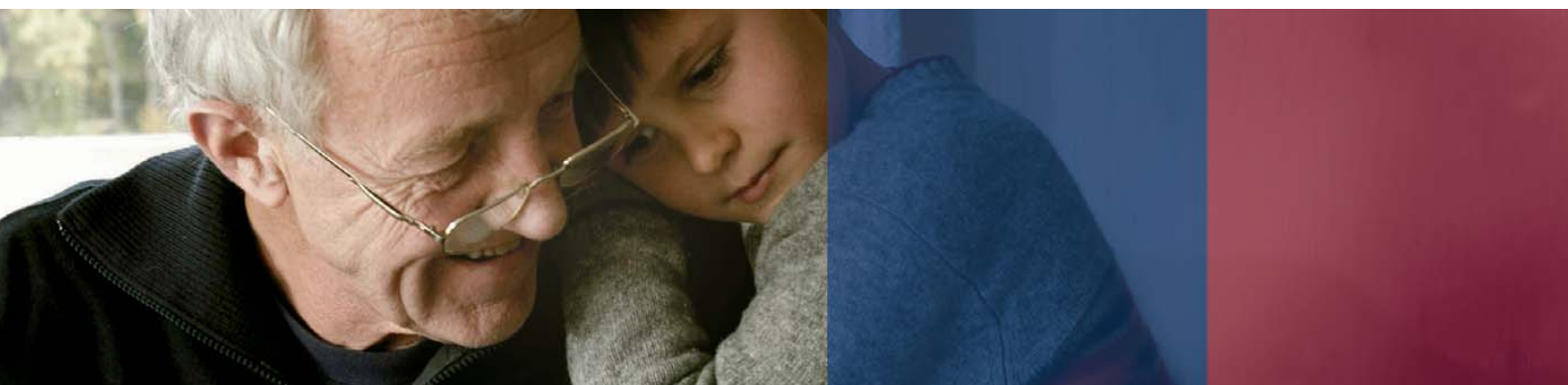


Annual Report 2003



Den norske Bank ASA
Gjensidige NOR Sparebank ASA
DnB NOR Bank ASA (pro forma)

This is DnB NOR

DnB NOR ASA is Norway's largest financial services group, with combined total assets of around NOK 1 200 billion. The Group has more than 2 million retail customers, around 150 000 corporate customers and more than 700 000 life insurance customers. DnB NOR's operations are based on more than 180 years' experience as a supplier of financial services in Norway.

Goals

DnB NOR aims to be the leading financial services group in Norway and among the leading financial services groups in the Nordic region.

DnB NOR's overriding financial targets include creating shareholder value through an attractive and competitive return and distributing approximately 50 per cent of profits as dividends provided that capital adequacy remains at a satisfactory level. Moreover, the Group aims to have a return on equity in excess of 14 per cent before goodwill amortisation, a core capital ratio of around 7 per cent and an AA level rating for ordinary long-term debt for banking operations.

Strategy

DnB NOR will create value for shareholders, customers, employees and other stakeholders by realising identified synergies, creating new solutions in the merged group and exploiting the opportunity for strategic repositioning provided by the merger.

DnB NOR will be the best financial partner for Norwegian retail and corporate customers and the preferred partner in Norway for international customers. The Group will develop its customer base and attractive

product platforms in the home market which can also serve as a basis for growth in a Nordic and international perspective. In addition, DnB NOR will maintain a leading position in all strategic product areas.

Market leader

DnB NOR is market leader in Norway within lending, deposits, life and pension insurance, equity funds, asset management and securities operations. The Group has a leading position in Norway within real estate broking and the provision of credit cards. DnB NOR is an important partner for Norwegian businesses abroad and large international companies in Norway. The Group is Norway's leading foreign exchange bank and one of the world's foremost shipping banks. Among the strong brands included in the Group are DnB NOR, Vital, Nordlandsbanken, Cresco, Postbanken, Avanse and Carlson.

Represented throughout Norway – and abroad

After the completion of the merger in the course of 2004, DnB NOR will have 215 bank branches. The Group has a long-term cooperation agreement with Gjensidige NOR Forsikring, which among other things

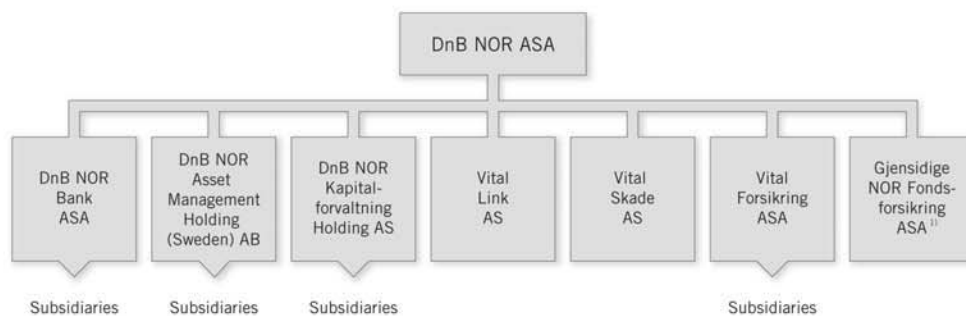
enables the bank to offer customers simple non-life insurance products. Cooperation with 16 regional savings banks involves the provision of technological solutions and distribution of the Group's products.

Through an agreement with Norway Post, the Group's products and services are distributed through around 300 post offices, some 1 200 in-store postal outlets and more than 2 000 rural postmen. In addition, DnB NOR has an international network of 13 branches and representative offices, along with subsidiaries in Sweden, Luxembourg, Great Britain, Singapore and the US.

Legal structure

DnB NOR ASA was established on 4 December 2003 through the merger of DnB Holding ASA and Gjensidige NOR ASA. Den norske Bank ASA and Union Bank of Norway ASA merged on 19 January 2004, and Vital Forsikring ASA and Gjensidige NOR Spareforsikring ASA merged on 9 March 2004. A number of other group subsidiaries will merge during the course of 2004. Some companies will be sold.

The chart below illustrates the legal structure of the Group at end-March 2004.



1) To be sold

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Directors' report 2003 – Den norske 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.

The bank has been granted exemption by the Banking, Insurance and Securities Commission from the requirement to prepare consolidated accounts for the bank and its subsidiaries. The bank and its subsidiaries are consolidated in the group accounts of the parent company DnB NOR ASA. All figures in the Directors' report thus refer to the accounts of Den norske Bank ASA, unless special reference is made to other units within the Group.

