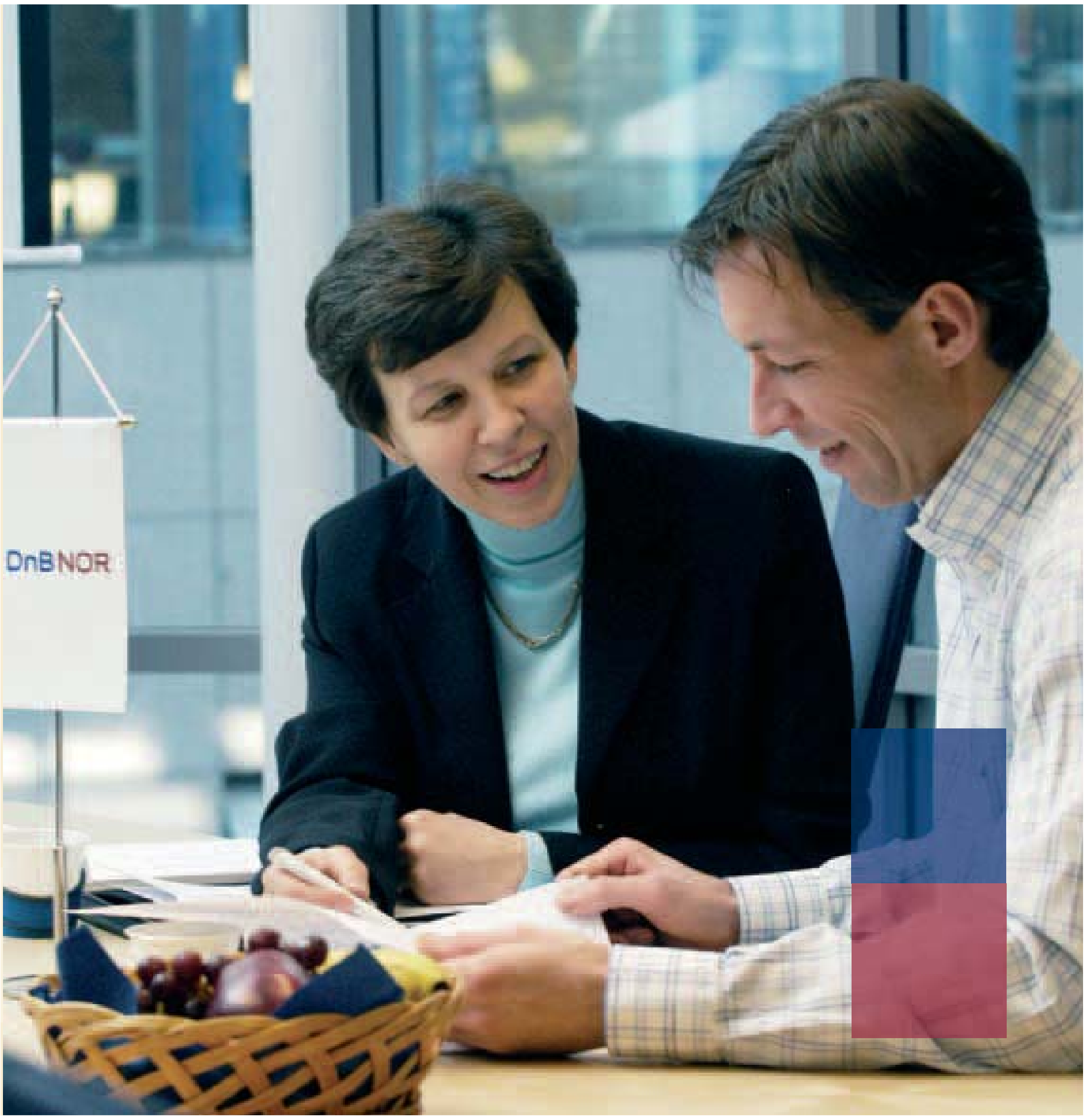
Annual report 2004



DnB NOR Bank ASA

2004 in brief

- Pre-tax operating profits before losses (NOK million): 9 244 (8 344)
- Profits for the year (NOK million): 6 786 (4 963)
- Total assets at year-end (NOK billion): 713 (705)
  (2003 in parentheses)

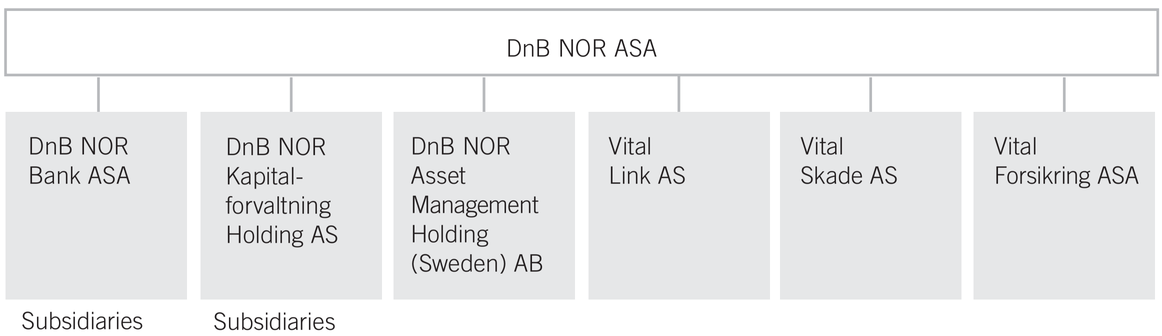
First quarter
- Gjensidige NOR Sparebank and Den norske Bank merged to form DnB NOR Bank ASA
- The new organisation became operative, and central business areas and staff and support units started moving into common premises
- Representative office opened in Shanghai, China
- The finance company Elcon Finans was sold *

Second quarter
- DnB NOR's first group strategy was approved
- Branch opened in Helsinki, Finland
- The real estate brokerage Postbanken Eiendomsmegling was sold *
- Avanse Forvaltning and Gjensidige NOR Kapitalforvaltning were sold to DnB NOR Kapitalforvaltning Holding AS

Third quarter
- The process of coordinating branch offices started, and uniform customer service was established
- Joint Internet portal introduced

Fourth quarter
- The first regions completed the coordination of branch offices
- The Group's first TV advertising campaign was launched

* Merger concession terms stipulated by the authorities



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Directors' report 2004 – 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.

All figures for 2003 and previous periods presented below are pro forma accounting figures for total operations in the DnB NOR Bank Group. As from 31 March 2004, Elcon Finans is no longer consolidated in the group accounts. Unless otherwise specified, figures for previous periods have not been adjusted for Elcon Finans.

Operations in 2004

In 2004, the DnB NOR Bank Group [1], hereinafter called the banking group, attached great importance to maintaining sound customer relations and retaining market shares in profitable segments and business areas parallel to the implementation of the merger. In addition, the banking group was concerned with adapting operations to new market conditions, including low interest rate levels. In spite of many challenges, the banking group managed to maintain a sound market position in 2004, while improving earnings by reducing costs.

DnB NOR was formally established in December 2003, and the banks were merged in January 2004. In compliance with the terms of the concession, the finance company Elcon was sold in March. Agreements on the sale of the real-estate brokerage chain Postbanken Eiendomsmegling were also concluded. The sale of Postbanken Eiendomsmegling was implemented in January 2005. During 2004, the merged organisation became operative in all areas, and the process of moving into common premises was initiated in key business areas and staff and support units. The process of coordinating Gjensidige NOR's and DnB's branch offices into one branch network under the DnB NOR brand also got off to a good start during the year. Solutions for uniform customer service were established, and in several regions the redesigning and coordination of branch offices was completed by the end of 2004. A joint Internet application for the new bank's customers was established and market activity was stepped up, including the launching of new loyalty programmes for retail customers and changes in price structures. Merger activities in DnB NOR Markets were completed in 2004. The Board of Directors in DnB NOR Bank notes that the extensive and important merger processes implemented in 2004 proved a success.

At year-end 2004 the banking group was well capitalised, with a core capital ratio of 7.5 per cent, compared with 7.1 per cent a year earlier. The sound capital adequacy gives the banking group flexibility and scope of action.

There were major changes in the banking group's parameters in 2004, including the combining of the Norwegian Savings Banks' Guarantee Fund and Commercial Banks' Guarantee Fund into one fund. When the funds were merged it was decided that savings banks should not pay fees to the guarantee fund for a period of three years, and the fees were limited to customer deposits covered by the guarantee fund. In consequence of these changes, DnB NOR Bank's payment of fees to the fund were halved in 2004 relative to 2003.

In March 2004, a new shareholder taxation model was proposed which will be of major significance to the banking group. Among other things, capital gains on companies' share investments will be tax-exempt. A new tax model was also proposed for Norwegian personal shareholders. The main elements in the proposal were approved in December.

Parallel to the merger process, service to customers was expanded, e.g. through the establishment of a representative office in Shanghai and a branch office in Finland.

In 2004, the Board of Directors of DnB NOR ASA established new guidelines for operations within the Group, where the division of responsibility between the various governing bodies in the Group was clarified. Much attention has been given to corporate governance. The Board held 23 meetings during the year. The Audit Committee, which also functions as the bank's Audit Committee, has reviewed the work of Group Audit, the accounts and risk reporting and in 2004 was engaged in preparations for the implementation of IFRS, International Financial Reporting Standards, as from 2005.

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 report and presentation.

The Board of Directors would like to thank all of the banking group's employees for their dedicated effort in 2004, which has resulted in solid profits and strong progress in the integration. The employees have shown great initiative and the ability to adapt to change during challenging times. The year has proven that the merger has been to the benefit of both shareholders and customers.

Strategy

The banking group is the main unit in DnB NOR and its strategy is thus closely coordinated with the DnB NOR Group's overall strategy.

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

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

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

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

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

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

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

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

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

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

Review of the annual accounts

Introduction

The banking group recorded profits of NOK 6 786 million for 2004. Comparable profits for 2003 totalled NOK 4 963 million. Profits for the year corresponded to a return on equity excluding goodwill amortisation of 17.7 per cent for 2004, up 3.8 percentage points from 2003. After goodwill amortisation, return on equity was 17.0 per cent in 2004 and 12.8 per cent in 2003.

Income

Income totalled NOK 21 788 million, a 3.5 per cent increase from NOK 21 060 million in 2003.

Net interest income

Net interest income declined by NOK 647 million from 2003 to NOK 13 376 million in 2004. Adjusted for the sale of operations in Elcon, however, net interest income was reduced by NOK 66 million from the previous year. A NOK 43 billion increase in average lending to customers combined with a NOK 13 billion rise in deposits boosted net interest income by NOK 860 million. Narrower interest spreads brought down net interest income by NOK 295 million. Lending spreads widened by an average 0.06 percentage points compared with 2003, while deposit spreads decreased by 0.17 percentage points. Lower interest rate levels in 2004 than in 2003 caused strong pressure on deposit spreads. At end-December 2004, interest rates on NOK 72 billion of the total deposit volume were 0.25 per cent or lower, as against NOK 59 billion at year-end 2003. Repeated interest rate cuts made it difficult to maintain the level of earnings on deposits. A possible increase in interest rate levels could give a considerable boost to income. Lower average interest rate levels reduced net funding effect of equity, share investments and fixed assets by NOK 569 million. However, new guarantee fund rules ensured a NOK 230 million rise in net interest income compared with 2003. No levies will be charged by the Norwegian Banks' Guarantee Fund in 2005. In 2004, the banking group paid NOK 269 million in guarantee fund levies. Other factors brought down net interest income by NOK 287 million.

Other operating income

Net other operating income amounted to NOK 8 412 million in 2004, up NOK 1 375 million from 2003. The sale of operations in Elcon generated gains of NOK 946 million, but also caused a NOK 74 million reduction in other operating income. The banking group's takeover of total operations in Gjensidige NOR Driftspartner and Gjensidige NOR Markedsstøtte gave a NOK 240 million increase in income. These entities were previously joint ventures with Gjensidige Forsikring and also provided services to cooperating companies. As part of the integration in connection with the DnB NOR merger, Avanse Forvaltning and Gjensidige NOR Kapitalforvaltning were sold from DnB NOR Bank ASA to DnB NOR Kapitalforvaltning Holding AS. Gains of NOK 345 million were recorded in the banking group's accounts in the second quarter. Consequently, these companies are no longer consolidated in the banking group's accounts. In June 2004, Avanse Forvaltning and Gjensidige NOR Kapitalforvaltning were merged with DnB NOR Kapitalforvaltning ASA. Adjusted for these changes, net other operating income increased by NOK 79 million compared with 2003. See description of corresponding effects under operating expenses.

Income from traditional financial services rose by NOK 35 million from the previous year. Real estate broking services also showed a positive income trend. In consequence of stable interest rate levels and a narrow interest rate differential between NOK and other currencies, income on customer business in interest rate and foreign exchange instruments in DnB NOR Markets declined by NOK 229 million relative to 2003, but remained at a high level. However, the NOK 90 million rise in net interest income on this business must be taken into account. Income from payment transfers and interbank transactions rose by NOK 132 million from the previous year.

Earnings from proprietary trading in foreign exchange and interest rate instruments in DnB NOR Markets rose by NOK 304 million relative to 2003, however, interest income on these activities declined by NOK 242 million. Equity-related income, e.g. dividends and gains on shareholdings, was NOK 239 million lower than in 2003. In consequence of rising equity prices in 2004, however, unrealised gains in the equity portfolio not recorded in the banking group accounts rose by NOK 65 million to NOK 110 million during the year.

Operating expenses

Operating expenses totalled NOK 12 544 million in 2004, down NOK 171 million from 2003. The sale of operations in Elcon brought down expenses by NOK 351 million, while the takeover of total operations in Driftspartner and Markedsstøtte pushed up operating expenses by NOK 240 million. Restructuring expenses totalled NOK 805 million in 2004, compared with NOK 38 million in 2003. Adjusted for the sale of Elcon, Avanse and Kapitalforvaltning, the takeover of Driftspartner and Markedsstøtte, restructuring expenses and allocations to the investment funds for employees, operating expenses were NOK 548 million lower in 2004 than in 2003. Costs were thus reduced 4.7 per cent, mainly as a result of the realisation of cost synergies and other measures to streamline operations. Before goodwill amortisation, the ordinary cost/income ratio, i.e. ordinary expenses relative to income, was 55.2 per cent in 2004, a reduction from 57.5 per cent in 2003.

Wage settlements resulted in a NOK 106 million rise in costs. Marketing expenses were up NOK 26 million, and costs related to sales through external distributors increased by NOK 39 million from the previous year. Merger synergies of NOK 652 million were realised in 2004. The target for the realisation of synergies in 2004 was NOK 480 million. Total synergies thus exceeded the target figure as at end-December 2004 by NOK 172 million. NOK 83 million of the NOK 652 million in total synergies reflected measures implemented in 2003 and NOK 30 million cost reductions which improved other operating income in the banking group accounts. Relative to cost levels in 2003, operating expenses for 2004 were brought down by NOK 539 million through the realisation of synergies. Staff in the banking group totalled 8 693 full-time positions at year-end 2004, a reduction of 1 072 from the beginning of the year.

In the second half of 2004, a project was initiated to coordinate customer service. This involves moving branch offices into common premises under the new DnB NOR design, coordinating electronic channels, launching DnB NOR's loyalty programmes and presenting other key products and services under a uniform design. This process is scheduled to be completed in the course of 2005. At year-end 2004, more than 70 branch offices sported the new market profile.

Loan-loss provisions and non-performing commitments

Net losses on loans and guarantees totalled NOK 167 million in 2004, down from NOK 1 891 million in 2003. Losses in 2004 were significantly lower than the estimated normalised loss level during a business cycle. New losses and loan-loss provisions amounted to NOK 1 403 million, while reversals and recoveries on previous losses and loan-loss provisions represented a total of NOK 1 236 million. New losses totalled NOK 2 671 million in 2003, while reversals and recoveries came to NOK 785 million.

New losses and loan-loss provisions in the corporate market totalled NOK 1 044 million, and reversals and recoveries came to NOK 934 million. Corresponding figures for 2003 were losses of NOK 2 134 million and reversals of NOK 519 million. Due to the low interest rate levels in 2004, customers' financial position was strengthened. Market trends led to improved portfolio quality, reduced losses and increased reversals, especially in the manufacturing, service, transportation and building and construction industries. Parts of the fisheries industry still experience problems with respect to turnover and liquidity.

In the retail market, net losses came to NOK 57 million in 2004, with losses of NOK 191 million referring to card operations. The corresponding figures for 2003 were NOK 271 million and NOK 215 million respectively.

Non-performing and doubtful commitments, after specified loan-loss provisions, totalled NOK 5 974 million at year-end 2004, a reduction of NOK 2 058 million adjusted for the sale of Elcon. There was strong lending growth in the retail market in 2004, while non-performing and doubtful commitments in this segment were reduced by NOK 77 million from 2003. Non-performing and doubtful commitments in the corporate market were cut back by NOK 1 981 million. Improved portfolio quality compensated for the impact of higher credit and lending volumes, thus no changes were made in unspecified loan-loss provisions in 2004.

Taxes

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

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

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

The banking group's tax charge for 2004 totalled NOK 2 397 million, representing 26 per cent of pre-tax operating profits. In 2003, the tax charge was NOK 1 715 million. The low tax rate in 2004 was due to the introduction of the tax exemption model.

Balance sheet

Total assets in the banking group's balance sheet were NOK 713 billion at year-end 2004, an increase from NOK 705 billion at the end of 2003. Lending to customers, after specified and unspecified loan-loss provisions, totalled NOK 577 billion at end-December 2004, up NOK 11.5 billion from year-end 2003. Adjusted for the sale of Elcon, there was a NOK 39 billion rise in lending through 2004. Lending to retail customers rose by NOK 37 billion or 12.7 per cent, representing mainly residential mortgages. Adjusted for Elcon's portfolio, lending to corporate clients increased by NOK 2 billion or 0.8 per cent from 2003.

Customer deposits totalled NOK 360 billion at end-December 2004, an increase of NOK 22 billion from year-end 2003. The ratio of deposits to lending was 62.4 per cent at the end of 2004. Adjusted for the sale of Elcon, the ratio of deposits to lending was 62.7 per cent at the end of 2003. The ratio of deposits to lending was maintained at a satisfactory level in spite of low interest rates.

Risk

2004 was characterised by stable low interest levels, a weaker US dollar and high oil prices. There was strong international economic growth, which ensured a healthy performance within shipping. While there was a moderate upturn in international stock markets, the Oslo Børs benchmark index climbed 38.5 per cent. The economic growth rate in Norway was the highest in several years, driven by brisk income growth in the household sector coupled with improved profitability and investment in the business sector.

Thanks to the favourable economic trend, credit losses in 2004 were at an extremely low level. Parts of the fishing and fish farming industries are still in a vulnerable financial position, though the situation stabilised during the year. Among other things, there was a moderate increase in prices of farmed salmon. The quality of the banking group's credit portfolio is considered at least as good as at year-end 2003. Corporate credit demand was sluggish in 2004, while there was a strong increase in housing loans. Thus, the share of housing loans rose from 53.7 to 57 per cent of total lending. Housing prices climbed 12 per cent in 2004. The extraordinary interest rate situation requires sound customer advisory services and a robust credit policy to meet the long-term interests of customers and the banking group. Norges Bank has a stated goal to maintain a time lag relative to other countries with respect to interest rate increases, which has a positive impact on competitiveness in the Norwegian business sector.

DnB NOR has set low risk limits for position-taking in interest rate and currency markets. The low risk level can partly be explained by the fact that estimated risk-adjusted capital for trading activities in DnB NOR Markets involving market risk totals around NOK 200 million and that there is little volatility in profits relating to positions for own account. Exposure in the equity market was stable in 2004, and equity investments excluding subsidiaries and associated companies were around NOK 4 billion at year-end.

In consequence of the sale of Elcon Finans, the banking group had little need to increase funding from capital markets in 2004. Nevertheless, the banking group worked actively to market DnB NOR vis-à-vis potential funding sources. Rating agencies are positive to the merger.

During 2004, the banking group recorded only minor operational losses. Important aspects of the merger have been implemented. Much attention is given to the various types of operational risk associated with the completion of the merger. Measures to contain risk are under continual review.

The core capital ratio of the banking group at the end of 2004 was 7.5 per cent. The banking group's core capital exceeds the risk-adjusted capital requirement based on internal calculations by a comfortable margin. In the opinion of the Board of Directors, the banking group is thus adequately capitalised relative to the current risk situation and the banking group's risk profile and rating targets.

Corporate social responsibility

DnB NOR, with the banking group as the core entity, has a key role in Norwegian society, serving as an important partner for more than two million retail customers and 150 000 corporate clients.

In addition to its role as financial partner, the Group carries responsibility in many other contexts, locally and nationally as well as globally. DnB NOR's ambition is declared in the group policy for corporate social responsibility:

DnB NOR wishes to promote sustainable development through responsible business operations giving priority to environmental, ethical and social considerations.

This ambition can be fulfilled by ensuring compliance with the Group's credit routines, where risk assessments should reflect environmental and ethical considerations.

DnB NOR operates in an international market. It was therefore a logical move for the Group to endorse the ten principles of the UN Global Compact in the areas of human and labour rights, the environment and anti-corruption.

As a financial services provider, DnB NOR is highly dependent on the trust of the broader society. The Group's customers must have confidence in the professionalism and integrity of the DnB NOR organisation. The code of ethics for employees and elected officers covers aspects relating to customers and suppliers, the duty of confidentiality, participation and positions in business enterprises, gifts and services, trading in financial instruments and insider trading. To ensure compliance with the code of ethics, emphasis is placed on communicating the content to employees and elected officers. Priority is also given to training staff to exercise sound discretion with respect to ethical issues and to establishing sound advisory practices.

Social responsibility is exercised within the organisation through the Group's human resources policy, aiming to ensure diversity, the necessary restructuring and equality measures, sound health, safety and environmental standards and good relations with the employee organisations. Social responsibility is also exercised through the Group's presence in close to 250 local communities, as a financial services provider to households and partner for the business sector.

Each year, Sparebankstiftelsen DnB NOR (the Savings Bank Foundation) makes generous donations to non-profit causes.

DnB NOR's sponsorship activities represent a key element in highlighting the Group's value base. In addition to a number of local partnership agreements, DnB NOR is the main sponsor for a number of sports associations, cultural institutions and organisations, such as the Nobel Peace Center.

External environment

The banking group has a direct impact on the external environment through its use of materials and energy as well as services required to carry out its business operations.

Environmental efforts, which are regulated by the DnB NOR Group's policy for corporate social responsibility, aim to increase energy efficiency, reduce paper consumption and air travel and ensure eco-friendly procurement and responsible waste treatment. Environmental initiatives are certified according to the Norwegian 'eco-lighthouse' programme. At the end of 2004, all regional financial services centres and DnB NOR's head office at Aker Brygge in Oslo were qualified for environmental certification.

DnB NOR's Internet banking applications and electronic banking services will scale back the use of transportation services and paper.

The DnB NOR share is included in FTSE4Good Europe, an index for investors who wish to promote sustainable development.

Health, safety and environment (HS&E)

Coordinating office space

As a step in the integration following the merger, DnB NOR made increasing use of open-plan office solutions in 2004, seeking better utilisation of office space and improved communication, as well as facilitating competence sharing. An open office landscape increases flexibility, but also presents challenges in ensuring a sound physical and mental working environment. A total of 3 900 DnB NOR employees in the Oslo area alone relocated internally during 2004.

HS&E and working environment training

30 managers and 56 staff members completed the banking group's internal HS&E and working environment training in 2004. During the year, 20 courses in coping with threats were arranged, in which both managers and staff were actively involved.

Absence due to illness

Absence due to illness in the banking group averaged 4.73 per cent of total working days in 2004. As an inclusive workplace, DnB NOR has initiated a number of measures to reduce absence due to illness, which has been relatively stable in recent years.

Occupational injuries

In 2004, a total of 14 occupational injuries were reported, with eight employees exposed to robberies and threats. None of the employees exposed to robberies suffered physical injuries.

Equality and diversity

DnB NOR seeks greater diversity in its management teams. The target set by the Board of Directors in DnB NOR ASA 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 within the end of 2009.

There is an approximate gender balance among staff as a whole. The proportion of women in the management groups at the four top levels, on the other hand, was only 21.5 per cent at end-December 2004.

DnB NOR is represented in a working committee set up by the Norwegian Financial Services Association, which carried out a survey of men and women in management positions. This is the most extensive survey of its kind within the Norwegian business sector, and was designed to find ways to improve the gender balance in executive positions within the financial sector.

For DnB NOR, the survey showed that women staff members are both qualified and motivated for senior executive positions. However, the survey also showed that many believe that women and men do not have equal opportunities.

