring expenses	190	0
44	5	Losses on the sale of fixed assets	21	69
27	25	Write-downs on rental contracts and fixed assets	25	27
188	413	Total other expenses	382	232
10 188	10 725	Total operating expenses	12 982	11 502

1) These expenses concern the purchase, operation and maintenance of computers and software. The DnB NOR Bank Group's IT expenses totalled NOK 2 210 and NOK 2 088 million for 2006 and 2005 respectively, which in addition to EDP expenses include depreciation, systems development, remuneration to external consultants, as well as salaries and other operating expenses relating to the DnB NOR Bank Group's IT operations. IT expenses in DnB NOR Bank ASA totalled NOK 2 021 and NOK 1 941 million respectively.

2) Other reimbursement to Norway Post is included in "Other interest expenses" and "Total commissions and fees payable on banking services".

Note 9 Pensions

Description of the pension schemes

DnB NOR Group has established a joint, defined benefit occupational pension scheme for all employees in Norway in the form of a group pension scheme funded by Vital Forsikring. Pension benefits include retirement pensions, disability pensions and pensions for spouses and dependent children, which supplement benefits from the National Insurance Scheme. Full pension entitlements require 30 years of pensionable service and give the right to a retirement pension corresponding to the difference between 70 per cent of the employee's salary and estimated benefits from the National Insurance Scheme. The pension scheme is in compliance with the Act on Occupational Pensions. In addition to this scheme, around 800 employees in the former Postbanken are covered by a group pension plan in the Norwegian Public Service Pension Fund.

The right to a paid-up policy upon termination of employment only applies to retirement pensions. Disability pensions and survivor's pensions for employees and survivor's pensions for retirement pensioners represent risk coverage without accumulation of capital. The annual risk coverage premium is included in pension expenses.

With few exceptions, Norwegian companies in the Banking Group have adopted the contractual pension (CPA) scheme for the banking and financial services industry. In addition, an agreement on contractual pensions according to public sector rules has been entered into with respect to employees who are members of the Public Service Pension Fund. Provisions have thus been made in the accounts to cover anticipated future CPA acceptance. Upon retirement under a contractual pension agreement, employees continue as members of the group pension scheme, earning benefits up till ordinary retirement age.

The Banking Group also has commitments relating to salaries exceeding 12G (12 times the National Insurance basic amount) and early retirement agreements. Commitments relating to salaries exceeding 12G and early retirement agreements are funded through the Group's operations with respect to employees from the former DnB Group. In the former Gjensidige NOR Group, commitments relating to salaries exceeding 12G, and in general also early retirement entitlements, were organised as group pension insurance schemes funded by Vital Forsikring. This scheme was terminated as at 1 January 2007 and replaced by a pension promise financed through operations. Under other forms of early retirement than CPA, employees resign from the company pension plans but are, upon reaching the ordinary retirement age, compensated for the reduction in benefits earned.

Employer's contributions are included in pension expenses and commitments. In pension schemes where pension funds exceed pension commitments, no allocation has been made for employer's contributions.

Subsidiaries and branches outside Norway have separate schemes for their employees.

Economic assumptions applied in calculating pension expenses and commitments:

Economic assumptions <i>Per cent</i>	Expenses		Commitments	
	2006	2005	31 Dec. 06	31 Dec. 05
Discount rate ¹⁾	3.9	4.7	4.5	3.9
Anticipated return	4.9	5.7	5.6	4.9
Anticipated rise in salaries	3.5	3.5	4.5	3.5
Anticipated increase in basic amount	3.0	3.0	4.25	3.0
Anticipated rise in pensions	2.5	2.5	2.25	2.5
Anticipated CPA acceptance	40.0	40.0	35.0	40.0
Demographic assumptions about mortality ²⁾	K1963	K1963	K2005	K1963

1) The discount rate used is determined by reference to market yields at the balance sheet date on long term (10-year) government bonds, plus an addition that takes into account the relevant duration of the pension liabilities.

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

Pension expenses

<i>Amounts in NOK million</i>	2006			DnB NOR Bank ASA 2005		
	Funded	Unfunded	Total	Funded	Unfunded	Total
Net present value of pension entitlements	408	99	507	399	93	492
Interest expenses on pension commitments	364	87	451	401	85	486
Expected return on pension funds	(332)	0	(332)	(407)	0	(407)
Changes in pension schemes	0	0	0	(181)	0	(181)
Amortisation of changes in estimates not recorded in the accounts	74	4	78	1	0	1
Administrative expenses	14	0	14	11	0	11
Net pension expenses	528	190	718	224	178	401

Note 9 Pensions (continued)

Pension commitments

<i>Amounts in NOK million</i>	31 Dec. 2006			DnB NOR Bank ASA 31 Dec. 2005		
	Funded	Unfunded	Total	Funded	Unfunded	Total
Accrued pension commitments	7 969	1 674	9 643	6 751	1 579	8 330
Estimated effect of future salary adjustments	2 438	648	3 086	2 872	742	3 614
Total pension commitments	10 407	2 322	12 729	9 623	2 321	11 945
Value of pension funds	(7 029)	0	(7 029)	(6 969)	0	(6 969)
Net pension commitments	3 378	2 322	5 700	2 654	2 321	4 975
Changes in estimates not recorded in the accounts	(2 398)	(135)	(2 533)	(1 860)	(274)	(2 134)
Employer's contribution	145	308	453	149	289	438
Recorded pension commitments	1 125	2 495	3 620	943	2 335	3 278

Pension expenses

<i>Amounts in NOK million</i>	2006			DnB NOR Bank Group 2005		
	Funded	Unfunded	Total	Funded	Unfunded	Total
Net present value of pension entitlements	468	103	571	440	98	538
Interest expenses on pension commitments	386	91	477	427	88	515
Expected return on pension funds	(353)	0	(353)	(433)	0	(433)
Changes in pension schemes	0	0	0	(241)	0	(241)
Amortisation of changes in estimates not recorded in the accounts	79	4	83	0	0	0
Administrative expenses	16	0	16	12	0	12
Net pension expenses	596	198	794	206	187	393

Pension commitments

<i>Amounts in NOK million</i>	31 Dec. 2006			DnB NOR Bank Group 31 Dec. 2005		
	Funded	Unfunded	Total	Funded	Unfunded	Total
Accrued pension commitments	8 423	1 741	10 164	7 186	1 603	8 789
Estimated effect of future salary adjustments	2 570	669	3 239	3 082	750	3 832
Total pension commitments	10 993	2 410	13 403	10 268	2 353	12 622
Value of pension funds	(7 466)	0	(7 466)	(7 395)	0	(7 395)
Net pension commitments	3 527	2 410	5 937	2 873	2 353	5 226
Changes in estimates not recorded in the accounts	(2 514)	(147)	(2 661)	(1 977)	(278)	(2 255)
Employer's contribution	151	315	466	158	290	448
Recorded pension commitments	1 164	2 578	3 742	1 055	2 364	3 419

DnB NOR Bank ASA

31 Dec. 2005	31 Dec. 2006	Pension commitments	DnB NOR Bank Group	
		<i>Amounts in NOK million</i>	31 Dec. 2006	31 Dec. 2005
10 906	11 945	Opening balance	12 622	11 620
(1 119)	0	Changes in pension schemes	0	(1 251)
398	373	Accumulated pension entitlements	410	435
486	451	Interest expenses	477	515
(385)	(454)	Pension payments	(470)	(402)
1 659	414	Changes in estimates not recorded in the accounts	364	1 705
11 945	12 729	Closing balance	13 403	12 622

DnB NOR Bank ASA

31 Dec. 2005	31 Dec. 2006	Pension funds	DnB NOR Bank Group	
		<i>Amounts in NOK million</i>	31 Dec. 2006	31 Dec. 2005
7 402	6 969	Opening balance	7 395	7 853
(938)	0	Changes in pension schemes	0	(1 010)
407	332	Expected return	353	433
312	285	Premium transfers	325	388
(259)	(292)	Pension payments	(303)	(284)
46	(265)	Changes in estimates not recorded in the accounts	(304)	15
6 969	7 029	Closing balance	7 466	7 395

Premium transfers in 2007 are expected to be NOK 350 million for the banking group. Payments through operations are estimated at NOK 180 million.

Note 9 Pensions (continued)

DnB NOR Bank ASA		Members	DnB NOR Bank Group	
31 Dec. 2005	31 Dec. 2006		31 Dec. 2006	31 Dec. 2005
12 339	11 952	Number of persons covered by the pension schemes	13 473	13 858
8 284	7 613	- in employment	8 900	9 559
4 055	4 339	- on retirement and disability pensions	4 573	4 299
Pension funds investments			31 Dec. 2006	31 Dec. 2005
<i>Per cent</i>				
Short-term bonds			21	18
Bonds held to maturity			30	27
Money market			5	17
Equities			30	23
Real estate			13	12
Other			2	3
Total			100	100

The table shows how pension funds including derivative contracts administered by Vital Forsikring were invested at year-end. The recorded return on assets administered by Vital Forsikring was 7.5 per cent for 2006. The recorded return amounted to 7.3 per cent in 2005.

Historic developments	DnB NOR Bank Group				
	31 Dec. 2006	31 Dec. 2005	31 Dec. 2004	1 Jan. 2004	31 Dec. 2002
<i>Amounts in NOK million</i>					
Gross pension commitments	13 869	13 070	12 050	10 593	8 517
Gross pension funds	(7 466)	(7 395)	(7 853)	(7 137)	(6 376)
Commitments not recorded in the accounts	(2 661)	(2 255)	(715)	0	(1 288)
Net recorded pension commitments	3 742	3 419	3 481	3 457	852

Note 10 Number of employees/full-time positions

DnB NOR Bank ASA			DnB NOR Bank Group	
2005	2006		2006	2005
7 473	7 323	Number of employees as at 31 December	10 985	10 611
7 197	7 072	Number of employees calculated on a full-time basis as at 31 December	10 672	10 269
7 549	7 306	Average number of employees	10 819	8 952
7 251	7 043	Average number of employees calculated on a full-time basis	10 487	8 609

Note 11 Write-downs on loans and guarantees

	2006			DnB NOR Bank ASA 2005 ¹⁾		
	Lending at amortised cost	Guaran- tees	Total	Lending at amortised cost	Guaran- tees	Total
<i>Amounts in NOK million</i>						
Write-offs	191	0	191	347	0	347
New individual write-downs	460	13	473	301	55	356
Total new individual write-downs	651	13	664	648	55	703
Reassessed individual write-downs	246	27	273	223	42	265
Total individual write-downs	405	(14)	391	425	13	438
Recoveries on commitments previously written off	334	0	334	463	7	470
Changes in group write-downs	(382)	0	(382)	0	0	0
Write-downs on loans and guarantees	(311)	(14)	(325)	(38)	6	(32)

Write-offs covered by individual write-downs made in previous years

606	606	1 053	1 053
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1) Items according to former regulations on the treatment of loans and guarantees, but reclassified in accordance with new presentation models, see note 1 Accounting principles.

Note 11 Write-downs on loans and guarantees (continued)

	2006			DnB NOR Bank Group 2005 ¹⁾		
	Lending at amortised cost	Guaran- tees	Total	Lending at amortised cost	Guaran- tees	Total
<i>Amounts in NOK million</i>						
Write-offs	227	0	227	404	0	404
New individual write-downs	678	14	692	434	62	496
Total new individual write-downs	905	14	919	838	62	900
Reassessed individual write-downs	344	27	371	282	42	324
Total individual write-downs	561	(13)	548	556	20	576
Recoveries on commitments previously written off	388	0	388	611	7	618
Changes in group write-downs	(403)	0	(403)	0	0	0
Write-downs on loans and guarantees	(230)	(13)	(243)	(55)	13	(42)

Write-offs covered by individual write-downs made in previous years

699 699 1 363 1 363

1) Items according to former regulations on the treatment of loans and guarantees, but reclassified in accordance with new presentation models, see note 1 Accounting principles.

Note 12 Write-downs on loans and guarantees for principal sectors ¹⁾

	2006				DnB NOR Bank ASA 2005			
	New individual write-downs	Reassessed individual write-downs	Recoveries on commitments previously written off	Net write-downs	New individual write-downs	Reassessed individual write-downs	Recoveries on commitments previously written off	Net write-downs
<i>Amounts in NOK million</i>								
Retail customers	237	8	280	(51)	274	15	188	71
International shipping	20	1	5	14	12	2	3	7
Real estate	37	43	7	(13)	34	38	0	(4)
Manufacturing	29	29	0	0	80	24	0	56
Services	63	48	21	(6)	37	64	27	(54)
Trade	63	49	1	13	59	24	2	33
Oil and gas	0	7	0	(7)	3	0	7	(4)
Transportation and communication	29	11	2	16	13	2	1	10
Building and construction	35	29	11	(5)	31	16	1	14
Power and water supply	0	0	0	0	2	0	0	2
Fishing	5	36	5	(36)	61	39	0	22
Hotels and restaurants	7	4	0	3	13	12	3	(2)
Agriculture and forestry	17	6	2	9	4	3	1	0
Other sectors	122	1	0	121	0	12	0	(12)
Total customers	664	272	334	58	623	251	233	139
Credit institutions	0	1	0	(1)	80	14	0	66
Repossession assets ²⁾	-	-	-	-	0	0	238	(237)
Change in group write-downs				(382)				0
Write-downs on loans and guarantees	664	273	334	(325)	703	265	471	(32)
<i>Of which write-downs on guarantees</i>	<i>13</i>	<i>27</i>	<i>0</i>	<i>(14)</i>	<i>55</i>	<i>42</i>	<i>7</i>	<i>6</i>

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

2) Repossessed assets are not subject to the new lending regulations and are thus not included in write-downs on loans and guarantees in 2006.

Note 12 Write-downs on loans and guarantees for principal sectors ¹⁾ (continued)

Amounts in NOK million	2006				2005			
	New individual	Reassessed individual	Recoveries on commitments previously written off	Net write-downs	New individual	Reassessed individual	Recoveries on commitments previously written off	Net write-downs
	write-downs	write-downs			write-downs	write-downs		
Retail customers	297	23	297	(23)	327	20	202	105
International shipping	24	1	5	18	17	2	3	12
Real estate	40	60	11	(31)	44	66	1	(23)
Manufacturing	97	70	6	21	95	36	1	58
Services	93	56	24	13	56	66	77	(87)
Trade	88	55	5	28	70	26	4	40
Oil and gas	0	7	0	(7)	3	0	7	(4)
Transportation and communication	56	15	2	39	27	7	2	18
Building and construction	40	30	14	(4)	39	17	3	19
Power and water supply	0	0	0	0	2	0	0	2
Fishing	15	39	5	(29)	109	40	66	3
Hotels and restaurants	15	6	11	(2)	19	14	3	2
Agriculture and forestry	20	6	3	11	6	3	1	2
Other sectors	134	2	5	127	6	13	11	(18)
Total customers	919	370	388	161	820	310	381	129
Credit institutions	0	1	0	(1)	80	14	0	66
Repossessed assets ²⁾	-	-	-	-	0	0	237	(237)
Change in group write-downs				(403)				0
Write-downs on loans and guarantees	919	371	388	(243)	900	324	618	(42)
<i>Of which write-downs on guarantees</i>	<i>13</i>	<i>27</i>	<i>0</i>	<i>(14)</i>	<i>62</i>	<i>42</i>	<i>7</i>	<i>13</i>

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

2) Repossessed assets are not subject to the new lending regulations and are thus not included in write-downs on loans and guarantees in 2006.

Note 13 Net gains on long-term securities

DnB NOR Bank ASA			DnB NOR Bank Group	
2005	2006	Amounts in NOK million	2006	2005
		Gains		
71	0	Eksportfinans	0	0
0	2	Swift	2	0
0	0	Vittoria Participacoes	1	198
32	1 136 ¹⁾	Subsidiaries	1	0
		Losses		
1	0	Subsidiaries	0	1
		Write-downs		
(9)	0	Storebrand	0	(9)
3	1	Other	1	3
108	1 137	Net gains on long-term securities	3	203

1) Of which gains from the winding-up of Luxcap represented NOK 1 080 million.

Note 14 Taxes

DnB NOR Bank ASA		Taxes	DnB NOR Bank Group	
2005	2006	<i>Amounts in NOK million</i>	2006	2005
1 294	4 350	Norway	4 364	1 349
149	152	Abroad	219	171
1 443	4 502	Total payable taxes	4 583	1 520
1 530	(779)	Deferred taxes	(649)	1 552
0	(624)	Implementation of new regulations on the treatment of loans and guarantees	(642)	0
0	0	Changes in deferred taxes resulting from the acquisition of companies	0	(14)
2 973	3 099	Total taxes	3 292	3 058

		Balancing tax charges against pre-tax operating profit		
2005	2006	<i>Amounts in NOK million</i>	2006	2005
10 395	12 759	Pre-tax operating profit	12 164	10 385
2 911	3 573	Estimated income tax - nominal tax rate (28 per cent)	3 406	2 908
(71)	(69)	Tax effect of income taxable abroad	(162)	(118)
(16)	(557)	Tax effect of permanent differences	(152)	97
149	152	Taxes payable abroad	219	171
0	0	Inadequate tax provisions in previous year	(19)	0
2 973	3 099	Total taxes	3 292	3 058
29%	24%	Effective tax rate	27%	29%

		Tax base		
2005	2006	<i>Amounts in NOK million</i>	2006	2005
10 395	12 759	Pre-tax operating profit	12 164	10 385
(254)	(245)	Reversal of income taxable abroad	(578)	(421)
(57)	(1 987)	Permanent differences	(544)	345

		Changes in temporary differences and tax losses carried forward		
(5 463)	2 780	Temporary differences	2 316	(5 539)
0	2 227	Implementation of new regulations on the treatment of loans and guarantees	2 292	0
0	0	Use of losses carried forward	0	51
4 621	15 534	Tax base for the year - Norwegian operations	15 650	4 821

		Elements in the calculation of deferred taxes		
31 Dec. 2005	31 Dec. 2006	<i>Amounts in NOK million</i>	31 Dec. 2006	31 Dec. 2005
		Taxable temporary differences		
0	0	Fixed assets	334	217
56	57	Prepaid pension entitlements	58	57
0	1 781	New regulations on the treatment of loans and guarantees	1 814	0
5 620	2 132	Other taxable temporary differences	2 849	6 185
5 676	3 970	Total taxable temporary differences	5 055	6 459
		Tax-deductible temporary differences		
442	528	Fixed assets	552	529
3 353	3 691	Accrued pension commitments	3 814	3 493
890	2 356	Financial instruments ¹⁾	2 356	890
1 049	233	Other tax-deductible temporary differences	472	1 367
5 734	6 808	Total tax-deductible temporary differences	7 194	6 279
0	0	Losses carried forward and tax allowance for dividends ²⁾	0	3
5 734	6 808	Tax-deductible temporary differences including losses carried forward	7 194	6 282
(164)	(164)	Of which differences that cannot be offset ³⁾	(164)	(164)
5 570	6 644	Tax-deductible temporary differences to be offset	7 030	6 118
106	(2 674)	Calculation base for deferred taxes	(1 975)	341
6	752	Deferred tax assets	578	36
36	3	Deferred taxes	25	132

1) In the financial accounts, financial instruments are recorded at market value, while in the tax assessment, they are recorded at realisation value. The same applies to balance sheet transactions which are linked to forward contracts through swap agreements.