The establishment of DnB NOR Bank ASA

At Extraordinary General Meetings on 19 May, shareholders in DnB Holding ASA and Gjensidige NOR ASA approved the merger. Following close dialogue with the authorities, DnB Holding ASA and Gjensidige NOR ASA were granted a concession by the Ministry of Finance to merge and establish the financial services group DnB NOR ASA. The two holding companies Gjensidige NOR ASA and DnB Holding ASA merged on 4 December 2003.

In September 2003, Extraordinary General Meetings in Den norske Bank ASA and Gjensidige NOR Sparebank ASA approved the merger plan between the two banks. The two banks merged on 19 January 2004, with Gjensidige NOR Sparebank ASA as the acquiring company. The name of the merged bank is DnB NOR Bank ASA.

In connection with the processing of the concession, the Norwegian authorities stipulated a number of conditions, including the sale of some subsidiaries and holdings. Thus, Den norske Bank's subsidiaries Aktiv Eiendomsmegling and Postbanken Eiendomsmegling are required to be sold and the bank's investment in Storebrand reduced. In addition, the Norwegian Competition Authority demanded that competitors be given the opportunity to take over the premises of bank branches and business centres scheduled to be closed.

A process is under way to merge the Commercial Banks' Guarantee Fund and the Savings Banks' Guarantee Fund. In its approval of the DnB NOR merger, given on 19 December 2003, the Ministry of Finance stipulated certain conditions for approving the merger of the two banks, Den norske Bank ASA and Gjensidige NOR Sparebank ASA, prior to the combination of

the Guarantee Funds.

One of the conditions was that the Commercial Banks' Guarantee Fund be required to issue a guarantee to the Savings Banks' Guarantee Fund. In addition, Den norske Bank would have to issue a guarantee to the Savings Banks' Guarantee Fund corresponding to the increase in the Fund's liabilities resulting from the merger between the two banks. These conditions have been met, and the bank merger was implemented on 19 January 2004.

The merger of the two banks will ensure significant synergies and a basis for profitable growth. The practical implementation of the merger will take time and will include job assignments, integration of IT systems and coordination of products, services, systems and routines. The market will thus not see a fully integrated DnB NOR Bank until 2005. The Board emphasises the significance of giving proper attention to customer needs throughout this period to make sure that customers also see the merger in a positive light. Throughout the merger process, the two banks operated as competitors.

Strategy

Den norske Bank was the main unit in the DnB Group. The bank's strategy was thus closely coordinated with the Group's overall strategy. In future, the strategy of DnB NOR Bank must be viewed in light of the strategy for the DnB NOR Group.

DnB NOR is Norway's leading financial services group, and the Group's strong position among customers in Norway represents a foundation for future operations. At the same time, the Group's resources and size will enable it to expand outside Norway in areas where experience and competence gained from

operations in Norway ensure competitive clout in a Nordic and international perspective. During the period from 2004 through 2006, the DnB NOR Group will realise major cost synergies resulting from the merger. This will be given high priority.

The work on developing and strengthening customer relationships is important. A flexible and well-developed distribution system, competent advice, cross-sales, product development and decentralised decision-making authority are instrumental in this process. DnB NOR has Norway's largest customer franchise and distribution network. The Group also offers all types of financial products and solutions. This provides a platform for becoming the market participant that best satisfies overall customer needs.

The Group will further develop a Nordic strategy within areas where it has competitive advantages based on, among other things, customer relations, product competence and industry expertise. The Group currently has a strong position within asset management in the Nordic region. The international strategy will also be further developed. The Group has a leading position within international shipping, along with a global presence and strong expertise in the energy and fisheries sectors. DnB NOR aims to be the preferred partner for international customers who conduct business in Norway within securities trading, international payments and securities services.

The new group has started the process of building a common corporate culture, which will result in a joint value base, core values and management principles. This work is closely linked to the development of the DnB NOR brand as well as the Group's other brand names.

Together, these efforts form the pillars underpinning our commitment to organisational and management development. Motivated and competent managers and employees will be crucial to success in reaching group targets.

DnB NOR's financial targets aim to create shareholder value through a return on equity and increases in the share price which are competitive in a Nordic context. This can be expressed through the following targets:

- Return on equity should be in excess of 14 per cent per annum after tax but before goodwill amortisation
- The core capital ratio should be around 7 per cent.
- The banking operation's objective is an AA level rating for ordinary long-term debt

Operations in 2003

2003 was a year of brisk activity for Den norske Bank. In spite of the strong impact of merger preparations, the primary focus was on ordinary operations and business as usual in all units. Customer relationships were given highest priority. The bank achieved progress in most market segments.

The global economy faced huge challenges at the beginning of the year. The weak international trend in 2002 continued through the first quarter of 2003. Fear of war in Iraq dampened the already weak level of economic activity. Companies concentrated on consolidating their financial position, unemployment rates were climbing and pessimism was on the rise in the household sector. Following the declaration of the end of the war in Iraq in April, however, uncertainty gradually abated and was replaced by growing confidence in the future.

Lower Norwegian interest levels and reduced interest rate differentials relative to other countries led to a lower NOK exchange rate versus most other currencies. This eased the debt burden for many companies and strengthened Norwegian companies' international competitive position.

In consequence of low interest levels, demand for housing loans was high throughout 2003. Early in the year prices on residential property showed a slight decline, though prices started to pick up in May. Joblessness was also down towards the end of 2003. The earlier downward trend in prices on commercial property levelled off at the end of the year, with clear signs of improvement in price levels.

Declining interest levels in Norway and abroad presented both opportunities and challenges for Den norske Bank. The interest rate level in Norway dropped so low in 2003 that it was difficult to implement corresponding interest rate cuts on deposit accounts. As a consequence, the bank's income on deposits declined. Further, reduced interest rate levels also led to a lower direct return on equity, though this was partly offset by lower funding costs on non-interest-earning assets.

After a number of years with falling global equity prices, the trend reversed in the second quarter of 2003. This led to greater interest in

share investments and improved the earnings base for several of the business areas.

Den norske Bank recorded strong progress in the sale of services other than traditional lending and deposits in 2003, with a rise in the number of payment transactions. The increase referred to electronic transactions, while the volume of manual transactions declined. Strong fluctuations in exchange rates and interest levels during the year led to a high level of activity within trading in foreign exchange and interest rate instruments. Customers showed strong interest in currency hedging.

