



IFRS – new international accounting principles

Restated 2004 figures
(Unaudited)

Introduction

For the first quarter of 2005, DnB NOR will present accounting figures based on previous principles as well as new accounting standards, IFRS. The accounts will be released on Tuesday, 3 May 2005.

According to a resolution passed by the EU, all listed companies are required to prepare consolidated accounts for 2005 in accordance with IFRS, International Financial Reporting Standards (previously IAS, International Accounting Standards). Due to the EEA agreement, this will also apply to Norwegian listed companies. In line with the recommendation in Circular no. 1/2004 from Oslo Børs, DnB NOR ASA will present consolidated accounts according to IFRS and IAS 34 - Interim Financial Reporting as of 1 January 2005.

The introduction of IFRS will result in changes in the presentation and valuation of the DnB NOR Group's operations. Up till 31 December 2004, the Group's consolidated accounts were based on Norwegian accounting legislation, accounting regulations issued by Kredittilsynet (the Financial Supervisory Authority of Norway) and Norwegian generally accepted accounting principles. To ensure a better understanding of the report for the first quarter of 2005, key changes in accounting principles and pro forma profit and loss accounts for the individual quarters and the full year 2004 restated according to IFRS are presented in this report. In addition, analyses of the effects for selected profit and loss and balance sheet items are provided.

The new regulations will have no impact on the Group's strategy or the business and operative management of the DnB NOR Group. Adjusted target figures for DnB NOR adapted to the new reporting standard will be presented during the year.

Summary of main implications

The main implications of the transition from previous accounting principles to reporting according to IFRS can be summarised as follows:

- From now on, operations in Life Insurance and Pensions (Vital) will be fully consolidated, which means that individual items in Vital's accounts will be consolidated with corresponding items for other group operations. Vital was previously presented in the group accounts according to the equity method. This will result in a rise of around NOK 163 billion in total assets in the Group's balance sheet, spread over most key balance sheet items. The consolidation will also have an impact on income, operating expenses and taxes.
- Ordinary amortisation of goodwill will no longer be permissible. Instead, goodwill will be subject to continual evaluation and written down when book value is higher than estimated value.
- A number of balance sheet items will be assessed at fair value, including the bank's commercial paper and bonds.

Overall, the restatement of the accounts as at 31 December 2004 to an opening balance sheet according to IFRS as at 1 January 2005 will have the following implications for main figures:

- A NOK 198 099 million rise in total assets in the balance sheet.
- A NOK 3 562 million increase in equity, of which NOK 3 415 million refers to the reclassification of allocated dividends from liabilities to equity. Thus, other changes give a NOK 146 million increase in equity.
- As yet, it has not been clarified how Norwegian authorities will adapt capital adequacy regulations to the new accounting principles, and until further notice capital adequacy calculations will be based on previous accounting principles.

Pro forma figures for 2004 based on the new principles presented in this document give a NOK 853 million rise in total profits for 2004. Changes relative to the results reported previously primarily reflect the annulment of goodwill amortisation and changes in the fair value of financial instruments previously not included in profits.

Changes in accounting principles

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1 Transition to IFRS for the DnB NOR Group

1.1 Transitional effects

1.1.1 Accounting principles

The DnB NOR Group's annual accounts for 2005 will be presented according to IFRS principles in force as at 31 December 2005. The version of IAS 39 which allows the recording of the institution's issued debt securities not included in the trading portfolio at fair value has yet to be approved by the EU. Also, the EU has not yet approved stipulations in IAS 39 that open up for using core deposits in portfolio hedging of interest rate risk. By using approved methods for portfolio hedging and assessing fixed-rate loans at fair value, DnB NOR's overall presentation of the accounts will generally be consistent with the Group's interest rate management and actual financial performance.

The fair value option in IAS 39 is expected to be revised, whereby the EU will also accept that the institution's debt is recorded at fair value. IFRS is under revision, and there may be changes during 2005 based on new interpretations of existing standards, amendments to existing or the introduction of new standards as well as in the way the standards are implemented. In consequence of the factors mentioned above, the accounting principles used by the DnB NOR Group in preparing consolidated accounts later in 2005 may deviate from those described below.

1.1.2 Application of IFRS 1 – First-time Adoption of IFRS

The Group has implemented IFRS as of 1 January 2005. Comparable figures will be prepared for 2004, which implies that the formal opening balance sheet is per 1 January 2004. The DnB NOR Group has applied IFRS 1 when preparing the opening balance sheet. The accounting effect of changes in accounting principles will be charged directly to equity. See the variance analysis of equity for a further specification of the effects of changes in accounting principles.