2) Tax allowance for dividends received, converted to tax-deductible temporary differences.

3) Concerns mainly tax-deductible differences and losses carried forward in the international units which do not reduce the Norwegian tax base.

Note 15 Assets

DnB NOR Bank ASA		Amounts in NOK million	DnB NOR Bank Group	
31 Dec. 2005	31 Dec. 2006		31 Dec. 2006	31 Dec. 2005
19 715	9 346	Cash and deposits with central banks	11 453	21 229
10 423	12 437	Lending to and deposits with credit institutions with no fixed term or period of notice	6 777	4 469
75 813	104 450	Lending to and deposits with credit institutions with a fixed term or period of notice	57 790	26 952
80	72	- Individual write-downs	72	80
86 156	116 815	Lending to and deposits with credit institutions	64 494	31 342
556 301	659 542	Instalment loans	745 737	637 015
36 524	42 802	Overdraft and working capital facilities	48 107	38 909
7 828	10 335	Building and construction loans	12 549	8 729
0	0	Finance leases	15 260	12 571
0	0	Factoring receivables	1 116	824
0	0	Factoring loans	1 311	790
27	12	Other loans	4 329	42
-	(451)	Changes in value at amortised cost	(450)	-
600 680	712 239	Gross lending to customers	827 958	698 881
1 478	1 213	- Individual write-downs	1 820	2 065
3 230	842	- Group write-downs	982	3 576
595 972	710 184	Net lending to customers	825 156	693 240
4 154	4 121	Commercial paper and bonds issued by central and local government	4 823	6 716
54 786	115 231	Commercial paper and bonds issued by financial institutions	115 975	53 100
17 305	16 899	Commercial paper and bonds issued by others	17 056	17 466
1 977	1 860	Own bonds and commercial paper, trading portfolio	1 860	1 977
78 221	138 111	Commercial paper and bonds	139 715	79 259
2 304	2 381	Short-term investments in shares, mutual funds and PCCs	2 503	2 474
453	312	Long-term investments in shares, mutual funds and PCCs	332	460
2	1	Shares in general and limited partnerships	4	5
2 759	2 694	Shareholdings etc.	2 839	2 939
440	471	Investments in associated companies - credit institutions	1 131	1 069
98	98	Investments in associated companies	218	192
537	569	Investments in associated companies	1 349	1 261
6 606	7 353	Investments in subsidiaries - credit institutions	-	-
1 517	1 242	Investments in other subsidiaries	-	-
8 122	8 594	Investments in subsidiaries	-	-
1 318	1 094	Goodwill	1 978	2 171
6	752	Deferred tax assets	578	36
130	281	Systems development recorded in the balance sheet	293	130
39	27	Other intangible assets	90	81
1 493	2 154	Intangible assets	2 940	2 418
954	885	Machinery, equipment and vehicles	1 918	1 412
1 309	1 205	Building and other properties	2 681	2 838
1	1	Other fixed assets	233	121
2 264	2 091	Fixed assets	4 832	4 371
16 800	38 978	Financial derivatives	38 800	16 827
307	373	Amounts due on documentary credits and other payment services	373	307
1 244	1 126	Group contribution	0	0
1 550	3 550	Other amounts due	4 419	2 153
19 901	44 027	Other assets	43 592	19 288
2 570	4 653	Accrued interest income	4 971	2 887
56	54	Prepaid pension entitlements	63	64
1 471	1 394	Other prepayments and accrued income	1 376	1 695
4 097	6 102	Prepayments and accrued income	6 409	4 645
819 238	1 040 687	Total assets	1 102 779	859 993

Note 16 Commitments for principal sectors ¹⁾

<i>Amounts in NOK million</i>	Loans and receivables		Guarantees		DnB NOR Bank ASA Committed limits ²⁾	
	31 Dec. 2006	31 Dec. 2005	31 Dec. 2006	31 Dec. 2005	31 Dec. 2006	31 Dec. 2005
Retail customers	359 404	332 079	317	342	402 464	376 457
International shipping	69 345	48 733	8 393	7 833	130 585	93 583
Real estate	104 049	74 453	6 015	5 669	123 259	93 090
Manufacturing	27 861	19 948	8 677	5 467	61 783	46 820
Services and management	55 766	40 990	11 050	8 098	89 809	67 761
Trade	23 190	22 514	3 457	2 720	41 856	40 156
Oil and gas	10 936	6 967	4 265	2 884	36 449	26 112
Transportation and communication	10 647	12 122	4 141	2 613	30 553	20 643
Building and construction	7 391	6 409	4 687	3 935	17 356	14 664
Power and water supply	6 128	5 675	6 741	5 517	25 805	19 838
Fishing	7 929	6 829	133	154	10 019	8 417
Hotels and restaurants	2 842	3 247	344	243	3 997	4 117
Agriculture and forestry	5 817	5 169	29	34	6 515	5 856
Central and local government	6 284	1 700	92	84	10 028	5 661
Other sectors	13 886	12 367	3 412	3 438	28 537	19 081
Total customers, nominal amount after individual write-downs	711 476	599 202	61 753	49 033	1 019 015	842 257
- Group write-downs, customers	842	3 230	1	1	0	0
+ Other adjustments	(450)	-	-	-	-	-
Lending to customers	710 040	596 973	61 752	49 032	1 019 015	842 257
Lending to customers, fair value	710 040	596 973	-	-	-	-
Lending to and deposits with credit institutions	116 815	86 156	24 865	1 059	55 421	70 722
Lending to and deposits with credit institutions, fair value	116 767	86 117	-	-	-	-

<i>Amounts in NOK million</i>	Loans and receivables		Guarantees		DnB NOR Bank Group Committed limits ²⁾	
	31 Dec. 2006	31 Dec. 2005	31 Dec. 2006	31 Dec. 2005	31 Dec. 2006	31 Dec. 2005
Retail customers	417 594	374 247	333	356	461 154	419 173
International shipping	70 067	48 751	8 393	7 833	131 430	93 610
Real estate	114 080	95 805	6 060	5 707	134 522	115 297
Manufacturing	36 445	23 731	9 254	5 581	76 137	50 932
Services and management	66 481	47 710	11 315	8 189	101 756	76 969
Trade	32 066	27 075	3 736	2 879	51 803	45 086
Oil and gas	11 558	7 486	4 277	2 884	37 083	26 631
Transportation and communication	16 373	15 845	4 329	2 699	36 723	24 647
Building and construction	11 073	8 867	5 684	4 085	21 840	17 362
Power and water supply	7 304	6 151	7 279	5 604	28 072	20 403
Fishing	10 069	8 963	141	170	12 251	10 592
Hotels and restaurants	3 544	3 716	349	248	4 733	4 598
Agriculture and forestry	7 533	6 445	32	37	8 189	7 145
Central and local government	7 394	3 401	96	89	11 146	7 515
Other sectors	15 007	18 624	3 380	4 279	30 655	32 512
Total customers, nominal amount after individual write-downs	826 586	696 816	64 658	50 639	1 147 493	952 472
- Group write-downs, customers	982	3 576	1	1	0	0
+ Other adjustments	(448)	-	-	-	-	-
Lending to customers	825 156	693 240	64 657	50 638	1 147 493	952 472
Lending to customers, fair value	825 007	694 338	-	-	-	-
Lending to and deposits with credit institutions	64 494	31 342	323	905	54 104	69 814
Lending to and deposits with credit institutions, fair value	64 446	31 303	-	-	-	-

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

2) Total committed limits for credit exposure.

Note 17 Loans and guarantees according to geographical location ¹⁾

<i>Amounts in NOK million</i>	Lending to customers		Lending to credit institutions		DnB NOR Bank ASA Guarantees	
	31 Dec.	31 Dec.	31 Dec.	31 Dec.	31 Dec.	31 Dec.
	2006	2005	2006	2005	2006	2005
Oslo	150 827	130 292	3 137	15 240	16 687	15 974
Eastern and southern Norway	282 277	243 363	243	981	20 948	16 146
Western Norway	104 598	90 126	25 409	33 946	32 990	8 253
Northern and central Norway	82 573	70 974	403	100	3 687	1 788
Total Norway	620 275	534 755	29 192	50 268	74 312	42 161
Western Europe	40 834	33 194	9 799	4 423	8 396	4 916
Russia	377	290	164	73	10	0
Baltic states	534	435	0	40	26	0
Poland	59	0	74	0	20	0
Other Eastern European countries	249	321	137	124	111	30
Total Europe outside Norway	42 053	34 240	10 174	4 660	8 563	4 946
USA and Canada	13 301	8 829	504	306	901	613
Bermuda and Panama ²⁾	10 333	5 852	0	1	817	862
Other South and Central American countries	2 032	1 436	70	86	467	363
Total America	25 666	16 117	574	393	2 185	1 837
Singapore	9 031	5 027	0	0	920	745
Hong Kong	1 188	1 056	0	19	0	0
Other Asian countries	2 941	752	247	5	575	20
Total Asia	13 160	6 835	247	23	1 495	766
Liberia ²⁾	6 883	6 056	0	136	1	410
Other African countries	412	141	23	0	62	2
Australia and New Zealand	3 790	2 537	1	11	45	29
Lending and guarantees ³⁾	712 239	600 680	40 211	55 490	86 664	50 151
Individual write-downs	1 213	1 478	72	80	45	59
Group write-downs	842	3 230	0	0	1	1
Lending and guarantees	710 184	595 972	40 139	55 410	86 618	50 091

<i>Amounts in NOK million</i>	Lending to customers		Lending to credit institutions		DnB NOR Bank Group Guarantees	
	31 Dec.	31 Dec.	31 Dec.	31 Dec.	31 Dec.	31 Dec.
	2006	2005	2006	2005	2006	2005
Oslo	164 088	151 472	3 248	3 670	16 630	15 832
Eastern and southern Norway	308 081	265 448	245	983	20 959	16 181
Western Norway	112 112	97 503	156	768	10 094	8 256
Northern and central Norway	110 395	96 401	7	5	4 669	2 417
Total Norway	694 676	610 823	3 656	5 426	52 352	42 686
Western Europe	47 698	35 261	9 059	4 409	7 528	4 921
Russia	1 302	736	193	73	14	0
Baltic states	30 232	17 084	75	40	513	244
Poland	3 611	2 822	141	0	741	700
Other Eastern European countries	370	400	152	128	116	30
Total Europe outside Norway	83 213	56 303	9 620	4 650	8 912	5 895
USA and Canada	13 276	8 815	518	306	901	613
Bermuda and Panama ²⁾	10 348	5 852	0	1	817	862
Other South and Central American countries	2 052	1 454	70	86	468	367
Total America	25 676	16 122	588	393	2 186	1 841
Singapore	9 041	5 043	0	0	920	745
Hong Kong	1 260	1 056	0	19	0	0
Other Asian countries	2 951	764	247	5	579	20
Total Asia	13 252	6 139	247	23	1 499	766
Liberia ²⁾	6 884	6 063	0	136	1	410
Other African countries	460	149	23	0	62	2
Australia and New Zealand	3 796	2 558	1	11	45	29
Lending and guarantees ³⁾	827 958	698 881	14 136	10 638	65 056	51 629
Individual write-downs	1 820	2 065	72	80	76	86
Group write-downs	982	3 576	0	0	1	1
Lending and guarantees	825 156	693 240	14 064	10 558	64 979	51 542

1) Based on the customer's address.

2) Represents shipping commitments.

3) All amounts represent gross lending and guarantees respectively before specified loan-loss provisions.

Note 18 Developments in write-downs on loans and guarantees

					DnB NOR Bank ASA			
					2005 ¹⁾			
					2006			
					Lending to credit institutions	Lending to customers	Guarantees	Total
<i>Amounts in NOK million</i>					Lending to credit institutions	Lending to customers	Guarantees	Total
Write-downs as at 1 January	80	2 844	60	2 984	2	5 724	93	5 819
New write-downs	0	359	13	372	80	123	36	239
Increased write-downs	0	66	0	66	0	98	19	117
Reassessed write-downs	1	245	27	273	14	209	42	265
Write-offs covered by write-downs	7	599	0	606	(12)	1 028	46	1 062
Changes in group write-downs	0	(382)	-	(382)	0	0	-	0
Changes in group structure	0	35	0	35	-	-	-	-
Changes due to exchange rate movement	0	(23)	0	(23)	0	0	0	0
Write-downs as at 31 December	72	2 055	46	2 173	80	4 708	60	4 848
<i>Of which: Individual write-downs</i>	72	1 213	45	1 330	80	1 478	59	1 617
<i>Group write-downs</i>	0	842	1	843	0	3 230	1	3 231

					DnB NOR Bank Group			
					2005 ¹⁾			
					2006			
					Lending to credit institutions	Lending to customers	Guarantees	Total
<i>Amounts in NOK million</i>					Lending to credit institutions	Lending to customers	Guarantees	Total
Write-downs as at 1 January	80	3 604	87	3 771	2	6 789	127	6 918
New write-downs	0	514	14	528	80	184	42	306
Increased write-downs	0	164	0	164	0	170	20	190
Reassessed write-downs	1	343	27	371	14	268	42	324
Write-offs covered by write-downs	7	691	1	699	(12)	1 333	60	1 381
Changes in group write-downs	0	(403)	-	(403)	0	0	-	0
Changes in group structure	0	0	4	4	0	99	0	99
Changes due to exchange rate movement	0	(42)	0	(42)	0	0	0	0
Write-downs as at 31 December	72	2 803	77	2 952	80	5 641	87	5 808
<i>Of which: Individual write-downs</i>	72	1 820	76	1 968	80	2 065	86	2 231
<i>Group write-downs</i>	0	982	1	983	0	3 576	1	3 577

1) Items according to former regulations on the treatment of loans and guarantees, but reclassified in accordance with new presentation models, see note 1 Accounting principles.

Note 19 Impaired commitments for principal sectors ¹⁾

DnB NOR Bank ASA						
	Gross impaired commitments		Total individual write-downs		Net impaired commitments	
<i>Amounts in NOK million</i>	31 Dec. 2006	31 Dec. 2005	31 Dec. 2006	31 Dec. 2005	31 Dec. 2006	31 Dec. 2005
Retail customers	2 144	2 479	565	544	1 579	1 935
International shipping	6	9	30	42	(24)	(33)
Real estate	348	517	87	114	261	403
Manufacturing	568	590	221	258	347	332
Services	237	419	106	131	131	288
Trade	199	351	99	154	100	197
Oil and gas	0	12	0	3	0	9
Transportation and communication	108	91	39	25	70	66
Building and construction	119	138	38	56	81	82
Power and water supply	0	0	0	0	0	0
Fishing	107	325	45	172	62	153
Hotels and restaurants	75	70	19	26	56	44
Agriculture and forestry	100	55	10	11	90	44
Central and local government	0	0	0	0	0	0
Other sectors	0	4	0	1	0	3
Total customers, nominal amount						
after individual write-downs	4 011	5 060	1 259	1 537	2 753	3 523
Credit institutions, nominal amount						
after individual write-downs	72	103	72	80	0	23
Total	4 083	5 163	1 331	1 617	2 753	3 546

DnB NOR Bank Group						
	Gross impaired commitments		Total individual write-downs		Net impaired commitments	
<i>Amounts in NOK million</i>	31 Dec. 2006	31 Dec. 2005	31 Dec. 2006	31 Dec. 2005	31 Dec. 2006	31 Dec. 2005
Retail customers	2 615	2 908	727	695	1 888	2 213
International shipping	30	17	40	52	(10)	(35)
Real estate	517	1 121	133	184	384	937
Manufacturing	886	830	344	349	542	481
Services	513	613	207	249	306	364
Trade	303	421	151	192	152	229
Oil and gas	1	12	0	3	1	9
Transportation and communication	226	201	94	68	132	133
Building and construction	175	177	56	73	119	104
Power and water supply	0	1	0	0	0	1
Fishing	180	397	94	224	86	173
Hotels and restaurants	99	107	28	33	71	74
Agriculture and forestry	137	86	18	16	119	70
Central and local government	0	6	0	0	0	6
Other sectors	14	471	4	13	10	458
Total customers, nominal amount						
after individual write-downs	5 696	7 368	1 896	2 151	3 800	5 217
Credit institutions, nominal amount						
after individual write-downs	72	103	72	80	0	23
Total	5 768	7 471	1 968	2 231	3 800	5 240

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

Note 20 Subordinated loans to customers

DnB NOR Bank ASA

31 December 2005		31 December 2006		Amounts in NOK million	31 December 2006		31 December 2005	
Loans	Bonds	Loans	Bonds		Loans	Bonds	Loans	Bonds
970	84	1 595	38	Credit institutions	0	38	0	27
2 466	9	2 402	0	Other enterprises	2 340	0	2 398	9
3 435	93	3 997	38	Total subordinated loans ¹⁾	2 340	38	2 398	37
				1) Of which subordinated loans to subsidiaries/Vital	2 332	0	2 368	0
3 405	56	3 990	0					

DnB NOR Bank Group

The note shows total subordinated loans extended to customers. The terms applying to such loans indicate a higher risk for DnB NOR Bank than ordinary loans and investments in bonds.