The improvement in the Norwegian and international economies, along with increased activity and investment willingness in the business sector, gave a noticeable reduction in the bank's losses and non-performing commitments towards the end of 2003. Den norske Bank participated actively in the restructuring of parts of the Norwegian business sector during the year, particularly within fish farming. An improved balance was achieved between production and demand for farmed salmon, which had a positive impact on prices in the last part of 2003. Overall losses in 2003 approximated the normalised level, with a downward trend towards the end of the year.

In the first quarter of 2003, Den norske Bank acquired Nordlandsbanken ASA after it encountered problems due to heavy loan losses towards the end of 2002. The takeover was more complicated than first assumed, largely because the crisis within fish farming caused greater losses than anticipated. It soon became clear that there was a need for fast integration and for adapting credit procedures in Nordlandsbanken to the bank's routines and practice. Credit expertise was transferred from Den norske Bank to Nordlandsbanken, and Nordlandsbanken's Oslo office was taken over by Den norske Bank. Following these changes Nordlandsbanken will concentrate operations around the local market in the county of Nordland.

In 2003, Den norske Bank established a subsidiary in New York which will specialise in advisory services to the US market in areas where the bank has special competence. In February 2004, a representative office was opened in Shanghai, and in April a branch will be opened in Helsinki which will primarily serve Norwegian corporate customers abroad.

The Board wishes to thank each and every employee for outstanding efforts in a hectic year.

Review of the annual accounts

Den norske Bank's profits for 2003 totalled NOK 2 791 million. Corresponding profits for 2002 totalled NOK 2 156 million. Annual profits for 2003 represented a return on equity of 13.2 per cent, as against 10.3 per cent the previous year.

Income

Income totalled NOK 10 847 million, up 6.6 per cent from NOK 10 175 million in 2002. The increase reflects a higher level of activity in the bank's business areas.

Net interest income was reduced by NOK 769 million from 2002 to 2003. Growth in lending and deposits lifted interest income by a total of NOK 409 million, while narrower customer spreads gave a reduction of NOK 213 million. This can be ascribed to the significant reduction in money market rates through 2003 and pressure on deposit margins. On average, interest spreads narrowed by 0.21 percentage points from 2002 to 2003. The decline in the average USD rate also had a negative impact on net interest income in 2003 compared with 2002, corresponding to NOK 99 million. Other effects on net interest income, including a lower direct return on equity based on prevailing money market rates, along with higher net funding costs on non-performing loans, brought interest income down by a total of NOK 866 million.

Net other operating income amounted to NOK 4 265 million in 2003, an increase of NOK 1 441 million from 2002. Higher share prices gave NOK 358 million in higher gains on the bank's share investments. Trading in foreign exchange and interest rate instruments showed strong progress in 2003, mainly due to an increase in customer trading. Gains on trading in foreign exchange and interest rate derivatives rose by NOK 350 million, though the increase must be viewed in light of the NOK 260 million reduction in interest rate income on related balance sheet items.

Increased financial market activity ensured a NOK 128 million rise in income from advisory services and issue activity. Due to higher transaction volumes, income on payment transactions was up NOK 45 million.

Operating expenses

Operating expenses totalled NOK 6 681 million in 2003, an increase of NOK 106 million from 2002. The cost/income ratio, representing total costs relative to income, was 61.6 per cent in 2003, as against 64.6 per cent in 2002.

Ordinary operating expenses rose from NOK 6 357 million to NOK 6 514 million. Ordinary expenses represented 60.1 per cent of income in 2003, compared with 62.7 per cent the previous year. Stringent cost controls were implemented in the bank, while synergies relating to the merger were realised already in the 2003 accounts, partly due to the postponement of new recruitment and marketing measures.

Restructuring expenses, write-downs etc. totalled NOK 167 million in 2003, down from NOK 218 million in the previous year. This included allocations to the employee funds of NOK 62 million in 2003, compared with NOK 33 million in 2002.

Non-performing and doubtful commitments

Losses totalled NOK 937 million in 2003, compared with NOK 594 million in 2002. The increase from 2002 was due to a rise in new losses, especially on repossessed commitments in the fisheries, building and construction, services and manufacturing industries. Den norske Bank was actively involved in the refinancing and

restructuring of commitments in the fisheries industry in 2003.

Non-performing and doubtful commitments in the retail market increased by NOK 30 million during 2003. In the corporate market, there was an increase in non-performing and doubtful commitments in the fisheries, building and construction and services sectors, while volumes were scaled back in most other industries. Extensive efforts were devoted to securing values in connection with loss-exposed commitments. Non-performing, doubtful and repossessed commitments increased by a total of NOK 1 045 million in 2003. Unspecified loan-loss provisions remained unchanged in 2003.

Long-term investments in securities

Net gains on long-term investments in securities were NOK 394 million in 2003, compared with a net loss of NOK 85 million recorded in 2002. The investment in Storebrand was written down by NOK 468 million in 2002 and further reduced in 2003. In line with the concession terms set by Kredittilsynet, Den norske Bank has sold more Storebrand shares in 2004. At year-end 2003, the book value of the remaining investment was NOK 43.30 per share, which approximated the market price. The share price development for Storebrand through 2003 along with the sale of shares ensured sales gains and reversals on previous write-downs totalling NOK 209 million.

In April 2003, Den norske Bank purchased around 5.2 million Gjensidige NOR shares. The bank sold the shares in June and recorded gains of NOK 157 million.

Taxes

Den norske Bank's tax charge for 2003 totalled NOK 831 million, representing 23 per cent of pre-tax operating profits. The tax charge for 2002 was NOK 765 million or 26 per cent of pre-tax operating profits.

The main reason for the particularly low tax charge for 2003 was that the Central Tax Office for Large Companies accepted adjustments in the tax assessment for Den norske Bank for previous years, which reduced the tax charge by a total of NOK 180 million.

Den norske Bank anticipates a normalised tax level of 27 per cent of operating profits before taxes in the future.

Lending and deposits

Total lending in the bank's balance sheet was NOK 288.8 billion at the end of 2003, up from NOK 261.6 billion a year earlier. The growth in net lending was 10.4 per cent in 2003.