Equal opportunity measures

DnB NOR has already implemented the following measures to reach the above equality targets:

- Equality is used as one of several criteria in job assignment processes
- The best female candidate is considered for positions in units with a minority of women
- Good gender balance in the recruitment of trainees
- The need for diversity is on the agenda in management training programmes
- Flexible working hours
- Offer of home PC with access to the DnB NOR network

On the basis of the survey, the measures below have been approved and will soon be introduced:

- Announce all vacancies internally
- Implement a new recruitment policy which meets the need for diversity in management teams

- Use more women speakers
- Ensure gender balance in projects
- Increase the visibility of competent women through:
  - Ensuring gender balance on internal boards in the Group
  - Letting more women present matters to the Board of Directors
- Prepare annual reports on the number of women at management levels 1 to 5 in each business area
- Ensure minimum 50 per cent participation of women in talent development programmes with a mentor scheme
- Implement a separate programme for women candidates for senior executive positions
- Increase mobility among managers

Future prospects

There was a strong upswing in the international economy in the second half of 2003, which continued into 2004. However, the brisk growth in the first quarter levelled off through the remainder of the year. Overall, DnB NOR anticipates sound economic growth in 2005, though it could be lower than in 2004.

Low interest rate levels, strong domestic demand and the international economic upturn contributed to production growth and greater optimism in Norway in 2004. A rise in exports, high oil prices and a favourable economic climate led to several upward adjustments in estimates for oil investments. Oil investment is expected to stimulate activity in the mainland economy again in 2005. A rise in employment is anticipated, along with a decline in unemployment. Oil prices are expected to continue high in 2005, though at a lower level than in 2004.

The Norwegian krone is expected to gain strength, which could impair competitiveness in the export industry. Several investment projects are likely to be arranged outside Norway. Inflation is expected to rise, albeit from a very low level. Higher inflation outside Norway will probably have a limited impact due to the strength of the Norwegian krone, tougher competition in the domestic market and rising imports from low-cost countries. A modest increase in benchmark rates is expected from Norges Bank (the central bank of Norway) towards the end of the year. Interest rates are expected to remain low throughout the year, and consumption growth and demand for housing are expected to continue high in the household sector. This will provide an incentive for sheltered industries, which will in turn be conducive to an upturn in production and investment in 2005.

A moderate rise in credit demand is anticipated in the business sector, and the strong growth in household credit demand is expected to abate somewhat during the year. The household debt burden at the end of 2004 was very high. However, in relative terms interest expenses were low, thus the financial position of the household sector improved in 2004. In addition, there was a significant rise in housing prices.

DnB NOR expects that prolonged low interest levels will help maintain debt servicing capacity and ensure a continued low level of loan losses and non-performing commitments. The low interest rate levels coupled with the Norwegian economic boom are also expected to lead to rising demand for savings products with higher risk and return profiles than traditional bank deposits.

In 2005, the banking group will introduce various measures to ensure broad-based growth. Strengthening market shares in profitable segments and areas where the banking group has a natural growth potential will be part of the strategy, parallel to an assessment of possible structural measures.

Improving customer relations is an important element in value creation. The banking group will give priority to customer relationship management in all business areas in 2005, and introduce new services and solutions to strengthen customer relations.

The Board of Directors of the Norwegian Banks' Guarantee Fund has decided that no levies will be charged in 2005, as the Fund complies with the minimum equity requirement stipulated in the Guarantee Schemes Act. In 2004, the banking group paid NOK 269 million in guarantee fund levies.

The integration process will be monitored closely by the Board of Directors and group management in 2005, and the realisation of synergies will be given high priority. Although the Board has noted that sound progress and good results have been achieved thus far in the integration process, major challenges remain ahead, particularly regarding the integration of IT systems and the reshaping of the branch network.

Capital adequacy was at a satisfactory level at year-end 2004, though the banking group can achieve further efficiencies in the use of capital by adapting its financing strategy to reduce funding costs. Furthermore, DnB NOR will make preparations for the transition to the new capital adequacy regulations, Basel II, expected to become effective as from 2008. Through the new regulations, the benefits of sound risk management, systems and procedures will be reflected in a lower cost of capital, which in turn will be in the best interests of both shareholders and customers.

Dividends and allocation of profits

Profits for 2004 in DnB NOR Bank ASA came to NOK 6 592 million. The Board of Directors proposes a group contribution of NOK 5 564 to DnB NOR ASA.

DnB NOR Bank ASA's capital adequacy ratio as at 31 December 2004 was 10.9 per cent, with a core capital ratio of 7.7 per cent. The banking group had a capital adequacy ratio of 10.6 per cent and a core capital ratio of 7.5 per cent.

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

The Board of Directors recommends allocating profits for the year, which represented NOK 6 592 million in DnB NOR Bank ASA for 2004, as follows:

Amounts in NOK million

Group contribution	5 564
Transfers to other equity	1 028
Total allocations	6 592

In connection with the closing of the annual accounts, the Board of Directors decided to allocate NOK 14 000 per employee to the employees' share investment fund. The total allocation amounted to NOK 134 million. Importance has been placed on expressing appreciation for the excellent work carried out by the staff in 2004 and the results that were achieved.

Oslo, 8 March 2005
The Board of Directors of DnB NOR Bank ASA

Olav Hytta
(chairman)
(sig.)

Bent Pedersen
(vice-chairman)
(sig.)

Sten Sture Larre
(sig.)

Per Hoffmann
(sig.)

Torill Rambjør
(sig.)

Ingjerd Skjeldrum
(sig.)

Marit Wiig
(sig.)

Svein Aaser
(sig.)

Profit and loss accounts

DnB NOR Bank ASA					DnB NOR Bank Group		
Pro forma 2002	Pro forma 2003	2004	*Amounts in NOK million*	Note	2004	Pro forma 2003	Pro forma 2002
40 482	34 065	25 908	Interest income	2, 4	28 803	38 733	43 269
28 446	22 870	14 280	Interest expenses	2, 4	15 428	24 710	29 150
12 036	**11 196**	**11 628**	**Net interest income and credit commissions**	2, 4	**13 376**	**14 023**	**14 119**
773	1 354	979	Dividends	5	143	211	169
4 553	4 896	5 546	Commissions and fees receivable on banking services	5	5 764	5 768	5 542
1 797	1 897	1 936	Commissions and fees payable on banking services	5	2 010	2 057	2 030
776	1 750	1 689	Net gain on foreign exchange and financial instruments	5, 6	1 675	1 836	775
406	345	651	Sundry ordinary operating income	5	1 541	1 255	1 130
32	9	9	Gains on the sale of fixed assets	5	1 298	23	264
4 743	**6 457**	**6 937**	**Net other operating income**	5	**8 412**	**7 037**	**5 851**
4 695	4 881	4 926	Salaries and other ordinary personnel expenses	7, 8, 9, 10	5 792	6 267	5 774
3 375	3 364	3 355	Administrative expenses	7	3 678	3 864	3 831
664	634	653	Depreciation	7	839	1 013	962
1 116	1 081	1 234	Sundry ordinary operating expenses	7	1 282	1 353	1 428
317	183	903	Other expenses	7	952	217	369
10 168	**10 142**	**11 072**	**Total operating expenses**	7	**12 544**	**12 715**	**12 364**
6 612	**7 511**	**7 493**	**Pre-tax operating profit before losses**		**9 244**	**8 344**	**7 606**
1 055	1 376	79	Net losses on loans, guarantees etc.	12, 13	167	1 891	1 023
(202)	198	1 535	Net gains/(losses) on long-term securities	14	106	224	(317)
5 355	**6 333**	**8 950**	**Pre-tax operating profit**		**9 183**	**6 677**	**6 265**
1 524	1 473	2 358	Taxes	15	2 397	1 715	1 732
3 831	**4 860**	**6 592**	**Profit for the year**		**6 786**	**4 963**	**4 533**
3 851	4 276	5 564	Group contribution	39	5 564	4 276	4 201
0	641	0	Dividends	39	1	641	1
21	57	0	Transferred from other equity	39	0	0	0
0	0	1 028	Transferred to other equity	39	1 221	46	331
3 831	**4 860**	**6 592**	**Total transfers and adjustments**		**6 786**	**4 963**	**4 533**
22.58	28.65	38.86	Earnings per share (NOK)		40.00	29.26	29.72

Balance sheets

DnB NOR Bank ASA					DnB NOR Bank Group		
Pro forma 31 Dec. 2002	Pro forma 31 Dec. 2003	31 Dec. 2004	*Amounts in NOK million*	Note	31 Dec. 2004	Pro forma 31 Dec. 2003	Pro forma 31 Dec. 2002
			Assets				
22 940	8 223	8 286	Cash and deposits with central banks		8 780	8 565	22 941
75 944	92 523	54 947	Lending to and deposits with credit institutions	16	21 604	28 060	26 385
432 141	476 283	525 645	Gross lending to customers	16, 17, 18, 19, 20, 22	584 230	573 973	500 807
(2 325)	(3 181)	(2 494)	- Specified loan-loss provisions	21	(3 255)	(4 329)	(2 884)
(3 144)	(3 147)	(3 230)	- Unspecified loan-loss provisions	21	(3 534)	(3 714)	(3 501)
426 672	469 955	519 921	Net lending to customers		577 441	565 929	494 422
394	310	456	Repossessed assets	30	538	576	651
51 484	61 289	64 615	Commercial paper and bonds	16, 24	62 986	59 677	51 699
3 842	3 271	4 213	Shareholdings etc.	16, 25, 26, 27	4 611	3 905	4 332
584	633	583	Investments in associated companies	16, 28	1 354	1 384	1 263
6 342	8 911	5 597	Investments in subsidiaries	16, 29	-	-	-
2 673	2 304	2 256	Intangible assets	15, 16, 31	2 637	3 294	3 595
2 799	2 585	2 467	Fixed assets	16, 30, 32, 33	4 155	4 454	4 389
18 213	24 269	23 138	Other assets	16	22 943	23 618	18 561
5 802	4 663	4 909	Prepayments and accrued income	16	5 477	5 484	6 154
617 690	**678 936**	**691 387**	**Total assets**		**712 526**	**704 946**	**634 392**
			Liabilities and equity				
77 333	76 530	47 608	Loans and deposits from credit institutions	34	48 950	78 508	80 314
321 013	330 597	353 741	Deposits from customers	34, 35	360 240	337 807	320 887
130 602	170 935	184 572	Securities issued	34, 36, 37	192 410	181 949	138 568
29 466	36 884	40 337	Other liabilities	34	41 140	37 820	31 624
4 381	5 142	4 318	Accrued expenses and prepaid revenues	34	5 013	5 999	5 038
2 476	2 320	2 703	Provisions for commitments	21, 34	2 994	2 570	2 658
13 474	17 374	18 092	Subordinated loan capital	38	18 770	18 126	13 519
5 292	5 583	5 270	Perpetual subordinated loan capital securities	38	5 270	5 583	5 292
584 038	**645 364**	**656 642**	**Total liabilities**		**674 787**	**668 362**	**597 901**
16 964	16 964	16 964	Share capital	39	16 964	16 964	16 964
7 745	7 745	7 745	Share premium reserve	39	8 461	8 461	8 461
8 942	8 863	10 036	Other equity	39	12 313	11 158	11 066
33 652	**33 572**	**34 745**	**Total equity**		**37 738**	**36 584**	**36 491**
617 690	**678 936**	**691 387**	**Total liabilities and equity**		**712 526**	**704 946**	**634 392**
			Other commitments and conditional commitments	46, 47, 48			

Cash flow statements

DnB NOR Bank ASA				DnB NOR Bank Group		
Pro forma 2002	Pro forma 2003	2004	*Amounts in NOK million*	2004	Pro forma 2003	Pro forma 2002
			OPERATIONS			
			Lending and funding activity			
(25 838)	(46 857)	(37 532)	Net payments made on instalment loans	(58 566)	(49 015)	(28 852)
10 191	25 433	12 458	Net receipts on credit lines and other current accounts	34 080	23 806	8 373
238	183	275	Receipts on loans and guarantees previously written off	331	275	426
11 583	(16 634)	7 941	Net receipts/payments on time deposits from customers	7 188	(13 655)	11 598
32 003	30 614	21 918	Interest and commissions received from customers	25 480	35 596	36 525
(15 850)	(11 311)	(7 119)	Interest paid to customers	(7 214)	(11 734)	(16 053)
			Other operations			
3 694	4 592	5 404	Other receipts on commissions and fees	5 623	5 314	4 842
(276)	73	(930)	Net receipts/payments on trading in short-term investments in shares	(768)	314	(95)
118	102	65	Dividends received on short-term investments in shares	85	112	115
(1 700)	(6 421)	(4 767)	Net payments on trading in fixed-income securities	(4 741)	(2 999)	(1 654)
2 612	2 186	1 937	Interest earned on fixed-income securities	1 977	2 262	2 624
(4 834)	286	528	Net receipts/payments on trading in foreign exchange and financial derivatives	564	339	(5 239)
530	534	606	Other receipts	1 488	1 458	1 163
(10 384)	(10 877)	(13 882)	Payments to operations	(15 390)	(13 095)	(12 396)
(888)	(623)	0	Taxes paid	(120)	(882)	(1 113)
1 199	**(28 720)**	**(13 098)**	**Net cash flow relating to operations**	**(9 982)**	**(21 904)**	**264**
			INVESTMENT ACTIVITY			
250	24	26	Receipts on the sale of fixed assets	147	99	324
(276)	(237)	(251)	Payments on the acquisition of fixed assets	(347)	(256)	(389)
611	862	3 737	Receipts on the sale of long-term investments in shares etc.	3 745	1 046	695
(946)	(1 399)	(10)	Payments on the acquisition of long-term investments in shares etc.	0	(1 104)	(580)
655	1 282	791	Dividends received on long-term investments in shares etc.	57	98	54
294	**532**	**4 293**	**Net cash flow relating to investment activity**	**3 602**	**(117)**	**104**
			FUNDING ACTIVITY			
12 758	(17 691)	1 351	Net investments/loans from credit institutions	3 174	(9 795)	18 370
10 018	38 211	21 043	Net issue of bonds and commercial papers	17 867	30 062	9 151
1 003	3 470	(5 644)	Net receipts/payments on other short-term liabilities	(4 649)	(132)	726
0	0	0	Net payments on other long-term liabilities	(60)	(282)	(351)
3 653	5 747	1 648	Issue of subordinated loan capital	1 648	5 747	3 653
(1 966)	(2 088)	0	Redemption of subordinated loan capital	(74)	(2 088)	(1 966)
2 552	0	0	Inflows of perpetual subordinated loan capital securities	0	0	2 552
(4 597)	(5 398)	(4 917)	Dividends/group contribution payments	(4 917)	(5 797)	(5 669)
(6 980)	(8 781)	(4 614)	Net interest payments on funding activity	(6 395)	(10 785)	(8 960)
16 441	**13 470**	**8 867**	**Net cash flow from funding activity**	**6 595**	**6 930**	**17 506**
17 934	**(14 718)**	**63**	**Net cash flow**	**215**	**(15 091)**	**17 874**
5 005	22 940	8 223	Cash and deposits with Norges Bank as at 1 January	8 565	22 941	5 067
0	0	0	Increase in cash and deposits with Norges Bank through acquisitions	0	715	0
17 934	(14 718)	63	Net receipts/payments on cash and deposits with Norges Bank	215	(15 091)	17 874
22 940	8 223	8 286	Cash and deposits with Norges Bank as at 31 December	8 780	8 565	22 941

The cash flow statements show cash flows grouped according to source and use. Cash equivalents are defined as cash and deposits with Norges Bank.

Accounting principles

The accounts of DnB NOR Bank are based on Norwegian accounting legislation, the accounting regulations issued by Kredittilsynet (the Financial Supervisory Authority of Norway), and Norwegian generally accepted accounting principles.

CHANGES IN ACCOUNTING PRINCIPLES

The effects of changes in accounting principles are recorded directly against equity. The only changes made in accounting principles in 2004 are certain insignificant reclassifications.

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.

Holdings of a short-term nature are not consolidated in the accounts. Holdings taken over in connection with non-performing commitments are generally of a short-term nature.

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

The balance sheet items of acquired operations to be consolidated according to the equity method, are recorded at fair market value. Any intangible assets identified are considered and classified separately. 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. 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. 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.

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. The trading portfolio is recorded according to the market value principle.

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 on banking services".

Loans and non-performing and doubtful commitments

Loans are recorded at their nominal value with the exception of non-performing and doubtful commitments, reduced-rate loans and loans to customers in debt rescheduling countries. All loans, guarantees and other outstanding claims against a customer are considered collectively.

Loans and other commitments which are not serviced in accordance with the loan agreement are classified as non-performing unless the situation is considered to be temporary. Commitments will be classified as non-performing no later than 90 days past the formal due date. Loans, guarantees etc. which are classified as high-risk without being in default are subject to special surveillance and risk considerations. If a loss is likely to occur as a result of the value of collateral and the customer's financial position, the commitments are classified as doubtful.

Repossessed assets

Repossessed assets are assets acquired by units within the banking group as part of the management of non-performing and doubtful commitments. At the time of acquisition such assets are valued at their estimated realisable value. When assets are repossessed for prompt resale, they are classified as current assets. Any losses on the resale of and write-down for the diminution in value of such assets are recorded under losses on loans and guarantees, etc. as losses/write-downs on repossessed assets. Any gains or reversals of previous write-downs are classified as a reassessment of repossessed assets.

If assets are acquired for own use or for long-term administration and development, the assets are classified and evaluated as fixed assets in the balance sheet. Gains, losses, write-downs and reassessments of such assets are made according to the principles for assessing fixed assets.

Losses on loans and guarantees, etc.

Commitments classified as non-performing, doubtful or high-risk commitments are continuously monitored with respect to their loss potential. Any losses are classified as specified loan-loss provisions or write-offs. Specified loan-loss provisions represent an estimate of losses which are linked to identified customers. When, in all probability, losses must be considered final, they are classified as write-offs. Specified loan-loss provisions represent the difference between the nominal value of the commitment and the value of collateral and the customer's estimated solvency. When assessing the need for provisions, the credit risk element of other exposures to the customer, e.g. financial derivatives, is taken into account. In some segments with homogeneous customer characteristics, an alternative model is used to assess loan losses, based on previous experience concerning collateral value, customer solvency and the general economic situation. The resulting provisions are classified as specified.

Specified provisions reduce the book value of the commitments in the balance sheet, and changes in provisions during the period are recorded under losses in the profit and loss account. Write-offs covered by previous specified loan-loss provisions are netted against these provisions. Write-offs are recorded directly in the profit and loss account when the losses are not covered by previous loan-loss provisions or when there are deviations from previous provisions when losses are considered final. Subsequent repayments on commitments previously classified as final losses are classified as recoveries on loans previously written off.

Once a commitment is classified as non-performing, unpaid interest taken to income and other income is reversed, and no further income is recorded unless coverage is provided by underlying values in the commitment. Interest accrued during the year is reversed under net interest income, while accrued, unpaid interest referring to previous years is charged to loan losses. The same procedure is applied for doubtful commitments, though interest paid is taken to income if collateral values and the customer's financial position provide adequate coverage.

Loans with significantly reduced interest rate terms are classified as reduced-rate loans. The difference between the original and the reduced interest rate terms is recorded as a write-off. The difference in interest income on these loans is calculated on the basis of actual maturity and discounted by the original loan rate to net present value.

Unspecified loan-loss provisions cover losses which, based on the situation on the balance sheet date, are likely to occur in addition to identified losses and specified loan-loss provisions. Unspecified loan-loss provisions will cover losses resulting from current events which have not yet been reflected in assessments of collateral values and the customer's financial position, as well as current events which must be expected to affect loan-loss assessments at a later date. Calculations of unspecified provisions are based on risk management systems and the division of the credit portfolio into risk categories. Provisions derive directly from volume, risk and previous experience regarding loss developments in various parts of the credit portfolio. Changes in unspecified loan-loss provisions during the period are recorded in the profit and loss account.

Accumulated specified and unspecified loan-loss provisions are deducted from lending in the balance sheet. Specified and unspecified provisions are also made on losses on guarantees which are considered doubtful. These provisions are entered under liabilities in the balance sheet.

Leasing

Assets and buildings for rent (leasing) are defined as lease financing and classified as lending in the accounts. Leasing income is recorded according to the annuity method. The interest component of the lease receipts is recorded as interest income, while the instalment component reduces the value of the lease in the balance sheet. Contracts with guaranteed residual value are reduced to residual value over the term of the contract. For tax purposes, the declining balance method is applied.

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 remaining element is recorded as an option. The value of the option is netted against the hedging contract, and any gains or losses are entered in the accounts when the index-linked bond is issued.

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 46.

Properties and other fixed assets

Assets generating joint cash flows are considered collectively. 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.

Assets are written down when there are clear indications of a decrease in value which is not expected to be temporary. Such write-downs are reversed when the reasons for writing down the assets no longer apply.

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.

Software

Development of software is classified as intangible assets provided that the criteria for being recorded in the balance sheet are met. Costs related to the development of software are recorded in the balance sheet when significant and the software is expected to have sustainable value. Software developed by DnB NOR which is recorded in the balance sheet is depreciated on the basis of a conservative estimate of expected life. Such software is written down if the value of expected financial benefits is lower than recorded value.

Costs for reestablishing or maintaining the financial value of IT systems and systems applications are classified as maintenance and charged to the accounts as they occur.

Software acquired in connection with the purchase of personal computers is considered collectively with the hardware.

Assets and liabilities in foreign currency
Assets and liabilities denominated in foreign currencies are recognised as financial assets and 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 in excess of the actual costs involved are amortised over the life of the loan.

Employee subscription rights programme
Issued subscription rights with no intrinsic value are not charged to the accounts. When rights are exercised, the increase in the number of shares, the share capital and the share premium reserve will be recorded directly against equity. The net present value of the employer's national insurance contributions relating to the exercise of employee subscription rights is calculated based on the assumption that the subscription rights will have economic value when exercised and that all options will be exercised. The net present value of the estimated employer's national insurance contributions will be charged to the accounts over the time to maturity according to the straight line principle. See note 8.

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.

Pension expenses and pension commitments
Expenses related to accrued pension entitlements are recorded as personnel expenses in the accounts. 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 probable future pension payments. The calculation is based on actuarial assumptions about life expectancy, rise in salaries, early retirement and other changes concerning those entitled to a pension.

Assumptions on which the calculation of pension commitments is based are reviewed annually and must be expected to change over time. Such changes may include:
- changes in pension schemes
- changes in economic parameters
- changes in actuarial assumptions
- deviations between the anticipated and actual return on pension funds

The financial effects of changes in pension-schemes are amortised over the average remaining service period of the employees. The accumulated effect of other changes or deviations is amortised in the profit and loss accounts over the average remaining service period or measured against the higher of total pension commitments and pension funds at the beginning of the financial year. In cases where the effect of changes in a scheme is not amortised and total unamortised changes and deviations exceed 10 per cent of the higher of these two figures, the excess is amortised in the profit and loss account over the average remaining service period of the employees in the scheme.

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. Any changes in the value of deferred taxes and deferred tax assets will be shown as taxes for the year in the profit and loss account along with the tax liability for the year.

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. 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.

PRO FORMA FIGURES
The profit and loss accounts and balance sheets above, as well as the notes to the accounts below, are based on pro forma accounting figures which have been prepared as if the merger between DnB and Gjensidige NOR took place on 1 January 2002.

Note 1 – Changes in group structure

Sale of Elcon Finans AS

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

Sale of Postbanken Eiendomsmegling AS

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

Operations required sold – discontinuing operations

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

Operations in these companies will be included in DnB NOR Bank Group's accounts until a binding sales agreement has been concluded and all substantial risk has been transferred to the purchaser. The accounts of the companies to be sold are shown below as they have been included in the DnB NOR Bank Group's accounts. Operations in the 53 branch offices DnB NOR Bank was required to sell are not included in the accounts of discontinuing operations as the sale refers only to premises and equipment.

Sale of Avanse Forvaltning AS and Gjensidige NOR Kapitalforvaltning ASA

As part of the integration in connection with the DnB NOR merger, Avanse Forvaltning and Gjensidige NOR Kapitalforvaltning have been sold from DnB NOR Bank ASA to DnB NOR Kapitalforvaltning Holding AS. Consequently, these companies are no longer consolidated in the banking group accounts. Gains of NOK 359 million were recorded on the sales in the banking group's accounts in the second quarter. In June 2004, Avanse Forvaltning and Gjensidige NOR Kapitalforvaltning were merged with DnB NOR Kapitalforvaltning ASA.