Note 21 Commercial paper and bonds

				DnB NOR Bank ASA		
				31 December 2005		
				Acquisition cost	Book value	Fair value
Amounts in NOK million						
Commercial paper and bonds						
Listed				105 827	105 709	105 714
Unlisted				32 613	32 401	32 401
Total commercial paper and bonds ¹⁾				138 439	138 111	138 116
1) Of which: Trading portfolio				128 514	128 273	128 273
Banking portfolio				9 925	9 838	9 843

				DnB NOR Bank Group		
				31 December 2005		
				Acquisition cost	Book value	Fair value
Amounts in NOK million						
Commercial paper and bonds						
Listed				107 412	107 285	107 294
Unlisted				32 642	32 430	32 430
Total commercial paper and bonds ¹⁾				140 054	139 715	139 725
1) Of which: Trading portfolio				128 514	128 273	128 273
Banking portfolio				11 540	11 442	11 451

Note 22 Shareholdings etc.

Amounts in NOK million	31 December 2006			DnB NOR Bank ASA 31 December 2005		
	Acquisition cost	Book value	Fair value	Acquisition cost	Book value	Fair value
Short-term shareholdings etc.						
Listed Norwegian	934	829	914	732	754	815
Unlisted Norwegian	531	531	529	485	508	454
Mutual funds	450	449	472	388	394	402
International	608	573	605	613	646	643
Total short-term shareholdings etc. ¹⁾	2 523	2 382	2 519	2 218	2 304	2 313
Long-term shareholdings etc.						
Listed Norwegian	103	91	142	0	0	0
Unlisted Norwegian	208	208	941	452	439	875
International	52	14	14	53	16	16
Total long-term shareholdings etc.	363	312	1 098	505	455	891
Total shareholdings etc.	2 886	2 694	3 617	2 723	2 759	3 204
1) Of which: Trading portfolio	1 379	1 238	1 238	1 292	1 377	1 377
Banking portfolio	1 144	1 144	1 281	926	926	936

Amounts in NOK million	31 December 2006			DnB NOR Bank Group 31 December 2005		
	Acquisition cost	Book value	Fair value	Acquisition cost	Book value	Fair value
Short-term shareholdings etc.						
Listed Norwegian	975	869	1 073	727	723	834
Unlisted Norwegian	633	630	569	660	703	658
Mutual funds	462	461	484	388	394	402
International	578	543	571	620	654	676
Total short-term shareholdings etc. ¹⁾	2 647	2 504	2 697	2 396	2 474	2 570
Long-term shareholdings etc.						
Listed Norwegian	103	91	142	0	0	0
Unlisted Norwegian	237	230	964	462	449	885
International	53	15	15	53	16	16
Total long-term shareholdings etc.	393	336	1 121	515	465	901
Total shareholdings etc.	3 041	2 839	3 818	2 911	2 939	3 471
1) Of which: Trading portfolio	1 379	1 238	1 238	1 292	1 377	1 377
Banking portfolio	1 268	1 265	1 458	1 104	1 097	1 193

Note 23 Short-term investments in shares, mutual funds and PCCs as at 31 December 2006

DnB NOR Bank ASA					DnB NOR Bank Group				
<i>Recorded value in NOK 1 000</i>	Number of shares	Ownership share in per cent ¹⁾	Recorded value	Market value	<i>Recorded value in NOK 1 000</i>	Number of shares	Ownership share in per cent ¹⁾	Recorded value	Market value
Financial institutions					Financial institutions				
ABG Sundal Collier	1 200 218	0.42	15 423	15 423	ABG Sundal Collier	1 200 218	0.42	15 423	15 423
Acta Holding	1 018 500	0.40	33 763	33 763	Acta Holding	1 018 500	0.40	33 763	33 763
Aktiv Kapital	50 000	0.11	4 688	4 688	Aktiv Kapital	50 000	0.11	4 688	4 688
Helgeland Sparebank ²⁾	19 125	0.95	3 827	3 825	Helgeland Sparebank ²⁾	19 125	0.95	3 827	3 825
Høland Sparebank	16	0.00	2	2	Høland Sparebank	16	0.00	2	2
IMAREX NOS	11	0.00	1	1	IMAREX NOS	11	0.00	1	1
Melhus Sparebank	18	0.00	3	3	Melhus Sparebank	18	0.00	3	3
Sparebanken Midt-Norge	70 000	0.00	5 723	5 723	Sparebanken Midt-Norge	70 000	0.00	5 723	5 723
Sparebanken Møre	6	0.00	2	2	Sparebanken Møre	6	0.00	2	2
Sparebanken Øst	10	0.00	2	2	Sparebanken Øst	10	0.00	2	2
Viking Ship Finance Ltd.	22 500	22.50	37 558	65 689	Voss Veksel- og Landmandsbank	2	0.00	5	5
Voss Veksel- og Landmandsbank	2	0.00	5	5					
Total financial institutions			100 996	129 125	Total financial institutions			63 438	63 436
Norwegian companies					Norwegian companies				
Aker Drilling	711 400	0.76	27 282	27 282	Aker Drilling	711 400	0.76	27 282	27 282
Altinex	12 700 000	0.65	14 415	14 415	Altinex	12 700 000	0.65	14 415	14 415
APL	103 600	0.24	6 333	6 333	APL	103 600	0.24	6 333	6 333
Apptix	1 334 500	1.67	10 342	10 342	Apptix	1 334 500	1.67	10 342	10 342
Blom	132 100	0.36	4 630	4 630	Blom	132 100	0.36	4 630	4 630
BTV-Investeringsfond	7 084	6.65	8 376	8 055	BTV-Investeringsfond	7 084	6.65	8 376	8 055
Convexa Capital VI -B-	4 949 079	23.93	9 968	9 968	Convexa Capital VI -B-	4 949 079	23.93	9 968	9 968
CoTech	1 360 874	22.49	4 500	5 443	Cubera Secondary KS			5 455	5 455
Cubera Secondary			5 455	5 455	Deep Sea Supply	632 400	0.49	11 921	11 921
Deep Sea Supply	632 400	0.49	11 921	11 921	DnB NOR Ansattefond A-aksjer	970 000	5.51	38 218	38 218
DnB NOR Employee Fund A shares	970 000	5.51	38 218	38 218	DOF	67 000	0.09	4 565	4 565
DOF	67 000	0.09	4 565	4 565	EFD-Elva Fritz Dusseldorf	588 235	12.12	20 000	20 000
EFD-Elva Fritz Dusseldorf	588 235	12.12	20 000	20 000	Ementor	345 800	0.37	12 103	12 103
Ementor	345 800	0.37	12 103	12 103	Energy Ventures II KS			5 603	5 000
Energy Ventures II KS			5 603	5 000	Expert	132 200	0.40	13 385	13 385
Expert	132 200	0.40	13 385	13 385	Factor Insurance Group	20 025	1.57	5 035	501
Fast Search & Transfer	7 575 177	2.12	117 794	117 794	Fast Search & Transfer	7 575 177	2.12	117 794	117 794
Hello Norway	15 556	8.70	10 000	10 000	Hello Norway	15 556	8.70	10 000	10 000
Hurtigruten Group	142 563	0.72	13 164	8 411	Hurtigruten Group	2 834 135	0.86	104 242	167 214
Ignis	16 550 153	3.03	13 654	13 654	Ignis	16 550 153	3.03	13 654	13 654
Intelligent Quality	5 470	21.82	12 000	12 000	Intelligent Quality	5 470	21.82	12 000	12 000
IT Fornebu	45 904	6.44	5 526	528	IT Fornebu AS	45 904	6.44	5 526	528
IT Fornebu Eiendom	1 459 587	12.61	148 179	113 994	IT Fornebu Eiendom	1 459 587	12.61	148 179	113 994
Media & Research Group	3 000 000	18.72	36 960	36 960	Media & Research Group	3 000 000	18.72	36 960	36 960
Norsk Vekst II KS			6 208	5 101	Norlandia Holding	1 708 996	3.11	6 642	0
Norvestor IV (LP)			135 822	178 623	Norsk Vekst II KS			6 208	5 101
Orkla	434 152	0.21	75 539	153 239	Norvestor IV (LP)			135 822	178 623
Pan Fish	30 814 804	0.89	175 644	175 644	Orkla	434 152	0.21	75 539	153 239
PhotoCure	300 000	1.36	16 275	16 275	Pan Fish	30 814 804	0.89	175 644	175 644
Renewable Energy Corporation	736 902	0.15	84 375	84 375	PhotoCure	300 000	1.36	16 275	16 275
Revus Energy	114 400	0.35	6 164	6 164	Renewable Energy Corporation	736 902	0.15	84 375	84 375
Rieber & Søn	424 896	0.53	6 870	23 794	Revus Energy	114 400	0.35	6 164	6 164
Sikon Øst	52 500	10.50	10 475	8 369	Rieber & Søn	424 896	0.53	6 870	23 794
Sinvest	186 300	0.31	25 011	25 011	Saltens Bilruter	18 125	16.54	14 152	14 138
SMB Invest III	49 781	8.10	11 009	2 700	Sikon Øst	52 500	10.50	10 475	8 369
Såkorinvest Midt-Norge	43 236	7.15	4 540	3 978	Sinvest	186 300	0.31	25 011	25 011
Teknoinvest VIII			6 465	6 208	SMB Invest III	49 781	8.10	11 009	2 700
Tomra Systems	744 793	0.43	36 873	32 034	Teknoinvest VIII KS			6 465	6 208
Venturos Technology III KS			23 041	5 503	Tomra Systems	744 793	0.43	36 873	32 034
Viking Venture II	75 000	6.94	7 500	6 951	Venturos Technology III KS			23 041	5 503
Other Norwegian companies			110 395	134 492	Viking Venture	90 030	4.92	9 003	9 003
					Viking Venture II	75 000	6.94	7 500	6 951
					Yara International	88 742	0.03	12 591	12 591
					Other Norwegian companies			120 607	148 694
Total Norwegian companies			1 296 577	1 378 915	Total Norwegian companies			1 436 250	1 578 730

1) Ownership share in per cent is based on the company's total share capital.

2) Included in the banking portfolio, which is recorded at the lower of total acquisition cost and total market value.

Note 23 Short-term investments in shares, mutual funds and PCCs as at 31 December 2006 (continued)

DnB NOR Bank ASA					DnB NOR Bank Group				
<i>Recorded value in NOK 1 000</i>	Number of shares	Ownership share in per cent ¹⁾	Recorded value	Market value	<i>Recorded value in NOK 1 000</i>	Number of shares	Ownership share in per cent ¹⁾	Recorded value	Market value
Companies based abroad					Companies based abroad				
Crew Gold Corporation	1 250 500	0.00	16 944	16 944	Crew Gold Corporation	1 250 500	0.00	16 944	16 944
Euroclear	7 325	0.19	16 731	22 611	Euroclear	7 325	0.19	16 731	22 611
GlobalSantaFe Corporation	803 000	0.00	294 648	294 648	GlobalSantaFe Corporation	803 000	0.00	294 648	294 648
Golden Ocean Group	3 954 200	1.46	44 208	44 208	Golden Ocean Group	3 954 200	1.46	44 208	44 208
Jinhui Shipping and Transport	700 400	0.83	22 238	22 238	Jinhui Shipping and Transport	700 400	0.83	22 238	22 238
TMG International	3 210 000	0.00	96 460	96 460	Royal Caribbean Cruises	62 300	0.03	16 167	16 167
Other companies based abroad			44 256	42 472	TMG International	3 210 000	0.00	96 460	96 460
					Other companies based abroad			35 389	57 478
Total companies based abroad			535 485	539 581	Total companies based abroad			542 785	570 753
Mutual funds					Mutual funds				
Aktiehedgefond PRIMUS	515 244		45 528	57 993	Aktiehedgefond PRIMUS	515 244		45 528	57 993
Carlson DnB NOR Equity Norway	30 000		30 000	33 293	Carlson DnB NOR Equity Norway	30 000		30 000	33 293
Carlson DnB NOR Navigator	30 000		30 000	33 593	Carlson DnB NOR Navigator	30 000		30 000	33 593
DnB NOR Fund - Long bond Norway	15 000		15 006	15 006	DnB NOR Fund - Short bond Norway	30 000		30 035	30 035
DnB NOR Fund - Short bond Norway	30 000		30 035	30 035	DnB NOR Global Quant Cl. B	100 000		100 000	99 630
DnB NOR Global Quant Cl. B	100 000		100 000	99 630	Obligasjonsfond DnB NOR Aktiv Likviditet	959 968		96 784	96 784
Obligasjonsfond DnB NOR Aktiv Likviditet	959 968		96 784	96 784	Obligasjonsfond DnB NOR Kredittobligasjon	52 884		52 981	52 981
Obligasjonsfond DnB NOR Kredittobligasjon	52 884		52 981	52 981	Postbanken Aksjefokus	150 000		15 000	17 504
Postbanken Aksjefokus	150 000		15 000	17 504	Other mutual funds			60 711	61 876
Other mutual funds			33 878	35 042					
Total mutual funds			449 212	471 861	Total mutual funds			461 039	483 688
Total short-term investments in shares, mutual funds and PCCs					Total short-term investments in shares, mutual funds and PCCs				
			2 382 269	2 519 481				2 503 513	2 696 607

1) Ownership share in per cent is based on the company's total share capital.

Note 24 Long-term investments in shares, mutual funds and PCCs as at 31 December 2006

DnB NOR Bank ASA					DnB NOR Bank Group				
<i>Recorded value in NOK 1 000</i>	Number of shares	Ownership share in per cent ¹⁾	Recorded value	Market value	<i>Recorded value in NOK 1 000</i>	Number of shares	Ownership share in per cent ¹⁾	Recorded value	Market value
Financial institutions					Financial institutions				
EH Group	20	0.20	96	96	EH Group	20	0.20	96	96
					International Factors Group	10	0.00	4	4
Total financial institutions			96	96	Total financial institutions			100	100
Norwegian companies					Norwegian companies				
Imarex NOS	1 618 707	15.68	90 574	142 446	Imarex NOS	1 618 707	15.68	90 574	142 446
Oslo Børs Holding	983 392	19.67	132 977	590 035	Oslo Børs Holding	983 392	19.67	132 977	590 035
VPS Holding	829 180	16.58	70 508	331 672	VPS Holding	829 180	16.58	70 508	331 672
Other Norwegian companies			4 260	19 427	Other Norwegian companies			26 690	41 858
Total Norwegian companies			298 318	1 083 580	Total Norwegian companies			320 748	1 106 011
Companies based abroad					Companies based abroad				
Pronordica	49 964	0.00	13 025	13 025	Pronordica	49 964	0.00	13 025	13 025
Swift	537	0.61	710	948	Swift	537	0.61	710	948
Other companies based abroad			15	15	Other companies based abroad			1 298	1 298
Total companies based abroad			13 749	13 987	Total companies based abroad			15 032	15 270
Total investments in shares, mutual funds and PCCs					Total long-term investments in shares, mutual funds and PCCs				
			312 163	1 097 663				335 881	1 121 382

1) Ownership share in per cent is based on the company's total share capital.

Note 25 Investments in associated companies as at 31 December 2006

				DnB NOR Bank Group	
				Ownership share in per cent	Book value
<i>Amounts in NOK 1000</i>					
				Share capital	Number of shares
				Nominal value	
Owned by DnB NOR Bank ASA					
Eksportfinans				1 593 532	60 701
BBS				165 000	2 639 998
Teller				54 000	21 600
NOKAS				51 076	20 771
Atento				14 100	47 000
Doorstep				2 500	12 500
Total investments in associated companies owned by DnB NOR Bank ASA					568 849
DnB NOR Bank Group, value adjustments					
Eksportfinans					601 684
BBS					99 214
Teller					57 901
NOKAS					9 654
Atento					(20)
Doorstep					1 445
Other shareholdings					10 252
Total investments in associated companies					1 348 979

Note 26 Investments in subsidiaries as at 31 December 2006

				DnB NOR Bank ASA		
				Ownership share in per cent	Book value	
<i>Amounts in NOK 1 000</i>						
<i>Values in NOK unless otherwise indicated</i>				Share capital	Number of shares	Nominal value
Foreign subsidiaries						
Bank DnB NORD	EUR	482 095	245 868 501	EUR	245 869	51.0
Den Norske Investments	GBP	210	210 000	GBP	210	100.0
DnB NOR Asia	SGD	20 000	20 000 000	SGD	20 000	100.0
DnB NOR Luxembourg	EUR	17 352	70 000	EUR	17 352	100.0
DnB NOR Markets Inc.	USD	1	1 000	USD	1	100.0
DnB NOR Monchebank	RUB	500 000	494 937 073	RUB	494 937	99.0
DnB NOR Reinsurance		21 000	21 000		21 000	100.0
Domestic subsidiaries						
DnB NOR Bogstadveien 45 A		12 181	12 181 162		12 181	100.0
DnB NOR Boligkreditt		685 000	6 850 000		685 000	100.0
DnB NOR Eiendom		2 503	25 033		2 503	100.0
DnB NOR Eiendomsutvikling		91 000	91 000 000		91 000	100.0
DnB NOR Finans		787 000	7 870 000		787 000	100.0
DnB NOR Invest Holding		200 000	200 000		200 000	100.0
DnB NOR Meglerservice		700	7		700	100.0
DnB NOR Næringsmegling		1 000	10 000		1 000	100.0
Hafjell Alpinsenter		26 330	2 633		26 330	100.0
Kreditt-Finans		21 000	42 000		21 000	100.0
Lodalen Holding		1 100	1 100		1 100	100.0
Lørenfaret NE 1		500	5 000		500	100.0
Netaxept		10 500	26 250 000		10 500	100.0
Nordlandsbanken		625 062	50 004 984		625 062	100.0
Postbanken Eiendom		1 000	1 000		1 000	100.0
Realkreditt Eiendom		11 000	11 000		11 000	100.0
Sparebankgårdene		112 826	112 826		112 826	100.0
Viul Hovedgård		7 500	750 000		7 500	100.0
General and limited partnerships						
Lørenfaret NE 1						99.0
Total investments in subsidiaries						8 594 488

Note 27 Intangible assets

Goodwill

DnB NOR Bank ASA

Amounts in NOK million	Amortisation plan	Book value 31 Dec. 2006	Exchange rate move- ments 2006	Ordinary amortisation 2006	Acquired goodwill 2006	Disposals 2006	Book value 31 Dec. 2005	Total amortisation before 2006	Original goodwill
Savings bank - bank branches	20 years ¹⁾	424		25			448	78	526
Savings bank - corporate customers	20 years ¹⁾	339		21			361	63	423
Cresco - credit card portfolio	8 years ¹⁾	236		59			294	177	471
Cresco - credit card portfolio	8 years ²⁾	11		38			48	259	307
American Express	10 years ³⁾	16		21		48	85	49	134
Gjensidige NOR Equities	5 years	0		9			9	68	77
Offices in Bø and Vinje	5 years	0		6			6	26	32
NORD LB Stockholm	20 years ⁴⁾	68	5	5			67	1	68
Total goodwill		1 094	5	182	0	48	1 318	720	2 038

- 1) Refers to the merger with Gjensidige NOR ASA as at 31 December 2003, with DnB Holding ASA as the acquiring company. The savings bank business is considered to be of a very long-term nature.
- 2) Refers to the acquisition of the credit card portfolio of Gjensidige Bank in 1999. The amortisation period is based on the portfolio's expected remaining economic life at the time of acquisition.
- 3) Refers to the acquisition of the Norwegian card operations of American Express. The acquisition is part of DnB NOR Bank Group's long-term strategy to provide a full range of card products. Experience shows that such products have a long economic life. Distribution services to the corporate market and merchant agreements were sold in 2006.
- 4) Refers to the acquisition of Norddeutsche Landesbank's organisation and portfolio in Sweden. The acquisition is part of Corporate Banking and Payment Services' expansion in the Swedish market.