The combination of low credit demand and a restrictive lending policy gave a 3.5 per cent rise in lending in the corporate market in 2003. In the retail market, Den norske Bank recorded lending growth of 17.4 per cent, of which close to 80 per cent represented residential mortgages. These mortgages totalled 93 per cent of the bank's lending to the segment at the end of 2003.

Bank deposits rose from NOK 198 billion to NOK 206 billion in 2003. The ratio of deposits to lending declined from 75.9 per cent to 71.2 per

cent at the end of 2003. Low Norwegian deposit rates coupled with the stock market upturn has caused greater demand for alternative savings products at the expense of traditional bank deposits. A lower ratio of deposits to lending and the acquisition of operations increased the bank's need for alternative funding sources, and securities issued rose from NOK 75 billion to NOK 101 billion during 2003.

Risk

2003 was characterised by strong fluctuations in interest rates, exchange rates and share prices. The number of bankruptcies was the highest since 1992. Thanks to its moderate risk profile and active risk management, Den norske Bank came through the year without extraordinary losses or negative surprises. Credit losses were roughly at the normalised level, and though there were sizeable losses within certain sectors such as fish farming, other sectors, shipping for example, recorded very low losses or net reversals on previous loan-loss provisions. While industries exposed to international competition went through a difficult time in 2002 and 2003, other sectors of the Norwegian economy showed a stable trend. This was supported by government budget policy, where weaker tax revenues were offset by increased use of petroleum revenues. Norges Bank (the central bank of Norway) reduced key interest rates by as much as 4.25 percentage points in 2003, from 6.50 to 2.25 per cent. At end-December, Norwegian interest rates were at their lowest level since 1969. In the course of 2003, the Norwegian krone depreciated 15.4 per cent against the euro and 11.8 per cent against a trade-weighted currency basket. The low interest rate level and weaker Norwegian krone will have a positive impact on future competitiveness and debt servicing capacity in the corporate sector.

Housing prices climbed 1.8 per cent from 2002 to 2003, and lending growth in the retail market was brisk even before Norges Bank lowered interest rates. 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 bank.

The merger between Den norske Bank and Gjensidige NOR Sparebank has led to a further diversification in credit exposure. As the two groups had few major customers in common, large commitments constitute a markedly lower percentage of total exposure than in the former institutions. There is also less concentration in the commercial property, shipping and fisheries/fish farming sectors. The quality of the bank's credit portfolio is considered to be just as high as a year earlier, and normalised losses remain roughly unchanged at 0.31 per cent of net customer lending.

Den norske Bank has set low risk limits in interest rate and currency markets, which has ensured moderate profit fluctuations. However, volatile markets have boosted income due to customers' increasing need for interest rate and foreign exchange products. Through the year, Den norske Bank reduced its exposure in the equity market, and net equity investments in

financial institutions were down by around NOK 518 million.

During 2003, Den norske Bank recorded only minor operational losses. Much attention is given to the various types of operational risk associated with the completion of the merger. Experience gained during the merger process has been positive thus far, and planning and follow-ups have produced the intended results.

The core capital ratio of Den norske Bank at the end of 2003 was 7.4 per cent. In the opinion of the Board of Directors, the bank is adequately capitalised considering the current risk situation and relative to the bank's risk profile and rating targets.

Corporate social responsibility

With Norway's largest bank as a key entity and as an active participant in Norwegian society, the DnB NOR Group is committed to sustainable development locally, nationally and internationally. This will be achieved through a business strategy which includes the pursuit of socially responsible business practices by the DnB NOR Group with priority on ethics and social responsibility as well as environmental considerations. A policy for pursuing and highlighting corporate social responsibility in the DnB NOR Group is being drawn up.

Socially responsible performance will be a prerequisite for the long-term competitiveness and profitability of the Group, and the DnB NOR Group will focus on ethical, social and environmental issues in line with the demands of investors, customers, the authorities and employees.

Code of ethics

The DnB NOR Group is highly dependent on the confidence of the wider community in the professionalism and integrity of the Group. The Group must always act with due care, fairness and objectivity. The new code of ethics for employees and elected officers covers aspects relating to customers and suppliers, the duty of confidentiality, notification requirements, personal finances, participation and positions in business enterprises, trading in financial instruments and insider trading.

Social responsibility

DnB NOR's social responsibility is reflected in the Group's human resources policy and efforts within health, safety and environment. Furthermore, contributions are made to various cultural and social activities, research, education and Norwegian sports activities through DnB NOR's sponsorship activities. Another aspect is the development of Internet banks and electronic banking services lightens the burden on the environment by reducing the need for transportation and paper.

External environment

The environmental policy provides guidelines and action plans with respect to maintaining order in its own house and ensuring satisfactory focus on ethical and environmental issues relating to

various business activities.

Direct impact on the external environment is of little significance. The environmental policy focuses primarily on energy efficiency, reductions in the use of paper and in air travel, eco-friendly procurement as well as responsible waste treatment. Environmental certification of financial services centres and other large units is in the pipeline.

Den norske Bank has, however, a substantial indirect impact on the external environment through its business activities. In this area, environmental policy especially targets the credit activity. Guidelines for ethical and environmental risk factors are stipulated for credit activity.

Health, safety and environment

The bank has well-established routines for dealing systematically with health, safety and environment (HS&E) issues. The bank's HS&E model has ensured an annual review of physical, safety and psychosocial issues relating to the working environment. Health, safety and environment has been a priority area where importance is attached to training of managers and safety representatives along with specific preventive measures.

HS&E and working environment training in the DnB NOR Group involved a total of 79 managers and 78 safety representatives in 2003. Various forms of physical exercise during working hours were introduced in 2003 for more than 1 000 staff members. The initiatives have strengthened social bonds and had a positive impact on efforts to prevent repetitive strain injuries. In 2003, the Group carried out four emergency exercises as well as 85 courses and drills in coping with robberies and threats, in which both managers and staff were actively involved.

As part of the agreement on an inclusive working environment, the bank has approved an extension of the use of self-certified sick leave up to 24 days during a 12-month period. In addition, a new group standard procedure has been introduced for closer and more active follow-ups of persons with health problems. The goal is to reduce sickness absenteeism, which has remained at a stable level in recent years.

Absence due to illness for the DnB NOR Group averaged 4.95 per cent of total working days in 2003, compared with 4.49 per cent in 2002. A total of 13 occupational injuries were reported, with eight employees exposed to robberies. None of the employees exposed to robberies reported physical problems.