The Group has made the following exceptions from the duty to restate the opening balance sheet retrospectively, as outlined in IFRS 1:

- Business combinations recorded prior to 1 January 2004 have not been restated. The values recorded in the balance sheet prepared according to Norwegian accounting principles as at 31 December 2003 have been carried forward.
- Properties for own use have been recorded at fair value as at 1 January 2004.
- Pension commitments that were unrecorded as at 1 January 2004 in compliance with previous accounting rules, have been charged to equity. New parameter values have been used.
- Exchange differences arising when incorporating figures from foreign branches and subsidiaries as at 1 January 2004 are deemed to be zero.
- IAS 39 - Measurement of Financial Instruments has been implemented as of 1 January 2005. In consequence, transitional effects due to deviations between Norwegian accounting principles and IFRS will be recorded as at 1 January 2005. The Group has chosen to reclassify financial assets and liabilities according to IFRS 39 as of the same date.
- Subscription rights issued prior to 7 November 2002 and vested as at 1 January 2005 have not been restated according to IFRS 2 - Share-based Payments. The DnB NOR Group has not issued subscription rights or established option schemes after 7 November 2002.
- IFRS 4 - Insurance Contracts has been implemented as of 1 January 2005.

In accordance with IFRS 1, the Group has made no retrospective restatement for:

- Financial assets and liabilities that according to previous accounting principles were not recorded in the balance sheet prior to 1 January 2005.

- Hedge accounting according to previous principles prior to 1 January 2005. Hedge accounting will be applied in the accounts as of 1 January 2005 to the extent this satisfies criteria stipulated in IAS 39.
- Estimates based on Norwegian accounting principles as of 1 January 2004.
- Operations held for sale. As from 1 January 2005, such operations are recorded in compliance with IFRS 5 – Discontinuing Operations.

1.2 Pro forma accounting figures

As stated above, the DnB NOR Group will implement IAS 39 – Financial Instruments, IFRS 2 – Share-based Payments, IFRS 4 – Insurance Contracts and IFRS 5 – Discontinuing Operations as of 1 January 2005. However, restated figures for 2004 are pro forma figures prepared as if the DnB NOR Group had implemented these standards as of 1 January 2004. Still, the pro forma figures will not be fully documented according to requirements in the respective standards. Official comparable figures based on principles in force at any given time will be included in the annual accounts. Due to varying principles, however, they will be of limited information value.

2 Accounting principles

2.1 Consolidation

The consolidated accounts for DnB NOR ASA ("DnB NOR") include DnB NOR Bank ASA, Vital Forsikring ASA, Vital Link AS, DnB NOR Kapitalforvaltning Holding AS, DnB NOR Asset Management Holding AB and Vital Skade AS including subsidiaries and associated companies.

2.1.1 Insurance operations

As of 1 January 2005, Vital Forsikring ASA including subsidiaries and Vital Link AS are fully consolidated in the DnB NOR Group's accounts.

Profit sharing between policyholders and the owner in life insurance companies is based on special accounting regulations for such operations stipulated by Kredittilsynet. Life insurance operations are incorporated in the DnB NOR Group's accounts according to the same principles that apply to the rest of the Group. Any deviations resulting from differences between the special accounting regulations for profit sharing and IFRS are charged directly to the DnB NOR Group's equity in the opening balance sheet. This practice will be continued in future profit and loss accounts.

2.1.2 Other subsidiaries and associated companies

Subsidiaries are defined as companies in which DnB NOR has control, directly or indirectly, through ownership interests or 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 takes over control of the company, including financial risk.

Associated companies in which DnB NOR 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.

According to previous accounting principles, holdings of a short-term nature were carried at cost. Holdings taken over in connection with non-performing commitments were classified as repossessed assets and measured as lending.

Norwegian kroner serves as the functional and reporting currency for the DnB NOR Group. Balance sheet items of foreign branches and subsidiaries are translated into

Norwegian kroner according to exchange 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 resulting from exchange rate movements are charged directly to equity.

Upon transition to IFRS, all exchange differences calculated according to previous accounting principles are deemed to be zero. Exchange differences calculated as of 1 January 2004 are presented as a separate element of other equity.

When preparing consolidated accounts, intra-group transactions and balances along with unrealised gains on these transactions between group units are eliminated.