Goodwill

DnB NOR Bank Group

Amounts in NOK million	Amortisation plan	Book value 31 Dec. 2006	Exchange rate move- ments 2006	Ordinary amortisation 2006	Acquired goodwill 2006	Disposals 2006	Book value 31 Dec. 2005	Total amortisation before 2006	Original goodwill
Savings bank - bank branches	20 years ¹⁾	431		26			457	80	536
Savings bank - corporate customers	20 years ¹⁾	344		21			366	66	431
Cresco - credit card portfolio	8 years ¹⁾	236		59			294	177	471
Nordlandsbanken	10 years ²⁾	318		53			371	160	531
American Express	10 years ³⁾	16		21		48	86	157	243
IT Solutions	10 years ⁴⁾	27		7			33	33	66
Adjudis	20 years	5		0			5	1	6
Cresco - credit card portfolio	8 years ⁵⁾	10		38			48	259	307
Gjensidige NOR Equities	5 years	0		9			9	200	209
Offices in Bø and Vinje	5 years	0		6			6	26	32
Paynet	10 years	10		0	10		0	0	0
Nylander Næringsmegling	20 years	26		1	27		0	0	0
NORD LB Stockholm	20 years ⁶⁾	68	5	5			67	1	68
DnB NORD	20 years ⁷⁾	417		21	20	9	428	0	428
DnB NOR Monchebank	20 years	68		4	72		0	0	0
Total goodwill		1 978	5	270	130	57	2 171	1 157	3 328

- 1) Refers to the merger with Gjensidige NOR ASA as at 31 December 2003, with DnB Holding ASA as the acquiring company. The savings bank business is considered to be of a very long-term nature.
- 2) Refers to the acquisition of Nordlandsbanken at the beginning of 2003. Operations are expected to have long-term value.
- 3) Refers to the acquisition of the Norwegian card operations of American Express. The acquisition is part of the DnB NOR Bank Group's long-term strategy to provide a full range of card products. Experience shows that such products have a long economic life. Distribution services to the corporate market and merchant agreements were sold in 2006.
- 4) The amortisation period is based on the company's strategic importance for DnB NOR. IT Solutions' financing solutions within information technology and telecommunications expand the product range in line with DnB NOR Finans' long-term business strategy.
- 5) Refers to the acquisition of the credit card portfolio of Gjensidige Bank in 1999. The amortisation period is based on the portfolio's expected remaining economic life at the time of acquisition.
- 6) Refers to the acquisition of Norddeutsche Landesbank's organisation and portfolio in Sweden. The acquisition is part of Corporate Banking and Payment Services' expansion in the Swedish market.
- 7) Goodwill from the acquisition of 51 per cent of DnB NORD in December 2005.

Note 27 Intangible assets (continued)

Other intangible assets ¹⁾

							DnB NOR Bank ASA	
							Total depre- ciation and write-downs before 2006	Original cost recorded in the balance sheet 31 Dec. 2005
<i>Amounts in NOK million</i>	Depreciation plan	Book value 31 Dec. 2006	Ordinary depreciation 2006	Disposals 2006	Acquisitions 2006	Book value 31 Dec. 2005		
Capitalised systems development	3-10 years	281	10	40	201	130	383	512
Postbanken brand name	10 years	27	12	0	0	39	81	120
Sundry intangible assets	5 years	0	0	0	0	0	152	152
Total		308	22	40	201	169	616	784

Other intangible assets ¹⁾

							DnB NOR Bank Group	
							Total depre- ciation and write-downs before 2006	Original cost recorded in the balance sheet 31 Dec. 2005
<i>Amounts in NOK million</i>	Depreciation plan	Book value 31 Dec. 2006	Ordinary depreciation 2006	Disposals 2006	Acquisitions 2006	Book value 31 Dec. 2005		
Capitalised systems development	3-10 years	293	14	40	218	130	383	512
Postbanken brand name	10 years	27	12	0	0	39	81	120
Sundry intangible assets	5 years	63	5	0	27	42	152	194
Total		384	31	40	244	211	616	826

1) For information on deferred taxes, see note 14.

DnB NOR Bank Group is not involved in systematic research and development, apart from the development of new administrative IT solutions. The cost of such activity is under continuous review, and costs entered in the balance sheet are considered relative to future earnings.

Note 28 Fixed assets

DnB NOR Bank ASA

Machinery, equipment and vehicles	Bank buildings and other properties	<i>Amounts in NOK million</i>		Machinery, equipment and vehicles	Bank buildings and other properties
2 783	2 176	Original cost		3 644	4 102
0	0	Revaluations before 2006		0	23
1 829	867	Total write-downs and depreciation before 2006		2 232	1 287
954	1 309	Book value as at 1 January 2006		1 412	2 838
205	72	Additions		987	310
2	173	Disposals (sales value)		49	497
1	0	Losses		1	1
1	71	Gains		2	154
271	68	Ordinary depreciation		432	124
0	5	Derpeciation on revaluations		0	5
(2)	(1)	Exchange rate movements		(1)	6
885	1 205	Book value as at 31 December 2006		1 918	2 681

DnB NOR Bank Group

Machinery, equipment and vehicles	Bank buildings and other properties	<i>Amounts in NOK million</i>		Machinery, equipment and vehicles	Bank buildings and other properties
2 783	2 176	Original cost		3 644	4 102
0	0	Revaluations before 2006		0	23
1 829	867	Total write-downs and depreciation before 2006		2 232	1 287
954	1 309	Book value as at 1 January 2006		1 412	2 838
205	72	Additions		987	310
2	173	Disposals (sales value)		49	497
1	0	Losses		1	1
1	71	Gains		2	154
271	68	Ordinary depreciation		432	124
0	5	Derpeciation on revaluations		0	5
(2)	(1)	Exchange rate movements		(1)	6
885	1 205	Book value as at 31 December 2006		1 918	2 681

Note 29 Real estate as at 31 December 2006

	DnB NOR Bank ASA			
<i>Book value in NOK million</i>	Bank buildings	Commercial properties	Sites/ projects	Total
Oslo	745	1	0	747
Eastern Norway and southern Norway	16	21	8	45
Bergen	354	0	0	354
Rest of western Norway	10	0	0	10
Northern Norway and central Norway	12	1	0	13
Abroad	32	3	1	36
Total book value	1 168	27	9	1 205

<i>Floor space in 1 000 square metres</i>				
Own use	110	0	0	110
Tenants	11	0	0	11
Not rented out	0	0	0	0
Total floor space	121	0	0	121
Number of external tenants	21	0	0	21
Annual rental income from external tenants in NOK million	22	0	0	22

	DnB NOR Bank Group			
<i>Book value in NOK million</i>	Bank buildings	Commercial properties	Sites/ projects	Total
Oslo	1 340	130	16	1 485
Eastern Norway and southern Norway	243	25	127	395
Bergen	354	0	2	356
Rest of western Norway	10	0	0	10
Northern Norway and central Norway	206	14	9	228
Abroad	203	3	1	207
Total book value	2 354	172	155	2 681

<i>Floor space in 1 000 square metres</i>				
Own use	252	1	0	253
Tenants	24	5	0	29
Not rented out	3	1	0	4
Total floor space	279	7	0	286
Number of external tenants	125	22	5	152
Annual rental income from external tenants in NOK million	37	12	1	50

Note 30 Liabilities

DnB NOR Bank ASA			DnB NOR Bank Group	
31 Dec. 2005	31 Dec. 2006		31 Dec. 2006	31 Dec. 2005
<i>Amounts in NOK million</i>				
13 617	15 824	Loans and deposits from credit institutions with no fixed term or period of notice	14 733	13 742
73 724	93 613	Loans and deposits from credit institutions with a fixed term or period of notice	98 940	84 128
87 341	109 437	Loans and deposits from credit institutions	113 673	97 870
278 543	360 594	Deposits from customers with no fixed term or period of notice	374 985	290 550
123 399	97 583	Deposits from customers with a fixed term or period of notice	106 172	127 846
401 942	458 177	Deposits from customers	481 157	418 395
69 192	67 963	Commercial paper issued	68 216	69 445
164 750	262 328	Bond debt	290 311	174 037
3 817	5 594	Less own bonds included in the banking portfolio	6 511	6 771
230 124	324 697	Securities issued	352 016	236 711
452	751	Short-term funding	1 153	798
0	0	Liabilities related to factoring	179	268
2 261	1 351	Documentary credits, cheques and other payment services	1 393	2 316
1 668	0	Allocated to dividends	0	1 669
3 930	7 757	Group contribution/dividends	7 700	3 930
770	2 642	Accrued unassessed payable taxes	2 732	872
12 571	38 606	Financial derivatives	38 994	12 693
5 371	8 994	Sundry liabilities	10 249	5 981
27 024	60 100	Other liabilities	62 398	28 527
2 004	3 052	Accrued interest expenses	3 223	2 122
2 829	2 683	Other accrued expenses and prepaid revenues	2 927	3 304
4 832	5 735	Accrued expenses and prepaid revenues	6 150	5 426
36	3	Deferred taxes	25	132
3 334	3 674	Pension commitments	3 804	3 483
59	45	Specified provisions for losses on guarantee commitments	76	86
1	1	Unspecified provisions for losses on guarantee commitments	1	1
269	278	Other provisions	372	444
3 698	4 001	Provisions for commitments	4 278	4 145
13 704	20 180	Term subordinated loan capital	20 764	14 563
5 670	7 642	Perpetual subordinated loan capital	7 742	5 770
19 373	27 822	Subordinated loan capital	28 506	20 333
5 465	5 360	Perpetual subordinated loan capital securities	5 360	5 465
779 800	995 330	Total liabilities	1 053 539	816 873

Note 31 Customer deposits

DnB NOR Bank ASA			DnB NOR Bank Group	
31 Dec. 2005	31 Dec. 2006		31 Dec. 2006	31 Dec. 2005
<i>Amounts in NOK million</i>				
169 534	183 870	Retail customers	195 326	178 739
35 159	34 537	International shipping	34 727	35 160
22 667	28 966	Real estate	29 821	23 253
12 271	14 280	Manufacturing	15 069	12 694
65 842	86 416	Services and management	88 470	67 106
16 798	19 115	Trade	20 070	17 412
5 042	10 567	Oil and gas	10 574	5 043
10 091	14 918	Transportation and communication	15 341	10 667
7 030	6 859	Building and construction	7 917	7 609
6 299	8 106	Power and water supply	8 882	6 724
921	2 139	Fishing	2 751	1 280
1 262	1 368	Hotels and restaurants	1 473	1 338
1 921	2 071	Agriculture and forestry	2 476	2 232
15 631	19 118	Central and local government	19 786	17 100
31 473	25 848	Finance	28 474	32 038
401 942	458 177	Total deposits from customers	481 157	418 395

Note 32 Maturity structure on bond debt as at 31 December 2006 ¹⁾

DnB NOR Bank ASA				DnB NOR Bank Group		
NOK	Foreign currency	Total		NOK	Foreign currency	Total
<i>Amounts in NOK million</i>						
Maturity (year)						
7 442	51 498	58 939	2007	7 622	52 018	59 640
4 614	55 822	60 436	2008	4 999	55 948	60 947
1 735	69 772	71 507	2009	1 735	82 803	84 538
786	31 519	32 305	2010	1 238	31 526	32 764
890	27 149	28 039	2011	890	39 513	40 403
882	307	1 190	2012	882	307	1 190
677	3 777	4 454	2013 and later	677	3 777	4 454
0	(134)	(134)	Recorded costs and amortised discounts	1	(134)	(134)
17 025	239 710	256 734	Total	18 043	265 758	283 800

1) Less holdings of own bonds included in the banking portfolio.

Note 33 Premiums/discounts on own bonds in the banking portfolio as at 31 December 2006

DnB NOR Bank ASA			DnB NOR Bank Group	
Premiums/ (discounts) ¹⁾	Book value	Amounts in NOK million	Premiums/ (discounts) ¹⁾	Book value
		Maturity (year)		
3	2 429	2007	2	3 223
2	1 664	2008	1	1 735
1	446	2009	0	450
1	115	2010	0	163
0	158	2011	0	158
1	598	2012	1	598
0	183	2013 and later	0	183
5	5 594	Total	2	6 511

1) The amounts will be amortised over the remaining term of the bonds.

The market value of own bonds included in the banking portfolio as at 31 December 2006 totalled NOK 5 594 million for DnB NOR Bank ASA and NOK 6 515 million for the DnB NOR Bank Group.

Note 34 Subordinated loan capital and perpetual subordinated loan capital securities

DnB NOR Bank ASA							
	Balance sheet		Issued	Matured/ redeemed	Exchange rate movements	Net change in recorded costs 2006	Balance sheet 31 Dec. 2005
Amounts in NOK million	31 Dec. 2006		2006	2006	2006		
Term subordinated loan capital	20 180		7 240	1 148	387	(3)	13 704
Perpetual subordinated loan capital	7 642		3 062	709	(380)	0	5 670
Perpetual subordinated loan capital securities ¹⁾	5 360		0	0	(110)	5	5 465
Total	33 181		10 302	1 857	(104)	2	24 839

Year raised	Book value in foreign currency		Interest rate	Maturity	Call date	Book value in NOK
Term subordinated loan capital						
2002	USD	100	3-month LIBOR + 0.50%	2012	2007	625
2002	EUR	200	3-month EURIBOR + 0.60%	2012	2007	1 646
2002	EUR	200	3-month EURIBOR + 0.75%	2012	2007	1 646
2003	GBP	200	5.125% p.a.	2015	2010	2 449
2003	EUR	200	3-month EURIBOR + 0.70%	2013	2008	1 646
2003	EUR	200	3-month EURIBOR + 0.45%	2013	2008	1 646
2004	EUR	200	3-month EURIBOR + 0.30%	2016	2011	1 646
2005	EUR	200	3-month EURIBOR + 0.20%	2015	2010	1 646
2006	EUR	500	3-month EURIBOR + 0.20%	2017	2012	4 116
2006	USD	500	3-month LIBOR + 0.23%	2016	2011	3 124
Recorded costs						(12)
Total term subordinated loan capital						20 180
Perpetual subordinated loan capital						
1985	USD	215	3-month LIBOR + 0.25%			1 343
1986	USD	150	6-month LIBOR + 0.15%			937
1986	USD	200	6-month LIBOR + 0.125%			1 250
1996	JPY	3 000	4.00% p.a.		2011	158
1996	JPY	7 000	4.00% p.a.		2011	368
1999	JPY	10 000	4.51% p.a.		2029	525
2006	GBP	250	4.875% p.a.		2011	3 062
Recorded costs						0
Total perpetual subordinated loan capital						7 642
Total subordinated loan capital						27 822
Perpetual subordinated loan capital securities						
2001	USD	400	7.729% p.a.		2011	2 499
2002	EUR	350	7.07% p.a.		2012	2 881
Recorded costs						(21)
Total perpetual subordinated loan capital securities						5 360

Note 34 Subordinated loan capital and perpetual subordinated loan capital securities (continued)

	DnB NOR Bank Group					
<i>Amounts in NOK million</i>	Balance sheet 31 Dec. 2006	Issued 2006	Matured/ redeemed 2006	Exchange rate movements 2006	Net change in recorded costs 2006	Balance sheet 31 Dec. 2005
Term subordinated loan capital	20 764	7 240	1 443	407	(3)	14 563
Perpetual subordinated loan capital	7 742	3 062	709	(380)	0	5 770
Perpetual subordinated loan capital securities ¹⁾	5 360	0	0	(110)	5	5 465
Total	33 866	10 302	2 152	(84)	2	25 798

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

DnB NOR Bank Group						
Year raised	Book value in foreign currency		Interest rate	Maturity	Call date	Book value in NOK
Term subordinated loan capital						
2002	EUR	200	3-month EURIBOR + 0.60%	2012	2007	1 646
2002	EUR	200	3-month EURIBOR + 0.75%	2012	2007	1 646
2002	USD	100	3-month LIBOR + 0.50%	2012	2007	625
2003	EUR	200	3-month EURIBOR + 0.70%	2013	2008	1 646
2003	EUR	200	3-month EURIBOR + 0.45%	2013	2008	1 646
2003	EUR	15	6-month EURIBOR + 0.61%	2013		125
2003	GBP	200	5.125% p.a.	2015	2010	2 449
2004	EUR	11	6-month EURIBOR + 1.40%	2014	2009	91
2004	EUR	14	3.89% p.a.	2014		116
2004	EUR	200	3-month EURIBOR + 0.30%	2016	2011	1 646
2005	EUR	200	3-month EURIBOR + 0.20%	2015	2010	1 646
2005	EUR	3	4.39% p.a.	2015		21
2005	EUR	15	4.169% p.a.	2015		125
2005	EUR	13	4.134% p.a.	2015		108
2006	USD	500	3-month LIBOR + 0.23%	2016	2011	3 124
2006	EUR	500	3-month EURIBOR + 0.20%	2017	2012	4 116
Recorded costs						(12)
Total term subordinated loan capital						20 764
Perpetual subordinated loan capital						
1985	USD	215	3-month LIBOR + 0.25%			1 343
1986	USD	150	6-month LIBOR + 0.15%			937
1986	USD	200	6-month LIBOR + 0.125%			1 250
1996	JPY	3 000	4.00% p.a.		2011	158
1996	JPY	7 000	4.00% p.a.		2011	368
1997	NOK	100	3-month NIBOR + 1.68%		2007	100
1999	JPY	10 000	4.51% p.a.		2029	525
2006	GBP	250	4.875% p.a.		2011	3 062
Recorded costs						0
Total perpetual subordinated loan capital						7 742
Total subordinated loan capital						28 506
Perpetual subordinated loan capital securities						
2001	USD	400	7.729% p.a.		2011	2 499
2002	EUR	350	7.07% p.a.		2012	2 881
Recorded costs						(21)
Total perpetual subordinated loan capital securities						5 360

Note 35 Equity

DnB NOR Bank ASA				DnB NOR Bank Group					
Share capital	Share premium reserve	Other equity	Total equity	Amounts in NOK million	Minority interests	Share capital	Share premium reserve	Other equity	Total equity
				Balance sheet as at					
17 214	9 995	12 228	39 438	31 December 2005	946	17 214	10 711	14 248	43 119
				Implementation of new regulations on the treatment of loans and guarantees				1 615	1 615
		1 445	1 445	Consolidation of holdings previously classified as repossessed assets	1			77	78
17 214	9 995	13 674	40 883	Balance sheets as at 1 January 2006	947	17 214	10 711	15 940	44 812
		293	293	Merger with DnB NOR Hypotek					
		121	121	Reorganised operations, Sparebankgårdene					
				Minority interests DnB NORD	1 071				1 071
				Other minority interests	(4)				(4)
		9 659	9 659	Profit for the year	143			8 730	8 872
		5 544	5 544	Group contributions and dividends				5 544	5 544
		(55)	(55)	Exchange rate movements	44			(12)	32
17 214	9 995	18 148	45 357	Balance sheet as at					
17 214	9 995	18 148	45 357	31 December 2006	2 201	17 214	10 711	19 113	49 240

The share capital of DnB NOR Bank ASA is NOK 17 214 311 000 divided into 172 143 110 shares of NOK 100 each. Each share carries one vote at the Annual General Meeting.

