



DnB NOR Bank ASA

First quarter report 2004

DnB NOR

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All figures for previous periods presented below are pro forma accounting figures for total operations in the DnB NOR Bank Group.

The DnB NOR Bank Group¹ (hereinafter called "the banking group") recorded healthy profits in the first quarter of the year. Profits after taxes in the banking group stood at NOK 1 568 million in the first quarter of 2004, up NOK 453 million on the year-earlier period. Return on equity before goodwill amortisation was 17.8 per cent in the first quarter of 2004, compared with 13 per cent in the first quarter of 2003. Corresponding figures after goodwill amortisation were 16.8 and 11.9 per cent respectively. The core capital ratio, including 50 per cent of profits, was 7.3 per cent.

Net interest income

Net interest income declined by NOK 198 million from the first quarter of 2003, but remained virtually unchanged from the fourth quarter of 2003. An actual increase of NOK 44 billion in average lending to customers combined with a NOK 4 billion rise in deposits pushed up net interest income. Deposit spreads contracted due to the decline in interest rates. At the beginning of May 2004, interest rates on NOK 71 billion of the total deposit volume were below 0.25 per cent per annum. Further interest rate cuts will make it difficult to maintain the level of earnings on deposits. On the other hand, a potential increase in interest rate levels could give a significant boost to income. Other factors, including a lower direct return on equity and reduced funding costs on other non-interest-earning assets, also brought down net interest income.

Net other operating income

Net other operating income amounted to NOK 2 833 million in the first quarter of 2004, an increase of NOK 1 308 million from the year-earlier period. The sale of Elcon Finans gave a NOK 977 million boost to income.

Gains on trading in foreign exchange and financial instruments rose by NOK 121 million in the first quarter compared with the year-earlier period. Due to higher transaction volumes, income on payment services rose by NOK 37 million.

The full takeover of operations in the companies Gjensidige NOR Driftspartner (GN Driftspartner) and Gjensidige NOR Markedsstøtte (GN Markedsstøtte) at the beginning of January 2004 gave a NOK 60 million increase in income in the banking group's accounts compared with the first quarter of 2003, stemming from services provided under cooperation agreements. See further description of corresponding effects under operating expenses.

Operating expenses

Operating expenses totalled NOK 3 942 million in the January through March period in 2004, an increase of NOK 829 million from the year-earlier period. The increase stemmed mainly from restructuring provisions of NOK 805 million charged to the accounts in the first quarter of 2004. The takeover of total operations in GN Driftspartner and GN Markedsstøtte also pushed up operating expenses. GN Driftspartner and GN Markedsstøtte were previously joint ventures with Gjensidige NOR Forsikring. The takeover gave a NOK 60 million increase in expenses in the accounts. Overall, the rise in other expenses (mainly restructuring expenses) and rising cost levels due to the takeover of operations lifted costs by NOK 839 million, which means that there was an underlying decline in operating expenses of NOK 10 million. The ordinary cost/income ratio, i.e. ordinary expenses relative to income, was 58.1 per cent before goodwill amortisation in the first quarter of 2004, as against 58.6 per cent in 2003.

Loan-loss provisions and non-performing commitments

Net losses on loans and guarantees totalled NOK 135 million in the first quarter of 2004, compared with NOK 449 million in the corresponding period of 2003. New losses and loan-loss provisions amounted to NOK 595 million, while reversals on previous losses and loan-loss provisions totalled NOK 460 million. The first quarter of 2003 was new losses of NOK 619 million and reversals of NOK 171 million.

Lower interest rate levels and close follow-ups brought down losses in the retail market. In the corporate market, cost reductions and consolidation by companies also helped reduce losses in the first quarter of 2004 compared with the year-earlier period. Rising salmon prices improved the situation in the fish-farming industry in 2004, though further consolidation is required in the industry.

Credit quality in the loan portfolio was maintained at roughly the same level as at the end of 2003. Thus, the only change in unspecified loan-loss provisions in the banking group's balance sheet in the first quarter of 2004 referred to the sale of Elcon Finans.