2.1.3 Business combinations

The DnB NOR Group has not recorded any new business combinations after 1 January 2004. New business combinations will be recorded according to IFRS 3 - Business Combinations. The purchase method is applied for acquisitions of subsidiaries. Cost is measured at fair value of the consideration, taking account of any equity instruments issued in addition to any direct costs relating to the transaction. Repossessed identifiable assets and liabilities are measured at fair value. If cost exceeds the value of identifiable assets and liabilities, the excess will be recorded as goodwill. If cost is lower than the value of identifiable assets and liabilities, the difference will be recognised in the profit and loss account.

2.2 Recognition of assets and liabilities

Assets and liabilities are recorded in the balance sheet of the DnB NOR Group at the time the Group assumes actual control of the rights to the assets and takes on a real commitment. Assets and liabilities are derecognised at the time actual control of the rights to the assets is annulled or expires. Liabilities are derecognised at the time the commitment is annulled or expires. According to IFRS, DnB NOR will recognise loans transferred to Eksportfinans, for which DnB NOR has issued guarantees, in the balance sheet.

2.3 Measurement and classification of financial assets and liabilities

In compliance with IAS 39, financial assets as at 1 January 2005 are classified as either part of the trading portfolio, other financial instruments at fair value, available-for-sale financial assets, held-to-maturity financial assets or loans and receivables. Financial liabilities are classified as either part of the trading portfolio or as issued debt securities in the banking portfolio. The classification is based on the purpose of the investment.

2.3.1 Measurement and classification of financial instruments at fair value

2.3.1.1 Instruments traded in an active market

Financial instruments traded in an active market are valued at quoted prices at the time of the transaction. The prices used in the valuation are the bid price for financial assets and the asking price for financial liabilities. Mid-market prices should be used for instruments with offsetting market risks, while net positions are valued at bid or asking prices respectively. When establishing fair value, the instrument's accumulated credit risk margin is calculated and recorded in the balance sheet. The instruments are valued at current market prices on the balance sheet date.

2.3.1.2 Instruments not traded in an active market

Financial instruments not traded in an active market are valued according to valuation techniques based on externally observable parameter values. Valuation techniques include using prices from recent transactions between independent parties, references to instruments that are substantially the same or discounted cash flows.

When one of the Group's products consists of a main product, e.g. a bond, and an embedded financial derivative, e.g. an equity index option, the product is split into the underlying elements, which are valued separately. Such combined products are called structured products and include equity-linked bank deposits and equity-linked bonds. Upon initial recognition of structured products, the derivative is recorded at fair value. The residual value is assigned to the host contract. In subsequent periods, the derivative is recorded at fair value and the host contract at amortised cost.

2.3.1.3 Financial assets carried at fair value

Financial assets carried at fair value include the trading portfolio, other financial instruments at fair value, financial assets for which the customer carries the risk, available-for-sale instruments as well as current financial assets within life insurance. In addition, the portfolio of fixed-rate loans is recorded at fair value. Assets in the trading portfolio, other financial instruments at fair value and available-for-sale instruments represent the trading and banking portfolios according to the classification in the annual report for 2004. Financial derivatives giving DnB NOR a right were classified as financial derivatives in the trading portfolio, with the exception of derivatives used in portfolio hedging. Financial assets for which the customer carries the risk represent financial assets within unit linked. Available-for-sale assets represent securities DnB NOR intends to sell.

2.3.1.4 Loans recorded at fair value

Fixed-rate loans in the DnB NOR Group are carried at fair value. Fair value is calculated on the basis of the discounted value of contractual cash flows at market rates on the balance sheet date.

2.3.1.5 Financial liabilities carried at fair value

Financial derivatives involving an obligation for the DnB NOR Group are classified as either financial derivatives in the trading portfolio or as derivatives used in hedge accounting.

2.3.1.6 Presentation in the profit and loss accounts and balance sheets

Changes in the value of instruments recorded at fair value are presented under "net gains/losses on financial instruments at fair value" in the profit and loss accounts. Income from trading in interest rate positions in the trading portfolio is presented under "net gains/losses on financial instruments at fair value". Changes in the value of instruments within life insurance are presented under "net gains/losses on financial assets in life insurance and profits from insurance operations". Unrealised changes in value of the available-for-sale portfolio are charged to equity. Once such gains or losses are realised, they are recorded under "realised gains/losses on investment securities".