Note 36 Risk

Risk management in DnB NOR

DnB NOR Bank ASA is the largest subsidiary of DnB NOR ASA, which is the holding company in the DnB NOR-Group. Risk management in DnB NOR Bank ASA with subsidiaries, "the banking group", is integrated in the Group's total risk management. The Board of Directors of DnB NOR ASA has a clearly stated goal to maintain a low risk profile, which is reflected in the DnB NOR Bank's aim to at least maintain an Aa level rating for ordinary long-term debt. The profitability of DnB NOR will depend on the Group's ability to identify, manage and accurately price risk arising in connection with financial services.

Organisation and authorisation structure

- *Board of Directors.* The Board of Directors of DnB NOR sets long-term targets for the Group's risk profile. The risk profile is operationalised through the risk management framework, including the establishment of authorisations.
- *Authorisations.* Authorisations must be in place for the extension of credit and for position and trading limits in all critical financial areas. All authorisations are personal. Authorisations and group limits are determined by the Board of Directors and can be delegated in the organisation, though any further delegation requires approval by an immediate superior.
- *Annual review of limits.* Risk limits are reviewed at least annually in connection with budget and planning processes.
- *Independent risk management functions.* Risk management functions and the development of risk management tools are undertaken by units that are independent of operations in the individual business areas.

Monitoring and use

- *Accountability.* All executives are responsible for risk within their own area of responsibility and must consequently be fully updated on the risk situation at all times.
- *Risk reporting.* Risk reporting in the Group must ensure that all executives have the necessary information about current risk levels and future developments. To ensure high-quality, independent risk reports, responsibility for reporting is assigned to units that are independent of the operative units.
- *Capital assessment.* A summary and analysis of the Group's capital and risk situation is presented in a special risk report to the Board of Directors.
- *Use of risk information.* Risk is an integral part of the management and monitoring of business areas. Return on risk-adjusted capital is reflected in product pricing, profit calculations and in monitoring performance in the business areas.

Relevant risk measures

- *A common risk measure for the Group.* The Group's risk is measured in the form of risk-adjusted capital, calculated for main risk categories and for all of the Group's business areas.
- *Supplementary risk measure.* In addition, risk is followed up through supplementary risk measures adapted to operations in the various business areas, for example monitoring of positions relative to limits, key figures and portfolio risk targets.

Note 36 Risk (continued)

Risk categories

For risk management purposes, DnB NOR distinguishes between the following risk categories:

- *Credit risk* is the risk of losses due to failure on the part of the Group's counterparties (customers) to meet their payment obligations towards the DnB NOR Banking Group. Credit risk refers to all claims against customers, mainly loans, but also liabilities in the form of other extended credits, guarantees, leasing, factoring, interest-bearing securities, approved, undrawn credits, as well as counterparty risk arising through derivatives and foreign exchange contracts. Settlement risk, which arises in connection with payment transfers as not all transactions take place in real time, also involves counterparty risk. Note 40 contains an assessment of the Group's credit risk as at year-end 2005 and 2006.
- *Market risk* arises as a consequence of the Group's open positions in the foreign exchange, interest rate and capital markets. The risk is linked to variations in financial results due to fluctuations in market prices or exchange rates. Notes 37 to 39 contain an assessment of the Banking Group's market risk as at year-end 2005 and 2006.
- *Liquidity risk* is the risk that the Banking Group will be unable to meet its payment obligations. Note 41 contains an assessment of the Banking Group's liquidity risk as at year-end 2005 and 2006.
- *Insurance risk* relates to changes in future insurance obligations due to changes in policyholders' life expectancy and disability rate. Note 48 contains an assessment of the Banking Group's insurance risk as at year-end 2005 and 2006.
- *Operational risk* is the risk of losses due to deficiencies or errors in processes and systems, errors made by employees or external events.
- *Business risk* is the risk of losses due to external factors such as the market situation or government regulations. This risk category also includes reputational risk.

Risk measurement is a field in constant development, and measurement methods and tools are subject to continual improvement. No significant changes were made in routines and procedures for risk monitoring in 2006.

Note 37 Expected time to interest rate adjustments as at 31 December 2006

		DnB NOR Bank ASA						
<i>Amounts in NOK million</i>		Up to 1 month	From 1 month to 3 months	From 3 months to 1 year	From 1 year to 5 years	Over 5 years	No interest rate	Total
Assets								
Cash and deposits with central banks	NOK	8 327					936	9 263
	Foreign currency	2					81	84
Lending to and deposits with credit institutions	NOK	35 364	5 162	1 983	104	600	(6)	43 207
	Foreign currency	49 725	12 712	8 336	2 325	575	(67)	73 608
Net lending to customers ¹⁾	NOK	37 941	511 620	3 834	14 901	4 570	(1 679)	571 188
	Foreign currency	38 544	94 106	6 704		19	(376)	138 997
Commercial paper and bonds	NOK	4 202	9 335	3 698	3 945	2 843		24 024
	Foreign currency	39 925	40 049	6 294	26 728	1 091		114 087
Sundry assets ²⁾	NOK						53 978	53 978
	Foreign currency	49	39	15		1	12 149	12 253
Total assets		214 079	673 024	30 864	48 004	9 699	65 017	1 040 687
	NOK	85 834	526 118	9 516	18 950	8 013	53 229	701 659
	Foreign currency	128 245	146 907	21 348	29 054	1 686	11 788	339 028
Liabilities and equity								
Loans and deposits from credit institutions	NOK	33 666						33 666
	Foreign currency	54 891	10 166	8 881	1 047	788		75 772
Deposits from customers	NOK	391 908	59	268	71			392 306
	Foreign currency	64 633	1 068	165	6			65 872
Securities issued	NOK	4 516	3 749	3 759	4 806	1 393		18 224
	Foreign currency	127 239	133 988	28 808	13 527	2 913		306 474
Sundry liabilities ²⁾	NOK						63 520	63 520
	Foreign currency						6 317	6 317
Subordinated loan capital and perpetual subordinated loan capital securities	NOK							
	Foreign currency	1 646	19 626		8 503	3 406		33 181
Equity	NOK						44 162	44 162
	Foreign currency						1 196	1 196
Total liabilities and equity		678 499	168 654	41 881	27 960	8 499	115 194	1 040 687
	NOK	430 090	3 808	4 028	4 877	1 393	107 681	551 876
	Foreign currency	248 409	164 847	37 853	23 083	7 107	7 513	488 811
Net, time to interest rate adjustments on balance sheet items		(464 419)	504 370	(11 017)	20 044	1 200	(50 177)	0
	NOK	(344 256)	522 310	5 488	14 073	6 620	(54 453)	149 783
	Foreign currency	(120 163)	(17 940)	(16 505)	5 970	(5 421)	4 275	(149 783)
Net nominal values on financial derivatives								
		(73 614)	(29 794)	5 996	(28 424)	3 121	0	(122 714)
	NOK	(70 733)	(37 806)	(9 244)	(15 675)	(123)		(133 581)
	Foreign currency	(2 881)	8 012	15 240	(12 748)	3 244		10 867

1) Overdraft and working capital facilities are grouped under "Up to 1 month". Write-downs on loans and guarantees are grouped under "Over 5 years" and "No interest rate" respectively.

2) Financial derivatives and accrued interest are grouped under "No interest rate".

Note 37 Expected time to interest rate adjustments as at 31 December 2006 (continued)

		DnB NOR Bank Group						
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	Over 5 years	No interest rate	Total
Assets								
Cash and deposits with central banks	NOK	8 341					1 181	9 523
	Foreign currency	1 721					209	1 930
Lending to and deposits with credit institutions	NOK	6 275	2 209	1 983	104	567	(6)	11 132
	Foreign currency	39 581	5 153	5 854	2 374	467	(67)	53 362
Net lending to customers ¹⁾	NOK	80 972	536 090	4 475	16 735	4 849	(2 212)	640 909
	Foreign currency	52 897	107 847	18 985	4 792	316	(590)	184 246
Commercial paper and bonds	NOK	4 202	8 443	3 698	3 966	2 843		23 153
	Foreign currency	40 513	41 487	6 589	26 823	1 149		116 562
Sundry assets ²⁾	NOK						51 052	51 052
	Foreign currency	82	48	20	14	1	10 743	10 909
Total assets		234 584	701 278	41 605	54 808	10 193	60 310	1 102 779
	NOK	99 791	546 743	10 157	20 805	8 260	50 015	735 769
	Foreign currency	134 794	154 535	31 448	34 003	1 934	10 296	367 009
Liabilities and equity								
Loans and deposits from credit institutions	NOK	28 361						28 361
	Foreign currency	54 718	15 611	13 139	1 056	788		85 312
Deposits from customers	NOK	401 723	70	285	73			402 152
	Foreign currency	74 860	2 081	1 722	337	6		79 005
Securities issued	NOK	3 640	4 049	4 519	5 641	1 393		19 242
	Foreign currency	127 810	133 989	53 755	14 303	2 913	5	332 774
Sundry liabilities ²⁾	NOK	404				26	65 498	65 928
	Foreign currency	272	12	42	6	40	6 526	6 899
Subordinated loan capital and perpetual subordinated loan capital securities	NOK		100					100
	Foreign currency	1 758	19 666	416	8 503	3 420	3	33 766
Equity	NOK						45 531	45 531
	Foreign currency						3 708	3 708
Total liabilities and equity		693 547	175 578	73 878	29 918	8 585	121 272	1 102 779
	NOK	434 128	4 219	4 804	5 714	1 419	111 029	561 314
	Foreign currency	259 418	171 359	69 074	24 204	7 167	10 243	541 465
Net, time to interest rate adjustments on balance sheet items		(458 962)	525 700	(32 273)	24 890	1 608	(60 962)	0
	NOK	(334 338)	542 523	5 352	15 091	6 841	(61 014)	174 455
	Foreign currency	(124 625)	(16 824)	(37 625)	9 799	(5 233)	53	(174 455)
Net nominal values on financial derivatives								
		(73 562)	(28 298)	6 251	(28 463)	3 109	0	(120 963)
	NOK	(70 737)	(36 486)	(9 244)	(15 675)	(123)		(132 265)
	Foreign currency	(2 825)	8 188	15 496	(12 788)	3 232		11 302

1) Overdraft and working capital facilities are grouped under "Up to 1 month". Write-downs on loans and guarantees are grouped under "Over 5 years" and "No interest rate" respectively.

2) Financial derivatives and accrued interest are grouped under "No interest rate".

Note 38 Interest rate sensitivity

The value of items on and off the balance sheet is affected by interest rate movements. The table below shows potential losses for the DnB NOR Bank Group 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 the DnB NOR Bank Group relative to the bank's positions. Also, all interest rate movements within the same interval will be unfavourable for the banking group. The figures will thus reflect maximum losses for the DnB NOR Bank 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 positions as at 31 December 2006 and market rates on the same date.

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

Interest rate sensitivity for different intervals

Amounts in NOK million	DnB NOR Bank Group ¹⁾					
	Up to 1 month	From 1 months to 3 months	From 3 months to 1 year	From 1 year to 5 years	Over 5 years	Total
Trading portfolio						
NOK	12	59	38	313	255	25
USD	3	14	58	34	1	75
EUR	0	4	4	5	1	13
GBP	0	4	3	1	0	6
Other currencies	5	5	5	13	2	21
Banking portfolio						
NOK	8	48	21	96	29	33
Total						
NOK	20	106	59	409	284	58
USD	3	14	58	34	1	75
EUR	0	4	4	5	1	13
GBP	0	4	3	1	0	6
Other currencies	5	5	5	13	2	21

1) The figures are identical for DnB NOR Bank ASA.

Note 39 Currency positions

The table below shows net currency positions as at 31 December 2006 for various balance sheet items and financial derivatives, as defined by Norges Bank. Net positions in individual currencies may represent up to 15 per cent of the eligible primary capital. Aggregate currency positions must be within 30 per cent of the eligible primary capital. Foreign exchange risk related to investments in subsidiaries is included in the currency position by the amount recorded in the accounts.

Amounts in NOK million	DnB NOR Bank ASA							
	Norwegian kroner	Other currencies	Of which: USD	EUR	GBP	SEK	DKK	JPY
Assets								
Cash and deposits with central banks	9 263	84	14	36	9	12	9	0
Lending to and deposits with credit institutions	43 207	73 608	41 304	21 739	2 008	1 089	2 090	598
Net lending to customers	571 188	138 997	80 975	26 926	3 084	18 293	2 568	1 673
Commercial paper and bonds	24 024	114 087	12 543	79 866	4 205	319	1 206	0
Shareholdings etc.	8 262	3 595	524	2 801	0	149	0	0
Sundry assets	45 715	8 658	4 202	1 460	2 028	466	97	0
Total assets	701 659	339 028	139 562	132 826	11 334	20 328	5 970	2 271
Liabilities and equity								
Loans and deposits to credit institutions	33 666	75 772	45 044	19 463	2 678	1 667	1 388	852
Deposits from customers	392 306	65 872	44 352	12 290	2 279	3 315	1 047	1 729
Securities issued	18 224	306 474	107 626	127 465	38 545	4 279	0	2 596
Sundry liabilities	63 520	6 317	2 425	2 142	1 067	249	113	16
Subordinated loan capital	0	33 181	9 755	16 865	5 511	0	0	1 050
Equity	44 162	1 196	978	(13)	276	(11)	(35)	0
Total liabilities and equity	551 876	488 811	210 181	178 212	50 356	9 500	2 513	6 244
Net currency positions on balance sheet items	149 783	(149 783)	(70 619)	(45 385)	(39 022)	10 828	3 456	(3 973)
Financial derivatives	(150 031)	150 031	71 461	44 938	39 001	(10 891)	(3 454)	3 983
Net currency exposure	(248)	248	842	(447)	(21)	(63)	3	11

Note 39 Currency positions (continued)

DnB NOR Bank Group								
<i>Amounts in NOK million</i>	Norwegian kroner	Other currencies	Of which: USD	EUR	GBP	SEK	DKK	JPY
Assets								
Cash and deposits with central banks	9 523	1 930	47	111	36	16	13	0
Lending to and deposits with credit institutions	11 132	53 362	38 282	10 976	1 355	217	468	351
Net lending to customers	640 909	184 246	83 350	50 041	3 790	19 080	4 654	1 922
Commercial paper and bonds	23 153	116 562	12 543	81 520	4 205	319	1 207	0
Shareholdings etc.	3 533	655	313	174	0	149	0	0
Sundry assets	47 519	10 254	4 202	1 905	2 034	482	531	0
Total assets	735 769	367 009	138 736	144 727	11 420	20 263	6 872	2 273
Liabilities and equity								
Loans and deposits to credit institutions	28 361	85 312	44 141	29 764	2 649	1 631	1 943	852
Deposits from customers	402 152	79 005	45 133	15 820	2 335	3 355	1 073	1 729
Securities issued	19 242	332 774	107 626	153 381	38 545	4 279	0	2 596
Sundry liabilities	65 928	6 899	2 447	2 571	1 082	258	194	17
Subordinated loan capital	100	33 766	9 755	17 450	5 511	0	0	1 050
Equity	45 531	3 708	1 040	2 383	311	(11)	(35)	0
Total liabilities and equity	561 314	541 464	210 142	221 369	50 433	9 511	3 175	6 243
Net currency positions on balance sheet items	174 455	(174 455)	(71 406)	(76 642)	(39 014)	10 751	3 698	(3 970)
Financial derivatives	(174 725)	174 725	71 461	69 632	39 001	(10 891)	(3 454)	3 983
Net currency exposure	(270)	270	55	(7 010)	(13)	(140)	244	14

The difference in net currency exposure between DnB NOR Bank and the banking group can mainly be attributed to DnB NORD.

Note 40 Credit risk

Credit risk represents the chief risk category for the banking group and refers to all claims against customers, mainly loans, but also liabilities in the form of other extended credits, guarantees, interest-bearing securities, approved, undrawn credits, as well as counterparty risk arising through derivatives and foreign exchange contracts. Settlement risk, which arises in connection with payment transfers as not all transactions take place in real time, also involves counterparty risk.

Management of credit risk in the banking group is described in more detail in note 36 Risk.

DnB NORs risk classification ¹⁾

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

1) DnB NORs risk classification system, where 1 represents the lowest risk and 10 the highest risk.