Taxes

The banking group's tax charge for the first quarter of 2004 was NOK 580 million. On 26 March 2004, the Norwegian government presented a draft tax reform, including a proposal regarding tax exemption for companies' returns on investments in limited companies in the form of capital gains and dividends. It has been proposed that the changes in capital gains tax be implemented as of 26 March 2004. This means that gains on the sale of shares in Elcon Finans could be exempt from tax, which would bring down DnB NOR Bank's tax charge by around NOK 300 million. The proposal has not been taken into account in the first quarter of 2004.

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.

Sale of Elcon Finans

In the first quarter of 2004, DnB NOR Bank ASA entered into an agreement with Santander Consumer Finance on the sale of Elcon Finans AS for a total of around NOK 3 600 million. The sale provided a gain of NOK 977 million recorded in the first-quarter accounts. In addition, income and expenses in Elcon Finans for the January through March period were reflected in the banking group accounts. Elcon Finans generated first-quarter net profits of NOK 75 million.

The sale of Elcon Finans satisfies one of the major requirements set out by the Norwegian Competition Authority in its approval of the DnB NOR merger. The transaction is subject to regulatory approvals in Norway and Spain. As a result of a lower risk-weighted volume after the sale of Elcon Finans, the banking group's core capital ratio rose by approximately 0.3 percentage points.

DnB NOR Bank will continue to offer customers leading solutions in the factoring and leasing markets through DnB NOR Finans.

Restructuring

Restructuring provisions relating to the merger between DnB and Gjensidige NOR total NOK 1 860 million for the Group, which is in line with the estimates used in the merger prospectus. Half of this was included in the cost price for the shares in Gjensidige NOR ASA, and the provisions were made on the date of the merger. Of the remaining NOK 930 million, NOK 805 million was charged to the banking group's accounts for the first quarter of 2004 after consideration by the Board of Directors in March. Around 50 per cent of total restructuring provisions relates to the scheduled staff cuts of 1 630 full-time positions in the Group, to be implemented in close cooperation with the Group's employee representatives. The rest of the provisions largely cover the integration of IT systems and the moving of 53 bank branches into joint premises decided on in April 2004.

Change in bank guarantee scheme

The Ministry of Finance has proposed combining the Savings and Commercial Banks' Guarantee Funds, along with a downward adjustment in required annual fee payments. According to the pro-

posal, savings banks will be exempt from fee payments for a period of three years. In addition, the proposal includes exemption from payment of fees on deposits over NOK 2 million, which are not covered by the deposit guarantee.

For 2003, DnB NOR Bank ASA paid around NOK 500 million in guarantee fund fees. If the new regulations are approved, the fee for 2004 will be reduced to around NOK 275 million.

Balance sheet and assets under management

At end-March 2004, total assets in the banking group's balance sheet were NOK 721 billion.

Net lending rose by NOK 14.1 billion in the January through March period after the sale of Elcon Finans. Bank deposits rose from NOK 334 billion to NOK 344 billion. The ratio of deposits to lending was around 62 per cent in both 2003 and 2004.

Risk and capital adequacy

Credit risk, measured as the risk-adjusted capital required for credit activity, declined by around 5 per cent during the first quarter through the sale of Elcon Finans. This was partly offset by continued brisk growth in housing loans. There was a positive trend in loan losses and non-performing commitments in the quarter, and developments both internationally and in Norway seem to confirm a general improvement in the economic climate. Credit quality is stable and normalised losses are estimated at 0.31 per cent of net lending to customers, the same as the year-end figure.

Risk-weighted volume included in the calculation of the formal capital adequacy requirement totalled NOK 522 billion at end-March. The NOK 5 billion reduction during the quarter can be ascribed to the sale of Elcon Finans.

The banking group's core capital ratio was 7.2 per cent, while the capital adequacy ratio was 10.5 per cent at end-March 2004. Including 50 per cent of profits in the calculations would raise the ratios to 7.3 and 10.6 per cent respectively.

DnB NOR Bank ASA had a core capital ratio of 7.5 per cent and a capital adequacy ratio of 10.9 per cent at end-March 2004. Including 50 per cent of profits in the calculations would raise the ratios to 7.7 and 11.1 per cent respectively.