2.3.2 Measurement and classification of financial instruments at amortised cost

2.3.2.1 Amortised cost

Financial instruments not recorded at fair value are recorded at amortised cost and measured using the effective interest method. Amortised cost is historic cost less direct expenses and discounts or premiums resulting from amortisation according to the effective interest method and after any impairment losses. When using the effective interest method, the internal rate of return for the commitment is calculated. The internal rate of return is set by discounting cash flows based on the expected life of the financial instrument. Cash flows include front-end fees and direct marginal transaction costs not covered by the customer.

2.3.2.2 Financial assets recorded at amortised cost

In the DnB NOR Group, securities held to maturity are recorded at amortised cost. The portfolio represents long-term securities within life insurance. Other financial assets not

recorded at fair value are classified as lending and other amounts due and recorded at amortised cost. Fixed assets and properties for rent (leasing) are classified as lending.

All loans in the Group's balance sheet, with the exception of fixed-rate loans, are carried at amortised cost. Evaluations are based on all contractual and expected cash flows and include any residual value of leasing contracts and impaired commitments.

2.3.2.3 Financial liabilities recorded at amortised cost

Financial liabilities not included in the trading portfolio are classified as securities issued in the banking portfolio and recorded at amortised cost. See paragraph on hedge accounting below.

2.3.3 Write-downs of financial assets recorded at amortised cost

2.3.3.1 Individual write-downs

If objective evidence of a decrease in value can be found, losses on loans are calculated as the difference between the value of the loan in the balance sheet and the net present value of expected future cash flows discounted by the original effective rate of interest. The assessment initially includes all loan commitments, regardless of the probability of impairment. Write-down estimates only take account of conditions existing on the balance sheet date.

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 "net write-downs on loans and guarantees".

2.3.3.2 Group write-downs

Loans which have not been individually evaluated for impairment are evaluated collectively in groups. Loans are grouped on the basis of similar risk and value characteristics. The need for write-downs is estimated per customer group based on risk classification and includes estimates of future economic developments and loss experience for the respective customer groups. Calculations only take account of weaker solvency caused by conditions existing on the balance sheet date.

Group write-downs reduce the value of commitments in the balance sheet, and changes during the period are recorded under "net write-downs on loans and guarantees".

2.3.4 Hedge accounting

Hedge accounting will be applied for recording certain liabilities involving interest rate risk. Hedge accounting will be used for individual items or on a portfolio basis.

2.3.4.1 Individual hedging

Individual hedging is applied to borrowing in foreign currency representing interest rate risk. In such cases, there is a clear, direct and documented correlation between changes in the value of the currency loan (hedged item) and changes in the value of the financial derivative (hedging instrument). This correlation is verified by assessing hedge effectiveness at the start and end of the relevant period. Hedging instruments are recorded at fair value and included under "net gains/losses on financial instruments at fair value" in the profit and loss accounts. In cases where adequate effectiveness between the hedged item and the hedging instrument is documented, the change in fair value attributable to interest rate risk will be recorded as an addition to or deduction

from securities issued. The change in value will be included under "net gains/losses on financial instruments at fair value" in the profit and loss accounts.

2.3.4.2 Portfolio hedging

Loans and deposits in Norwegian kroner representing interest rate risk are hedged on a portfolio basis. Loans and deposits (the hedged items) are grouped in portfolios on the basis of future repricing time periods. Financial derivatives are designated as hedging instruments and assigned to the respective repricing time periods. Hedging instruments are recorded at fair value and included under "net gains/losses on financial instruments at fair value" in the profit and loss accounts and under "derivatives used for hedging" in the balance sheet. If adequate hedge effectiveness is recognised, changes in fair value attributable to interest rate risk for the portfolio of loans and deposits are recorded under "securities issued" and "deposits from customers" respectively in the balance sheet. If the ratio of changes in the value of the hedged item and the hedging instrument is between 80 and 125 per cent, adequate hedge effectiveness is documented.

2.4 Investment property and other fixed assets

2.4.1 Investment property

Buildings acquired for rental to tenants outside the Group are classified as investment property. Investment property is recorded at market value and changes in value recognised in the profit and loss accounts. The owner's share of value changes is recorded under "Other income".

2.4.2 Buildings for own use

Buildings acquired for own use are classified as fixed assets. In the opening balance sheet, the DnB NOR Group has applied approximate market values for properties in compliance with the option offered in IFRS 1. In consequence, properties have been revalued by a total of around NOK 700 million. Upon transition to IFRS, the revalued market price represents the new cost of these assets. After transition to IFRS, properties will be recorded at the new cost price less accumulated depreciation and write-downs.