Note 40 Credit risk (continued)

Commitments according to risk classification

		DnB NOR Bank ASA		
<i>Amounts in NOK billion</i>	Gross loans	Guarantee commitments	Undrawn limits (committed)	Total commitments
Risk class based on probability of default				
1 - 4	396	33	172	602
5 - 6	142	11	24	176
7 - 10	56	5	2	63
Non-performing and impaired commitments	7	0	0	7
Total commitments as at 31 December 2005	601	49	198	848
Risk class based on probability of default				
1 - 4	503	50	188	741
5 - 6	157	10	49	216
7 - 10	48	2	8	58
Non-performing and impaired commitments	4	0	0	4
Total commitments as at 31 December 2006	712	62	245	1 019

Loan-loss level ¹⁾

	2006	2005
Normalised losses including loss of interest income in per cent of net lending	0.27	0.28

Commitments according to risk classification

		DnB NOR Bank Group		
<i>Amounts in NOK billion</i>	Gross loans	Guarantee commitments	Undrawn limits (committed)	Total commitments
Risk class based on probability of default				
1 - 4	465	35	185	685
5 - 6	168	11	21	200
7 - 10	59	5	2	66
Non-performing and impaired commitments	7	0	0	7
Total commitments as at 31 December 2005	699	51	208	958
Risk class based on probability of default				
1 - 4	571	52	194	816
5 - 6	188	11	51	250
7 - 10	63	2	10	75
Non-performing and impaired commitments	6	0	0	6
Total commitments as at 31 December 2006	828	65	255	1 147

Loan-loss level ¹⁾

	2006	2005
Normalised losses including loss of interest income in per cent of net lending	0.27	0.28

1) The calculation of the loan-loss level is based on an evaluation of the probability of future losses (default frequency), exposure at default and the size of the estimated loss (loss ratio). Calculations are based on a certain level of discretion and estimation.

Collateral security

Depending on the market and type of transaction, the banking group uses collateral security to reduce risk. Collateral security can be in the form of physical assets, guarantees, cash deposits or netting agreements. The principal rule is that physical assets in the form of buildings, residential properties or warehouses should be insured. Evaluations of collateral are based on a going concern assumption, with the exception of situations where write-downs have been made. In addition, factors which may affect the value of collateral, such as concession terms or easements, are taken into account. With respect to evaluations of both collateral in the form of securities and counterparty risk, the estimated effects of enforced sales and sales costs are also considered.

DnB NOR Bank ASA		Commitments according to:	DnB NOR Bank Group	
31 Dec. 2005	31 Dec. 2006		31 Dec. 2006	31 Dec. 2005
310 136	341 900	<i>Amounts in NOK million</i>		
9 865	10 887	Home mortgages < 80 per cent of appraised value	381 580	341 785
10 667	10 974	Home mortgages > 80 per cent of appraised value	11 872	10 738
		Credit card loans	10 974	10 667

Note 40 Credit risk (continued)

DnB NOR Bank ASA		Past due loans not subject to write-downs ¹⁾	DnB NOR Bank Group	
31 Dec. 2005	31 Dec. 2006		31 Dec. 2006	31 Dec. 2005
		<i>Amounts in NOK million</i>		
		No. of days past due/overdrawn		
148	297	1 - 29	350	241
174	89	30 - 59	280	316
49	15	60 - 89	25	55
40	10	> 90	21	71
411	411	Past due loans not subject to write-downs	676	683

1) The table shows overdue amounts on loans and overdrafts on credits/deposits broken down on number of days after the due date that are not due to delays in payment transfers. Past due loans and overdrafts on credits/deposits are subject to continual monitoring. Commitments where a probable deterioration of customer solvency is identified are reviewed for impairment. Such reviews are also carried out for the commitments included in the table in cases where no deterioration of customer solvency has been identified. Past due loans subject to impairment are not included in the table.

Reposessed assets

Reposessed assets are assets acquired by units within the banking group as part of the management of non-performing and impaired commitments. At the time of acquisition, such assets are valued at their estimated realisable value. Any deviation from the carrying value of non-performing and impaired commitments at the time of acquisition is classified as write-downs on loans. Reposessed assets are recorded in the balance sheet according to the type of asset. When acquiring shares or mutual fund holdings, the assets should be evaluated according to the principles described in note 1 Accounting principles. Upon final sale, the difference relative to carrying value should be recognised in the profit and loss account according to the type of asset. If assets are not intended for long-term possession or use, the assets are classified as current assets. If assets are acquired for own use or for long-term administration and development, the assets are classified as fixed assets.

DnB NOR Bank ASA		Reposessed properties and other reposessed assets - recorded value	DnB NOR Bank Group	
31 Dec. 2005	31 Dec. 2006		31 Dec. 2006	31 Dec. 2005
		<i>Amounts in NOK million</i>		
57	0	Properties, current assets	2	71
8	13	Properties, fixed assets	13	8
149	149	Other reposessed current assets ¹⁾	164	162
214	162	Reposessed properties and other reposessed assets	179	240

Note 41 Residual maturity as at 31 December 2006

		DnB NOR Bank ASA						
<i>Amounts in NOK million</i>		Up to 1 month	From 1 month to 3 months	From 3 months to 1 year	From 1 year to 5 years	Over 5 years	No fixed maturity	Total
Assets								
Cash and deposits with central banks	NOK	8 327					936	9 263
	Foreign currency	2					81	84
Lending to and deposits with credit institutions	NOK	35 509	1 133	4 030	836	1 705	(6)	43 207
	Foreign currency	46 749	7 809	6 551	11 152	1 414	(67)	73 608
Net lending to customers ¹⁾	NOK	51 521	11 253	13 827	55 240	441 027	(1 679)	571 188
	Foreign currency	12 098	3 117	8 032	43 182	72 943	(376)	138 997
Commercial paper and bonds	NOK	997	1 865	4 762	12 635	3 765		24 024
	Foreign currency	1 098	518	812	31 125	80 533		114 087
Sundry assets ²⁾	NOK			52	33	16	53 876	53 978
	Foreign currency	275	39	15	4	1	11 919	12 253
Total assets		156 576	25 734	38 081	154 208	601 404	64 685	1 040 687
	NOK	96 353	14 251	22 671	68 744	446 513	53 127	701 659
	Foreign currency	60 223	11 483	15 410	85 464	154 891	11 558	339 028
Liabilities and equity								
Loans and deposits from credit institutions	NOK	33 620	39	5	2			33 666
	Foreign currency	51 641	12 970	9 713	660	788		75 772
Deposits from customers	NOK	380 813	158	4 259	6 782	294		392 306
	Foreign currency	61 965	1 634	636	1 636			65 872
Securities issued	NOK	3 492	1 329	3 820	8 025	1 558		18 224
	Foreign currency	23 189	38 125	56 947	184 262	3 950		306 474
Sundry liabilities ²⁾	NOK	0	232	102			63 186	63 520
	Foreign currency	68	31	7			6 211	6 317
Subordinated loan capital and perpetual subordinated loan capital securities	NOK							
	Foreign currency					20 181	13 000	33 181
Equity	NOK						44 162	44 162
	Foreign currency						1 196	1 196
Total liabilities and equity		554 789	54 518	75 489	201 367	26 770	127 755	1 040 687
	NOK	417 925	1 758	8 187	14 809	1 851	107 347	551 876
	Foreign currency	136 864	52 729	67 302	186 559	24 918	20 408	488 811
Net, residual maturity on balance sheet items		(398 213)	(28 784)	(37 408)	(47 160)	574 634	(63 070)	0
	NOK	(321 571)	12 493	14 485	53 935	444 661	(54 220)	149 783
	Foreign currency	(76 641)	(41 246)	(51 893)	(101 095)	129 973	(8 850)	(149 783)
Net nominal values on financial derivatives		(2 064)	(1 355)	(648)	1 758	2 363	0	53
	NOK	(22 173)	(7 401)	(51 111)	(50 972)	(27 182)		(158 840)
	Foreign currency	20 109	6 046	50 463	52 730	29 545		158 893

1) Overdraft and working capital facilities are grouped under "Up to 1 month". Write-downs on loans and guarantees are grouped under "Over 5 years" and "No fixed maturity" respectively.

2) Financial derivatives and accrued interest are grouped under "No fixed maturity".

Note 41 Residual maturity as at 31 December 2006 (continued)

		DnB NOR Bank Group						
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	Over 5 years	No fixed maturity	Total
Assets								
Cash and deposits with central banks	NOK	8 341					1 181	9 523
	Foreign currency	1 846					84	1 930
Lending to and deposits with credit institutions	NOK	3 854	1 400	3 727	486	1 672	(6)	11 132
	Foreign currency	27 582	7 935	6 593	10 848	471	(67)	53 362
Net lending to customers ¹⁾	NOK	53 481	13 976	20 981	73 850	480 834	(2 212)	640 909
	Foreign currency	15 534	6 110	15 991	59 292	87 909	(590)	184 246
Commercial paper and bonds	NOK	997	1 712	4 077	12 604	3 765		23 153
	Foreign currency	1 098	552	1 148	32 852	80 912		116 562
Sundry assets ²⁾	NOK	72	68	73	399	35	50 404	51 052
	Foreign currency	436	85	31	151	2	10 203	10 909
Total assets		113 242	31 839	52 619	190 481	655 600	58 998	1 102 779
	NOK	66 745	17 156	28 857	87 338	486 306	49 367	735 769
	Foreign currency	46 497	14 683	23 762	103 143	169 294	9 630	367 009
Liabilities and equity								
Loans and deposits from credit institutions	NOK	28 316	39	5	2			28 361
	Foreign currency	49 044	14 236	11 629	9 220	1 182		85 312
Deposits from customers	NOK	390 652	165	4 259	6 782	294		402 152
	Foreign currency	72 114	2 596	2 199	2 061	35		79 005
Securities issued	NOK	2 615	1 626	4 580	8 862	1 560		19 242
	Foreign currency	23 244	38 069	57 722	209 790	3 950		332 774
Sundry liabilities ²⁾	NOK	223	563	266		26	64 850	65 928
	Foreign currency	470	61	69	13	46	6 241	6 899
Subordinated loan capital and perpetual subordinated loan capital securities	NOK						100	100
	Foreign currency					20 764	13 002	33 766
Equity	NOK						45 531	45 531
	Foreign currency						3 708	3 708
Total liabilities and equity		566 677	57 354	80 729	236 731	27 855	133 433	1 102 779
	NOK	421 805	2 392	9 111	15 646	1 879	110 482	561 314
	Foreign currency	144 872	54 962	71 618	221 085	25 976	22 951	541 465
Net, residual maturity on balance sheet items		(453 435)	(25 515)	(28 109)	(46 250)	627 745	(74 436)	0
	NOK	(355 060)	14 764	19 747	71 692	484 427	(61 115)	174 455
	Foreign currency	(98 375)	(40 279)	(47 856)	(117 942)	143 318	(13 321)	(174 455)
Net nominal values on financial derivatives		(2 304)	(1 232)	(693)	1 792	2 350	0	(86)
	NOK	(22 416)	(7 304)	(51 133)	(50 927)	(27 182)		(158 962)
	Foreign currency	20 112	6 072	50 441	52 719	29 532		158 876

1) Overdraft and working capital facilities are grouped under "Up to 1 month". Write-downs on loans and guarantees are grouped under "Over 5 years" and "No fixed maturity" respectively.

2) Financial derivatives and accrued interest are grouped under "No fixed maturity".

Note 42 Remunerations etc.

The Board of Directors' statement on the stipulation of salaries and other remunerations to senior executives

A. Guidelines for the coming accounting year

Remuneration to the group chief executive

The salary and bonus of the group chief executive should be determined on the basis of an overall assessment with main emphasis on the following aspects: financial performance, customer satisfaction, employee satisfaction and the Group's reputation. The bonus payment to the group chief executive will be determined based on discretionary assessments and cannot exceed 30 per cent of annual salary. The group chief executive does not receive performance-based remuneration other than the aforementioned bonus.

In addition to bonus payments, the group chief executive may receive benefits in kind such as a company car, newspapers and magazines, free home phone, free mobile and free fax machine. These benefits should reflect the group chief executive's functions in the Group or be in line with market practice and should not be significant relative to his basic salary.

The Group will respect the agreement entered into with the group chief executive, whereby his retirement age is 60 years with a pension representing 70 per cent of salary. If employment is terminated prior to the age of 60, the pension will be paid from the age of 60 with the deduction of 1/14 of the pension amount for each full year remaining to his 60th birthday. According to the agreement, the group chief executive is entitled to a termination payment for two years if employment is terminated prior to the age of 60. If, during this period, the group chief executive were to receive income from other employment, the termination payment will be reduced by an amount corresponding to the salary received from this employment. Benefits in kind will be maintained for a period of three months.

Remuneration to other senior executives

The group chief executive determines the remuneration of senior executives in consultation with the chairman of the Board of Directors. The Board will honour any existing binding agreements. Salaries should be determined on the basis of the need for offering competitive terms in the various business areas. Salaries should promote the Group's competitiveness in the relevant labour market as well as the Group's profitability (including the desired trend in income and costs). Remuneration schemes must not pose a threat to DnB NOR's reputation or be market-leading. Salaries awarded should ensure that the Group attracts and retains people with the desired skills and experience.

Benefits in kind can be offered to senior executives to the extent such benefits have a logical connection to the employee's functions in the Group or are in line with market practice. Such benefits should not be significant relative to the employee's basic salary.

Bonuses may be awarded to senior executives in the Group on a discretionary basis based on criteria relating to results achieved and other objective criteria based on aspects that the individual manager is able to influence. Such schemes should be performance-based without encouraging undue risk and should not pose a threat to DnB NOR's reputation. In addition to ordinary salaries, bonuses should ensure that the Group attracts and retains people with the preferred competencies and experience. The maximum limit for bonus payments will be 30 per cent of salary. The Board may, however, make exceptions for certain positions to ensure competitive terms. Though remunerations in the latter case should be competitive, they should not be market-leading.

Pension schemes and any agreements on termination payments etc. should be considered relative to other remunerations and be drawn up to ensure competitive terms. The various components in remuneration, pension schemes and severance pay, either alone or together, must not be such that they could be detrimental to DnB NOR's reputation. In accordance with the Group's pension scheme for all employees, pension entitlements will not accrue until the age of 62 and should not exceed 70 per cent of salary. However, the Group will honour existing agreements.

No termination payment agreements will be signed. However, the Group will honour existing agreements.

B. Binding guidelines for shares, subscription rights, options etc. for the coming accounting year

Shares, subscription rights, options and other forms of remuneration only linked to shares or only to developments in the share price of the company or other companies within the Group, will not be awarded to the group chief executive or senior executives. Nevertheless, the group chief executive and senior executives will be given the opportunity to participate in a share subscription scheme on the same terms as other employees in the DnB NOR Bank Group.

Terms for the chairman of the Board of Directors

Chairman of the Board of Directors of DnB NOR Bank ASA, Olav Hytta, received a total remuneration of NOK 304 000 in 2006, compared with NOK 300 000 in 2005. Benefits in kind from the DnB NOR Bank ASA were estimated at NOK 6 000, compared with NOK 137 000 in 2005.

In addition, Olav Hytta received remuneration for other board positions within the DnB NOR Group. In 2006, he received NOK 356 000 as chairman of the Board of Directors of DnB NOR ASA, compared with NOK 350 000 in 2005, and NOK 45 000 as board vice-chairman in Vital Forsikring ASA for the period 1 January to 31 March 2006, when he withdrew from the Board. The remuneration for the vice-chairman position in Vital Forsikring ASA in 2005 amounted to NOK 200 000. In 2006, pension payments totalled NOK 1 795 000, compared with NOK 1 755 000 in 2005.

Terms for the group chief executive

The group chief executive in DnB NOR ASA received an ordinary salary of NOK 4 709 000 in 2006, compared with NOK 4 244 000 in 2005. Benefits in kind amounted to NOK 239 000, as against NOK 364 000 in 2005. The figures represent the total ordinary remuneration to the group chief executive. Costs are divided between DnB NOR ASA and DnB NOR Bank ASA. The Board of Directors of DnB NOR ASA has stipulated the group chief executive's bonus payment for 2006 at NOK 1 200 000. The bonus payment for 2005, paid in 2006, was NOK 1 260 000.

Note 42 Remunerations etc. (continued)

Svein Aaser retired as group chief executive as at 31 December 2006 with official retirement date being 1 January 2007. During the first year, the pension will represent 100 per cent of the salary at the time of retirement, which will be reduced by an amount corresponding to 10 percentage points the first three years until the pension constitutes 70 per cent for the fourth and consecutive years. The pension, which will be covered through DnB NOR's operations, will be coordinated with pension entitlements from previous employers and be adjusted annually in line with the consumer price index. Costs for DnB NOR in connection with the group chief executive's pension scheme were NOK 4 553 000 for the 2006 accounting year.

Rune Bjerke assumed the position as DnB NOR's new group chief executive on 1 January 2007. The Board of Directors of DnB NOR ASA has stipulated the ordinary salary to the group chief executive at NOK 4 200 000 as of 1 January 2007.

Remunerations etc. in 2006

Amounts in NOK 1 000	DnB NOR Bank ASA							
	Remuneration ¹⁾	Salaries ²⁾	Bonus ³⁾	Benefits in kind	Total remuneration	Lending as at 31 Dec. 2006 ⁴⁾	Accrued pension expenses	Current value of pension agreement ⁵⁾
The board of Directors of DnB NOR Bank ASA								
Olav Hytta (chairman)	705	-	-	9	714	18	355	21 809
Bent Pedersen (vice-chairman) ⁶⁾	553	-	-	5	558	0	-	-
Per Hoffmann	450	522	-	9	981	1 514	27	498
Sten Sture Larre	225	-	-	3	228	0	-	-
Kari Lotsberg (new member from 17 Aug. 2006)	88	-	-	-	88	0	-	-
Heidi M. Petersen ⁶⁾	525	-	-	4	529	3 347	-	-
Torill Rambjør	225	-	-	1	226	500	-	-
Ingjerd Skjeldrum	483	557	-	18	1 058	169	49	933
Marit Wiig (withdrew on 17 Aug. 2006)	139	-	-	-	139	0	-	-
Svein Aaser up to 31 Dec. 2006 ⁷⁾								
Board of directors, total	3 393	1 079	-	49	4 521	5 548	431	23 240
Group management								
Svein Aaser, CEO up to 31 Dec. 2006	-	4 709	2 460	239	7 408	0	4 553	31 709
Tom Grøndahl, deputy CEO	-	3 293	624	195	4 112	696	1 345	17 792
Ottar Ertzeid, group executy vice president	-	2 158	6 950	114	9 222	4	310	3 569
Helge Forfang, group executy vice president	-	2 100	516	202	2 818	3 097	758	9 129
Evlyn Raknerud, group executy vice president	-	1 961	480	187	2 628	0	2 046	10 034
Åsmund Skår, group executy vice president	-	2 561	612	247	3 420	1 474	678	10 734
Leif Teksum, group executy vice president	-	2 702	660	204	3 566	2 344	1 456	17 284
Group management, total	-	19 484	12 302	1 388	33 174	7 615	11 146	100 250
Control Committee								
Helge B. Andresen	368	-	-	-	368	0	-	-
Frode Hassel	233	-	-	-	233	0	-	-
Kristin Normann	269	-	-	-	269	0	-	-
Thorstein Øverland	228	-	-	-	228	0	-	-
Control Committee, total	1 098	-	-	-	1 098	0	-	-
Supervisory Board, total	1 405	4 646	84	176	6 311	14 699	-	-
Total	5 896	25 209	12 386	1 613	45 104	27 862	11 577	123 490
Total lending to other employees						9 351 419		

1) Includes remuneration received from all companies within the DnB NOR Group. For those who have received remuneration regarding more than one position, the following amounts are related to DnB NOR Bank ASA:

Per Hoffmann: NOK 225 000

Olav Hytta: NOK 304 000

Bent Pedersen: NOK 253 000

Heidi M. Petersen: NOK 225 000

Ingjerd Skjeldrum: NOK 225 000

2) The 2006 salary for deputy CEO Tom Grøndahl included a non-recurring, additional payment of NOK 720 000 for previous years.