Oslo, 5 May 2004

The Board of Directors of DnB NOR Bank ASA

Olav Hytta
(chairman)

Bent Pedersen
(vice-chairman)

Sten Sture Larre

Per Hoffmann

Torill Rambjør

Ingjerd Skjeldrum

Marit Wiig

Svein Aaser

Profit and loss accounts

	DnB NOR Bank Group		
	1st quarter	Pro forma	Pro forma
<i>Amounts in NOK million</i>	2004	1st quarter	full year
		2003	2003
Interest income	7 533	11 335	38 733
Interest expenses	4 155	7 759	24 710
Net interest income and credit commissions	3 378	3 576	14 023
Dividends	13	31	211
Commissions and fees receivable	1 452	1 319	5 705
Commissions and fees payable	518	465	1 994
Net gain on foreign exchange and financial instruments	460	339	1 836
Sundry ordinary operating income	447	299	1 255
Gains on the sale of fixed assets (note 2)	979	2	23
Net other operating income	2 833	1 525	7 037
Salaries and other ordinary personnel expenses	1 564	1 520	6 267
Administrative expenses	959	966	3 864
Depreciation	245	255	1 013
Sundry ordinary operating expenses	369	344	1 353
Other expenses	806	27	217
Total operating expenses	3 942	3 113	12 715
Pre-tax operating profit before losses	2 269	1 988	8 344
Net losses on loans etc. (note 3)	135	449	1 891
Net gain/(loss) on long-term securities	15	(1)	224
Pre-tax operating profit	2 148	1 538	6 677
Taxes	580	424	1 715
Profit for the period	1 568	1 115	4 963
Earnings per share	9.24	6.57	29.26
Average total assets	723 007	687 729	693 389

Balance sheets

	DnB NOR Bank Group		
	31 March	Pro forma	Pro forma
<i>Amounts in NOK million</i>	2004	31 Dec.	31 March
		2003	2003
Assets			
Cash and deposits with central banks	3 242	8 565	31 328
Lending to and deposits with credit institutions	60 139	28 060	30 603
Gross lending to customers (note 4)	560 225	573 973	543 664
- Specified loan-loss provisions	(4 066)	(4 329)	(4 619)
- Unspecified loan-loss provisions	(3 534)	(3 714)	(3 718)
Net lending to customers (note 4)	552 625	565 929	535 328
Reposessed assets	460	576	848
Commercial paper and bonds	60 147	59 677	52 423
Shareholdings etc.	3 928	3 905	4 825
Investments in associated companies	1 408	1 384	1 299
Intangible assets	3 493	3 294	4 143
Fixed assets	4 346	4 454	4 697
Other assets	24 906	23 618	17 972
Prepayments and accrued income	5 911	5 484	5 773
Total assets	720 603	704 946	689 239
Liabilities and equity			
Loans and deposits from credit institutions	75 520	78 508	92 911
Deposits from customers	344 010	337 807	334 018
Securities issued	192 386	181 949	165 546
Other liabilities	36 788	37 820	24 890
Accrued expenses and prepaid revenues	6 722	5 999	7 476
Provisions for commitments	2 680	2 570	2 637
Subordinated loan capital	24 283	23 709	24 128
Share capital	16 964	16 964	16 964
Share premium reserve	8 461	8 461	8 461
Equity reserves	11 221	11 158	11 093
Profit for the period	1 568	-	1 115
Total liabilities and equity	720 603	704 946	689 239
Guarantee commitments	53 238	51 306	52 022