2.4.3 Other fixed assets

Other fixed assets are recorded at cost and depreciated over their expected useful life.

2.4.5 Assessment of the need for write-downs

The need to write down fixed assets is considered when there are indications that the amount by which they are recognised in the balance sheet (carrying amount) exceeds the recoverable amount. The recoverable amount represents the higher of a property's fair value less costs to sell and its value in use.

2.5 Intangible assets

Intangible assets with indefinite lives, including goodwill, are not amortised. Other intangible assets with finite lives are amortised over their expected useful life.

An assessment for impairment of intangible assets will be made on each reporting date. Assets generating joint cash flows are considered collectively. Future cash flows are estimated on the basis of the market situation for comparable assets, taking account of expected price developments, growth prospects, return requirements and the duration of cash flows. Any decrease in value which is not considered to be temporary is written down in the accounts. 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.

2.6 Pensions

Pension commitments are calculated on the basis of economic assumptions on the balance sheet date. Expenses related to accrued pension entitlements are recorded as personnel expenses in the accounts. Pension expenses and pension commitments include employer's national insurance contributions.

Upon transition to IFRS, the DnB NOR Group has chosen to charge deviations in estimates and plan changes not recorded according to previous accounting principles to equity. Deviations in estimates arising after the transition to IFRS will be recorded in the profit and loss accounts when the difference exceeds the greater of 10 per cent of pension funds and 10 per cent of pension commitments.

Pension funds and pension commitments administered through the Group's life insurance company Vital Forsikring ASA are recorded as net assets in the balance sheet if the scheme is overfunded and as net liabilities if the scheme is underfunded. Net overfunding is not eliminated.

2.7 Taxes

Taxes for the year are amortised on the basis of estimated annual tax charges. The DnB NOR Group anticipates a normalised tax charge of 25 per cent of pre-tax profits defined according to IFRS. Upon transition to IFRS, taxes for insurance operations will be included in taxes for the DnB NOR Group. In the formal annual accounts for 2004, the DnB NOR Group incorporated profits from life insurance operations net after taxes.

2.8 Insurance liabilities

Insurance liabilities are recorded according to IFRS 4 – Insurance Contracts. The implementation of IFRS 4 has not resulted in any special changes in the recording of insurance contracts. As from 2007, IFRS 4 is expected to require that insurance contracts be recorded at fair value.

Upon transition to IFRS, certain provisions that are unique to Norway, e.g. the security reserve, additional allocations and the securities adjustment reserve, will be classified as insurance liabilities in the group accounts.

A loss test was carried out on the balance sheet date in accordance with IFRS 4 to document that returns on assets invested in insurance operations adequately cover obligations. Any negative difference must be charged to equity.

Changes in insurance liabilities are included under "net gains/losses on financial assets in life insurance and profits from insurance operations". Income from the administration of customers' insurance schemes and respective distribution costs are presented under "commissions and fees receivable etc." and "commissions and fees payable etc." respectively.

2.9 Amortisation

2.9.1 Recording of interest

Interest income is recorded using the effective interest method. Interest taken to income on impaired commitments will correspond to the internal rate of return on the written-down value.

2.9.2 Restructuring

If restructuring plans that change the scope of operations or the way operations are carried out are approved, the need for restructuring provisions will be considered. If restructuring expenses cannot be shown to help generate income in subsequent periods and future expenses represent actual obligations on the balance sheet date, the net present value of future cash flows will be charged to the accounts and recorded as a liability in the balance sheet. The provisions will be reversed as expenses are incurred.

2.9.3 Premiums and discounts on bonds issued

Upon the repurchase of issued bonds, premiums and discounts are settled on the purchase date.

2.10 Equity and capital adequacy

2.10.1 Allocations to dividends

Dividends are classified as part of equity until distributed. Allocations to dividends are not included in capital adequacy calculations.

2.10.2 Minority interests

Minority interests are presented as a separate part of equity.

2.10.4 Capital adequacy

Capital adequacy regulations are not adapted to account presentations according to IFRS. For the time being, capital adequacy calculations are based on special consolidation rules for statutory accounts, which thus far are not allowed to be restated according to IFRS.

New capital adequacy regulations adapted to IFRS are expected to be introduced during 2005. The regulations, which will be based on a recommendation from CEBS, are expected to introduce certain exceptions with respect to which capital elements can be included, along with some transitional rules.