Note 1 – Changes in group structure (continued)

Profit and loss accounts

DnB NOR Bank Group Discontinuing operations [1]			
		Pro forma	Pro forma
Amounts in NOK million	2004	2003	2002
Net interest income and credit commissions	**257**	**925**	**715**
Commissions and fees receivable on banking services	17	70	69
Commissions and fees payable on banking services	25	49	14
Net gain/(loss) on foreign exchange and financial instruments	(1)	6	(1)
Sundry ordinary operating income	54	89	85
Gains on the sale of fixed assets	946	0	0
Net other operating income	**991**	**116**	**139**
Salaries and other personnel expenses	82	286	242
Administrative expenses	39	110	111
Depreciation	8	20	18
Sundry ordinary operating expenses	22	76	81
Total operating expenses	**151**	**492**	**452**
Pre-tax operating profit before losses	**1 097**	**549**	**402**
Net losses on loans, guarantees, etc.	23	173	76
Pre-tax operating profit	**1 074**	**376**	**326**
Taxes	290	109	93
Profit for the year	**784**	**267**	**233**

Balance sheets

DnB NOR Bank Group Discontinuing operations [1]			
		Pro forma	Pro forma
Amounts in NOK million	31 Dec. 2004	31 Dec. 2003	31 Dec. 2002
Assets			
Lending to and deposits with credit institutions	33	328	364
Gross lending to customers	0	27 700	23 508
- Specified loan-loss provisions	0	(114)	(65)
- Unspecified loan-loss provisions	0	(181)	(177)
Net lending to customers	0	27 405	23 267
Repossessed assets	0	134	238
Shareholdings etc.	0	7	1
Intangible assets	9	146	313
Fixed assets	3	23	18
Other assets	1 140	296	44
Prepayments and accrued income	0	91	62
Total assets	**1 185**	**28 430**	**24 307**
Liabilities and equity			
Loans and deposits from credit institutions	0	24 520	20 857
Deposits from customers	0	283	287
Other liabilities	0	771	628
Accrued expenses and prepaid revenues	290	180	144
Provisions for commitments	7	20	16
Subordinated loan capital	0	350	350
Total liabilities	**297**	**26 124**	**22 282**
Share capital	20	1 915	1 640
Other equity	868	391	385
Total equity	**888**	**2 306**	**2 025**
Total liabilities and equity	**1 185**	**28 430**	**24 307**

1) *Includes the accounts of Elcon and Postbanken Eiendomsmegling as included in the accounts of the DnB NOR Bank Group in addition to the capital gain recorded on the sale of Elcon. As at 31 December 2004, Elcon is not consolidated in the group accounts.*

Note 2 – Net interest income and credit commissions

DnB NOR Bank ASA				DnB NOR Bank Group		
Pro forma 2002	Pro forma 2003	2004	*Amounts in NOK million*	2004	Pro forma 2003	Pro forma 2002
5 975	4 662	2 407	Interest on loans to and deposits with credit institutions	1 821	2 758	3 148
27 676	23 500	17 367	Interest and credit commissions on instalment loans	19 805	27 297	30 502
3 233	2 591	2 473	Interest and credit commissions on overdraft and working capital facilities	2 564	3 405	3 766
224	159	268	Interest and credit commissions on building loans	268	159	224
0	0	0	Leasing income	714	1 599	1 949
0	0	0	Factoring income	79	185	202
653	766	911	Front-end fees, back-end fees	1 001	793	686
134	118	206	Interest on other loans to customers	250	178	180
31 921	27 134	21 226	Total interest income on loans to customers	24 682	33 616	37 509
2 545	2 142	2 031	Interest on commercial paper, bonds, etc.	2 071	2 222	2 554
41	127	244	Other interest income	230	137	58
40 482	**34 065**	**25 908**	**Total interest income**	**28 803**	**38 733**	**43 269**
2 315	1 839	1 504	Interest on loans and deposits from credit institutions	1 794	2 265	2 431
11 823	8 229	3 335	Interest on demand deposits from customers	3 390	8 410	11 799
415	300	196	Interest on time deposits from customers	201	325	415
4 225	2 897	1 014	Interest on special-term deposits from customers	1 047	3 005	4 233
16 463	11 426	4 544	Total interest expenses on deposits from customers	4 638	11 740	16 447
4 158	3 749	4 033	Interest on securities issued	4 585	4 796	4 731
514	654	721	Interest on subordinated loan capital	725	661	517
479	480	244	Levies to the Commercial Banks' Guarantee Fund and the Savings Banks' Guarantee Fund	269	499	471
4 517	4 722	3 233	Other interest expenses	3 417	4 749	4 553
28 446	**22 870**	**14 280**	**Total interest expenses**	**15 428**	**24 710**	**29 150**
12 036	**11 196**	**11 628**	**Net interest income and credit commissions**	**13 376**	**14 023**	**14 119**

Note 3 – Unrecorded interest on loans

DnB NOR Bank ASA				DnB NOR Bank Group		
Pro forma 2002	Pro forma 2003	2004	*Amounts in NOK million*	2004	Pro forma 2003	Pro forma 2002
889	911	992	Accrued, unrecorded interest on non-performing and doubtful loans as at 1 January	1 099	1 224	1 481
200	142	207	- Recorded interest on non-performing and doubtful loans accrued in previous periods 1)	210	272	348
81	548	565	- Identified loss of unrecorded interest accrued in previous periods 2)	605	698	159
332	774	608	+ Accrued, unrecorded interest on non-performing and doubtful loans during the period 3)	613	829	350
9	-	14	+ Impact of transfer of portfolios from subsidiaries	-	-	-
(19)	(3)	(4)	+ Exchange rate movements	(2)	17	(100)
911	992	838	Accrued, unrecorded interest on non-performing and doubtful loans as at 31 December	894	1 099	1 224

1) *Included in the profit and loss accounts as a reduction in net loan losses.*

2) *Will result in a reduction in accrued interest recorded in the balance sheet, but no further charges provided that such interest has been reversed in previous years. Identified losses of interest accrued in previous periods in excess of previous provisions are recorded as loan losses.*

3) *Included in the profit and loss accounts as a reduction in net interest income.*

The note shows changes in accrued interest on non-performing and doubtful commitments (see note 19 and 20) which has not been taken to income, but recorded in the balance sheet as a claim against customers set off against provisions. Changes during the year represent payments of interest accrued in previous years on such commitments, write-offs of such claims when it is highly probable that the loss is final, provisions for accrued, unrecorded interest on the commitments, along with changes in accrued interest recorded in the balance sheet due to exchange rate movements.

Note 4 – Interest rates on selected balance sheet items

DnB NOR Bank ASA				DnB NOR Bank Group		
Pro forma 2002	Pro forma 2003	2004	*Per cent*	2004	Pro forma 2003	Pro forma 2002
			Commercial paper and bonds			
4.30	3.46	3.05	Trading portfolio	3.05	3.46	3.81
4.99	3.74	3.12	Banking portfolio	3.68	4.36	5.68
			Loans and deposits from credit institutions			
7.88	4.98	1.74	Loans and deposits with no fixed term or period of notice	2.51	5.99	7.89
4.79	3.33	1.86	Loans and deposits with a fixed term or period of notice	1.90	3.42	4.88
			Deposits from customers			
5.01	3.25	1.10	Deposits with no fixed term	1.10	2.86	5.03
5.75	3.82	1.54	Fixed-term deposits	1.54	4.00	6.06
			Securities issued			
5.59	3.90	1.96	Commercial paper issued	1.96	4.12	5.63
5.20	4.22	2.33	Bond debt	2.54	4.54	5.22
4.06	4.04	6.20	Own bonds included in the banking portfolio	2.29	5.78	6.03

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

Note 5 – Net other operating income

DnB NOR Bank ASA				DnB NOR Bank Group		
Pro forma 2002	Pro forma 2003	2004	*Amounts in NOK million*	2004	Pro forma 2003	Pro forma 2002
773	**1 354**	**979**	**Dividends**	**143**	**211**	**169**
2 588	2 661	3 132	Money transfer fees receivable	3 196	3 069	3 019
143	117	163	Fees on asset management services	164	365	530
203	222	253	Fees on custodial services	253	222	203
277	371	489	Fees on securities	514	498	362
312	354	357	Guarantee commissions	389	378	327
192	214	182	Interbank fees	182	214	192
144	117	126	Credit broking commissions	126	117	144
135	169	220	Sales commissions on insurance products	225	171	135
560	670	625	Sundry commissions and fees receivable on banking services	717	734	631
4 553	**4 896**	**5 546**	**Total commissions and fees receivable on banking services**	**5 764**	**5 768**	**5 542**
1 105	1 112	1 126	Money transfer fees payable	1 136	1 159	1 221
48	63	83	Fees on custodial services payable	83	63	48
243	258	243	Interbank fees	243	258	243
401	464	483	Sundry commissions and fees payable on banking services	547	576	518
1 797	**1 897**	**1 936**	**Total commissions and fees payable on banking services**	**2 010**	**2 057**	**2 030**
(336)	118	46	Net gain/(loss) on short-term shareholdings	12	163	(337)
200	521	202	Net gain on commercial paper and bonds	210	523	200
1 205	1 444	2 869	Net gain on trading in foreign exchange and financial derivatives 1)	2 881	1 484	1 204
292	333	1 428	Net loss on other short-term interest instruments 1)	1 428	333	292
776	**1 750**	**1 689**	**Net gain on foreign exchange and financial instruments**	**1 675**	**1 836**	**775**
29	33	36	Operating income on real estate	39	61	58
64	66	173	Rental income	166	69	66
0	0	0	Fees in real estate broking	618	595	516
4	9	3	Share of profit in associated companies	218	159	111
24	(17)	1	Remunerations	1	21	27
284	253	437	Miscellaneous operating income	501	350	351
406	**345**	**651**	**Total sundry ordinary operating income**	**1 541**	**1 255**	**1 130**
32	**9**	**9**	**Gains on the sale of fixed assets 2)**	**1 298**	**23**	**264**
4 743	**6 457**	**6 937**	**Net other operating income**	**8 412**	**7 037**	**5 851**

1) *As these activities are managed collectively, the items must be evaluated together and relative to interest income on the same activities.*
2) *Of which NOK 946 million represented gains on the sale of Elcon, after deduction for transaction cost and value adjustments, and NOK 359 million gains on the sale of Avanse Forvaltning and Gjensidige NOR Kapitalforvaltning in 2004.*

Note 6 – Net gain on foreign exchange and financial instruments

DnB NOR Bank ASA				DnB NOR Bank Group		
Pro forma 2002	Pro forma 2003	2004	*Amounts in NOK million*	2004	Pro forma 2003	Pro forma 2002
1 005	1 484	1 575	Net gain on trading portfolio	1 575	1 484	1 005
(287)	111	24	Net gain/(loss) on equity investments in the banking portfolio	(10)	156	(287)
58	154	89	Net gain on other investments in the banking portfolio	110	196	57
776	**1 750**	**1 689**	**Net gain on foreign exchange and financial instruments**	**1 675**	**1 836**	**775**
			Unrecorded market value above book value in the banking portfolio at end of period			
0	0	30	Short-term shareholdings	110	45	0
22	62	103	Commercial paper and bonds	104	57	12

Note 7 – Operating expenses

DnB NOR Bank ASA				DnB NOR Bank Group		
Pro forma 2002	Pro forma 2003	2004	*Amounts in NOK million*	2004	Pro forma 2003	Pro forma 2002
3 555	3 566	3 624	Ordinary salaries	4 305	4 631	4 386
515	515	526	Employer's national insurance contributions	623	667	649
380	537	578	Pension expenses	641	634	436
246	263	198	Social expenses	223	336	304
4 695	**4 881**	**4 926**	**Total salaries and other ordinary personnel expenses**	**5 792**	**6 267**	**5 774**
475	432	380	Fees	442	496	534
1 103	1 152	1 180	EDP expenses [1)]	1 283	1 331	1 241
461	447	447	Postage and telecommunications	483	534	525
131	102	106	Office supplies	121	117	148
356	321	345	Marketing and public relations	409	435	466
163	146	132	Travel expenses	156	182	208
491	563	574	Reimbursement to Norway Post for transactions executed [2)]	574	563	491
42	35	29	Training expenses	38	45	53
153	167	163	Sundry administrative expenses	172	161	165
3 375	**3 364**	**3 355**	**Total administrative expenses**	**3 678**	**3 864**	**3 831**
250	211	165	Depreciation on EDP equipments etc.	191	250	287
164	166	223	Goodwill amortisation	292	396	349
173	178	185	Depreciation on other machinery, equipment and vehicles	219	225	203
65	67	68	Depreciation on properties and premises	128	130	111
12	12	12	Other depreciation	10	12	12
664	**634**	**653**	**Total depreciation**	**839**	**1 013**	**962**
698	646	771	Rent and operating expenses on rented premises	674	628	680
155	158	191	Operating expenses on real estate	233	218	199
63	79	58	Operating expenses on machinery, vehicles and office equipment taken to expense	75	102	81
45	52	57	Insurance	64	59	49
12	17	13	Membership fees, Norwegian Financial Services Association and Savings Banks Association	13	17	12
144	129	144	Miscellaneous ordinary operating expenses	224	329	407
1 116	**1 081**	**1 234**	**Total sundry ordinary operating expenses**	**1 282**	**1 353**	**1 428**
38	98	116	Allocations to employee funds	134	112	43
249	45	780	Provisions for restructuring measures	805	38	280
8	26	5	Losses on the sale of fixed assets	12	28	10
22	14	2	Write-downs on rental contracts and fixed assets	1	39	36
317	**183**	**903**	**Total other expenses**	**952**	**217**	**369**
10 168	**10 142**	**11 072**	**Total operating expenses**	**12 544**	**12 715**	**12 364**

1) *These expenses concern the purchase, operation and maintenance of computers and software. The DnB NOR Bank Group's IT expenses totalled NOK 2 188, NOK 2 447 and NOK 2 341 million for 2004, 2003 and 2002 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 2 043, NOK 2 203 and NOK 2 131 million respectively.*

2) *Other reimbursement to Norway Post is included in "Interest expenses" and "Commissions and fees payable on banking services".*

Note 8 – Remunerations etc.

Terms for the group chief executive

The group chief executive in DnB NOR ASA received an ordinary salary of NOK 3 963 000 in 2004, compared with NOK 3 202 000 in 2003. In January 2005, the Board of Directors conferred a bonus for 2004 of NOK 1 925 000 on the group chief executive for extraordinary effort. The bonus payment for 2003 was NOK 400 000. Benefits in kind were estimated at NOK 223 000, as against NOK 269 000 in 2003, and the pension premium paid during the year was NOK 120 000, compared with NOK 118 000 in 2003. The figures represent the total remuneration to the group chief executive. Costs are divided between DnB NOR Bank ASA and DnB NOR ASA. In a meeting to be held in March 2005, the Supervisory Board in DnB NOR Bank ASA will consider how much of the group chief executive's salary should be covered by the bank. The Board of Directors in DnB NOR ASA will recommend that the Supervisory Board in DnB NOR Bank ASA approve coverage of 50 per cent of the salary by the bank.

The Board of Directors of DnB NOR ASA has stipulated the annual remuneration to the group chief executive at NOK 4 200 000 as of 1 January 2005.

According to the employment contract, the group chief executive is entitled to two years' salary if employment is terminated prior to the age of 60. If, during this period, he were to receive income from other permanent employment, negotiations will be initiated to reduce the amount to be paid by DnB NOR.

Both the group chief executive and DnB NOR have the right to request his retirement with pension entitlements after he reaches the age of 60. 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 3 097 000 for the 2004 accounting year.

The group chief executive has subscribed for 6 667 subscription rights under the general subscription rights programme for all former DnB employees. See more detailed description of the programme below.

Terms for the chairman of the Board of Directors

Olav Hytta has been chairman of the Board of Directors in DnB NOR Bank ASA since the merger came into effect on 21 January 2004. As chairman of the Board of Directors in DnB NOR Bank ASA, he received a total remuneration of NOK 283 000 in 2004. Benefits in kind from the DnB NOR Bank Group were estimated at NOK 31 000.

In addition, Hytta received remuneration for other board positions within the Group. In 2004 he received NOK 425 000 as chairman of the Board of Directors in DnB NOR ASA and NOK 200 000 as vice-chairman in Vital Forsikring ASA. Hytta resigned as chief executive officer in December 2003 and became officially retired on 1 January 2004, with an annual pension of NOK 1 700 000, corresponding to 70 per cent of his annual salary. In accordance with the merger agreement, for up to 24 months from the date of the merger Hytta is entitled to remuneration terms at least on a par with what he received as group chief executive. The sum of ordinary directors' fees and pension payments implies compliance with this agreement.

Terms relating to other senior executives

Group executive vice president Ottar Ertzeid, head of DnB NOR Markets, has a performance-based salary including both fixed and variable payments. Ertzeid's salary depends on results achieved by the business area and on long-term performance.

The Board of Directors in DnB NOR ASA has approved the following guidelines for remuneration to senior executives:

"The group chief executive determines the remuneration to his management group. The remuneration should ensure that the DnB NOR Group attracts and retains people with the preferred competencies and experience. Remuneration can comprise a fixed salary and bonus payments. Pension schemes and any agreements on severance pay etc. shall be seen in connection with other remuneration 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. The group chief executive must consult the chairman of the Board of Directors before making a decision."

Remuneration to the group management team excluding the group chief executive totalled NOK 22 563 000.

Remuneration to elected representatives

	DnB NOR Bank ASA		
Amounts in NOK 1 000	2004	Pro forma 2003	Pro forma 2002
Remuneration to the Board of Directors	1 544	2 413	2 873
Remuneration to the Supervisory Board	325	763	726
Remuneration to the Control Committee	693	932	539

Subscription rights programme for employees

In 2000, the Annual General Meeting of DnB Holding ASA decided to establish a general subscription rights programme giving all DnB Group employees the right to purchase shares in the company. The scheme will be continued in DnB NOR. The scheme gives employees the right to subscribe for a specified number of shares in the holding company during the period 2003 to 2005 corresponding to one-third of the awarded rights for each year at a price of NOK 32.83 per share. Subscription rights were granted on the basis of the pensionable salary of the individual employee, ranging from 2 000 to 20 000 subscription rights. Each subscription right entitles the subscriber to demand the issue of one share. The subscription rights cannot be transferred and will be cancelled upon termination of employment. At year-end 2004, a total of 11 734 684 subscription rights were registered under the scheme.

The rights can only be exercised if the return on the share is as good as or better than the return on a share index consisting of Nordic financial institutions. This requirement was met in both 2003, 2004 and 2005. The final period for exercising subscription rights is from 1 March to 15 March 2005.

The Annual General Meeting of Gjensidige NOR ASA decided in 2002 to give employees in the Group 250 subscription rights on shares in the company at a price of NOK 248.92 per share. Up to half of the subscription rights could be exercised during the period 1 through 15 October 2003 and the remainder during the period 1 through 15 October 2004. In October 2003, a total of 3 006 subscription rights were exercised. Upon the establishment of DnB NOR ASA, it was necessary to convert the number of subscription rights and the exercise price for shares in the new company. In October 2004, 5 181 408 subscription rights were exercised to subscribe for shares at the price of 27.95 per share. At year-end 2004, there were no remaining subscription rights under this programme.

Note 8 – Remunerations etc. (continued)

Loan facilities to employees and elected representatives as at 31 December 2004

Amounts in NOK 1 000	Lending
Employees in DnB NOR Bank ASA	
Senior employees	
Svein Aaser, CEO	56
Tom Grøndahl, deputy CEO	747
Ottar Ertzeid, group executive vice president	1
Helge Forfang, group executive vice president	2 567
Harald Jægtnes, group executive vice presiden, Group Audit	1 368
Bente A. Landsnes, group executive vice president	1 471
Evlyn Raknerud, group executive vice president	0
Åsmund Skår, group executive vice president	2 460
Leif Teksum, group executive vice president	2 630
Employees, total	7 365 000
Elected representatives in DnB NOR Bank ASA	
Board of Directors	
Olav Hytta, chairman	55
Bent Pedersen, vice-chairman	0
Per Hoffmann	758
Sten Sture Larre	0
Torill Rambjør	500
Ingjerd Skjeldrum	142
Marit Wiig	0
Svein Aaser	56
Supervisory Board	
Harald Norvik, chairman	1 158
Total members of the Supervisory Board	148 549
Control Committee, total	992

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

Remuneration to the statutory auditor

DnB NOR Bank ASA				DnB NOR Bank Group		
Pro forma 2002	Pro forma 2003	2004	*Amounts in NOK 1 000*	2004	Pro forma 2003	Pro forma 2002
			Auditor's remuneration			
4 230	3 004	2 400	Audit of operations in Norway	3 890	5 255	6 638
363	400	275	Audit of international operations	859	819	1 524
			Other audit-related remuneration			
6 025	1 214	890	Operations in Norway	1 201	1 384	6 050
151	162	15	International operations	15	162	151
			Remunerations for tax advice			
0	0	0	Operations in Norway	139	191	0
61	38	187	International operations	187	38	150
			Other remuneration			
681	764	0	Operations in Norway	0	1 567	2 132
130	0	291	International operations	291	92	699
11 641	5 582	4 058	Total remuneration to the statutory auditor	6 582	9 508	17 344

Note 9 – Pensions

With effect from 1 January 2004, a joint, defined benefit occupational pension scheme was established for all employees in the DnB NOR Bank Group 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 and replaces corresponding schemes in the former Gjensidige NOR and individual companies in the former DnB. In addition to this scheme, around 900 employees in the former Postbanken are covered by a group pension plan in the Norwegian Public Service Pension Fund.

The banking group also has commitments relating to salaries exceeding the National Insurance Scheme's base rate and early retirement agreements. With few exceptions, 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.

Commitments relating to salaries exceeding the National Insurance Scheme's base rate are funded through the individual companies' operations with respect to employees from the former DnB. In the former Gjensidige NOR, commitments relating to salaries exceeding the National Insurance Scheme's base rate, and in general also early retirement entitlements, are organised as group pension insurance schemes funded by Vital Forsikring. Upon retirement under a contractual pension agreement, employees continue as members of the group pension scheme, earning benefits up till ordinary retirement age. Under other forms of early retirement, employees resign from the company pension plans but are, upon reaching the ordinary retirement age, compensated for the reduction in benefits earned. Work is currently under way to coordinate these pension schemes of the DnB NOR Bank Group. The coordination is expected to be completed in the course of 2005.

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

Economic assumptions applied in calculating pension expenses and commitments:

	Commitments		Expenses	
Per cent	31 Dec. 2004	31 Dec. 2003	2004	2003
Discount rate	4.7	6.0	6.0	6.0
Anticipated return	5.7	7.0	7.0	7.0
Anticipated rise in salaries	3.5	3.5	3.5	3.5
Anticipated increase in base rate	3.0	3.0	3.0	3.0
Anticipated rise in pensions	2.5	3.0	3.0	3.0
Anticipated CPA acceptance	40.0	40.0	40.0	40.0

The economic assumptions have a long-term perspective.

DnB NOR Bank ASA			**Pension expenses**	**DnB NOR Bank Group**		
Pro forma 2002	Pro forma 2003	2004	*Amounts in NOK million*	2004	Pro forma 2003	Pro forma 2002
225	322	383	Net present value of pension entitlements - regular pensions	433	386	272
43	32	38	Net present value of pension entitlements - CPAs	41	38	46
460	476	501	Interest expenses on pension commitments	531	525	494
238	530	450	Return on pension funds	477	579	263
490	300	471	Pension expenses	529	370	549
17	16	17	Amortisation of changes in pension schemes	17	20	17
(127)	221	90	Amortisation of losses not recorded in the accounts	94	244	(130)
380	537	578	Net pension expenses *)	641	634	436
193	*416*	*413*	**) Of which: Funded schemes*	*472*	*455*	*240*
186	*120*	*166*	*Unfunded schemes*	*168*	*179*	*195*

Note 9 – Pensions (continued)

DnB NOR Bank ASA Pro forma 31 Dec. 2002	Pro forma 31 Dec. 2003	31 Dec. 2004	Pension commitments *Amounts in NOK million*	DnB NOR Bank Group 31 Dec. 2004	Pro forma 31 Dec. 2003	Pro forma 31 Dec. 2002
5 910	7 025	8 001	Accrued pension commitments - regular pensions	8 426	7 715	6 357
802	678	928	Accrued pension commitments - CPAs	962	747	825
1 231	1 102	2 118	Estimated effect of future salary adjustments	2 320	1 265	1 333
7 943	8 805	11 047	Estimated pension commitments	11 708	9 727	8 515
5 879	6 684	7 471	Value of pension funds	7 889	7 584	6 376
2 064	1 920	3 577	Net pension commitments	3 819	2 144	2 140
(188)	(173)	(156)	Changes in pension schemes not recorded in the accounts	(329)	(220)	(200)
(1 033)	(1 279)	(2 961)	Losses not recorded in the accounts	(2 969)	(1 431)	(1 088)
843	468	460	Net recorded pension commitments *)	521	493	852
557	*887*	*1 108*	**) Of which: Net overfunding in funded schemes*	*1 081*	*953*	*585*
1 400	*1 355*	*1 568*	*Commitments in unfunded schemes*	*1 602*	*1 399*	*1 438*

Pension schemes for the banking group based on investment funds were overfunded by NOK 1 174 million and underfunded by NOK 93 million respectively as at 31 December 2004. Pension commitments which are not financed through investment funds and where future pension payments are funded through the bank's operations amounted to NOK 1 602 million as at 31 December 2004.