Profit and loss accounts

	DnB NOR Bank ASA		
	1st quarter	Pro forma	Pro forma
<i>Amounts in NOK million</i>	2004	1st quarter	full year
		2003	2003
Interest income	6 646	10 026	34 065
Interest expenses	3 881	7 133	22 870
Net interest income and credit commissions	2 765	2 893	11 196
Dividends	105	30	1 354
Commissions and fees receivable	1 343	1 106	4 833
Commissions and fees payable	458	414	1 834
Net gain on foreign exchange and financial instruments	508	316	1 750
Sundry ordinary operating income	171	92	345
Gains on the sale of fixed assets	0	1	9
Net other operating income	1 668	1 131	6 457
Salaries and other ordinary personnel expenses	1 278	1 211	4 881
Administrative expenses	848	825	3 364
Depreciation	160	162	634
Sundry ordinary operating expenses	318	268	1 081
Other expenses	780	9	183
Total operating expenses	3 384	2 475	10 142
Pre-tax operating profit before losses	1 049	1 550	7 511
Net losses on loans etc. (note 3)	82	392	1 376
Net gain/(loss) on long-term securities (note 2)	1 307	0	198
Pre-tax operating profit	2 274	1 158	6 333
Taxes	614	313	1 473
Profit for the period	1 660	845	4 860
Earnings per share	9.78	4.98	28.65
Average total assets	695 922	638 800	664 365

Balance sheets

	DnB NOR Bank ASA		
	31 March	Pro forma	Pro forma
<i>Amounts in NOK million</i>	2004	31 Dec.	31 March
		2003	2003
Assets			
Cash and deposits with central banks	2 651	8 223	30 916
Lending to and deposits with credit institutions	96 498	92 523	80 541
Gross lending to customers (note 4)	494 235	476 283	447 000
- Specified loan-loss provisions	(3 180)	(3 181)	(2 707)
- Unspecified loan-loss provisions	(3 230)	(3 147)	(3 153)
Net lending to customers (note 4)	487 825	469 955	441 139
Repossessed assets	307	310	232
Commercial paper and bonds	61 768	61 289	53 086
Shareholdings etc.	3 360	3 270	3 880
Investments in associated companies	621	633	546
Investments in subsidiaries	6 324	8 911	8 095
Intangible assets	2 949	2 304	2 444
Fixed assets	2 531	2 585	2 723
Other assets	26 012	24 269	17 298
Prepayments and accrued income	5 216	4 663	4 962
Total assets	696 059	678 936	645 864
Liabilities and equity			
Loans and deposits from credit institutions	72 023	76 530	80 974
Deposits from customers	337 170	330 597	324 963
Securities issued	182 462	170 935	150 593
Other liabilities	36 817	36 884	22 588
Accrued expenses and prepaid revenues	6 197	5 142	6 484
Provisions for commitments	2 426	2 320	2 390
Subordinated loan capital	23 527	22 957	23 379
Share capital	16 964	16 964	16 964
Share premium reserve	7 745	7 745	7 745
Equity reserves	9 067	8 863	8 938
Profit for the period	1 660	-	845
Total liabilities and equity	696 059	678 936	645 864
Guarantee commitments	51 915	50 459	50 226

Note 1 – Accounting principles

The quarterly accounts are based on Norwegian accounting legislation, the accounting regulations issued by Kredittilsynet (the Financial Supervisory Authority of Norway) and Norwegian generally accepted accounting principles. A more detailed description of the bank's accounting principles can be found in the annual reports for 2003.

Note 2 – Changes in group structure

Sale of Elcon Finans AS

One of the requirements set by the Norwegian Competition Authority in connection with the merger between DnB Holding ASA and Gjensidige NOR ASA was the sale of Elcon Finans AS. On 30 March 2004, DnB NOR Bank ASA entered into an agreement with Santander Consumer Finance for the sale of Elcon Finans. Because the risk relating to Elcon Finans as well as control of the company were, for the most part, taken over by the buyer during the first quarter of 2004, the transaction was reflected in the accounts for the period. The sales price totalled NOK 3 440 million. In addition, the banking group received profits generated by Elcon Finans during the first three months of 2004, which was consolidated in the first-quarter accounts. Additional profits generated by the company up till the transaction is completed will be recorded as an adjustment to the gain on the sale. The transaction is expected to be finalised by the end of June 2004. Capital gains recorded in the first quarter were NOK 977 million and NOK 1 307 million respectively for the DnB NOR Bank Group and DnB NOR Bank ASA. In calculating the gain for the DnB NOR Bank Group, the cost price was increased by NOK 159 million, which represents the remaining share of goodwill allocated to Elcon Finans in connection with the DnB NOR merger. Elcon Finans is not consolidated in the banking group's balance sheet as at 31 March 2004. See below for profit and loss and balance sheet items in operations required sold in connection with the merger. The Norwegian government's draft tax reform presented on 26 March 2004 proposes tax exemption for companies' income from shares, including capital gains on the sale of shares. As the new rules have not yet been approved, they have not been used in the above calculation. If DnB NOR Bank had taken the proposed amendments into consideration when accounting for the sale of Elcon Finans, payable taxes would have been brought down by around NOK 300 million.