Profit and loss accounts ¹⁾

<i>Amounts in NOK million</i>	DnB NOR Group				
	Pro forma 4th quarter 2004	Pro forma 3rd quarter 2004	Pro forma 2nd quarter 2004	Pro forma 1st quarter 2004	Pro forma full year 2004
Interest income	7 262	7 229	7 180	7 381	29 053
Interest expenses	3 825	3 829	3 779	4 239	15 672
Net interest income and credit commissions	3 436	3 401	3 401	3 142	13 380
Commissions and fees receivable etc.	2 015	1 923	1 963	1 956	7 857
Commissions and fees payable etc.	563	564	585	555	2 267
Net gains on financial instruments at fair value	563	354	484	609	2 010
Net gains on financial assets in life insurance and profits from insurance operations	539	240	292	259	1 330
Realised gains on investment securities (AFS)	26	25	1	7	59
Profit from companies accounted for by the equity method	2	13	51	28	94
Other income	379	329	369	355	1 432
Net other operating income	2 960	2 320	2 575	2 660	10 516
Staff costs	1 711	1 695	1 691	1 776	6 874
Other costs	1 597	1 306	1 403	2 364	6 670
Depreciation, impairment changes on fixed and intangible assets	238	230	237	257	961
Total operating expenses	3 545	3 231	3 331	4 398	14 505
Pre-tax operating profit before write-downs	2 852	2 490	2 645	1 404	9 391
Net gains/(losses) on fixed and intangible assets	(33)	3	(10)	953	914
Write-downs on loans and guarantees	21	(164)	39	(75)	(179)
Pre-tax operating profit	2 798	2 657	2 596	2 432	10 484
Taxes	323	714	719	565	2 322
Profit from discontinuing operations after taxes	0	0	0	79	79
Profit for the period	2 475	1 943	1 876	1 946	8 241

Selected key figures ¹⁾

	DnB NOR Group				
	Pro forma 4th quarter 2004	Pro forma 3rd quarter 2004	Pro forma 2nd quarter 2004	Pro forma 1st quarter 2004	Pro forma full year 2004
Return on equity (%) ²⁾	20,5	16,7	16,4	17,1	17,7
Earnings per share (NOK) ³⁾	1,89	1,47	1,42	1,49	6,28
Cost/Income ratio (%) ⁴⁾	55,4	56,5	55,7	75,8	60,7

1) All profit and loss figures are pro forma, prepared as if all IFRSs/IASs were implemented as from 1 January 2004.

2) Equity including dividends from 2003 in the first four months of 2004, but excluding minority interests. Net profit adjusted for changes in available-for-sale financial assets, and excluding net profit resulting from minority interests.

3) Average number of shares, excluding holdings of shares in own company. Net profit excluding profit resulting from minority interests.

4) Total operating expenses/total operating income, including life insurance. The first quarter includes gains on the sale of operations and restructuring expenses.