31 Dec. 2002	31 Dec. 2003	31 Dec. 2004		31 Dec. 2004	31 Dec. 2003	31 Dec. 2002
13 779	13 679	12 989	Number of persons covered by pension schemes	14 299	15 767	15 498

Note 10 – Number of employees/full-time positions [1) 2)]

DnB NOR Bank ASA Pro forma 2002	Pro forma 2003	2004		DnB NOR Bank Group 2004	Pro forma 2003	Pro forma 2002
8 592	8 136	7 812	Number of employees as at 31 December	9 050	10 318	10 858
8 017	7 703	7 498	Number of employees calculated on a full-time basis as at 31 December	8 693	9 765	10 175
8 736	8 328	8 080	Average number of employees	9 438	10 431	10 812
8 149	7 865	7 728	Average number of employees calculated on a full-time basis	9 041	9 892	9 872

1) Nordlandsbanken was acquired as of 1 January 2003 with 402 employees and 382 full-time positions.

2) Pro forma figures for 2003 and 2002 include Elcon. The company was sold on 30 March 2004 with 464 employees, representing 441 full-time positions. 205 positions from the former joint ventures Gjensidige NOR Driftspartner and Gjensidige NOR Markedsstøtte are included as of 1 January 2004.

Note 11 – Restructuring provisions

Amounts in NOK million	31 Dec. 2004	Expenses 2004	New provisions 2004 [1)]	DnB NOR Bank Group Pro forma 31 Dec. 2003	Pro forma 31 Dec. 2002
DnB NOR Bank ASA *)	710	734	780	664	
Other restrucuring provisions	0	29	0	29	158
Total DnB NOR Bank ASA	**710**	**763**	**780**	**693**	**158**
Acquisition of Nordlandsbanken	14	4	0	18	
DnB NOR merger	52	15	25	68	
Total DnB NOR Bank Group	**776**	**782**	**805**	**778**	**158**

**) Of which:*	*IT*	*238*
	Staff cuts	*406*
	Real estate	*54*
	Other	*35*

1) Representing 50 per cent of total restructuring provisions in the DnB NOR merger and included in the acquisition cost.

Note 12 – Net losses on loans, guarantees etc.

DnB NOR Bank ASA				DnB NOR Bank Group		
Pro forma 2002	Pro forma 2003	2004	*Amounts in NOK million*	2004	Pro forma 2003	Pro forma 2002
			Specification of net losses/(reversals)			
373	544	571	Write-offs [a)]	507	725	461
210	116	250	Increase in specified loan-loss provisions [b)]	378	288	283
906	1 204	361	New specified loan-loss provisions [c)]	518	1 657	1 076
1 488	1 864	1 182	Total new specified provisions	1 403	2 671	1 820
197	306	828	Reassessed specified provisions [d)]	924	509	371
1 291	1 558	354	Total specified provisions	479	2 162	1 449
238	183	275	Recoveries on commitments previously written off [e)]	312	276	425
2	0	0	Change in unspecified provisions [f)]	0	5	0
1 055	1 376	79	Net losses on loans, guarantees etc.	167	1 891	1 023
35	*(13)*	*7*	*Of which net losses/(reversals) on guarantees*	*15*	*(7)*	*35*
777	*1 316*	*530*	*Total gross losses for the 20 largest loss-exposed commitments*	*558*	*1 380*	*777*
			Specification of changes			
506	450	(801)	Increase in specified provisions during the period [b) and c) minus d) and g)]	(865)	773	343
2	0	0	+ Change in unspecified provisions for the period [f)]	0	5	0
413	565	584	+ Write-offs covered by specified provisions made in previous years [g)]	837	664	644
373	543	571	+ Write-offs not covered by specified provisions made in previous years [a)]	507	725	461
238	183	275	- Recoveries on commitments previously written off [e)]	312	276	425
1 055	1 376	79	Net losses on loans, guarantees etc.	167	1 891	1 023

a)-e) *Show connections and links between the items.*

a) and e) *Losses on commitments taken over from Elcon have been charged to the accounts of DnB NOR ASA, but netted against gains on the sale of Elcon in the accounts of the banking group and the consolidated accounts of the DnB NOR Group.*

Note 13 – Net losses on loans, guarantees etc. for principal sectors

DnB NOR Bank ASA

	2004				Pro forma 2003			
Amounts in NOK million	New specified provisions [1)]	Reassessed specified provisions	Recoveries on commitments previously written off	Net losses/ (reversals) on loans and guarantees	New specified provisions [1)]	Reassessed specified provisions	Recoveries on commitments previously written off	Net losses/ (reversals) on loans and guarantees
Retail customers	347	93	189	65	294	15	159	119
International shipping	3	8	6	(11)	12	28	1	(17)
Real estate	38	31	4	3	100	42	12	46
Manufacturing	108	269	1	(162)	351	62	1	289
Services	119	342	25	(247)	304	75	7	222
Trade	67	31	2	34	117	22	2	93
Oil and gas	0	21	22	(43)	4	6	0	(2)
Transportation and communication	3	0	1	2	28	8	0	20
Building and construction	60	16	0	44	183	17	1	165
Power and water supply	0	0	0	0	0	0	0	0
Fishing	153	10	2	141	108	14	1	94
Hotels and restaurants	17	0	1	16	22	4	0	18
Agriculture and forestry	1	0	0	1	5	1	0	4
Other sectors	127	7	22	98	3	12	0	(9)
Total customers	1 045	828	275	(58)	1 531	306	183	1 042
Credit institutions	2	0	0	2	0	0	0	0
Repossessed assets	135	0	0	135	333	0	0	333
Change in unspecified provisions				0				0
Total losses/reversals on loans, guarantees etc.	**1 182**	**828**	**275**	**79**	**1 864**	**306**	**183**	**1 376**

Note 13 – Net losses on loans, guarantees, etc. for principal sectors (continued)

DnB NOR Bank ASA

	Pro forma 2002			
Amounts in NOK million	New specified provisions [1]	Reassessed specified provisions	Recoveries on commitments previously written off	Net losses/ (reversals) on loans and guarantees
Retail customers	367	23	165	180
International shipping	6	2	7	(3)
Real estate	203	26	3	173
Manufacturing	251	42	4	205
Services	270	26	16	228
Trade	149	45	8	96
Oil and gas	0	10	31	(41)
Transportation and communication	10	4	1	6
Building and construction	22	3	1	18
Power and water supply	0	1	1	(2)
Fishing	66	4	2	60
Hotels and restaurants	8	5	0	3
Agriculture and forestry	32	1	0	30
Other sectors	9	4	0	4
Total customers	1 393	197	238	957
Credit institutions	0	0	0	0
Repossessed assets	95	0	0	95
Change in unspecified provisions				2
Total losses/reversals on loans, guarantees etc.	**1 488**	**197**	**238**	**1 055**

DnB NOR Bank Group

	2004				Pro forma 2003			
Amounts in NOK million	New specified provisions [1]	Reassessed specified provisions	Recoveries on commitments previously written off	Net losses/ (reversals) on loans and guarantees	New specified provisions [1]	Reassessed specified provisions	Recoveries on commitments previously written off	Net losses/ (reversals) on loans and guarantees
Retail customers	359	100	202	57	537	74	192	271
International shipping	9	17	38	(46)	21	53	28	(60)
Real estate	83	65	11	7	158	76	14	67
Manufacturing	173	271	3	(101)	414	70	2	342
Services	157	349	23	(215)	443	103	20	319
Trade	100	46	3	51	173	27	5	141
Oil and gas	0	21	22	(43)	6	6	4	(3)
Transportation and communication	31	4	2	25	80	9	3	69
Building and construction	88	25	1	62	176	18	2	156
Power and water supply	0	0	0	0	0	0	0	0
Fishing	196	15	2	179	187	55	4	128
Hotels and restaurants	26	5	1	20	42	5	0	38
Agriculture and forestry	12	0	1	11	13	2	1	11
Other sectors	27	6	3	18	30	12	1	17
Total customers	1 261	924	312	25	2 280	509	276	1 495
Credit institutions	7	0	0	7	5	0	0	5
Repossessed assets	135	0	0	135	385	0	0	385
Change in unspecified provisions				0				5
Total losses/reversals on loans, guarantees etc.	**1 403**	**924**	**312**	**167**	**2 671**	**509**	**276**	**1 891**

Note 13 – Net losses on loans, guarantees, etc. for principal sectors (continued)

	DnB NOR Bank Group			
	Pro forma 2002			
Amounts in NOK million	New specified provisions [1]	Reassessed specified provisions	Recoveries on commitments previously written off	Net losses/ (reversals) on loans and guarantees
Retail customers	512	37	251	224
International shipping	10	98	21	(110)
Real estate	225	36	5	183
Manufacturing	315	58	21	236
Services	307	30	42	235
Trade	177	52	20	105
Oil and gas	0	33	32	(65)
Transportation and communication	37	6	16	15
Building and construction	25	3	6	15
Power and water supply	0	1	1	(3)
Fishing	66	4	3	59
Hotels and restaurants	8	5	1	3
Agriculture and forestry	38	3	2	32
Other sectors	7	4	4	(1)
Total customers	1 725	371	425	929
Credit institutions	0	0	0	0
Repossessed assets	95	0	0	95
Change in unspecified provisions				0
Total losses/reversals on loans, guarantees, etc.	**1 820**	**371**	**425**	**1 023**

1) *New specified provisions include direct write-offs, increases in specified loan-loss provisions and new specified loan-loss provisions.*

The breakdown into principal sectors is based on standardised sector and industry categories set up by Statistics Norway. Customers are classified according to their main line of business. Losses are specified in accordance with note 12.

Note 14 – Net gains/(losses) on long-term securities

DnB NOR Bank ASA				DnB NOR Bank Group		
Proforma 2002	Proforma 2003	2004	*Amounts in NOK million*	2004	Pro forma 2003	Pro forma 2002
			Gains			
0	0	4	Bankpower	4	0	0
0	0	7	BBS	7	0	0
0	0	0	Bolig- og Næringsbanken	0	22	0
0	0	53	Eksportfinans	1	0	0
176	(1)	0	Europay Norge	0	(1)	176
0	0	3	Norsk Tillitsmann	3	0	0
226	0	1 429 [1]	Subsidiaries	0	0	0
1	2	1	Other	6	13	1
			Losses			
0	0	48	Subsidiaries	0	0	0
1	0	0	Other	0	0	1
			Write-downs			
468	(209)	(89)	Storebrand	(89)	(209)	468
19	0	0	Nordlandsbanken	0	0	19
0	12	0	NOS	0	12	0
117	(7)	0	Subsidiaries	0	0	0
0	7	3	Other	3	7	5
(202)	198	1 535	Net gains/(losses) on long-term securities	106	224	(317)

1) *Of which NOK 1 422 million represents gains on the sale of Elcon.*

Note 15 – Taxes

In consequence of permanent differences between the accounts and the tax base according to Norwegian rules, DnB NOR Bank ASA has regularly shown a tax charge relative to pre-tax operating profits which has been lower than the ordinary tax rate for Norwegian companies. The relatively low tax level has been partly attributable to the fact that dividends received on investments in shares and capital gains on the sale of shares are tax-exempt. Further, there have been no taxes on income in certain international units as the units have had tax-deductible timing differences against which such income has been netted. These differences are not included in the basis for calculating deferred taxes. It has been necessary to make a corresponding adjustment when calculating the bank's tax charge.

In 2004, the tax exemption model was introduced for limited companies' share income. This implies that corporate shareholders are exempted from tax on dividends and capital gains on the sale of shares. At the same time, the right to deduct losses on shares has been abolished. The tax exemption model applies to dividends received on 1 January 2004 or later and gains and losses realised on 26 March 2004 or later. In consequence of the introduction of the tax exemption model, all unrealised timing differences concerning shares were eliminated at year-end 2004. Such timing differences referred primarily to previous write-downs for accounting purposes which were not tax-deductible. This resulted in a tax charge of NOK 82 million for the banking group and NOK 124 million for the bank.

DnB NOR Bank ASA			Taxes	DnB NOR Bank Group		
Pro forma 2002	Pro forma 2003	2004	*Amounts in NOK million*	2004	Pro forma 2003	Pro forma 2002
2 111	1 441	2 384	Norway	2 399	460	1 761
22	30	44	Abroad	104	98	85
2 133	1 471	2 428	Total payable taxes	2 503	558	1 846
(609)	182	(194)	Deferred taxes	(188)	430	(794)
0	0	124	Changes in deferred taxes due to transition to the tax exemption model	82	0	0
0	0	0	Changes in deferred taxes resulting from the acquisition of companies	0	329	29
0	0	0	Taxes on group contributions to/from subsidiaries consolidated according to the equity method	0	578	651
0	(180)	0	Effect of debt interest distribution in previous years	0	(180)	0
1 524	**1 473**	**2 358**	**Total taxes**	**2 397**	**1 715**	**1 732**

Balancing tax charges against pre-tax operating profit

Pro forma 2002	Pro forma 2003	2004	*Amounts in NOK million*	2004	Pro forma 2003	Pro forma 2002
5 355	6 333	8 950	Operating profit before losses	9 183	6 677	6 265
1 499	1 773	2 506	Estimated income tax - nominal tax rate (28 per cent)	2 571	1 870	1 754
(42)	(37)	(56)	Tax effect of income taxable abroad	(105)	(132)	(183)
20	(25)	(260)	Tax effect of permanent differences	(255)	78	52
0	0	124	Tax effect of transition to the tax exemption model	82	0	0
0	(113)	0	Tax assets in discontinued operations	0	(44)	0
22	30	44	Taxes payable abroad	104	98	85
24	25	0	Inadequate tax provisions in previous year	0	25	23
0	(180)	0	Effect of debt interest distribution in previous years	0	(180)	0
1 524	1 473	2 358	Total taxes	2 397	1 715	1 732
28 %	23 %	26 %	Effective tax rate	26 %	26 %	28 %

Tax base

Pro forma 2002	Pro forma 2003	2004	*Amounts in NOK million*	2004	Pro forma 2003	Pro forma 2002
5 355	**6 333**	**8 950**	**Operating profit**	**9 183**	**6 677**	**6 265**
(149)	(133)	(202)	Reversal of income taxable abroad	(375)	(467)	(632)
72	(85)	(928)	Permanent differences	(910)	279	189
			Changes in timing differences and tax losses carried forward			
2 173	(1 062)	695	Timing differences	670	(1 609)	2 804
0	0	0	Changes in timing differences due to the acquisition of operations	0	(1 177)	0
0	0	0	Use of losses carried forward	0	(96)	(128)
0	0	0	Use of losses carried forward in subsidiaries consolidated according to the equity method	0	(2 064)	(2 325)
7 451	5 053	8 515	Tax base for the year - Norwegian operations	8 568	1 543	6 173

Note 15 – Taxes (continued)

DnB NOR Bank ASA			Elements in the calculation of deferred taxes	DnB NOR Bank Group		
Pro forma	Pro forma				Pro forma	Pro forma
31 Dec. 2002	31 Dec. 2003	31 Dec. 2004	*Amounts in NOK million*	31 Dec. 2004	31 Dec. 2003	31 Dec. 2002
			Taxable timing differences			
1	0	0	Fixed assets	594	713	697
255	214	192	Market values above book values - merger with Postbanken	192	214	255
630	962	1 123	Prepaid pension entitlements	1 163	1 010	613
0	28	0	Financial instruments [1]	0	28	0
324	333	254	Other taxable timing differences	384	719	764
1 210	1 537	1 569	Total taxable timing differences	2 333	2 684	2 329
			Tax-deductible timing differences			
1 527	1 422	453	Fixed assets	558	1 707	1 908
1 359	1 438	1 540	Accrued pension commitments	1 641	1 515	1 427
191	0	966	Financial instruments [1]	966	0	176
1 296	1 188	1 336	Other tax-deductible timing differences	1 509	1 605	2 395
4 373	4 048	4 295	Total tax-deductible timing differences	4 674	4 827	5 906
0	0	0	Losses carried forward and tax allowance for dividends [2]	3	3	116
4 373	4 048	4 295	Tax-deductible timing differences including losses carried forward	4 677	4 830	6 022
(164)	(164)	(164)	Of which differences that cannot be offset [3]	(164)	(164)	(164)
4 209	3 884	4 131	Tax-deductible timing differences to be offset	4 513	4 666	5 858
(2 999)	(2 347)	(2 562)	Calculation base for deferred taxes	(2 180)	(1 982)	(3 529)
839	658	717	Deferred tax assets	611	556	988

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 timing differences.*

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

Note 16 – Assets

DnB NOR Bank ASA Pro forma 31 Dec. 2002	Pro forma 31 Dec. 2003	31 Dec. 2004	*Amounts in NOK million*	DnB NOR Bank Group 31 Dec. 2004	Pro forma 31 Dec. 2003	Pro forma 31 Dec. 2002
22 940	**8 223**	**8 286**	**Cash and deposits with central banks**	**8 780**	**8 565**	**22 941**
6 877	7 627	8 449	Lending to and deposits with credit institutions with no fixed term or period of notice	5 136	6 794	7 784
69 069	84 898	46 500	Lending to and deposits with credit institutions with a fixed term or period of notice	16 469	21 268	18 603
(2)	(2)	(2)	Specified loan-loss provisions	(2)	(2)	(2)
75 944	**92 523**	**54 947**	**Lending to and deposits with credit institutions**	**21 604**	**28 060**	**26 385**
397 356	445 007	489 416	Instalment loans	535 641	508 958	437 332
29 176	26 223	30 517	Overdraft and working capital facilities	31 663	32 268	33 504
5 546	5 000	5 700	Building and construction loans	6 039	5 410	5 546
0	0	0	Finance leases	9 649	24 861	22 256
0	0	0	Factoring receivables	568	946	616
0	0	0	Factoring loans	625	1 449	1 468
63	54	12	Other loans	46	81	84
432 141	**476 283**	**525 645**	**Gross lending to customers**	**584 230**	**573 973**	**500 807**
(2 325)	**(3 181)**	**(2 494)**	**Specified loan-loss provisions**	**(3 255)**	**(4 329)**	**(2 884)**
(3 144)	**(3 147)**	**(3 230)**	**Unspecified loan-loss provisions**	**(3 534)**	**(3 714)**	**(3 501)**
426 672	**469 955**	**519 921**	**Net lending to customers**	**577 441**	**565 929**	**494 422**
394	**310**	**456**	**Repossessed assets**	**538**	**576**	**651**
4 237	7 554	2 122	Commercial paper and bonds issued by central and local government	2 123	7 842	4 457
34 300	38 365	44 069	Commercial paper and bonds issued by financial institutions	42 439	36 273	34 246
12 733	13 857	16 458	Commercial paper and bonds issued by others	16 458	14 049	12 783
214	1 514	1 966	Own bonds and commercial paper, trading portfolio	1 966	1 514	214
51 484	**61 289**	**64 615**	**Commercial paper and bonds**	**62 986**	**59 677**	**51 699**
2 563	2 484	3 574	Short-term investments in shares, mutual funds and PCCs	3 823	2 945	2 721
1 264	770	637	Long-term investments in shares, mutual funds and PCCs	784	940	1 592
15	16	2	Shares in general and limited partnerships	4	20	19
3 842	**3 271**	**4 213**	**Shareholdings etc.**	**4 611**	**3 905**	**4 332**
473	519	485	Investments in associated companies - credit institutions	1 163	1 241	1 154
111	115	98	Investments in associated companies	191	144	110
584	**633**	**583**	**Investments in associated companies**	**1 354**	**1 384**	**1 263**
4 176	6 651	4 054	Investments in subsidiaries - credit institutions	-	-	-
2 165	2 260	1 542	Investments in other subsidiaries	-	-	-
6 342	**8 911**	**5 597**	**Investments in subsidiaries**	**-**	**-**	**-**
1 637	1 472	1 460	Goodwill	1 948	2 502	2 356
839	658	717	Deferred tax assets	611	556	988
92	106	27	Systemts development recorded in the balance sheet	27	167	145
105	69	51	Other intangible assets	51	70	106
2 673	**2 304**	**2 256**	**Intangible assets**	**2 637**	**3 294**	**3 595**
1 274	1 078	990	Machinery, equipment and vehicles	1 116	1 245	1 378
1 503	1 486	1 458	Building and other properties	2 985	3 121	2 922
21	21	18	Other fixed assets	54	89	89
2 799	**2 585**	**2 467**	**Fixed assets**	**4 155**	**4 454**	**4 389**
15 396	19 697	19 546	Financial derivatives	19 600	19 756	15 396
262	722	332	Amounts due on documentary credits and other payment services	332	722	262
573	2 203	754	Group contribution	0	0	0
1 982	1 647	2 506	Other amounts due	3 010	3 140	2 903
18 213	**24 269**	**23 138**	**Other assets**	**22 943**	**23 618**	**18 561**
4 889	2 693	1 432	Accrued interest income	1 825	3 199	4 904
635	969	1 130	Prepaid pension entitlements	1 174	1 025	692
278	1 001	2 346	Other prepayments and accrued income	2 479	1 260	558
5 802	**4 663**	**4 909**	**Prepayments and accrued income**	**5 477**	**5 484**	**6 154**
617 690	**678 936**	**691 387**	**Total assets**	**712 526**	**704 946**	**634 392**

Note 17 – Credit risk

Commitments according to risk category

DnB NOR Bank ASA

Amounts in NOK billion	Gross loans	Guarantee commitments	Undrawn limits (committed)	Total commitments
Risk category relative to percentage of normalised losses [1) 2)]				
< 0.25	440	39	99	578
0.25-0.75	69	5	32	106
> 0.75	10	1	13	24
Non-performing and doubtful commitments	7	0	(1)	6
Total commitments as at 31 December 2004	**526**	**45**	**143**	**714**
Risk category relative to percentage of normalised losses [1) 2)]				
< 0.25	380	33	104	517
0.25-0.75	51	11	11	73
> 0.75 [3)]	37	3	3	43
Non-performing and doubtful commitments	9	0	0	9
Total commitments as at 31 December 2003	**476**	**47**	**117**	**641**
Risk category relative to percentage of normalised losses [1) 2)]				
< 0.25	337	31	89	457
0.25-0.75	55	13	15	83
> 0.75 [3)]	34	2	2	37
Non-performing and doubtful commitments	6	0	0	6
Total commitments as at 31 December 2003	**432**	**44**	**106**	**583**

Loan-loss level [1)]	2004	2003 [2)]	2002 [2)]
Normalised losses including loss of interest income in per cent of net lending	0.30	0.31	0.31

Commitments according to risk category

DnB NOR Bank Group

Amounts in NOK billion	Gross loans	Guarantee commitments	Undrawn limits (committed)	Total commitments
Risk category relative to percentage of normalised losses [1) 2)]				
< 0.25	475	39	109	623
0.25-0.75	78	5	39	122
> 0.75	22	2	20	44
Non-performing and doubtful commitments	9	0	(1)	8
Total commitments as at 31 December 2004	**584**	**46**	**167**	**797**
Risk category relative to percentage of normalised losses [1) 2)]				
< 0.25	441	27	92	560
0.25-0.75	69	19	11	99
> 0.75 [3)]	51	2	5	58
Non-performing and doubtful commitments	13	0	0	13
Total commitments as at 31 December 2003	**574**	**48**	**107**	**729**
Risk category relative to percentage of normalised losses [1) 2)]				
< 0.25	380	31	86	497
0.25-0.75	77	12	12	101
> 0.75 [3)]	36	2	11	49
Non-performing and doubtful commitments	8	0	0	8
Total commitments as at 31 December 2003	**501**	**44**	**109**	**655**

Loan-loss level [1)]	2004	2003 [2)]	2002 [2)]
Normalised losses including loss of interest income in per cent of net lending	0.30	0.31	0.31

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).*

2) *In consequence of the merger between DnB and Gjensidige NOR, calculations are to some extent based on discretion and estimates, which means that a degree of uncertainty is attached to the figures.*

3) *The risk category also includes commitments with normalised losses below 0.75 per cent in cases where the loss ratio is low but combined with a high probability of future losses.*