Operations required sold in connection with the merger – discontinuing operations

In addition to the requirement to sell Elcon Finans AS, as mentioned above, DnB NOR Bank Group was required to sell among other Postbanken Eiendomsmegling AS. In the accounts for the merged entity, operations in the companies required to be sold are included. To facilitate analysis of operations in the banking group after the planned sales, separate accounts for these companies have been prepared.

Operations in these companies will, in accordance with the Ministry of Finance's regulations for the annual accounts of banks etc., Section 2-5, second paragraph, 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 as they are included in the DnB NOR Bank Group's accounts are shown below. Operations in the 53 branch offices DnB NOR Bank Group was required to sell are included in the accounts as the sale refers only to premises and equipment.

Note 2 – New group structure (continued)

Profit and loss accounts	DnB NOR Bank Group		
	Discontinuing operations ¹⁾		
	1st quarter 2004	Pro forma 1st quarter 2003	Pro forma full year 2003
<i>Amounts in NOK million</i>			
Net interest income and credit commissions	250	186	923
Commissions and fees receivable	17	17	70
Commissions and fees payable	25	6	49
Net gain/(loss) on foreign exchange and financial instruments	(1)	8	6
Sundry ordinary operating income	26	19	89
Gains on the sale of fixed assets	977	0	0
Net other operating income	993	38	116
Salaries and other ordinary personnel expenses	75	70	287
Administrative expenses	28	21	109
Depreciation	6	5	20
Sundry ordinary operating expenses	19	18	75
Other expenses	0	0	0
Total operating expenses	128	114	491
Pre-tax operating profit before losses	1 115	110	547
Net losses on loans etc.	23	37	173
Pre-tax operating profit	1 092	73	375
Taxes	329	28	109
Profit for the period	763	45	266
Balance sheets			
	Discontinuing operations ¹⁾		
	31 March 2004	31 Dec. 2003	Pro forma 31 March 2003
<i>Amounts in NOK million</i>			
Assets			
Cash and deposits with central banks	0	0	0
Lending to and deposits with credit institutions	28 714	312	233
Gross lending to customers	0	27 669	24 359
- Specified loan-loss provisions	0	(113)	(74)
- Unspecified loan-loss provisions	0	(180)	(181)
Net lending to customers	0	27 376	24 104
Reposessed assets	0	134	284
Shareholdings etc.	0	6	1
Intangible assets	11	146	318
Fixed assets	2	22	17
Other assets	88	296	71
Prepayments and accrued income	0	114	66
Total assets	28 815	28 406	25 094
Liabilities and equity			
Loans and deposits from credit institutions	27 515	24 507	21 385
Deposits from customers	500	283	379
Other liabilities	4	771	730
Accrued expenses and prepaid revenues	0	174	165
Provisions for commitments	2	20	18
Subordinated loan capital	0	350	350
Total liabilities	28 021	26 105	23 027
Share capital	20	1 915	1 640
Equity reserves	11	386	382
Profit for the period	763	-	45
Total equity	794	2 301	2 067
Total liabilities and equity	28 815	28 406	25 094

1) Includes the accounts of Elcon Finans and Postbanken Eiendomsmegling as included in the accounts of the DnB NOR Bank Group in addition to capital gains recorded due to sale of Elcon Finans. As of 31 March Elcon Finans is no longer consolidated.

Note 3 – Net losses on loans, guarantees etc.