Equal rights

The DnB NOR Group has an approximate gender balance, however, women represented a total of 92.8 per cent of the 1 397 part-time employees. The number of men at senior management levels was 421, compared with 112 women. These factors are part of the reason that average salaries for women employees are lower than for men employees.

The Group has a stated goal of achieving greater diversity in its management teams.

Measures aimed at increasing the representation of women in senior executive positions were implemented in 2003, including the preparation of a list of women displaying managerial talent and women in current management positions with senior executive potential. Several women have participated in an external mentor programme run by the Administrative Research Foundation. The Group has also realised its target of increasing the number of women participants in all management training programmes to 50 per cent.

The DnB NOR Group still has a way to go before achieving the preferred gender balance at management level. The Group will work actively on initiatives and analyses relating to how women can gain greater access to executive positions. Mapping women's situation and their attitudes towards a management career is among the initiatives under review, which will be used as the basis for considering specific measures.

Future prospects

The international economy passed the trough in 2003, and there are sound prospects for economic growth in 2004. Demand for Norwegian goods and services is expected to increase, parallel to rising economic growth in Norway. The low interest rate level at the beginning of 2004 was reduced further during the first few months of the year. Household consumption growth and demand for housing rose appreciably in the second half of 2003 and is expected to continue to climb in 2004. Household credit demand was high throughout 2003, and the low interest levels can help sustain this demand in 2004. A moderate increase in interest rates is expected in the second half of the year.

Cost cuts and consolidation have helped improve profitability in the business sector. A weaker krone has also contributed to upholding the level of exports of traditional goods and manufacturing production. There is, however, still surplus capacity in several sectors, and it could take some time before the increase in demand and production has any substantial impact on employment and investments. Corporate credit demand is expected to grow somewhat. Parts of the business community will most likely still face problems in 2004, though certain sectors will reflect the upturn in the global economy. Overall, a certain rise in equity prices is expected.

A fall in oil prices is anticipated in consequence of increased production in non-OPEC countries and much higher production in Iraq. This could cause a certain decline in the NOK exchange rate. Inflation is expected to remain low throughout 2004. Tough competition from international companies in Norway and rising imports from low-cost countries will probably counteract the effects of higher inflationary trends abroad.

In 2004, the new bank, DnB NOR Bank, will focus on retaining and strengthening customer relationships in the new group by offering a full range of products at competitive terms and by making the Group's overall competence available to customers. After the merger, DnB NOR Bank

acquired a unique market position and will be able to expand its product offering to existing customers.

The low interest rate level at the beginning of 2004 presents both opportunities and challenges for the bank. Low interest rate levels will strengthen the debt servicing capacity of both households and the business sector, thus giving reason to assume that the level of loan losses and non-performance will be relatively low in 2004.

On the other hand, low interest rates represent a challenge with respect to the bank's net interest income. The direct return on equity measured against short-term money market rates has been reduced and deposit margins are under pressure. The bank's stance, however, is that low interest levels will stimulate new activity in the business community and thus gradually bring about higher inflation, which in turn will provide the impetus for higher interest levels.

The integration between the merger parties provides ample opportunities for realising synergies through the discontinuation and combination of operations. These efforts will be given high priority in 2004 and followed up closely by management and the Board of Directors. The process is on schedule and will have a significant impact on profits in 2004.

Dividends and allocation of profits

Profits for 2003 in Den norske Bank ASA came to NOK 2 791 million. The Board of Directors proposed a group contribution of NOK 2 790 million to DnB NOR ASA.

The bank's capital adequacy ratio per 31 of December 2003 is 10.9 per cent with a core capital ratio of 7.4 per cent. In the opinion of the Board of Directors, following allocations, Den norske Bank ASA will have adequate financial strength and flexibility to cover the bank's financial risk and to provide satisfactory support to operations in the subsidiaries.

The Board of Directors recommends allocating profits for the year as follows:

Amounts in NOK million

Group contribution	2 790
Transfers to other equity	1
Total allocations	2 791

At the beginning of 2003, Den norske Bank had a scheme for the allocation of shares to the employee investment fund. In accordance with defined criteria for the scheme, when finalising the accounts the Board of Directors decided to allocate the following to the employees' share investment fund:

<i>Amounts in NOK million</i>	2003	2002
DnB-ansattes Fond AS	62	33

Oslo, 19 March 2004
The Board of Directors of DnB NOR Bank ASA, as continuance from
Den norske Bank ASA

Olav Hytta
(chairman)

Bent Pedersen
(vice-chairman)

Sten Sture Larre

Per Hoffmann

Torill Rambjør

Ingjerd Skjeldrum

Marit Wiig

Svein Aaser

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Profit and loss accounts

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Amounts in NOK million	Note	2003	2002
Interest income	2, 4	19 906	23 852
Interest expenses	2, 4	13 323	16 501
Net interest income and credit commissions	2, 4	6 582	7 351
Dividends	5	716	87
Commissions and fees receivable on banking services	5	3 236	2 967
Commissions and fees payable on banking services	5	1 343	1 240
Net gain on foreign exchange and financial instruments	5, 6	1 321	612
Sundry ordinary operating income	5	327	368
Gains on the sale of fixed assets	5	8	30
Net other operating income	5	4 265	2 823
Salaries and other personnel expenses	7, 8, 9, 10	3 279	3 093
Administrative expenses	7	2 384	2 350
Depreciation	7	279	312
Sundry ordinary operating expenses	7	574	602
Other expenses	7	167	218
Total operating expenses	7	6 681	6 575
Pre-tax operating profit before losses		4 166	3 600
Net losses on loans, guarantees etc.	12, 13	937	594
Net gains/(losses) on long-term securities	14	394	(85)
Pre-tax operating profit		3 622	2 920
Taxes	15	831	765
Profit for the year		2 791	2 156
Group contribution	39	2 790	2 131
Transferred to other equity	39	1	25
Total transfers and adjustments		2 791	2 156
Earnings per share (NOK)		3.58	2.77