Retail market lending [1)]

DnB NOR Bank ASA Pro forma 31 Dec. 2002	DnB NOR Bank ASA Pro forma 31 Dec. 2003	DnB NOR Bank ASA 31 Dec. 2004	*Amounts in NOK million*	DnB NOR Bank Group 31 Dec. 2004	DnB NOR Bank Group Pro forma 31 Dec. 2003	DnB NOR Bank Group Pro forma 31 Dec. 2002
211 374	245 992	286 921	Home mortgages < 80 per cent of appraised value	295 583	253 842	211 391
6 402	8 142	10 329	Home mortgages > 80 per cent of appraised value	10 981	8 732	6 402
4 863	4 670	9 319	Credit card loans	9 319	8 080	8 009
12 110	12 202	5 382	Other loans	14 902	30 925	27 531
234 749	271 005	311 951	Total retail market loans	330 785	301 579	253 332

1) *After specified provisions.*

Note 18 – Commitments for principal sectors

DnB NOR Bank ASA

Amounts in NOK million	Loans [1] 2004	Loans [1] Pro forma 2003	Loans [1] Pro forma 2002	Guarantees [1] 2004	Guarantees [1] Pro forma 2003	Guarantees [1] Pro forma 2002	Committed limits [2] 2004	Committed limits [2] Pro forma 2003	Committed limits [2] Pro forma 2002
Retail customers	311 951	271 005	234 749	325	249	241	338 991	285 425	248 727
International shipping	31 987	25 063	22 069	7 108	8 055	8 327	59 823	46 483	40 245
Real estate	64 150	61 561	57 191	3 307	4 006	1 914	82 256	74 871	66 863
Manufacturing	18 030	18 115	21 323	4 842	5 374	4 806	42 156	43 002	42 258
Services and management	27 171	28 542	28 831	7 837	7 019	6 766	57 801	50 053	51 295
Trade	18 509	18 903	17 956	2 863	2 602	2 690	39 469	33 677	32 376
Oil and gas	4 747	3 736	3 455	2 081	2 246	1 582	15 820	12 770	10 409
Transportation and communication	9 272	8 508	9 214	1 979	2 890	3 003	21 877	20 730	19 642
Building and construction	4 571	4 037	4 098	2 824	2 519	2 540	11 584	10 317	9 916
Power and water supply	4 533	5 998	7 981	5 376	7 355	7 721	18 988	21 279	20 450
Central and local government	722	1 090	1 803	87	61	54	4 087	5 645	5 428
Fishing	6 803	7 000	6 427	34	181	200	9 286	8 008	7 737
Hotels and restaurants	3 258	3 507	2 966	218	240	252	4 174	4 146	7 173
Agriculture and forestry	3 971	3 405	3 294	21	27	97	5 003	4 019	4 161
Other sectors	13 476	12 632	8 461	3 258	3 910	4 205	20 581	20 384	16 533
Total lending to customers	523 151	473 101	429 816	42 160	46 734	44 400	731 896	640 808	583 215
Credit institutions [3]	33 108	61 549	51 786	3 365	3 608	4 941	49 232	82 165	64 451
Total	556 259	534 651	481 602	45 525	50 342	49 341	781 128	722 973	647 666

DnB NOR Bank Group

Amounts in NOK million	Loans [1] 2004	Loans [1] Pro forma 2003	Loans [1] Pro forma 2002	Guarantees [1] 2004	Guarantees [1] Pro forma 2003	Guarantees [1] Pro forma 2002	Committed limits [2] 2004	Committed limits [2] Pro forma 2003	Committed limits [2] Pro forma 2002
Retail customers	330 785	301 579	253 332	340	266	250	348 579	316 489	275 734
International shipping	32 003	31 167	25 841	7 108	8 307	8 539	59 841	55 224	46 380
Real estate	82 900	82 155	74 018	3 284	4 043	1 909	98 476	95 275	84 570
Manufacturing	20 422	24 758	26 593	4 909	5 582	4 930	44 040	51 596	48 817
Services and management	32 494	38 669	37 566	7 783	7 179	6 823	62 893	58 770	58 514
Trade	21 207	23 849	21 193	2 941	2 687	2 699	41 475	40 252	36 125
Oil and gas	4 811	4 238	4 073	2 081	2 253	1 593	15 848	13 927	11 593
Transportation and communication	12 966	14 026	13 546	2 038	2 947	3 004	25 030	26 478	24 619
Building and construction	6 239	8 428	7 417	2 967	2 679	2 541	12 829	15 000	13 574
Power and water supply	4 725	6 276	8 027	5 637	7 606	7 722	19 092	21 600	20 501
Central and local government	1 424	2 094	2 779	91	65	54	4 761	6 698	6 450
Fishing	8 973	10 440	7 520	39	188	201	9 472	10 480	8 855
Hotels and restaurants	3 622	4 113	3 246	221	245	252	4 372	4 786	7 691
Agriculture and forestry	4 455	4 749	4 238	22	28	97	5 254	5 406	5 265
Other sectors	13 949	13 100	8 533	3 198	3 628	3 835	20 925	14 440	11 735
Total lending to customers	580 975	569 643	497 923	42 659	47 701	44 450	772 887	736 419	660 423
Credit institutions [3]	7 416	8 911	6 715	3 410	3 482	4 873	49 318	16 676	15 572
Total	588 391	578 554	504 638	46 069	51 184	49 323	822 205	753 096	675 994

1) *Loans and guarantees after specified provisions.*
2) *Total committed limits for credit exposure.*
3) *Loans to credit institutions are entered in the balance sheet under "Lending to and deposits with credit institutions".*

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 19 – Non-performing and doubtful commitments for principal sectors

DnB NOR Bank ASA

	Net non-performing commtiments 1)			Net doubtful commitments 1)			Total specified provisions		
Amounts in NOK million	2004	Pro forma 2003	Pro forma 2002	2004	Pro forma 2003	Pro forma 2002	2004	Pro forma 2003	Pro forma 2002
Retail customers	1 872	1 654	1 493	177	142	139	687	723	709
International shipping	(13)	2	7	0	0	0	32	41	16
Real estate	359	549	482	219	229	244	177	254	254
Manufacturing	112	474	150	292	129	80	316	524	577
Services and management	371	573	159	122	62	128	599	955	387
Trade	47	136	180	131	36	78	165	204	190
Oil and gas	1	6	3	2	0	0	0	36	21
Transportation and communication	44	34	48	18	14	24	17	22	19
Building and construction	360	552	109	6	10	12	351	312	72
Power and water supply	0	0	0	0	0	0	0	0	0
Fishing	289	582	132	81	74	210	182	141	104
Hotels and restaurants	13	98	100	21	17	15	37	33	25
Agriculture and forestry	15	37	31	0	4	6	6	49	37
Other sectors	(4)	10	8	13	0	5	17	3	57
Total customers	3 466	4 708	2 902	1 083	717	943	2 586	3 298	2 468
Credit institutions 2)	5	5	0	8	7	0	2	2	2
Total *)	3 471	4 713	2 902	1 091	724	943	2 588	3 300	2 470
**) Of which transferred from Nordlandsbanken ASA*	*0*	*645*	-	*0*	*0*	-	*0*	*849*	-

DnB NOR Bank Group

	Net non-performing commtiments 1)			Net doubtful commitments 1)			Total specified provisions		
Amounts in NOK million	2004	Pro forma 2003	Pro forma 2002	2004	Pro forma 2003	Pro forma 2002	2004	Pro forma 2003	Pro forma 2002
Retail customers	2 078	2 159	1 773	207	310	275	839	1 034	928
International shipping	(14)	21	76	0	5	1	40	63	144
Real estate	558	1 026	588	697	617	337	285	372	279
Manufacturing	159	547	191	377	393	80	413	743	608
Services and management	411	684	239	152	195	145	705	1 083	449
Trade	80	194	204	139	68	80	209	282	215
Oil and gas	1	8	8	2	0	1	0	37	21
Transportation and communication	55	87	83	41	43	31	79	99	62
Building and construction	390	613	137	4	49	15	387	355	88
Power and water supply	0	1	0	0	0	0	0	0	0
Fishing	386	881	141	106	144	240	244	217	105
Hotels and restaurants	32	141	124	44	31	16	48	56	26
Agriculture and forestry	25	58	40	7	11	7	10	57	42
Other sectors	31	112	17	2	1	6	113	48	59
Total customers	4 191	6 531	3 622	1 779	1 865	1 232	3 372	4 445	3 026
Credit institutions 2)	5	0	0	(1)	5	0	11	9	2
Total *)	4 196	6 531	3 622	1 778	1 870	1 232	3 383	4 454	3 028

1) *The amounts represent commitments after specified loan-loss provisions.*
2) *Loans to credit institutions are entered in the balance sheet under "Lending to and deposits with credit institutions".*

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 – Non-performing, doubtful and non-accruing commitments

DnB NOR Bank ASA

	Private customers			Corporate customers			Total		
Amounts in NOK million	2004	Pro forma 2003	Pro forma 2002	2004	Pro forma 2003	Pro forma 2002	2004	Pro forma 2003	Pro forma 2002
Non-performing commitments *)									
Before specified provisions	2 521	2 299	2 136	3 120	5 220	2 637	5 641	7 519	4 773
After specified provisions [1]	1 872	1 654	1 494	1 599	3 058	1 408	3 471	4 713	2 902
Doubtful commitments *)									
Before specified provisions	217	211	210	1 295	1 006	1 333	1 512	1 217	1 543
After specified provisions [1]	177	139	140	914	585	804	1 091	724	943
*) Of which:									
Non-accruing commitments									
Before specified provisions	2 162	1 669	1 324	2 676	4 528	2 328	4 838	6 197	3 652
After specified provisions	1 819	1 009	695	1 343	2 408	1 030	3 162	3 415	1 724

DnB NOR Bank Group

	Private customers			Corporate customers			Total		
Amounts in NOK million	2004	Pro forma 2003	Pro forma 2002	2004	Pro forma 2003	Pro forma 2002	2004	Pro forma 2003	Pro forma 2002
Non-performing commitments *)									
Before specified provisions	2 844	3 064	2 559	4 051	6 989	3 348	6 895	10 053	5 906
After specified provisions [1]	2 079	2 143	1 769	2 117	4 388	1 852	4 196	6 531	3 622
Doubtful commitments *)									
Before specified provisions	279	436	413	2 181	2 366	1 563	2 460	2 802	1 976
After specified provisions [1]	207	317	276	1 571	1 553	956	1 778	1 870	1 232
*) Of which:									
Non-accruing commitments									
Before specified provisions	2 382	2 365	1 824	3 952	6 045	2 933	6 334	8 410	4 757
After specified provisions	1 927	1 422	1 034	2 159	3 419	1 369	4 086	4 841	2 403

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

Non-performing commitments represent total commitments to customers which are not serviced in accordance with the loan agreement, unless the situation is considered to be temporary. Commitments are classified as non-performing no later than 90 days past the formal due date. Total commitments to customers which are not classified as non-performing, but where a loss is likely to occur due to the value of collateral and the customer's financial position, are classified as doubtful. Non-accruing commitments are included in non-performing and doubtful commitments and represent total commitments to customers subject to interest reversals, see note 3.

DnB NOR Bank ASA				DnB NOR Bank Group		
Pro forma 31 Dec. 2002	Pro forma 31 Dec. 2003	31 Dec. 2004	Reduced-rate commitments *Amounts in NOK million*	31 Dec. 2004	Pro forma 31 Dec. 2003	Pro forma 31 Dec. 2002
578	361	114	Reduced-rate commitments	114	361	578

Reduced-rate commitments are total commitments to customers where payment terms have been renegotiated in connection with debt negotiations or inadequate cash flows, and where the discounted reduction in payment flows is significant.

Note 21 – Provisions for losses on loans and guarantees

DnB NOR Bank ASA

	Total provisions			Loans			Guarantees		
		Pro forma	Pro forma		Pro forma	Pro forma		Pro forma	Pro forma
Amounts in NOK million	2004	2003	2002	2004	2003	2002	2004	2003	2002
Specified loan-loss provisions as at 1 Jan.	3 300	2 470	1 998	3183	2 328	1 900	117	142	98
Write-offs covered by specified provisions made in previous years	493	765	413	463	804	427	30	(40)	(14)
Portfolio transferred from subsidiary	0	660	0	0	660	0	0	0	0
Provisions for the period									
Increase in specified loan-loss provisions	250	150	207	250	148	192	0	1	15
New specified loan-loss provisions	361	1 256	942	336	1 232	904	25	24	38
Reassessed specified loan-loss provisions	828	471	232	808	381	214	20	90	18
Exchange rate movements	(2)	0	(32)	(2)	0	(28)	0	0	(4)
Specified loan-loss provisions as at 31 Dec. [1)]	**2 588**	**3 300**	**2 470**	**2 496**	**3 183**	**2 328**	**92**	**117**	**142**
Unspecified loan-loss provisions as at 1 Jan.	3 148	3 145	3 142	3 147	3 144	3 142	1	1	1
Subsidiary transferred to parent company	83	0	0	83	0	0	0	0	0
Unspecified loan-loss provisions for the period	0	0	2	0	0	2	0	0	0
Purchased portfolio	0	3	0	0	3	0	0	0	0
Unspecified loan-loss provisions as at 31 Dec. [2)]	**3 231**	**3 148**	**3 144**	**3 230**	**3 147**	**3 144**	**1**	**1**	**1**
Total loan-loss provisions as at 31 Dec.	**5 819**	**6 448**	**5 614**	**5 726**	**6 330**	**5 471**	**93**	**118**	**143**
1) Of which specified loan-loss provisions to: Customers				*2 494*	*3 181*	*2 325*	*92*	*117*	*142*
Credit institutions				*2*	*2*	*2*	*0*	*0*	*0*
2) Of which unspecified loan-loss provisions to: Customers				*3 147*	*3 147*	*3 144*	*1*	*1*	*1*

DnB NOR Bank Group

	Total provisions			Loans			Guarantees		
		Pro forma	Pro forma		Pro forma	Pro forma		Pro forma	Pro forma
Amounts in NOK million	2004	2003	2002	2004	2003	2002	2004	2003	2002
Specified loan-loss provisions as at 1 Jan.	4 454	3 028	2 746	4 331	2 886	2 648	122	143	98
Operations sold/Elcon as at 31 March	(115)	0	0	(115)	0	0	0	0	0
Write-offs covered by specified provisions made in previous years	925	1 579	645	914	1 587	660	11	(8)	(14)
Provisions for the period									
Increase in specified loan-loss provisions	378	288	280	374	286	266	4	2	15
New specified loan-loss provisions	518	1 678	1 112	486	1 649	1 074	32	29	37
Reassessed specified loan-loss provisions	924	522	374	903	463	356	21	59	18
Nordlandsbanken as at 1 Jan.	0	1 555	-	0	1 555	-	0	0	-
Exchange rate movements	(2)	5	(90)	(2)	5	(86)	0	0	(4)
Specified loan-loss provisions as at 31 Dec. [1)]	**3 383**	**4 454**	**3 028**	**3 257**	**4 331**	**2 886**	**126**	**122**	**143**
Unspecified loan-loss provisions as at 1 Jan.	3 715	3 502	3 502	3 714	3 501	3 501	1	1	1
Operations sold/Elcon as at 31 March	(180)	0	0	(180)	0	0	0	0	0
Unspecified loan-loss provisions for the period	0	5	0	0	5	0	0	0	0
Nordlandsbanken as at 1 Jan.	0	204	-	0	204	-	0	0	-
Purchased portfolio	0	5	0	0	5	0	0	0	0
Unspecified loan-loss provisions as at 31 Dec. [2)]	**3 535**	**3 715**	**3 502**	**3 534**	**3 714**	**3 501**	**1**	**1**	**1**
Total loan-loss provisions as at 31 Dec.	**6 918**	**8 169**	**6 531**	**6 791**	**8 046**	**6 387**	**127**	**123**	**143**
1) Of which specified loan-loss provisions to: Customers				*3 255*	*4 329*	*2 884*	*126*	*115*	*143*
Credit institutions				*2*	*2*	*2*	*0*	*7*	*0*
2) Of which unspecified loan-loss provisions to: Customers				*3 534*	*3 714*	*3 501*	*1*	*1*	*1*

Note 22 – Loans and guarantees according to geographical location [1)]

DnB NOR Bank ASA

Amounts in NOK million	Lending to customers as at 31 December 2004	Pro forma 2003	Pro forma 2002	Lending to credit institutions as at 31 December 2004	Pro forma 2003	Pro forma 2002	Guarantees as at 31 December 2004	Pro forma 2003	Pro forma 2002
Oslo	111 334	110 145	92 433	13 032	19 828	15 204	13 635	17 891	18 697
Eastern and southern Norway	229 804	208 090	188 569	786	25 299	21 628	13 437	14 507	13 345
Western Norway	79 136	66 589	63 802	16 919	14 200	12 527	9 989	10 754	9 273
Northern and central Norway	67 318	64 218	58 593	175	353	770	1 653	2 130	2 987
Total Norway	487 592	449 042	403 397	30 912	59 681	50 129	38 714	45 282	44 302
Western Europe	15 573	10 486	12 052	1 244	741	989	3 828	2 675	2 302
Russia	121	193	285	2	33	0	1	1	1
Other Eastern European countries	607	529	350	254	546	355	286	144	28
Total Europe outside Norway	16 301	11 208	12 686	1 500	1 321	1 344	4 115	2 820	2 330
USA and Canada	5 313	5 502	6 530	510	66	192	297	419	1 752
Bermuda and Panama [2)]	5 601	3 386	3 781	0	0	8	818	280	171
Argentina [3)]	1	3	3	0	0	0	35	44	51
Other South and Central American countries	1 149	767	483	75	70	63	1 073	917	272
Total America	12 064	9 658	10 797	585	136	262	2 224	1 660	2 246
Singapore	2 076	2 547	2 683	0	0	0	313	283	352
Hong Kong	241	259	114	4	0	0	2	7	9
Indonesia	1	7	11	14	0	0	13	121	126
Thailand	28	27	25	0	0	0	0	1	0
Malaysia	169	129	181	0	0	0	9	19	17
Other Asian countries	139	406	511	93	413	51	205	251	97
Total Asia	2 655	3 376	3 525	111	413	52	542	682	600
Liberia [2)]	5 632	1 625	1 355	0	0	0	6	7	0
Other African countries	17	24	22	1	1	0	7	6	5
Australia and New Zealand	1 384	1 349	358	1	1	0	9	2	0
Total	525 645	476 283	432 141	33 110	61 552	51 788	45 617	50 459	49 483

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Amounts in NOK million	Lending to customers as at 31 December 2004	2003	2002	Lending to credit institutions as at 31 December 2004	2003	2002	Guarantees as at 31 December 2004	2003	2002
Oslo	125 081	133 282	114 655	2 687	5 025	2 827	13 318	17 518	18 380
Eastern and southern Norway	243 206	233 363	211 289	292	12	0	13 459	14 500	13 263
Western Norway	83 074	75 643	72 128	2 079	1 877	1 757	9 990	10 815	9 274
Northern and central Norway	89 442	90 758	65 152	178	142	56	2 491	2 885	2 991
Total Norway	540 803	533 046	463 223	5 236	7 057	4 640	39 257	45 718	43 908
Western Europe	20 567	19 379	18 519	1 229	726	1 407	3 858	2 953	2 516
Russia	388	197	285	2	33	0	1	1	1
Other Eastern European countries	693	541	358	254	546	355	286	144	28
Total Europe outside Norway	21 648	20 117	19 161	1 484	1 305	1 762	4 145	3 098	2 545
USA and Canada	5 304	5 762	6 786	510	66	192	298	421	1 777
Bermuda and Panama [2)]	5 601	5 578	4 521	0	0	8	818	280	171
Argentina [3)]	1	3	3	0	0	0	35	44	51
Other South and Central American countries	1 149	818	490	75	70	63	1 073	917	273
Total America	12 055	12 162	11 800	585	136	262	2 224	1 663	2 273
Singapore	2 077	2 565	2 705	0	0	0	313	414	486
Hong Kong	241	282	150	4	0	0	2	7	9
Indonesia	1	7	11	14	0	0	17	121	126
Thailand	28	32	60	0	0	0	0	1	0
Malaysia	169	135	183	0	0	0	9	19	17
Other Asian countries	167	494	529	93	413	51	205	251	97
Total Asia	2 684	3 516	3 639	111	413	52	546	813	734
Liberia [2)]	5 632	3 743	2 593	0	0	0	6	7	0
Other African countries	17	26	25	1	1	0	7	6	6
Australia and New Zealand	1 391	1 364	366	1	1	0	9	2	0
Total	584 230	573 973	500 807	7 418	8 912	6 717	46 194	51 306	49 465

1) *Based on the customer's address.*
2) *Represents shipping commitments.*
3) *Concerns a commitment guaranteed by a company in Norway.*

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

Note 23 – Subordinated loans to customers

DnB NOR Bank ASA							DnB NOR Bank Group					
Pro forma 31 December 2002		Pro forma 31 December 2003		31 December 2004			31 December 2004		Pro forma 31 December 2003		Pro forma 31 December 2002	
Loans	Bonds	Loans	Bonds	Loans	Bonds	*Amounts in NOK million*	Loans	Bonds	Loans	Bonds	Loans	Bonds
1 248	440	1 257	443	931	79	Credit institutions	0	4	4	443	21	440
1 372	341	2 565	326	2 335	250	Other enterprises	2 335	250	2 565	326	1 372	341
2 620	781	3 822	769	3 266	329	Total subordinated loans 1)	2 335	254	2 569	769	1 393	781
2 489	*0*	*3 815*	*0*	*3 223*	*75*	*1) Of which subordinated loans to subsidiaries / Vital*	*2 293*	*0*	*2 562*	*0*	*1262*	*0*

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 24 – Commercial paper and bonds

DnB NOR Bank ASA

	31 December 2004			Pro forma 31 December 2003			Pro forma 31 December 2002		
Beløp i millioner kroner	Acquisition cost	Book value	Fair value	Acquisition cost	Book value	Fair value	Acquisition cost	Book value	Fair value
Commercial paper and bonds									
Listed	58 349	58 692	58 795	56 866	57 107	57 169	44 886	44 987	45 008
Unlisted	5 913	5 923	5 923	4 149	4 182	4 182	6 459	6 497	6 498
Total commercial paper and bonds 1)	**64 262**	**64 615**	**64 718**	**61 015**	**61 289**	**61 351**	**51 346**	**51 484**	**51 506**
1) Of which: Trading portfolio	*50 081*	*50 436*	*50 436*	*33 453*	*33 735*	*33 735*	*28 894*	*29 035*	*29 035*
Banking portfolio	*14 181*	*14 179*	*14 281*	*27 562*	*27 554*	*27 616*	*22 452*	*22 449*	*22 471*

DnB NOR Bank Group

	31 December 2004			Pro forma 31 December 2003			Pro forma 31 December 2002		
Beløp i millioner kroner	Acquisition cost	Book value	Fair value	Acquisition cost	Book value	Fair value	Acquisition cost	Book value	Fair value
Commercial paper and bonds									
Listed	57 242	57 584	57 688	55 259	55 491	55 547	45 201	45 202	45 213
Unlisted	5 392	5 402	5 402	4 149	4 187	4 187	6 400	6 497	6 498
Total commercial paper and bonds 1)	**62 634**	**62 986**	**63 090**	**59 408**	**59 677**	**59 734**	**51 602**	**51 699**	**51 711**
1) Of which: Trading portfolio	*50 081*	*50 436*	*50 436*	*33 453*	*33 735*	*33 735*	*28 945*	*29 045*	*29 045*
Banking portfolio	*12 552*	*12 549*	*12 653*	*25 955*	*25 942*	*25 999*	*22 657*	*22 654*	*22 666*

Note 25 – Shareholdings etc.