	DnB NOR Bank Group		
	1st quarter 2004	Pro forma 1st quarter 2003	Pro forma full year 2003
<i>Amounts in NOK million</i>			
Specification of net losses/(reversals)			
Write-offs ^{a)}	216	303	725
Increase in specified loan-loss provisions ^{b)}	152	72	288
New specified loan-loss provisions ^{c)}	228	244	1 657
Total new specified provisions	595	619	2 671
Reassessed specified provisions ^{d)}	398	116	509
Total specified provisions	198	502	2 162
Recoveries on commitments previously written off ^{e)}	62	66	276
Increase in unspecified provisions of the period ^{f)}	0	12	5
Net losses on loans, guarantees etc. ^{*)}	135	449	1 891
Specification of changes			
Increase in/(reversals on) specified provisions ^{b) and c) minus d) and g)}	(157)	(4)	773
+ Increase in unspecified provisions of the period ^{f)}	0	12	5
+ Write-offs covered by specified provisions made in previous years ^{g)}	138	204	664
+ Write-offs not covered by specified provisions made in previous years ^{a)}	216	303	725
- Recoveries on commitments previously written off ^{e)}	62	66	276
Net losses on loans, guarantees etc. ^{*)}	135	449	1 891
^{*)} Of which net losses/(reversals) on guarantees	(3)	(8)	(7)
a)-g) Show connection between the items			

	DnB NOR Bank ASA		
	1st quarter 2004	Pro forma 1st quarter 2003	Pro forma full year 2003
<i>Amounts in NOK million</i>			
Specification of net losses/(reversals)			
Write-offs ^{a)}	201	281	544
Increase in specified loan-loss provisions ^{b)}	114	67	116
New specified loan-loss provisions ^{c)}	160	179	1 204
Total new specified provisions	474	527	1 864
Reassessed specified provisions ^{d)}	343	101	306
Total specified provisions	131	426	1 558
Recoveries on commitments previously written off ^{e)}	49	43	183
Increase in unspecified provisions of the period ^{f)}	0	10	0
Net losses on loans, guarantees etc. ^{*)}	82	392	1 376
Specification of changes			
Increase in/(reversals on) specified provisions ^{b) and c) minus d) and g)}	(146)	14	450
+ Increase in unspecified provisions of the period ^{f)}	0	10	0
+ Write-offs covered by specified provisions made in previous years ^{g)}	77	130	565
+ Write-offs not covered by specified provisions made in previous years ^{a)}	201	281	543
- Recoveries on commitments previously written off ^{e)}	49	43	183
Net losses on loans, guarantees etc. ^{*)}	82	392	1 376
^{*)} Of which net losses/(reversals) on guarantees	(3)	(9)	(13)
a)-g) Show connections between the items			

Note 4 – Non-performing and doubtful commitments

DnB NOR Bank Group				DnB NOR Bank ASA		
Pro forma 31 March 2003	Pro forma 31 Dec. 2003	31 March 2004		31 March 2004	Pro forma 31 Dec. 2003	Pro forma 31 March 2003
<i>Amounts in NOK million</i>						
Non-performing commitments						
9 975	10 053	9 604	Before specified provisions	7 306	7 519	5 156
6 133	6 531	6 293	After specified provisions	4 580	4 713	3 236
Doubtful commitments ¹⁾						
4 569	2 802	2 964	Before specified provisions	1 988	1 217	1 955
2 947	1 870	2 092	After specified provisions	1 423	724	1 072

1) The growth in doubtful commitments in DnB NOR Bank ASA in the first quarter of 2004 includes NOK 378 million in such commitments taken over from Elcon Finans.