Balance sheets

		Den norske Bank ASA	
<i>Amounts in NOK million</i>	Note	31 Dec. 2003	31 Dec. 2002
Assets			
Cash and deposits with central banks	16	594	19 130
Lending to and deposits with credit institutions	16	49 936	39 915
Gross lending to customers	16, 18, 19, 20, 22	293 012	265 009
- Specified loan-loss provisions	21	(2 160)	(1 330)
- Unspecified loan-loss provisions	21	(2 047)	(2 047)
Net lending to customers		288 806	261 632
Reposessed assets	30	303	380
Commercial paper and bonds	16, 24	43 979	33 655
Shareholdings etc.	16, 25, 26, 27	1 828	2 320
Investments in associated companies	16, 28	238	189
Investments in subsidiaries	16, 29	4 600	2 307
Intangible assets	15, 16, 31	431	658
Fixed assets	16, 30, 32, 33	1 881	1 998
Other assets	16	23 000	16 534
Prepayments and accrued income	16	2 978	3 279
Total assets		418 575	381 996
Liabilities and equity			
Loans and deposits from credit institutions	34	45 011	49 979
Deposits from customers	34, 35	205 546	198 469
Securities issued	34, 36, 37	101 453	74 850
Other liabilities	34	29 196	24 814
Accrued expenses and prepaid revenues	34	2 652	2 209
Provisions for commitments	34	1 334	1 352
Subordinated loan capital	38	10 900	7 716
Perpetual subordinated loan capital securities	38	2 638	2 740
Total liabilities		398 730	362 129
Share capital	39	7 787	7 787
Share premium reserve	39	3 244	3 244
Other equity	39	8 815	8 837
Total equity		19 846	19 867
Total liabilities and equity		418 575	381 996
Other commitments and conditional commitments	46, 47, 48, 49		

Cash flow statements

<i>Amounts in NOK million</i>	Den norske Bank ASA	
	2003	2002
OPERATIONS		
Lending and funding activity		
Net payments made on instalment loans	(29 093)	(14 404)
Net receipts on credit lines and other current accounts	11 726	769
Receipts on loans and guarantees previously written off	111	156
Net receipts/payments on time deposits from customers	(6 566)	6 981
Interest and commissions received from customers	16 217	19 159
Interest paid to customers	(6 751)	(9 891)
Other operations		
Other receipts on commissions and fees	3 465	2 811
Net payments on trading in short-term investments in shares	(71)	(193)
Net receipts/payments on trading in fixed-income securities	(8 000)	1 274
Net payments on trading in foreign exchange and financial derivatives	(645)	(6 262)
Dividends received on short-term investments in shares etc.	20	22
Interest earned on securities	1 394	1 663
Other receipts	331	371
Payments to operations	(7 528)	(7 245)
Taxed paid	(590)	(23)
Net cash flow relating to operations	(25 980)	(4 812)
INVESTMENT ACTIVITY		
Receipts on the sale of fixed assets	21	98
Payments on the acquisition of fixed assets	(143)	(102)
Receipts on the sale of long-term investments in shares etc.	854	591
Payments on the acquisition of long-term investments in shares etc.	(1 050)	(68)
Dividends received on long-term investments in shares etc.	696	65
Net cash flow relating to investment activity	378	584
FUNDING ACTIVITY		
Net investments/loans from credit institutions	(15 299)	14 286
Net issue of bonds and commercial paper	2 861	12 659
Net receipts/payments on other short-term liabilities	22 699	(192)
Net receipts on other long-term liabilities	561	0
Issue of subordinated loan capital	4 063	2 150
Redemptions of subordinated loan capital	(903)	(990)
Dividend payments	(2 934)	(3 800)
Net interest payments on funding activity	(3 982)	(3 576)
Net cash flow from funding activity	7 066	20 537
Net cash flow	(18 536)	16 310
Cash and deposits with Norges Bank as at 1 January	19 130	2 820
Net receipts/payments on cash and deposits with Norges Bank	(18 536)	16 310
Cash and deposits with Norges Bank as at 31 December	594	19 130

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 Den norske Bank ASA ("DnB") 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 2003 are certain reclassifications as described in note 1.

SUBSIDIARIES AND ASSOCIATED COMPANIES

Subsidiaries are defined as companies in which the 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. In the accounts of Den norske Bank ASA, investments in subsidiaries are recorded at cost.

Associated limited companies in which DnB has a long-term holding of between 20 and 50 per cent and a significant influence on operations, are valued at cost, while holdings in general partnerships are recorded according to the equity method.

Holdings of a short-term nature are carried at cost 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 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.

CLASSIFICATION AND VALUATION

Trading portfolio and banking portfolio

DnB 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 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 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.

Reposessed assets

Reposessed assets are assets acquired by units within the bank 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 reposessed 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 reposessed assets. Any gains or reversals of previous write-downs are classified as a reassessment of reposessed 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 unspeci-

fied 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.

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 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 as agreements are entered into through the business units in the bank 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 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 options is calculated based on the assumption that the subscription rights will have economic value when exercised and that all subscription rights 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 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 Den norske Bank ASA, are organised into five functional business areas and four staff and support units. The business areas, which include the activities of Den norske 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 cash flow statements are structured on the basis of the bank's operations to reflect the main aspects of liquidity management, with special emphasis on cash flows relating to lending and funding activities.

Note 1 – Reclassifications

In the first quarter of 2003, the principles applied to classify some of the cost elements in the agreement with Norway Post were reviewed, resulting in a larger proportion of the costs being included in net other operating income. The reclassification mainly concerned commissions paid in connection with payment transactions and credit broking, in addition to commissions relating to index-linked savings products.

The reclassifications resulted in the following adjustments:

<i>Amounts in NOK million</i>	Den norske Bank ASA				
	2002	2001	2000	1999	1998
Net commissions and fees	(255)	(276)	(271)	(246)	(225)
Administrative expenses	(255)	(276)	(271)	(246)	(225)

DnB Holding ASA and Gjensidige NOR ASA merged in 2003, and the accounts of the Group and its subsidiaries (including Den norske Bank ASA) were made comparable by harmonising principles and estimates.

The harmonisation of the two banks' accounting principles did not result in any significant reclassifications in the accounts of Den norske Bank.