DnB NOR Bank ASA

Amounts in NOK million	31 December 2004 Acquisition cost	31 December 2004 Book value	31 December 2004 Fair value	Pro forma 31 December 2003 Acquisition cost	Pro forma 31 December 2003 Book value	Pro forma 31 December 2003 Fair value	Pro forma 31 December 2002 Acquisition cost	Pro forma 31 December 2002 Book value	Pro forma 31 December 2002 Fair value
Short-term shareholdings etc.									
Listed Norwegian	716	624	681	492	509	509	499	426	426
Unlisted Norwegian	414	404	333	479	357	357	643	571	546
Mutual funds	1 697	1 681	1 696	1 517	1 514	1 514	1 600	1 492	1 492
International	737	865	895	79	104	104	77	73	98
Total short-term shareholdings etc. [1)]	3 565	3 574	3 605	2 568	2 484	2 484	2 819	2 563	2 563
Long-term shareholdings etc.									
Listed Norwegian	338	303	302	723	480	480	1 875	1 030	1 029
Unlisted Norwegian	236	224	461	162	150	228	80	80	82
International	265	112	112	157	157	179	194	169	172
Total long-term shareholdings etc. [2)]	839	639	876	1 042	787	887	2 149	1 280	1 283
Total shareholdings etc.	**4 404**	**4 213**	**4 481**	**3 610**	**3 271**	**3 371**	**4 969**	**3 842**	**3 846**
1) Of which: Trading portfolio	*1 143*	*1 115*	*1 115*	*296*	*269*	*269*	*362*	*316*	*316*
Banking portfolio	*2 422*	*2 459*	*2 489*	*2 272*	*2 215*	*2 215*	*2 457*	*2 247*	*2 247*

DnB NOR Bank Group

Amounts in NOK million	31 December 2004 Acquisition cost	31 December 2004 Book value	31 December 2004 Fair value	Pro forma 31 December 2003 Acquisition cost	Pro forma 31 December 2003 Book value	Pro forma 31 December 2003 Fair value	Pro forma 31 December 2002 Acquisition cost	Pro forma 31 December 2002 Book value	Pro forma 31 December 2002 Fair value
Short-term shareholdings etc.									
Listed Norwegian	720	628	714	485	502	537	471	388	428
Unlisted Norwegian	638	620	580	721	643	612	671	639	574
Mutual funds	1 707	1 691	1 707	1 648	1 645	1 654	1 678	1 568	1 568
International	756	885	932	135	155	186	130	125	150
Total short-term shareholdings etc. [1)]	3 821	3 823	3 933	2 988	2 945	2 990	2 949	2 721	2 721
Long-term shareholdings etc.									
Listed Norwegian	338	303	303	723	480	480	2 037	1 189	1 190
Unlisted Norwegian	248	236	472	183	171	249	95	95	99
International	402	250	250	309	309	331	351	327	330
Total long-term shareholdings etc. [2)]	988	788	1 025	1 215	960	1 060	2 484	1 611	1 618
Total shareholdings etc.	**4 809**	**4 611**	**4 958**	**4 203**	**3 905**	**4 049**	**5 433**	**4 332**	**4 339**
1) Of which: Trading portfolio	*1 143*	*1 115*	*1 115*	*304*	*271*	*271*	*362*	*316*	*316*
Banking portfolio	*2 678*	*2 708*	*2 818*	*2 685*	*2 674*	*2 719*	*2 587*	*2 405*	*2 405*

2) The holding in Storebrand was reduced by NOK 177 million in 2004 through realisation.

Note 26 – Short-term investments in shares, mutual funds and PCCs as at 31 December 2004

DnB NOR Bank ASA

Amounts in 1 000 *Values in NOK unless otherwise indicated*		Share capital	Number of shares		Nominal value	Ownership share in per cent [1)]	Book value	Market value
Financial institutions								
Acta Holding		43 498	2 430 000		385	0.89	24 083	23 304
Forsikrings AB Skandia	SEK	1 024 217	2 341 000	SEK	2 341	0.23	70 262	70 356
Romsdals Fellesbank		156 788	356 616		9 071	5.79	50 289	58 841
Sparebanken Rana		50 935	28 323		2 841	5.58	3 882	3 654
Viking Ship Finance	CHF	30 000	22 500	CHF	6 750	22.50	39 137	68 451

Note 26 – Short-term investments in shares, mutual funds and PCCs as at 31 December 2004 (continued)

DnB NOR Bank ASA

Amounts in 1 000 *Values in NOK unless otherwise indicated*		Share capital	Number of shares		Nominal value	Ownership share in per cent [1]	Book value	Market value
Norwegian companies								
Aktiv Kapital		4 718	80 300		8	0.17	10 720	10 720
BoltSafe		572	152 620		153	26.75	2 271	2 271
BTV-Fond		49 004	63 161		6 316	12.89	6 376	6 305
EFD-Elva Fritz Dusseldorf		48 542	588 235		5 882	12.12	20 000	20 000
Elkem		985 600	458 964		9 179	0.93	77 435	105 103
Eltek		31 295	59 514		60	0.19	4 099	4 099
Energivekst		2 225	113 261		113	5.09	11 326	8 200
Euroskilt		914	177		177	19.37	9 482	10 425
Fast Search and Transfer		2 010	473 375		4	0.19	6 272	6 272
Fjord Seafood		475 598	2 098 000		2 098	0.44	6 399	6 399
Industrifinans SMB III		61 457	49 781		4 978	8.10	18 694	10 902
IT Fornebu		71 280	45 904		4 590	6.44	5 526	2 295
IT Fornebu Eiendom		1 157 509	1 459 587		145 959	12.61	148 179	113 994
KS Norsk Vekst II							8 244	6 232
KS Teknoinvest (GP) VIII							279	279
KS Teknoinvest VIII							2 781	2 419
KS Venturos Technology III							21 450	5 416
Lerøy Seafood Group		34 441	884 200		884	2.57	24 804	32 362
Natumin Pharma		13 606	185 185		926	6.81	5 000	1 481
Normann		4 075	243 716		94	2.30	15 383	15 383
Norsk Hydro		4 830 366	48 358		885	0.02	23 079	23 079
Norske Skogindustrier		1 331 371	753 246		7 532	0.57	98 961	98 961
Orkla		1 326 889	706 394		4 414	0.33	124 549	140 649
Rieber & Søn		795 757	423 423		4 234	0.53	6 788	23 712
Scan-Sense		20 321	2 749 385		2 749	13.53	12 714	0
Telenor		10 498 182	344 012		2 064	0.02	18 879	18 879
Tomra Systems		178 487	2 197 860		531	0.30	81 538	73 281
Troms Fylkes Dampskibselskap		15 653	131 636		263	1.68	13 164	11 716
Whitecliff		60 005	100 000		1 000	1.67	4 299	3 177
Companies based abroad								
Crew Gold	USD	130 306	3 260 365				19 562	19 562
Euroclear	EUR	3 795	15 625	EUR	16	0.41	32 856	32 856
General Maritime	USD	377	576 400				136 912	136 912
Royal P&O Nedlloyd	USD	50 100	2 003 000	USD	2 470	4.93	547 947	547 947
Royal Caribbean Cruises		1 937	33 662		0	0.02	11 209	11 209
Stolt Nielsen		62 970	361 950		362	0.57	62 889	62 889
Stolt Offshore		382 834	664 595		1 329	0.35	25 986	25 986
Mutual funds								
DnB Aktiehedgefond Primus			500 652				45 628	44 142
DnB Global Hedge			1 387 761				113 718	130 360
DnB NOR Global Selektiv 1			250 000				25 000	24 558
DnB NOR Kredittobligasjon			50 703				50 534	50 534
DnB NOR Likviditet 20 (V)			124 381				1 245 228	1 245 228
DnB NOR Obligasjon 20 (IV)			50 670				50 549	50 549
DnB NOR Obligasjon III			7 446				73 581	73 581
DnB NOR Sikring II			247 537				25 000	25 301
DnB NOR Statsobligasjon (III)			10 138				10 075	10 075
DnB NOR Tactical Asset Allocation			1				25 000	25 000
Other shareholdings etc.							96 102	99 306
Total short-term investments in shares, mutual funds and PCCs							3 574 120	3 604 611

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

Note 26 – Short-term investments in shares, mutual funds and PCCs as at 31 December 2004 (continued)

DnB NOR Bank Group

Amounts in 1 000 *Values in NOK unless otherwise indicated*		Share capital	Number of shares		Nominal value	Ownership share in per cent [1]	Book value	Market value
Financial institutions								
Acta Holding		43 498	2 430 000		385	0.89	24 083	23 304
Factor Insurance Group		12 546	20 025		200	1.59	5 035	4 005
Forsikrings AB Skandia	SEK	1 024 217	2 341 000	SEK	2 341	0.23	70 262	70 356
Romsdals Fellesbank		156 788	356 616		9 071	5.79	50 289	58 841
Sparebanken Rana		50 935	28 323		2 841	5.58	3 882	3 654
Viking Ship Finance	CHF	30 000	22 500	CHF	6 750	22.50	39 137	68 451
Norwegian companies								
Aktiv Kapital		4 718	80 300		8	0.17	10 720	10 720
BoltSafe		572	152 620		153	26.75	2 271	2 271
BTV-Fond		49 004	63 161		6 316	12.89	6 376	6 305
EFD-Elva Fritz Dusseldorf		48 542	588 235		5 882	12.12	20 000	20 000
Elkem		985 600	458 964		9 179	0.93	77 435	105 103
Eltek		31 295	59 514		60	0.19	4 099	4 099
Energivekst		2 225	113 261		113	5.09	11 326	8 200
Euroskilt		914	177		177	19.37	9 482	10 425
Fast Search and Transfer		2 010	473 375		4	0.20	6 272	6 272
Fjord Seafood		475 598	2 098 000		2 098	0.44	6 399	6 399
Helgelandske		14 196	498 953		4 990	35.15	31 434	47 401
Helgeland Vekst		48 400	20 000		2 000	4.13	2 000	2 000
Industrifinans SMB III		61 457	49 781		4 978	8.10	18 694	10 902
IT Fornebu		71 280	45 904		4 590	6.44	5 526	2 295
IT Fornebu Eiendom		1 157 509	1 459 587		145 959	12.61	148 179	113 994
iTet		20 002	8 359 386		8 360	41.80	17 292	0
iTicket		3 000	2 442 000		2 442	81.40	13 378	13 382
KS Norsk Vekst II							8 244	6 232
KS Teknoinvest (GP) VIII							279	279
KS Teknoinvest VIII							2 781	2 419
KS Venturos Technology III							21 450	5 416
Lerøy Seafood Group		34 441	884 200		884	2.57	24 804	32 362
Natumin Pharma		13 606	185 185		926	6.81	5 000	1 481
Normann		4 075	243 716		94	2.30	15 383	15 383
Norrøna Hotell		11 040	39		3 588	32.50	10 700	10 700
Norsk Hydro		4 830 366	48 358		885	0.02	23 079	23 079
Norske Skogindustrier		1 331 371	753 246		7 532	0.57	98 961	98 961
Orkla		1 326 889	706 394		4 414	0.33	84 074	140 649
OVDS		116 739	2 324 195		23 242	19.91	83 671	127 831
Rieber & Søn		795 757	423 423		4 234	0.53	6 788	23 712
Saltens Bilruter		10 959	18 125		1 810	16.52	14 152	14 152
Scan-Sense		20 321	2 749 385		2 749	13.53	12 714	0
Såkorninvest Nord		9 277	11 020		1 102	11.88	4 408	4 496
Telenor		10 498 182	344 012		2 064	0.02	18 879	18 879
Tomra Systems		178 487	2 197 860		1 845	1.03	81 538	73 281
Troms Fylkes Dampskibselskap		15 653	470 855		942	6.02	54 779	41 906
Viking Venture		967	63 030		63	6.52	6 303	6 303
WarrenWicklund Multi-Strategy		463 227	8 333		83	0.02	10 000	11 000
Whitecliff		60 005	300 000		3 000	5.00	12 897	9 531
Companies based abroad								
Cape Investments	USD	42	4 162	USD	4	9.91	19 032	37 460
Crew Gold	USD	130 306	3 260 365				19 562	19 562
Euroclear	EUR	3 795	15 625	EUR	16	0.42	32 856	32 856
General Maritime	USD	377	576 400				136 912	136 912
Royal P&O Nedlloyd	USD	50 100	2 003 000	USD	2 470	4.93	547 947	547 947
Royal Caribbean Cruises		1 937	33 662		0	0.02	11 209	11 209
Stolt Nielsen		62 970	361 950		362	0.57	62 889	62 889
Stolt Offshore		382 834	664 595		1 329	0.35	25 986	25 986

Note 26 – Short-term investments in shares, mutual funds and PCCs as at 31 December 2004 (continued)

DnB NOR Bank Group

Amounts in 1 000 *Values in NOK unless otherwise indicated*	Share capital	Number of shares	Nominal value	Ownership share in per cent [1]	Book value	Market value
Mutual funds						
DnB Aktiehedgefond Primus		500 652			45 628	44 142
DnB Global Hedge		1 387 761			113 718	130 360
DnB NOR Global Selektiv 1		250 000			25 000	24 558
DnB NOR Kredittobligasjon		50 703			50 534	50 534
DnB NOR Likviditet 20 (V)		124 381			1 245 228	1 245 228
DnB NOR Obligasjon 20 (IV)		50 670			50 549	50 549
DnB NOR Obligasjon III		7 446			73 581	73 581
DnB NOR Sikring II		247 537			25 000	25 301
DnB NOR Statsobligasjon (III)		10 138			10 075	10 075
DnB NOR Tactical Asset Allocation		1			25 000	25 000
Other shareholdings etc.					117 833	112 652
Total short-term investments in shares, mutual funds and PCCs					3 822 993	3 933 231

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

Note 27 – Long-term investments in shares, mutual funds and PCCs as at 31 December 2004

DnB NOR Bank ASA

Amounts in 1 000 *Values in NOK unless otherwise indicated*		Share capital	Number of shares		Nominal value	Ownership share in per cent	Book value	Market value
Financial institutions								
EB Group [1]	SGD	127 590	250 000	SGD	250	0.20	1 111	1 401
Storebrand		1 390 909	5 175 392		25 877	1.86	302 761	302 761
Norwegian companies								
DnB-ansattes Fond, B-share		12 388	200 000		200	1.61	200	200
Gjensidige NOR Ansattefond, B-share		12 041	1 000		1	0.01	12	12
Norsk Tillitsmann		11 600	15 039		1 504	12.96	1 504	7 895
NOS		15 983	2 233 408		2 233	13.97	14 517	17 867
Oslo Børs Holding		50 000	983 392		9 834	19.67	132 977	250 765
Spama		3 156	7 674		767	24.32	747	6 139
VPS Holding		50 000	829 180		8 292	16.58	70 508	174 128
Companies based abroad								
Lorentzen Empreendimentos, class B [2]	USD	1 768	47 813 984	USD	354	20.01	108 604	108 604
Swift	EUR	439 260	477	EUR	59	0.01	843	843
Other shareholdings etc.							5 425	5 425
Total long-term investments in shares, mutual funds and PCCs							639 209	876 040

Note 27 – Long-term investments in shares, mutual funds and PCCs as at 31 December 2004 (continued)

Amounts in 1 000 Values in NOK unless otherwise indicated		Share capital	Number of shares		Nominal value	Ownership share in per cent	DnB NOR Bank Group Book value	Market value
Financial institutions								
EB Group [1]		127 590	250 000		250	0.20	1 111	1 401
Storebrand		1 390 909	5 175 392		25 877	1.86	302 761	302 761
Norwegian companies								
DnB-ansattes Fond, B-share		12 388	200 000		200	1.61	200	200
Gjensidige NOR Ansattefond, B-share		12 041	1 000		1	0.01	12	12
Norsk Tillitsmann		11 600	15 039		1 504	12.96	1 504	7 895
NOS		15 983	2 233 408		2 233	13.97	14 517	17 867
Oslo Børs Holding		50 000	983 392		9 834	19.67	132 977	250 765
Spama		3 156	7 674		767	24.32	747	6 139
VPS Holding		50 000	829 180		8 292	16.58	70 508	174 128
Companies based abroad								
Lorentzen Empreendimentos, class B [2]	USD	1 768	47 813 984	USD	354	20.01	108 604	108 604
Swift	EUR	439 260	477	EUR	59	0.01	843	843
Vertex Participacoes [2]	USD	12 721	188 644 371	USD	12 721	100.00	73 514	73 514
Vittoria Participacoes [2]	USD	10 008	188 644 371	USD	10 008	100.00	63 642	63 642
Other shareholdings etc.							17 085	17 085
Total long-term investments in shares, mutual funds and PCCs							788 024	1 024 856

1) *Previously called Export Credit Insurance Corporation of Singapore.*
2) *Investments in Lorentzen Empreedimentos, Vertex and Vittoria relate to previously converted loans in Brazil.*

Note 28 – Investments in associated companies as at 31 December 2004

Amounts in NOK 1000	Share capital	Number of shares	Nominal value	DnB NOR Bank Group Ownership share in per cent	Book value
Owned by DnB NOR Bank ASA					
Eksportfinans	1 593 532	66 969	703 175	44.13	484 152
BBS	165 000	2 639 998	66 000	40.00	67 242
Teller	8 000	3 200	3 200	40.00	797
NOKAS	51 076	20 771	20 771	40.67	18 749
Atento	14 100	45 326	4 533	32.15	8 889
Doorstep	2 500	12 500	1 250	50.00	2 834
Total investments in associated companies owned by DnB NOR Bank ASA					582 663
DnB NOR Bank Group adjustments					
Eksportfinans					649 672
BBS [1]					82 304
Teller					28 006
NOKAS					5 791
Other shareholdings					5 383
Total investments in associated companies					1 353 819

1) *The share of profits on the sale of Postbanken's Clearing House to the Banks' Central Clearing House (BBS), corresponding to the DnB NOR Bank Group's holding in BBS, was taken to income in full in 2004.*

Note 29 – Investments in subsidiaries as at 31 December 2004

Amounts in 1 000 *Values in NOK unless otherwise indicated*		Share capital	Number of shares		Nominal value	DnB NOR Bank ASA Ownership share in per cent	Book value
Foreign subsidiaries							
Den Norske Investments	GBP	2 459	210 000	GBP	2 459	100	2 459
DnB NOR Asia	SGD	20 000	20 000 000	SGD	20 000	100	74 003
DnB NOR Markets Inc.	USD	150	150 000	USD	150	100	906
DnB NOR Reinsurance		11 000	10 999		10 999	100	10 999
Luxcap	EUR	30 000	800 000	EUR	30 000	100	310 519
Union Bank of Norway International	EUR	17 352	70 000	EUR	17 352	100	142 977
Domestic subsidiaries							
DnB NOR Eiendom		2 503	25 033		2 503	100	75 349
DnB NOR Finans		512 000	5 120 000		512 000	100	1 017 791
DnB NOR Fiskeriutvikling		1 000	1 000		1 000	100	10 000
DnB NOR Hypotek		825 000	8 250 000		825 000	100	952 552
DnB NOR Invest Holding		200 000	200 000		200 000	100	543 000
DnB NOR Meglerservice		700	7		700	100	5 221
DnB NOR Næringsmegling		1 000	10 000		1 000	100	24 000
Hafjell Alpinsenter		26 330	2 633		26 330	100	12 400
Kreditt-Finans		21 000	42 000		21 000	100	50 394
Lørenfaret NE 1		500	5 000		500	100	500
Netaxept		10 500	26 250 000		10 500	100	67 675
Nordlandsbanken		625 062	50 004 984		625 062	100	1 864 444
Postbanken Eiendomsmegling [1)]		20 000	20		20 000	100	20 000
Realkreditt Eiendom		11 000	11 000		11 000	100	133 033
Sparebankgårdene		204 920	204 920		204 920	100	213 914
Viul Hovedgård		7 500	750 000		7 500	100	11 766
General and limited partnerships							
Lørenfaret NE 1						99	46 896
Store Elvegården						50	5 861
Total investments in subsidiaries							5 596 658

1) *Sold in January 2005 in accordance with the conditions for the DnB NOR merger.*

Note 30 – Repossessed properties and other repossessed assets

DnB NOR Bank ASA									DnB NOR Bank Group	
Book value 31 Dec. 2002	Book value 31 Dec. 2003	Disposals 2004	Additions 2004	Book value 31 Dec. 2004	*Amounts in NOK million*	Book value 31 Dec. 2004	Additions 2004	Disposals 2004	Book value 31 Dec. 2003	Book value 31 Dec. 2002
5	11	45	118	84	Properties, current assets	112	118	53	47	18
5	5	2	0	3	Properties, fixed assets	3	0	(1)	2	5
389	299	200	273	372 [1)]	Other repossessed current assets	426 [1)]	349	452	529	632
399	315	247	391	459	Total	541	467	505	578	656

1) *Of which:* *NOK 45 million represents shares in DnB Eiendomsutvikling AS (former Kjørbo Eiendom AS), which is wholly owned by DnB NOR Bank.*
NOK 247 million represents shares in Pan Fish ASA, where DnB NOR Bank has a holding of 26.42 per cent.
NOK 60 million represents assets in Follalaks AS, where DnB NOR Bank has a holding of 50.99 per cent.

Note 31 – Intangible assets

Goodwill — **DnB NOR Bank ASA**

Amounts in NOK million	Amortisation plan	Book value 31 Dec. 2004	Ordinary amortisation 2004	Acquired goodwill 2004	Book value 31 Dec. 2003	Total amortisation before 2004	Original goodwill
Savings bank - bank branches	20 years [1)]	474	26		500	26	526
Savings bank - corporate customers	20 years [1)]	381	21		402	21	423
Cresco - credit card portfolio	8 years [1)]	353	59		412	59	471
Cresco - credit card portfolio	8 years [2)]	87	38		125	182	307
Gjensidige NOR Spareforsikring's portfolio	4 years	1	14		15	41	56
American Express	10 years [3)]	110	24	134	0	0	0
Gjensidige NOR Equities	5 years	44	33	77	0	0	0
Offices in Bø and Vinje	5 years	12	6	0	18	14	32
Total goodwill		1 460	223	211	1 472	343	1 815

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 Group's long-term strategy to provide a full range of card products. Experience shows that such products have a long economic life.

Goodwill — **DnB NOR Bank Group**

Amounts in NOK million	Amortisation plan	Book value 31 Dec. 2004	Ordinary amortisation 2004	Disposals	Book value 31 Dec. 2003	Total amortisation before 2004	Original goodwill
Savings bank - bank branches	20 [1)]	482	27		509	27	536
Savings bank - corporate customers	20 [1)]	387	22		409	22	431
Cresco - credit card portfolio	8 [1)]	353	59		412	59	471
Elcon Finans - business in Norway	8 [1)]	0	6	159	165	24	188
Nordlandsbanken	10 [2)]	425	53		478	53	531
American Express	10 [3)]	110	24		134	108	243
IT Solutions	10 [4)]	39	7		46	22	66
Aktiv Eiendomsmegling	10 [5)]	8	3		11	17	27
Netaxept	2	0	(2)		(2)	(2)	(4)
Cresco - credit card portfolio	8 [6)]	87	38		125	182	307
Gjensidige NOR Kapitalforvaltning	5	0		42	42	106	148
Gjensidige NOR Spareforsikring's portfolio	4	1	14		15	40	56
Gjensidige NOR Equities	5	44	36		80	130	209
Offices in Bø and Vinje	5	12	6		18	13	32
Avanse Forvaltning	5	0		59	59	230	289
Total goodwill		1 948	292	260	2 502	1 031	3 530

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.

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) Goodwill is linked to the value of the Aktiv brand name. Aktiv Eiendomsutvikling AS was sold 3rd January 2005. See note 1 for more information.

6) 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.