Balance sheets ¹⁾

	DnB NOR Group				
	1 Jan. 2005	Pro forma 30 Sept. 2004	Pro forma 30 June 2004	Pro forma 31 March 2004	Pro forma 1 Jan. 2004
<i>Amounts in NOK million</i>					
Assets					
Cash and deposits with central banks	8 780	12 802	5 496	3 284	8 570
Lending to and deposits with credit institutions	25 397	30 448	70 591	67 419	27 439
Gross lending to customers	588 153	581 935	574 002	563 765	551 646
- Impairments	(4 981)	(5 427)	(5 597)	(5 792)	(6 294)
Net lending to customers	583 172	576 508	568 405	557 973	545 352
Trading securities - commercial paper and bonds	48 470	48 470	48 470	48 470	32 221
Trading securities - shareholdings etc.	1 117	1 117	1 117	1 117	272
Financial assets - customer bearing the risk	9 747	9 230	8 942	8 676	7 287
Other financial instruments at fair value through profit and loss - commercial paper and bonds	67 966	67 898	69 837	61 388	79 550
Other financial instruments at fair value through profit and loss - shareholdings etc.	28 078	25 695	25 382	24 668	22 660
Financial derivative instruments	41 148	36 493	30 262	39 785	37 693
Financial derivative instruments used for hedging	1 828	1 828	1 828	1 828	1 504
Shareholdings- available for sale	303	271	231	277	480
Commercial paper and bonds - held to maturity	55 645	56 588	55 837	53 342	47 414
Investment property assets	18 616	16 934	16 829	17 170	16 884
Investments in associated companies	1 507	1 641	1 606	1 690	1 495
Intangible assets	5 574	5 847	6 034	6 175	6 089
Deferred tax assets	406	350	355	686	183
Fixed assets	6 189	6 250	6 327	6 314	6 303
Biological assets	278	278	278	278	183
Discontinuing operations	25	25	25	25	28 536
Accrued income and prepaid expenses	2 311	2 145	2 429	2 548	2 029
Other assets	6 220	14 722	11 540	7 957	10 968
Total assets	912 779	915 539	931 820	911 071	883 113
Liabilities and equity					
Loans and deposits from credit institutions	59 174	73 734	109 198	85 742	89 346
Deposits from customers	353 957	350 132	352 210	341 015	330 635
Financial derivative instruments	44 134	39 796	31 700	42 237	43 850
Securities issued	192 812	191 869	191 558	192 698	181 775
Insurance liabilities - customer bearing the risk	9 747	9 230	8 942	8 676	7 287
Liabilities to life insurance policyholders	153 488	149 713	147 127	144 612	137 693
Other liabilities	14 721	15 394	9 526	13 373	12 673
Accrued expenses and prepaid income	3 822	8 004	5 039	5 048	4 943
Discontinuing operations	24	24	24	24	1 227
Provisions	5 486	5 047	5 086	5 188	4 844
Subordinated loan capital	25 256	24 981	25 679	25 666	24 504
Total liabilities	862 620	867 925	886 088	864 280	838 778
Minority interests	33	44	41	41	8
Revaluation changes	122	92	92	92	92
Share capitals	13 271	13 220	13 220	13 220	13 091
Other reserves and retained earnings	36 734	34 259	32 379	33 438	31 144
Total equity	50 159	47 614	45 732	46 791	44 334
Total liabilities and equity	912 779	915 539	931 820	911 071	883 113

1) Pro forma figures are prepared as if all IFRSs/IASs were implemented as from 1 January 2004.

IFRS – analyses of the effects for selected profit and loss and balance sheet items



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Profit and loss accounts



	NGAAP Profit and loss 2004	IFRS Pro forma 2004
<i>Amounts in NOK million</i>		
Net interest income and credit commissions	13 214	13 380
Net other operating income	10 173	10 516
Total operating expenses	13 588	14 505
Pre-tax operating profit before write-downs	9 798	9 391
Net gains on fixed and intangible assets ¹⁾	106	914
Write-downs on loans and guarantees	167	(179)
Pre-tax operating profits	9 738	10 484
Taxes	2 350	2 322
Profit from discontinuing operations after taxes	-	79
Profit for the period	7 388	8 241

1) Net gains on long-term securities in presentation according to NGAAP

"NGAAP" refers to former Norwegian accounting principles

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Balance sheets



	NGAAP 31 December 2004	IFRS 1 January 2005
<i>Amounts in NOK billion</i>		
Cash and deposits with credit institutions	30 650	34 177
Net lending to customers	569 364	583 172
Commercial paper and bonds etc.	62 986	172 082
Shareholdings etc.	13 532	31 005
Fixed and intangible assets	9 746	31 064
Financial assets - customers bearing the risk	-	9 747
Other assets	28 403	51 532
Total assets	714 680	912 779
Loans and deposits from credit institutions	48 940	59 174
Deposits from customers	355 316	353 957
Securities issued	192 410	192 812
Insurance liabilities - customers bearing the risk	-	9 747
Liabilities to life insurance policyholders	-	153 488
Other liabilities and provisions	47 376	68 187
Primary capital	70 638	75 415
Total liabilities and equity	714 680	912 779

"NGAAP" refers to former Norwegian accounting principles

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Net interest income and credit commissions



	<i>Amounts in NOK million</i>	<i>2004</i>
NGAAP	Net interest income and credit commissions	13 214
	Realised gains on repurchases	293
	Discontinuing operations	(252)
	Margin on lending transferred under guarantee	92
	Effect of application of internal rate of return on amortised cost	77
	Other effects	(44)
IFRS	Net interest income and credit commissions	13 380

"NGAAP" refers to former Norwegian accounting principles

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Net other operating income



	<i>Amounts in NOK million</i>	<i>2004</i>
NGAAP	Total net other operating income	10 173
	Full consolidation of Life Insurance and Pensions	1 100
	Annulment of goodwill amortisation - Life Insurance and Pensions	101
	Net gains on fixed and intangible assets etc.	(916)
	Consolidation of new subsidiaries	183
	Securities in the banking portfolio at fair value	151
	New associated companies carried according to the equity method	(114)
	Margin on lending transferred under guarantee	(92)
	Other effects	(71)
IFRS	Total net other operating income	10 516