3) The bonus of group chief executive Svein Aaser was stipulated at maximum 35 per cent of annual salary. The bonus payment in 2006 comprised NOK 1 260 000 related to 2005 and NOK 1 200 000 related to 2006. Group executive vice president Ottar Ertzeid, head of DnB NOR Markets, has a performance-based salary including both fixed and variable payments. The 2006 payment included a non-recurring payment of NOK 2 000 000 and a bonus of NOK 4 950 000. The size of the bonus depends on results achieved by the business area and on long-term performance.

4) Loans to shareholder-elected representatives as well as their family members and close associated are extended on ordinary customer terms. Loans to DnB NOR employees are extended on special terms, which are close to ordinary customer terms.

5) The net present value of pension agreements represents accrued pension commitments excluding payments into funded pension schemes. Assumptions used in actuarial calculations of accrued pension expenses and the present value of pension agreements are shown in note 9 Pensions.

6) Also member of the Audit Committee.

7) See information under Group Management.

Note 42 Remunerations etc. (continued)

Other information on pension agreements

Ottar Ertzeid, Helge Forfang and Leif Teksum have pension agreements entitling them to a pension representing 70 per cent of salary from the age of 62. Tom Grøndahl and Åsmund Skår have pension agreements entitling them to a pension representing 70 per cent of salary from the age of 60. Evlyn Raknerud has a pension agreement entitling her to a pension representing 66 per cent of salary from the age of 60.

Subscription rights programme for employees

There was no subscription rights programme for employees at year-end 2006.

DnB NOR Bank ASA		Remuneration to the statutory auditor	DnB NOR Bank Group	
2005	2006	Amounts in NOK 1 000	2006	2005
2 675	3 063	Statutory audit ¹⁾	7 807	4 787
435	2 399	Other certification services ^{2) 3)}	2 685	487
287	1 178	Tax-related advice	2 631	910
802	760	Other services ⁴⁾	1 574	1 151
4 199	7 402	Total remuneration to the statutory auditor	14 697	7 335

1) Fees for auditing of DnB NORD and DnB NOR Monchebank are included as from 2006.

2) Includes fees for the partial audit of the banking group's interim accounts in 2006.

3) Includes fees in connection with the bank's issue of a Medium Term Note Programme in 2006.

4) Other services are primarily related to the establishment of Bank DnB NORD in Copenhagen, supplementary work in connection with the acquisition of Monchebank, assistance in implementing IFRS and new lending regulations. The auditor has also assisted the banking group in matters relating to restructuring and group structure.

Note 43 Information on related parties

	DnB NOR Bank Group	
Amounts in NOK million	31 Dec. 2006	31 Dec. 2005
Intra-group items - assets		
Lending to and deposits with credit institutions	95 221	88 756
Net lending to customers	1 092	637
Intra-group items - liabilities		
Loans and deposits from credit institutions	93 294	85 647
Deposits from customers	1 206	2 733
Subordinated loan capital	1 657	1 092

Note 44 Capital adequacy

DnB NOR Bank ASA

31 Dec. 2005	31 Dec. 2006	Amounts in NOK million
17 214	17 214	Share capital
22 223	28 143	Other equity
39 438	45 357	Total equity
5 465	5 360	Perpetual subordinated loan capital securities ^{1) 2)}
		Deductions
(40)	(39)	Pension funds above pension commitments
(1 318)	(1 094)	Goodwill
(6)	(752)	Deferred tax assets
(169)	(308)	Other intangible assets
		Additions
2 218	1 664	Portion of unrecognised actuarial gains/losses ³⁾
45 588	50 188	Core capital
5 670	7 502	Perpetual subordinated loan capital ^{1) 2)}
13 664	19 885	Term subordinated loan capital ²⁾
19 334	27 387	Supplementary capital
2 182	2 144	Deductions
62 740	75 431	Total eligible primary capital ⁴⁾
562 052	708 428	Total risk-weighted volume
8.1	7.1	Core capital ratio (per cent)
11.2	10.6	Capital ratio (per cent)

DnB NOR Bank Group

31 Dec. 2006	31 Dec. 2005
17 214	17 214
32 026	25 905
49 240	43 119
5 603	5 698
(49)	(51)
(1 990)	(2 175)
(625)	(93)
(394)	(219)
1 768	2 357
53 554	48 638
7 602	5 770
20 969	14 868
28 571	20 638
2 144	2 182
79 981	67 094
787 311	635 707
6.8	7.7
10.2	10.6

- 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 744 million in subordinated loan capital in associated companies, in addition to subordinated loan capital in the banking group's balance sheet.
- 3) Upon implementation of NRS 6A (IAS 19) in 2005, unrecognised actuarial gains/losses for pension commitments were charged to equity in the accounts. The Ministry of Finance has established a transitional rule whereby three-fifths of the amount recorded against equity can be included in capital adequacy calculations as at 31 December 2006. This effect will be reduced by one-fifth yearly up to and including 2008.
- 4) Primary capital and nominal amounts used in calculating risk-weighted volume deviate from figures in the DnB NOR Bank Group's accounts as a different consolidation method ("pro rata consolidation") is used in calculating capital adequacy in relation to associated companies.

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

DnB NOR Bank ASA

Specification of risk-weighted volume

Specification of risk-weighted volume		Risk-weighted volume					Risk-weighted volume	
		Nominal amounts as at 31 December 2006					31 Dec.	31 Dec.
Amounts in NOK million	Risk-weight:	0%	10%	20%	50%	100%	2006	2005
Banking portfolio								
Cash and ordinary deposits with banks		9 349		12 902			2 580	2 462
Short-term investments in securities		54		9 334		1 594	3 460	3 495
Lending		2 365		46 623	341 900	346 486	526 760	438 240
Other assets		1 268		599	3 426	2 728	4 561	4 038
Fixed assets		2 154				11 573	11 573	11 204
Total assets		15 190		69 457	345 326	362 381	548 935	459 439
Guarantee commitments		1 303	427	3 440	22 897	64 526	54 552	32 717
Approved, undrawn credits		143 597		3 848	10 906	93 697	49 960	39 558
Financial derivatives							66	33
Other				1 576		8 391	1 741	795
Total off-balance-sheet instruments							106 318	73 103
Total risk-weighted volume, banking portfolio							655 254	532 542
Trading portfolio								
Position risk, equity instruments							1 512	1 324
Position risk, debt instruments							40 045	21 874
Settlement risk							24	18
Counterparty risk and other risks							14 903	12 581
Currency risk							1 008	742
Total risk-weighted volume, trading portfolio							57 492	36 539
Total risk-weighted volume, banking and trading portfolio							712 746	569 081
Deduction for:								
Investments in primary capital in other financial institutions							2 144	2 182
Write-downs on loans and guarantees							2 173	4 847
Total risk-weighted volume							708 428	562 052

Note 44 Capital adequacy (continued)

		Risk-weighted volume					DnB NOR Bank Group	
Specification of risk-weighted volume		Nominal amounts as at 31 December 2006					31 Dec.	31 Dec.
<i>Amounts in NOK million</i>	Risk-weight:	0%	10%	20%	50%	100%	2006	2005
Banking portfolio								
Cash and ordinary deposits with banks		11 594		7 146		5	1 435	749
Short-term investments in securities		789		26 086		1 811	7 028	6 229
Lending		6 705	5	57 029	381 606	415 497	617 706	511 737
Other assets		1 476		879	3 822	2 198	4 285	4 237
Fixed assets		3 122				5 617	5 617	5 312
Total assets		23 686	5	91 140	385 428	425 128	636 071	528 264
Guarantee commitments		1 398	427	5 283	406	65 271	43 282	33 379
Approved, undrawn credits		134 945		6 272	10 906	105 511	56 109	41 266
Financial derivatives							791	694
Other		93		1 595		8 511	1 769	1 556
Total off-balance-sheet instruments							101 951	76 895
Total risk-weighted volume, banking portfolio							738 022	605 160
Trading portfolio								
Position risk, equity instruments							1 701	1 505
Position risk, debt instruments							36 714	23 218
Settlement risk							24	18
Counterparty risk and other risks							14 922	12 582
Currency risk							1 024	1 213
Total risk-weighted volume, trading portfolio							54 385	38 536
Total risk-weighted volume, banking and trading portfolio							792 406	643 696
Deduction for:								
Investments in primary capital in other financial institutions							2 144	2 182
Write-downs on loans and guarantees							2 951	5 807
Total risk-weighted volume							787 311	635 707

Note 45 Financial derivatives

General information on application of financial derivatives

Financial derivatives are traded to manage liquidity and market risk arising from the banking group's ordinary operations (banking portfolio). In addition, the banking group employs financial derivatives in its own account trading (trading portfolio).

Financial derivatives are contracts stipulating financial values in the form of interest rate terms, exchange rates and the value of equity instruments for fixed periods of time. Corresponding contracts stipulating prices on commodities and indexes are defined as financial derivatives. Derivatives include swaps, forward contracts and options as well as combinations thereof, including forward rate agreements (FRAs), financial futures and agreements on the transfer of securities.

"Over the counter" (OTC) options or forward contracts are contracts entered into outside the stock exchange. The contracts are tailor-made according to investor requirements with respect to the underlying object, number, price, expiration terms and maturity. The advantage of OTC derivatives is that customers are not limited to standardised contracts and can buy the precise position they wish. The disadvantage compared with the standardised market is that it can be difficult to find other contracting parties and to sell the contracts on the secondary market. Clearing of non-standardised OTC options is regulated by separate standard conditions stipulated by the clearing house NOS ASA, and the relationship between the actors in the market is regulated through agreements similar to those in the standardised market.

The following derivatives are employed in the DnB NOR Bank Group:

- Forward contracts: a contract to buy or sell terms of interest, amounts in foreign currencies, shares or commodities on a specified future date at a fixed price. Forward contracts are tailor-made contracts traded between counterparties in the OTC market.
- FRAs: agreements that fix the interest rate for a future period for an agreed amount. When the contract matures, only the difference between the agreed interest rate and the actual market interest rate is exchanged.
- Interest rate futures: standardised contracts where the counterparties agree to exchange specific interest rate instruments at a fixed price on a specified date. The contracts are traded on an exchange. The value of interest rate futures follows the price trend on underlying interest rate instruments.
- Swaps: transactions where two parties exchange cash flows on a fixed amount over an agreed period. The majority of swaps are tailor-made and traded outside exchanges. The most important types of swaps traded by DnB NOR Bank Group are:
 - interest rate swaps in which fixed rates of interests are exchanged for floating or floating rates of interest are exchanged for fixed
 - cross-currency interest rate swaps in which parties exchange both currency and interest payments

Note 45 Financial derivatives (continued)

- Options: agreements giving the buyer the right, but not the obligation, to either buy (call option) or sell (put option) a specific quantity of a financial instrument or commodity at a predetermined and fixed price. The buyer pays a premium to the seller for this right. Options are traded both as OTC contracts (tailor-made) and as standardised contracts.
- Interest swaptions: option contracts affording protection against an interest rate rise (for the buyer/borrower) or an interest rate fall (for the seller/lender). By paying a premium in advance, the customer gains the right, but not the obligation, to use predetermined interest rate swap contracts in the future. Depending on the structure, the swaption may be exercised on a specific future date (European option) or at any time during the term of the option (American option).

Further information on the use of financial derivatives in DnB NOR Markets

DnB NOR Markets acts as market maker and is obliged to furnish both offer and bid prices for specified option, forward or futures series with a maximum differential between the offer and bid price, together with a minimum volume. Market makers always trade for their own account. The purpose of own account trading, in addition to making a market, is position taking, which means intentional risk-taking within the foreign exchange, interest rate and equity markets to achieve profits arising from favourable price, exchange rate and index fluctuations. Arbitrage, that is profit taking from fluctuations in prices, exchange rates and indexes for the same product in various markets, is also part of own-account trading.

Customer trading entails structuring and marketing financial derivatives for customers, enabling them to transfer, modify, take or reduce prevailing or expected risk. The majority of derivative transactions relate to customer trading.

	31 December 2006			DnB NOR Bank ASA 31 December 2005		
	Nominal amount ¹⁾	Positive market value ²⁾	Negative market value ²⁾	Nominal amount ¹⁾	Positive market value ²⁾	Negative market value ²⁾
<i>Amounts in NOK million</i>						
Trading portfolio						
Interest rate agreements	2 985 778	19 211	16 280	2 335 982	21 134	17 938
Foreign exchange agreements ³⁾	1 056 439	20 559	22 393	723 097	16 350	14 688
Equity-related agreements	45 339	3 588	3 643	46 465	2 810	2 840
Other agreements	64	1	0	296	9	0
Banking portfolio						
Interest rate agreements	54 150	168	3	83 416	729	1 437
Foreign exchange agreements	0	0	0	5 731	23	20
Netting						
Effect of netting agreements ⁴⁾		(18 649)			(18 073)	

	31 December 2006			DnB NOR Bank Group 31 December 2005		
	Nominal amount ¹⁾	Positive market value ²⁾	Negative market value ²⁾	Nominal amount ¹⁾	Positive market value ²⁾	Negative market value ²⁾
<i>Amounts in NOK million</i>						
Trading portfolio						
Interest rate agreements	2 988 127	19 220	16 285	2 335 982	21 134	17 938
Foreign exchange agreements ³⁾	1 057 109	20 559	22 393	723 362	16 353	14 688
Equity-related agreements	46 409	3 652	3 707	46 465	2 810	2 840
Other agreements	144	5	4	296	9	0
Banking portfolio						
Interest rate agreements	54 954	172	5	85 415	814	1 449
Foreign exchange agreements	2 415	18	22	5 731	23	20
Netting						
Effect of netting agreements ⁴⁾		(18 649)			(18 073)	

1) Nominal amount represents the underlying principal used as a basis for calculating interest income, interest expenses and net trading profits in the profit and loss account.

2) Market prices represent the average of purchase and sales prices quoted by information services accessible to the public. In some cases, market prices are calculated by extrapolation or interpolation of available prices.

3) Cross-currency interest rate swaps are included under foreign exchange agreements.

4) Includes only contracts where legally binding agreements with the customer covering such netting have been signed.

Financial derivatives included in the trading portfolio are recorded at market value in the accounts, and changes in market value are recorded as they occur. With respect to agreements included in the banking portfolio, gains and losses are amortised over the remaining maturity.

Internal transactions between the trading portfolio and the banking portfolio are valued according to principles relevant to these areas of business without eliminating internal gains and losses. Up till the end of 2006, a total of NOK 1 150 million was recorded as gains on such transactions, while losses of NOK 778 million were recorded in 2006 alone.

Note 46 Off-balance sheet transactions, contingencies and post balance sheet events

DnB NOR Bank ASA		Off-balance sheet transactions	DnB NOR Bank Group	
31 Dec. 2005	31 Dec. 2006		31 Dec. 2006	31 Dec. 2005
		<i>Amounts in NOK million</i>		
182 821	234 098	Unutilised ordinary credit lines	245 827	186 803
8 928	15 571	Documentary credit commitments	15 705	9 115
351	335	Other commitments	447	1 654
192 100	250 004	Total commitments	261 979	197 572
14 247	20 550	Performance guarantees	21 702	14 764
13 777	17 388	Payment guarantees	18 247	14 519
13 716	40 514	Loan guarantees ¹⁾	16 368	13 831
3 050	3 922	Guarantees for taxes etc.	3 948	3 077
5 360	4 290	Other guarantee commitments	4 791	5 438
50 151	86 664	Total guarantee commitments	65 056	51 629
0	0	Support agreements	5 267	4 995
50 151	86 664	Total guarantee commitments etc. ^{*)}	70 323	56 624
		^{*)} Of which:		
1 492	1 568	Counter-guaranteed by financial institutions	1 584	1 498
49 669	75 931	Securities	75 931	49 669
		are pledged as security for:		
49 558	75 816	Loans ²⁾	75 816	49 558
111	115	Other activities	115	111

1) As at 31 December 2006, DnB NOR Bank ASA has issued a guarantee for the loans in DnB NOR Boligkreditt AS with NOK 22 899 million.

2) NOK 75 816 million in securities as at 31 December 2006 has been pledged as collateral for credit facilities with Norges Bank (the Norwegian central bank). According to regulations, these loans must be fully collateralised by a mortgage on interest-bearing securities and/or the bank's deposits with Norges Bank. As at 31 December 2006, DnB NOR Bank Group had borrowings of NOK 10 billion from Norges Bank.

Contingencies

Due to its extensive operations in Norway and abroad, the banking group will regularly be party to a number of legal actions. None of the current disputes are expected to have any material impact on the banking group's financial position.

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

Post balance sheet events

DnB NOR Bank ASA long-term credit rating was raised to Aaa by Moody's in February 2007. There have been none other special events after balance-sheet date.