Note 31 – Intangible assets (continued)

Other intangible assets [1] — **DnB NOR Bank ASA**

Amounts in NOK million	Depreciation plan	Book value 31 Dec. 2004	Ordinary depreciation 2004	Disposals 2004	Book value 31 Dec. 2003	Total depreciation and write-downs before 2004	Original cost recorded in the balance sheet 31 Dec. 2003
Capitalised systems development	3 years	0	12	0	12	341	354
Postbanken brand name	10 years	50	12	0	62	57	119
Sundry intangible assets	5 years	1	6	0	7	114	120
Software	3-5 år	27	32	34	93	33	126
Total		78	62	34	175	545	719

Other intangible assets [1] — **DnB NOR Bank Group**

Amounts in NOK million	Depreciation plan	Book value 31 Dec. 2004	Ordinary depreciation 2004	Disposals 2004	Book value 31 Dec. 2003	Total depreciation and write-downs before 2004	Original cost recorded in the balance sheet 31 Dec. 2003
Capitalised systems development	3 years	0	12	0	12	341	353
Postbanken brand name	10 years	50	12	0	62	57	119
Sundry intangible assets	5 years	0	7	0	7	113	120
Software	3-5 år	28	35	92	155	54	209
Total		78	66	92	237	565	801

1) *For information on deferred taxes, see note 15.*

DnB NOR 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 32 – Fixed assets

DnB NOR Bank ASA			DnB NOR Bank Group	
Machinery, equipment and vehicles	Bank buildings and other properties	*Amounts in NOK million*	Machinery, equipment and vehicles	Bank buildings and other properties
2 036	1 987	Original cost	2 583	4 252
0	411	Revaluations before 2004	0	594
959	912	Total write-downs and depreciation before 2004	1 338	1 725
1 078	1 486	Book value as at 1 January 2004	1 245	3 121
224	59	Additions	249	107
3	23	Disposals (sales value)	28	141
3	2	Losses	3	4
1	6	Gains	1	38
305	62	Ordinary depreciation	348	119
0	6	Derpeciation on revaluations	0	9
0	0	Reclassifications to restructuring provisions	0	10
990	1 458	Book value as at 31 December 2004	1 116	2 985

Note 33 – Real estate as at 31 December 2004

				DnB NOR Bank ASA
Book value in NOK million	Bank buildings	Commercial properties	Sites/ projects	Total
Oslo	874	3	0	876
Eastern Norway and southern Norway	78	19	7	104
Bergen	378	2	1	380
Rest of western Norway	30	0	1	31
Northern Norway and central Norway	33	0	0	33
Abroad	32	0	1	34
Total book value	1 425	23	10	1 458
Floor space in 1 000 square metres				
Own use	151	0	0	151
Tenants	15	0	0	16
Not rented out	3	2	0	5
Total floor space	168	2	0	171
Number of external tenants	43	5	0	48
Annual rental income from external tenants in NOK million	29	0	0	29

				DnB NOR Bank Group
Book value in NOK million	Bank buildings	Commercial properties	Sites/ projects	Total
Oslo	1 493	93	22	1 608
Eastern Norway and southern Norway	527	52	27	606
Bergen	378	2	1	380
Rest of western Norway	30	0	1	31
Northern Norway and central Norway	107	195	24	326
Abroad	32	0	1	34
Total book value	2 566	342	76	2 985
Floor space in 1 000 square metres				
Own use	306	13	6	325
Tenants	45	7	0	51
Not rented out	21	2	0	24
Total floor space	373	22	6	400
Number of external tenants	143	25	0	167
Annual rental income from external tenants in NOK million	53	22	0	75

Note 34 – Liabilities

DnB NOR Bank ASA Pro forma 31 Dec. 2002	Pro forma 31 Dec. 2003	31 Dec. 2004	*Amounts in NOK million*	DnB NOR Bank Group 31 Dec. 2004	Pro forma 31 Dec. 2003	Pro forma 31 Dec. 2002
14 830	16 691	14 444	Loans and deposits from credit institutions with no fixed term or period of notice	14 228	16 716	16 331
62 503	59 839	33 164	Loans and deposits from credit institutions with a fixed term or period of notice	34 722	61 792	63 983
77 333	**76 530**	**47 608**	**Loans and deposits from credit institutions**	**48 950**	**78 508**	**80 314**
241 835	263 759	279 611	Deposits from customers with no fixed term or period of notice	284 503	268 634	241 263
79 178	66 838	74 131	Deposits from customers with a fixed term or period of notice	75 737	69 174	79 624
321 013	**330 597**	**353 741**	**Deposits from customers**	**360 240**	**337 807**	**320 887**
37 440	38 953	49 022	Commercial paper issued	49 022	38 953	37 640
90	0	0	Less own commercial paper included in the banking portfolio	0	0	90
98 810	134 955	139 562	Bond debt	152 405	150 169	109 343
5 558	2 973	4 012	Less own bonds included in the banking portfolio	9 017	7 173	8 324
130 602	**170 935**	**184 572**	**Securities issued**	**192 410**	**181 949**	**138 568**
0	0	0	Long-term funding	0	60	342
235	84	3 639	Short-term funding	3 948	354	499
0	0	0	Liabilities related to factoring	109	80	73
1 695	1 493	1 738	Documentary credits, cheques and other payment services	1 779	1 493	1 695
5 423	7 482	7 742	Group contribution/dividends	7 742	5 203	5 850
607	82	342	Accrued unassessed payable taxes	457	202	913
18 324	21 066	20 153	Financial derivatives	20 259	21 148	18 324
3 182	6 676	6 724	Sundry liabilities	6 845	9 279	3 927
29 466	**36 884**	**40 337**	**Other liabilities**	**41 140**	**37 820**	**31 624**
2 659	2 430	1 747	Accrued interest expenses	1 947	2 615	2 751
1 722	2 712	2 571	Other accrued expenses and prepaid revenues	3 066	3 384	2 287
4 381	**5 142**	**4 318**	**Accrued expenses and prepaid revenues**	**5 013**	**5 999**	**5 038**
1 477	1 438	1 590	Pension commitments	1 695	1 517	1 545
101	64	92	Specified provisions for losses on guarantee commitments	126	69	101
1	1	1	Unspecified provisions for losses on guarantee commitments	1	1	1
898	818	1 020	Other provisions	1 173	983	1 013
2 476	**2 320**	**2 703**	**Provisions for commitments**	**2 994**	**2 570**	**2 658**
6 461	11 320	12 565	Term subordinated loan capital	13 142	11 973	6 506
7 014	6 053	5 528	Perpetual subordinated loan capital	5 628	6 153	7 014
13 474	**17 374**	**18 092**	**Subordinated loan capital**	**18 770**	**18 126**	**13 519**
5 292	**5 583**	**5 270**	**Perpetual subordinated loan capital securities**	**5 270**	**5 583**	**5 292**
584 038	**645 364**	**656 642**	**Total liabilities**	**674 787**	**668 362**	**597 901**

Note 35 – Customer deposits for principal sectors

DnB NOR Bank ASA				DnB NOR Bank Group		
Pro forma 31 Dec. 2002	Pro forma 31 Dec. 2003	31 Dec. 2004	*Amounts in NOK million*	31 Dec. 2004	Pro forma 31 Dec. 2003	Pro forma 31 Dec. 2002
153 802	162 332	168 035	Retail customers	172 484	167 056	153 868
13 948	14 174	19 220	International shipping	19 222	14 150	14 010
13 660	15 848	21 409	Real estate	21 717	16 083	13 873
13 350	13 657	13 055	Manufacturing	13 248	13 824	13 428
43 281	48 630	57 038	Services and management	56 421	48 704	42 673
16 427	16 145	16 974	Trade	17 332	16 571	16 551
1 557	1 394	1 609	Oil and gas	1 610	1 393	1 584
7 906	9 395	10 055	Transportation and communication	10 374	9 745	7 907
4 169	4 044	5 016	Building and construction	5 308	6 372	4 113
5 982	5 260	4 171	Power and water supply	4 450	3 337	5 982
16 120	17 019	12 604	Central and local government	13 080	17 378	16 120
1 082	792	697	Fishing	942	1 144	1 082
1 321	1 215	1 160	Hotels and restaurants	1 292	1 275	1 273
1 869	1 727	1 958	Agriculture and forestry	1 979	1 730	1 859
26 539	18 964	20 739	Finance	20 781	19 044	26 565
321 013	330 597	353 741	Total customers	360 240	337 807	320 887
5 703	3 880	4 827	Credit institutions	4 373	3 240	5 398
326 716	334 477	358 568	Total	364 613	341 047	326 285

Note 36 – Maturity structure on bond debt as at 31 December 2004 [1)]

DnB NOR Bank ASA				DnB NOR Bank Group		
NOK	Foreign currency	Total	*Amounts in NOK million*	NOK	Foreign currency	Total
			Maturity (year)			
4 923	20 692	25 615	2005	7 525	20 692	28 218
6 836	19 206	26 042	2006	7 018	19 206	26 224
4 658	28 078	32 736	2007	7 880	28 078	35 958
2 946	27 072	30 019	2008	3 374	27 072	30 446
401	16 518	16 919	2009	1 252	16 518	17 770
60	1 286	1 346	2010	521	1 286	1 807
1 555	1 385	2 940	2011 and later	1 648	1 385	3 033
0	(67)	(67)	Recorded costs and amortised discounts	(1)	(67)	(68)
21 379	114 171	135 550	Total	29 217	114 171	143 388

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

Note 37 – Premiums/discounts on own bonds in the banking portfolio as at 31 December 2004

DnB NOR Bank ASA			DnB NOR Bank Group	
Premiums/ (discounts) [1)]	Book value	*Amounts in NOK million*	Premiums/ (discounts) [1)]	Book value
		Maturity (year)		
19	781	2005	15	2 763
21	999	2006	18	1 520
8	695	2007	6	2 436
(1)	899	2008	(2)	941
(1)	204	2009	(2)	395
1	0	2010	0	49
0	434	2011 and later	(1)	914
47	4 012	Total	35	9 017

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 2004 totalled NOK 4 074 million for DnB NOR Bank ASA and NOK 8 846 million for the DnB NOR Bank Group.

Note 38 – Subordinated loan capital and perpetual subordinated loan capital securities

DnB NOR Bank ASA

Amounts in NOK million	Balance sheet 31 Dec. 2004	Issued 2004	Matured/ redeemed 2004	Exchange rate movements 2004	Net change in recorded costs 2004	Pro forma balance sheet 31 Dec. 2003
Term subordinated loan capital	12 565	1 648	0	(404)	1	11 320
Perpetual subordinated loan capital	5 528	0	0	(527)	1	6 053
Perpetual subordinated loan capital securities [1]	5 270	0	0	(317)	5	5 583
Total	**23 362**	**1 648**	**0**	**(1 248)**	**7**	**22 957**

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.*

Year raised	Book value in foreign currency		Interest rate	Maturity	Call date	Book value in NOK
Term subordinated loan capital						
2000	USD	63	3-month LIBOR + 0.55%	2010	2005	381
2001	USD	45	3-month LIBOR + 0.625%	2011	2006	272
2001	USD	125	3-month LIBOR + 0.75%	2011	2006	755
2002	EUR	200	3-month EURIBOR + 0.65%	2012	2007	1 648
2002	USD	100	3-month LIBOR + 0.50%	2012	2007	604
2002	EUR	200	3-month EURIBOR + 0.75%	2012	2007	1 648
2003	EUR	200	3-month EURIBOR + 0.45%	2013	2008	1 648
2003	EUR	200	3-month EURIBOR + 0.70%	2013	2008	1 648
2003	GBP	200	5.125% p.a.	2015	2010	2 331
2004	EUR	200	3-month EURIBOR	2016	2011	1 648
Recorded costs						(17)
Total term subordinated loan capital						12 565
Perpetual subordinated loan capital						
1985	USD	215	3-month LIBOR + 0.25%			1 299
1986	USD	200	6-month LIBOR + 0.125%			1 208
1986	USD	150	6-month LIBOR + 0.15%			906
1996	JPY	3 000	4.00% p.a.		2011	177
1996	JPY	7 000	4.00% p.a.		2011	412
1996	USD	105	7.65% p.a.		2006	634
1999	JPY	10 000	4.51% p.a.		2029	589
2000	USD	50	8.61% p.a.		2005	302
Recorded costs						0
Total perpetual subordinated loan capital						5 528
Perpetual subordinated loan capital securities						
2001	USD	400	6-month LIBOR		2011	2 416
2002	EUR	350	7.07% p.a.		2012	2 884
Recorded costs						(30)
Total perpetual subordinated loan capital securities						5 270

Note 38 – Subordinated loan capital and perpetual subordinated loan capital securities (continued)

DnB NOR Bank Group

Amounts in NOK million	Balance sheet 31 Dec. 2004	Issued 2004	Matured/ redeemed 2004	Exchange rate movements 2004	Net change in recorded costs 2004	Pro forma balance sheet 31 Dec. 2003
Term subordinated loan capital	13 142	1 648	74	(406)	1	11 973
Perpetual subordinated loan capital	5 628	0	0	(527)	1	6 153
Perpetual subordinated loan capital securities [1]	5 270	0	0	(317)	5	5 583
Total	24 040	1 648	74	(1 250)	7	23 709

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.*

Year raised	Book value in foreign currency		Interest rate	Maturity	Call date	Book value in NOK
Term subordinated loan capital						
2000	NOK	142	3.89% p.a.	2010	2005	142
2000	NOK	128	8.05% p.a.	2010	2005	128
2000	EUR	6	3.42% p.a	2010	2010	51
2000	USD	63	3-month LIBOR + 0.55%	2010	2005	381
2001	NOK	258	3.26% p.a.	2011	2006	258
2001	USD	45	3-month LIBOR + 0.625%	2011	2006	272
2001	USD	125	3-month LIBOR + 0.75%	2011	2006	755
2002	EUR	200	3-month EURIBOR + 0.65%	2012	2007	1 648
2002	USD	100	3-month LIBOR + 0.50%	2012	2007	604
2002	EUR	200	3-month EURIBOR + 0.75%	2012	2007	1 648
2003	EUR	200	3-month EURIBOR + 0.45%	2013	2008	1 648
2003	EUR	200	3-month EURIBOR + 0.70%	2013	2008	1 648
2003	GBP	200	5.125% p.a.	2015	2010	2 331
2004	EUR	200	3-month EURIBOR	2016	2011	1 648
Recorded costs						(17)
Total term subordinated loan capital						13 142
Perpetual subordinated loan capital						
1985	USD	215	3-month LIBOR + 0.25%			1 299
1986	USD	200	6-month LIBOR + 0.125%			1 208
1986	USD	150	6-month LIBOR + 0.15%			906
1996	JPY	3 000	4.00% p.a.		2011	177
1996	JPY	7 000	4.00% p.a.		2011	412
1996	USD	100	7.65% p.a.		2006	634
1997	NOK	100	3.67% p.a.		2007	100
1999	JPY	10 000	4.51% p.a.		2029	589
2000	USD	50	8.61% p.a.		2005	302
Recorded costs						0
Total perpetual subordinated loan capital						5 628
Perpetual subordinated loan capital securities						
2001	USD	400	6-month LIBOR		2011	2 416
2002	EUR	350	7.07% p.a.		2012	2 884
Recorded costs						(30)
Total perpetual subordinated loan capital securities						5 270

Note 39 – Equity

DnB NOR Bank ASA					DnB NOR Bank Group			
Share capital	Share premium reserve	Other equity	Total equity	*Amounts in NOK million*	Share capital	Share premium reserve	Other equity	Total equity
6 786	0	6 105	12 891	Balance sheet as at 31 December 2003	6 786	0	6 564	13 350
10 179	7 745	2 758	20 681	Merger between DnB and Gjensidige NOR	10 179	8 461	4 595	23 235
16 964	**7 745**	**8 863**	**33 572**	**Balance sheet as at 31 December 2003 pro forma**	**16 964**	**8 461**	**11 158**	**36 584**
		191	191	Merger with DnB NOR Kort			-	-
		6 592	6 592	Profit for the year			6 786	6 786
		5 564	5 564	Group contributions and dividends			5 564	5 564
		(46)	(46)	Exchange rate movements			(67)	(67)
16 964	**7 745**	**10 036**	**34 745**	**Balance sheet as at 31 December 2004**	**16 964**	**8 461**	**12 313**	**37 738**

Note 40 – Earnings per share

DnB NOR Bank ASA				DnB NOR Bank Group		
Pro forma 2002	Pro forma 2003	2004		2004	Pro forma 2003	Pro forma 2002
3 831	4 860	6 592	Profit for the year (NOK million)	6 786	4 963	4 533
169 643	169 643	169 643	Average number of shares (in 1 000)	169 643	169 643	169 643
22.58	28.65	38.86	Earnings per share (NOK)	40.00	29.26	29.72

Note 41 – Capital adequacy

DnB NOR Bank ASA				DnB NOR Bank Group		
Pro forma 31 Dec. 2002	Pro forma 31 Dec. 2003	31 Dec. 2004	*Amounts in NOK million*	31 Dec. 2004	Pro forma 31 Dec. 2003	Pro forma 31 Dec. 2002
16 964	16 964	16 964	Share capital	16 964	16 964	16 964
16 687	16 608	17 781	Other equity	20 774	19 619	19 527
33 652	33 572	34 745	Total equity	37 738	36 584	36 491
5 292	5 195	5 270	Perpetual subordinated loan capital securities [1) 2)]	5 531	5 476	5 292
(634)	(969)	(814)	Pension funds above pension commitments	(853)	(1 034)	(1 063)
(1 636)	(1 472)	(1 460)	Goodwill	(1 967)	(2 513)	(2 360)
(839)	(658)	(717)	Deferred tax assets	(646)	(574)	(1 269)
(197)	(174)	(78)	Other intangible assets	(88)	(247)	(112)
35 637	35 494	36 945	Core capital	39 715	37 690	36 979
7 014	6 053	5 528	Perpetual subordinated loan capital [1) 2)]	5 367	6 153	7 014
6 461	10 431	12 565	Term subordinated loan capital [2)]	13 538	11 473	7 883
13 475	16 484	18 092	Net supplementary capital	18 905	17 626	14 896
2 564	2 073	2 514	Deductions	2 514	2 171	2 023
46 548	49 905	52 523	Total eligible primary capital [3)]	56 105	53 147	49 853
408 995	445 523	480 291	Total risk-weighted volume	528 240	527 256	468 306
8.7	8.0	7.7	Core capital ratio (per cent)	7.5	7.1	7.9
11.4	11.2	10.9	Capital ratio (per cent)	10.6	10.1	10.6

Note 41 – Capital adequacy (continued)

Specification of risk-weighted volume		Risk-weighted volume						DnB NOR Bank ASA Pro forma	Pro forma
		Nominal amounts as at 31 December 2004 [3]					31 Dec.	31 Dec.	31 Dec.
Amounts in NOK million	Risk-weight:	0%	10%	20%	50%	100%	2004	2003	2002
Banking portfolio									
Cash and ordinary deposits with banks		8 322		9 497			1 899	2 122	1 665
Short-term investments in securities		81		12 557		4 006	6 517	7 416	7 179
Lending		5 404		36 444	295 795	215 215	370 402	345 473	322 175
Other assets		2 386		762	758	3 802	4 333	4 128	5 449
Fixed assets						10 035	10 035	13 234	10 997
Total assets		16 193		59 260	296 553	233 058	393 187	372 373	347 463
Guarantee commitments		1 018	362	5 065	71	44 354	29 710	32 558	28 982
Approved, undrawn credits		84 555	375	3 661	2 786	75 731	38 947	24 306	20 570
Financial derivatives							30	433	243
Other				382		1 046	224	(2)	17
Total off-balance-sheet instruments							68 912	57 295	49 814
Total risk-weighted volume, banking portfolio							462 099	429 668	397 277
Trading portfolio									
Position risk, equity instruments							191	224	693
Position risk, debt instruments							16 058	11 494	10 348
Settlement risk							4	0	2
Counterparty risk and other risks							10 272	12 607	8 138
Total risk-weighted volume, trading portfolio							26 525	24 325	19 179
Total risk-weighted volume, banking and trading portfolio							488 624	453 993	416 456
Deduction for:									
Investments in primary capital in other financial institutions							2 514	2 074	1 890
Specified and unspecified loan-loss provisions							5 819	6 395	5 573
Total risk-weighted volume							480 291	445 523	408 995

Specification of risk-weighted volume		Risk-weighted volume						DnB NOR Bank Group Pro forma	Pro forma
		Nominal amounts as at 31 December 2004 [3]					31 Dec.	31 Dec.	31 Dec.
Amounts in NOK million	Risk-weight:	0%	10%	20%	50%	100%	2004	2003	2002
Banking portfolio									
Cash and ordinary deposits with banks		8 929		2 343			469	2 524	2 168
Short-term investments in securities		201		22 122		3 984	8 409	9 958	9 739
Lending		8 573	7	37 717	307 971	256 587	418 117	427 366	378 139
Other assets		2 515		785	1 203	3 956	4 715	4 412	5 965
Fixed assets		124	11			7 116	7 116	6 418	7 135
Total assets							438 826	450 677	403 146
Guarantee commitments		1 152	362	6 625	95	45 102	30 429	34 110	30 659
Approved, undrawn credits		89 741	375	5 423	2 808	76 409	39 468	25 759	21 991
Financial derivatives							831	753	1 235
Other				382		1 046	224	164	(339)
Total off-balance-sheet instruments							70 952	60 786	53 545
Total risk-weighted volume, banking portfolio							509 778	511 463	456 691
Trading portfolio									
Position risk, equity instruments							406	562	713
Position risk, debt instruments							17 211	12 910	11 223
Settlement risk							4	0	22
Counterparty risk and other risks							10 273	12 607	8 179
Total risk-weighted volume, trading portfolio							27 894	26 080	20 139
Total risk-weighted volume, banking and trading portfolio							537 672	537 543	476 830
Deduction for:									
Investments in primary capital in other financial institutions							2 514	2 171	2 023
Specified and unspecified loan-loss provisions							6 917	8 116	6 498
Total risk-weighted volume							528 240	527 256	468 306

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) *In accordance with capital adequacy regulations the lower of the exchange rates prevailing at the time the loan was raised and on the balance sheet date should be applied when including perpetual subordinated loan capital securities and other subordinated loan capital in eligible primary capital.*
3) *Primary capital and nominal amounts used in calculating risk-weighted volume deviate from figures in the balance sheet as different principles are used in calculating capital adequacy.*

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

Note 42 – Expected time to interest rate adjustments as at 31 December 2004

DnB NOR Bank ASA

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	NOK	7 268					864	8 132
central banks	Foreign currency	4					150	154
Lending to and deposits with	NOK	33 283	3 516	621	625	57		38 103
credit institutions	Foreign currency	12 909	3 417	394	2	124		16 845
Net lending to customers [1]	NOK	171 503	240 148	6 757	41 609	732	(2 769)	457 979
	Foreign currency	51 243	8 469	2 449	57	184	(461)	61 941
Commercial paper and bonds	NOK	2 872	10 000	2 972	5 525	2 039	353	23 761
	Foreign currency	15 302	16 186	1 581	5 481	2 304		40 854
Sundry assets	NOK						39 509	39 509
	Foreign currency						4 109	4 109
Total assets		**294 385**	**281 735**	**14 773**	**53 298**	**5 441**	**41 755**	**691 387**
	NOK	214 927	253 663	10 350	47 759	2 829	37 957	567 484
	Foreign currency	79 458	28 072	4 424	5 539	2 612	3 798	123 904
Liabilities and equity								
Loans and deposits from	NOK	11 692	5	2				11 700
credit institutions	Foreign currency	20 053	10 550	5 305				35 908
Deposits from customers	NOK	317 449	19	119	46			317 634
	Foreign currency	35 832	154	121				36 107
Securities issued	NOK	1 435	4 769	2 251	12 077	1 615		22 148
	Foreign currency	72 637	72 655	8 986	6 093	2 053		162 424
Sundry liabilities	NOK						43 624	43 624
	Foreign currency						3 734	3 734
Subordinated loan capital and perpetual	NOK							
subordinated loan capital securities	Foreign currency	3 048	10 601	302	634	8 778		23 362
Equity	NOK						34 398	34 398
	Foreign currency						348	348
Total liabilities and equity		**462 147**	**98 755**	**17 087**	**18 849**	**12 446**	**82 103**	**691 387**
	NOK	330 577	4 794	2 373	12 123	1 615	78 021	429 503
	Foreign currency	131 571	93 961	14 714	6 726	10 830	4 082	261 884
Net, time to interest rate		**(167 762)**	**182 980**	**(2 314)**	**34 449**	**(7 005)**	**(40 348)**	**0**
adjustments on balance sheet items	NOK	(115 650)	248 869	7 977	35 636	1 213	(40 065)	137 981
	Foreign currency	(52 112)	(65 889)	(10 290)	(1 187)	(8 218)	(284)	(137 981)

1) *Overdraft and working capital facilities are grouped under "Up to 1 month". Specified and unspecified loan-loss provisions are grouped under "Over 5 years" and "No interest rate" respectively.*

Net nominal values		**(38 056)**	**(42 274)**	**28 450**	**(5 879)**	**6 400**		**(51 360)**
on financial derivatives	NOK	(72 150)	(76 220)	30 262	(6 674)	1 631		(123 151)
	Foreign currency	34 094	33 945	(1 811)	794	4 769		71 791

Note 42 – Expected time to interest rate adjustments as at 31 December 2004 (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	NOK	7 268					1 355	8 622
central banks	Foreign currency	5					153	158
Lending to and deposits with	NOK	6 357	1 751			(2)		8 106
credit institutions	Foreign currency	10 735	1 771	619	249	124		13 498
Net lending to customers 1)	NOK	208 248	247 047	8 081	48 236	734	(3 073)	509 272
	Foreign currency	55 002	10 408	2 978	59	184	(461)	68 170
Commercial paper and bonds	NOK	2 872	10 106	2 972	3 729	2 099	353	22 132
	Foreign currency	15 302	16 186	1 581	5 481	2 304		40 854
Sundry assets	NOK	91	75	32	1	0	37 721	37 921
	Foreign currency	1	0	0			3 792	3 794
Total assets		**305 881**	**287 344**	**16 263**	**57 755**	**5 443**	**39 840**	**712 526**
	NOK	224 836	258 979	11 085	51 967	2 831	36 355	586 053
	Foreign currency	81 044	28 365	5 178	5 788	2 612	3 485	126 473
Liabilities and equity								
Loans and deposits from	NOK	11 202	106	2	15	46		11 371
credit institutions	Foreign currency	20 456	11 540	5 583				37 579
Deposits from customers	NOK	324 433	61	131	47			324 671
	Foreign currency	35 250	184	134				35 569
Securities issued	NOK	1 435	7 353	2 270	16 114	2 813		29 986
	Foreign currency	72 637	72 655	8 986	6 093	2 053		162 424
Sundry liabilities	NOK	401	31	25	17		44 742	45 215
	Foreign currency						3 932	3 932
Subordinated loan capital and perpetual	NOK				397	230		627
subordinated loan capital securities	Foreign currency	3 048	10 601	302	634	8 829		23 413
Equity	NOK						36 165	36 165
	Foreign currency						1 574	1 574
Total liabilities and equity		**468 863**	**102 533**	**17 433**	**23 315**	**13 970**	**86 411**	**712 526**
	NOK	337 471	7 552	2 428	16 588	3 089	80 906	448 034
	Foreign currency	131 392	94 981	15 006	6 726	10 881	5 505	264 492
Net, time to interest rate		**(162 982)**	**184 811**	**(1 170)**	**34 440**	**(8 527)**	**(46 571)**	**0**
adjustments on balance sheet items	NOK	(112 634)	251 427	8 657	35 378	(258)	(44 551)	138 019
	Foreign currency	(50 348)	(66 616)	(9 827)	(938)	(8 269)	(2 020)	(138 019)

1) Overdraft and working capital facilities are grouped under "Up to 1 month". Specified and unspecified loan-loss provisions are grouped under "Over 5 years" and "No interest rate" respectively.