"NGAAP" refers to former Norwegian accounting principles

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Total operating expenses



	<i>Amounts in NOK million</i>	<i>2004</i>
NGAAP	Total operating expenses	13 588
	Expenses - Life Insurance and Pensions	1 178
	Increase in number of fully consolidated subsidiaries	193
	Discontinuing operations	(127)
	Annulment of goodwill amortisation	(507)
	Goodwill impairment	211
	Other effects	(32)
IFRS	Total operating expenses	14 505

"NGAAP" refers to former Norwegian accounting principles

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Write-downs on loans and guarantees



	<i>Amounts in NOK million</i>	<i>2004</i>
NGAAP	Net losses on loans, gurantees etc.	167
	Net effect of changes in group write-downs	(274)
	New individual write-downs	62
	Consolidation of new associated companies	(135)
	Other effects	1
IFRS	Write-downs on loans and guarantees	(179)

"NGAAP" refers to former Norwegian accounting principles

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Taxes



<i>Amounts in NOK million</i>		<i>2004</i>
NGAAP	Taxes	2 350
	Consolidation of tax revenues in Life Insurance and Pensions	(78)
	Discontinuing operations	(34)
	Effect of consolidation of new subsidiaries	(15)
	Net taxes resulting from other IFRS adjustments	99
IFRS	Taxes	2 322

"NGAAP" refers to former Norwegian accounting principles

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Net lending to customers



<i>Amounts in NOK million</i>		
NGAAP	Net lending to customers 31 December 2004	569 364
	Lending transferred under guarantee	9 980
	Fair value assessment on fixed-rate lending	2 810
	Amortisation effects on lending	1 738
	Effect of consolidation of Vital and other subsidiaries	(2 846)
	Changes in group write-downs (unspecified loan-loss provisions)	2 056
	Changes in individual write-downs (specified loan-loss provisions)	(196)
	Other effects	266
IFRS	Net lending to customers 1 January 2005	583 172

"NGAAP" refers to former Norwegian accounting principles

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Commercial paper and bonds



Amounts in NOK million

NGAAP	Commercial paper and bonds 31 December 2004	62 986
	Consolidation of Life Insurance and Pensions	110 958
	Effects of increased fair value of banking portfolio	104
	Own bonds recorded net (trading portfolio)	(1 966)
IFRS	Commercial paper and bonds 1 January 2005	172 082

"NGAAP" refers to former Norwegian accounting principles

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Loans and deposits from credit institutions



Amounts in NOK million

NGAAP	Loans and deposits from credit institutions 31 December 2004	48 940
	Deposits Eksportfinans	9 980
	Other effects	253
IFRS	Loans and deposits from credit institutions 1 January 2005	59 174

"NGAAP" refers to former Norwegian accounting principles

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Deposits from customers



Amounts in NOK million

NGAAP	Deposits from customers 31 December 2004	355 316
	Consolidation of Vital and other subsidiaries	(1 913)
	Amortisation effects	968
	Other effects	(414)
IFRS	Deposits from customers 1 January 2005	353 957

"NGAAP" refers to former Norwegian accounting principles

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Other liabilities and provisions



Amounts in NOK million

NGAAP	Other liabilities and provisions 31 December 2004	47 376
	Allocated to dividends	(3 415)
	Consolidation of Vital and other subsidiaries	1 790
	Reclassification of accruals	(3 633)
	Recognition of unrecorded pension commitments	2 170
	Financial derivatives recorded gross	24 432
	Other effects	(533)
IFRS	Other liabilities and provisions 1 January 2005	68 187

"NGAAP" refers to former Norwegian accounting principles

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Equity



Amounts in NOK million

NGAAP	Equity 31 December 2004	46 598
	Allocated to dividends	3 415
	Pension commitments	(2 170)
	Write-downs on loans	1 339
	Increased application of fair value on shareholdings and bonds	594
	Fair value on property for own use	507
	Reversal of goodwill amortisation	582
	Goodwill impairment	(211)
	Fair value principle to portfolio hedging of interest rate risk	(388)
	Realised gains on repurchases	331
	Application of amortised cost principle	(299)
	Other effects	(139)
IFRS	Equity 1 January 2005	50 159

"NGAAP" refers to former Norwegian accounting principles

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