Note 47 Key figures 2002 – 2006

		DnB NOR Bank Group				
				Pro forma	Pro forma	
		2006	2005	2004	2003	2002
Interest rate analyses						
1.	Combined average spread for lending and deposits (%)	2.02	2.18	2.33	2.45	2.62
2.	Spread for ordinary lending to customers (%)	1.14	1.48	1.64	1.58	1.40
3.	Spread for deposits from customers (%)	0.88	0.70	0.69	0.87	1.22
Rate of return/profitability						
4.	Net other operating income, per cent of total income	36.4	38.1	38.6	33.4	29.3
5.	Cost/income ratio (%)	51.6	52.5	57.0	59.8	61.7
6.	Return on equity (%)	18.2	18.7	17.9	12.7	11.8
Financial strength						
7.	Core (Tier 1) capital ratio at end of period (%)	6.8	7.7	7.5	7.1	7.9
8.	Capital adequacy ratio at end of period (%)	10.2	10.6	10.6	10.1	10.6
9.	Core capital at end of period (NOK million)	53 554	48 638	39 175	37 690	36 979
10.	Risk-weighted volume at end of period (NOK million)	787 311	635 707	528 240	527 256	468 306
Loan portfolio and write-downs						
11.	Write-downs relative to net lending to customers	(0.04)	(0.02)	0.03	0.33	0.21
12.	Net non-performing and impaired commitments, per cent of net lending	0.45	0.63	0.97	1.45	0.96
13.	Net non-performing and impaired commitments at end of period (NOK million)	3 800	4 751	5 726	8 401	4 854
Liquidity						
14.	Ratio of customer deposits to net lending to customers at end of period (%)	58.3	60.4	62.4	59.7	64.9
Staff						
15.	Number of full-time positions at end of period	10 672	10 269	8 693	9 765	10 175

Definitions

- 1, 2, 3 Based on nominal values excluding lending to and deposits with credit institutions and impaired loans.
- 5 Total ordinary expenses relative to total income. Ordinary expenses are excluding allocations to DnB NOR's employee funds.
- 6 Profits for the period are exclusive of profits attributable to minority interests. Average equity is calculated on the basis of recorded equity excluding minority interests.

Note 48 Survey of results 2002 – 2006

	DnB NOR Bank Group				
				Pro forma	Pro forma
<i>Amounts in NOK million</i>	2006	2005	2004	2003	2002
Interest income	42 822	29 712	28 803	38 733	43 269
Interest expenses	26 979	16 311	15 428	24 710	29 150
Net interest income	15 844	13 401	13 376	14 023	14 119
Dividends	103	154	143	211	169
Commissions and fees receivable etc.	6 680	6 276	5 764	5 768	5 542
Commissions and fees payable etc.	1 951	2 025	2 010	2 057	2 030
Net gains on foreign exchange and financial instruments	2 140	2 166	1 675	1 836	775
Sundry ordinary operating income	1 607	1 440	1 541	1 255	1 130
Netto gevinster ved salg av varige driftsmidler	478	231	1 298	23	264
Nett other operating income	9 056	8 241	8 412	7 037	5 851
Salaries and other personnel expenses	6 849	5 718	5 792	6 267	5 774
Administrative expenses	3 568	3 586	3 678	3 864	3 831
Depreciation	882	778	839	1 013	962
Sundry ordinary operating expenses	1 300	1 189	1 282	1 353	1 428
Other expenses	382	232	952	217	369
Total operating income	12 982	11 502	12 544	12 715	12 364
Pre-tax operating profit	11 917	10 140	9 244	8 344	7 606
Net losses on loans etc.	(243)	(42)	167	1 891	1 023
Net gains on long-term securities	3	203	106	224	(317)
Pre-tax operating profit	12 164	10 385	9 183	6 677	6 265
Taxes	3 292	3 058	2 397	1 715	1 732
Profit for the year	8 872	7 327	6 786	4 963	4 533
Earnings per share	51.54	42.56	40.00	29.26	29.72

Note 49 Balance sheet summary 2002 – 2006

DnB NOR Bank Group					
	31 Dec.	31 Dec.	31 Dec.	1 Jan.	Pro forma 31 Dec.
<i>Amounts in NOK million</i>	<i>2006</i>	<i>2005</i>	<i>2004</i>	<i>2004</i>	<i>2002</i>
Assets					
Cash and deposits with central banks	11 453	21 229	8 780	8 565	22 941
Lending to and deposits with credit institutions	64 494	31 342	21 604	28 060	26 385
Gross lending to customers	827 958	698 881	584 230	573 973	500 807
- Individual write-downs	1 820	2 065	3 255	4 329	2 884
- Group write-downs	982	3 576	3 534	3 714	3 501
Net lending to customers	825 156	693 240	577 441	565 929	494 422
Commercial paper and bonds	139 715	79 259	62 986	59 677	51 699
Shareholdings etc.	2 839	2 939	4 735	3 976	4 377
Investments in associated companies	1 349	1 261	1 601	1 592	1 563
Intangible assets	2 940	2 418	3 511	4 191	3 595
Fixed assets	4 832	4 371	4 279	4 685	4 695
Other assets	43 592	19 288	22 943	23 618	18 561
Prepayments and accrued income	6 409	4 645	4 477	4 483	6 154
Total assets	1 102 779	859 993	712 356	704 776	634 392
Liabilities and equity					
Loans and deposits from credit institutions	113 673	97 870	48 950	78 508	80 314
Deposits from customers	481 157	418 395	360 240	337 807	320 887
Securities issued	352 016	236 711	192 410	181 949	138 568
Other liabilities	62 398	28 527	41 140	37 820	31 624
Accrued expenses and prepaid revenues	6 150	5 426	5 013	5 999	5 038
Provisions for commitments	4 278	4 145	4 952	4 528	2 658
Subordinated loan capital	28 506	20 333	18 770	18 126	13 519
Perpetual subordinated loan capital securities	5 360	5 465	5 270	5 583	5 292
Total liabilities	1 053 539	816 873	676 745	670 320	597 901
Minority interests	2 201	946	1 551	1 520	946
Share capital	17 214	17 214	16 964	16 964	16 964
Share premium reserve	10 711	10 711	8 461	8 461	8 461
Other equity	19 113	14 248	8 634	7 511	10 120
Total equity	49 240	43 119	35 611	34 456	36 491
Total liabilities and equity	1 102 779	859 993	712 356	704 776	634 392

Oslo, 7 March 2007
The Board of Directors of DnB NOR Bank ASA

Olav Hytta
(chairman)

Bent Pedersen
(vice-chairman)

Per Hoffmann

Sten Sture Larre

Kari Lotsberg

Heidi M. Petersen

Torill Rambjør

Ingjerd Skjeldrum

Rune Bjerke

Auditor's report for 2006

To the Annual General Meeting and Supervisory Board of DnB NOR Bank ASA

We have audited the annual financial statements of DnB NOR Bank ASA as of December 31, 2006, showing a profit of NOK 9 659 million for the parent company and a profit of NOK 8 872 million for the group. We have also audited the information in the directors' report concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit. The annual financial statements comprise the balance sheet, the statements of income and cash flows, the accompanying notes and the group accounts. The regulations of the Norwegian accounting act and accounting standards, principles and practices generally accepted in Norway have been applied in the preparation of the financial statements. These financial statements are the responsibility of the Company's Board of Directors and Group Chief Executive. Our responsibility is to express an opinion on these financial statements and on other information according to the requirements of the Norwegian Act on Auditing and Auditors.

We conducted our audit in accordance with the laws, regulations and auditing standards and practices generally accepted in Norway, including standards on auditing adopted by The Norwegian Institute of Public Accountants. These auditing standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. To the extent required by law and auditing standards an audit also comprises a review of the management of the Company's financial affairs and its accounting and internal control systems. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- the financial statements have been prepared in accordance with the law and regulations and give a true and fair view of the financial position of the company and of the group as of December 31, 2006, and the results of its operations and its cash flows for the year then ended, in accordance with accounting standards, principles and practices generally accepted in Norway
- the company's management has fulfilled its duty to produce a proper and clearly set out registration and documentation of accounting information in accordance with the law and good bookkeeping practice in Norway.
- the information given in the directors' report concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit are consistent with the financial statements and comply with the law and regulations.

Oslo, March 7, 2007
PricewaterhouseCoopers AS

Geir Julsvoll
State Authorised Public Accountant (Norway)

Note: This translation from Norwegian has been prepared for information purposes only.

Control Committee's Report

To the Supervisory Board and the Annual General Meeting of DnB NOR Bank ASA

The Control Committee has carried out internal controls in DnB NOR Bank ASA and the banking group in accordance with law and instructions laid down by the Supervisory Board.

In connection with the closing of the accounts for the 2006 financial year, the Control Committee has examined the Directors' Report, the annual accounts and the Auditor's Report for DnB NOR Bank ASA.

The Committee finds that the Board of Directors gives an adequate description of the financial position of DnB NOR Bank and the banking group, and recommends the approval of the Director's Report and annual accounts for the 2006 financial year.

Oslo, 14 March 2007

Helge B. Andresen
(chairman)

Kristin Normann
(vice-chairman)

Frode Hassel

Thorstein Øverland

Svein Brustad
(deputy)

Anita Roarsen
(deputy)

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DnB NOR ASA

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Mailing address: NO-0021 Oslo
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www.dnbnor.com
Tel: +47 915 03000

DnB NOR Bank ASA

Organisation number: 984 851 006 MVA

DnB NOR Markets

Headed by: Ottar Ertzeid
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Tel: +47 915 03000

Nordlandsbanken ASA

Organisation number: 914 713 196 MVA
Headed by: Morten Støver
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Visiting address: Moloveien 16, Bodø
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Postbanken

Headed by: Jarle Mortensen
Mailing address: NO-0021 Oslo
Visiting address: Kirkegata 21, Oslo
www.postbanken.no
Tel: +47 915 03800

DnB NOR Finans AS

Organisation number: 920 953 743 MVA
Headed by: Stein Ove Steffensen
Mailing address: P.O. Box 7125, NO-5020 Bergen
Visiting address: Lars Hillesgate 30, Bergen
www.dnbnor.no/finans
Tel: +47 56 12 85 00

DnB NOR Eiendom AS

Organisation number: 910 968 955 MVA
Headed by: Kjell Thomassen
Mailing address: NO-0021 Oslo
Visiting address: Kirkegata 21, Oslo
www.dnbnor.no/eiendom
Tel: +47 915 03000

Postbanken Eiendom AS

Organisation number: 880 984 332 MVA
Headed by: Thore Cato Stentun
Mailing address: NO-0021 Oslo
Visiting address: Kongensgate 18–20, Oslo
www.postbankeneiendom.no
Tel: +47 915 03000

DnB NOR Boligkreditt AS

Organisation number: 985 621 551
Headed by: Carl Johan Wickmann
Address: Torgallmenningen 2, NO-5020 Bergen
Tel: +47 915 03000

DnB NOR Næringsmegling AS

Organisation number: 975 265 145 MVA
Headed by: Sverre Seeberg
Mailing address: NO-0021 Oslo
Visiting address: Stranden 21, Oslo
www.dnbnornaringsmegling.no
Tel: +47 22 94 86 60

*For information about customer service, branch offices and Internet banks,
see www.dnbnor.no or call +47 915 04800 (Retail Banking) or +47 915 07700 (Corporate Banking)
For information about press contacts, see www.dnbnor.com*

International branches

DnB NOR Bank ASA, filial Danmark

Headed by: Hilde Knoph Fallang
Address: Dampfærgevej 28, DK-2100 Copenhagen Ø, Denmark
Tel: + 45 333 66 200

DnB NOR Bank ASA, filial Finland

Headed by: Timo Reinikainen
Address: Urho Kekkosen katu 7B, 5 krs, FI-00100 Helsinki, Finland
Tel: +358 10 548 2100

DnB NOR Bank ASA, filial Sverige

Headed by: Peter H. Carlsson
Mailing address: P.O. Box 3041, SE-103 63 Stockholm, Sweden
Visiting address: Sveavägen 38, Stockholm
Tel: +46 8 454 93 00

DnB NOR Bank ASA, Filiale Deutschland

Headed by: Jan Rognlid
Mailing address: Postfach 301260, DE-20305 Hamburg, Germany
Visiting address: Bleichenbrücke 11, Hamburg
Tel: +49 40 3575200

DnB NOR Bank ASA, London Branch

Headed by: Terje Turnes
Address: 20, St. Dunstan's Hill, GB-London EC3R 8HY, England
Tel: +44 207 621 1111

DnB NOR Bank ASA, New York Branch

Headed by: Truls Nergaard
Address: 200 Park Avenue 31st Floor,
New York, N.Y. 10166-0396, USA
Tel: +1 212 681 3800

DnB NOR Bank ASA, Singapore Branch

Headed by: Erik Borgen
Address: 8 Shenton Way, #48-02, Temasek Tower, Singapore 068811
Tel: +65 6220 6144

DnB NOR Bank ASA, Shanghai Branch

Headed by: Espen Lund
Address: 901 Shanghai Central Plaza, 381 Huai Hai Zhong Lu
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Subsidiaries

Bank DnB NORD A/S

Headed by: Sven Herlyn
Address: Dampfærgevej 28, DK-2100 Copenhagen Ø, Denmark
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DnB NOR Luxembourg S.A.

Headed by: Frode Ekeli
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DnB NOR Markets, Inc. New York

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OAo DnB NOR Monchebank

Headed by: Valentina Dvoinishnikova
Address: Lenina Avenue 14, 183032 Murmansk, Russia
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Representative offices

Houston, USA

Headed by: Espen Kvilekval
Address: Three Allen Center 333 Clay Street,
Suite 4010 Houston, Texas 77002, USA
Tel: + 1 832 214 5800

Rio de Janeiro, Brazil

Headed by: Tom M. Ringseth
Mailing address: Caixa Postal 1620,
CEP 20001-970 Rio de Janeiro, RJ Brazil
Visiting address: Praia do Flamengo 66, Bloco,
B/Sala 1014, 22228-900 Rio de Janeiro
Tel: +55 21 2285 1795

Santiago, Chile

Headed by: Tom M. Ringseth
Tel: +56 842 90559

Investor Relations

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Corporate Communications

Eivind Grønstad

Acting group executive vice president
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eivind.gronstad@dnbnor.no

Governing bodies in DnB NOR Bank ASA

Supervisory Board

Members elected by shareholders

Wenche Agerup, Oslo
 Widar Slemdal Andersen, Rælingen
 Nils Halvard Bastiansen, Bærum
 Jan-Erik Dyvi, Oslo
 Toril Eidesvik, Bergen
 Anne Cathrine Frøstrup, Hønefoss
 Elisabeth Grændsen, Lillehammer
 Herbjørn Hansson, Sandefjord
 Knut Hartvig Johansson, Snarøya
 Erik Sture Larre sr., Oslo
 Tomas Leire, Kristiansand
 Ole-Eirik Lerøy, Bergen (vice-chairman)
 Eldbjørg Løwer, Kongsberg
 Trond Mohn, Paradis
 Dag J. Opedal, Oslo
 Anita Roarsen, Oslo
 Benedicte Berg Schilbred, Tromsø (chairman)
 Arthur Sletteberg, Stabekk
 Tove Storrødvann, Ski
 Hanne Rigmor Egenæss Wiig, Halden

Deputies elected by shareholders

Lisbeth Berg-Hansen, Bindalseidet
 Erik Buchmann, Oslo
 Turid Dankertsen, Oslo
 Rolf Domstein, Måløy
 Harriet Hagan, Ås
 Bente Hagem, Ås
 Rolf Hodne, Stavanger
 Leif O. Høegh, London
 Liv Johannson, Oslo
 Herman Mehren, Nevnlunghamn
 Aage Møst, Bærum
 Gry Nilsen, Drammen
 Einar Nistad, Rådal
 Asbjørn Olsen, Skedsmo
 Oddbjørn Paulsen, Bodø
 Gudrun B. Rollefson, Hammerfest
 Merete Smith, Oslo
 Birger Solberg, Oslo
 Anne Bjørg Thoen, Oslo
 Lars Wenaas, Måndalen

Members elected by employees

Per Kr. Andresen, Oslo
 Else Carlsen, Bødalen
 Bente H. Espenes, Oslo
 Bjørn Hennum, Drammen
 Tor Arne Kræmer, Tromsø (resigned on 31 August 2006)
 Hanne Mette Lundberg, Tønsberg
 Jorunn Løvås, Fjell (resigned on 17 August 2006)
 Berit Pedersen, Arendal
 Eli Solhaug, Oslo
 Siri E. Stensrud, Oslo

Deputies elected by employees

Ayyaz Akhtar, Oslo
 Marion Hagland, Tønsberg
 Unni Hammering, Grimstad
 Lillian Hattrem, Oslo
 Lars Kristiansen, Oslo
 Svein-Ove Kvalheim, Bergen
 Trond Maroni, Oslo
 Trond Erik Mikkelsen, Bergen
 Jaran Pedersen, Gjøvik
 Målfrid Ramstad, Namsos
 Kjell R. Rønningen, Dokka
 Marianne Steinsbu, Oslo
 Per Storstad, Molde
 Astrid Waaler, Oslo

Control Committee

Members

Helge B. Andresen, Hamar (chairman)
 Frode Hassel, Trondheim
 Kristin Normann, Oslo (vice-chairman)
 Thorstein Øverland, Oslo

Deputies

Svein Brustad, Hvalstad
 Anita Roarsen, Oslo

Board of Directors

Members

Rune Bjerke, Oslo (as from 1 January 2007)
 Per Hoffmann, Oslo
 Olav Hytta, Oslo (chairman)
 Sten Sture Larre, Oslo
 Kari Lotsberg, Enebryberg
 Bent Pedersen, Stenløse (vice-chairman)
 Heidi M. Petersen, Sandefjord
 Torill Rambjør, Tjøme
 Ingjerd Skjeldrum, Drammen
 Svein Aaser, Drøbak (resigned on 31 December 2006)

Deputies for the employee representatives

Sverre Finstad, Moelv
 Jorunn Løvås, Fjell

Election Committee

Eldbjørg Løwer, Kongsberg
 Per Otterdahl Møller, Skien
 Per Sanderud, Oslo
 Benedicte Berg Schilbred, Tromsø (chairman)
 Arthur Sletteberg, Stabekk

Group management

Group chief executive

Rune Bjerke (as from 1 January 2007)
 Svein Aaser (resigned on 31 December 2006)

Finance/Group Staff

Tom Grøndahl

Human Resources and Group Services

Evlyn Raknerud

Group Risk Management and IT

Helge Forfang

Corporate Banking and Payment Services

Leif Teksum

Retail Banking

Åsmund Skår

DnB NOR Markets

Ottar Ertzeid

Internal auditor

Harald Jægtnes

External auditor

Geir Julsvoll