Note 5 – Capital adequacy

DnB NOR Bank Group				DnB NOR Bank ASA		
Pro forma 31 March 2003	Pro forma 31 Dec. 2003	31 March 2004		31 March 2004	Pro forma 31 Dec. 2003	Pro forma 31 March 2003
<i>Amounts in NOK million</i>						
16 964	16 964	16 964	Share capital	16 964	16 964	16 964
19 554	19 619	19 683	Other equity	16 812	16 608	16 683
36 518	36 584	36 647	Total equity	33 776	33 572	33 647
5 552	5 476	5 611	Perpetual subordinated loan capital securities ^{1) 2)}	5 229	5 195	5 397
(687)	(1 034)	(1 229)	Reductions			
(3 311)	(2 513)	(2 255)	Pension funds above pension commitments	(1 187)	(969)	(640)
(950)	(574)	(1 096)	Goodwill	(1 559)	(1 472)	(1 595)
(241)	(247)	(182)	Deferred tax assets	(1 219)	(658)	(673)
			Other intangible assets etc.	(171)	(174)	(176)
36 811	37 690	37 496	Core capital	34 869	35 494	35 960
7 280	6 153	7 249	Perpetual subordinated loan capital ^{1) 2)}	6 676	6 053	7 245
11 642	11 473	12 194	Term subordinated loan capital ²⁾	11 623	10 431	10 394
943	0	0	Subordinated loan capital not eligible ³⁾	0	0	943
17 979	17 626	19 443	Net supplementary capital	18 299	16 484	16 696
1 902	2 171	2 276	Deductions	2 178	2 073	1 875
52 958	53 147	54 663	Total eligible primary capital ⁴⁾	50 990	49 906	50 781
529 355	527 256	522 332	Total risk-weighted volume	466 051	445 523	424 724
7.0	7.1	7.2	Core capital ratio (per cent)	7.5	8.0	8.5
10.0	10.1	10.5	Capital ratio (per cent)	10.9	11.2	12.0
Including 50 per cent of profit for the period:						
7.1	-	7.3	Core capital ratio (per cent)	7.7	-	8.6
10.1	-	10.6	Capital ratio (per cent)	11.1	-	12.1

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

2) Calculations of capital adequacy include a total of NOK 771 million in subordinated loan capital in associated companies, in addition to subordinated loan capital in the banking group's balance sheet.

3) Includes deductions for subordinated loans not approved as supplementary capital. Term subordinated loan capital is reduced proportionally by 20 percentage points per year over the final five years prior to maturity.

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

Note 6 – Profit and balance sheet trends**Profit and loss accounts****DnB NOR Bank Group**

	1st quarter 2004	Pro forma 4th quarter 2003	Pro forma 3rd quarter 2003	Pro forma 2nd quarter 2003	Pro forma 1st quarter 2003
<i>Amounts in NOK million</i>					
Net interest income and credit commissions	3 378	3 344	3 561	3 541	3 576
Dividends	13	48	26	106	31
Commissions and fees receivable	1 452	1 579	1 447	1 361	1 319
Commissions and fees payable	518	552	501	476	465
Net gain on foreign exchange and financial instruments	460	489	493	516	339
Sundry ordinary operating income	447	316	314	326	299
Gains on the sale of fixed assets	979	13	7	2	2
Net other operating income	2 833	1 893	1 786	1 833	1 525
Salaries and other ordinary personnel expenses	1 564	1 685	1 556	1 506	1 520
Administrative expenses	959	987	915	996	966
Depreciation	245	257	249	252	255
Sundry ordinary operating expenses	369	324	339	347	344
Other expenses	806	126	35	29	27
Total operating expenses	3 942	3 379	3 094	3 130	3 113
Pre-tax operating profit before losses	2 269	1 859	2 253	2 245	1 988
Net losses on loans etc.	135	276	356	811	449
Net gain/(loss) on long-term securities	15	195	(3)	33	(1)
Pre-tax operating profit	2 148	1 777	1 895	1 467	1 538
Taxes	580	560	517	214	424
Profit for the period	1 568	1 217	1 377	1 253	1 115
Earnings per share	9.24	7.17	8.12	7.39	6.57
Average total assets	723 007	685 166	708 854	691 807	687 729