Note 2 – Net interest income and credit commissions

<i>Amounts in NOK million</i>	Den norske Bank ASA	
	2003	2002
Interest on loans to and deposits with credit institutions	2 526	3 051
Interest and credit commissions on instalment loans	14 048	16 849
Interest and credit commissions on overdraft and working capital facilities	1 195	1 644
Interest and commissions on building loans	159	224
Front-end fees, back-end fees	402	357
Interest on other loans to customers	53	92
Total interest income on loans to customers	15 857	19 164
Interest on commercial paper, bonds, etc.	1 433	1 596
Other interest income	90	41
Total interest income	19 906	23 852
Interest on loans and deposits from credit institutions	1 113	1 457
Interest on demand deposits from customers	4 974	7 418
Interest on time deposits from customers	79	105
Interest on special-term deposits from customers	1 716	2 378
Total interest expenses on deposits from customers	6 769	9 900
Interest on securities issued	1 907	1 751
Interest on subordinated loan capital	337	298
Contributions to the Commercial Banks Guarantee Fund	307	316
Other interest expenses	2 891	2 778
Total interest expenses	13 323	16 501
Net interest income and credit commissions	6 582	7 351

Note 3 – Unrecorded interest on loans

<i>Amounts in NOK million</i>	Den norske Bank ASA	
	2003	2002
Accrued, unrecorded interest on non-performing and doubtful loans as at 1 January	826	832
- Recorded interest on non-performing and doubtful loans accrued in previous periods ¹⁾	126	185
- Identified loss of unrecorded interest accrued in previous periods ²⁾	518	76
+ Accrued, unrecorded interest on non-performing and doubtful loans during the period ³⁾	717	284
- Impact of transfer of portfolios to subsidiaries		9
+ Exchange rate movements	(3)	(19)
Accrued, unrecorded interest on non-performing and doubtful loans as at 31 December	896	826

1) Included in the profit and loss account 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 account 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

Average interest rate	Den norske Bank ASA	
<i>Per cent</i>	2003	2002
Commercial paper and bonds		
Trading portfolio	3.29	4.10
Banking portfolio	4.67	6.63
Loans and deposits from credit institutions		
Loans and deposits with no fixed term or period of notice	5.09	7.94
Loans and deposits with a fixed term or period of notice	3.24	4.47
Deposits from customers		
Deposits with no fixed term	2.69	4.27
Fixed-term deposits	3.86	5.79
Securities issued		
Commercial paper issued	3.61	4.60
Bond debt	4.11	4.73

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

Note 5 – Net other operating income

<i>Amounts in NOK million</i>	Den norske Bank ASA	
	2003	2002
Dividends	716	87
Money transfer fees receivable	1 672	1 596
Fees on asset management services	71	74
Fees on custodial services	117	117
Fees on securities	355	262
Guarantee commissions	261	225
Interbank fees	134	117
Credit-broking commissions	82	109
Sales commissions on insurance products	74	48
Sundry commissions and fees receivable on banking services	469	418
Total commissions and fees receivable on banking services	3 236	2 967
Money transfer fees payable	800	769
Interbank fees	169	153
Sundry commissions and fees payable on banking services	375	318
Total commissions and fees payable on banking services	1 343	1 240
Net gain/(loss) on short-term shareholdings	80	(278)
Net gain on commercial paper and bonds	353	29
Net gain on trading in foreign exchange and financial derivatives ¹⁾	1 220	1 154
Net loss on other short-term interest rate instruments ¹⁾	333	292
Net gain on foreign exchange and financial instruments	1 321	612
Operating income on real estate	32	29
Rental income	66	64
Share of profit in associated companies	9	4
Remunerations	(19)	23
Miscellaneous operating income	237	248
Total sundry ordinary operating income	327	368
Gains on the sale of fixed assets	8	30
Net other operating income	4 265	2 823

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

Note 6 – Net gain on foreign exchange and financial instruments

<i>Amounts in NOK million</i>	Den norske Bank ASA	
	2003	2002
Net gain on trading portfolio	1 186	801
Net gain/(loss) on equity investments in the banking portfolio	74	(229)
Net gain on other investments in the banking portfolio	61	40
Net gain on foreign exchange and financial instruments	1 321	612
Unrecorded market value above book value in the banking portfolio at end of period		
Short-term shareholdings	0	0
Commercial paper and bonds	39	0

Note 7 – Operating expenses

<i>Amounts in NOK million</i>	Den norske Bank ASA	
	2003	2002
Ordinary salaries	2 451	2 425
Employer's national insurance contributions	335	347
Pension expenses	331	178
Social expenses	161	144
Total salaries and other personnel expenses	3 279	3 093
Fees	329	335
EDP expenses ¹⁾	781	787
Postage and telecommunications	255	263
Office supplies	59	81
Marketing and public relations	162	156
Travel expenses	89	101
Reimbursement to Norway Post for transactions executed ²⁾	563	491
Training expenses	25	29
Sundry administrative expenses	120	107
Total administrative expenses	2 384	2 350
Depreciation on EDP equipment etc.	136	174
Depreciation on other machinery, equipment and vehicles	64	62
Depreciation on properties and premises	67	64
Other depreciation	12	12
Total depreciation	279	312
Rent and operating expenses on rented premises	323	338
Operating expenses on real estate	152	149
Operating expenses on machinery, vehicles and office equipment taken to expense	41	38
Insurance	34	29
Membership fees, Norwegian Financial Services Association	10	9
Miscellaneous ordinary operating expenses	13	39
Total sundry ordinary operating expenses	574	602
Allocations to employee funds	62	33
Provisions for restructuring measures	84	175
Losses on the sale of fixed assets	26	7
Write-downs/(reversals of write-downs) on rental contracts and fixed assets	(6)	2
Total other expenses	167	218
Total operating expenses	6 681	6 575

1) These expenses concern the purchase, operation and maintenance of computers and software. Den norske Bank's IT expenses totalled NOK 1 491 million and NOK 1 495 million for 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 bank's IT operations.

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 3 202 000 in 2003, compared with NOK 3 048 000 in 2002. The bonus payment for 2003 was NOK 400 000, compared with NOK 533 000 in 2002, representing payment for extraordinary effort. Benefits in kind were estimated at NOK 269 000, as against NOK 263 000 in 2002, and the pension premium paid during the year was NOK 118 000, compared with NOK 115 000 in 2002. The figures represent the total remuneration to the group chief executive. Costs are divided between DnB NOR Bank ASA and DnB NOR ASA.

The Board of Directors of DnB NOR ASA has stipulated the annual remuneration of the group chief executive at NOK 3 850 000 as of 1 January 2004. According to the employment contract, the group chief executive is entitled to two years' salary (reduced from three years, effective as at 1 January 2004 at the request of the group chief executive) 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.

The new salary has been determined after consideration in two meetings of the Board of Directors in DnB NOR ASA held on 13 February and 25 February 2004, pending a decision by the bank's Supervisory Board on the amount to be covered by the bank (proposed at 50 per cent). The salary to be paid by the Group has been approved.