Net nominal values		**(37 116)**	**(39 431)**	**29 013**	**(5 174)**	**6 400**		**(46 309)**
on financial derivatives	NOK	(72 103)	(74 207)	30 615	(5 969)	1 631		(120 033)
	Foreign currency	34 987	34 776	(1 602)	794	4 769		73 725

Note 43 – 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 Bank 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 2004 and market rates on the same date.

Interest rate sensitivity for different intervals — **DnB NOR Bank Group 1)**

Amounts in NOK million	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	3	37	60	121	154	53
USD	4	27	20	2	7	39
EUR	4	0	5	4	72	77
GBP	1	1	2	2	1	3
Other currencies	1	4	4	4	1	11
Banking portfolio						
NOK	33	22	51	59	11	153
Total						
NOK	29	15	111	62	143	206
USD	4	27	20	2	7	39
EUR	4	0	5	4	72	77
GBP	1	1	2	2	1	3
Other currencies	1	4	4	4	1	11

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

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

Note 44 – Currency positions

The tables below shows net currency positions as at 31 December 2004 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.

DnB NOR Bank ASA

Amounts in NOK million	Norwegian kroner	Other currencies	Of which: USD	EUR	GBP	SEK	DKK	JPY
Assets								
Cash and deposits with central banks	8 132	154	28	67	14	20	18	0
Lending to and deposits with credit institutions	38 103	16 845	4 272	5 014	2 528	1 717	186	1 126
Net lending to customers	457 979	61 941	34 985	10 101	1 842	7 030	2 119	891
Commercial paper and bonds	23 761	40 854	8 981	27 993	2 413	0	0	725
Shareholdings etc.	8 944	1 449	298	904	2	129	0	0
Sundry assets	30 565	2 660	1 082	409	896	25	3	43
Total assets	567 484	123 904	49 647	44 488	7 696	8 920	2 325	2 785
Liabilities and equity								
Loans and deposits to credit institutions	11 700	35 908	25 134	4 716	1 942	957	1 542	600
Deposits from customers	317 634	36 107	20 977	6 490	2 020	3 985	523	1 230
Securities issued	22 148	162 424	57 841	58 976	32 881	0	0	1 120
Sundry liabilities	43 624	3 734	1 782	825	521	17	33	133
Subordinated loan capital	0	23 362	8 742	11 111	2 331	0	0	1 179
Equity	34 398	348	407	3	84	(112)	(35)	0
Total liabilities and equity	429 503	261 884	114 882	82 120	39 778	4 847	2 062	4 261
Net currency positions on balance sheet items	137 981	(137 981)	(65 235)	(37 632)	(32 082)	4 073	263	(1 476)
Financial derivatives	(137 720)	137 720	65 399	37 153	32 110	(4 036)	(231)	1 469
Net currency exposure	261	(261)	164	(479)	28	37	32	(7)

Note 44 – Currency positions (continued)

DnB NOR Bank Group

Amounts in NOK million	Norwegian kroner	Other currencies	Of which: USD	EUR	GBP	SEK	DKK	JPY
Assets								
Cash and deposits with central banks	8 622	158	28	68	14	21	18	0
Lending to and deposits with credit institutions	8 106	13 498	3 144	3 935	2 483	1 571	464	1 138
Net lending to customers	509 272	68 170	35 218	10 676	1 916	7 471	2 375	1 146
Commercial paper and bonds	22 132	40 854	8 981	27 993	2 413	0	0	725
Shareholdings etc.	4 891	1 074	454	451	0	129	0	0
Sundry assets	33 030	2 719	1 088	418	896	26	6	44
Total assets	586 053	126 473	48 913	43 540	7 722	9 218	2 863	3 053
Liabilities and equity								
Loans and deposits to credit institutions	11 371	37 579	25 926	3 768	1 347	1 175	1 925	597
Deposits from customers	324 671	35 569	20 273	6 544	2 028	4 028	554	1 231
Securities issued	29 986	162 424	57 841	58 976	32 881	0	0	1 120
Sundry liabilities	45 215	3 932	1 793	935	549	31	39	133
Subordinated loan capital	627	23 413	8 742	11 162	2 331	0	0	1 179
Equity	36 165	1 574	457	1 059	203	(112)	(35)	0
Total liabilities and equity	448 034	264 492	115 032	82 443	39 339	5 122	2 484	4 259
Net currency positions on balance sheet items	138 019	(138 019)	(66 119)	(38 903)	(31 617)	4 096	379	(1 206)
Financial derivatives	(137 764)	137 764	66 282	38 425	31 644	(4 056)	(344)	1 199
Net currency exposure	255	(255)	163	(478)	27	40	35	(7)

Note 45 – Residual maturity as at 31 December 2004

DnB NOR Bank ASA

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	NOK	7 268					864	8 132
central banks	Foreign currency	4					150	154
Lending to and deposits with	NOK	30 688	2 542	591	3 303	978		38 103
credit institutions	Foreign currency	13 638	1 056	953	1 084	115		16 845
Net lending to customers [1]	NOK	30 254	9 674	22 454	75 502	322 864	(2 769)	457 979
	Foreign currency	9 428	1 634	6 920	21 460	22 961	(461)	61 941
Commercial paper and bonds	NOK	90	2 638	4 563	13 184	2 934	353	23 761
	Foreign currency	1 042	563	2 611	14 025	22 613		40 854
Sundry assets	NOK	1 856		41	15	109	37 488	39 509
	Foreign currency	176	12	4		1	3 916	4 109
Total assets		**94 443**	**18 118**	**38 138**	**128 573**	**372 576**	**39 540**	**691 387**
	NOK	70 154	14 854	27 650	92 004	326 886	35 936	567 484
	Foreign currency	24 288	3 264	10 488	36 569	45 690	3 605	123 904
Liabilities and equity								
Loans and deposits from	NOK	10 747	546	393	14			11 700
credit institutions	Foreign currency	28 428	3 689	3 791				35 908
Deposits from customers	NOK	307 648	1 178	7 474	1 310	24		317 634
	Foreign currency	34 580	491	1 036				36 107
Securities issued	NOK	7	1 828	3 856	14 841	1 615		22 148
	Foreign currency	26 774	24 821	17 347	90 813	2 670		162 424
Sundry liabilities	NOK	4 673	82	70			38 799	43 624
	Foreign currency	139		1			3 594	3 734
Subordinated loan capital and perpetual	NOK							
subordinated loan capital securities	Foreign currency					12 565	10 798	23 362
Equity	NOK						34 398	34 398
	Foreign currency						348	348
Total liabilities and equity		**412 996**	**32 636**	**33 968**	**106 977**	**16 874**	**87 936**	**691 387**
	NOK	323 076	3 634	11 793	16 165	1 639	73 196	429 503
	Foreign currency	89 921	29 002	22 175	90 813	15 235	14 739	261 884
Net, residual maturity on		**(318 553)**	**(14 517)**	**4 170**	**21 595**	**355 702**	**(48 395)**	**0**
balance sheet items	NOK	(252 921)	11 220	15 857	75 839	325 247	(37 261)	137 981
	Foreign currency	(65 632)	(25 737)	(11 687)	(54 244)	30 455	(11 135)	(137 981)

1) *Overdraft and working capital facilities are grouped under "Up to 1 month". Specified and unspecified loan-loss provisions are grouped under "Over 5 years" and "No fixed maturity" respectively.*

Net nominal values		**(642)**	**(2 649)**	**(1 700)**	**(2 409)**	**1 353**		**(6 047)**
on financial derivatives	NOK	(10 517)	(20 124)	(14 775)	(80 163)	(22 605)		(148 184)
	Foreign currency	9 876	17 476	13 074	77 754	23 958		142 138

Note 45 – Residual maturity as at 31 December 2004 (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	NOK	7 268					1 354	8 622
central banks	Foreign currency	5					153	158
Lending to and deposits with	NOK	5 191	734	608	1 214	358		8 106
credit institutions	Foreign currency	9 986	1 116	1 184	1 097	115		13 498
Net lending to customers [1]	NOK	33 412	11 947	28 121	92 866	345 999	(3 073)	509 272
	Foreign currency	11 151	2 436	8 292	23 505	23 247	(461)	68 170
Commercial paper and bonds	NOK	90	2 123	4 601	12 173	2 792	353	22 132
	Foreign currency	1 042	563	2 611	14 025	22 613		40 854
Sundry assets	NOK	1 964	109	74	16	110	35 648	37 921
	Foreign currency	178	12	5		1	3 598	3 794
Total assets		**70 286**	**19 041**	**45 496**	**144 896**	**395 235**	**37 572**	**712 526**
	NOK	47 925	14 913	33 404	106 269	349 259	34 282	586 053
	Foreign currency	22 361	4 128	12 092	38 626	45 976	3 290	126 473
Liabilities and equity								
Loans and deposits from	NOK	10 262	642	392	28	46		11 371
credit institutions	Foreign currency	28 831	4 679	4 069				37 579
Deposits from customers	NOK	314 644	1 218	7 475	1 310	24		324 671
	Foreign currency	33 998	522	1 050				35 569
Securities issued	NOK	7	3 971	4 311	19 137	2 560		29 986
	Foreign currency	26 774	24 821	17 347	90 813	2 670		162 424
Sundry liabilities	NOK	4 871	498	96	168		39 583	45 215
	Foreign currency	180	2	1			3 749	3 932
Subordinated loan capital and perpetual	NOK					527	100	627
subordinated loan capital securities	Foreign currency					12 616	10 798	23 413
Equity	NOK						36 165	36 165
	Foreign currency						1 574	1 574
Total liabilities and equity		**419 567**	**36 353**	**34 740**	**111 456**	**18 442**	**91 967**	**712 526**
	NOK	329 784	6 329	12 274	20 643	3 156	75 847	448 034
	Foreign currency	89 783	30 024	22 466	90 813	15 286	16 120	264 492
Net, residual maturity on		**(349 281)**	**(17 312)**	**10 756**	**33 440**	**376 793**	**(54 395)**	**0**
balance sheet items	NOK	(281 859)	8 584	21 130	85 626	346 102	(41 565)	138 019
	Foreign currency	(67 422)	(25 896)	(10 374)	(52 186)	30 690	(12 830)	(138 019)

1) *Overdraft and working capital facilities are grouped under "Up to 1 month". Specified and unspecified loan-loss provisions are grouped under "Over 5 years" and "No fixed maturity" respectively.*

Net nominal values		**287**	**(1 791)**	**(1 080)**	**(1 712)**	**1 446**		**(2 850)**
on financial derivatives	NOK	(10 471)	(20 097)	(14 376)	(79 466)	(22 512)		(146 921)
	Foreign currency	10 758	18 306	13 295	77 754	23 958		144 071

Note 46 – Financial derivatives

Financial derivatives are traded in order to cover liquidity and market risk arising from the bank's ordinary activities (banking portfolio). The bank also employs financial derivatives in own-account trading (trading portfolio).

Forward exchange contracts
Contracts between two parties to exchange foreign currencies on a specified future date at a fixed price.

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 market interest rate is exchanged.

Interest rate options
Contracts giving the buyer the right to demand payment of the difference between the interest rate in the money market and the interest rate agreed to by the seller. The difference is calculated on a fixed amount for a specified period.

Currency options
Agreements giving the buyer the right to buy or sell a specific quantity of one foreign currency in exchange for another on a future date at a fixed price.

Interest rate swaps
Contracts in which two parties agree to exchange interest payment obligations on a fixed amount for a specified period.

Interest rate futures
Standardised contracts where the counter parties agree to exchange specific interest rate instruments at a fixed price for 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.

Cross-currency interest rate swaps
Contracts in which the parties exchange both currency and interest payments on a specified amount for a specified period.

DnB NOR Bank Group [1]

	31 December 2004			Pro forma 31 December 2003			Pro forma 31 December 2002		
Amounts in NOK million	Nominal amount [2]	Positive market value [3]	Negative market value [3]	Nominal amount [2]	Positive market value [3]	Negative market value [3]	Nominal amount [2]	Positive market value [3]	Negative market value [3]
Trading portfolio									
Interest rate agreements	1 993 460	27 733	24 565	2 269 234	33 111	32 945	2 151 049	16 728	12 563
Foreign exchange agreements [4]	638 319	17 174	27 551	931 075	29 126	37 045	930 886	35 739	44 412
Equity-related agreements	39 444	1 819	1 894	28 855	1 507	1 328	23 074	795	704
Commodity-related agreements	576	85	0	1	0	0	1	1	1
Banking portfolio									
Interest rate agreements	87 286	1 098	3 019	58 117	996	1 627	51 690	666	2 047
Foreign exchange agreements	4 136	42	0	24 715	759	1 683	13 901	198	945
Netting									
Effect of netting agreements [5]		(24 432)			(23 258)			(19 175)	

1) The figures for DnB NOR Bank ASA are identical with the exception of interest rate agreements in the banking portfolio, which showed a nominal amount of NOK 86 141 million and a positive market value of NOK 1 034 as at 31 December 2004.
2) 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.
3) 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.
4) Cross-currency interest rate swaps are included under foreign exchange agreements.
5) 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 2004, a total of NOK 2 942 million was recorded as gains on such transactions, while losses of NOK 817 million were recorded in 2004 alone.

Note 47 – Other off-balance sheet transactions and additional information

DnB NOR Bank ASA				DnB NOR Bank Group		
Pro forma 31 Dec. 2002	Pro forma 31 Dec. 2003	31 Dec. 2004	*Amounts in NOK million*	31 Dec. 2004	Pro forma 31 Dec. 2003	Pro forma 31 Dec. 2002
119 600	137 249	164 578	Unutilised ordinary credit lines [1]	165 845	130 414	121 256
3 082	4 500	7 527	Documentary credit commitments	7 531	5 705	4 002
7	729	1 098	Other commitments	1 099	1 218	455
122 689	**142 478**	**173 202**	**Total commitments**	**174 475**	**137 337**	**125 714**
11 449	12 410	13 257	Performance guarantees	13 433	12 611	11 479
16 934	13 631	11 059	Payment guarantees [2]	11 577	14 198	16 968
11 062	14 182	10 913	Loan guarantees [3]	10 916	14 331	11 261
2 429	2 556	2 556	Guarantee to the Norwegian Banks' Guarantee Fund [4]	2 676	2 676	2 429
2 596	2 538	2 766	Guarantees for taxes etc.	2 790	2 655	2 689
5 013	5 142	5 067	Other guarantee commitments	4 803	4 835	4 638
49 483	**50 459**	**45 617**	**Total guarantee commitments**	**46 194**	**51 306**	**49 465**
0	0	0	Support agreements	2 482	1 643	1 231
49 483	**50 459**	**45 617**	**Total guarantee commitments etc.** [*)]	**48 676**	**52 948**	**50 696**
			*) Of which:			
420	1 300	1 481	Counter-guaranteed by financial institutions	1 481	1 300	473
37	43	43	Joint and several liabilities	45	45	37
32 874	42 946	43 843	Securities [5] [6]	43 843	43 010	33 222
32 874	**42 946**	**43 843**	**Total mortgages etc.**	**43 843**	**43 010**	**33 222**
0	0	0	are pledged as security for: Loans [5]	0	1 230	342
1 925	8 728	5 345	Other activities [6]	5 345	8 728	1 925

1) *A substantial influx of liquidity in large Norwegian companies has resulted in a decline in customer demand for working capital facilities etc.*
2) *The reduction is attributable to the normalisation of the situation in the power market.*
3) *Low credit demand within shipping and sizable repayments on existing loans have, along with a weaker US dollar rate, resulted in a substantial reduction in the need for loan guarantees.*
4) *The Commercial Banks' Guarantee Fund and the Savings Banks' Guarantee Fund were combined into one fund in 2004. As of 1 January 2005, members are no longer required to guarantee the minimum requirements for capital in the Norwegian Banks' Guarantee Fund.*
5) *NOK 38 498 million in securities 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 2004, DnB NOR had no borrowing from Norges Bank.*
6) *DnB NOR Markets is a member of the global settlement system CLS (Continuous Linked Settlement), engaged in the settlement of transactions in major global currencies. The Norwegian krone is included in CLS, with DnB NOR as the largest settlement bank. NOK 5 345 million represents securities in favour of Deutsche Bundesbank, Bank of England, Bank of Finland and Euro Banking Association for settlement in foreign currencies.*

Note 48 – 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. None of the current disputes are expected to have any material impact on the banking group's financial position. The disputes involving the highest amounts are described below.

As stated in last year's annual report, DnB NOR Bank ASA and Norway Post were in disagreement on the calculation of remuneration in connection with the business agreement between the two parties. The dispute was settled by arbitration in 2004. The settlement was in accordance with the provisions made in the bank's accounts, and the dispute thus had no impact on the accounts for 2004.

Nordlandsbanken ASA has filed a suit against KPMG claiming compensation of up to NOK 489 million. The claim is based on KPMG's audit procedures in connection with Finance Credit AS. The main proceedings are scheduled for the fourth quarter of 2005.

Finance Credit AS' estate in bankruptcy filed a claim in 2004 to reverse the debtor's repayment of credit facilities in Union Bank of Norway ASA (now DnB NOR Bank ASA) in autumn 2001 and spring 2002. The amount of the claim is NOK 160 million and the main proceedings are scheduled for April 2005.

Amalie Riis has filed a suit claiming up to NOK 500 million in compensation for alleged loss of inheritance as a result of Den norske Creditbank's (now DnB NOR Bank ASA) extension of credits to the shipping company Olsen & Ugelstad in 1975. The complaint was submitted to the Oslo Conciliation Board in October 2004. The bank disputes the claim. In the view of the bank, there is no legal basis for the claim and the limitation period has expired. The bank is also of the opinion that the same claim has been filed previously, and that the ruling in favour of the bank is legally binding.

With respect to contingencies concerning taxes, please refer to note 15.

Note 49 – Information on related parties

		DnB NOR Bank Group	
		Pro forma	Pro forma
	31 Dec.	31 Dec.	31 Dec.
Amounts in NOK million	2004	2003	2002
Intra-group items - assets			
Lending to and deposits with credit institutions	45 754	72 816	57 017
Net lending to customers	942	1 113	1 093
Intra-group items - liabilities			
Loans and deposits from credit institutions	43 918	71 460	55 639
Deposits from customers	1 869	1 217	1 000
Subordinated loan capital	1 004	1 253	1 227

Gjensidige NOR Forsikring

At end-2004, Gjensidige NOR Forsikring held 70 472 696 shares in DnB NOR ASA at a market value of NOK 4 211 million. DnB NOR ASA has a long-term strategic cooperation with Gjensidige NOR Forsikring, primarily targeting mutual product distribution.

Cooperating banks

DnB NOR has a mutually binding, strategic collaboration with four regional and twelve local savings banks. The banks distribute DnB NOR products in the areas of savings and other financial products. The collaboration also includes development of products, services and systems as well as purchasing.

Agreement with Norway Post

DnB NOR has a cooperation agreement with Norway Post concerning banking services. Customers have access to DnB NOR's products through Norway Post's network of post offices, in-store postal outlets and rural postmen. The current agreement remains in force until 31 December 2005.

Oslo, 8 March 2005
The Board of Directors of DnB NOR Bank ASA

Olav Hytta
(chairman)
(sig.)

Bent Pedersen
(vice-chairman)
(sig.)

Sten Sture Larre
(sig.)

Per Hoffmann
(sig.)

Torill Rambjør
(sig.)

Ingjerd Skjeldrum
(sig.)

Marit Wiig
(sig.)

Svein Aaser
(sig.)

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

Auditor's report for 2004

We have audited the annual financial statements of DnB NOR Bank ASA as of 31 December 2004, showing a profit of NOK 6,592 million for the parent company and a profit of NOK 6,786 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 financial statements comprise the balance sheet, the statements of income and cash flows, the accompanying notes and the group accounts. These financial statements are the responsibility of the Bank'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 Norwegian Act on Auditing and Auditors and auditing standards and practices generally accepted in Norway. Those standards and practices 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 present the financial position of the Company and of the Group as of 31 December 2004, 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 as required by law and accounting standards, principles and practices generally accepted 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, 8 March 2005
PricewaterhouseCoopers AS

Geir Julsvoll

Geir Julsvoll
State Authorised Public Accountant (Norway)

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

Control Committee's Report

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

In connection with the closing of the accounts for the 2004 financial year, the Control Committee has examined the Directors' Report, the annual accounts and the Auditor's Report for DnB NOR Bank ASA.

The Committe finds that the Board of Directors gives an adequate description of the financial position of DnB NOR Bank and the Group, and recommends the approval of the Director's Report and annual accounts for the 2004 financial year.

Oslo, 16 March 2005

Helge B. Andresen (chairman)	Kristin Normann (vice chairman)
Geir Dege	Frode Hassel
Thorstein Øverland (deputy)	Svein Brustad (deputy)

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Supervisory Board, Control Committee, Board of Directors, Group Management and Auditors

Supervisory Board

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Nils Halvard Bastiansen, Bærum
Elisabeth Berge, Stavanger (resigned)
Anne Cathrine Frøstrup, Hønefoss
Herbjørn Hansson, Sandefjord
Jan Willy Hopland, Oslo
Finn Jebsen, Oslo
Knut Hartvig Johannson, Snarøya
Erik Sture Larre sr., Oslo
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Odd Lunde, Bærum
Trond Mohn, Paradis
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Jan Olav Steensland, Oslo (resigned)
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Tor Peter Øwre, Tromsø

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Turid Dankertsen, Oslo
Rolf Domstein, Måløy
Jan-Erik Dyvi, Oslo
Eva Granly Fredriksen, Oslo
Rolf Hodne, Stavanger
Liv Johannson, Oslo
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Aage Møst, Bærum
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Anne-Grete Strøm-Erichsen, Hjellestad
Anne Bjørg Thoen, Oslo
Lars Wenaas, Måndalen

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Rune Bernbo, Drøbak
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Atle Heum, Tønsberg
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Lars Kristiansen, Oslo
Hanne Mette Lundberg, Hamar
Trond Erik Mikkelsen, Bergen
Truls Sandvik, Lillestrøm (resigned)
Marianne Steinsbu, Oslo
Tove Tveiten, Krokstadelva

Control Committee

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Geir Dege, Fredrikstad
Frode Hassel, Trondheim
Kristin Normann, Oslo (vice-chairman)

Deputy

Svein Brustad, Hvalstad
Thorstein Øverland, Oslo

Board of Directors

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Per Hoffmann, Oslo
Olav Hytta, Oslo (chairman)
Sten Sture Larre, Oslo
Bent Pedersen, Stenløse (vice-chairman)
Torill Rambjør, Tjøme
Ingjerd Skjeldrum, Drammen
Marit Wiig, Oslo
Svein Aaser, Drøbak

Deputies for the employee representative

Bjørn Davidsen, Oslo
Sverre Finstad, Moelv

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Group chief executive

Svein Aaser

Retail Banking

Åsmund Skår

Corporate Banking

Leif Teksum

DnB NOR Markets

Ottar Ertzeid

Human Resources and Group Services

Evlyn Raknerud

IT and Payment Services

Bente A. Landsnes

Group Staff

Tom Grøndahl

Risk Management

Helge Forfang

Auditors

Geir Julsvoll
Harald Jægtnes

DnB NOR Bank ASA 2004

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