Balance sheets**DnB NOR Bank Group**

	31 March 2004	Pro forma 31 Dec. 2003	Pro forma 30 Sept. 2003	Pro forma 30 June 2003	Pro forma 31 March 2003
<i>Amounts in NOK million</i>					
Assets					
Cash and deposits with central banks	3 242	8 565	17 100	12 373	31 328
Lending to and deposits with credit institutions	60 139	28 060	31 546	36 402	30 603
Net lending to customers	552 625	565 929	553 248	547 595	535 328
Reposessed assets	460	576	873	580	848
Commercial paper and bonds	60 147	59 677	60 140	57 165	52 423
Shareholdings etc.	3 928	3 905	4 558	4 454	4 825
Investments in associated companies	1 408	1 384	1 397	1 403	1 299
Other assets	38 656	36 850	34 975	34 039	32 585
Total assets	720 603	704 946	703 837	694 012	689 239
Liabilities and equity					
Loans and deposits from credit institutions	75 520	78 508	82 462	91 554	92 911
Deposits from customers	344 010	337 807	335 038	340 794	344 018
Securities issued	192 386	181 949	175 920	164 611	165 546
Other liabilities	46 190	46 388	46 150	34 661	35 003
Subordinated loan capital	24 283	23 709	23 989	23 463	24 128
Equity	38 215	36 584	40 278	38 929	37 633
Total liabilities and equity	720 603	704 946	703 837	694 012	689 239

Note 6 – Profit and balance sheet trends (continued)**Profit and loss accounts**

	DnB NOR Bank ASA				
	1st quarter 2004	Pro forma 4th quarter 2003	Pro forma 3rd quarter 2003	Pro forma 2nd quarter 2003	Pro forma 1st quarter 2003
<i>Amounts in NOK million</i>					
Net interest income and credit commissions	2 765	2 604	2 823	2 875	2 893
Dividends	105	1 228	27	68	30
Commissions and fees receivable	1 343	1 386	1 198	1 143	1 106
Commissions and fees payable	458	556	437	428	414
Net gain on foreign exchange and financial instruments	508	461	475	497	316
Sundry ordinary operating income	171	110	67	76	92
Gains on the sale of fixed assets	0	1	6	1	1
Net other operating income	1 668	2 630	1 337	1 358	1 131
Salaries and other ordinary personnel expenses	1 278	1 244	1 220	1 205	1 211
Administrative expenses	848	881	785	872	825
Depreciation	160	159	156	158	162
Sundry ordinary operating expenses	318	267	277	269	268
Other expenses	780	113	34	27	9
Total operating expenses	3 384	2 663	2 472	2 531	2 475
Pre-tax operating profit before losses	1 049	2 571	1 688	1 702	1 550
Net losses on loans etc.	82	109	215	660	392
Net gain/(loss) on long-term securities	1 307	201	(3)	(1)	0
Pre-tax operating profit	2 274	2 663	1 470	1 041	1 158
Taxes	614	664	400	96	313
Profit for the period	1 660	1 999	1 070	946	845
Earnings per share	9.78	11.78	6.31	5.58	4.98
Average total assets	695 922	675 556	681 565	661 537	638 800

Balance sheets

	DnB NOR Bank ASA				
	31 March 2004	Pro forma 31 Dec. 2003	Pro forma 30 Sept. 2003	Pro forma 30 June 2003	Pro forma 31 March 2003
<i>Amounts in NOK million</i>					
Assets					
Cash and deposits with central banks	2 651	8 223	16 737	11 844	30 916
Lending to and deposits with credit institutions	96 498	92 523	95 611	98 772	80 541
Net lending to customers	487 825	469 955	459 480	454 983	441 139
Reposessed assets	307	310	438	227	232
Commercial paper and bonds	61 768	61 289	61 709	58 552	53 086
Shareholdings etc.	3 360	3 270	3 887	3 824	3 880
Investments in associated companies	621	633	595	595	546
Investments in subsidiaries	6 324	8 911	8 253	8 259	8 095
Other assets	36 707	33 822	29 840	27 744	27 427
Total assets	696 059	678 936	676 552	664 801	645 864
Liabilities and equity					
Loans and deposits from credit institutions	72 023	76 530	79 859	88 932	80 974
Deposits from customers	337 170	330 597	327 457	332 566	324 963
Securities issued	182 462	170 935	164 777	150 963	150 593
Other liabilities	45 440	44 346	44 724	34 192	31 463
Subordinated loan capital	23 527	22 957	23 238	22 712	23 379
Equity	35 436	33 572	36 496	35 436	34 492
Total liabilities and equity	696 059	678 936	676 552	664 801	645 864