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 1 970 000 for the 2003 accounting year.

The group chief executive has subscribed for 20 000 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 was group chief executive in Gjensidige NOR up till the merger became effective on 4 December 2003, and became chairman of the Board of Directors of DnB NOR ASA as of the same date. As group chief executive in Gjensidige NOR, he received a total remuneration of NOK 2 950 000 in 2003, compared with NOK 2 393 000 in 2002. These figures included bonus payments of NOK 400 000 in 2003, and NOK 150 000 in 2002, in recognition of extraordinary effort. Benefits in kind were estimated at NOK 181 000, compared with NOK 146 000 in 2002.

Hytta resigned as group chief executive in Gjensidige NOR with an annual pension payable as from 1 January 2004 of NOK 1 700 000, corresponding to 70 per cent of his annual salary. DnB NOR's expenses in conjunction with the former chief executive's pension scheme came to NOK 1 979 000 for the 2003 accounting year. As chairman of the Board of Directors in DnB NOR ASA, Hytta will receive an annual remuneration of NOK 300 000, plus additional remuneration for other board positions within the Group. In accordance with the merger agreement Hytta is entitled to remuneration terms at least on a par with what he received as group chief executive in Gjensidige NOR.

The chairman of the Board has subscribed for 1 550 subscription rights under the general subscription rights programme for all former Gjensidige NOR employees. See more detailed description of the programme below.

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 long-term performance.

Lump sum payments can be made to senior executives in DnB NOR on a discretionary basis. Criteria for such payments relate to results achieved in the respective areas of responsibility. Any payments will be determined on the basis of the individual's ordinary salary and in accordance with usual remuneration schemes within the area of responsibility.

Remunerations to elected representatives

<i>Amounts in NOK 1 000</i>	Den norske Bank ASA	
	2003	2002
Remunerations to the Board of Directors	1 669	1 610
Remunerations to the Supervisory Board	385	422
Remunerations to the Control Committee	411	391

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 right 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 the end of 2003, a total of 26 396 000 subscription rights were registered under the scheme.

The rights can only be exercised if the return on the DnB 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 and 2004. In 2003, however, the share price was lower than the subscription price. It will also be possible to exercise this third of the subscription rights in 2004. The subscription period is from 1 through 15 March 2004.

Note 8 – Remunerations etc. (continued)

Loan facilities to employees and elected representatives as at 31 December 2003

Amounts in NOK 1 000

Lending

Employees in Den norske Bank ASA

Senior employees	
Svein Aaser, CEO	0
Tom Grøndahl, deputy CEO	772
Karl-Olav Hovden, deputy CEO	0
Øyvind Birkeland, group executive vice president	0
Ottar Ertzeid, group executive vice president	0
Frode Helgerud, group executive vice president	0
Harald Jægtnes, group executive vice president, Group Audit	1 435
Bente A. Landsnes, group executive vice president	0
Evlyn Raknerud, group executive vice president	0
Åsmund Skår, group executive vice president	0
Leif Teksum, group executive vice president	2 091
Employees, total	4 811 000

Elected representatives in Den norske Bank ASA

Board of Directors	
Olav Hytta, chairman	0
Bent Pedersen, vice-chairman	0
Per Hoffmann	1 263
Jannik Lindbæk	0
Torill Rambjør	500
Ketil Anton Stene	0
Anne Carine Tanum	0
Svein Aaser	0
Supervisory Board	
Harald Norvik, chairman	0
Total members of the Supervisory Board	168 622
Control Committee, total	0

Loans to shareholder-elected representatives as well as their family members and close associated are extended on ordinary customer terms. Loans to Den norske Bank ASA employees are extended on special terms, which are closed to ordinary customers terms.

Remunerations to the statutory auditor

Den norske Bank ASA

Amounts in NOK 1 000

2003 2002

Auditor's remuneration		
Audit of operations in Norway	1 837	2 694
Audit of international operations	400	363
Other audit-related remuneration		
Operations in Norway	926	2 640
International operations	162	151
Remunerations for tax advice		
Operations in Norway	0	0
International operations	38	50
Other remuneration		
Operations in Norway	380	0
International operations	0	130
Total remuneration to the statutory auditor	3 743	6 028

Note 9 – Pensions

Den norske Bank has pension schemes entitling employees to agreed future pension benefits (defined benefit schemes).

The bank's pension commitments are organised under various schemes:

- * Pension commitments for employees in Den norske Bank ASA in Norway, with the exception of employees in the former Postbanken AS, are for that part of the pension which is funded through insurance schemes, funded by Vital Forsikring. Commitments relating to salaries exceeding the National Insurance Fund's base rate are funded through the bank's operations. Full pension entitlements require 30 years' of pensionable service and give the right to a retirement pension corresponding to 70 per cent of the employee's salary upon reaching the age of 67. The bank participates in a scheme based on contractual pension agreements (CPA) for early retirement, which gives the employees the right to a partial reduction in working hours or to terminate employment upon reaching the age of 62.
- * Pensions for employees in the former Postbanken AS are covered through a group pension agreement in the Norwegian Public Service Pension Fund. The scheme gives the right to a retirement pension equal to 66 per cent of the employee's salary upon reaching the age of 67 conditional on a 30 years of service as a member of the Norwegian Public Service Pension Fund. Commitments relating to salaries exceeding the National Insurance Fund's base rate are funded through the bank's operations. An additional contractual pension agreement has been entered into in accordance with rules for public sector members who have reached the age of 62.
- * Branches outside Norway have separate schemes for their employees.

Pension commitments for the bank include a total of 8 302 employees.

The following joint economic assumptions have been applied in calculating pension costs and commitments:

<i>Per cent</i>	2003	2002
Discount rate	6.0	7.0
Anticipated return	7.0	8.0
Anticipated rise in salaries	3.5	3.3
Anticipated increase in base rate	3.0	2.5
Anticipated rise in pensions	3.0	2.5
Anticipated CPA acceptance	40.0	40.0

The economic assumptions have a long-term perspective.

Pension expenses	Den norske Bank ASA	
<i>Amounts in NOK million</i>	2003	2002
Net present value of pension entitlements – regular pensions	190	137
Net present value of pension entitlements – CPAs	19	26
Interest expenses of pension commitments	331	300
Actual return on pension funds	348	173
Actual pension expenses	192	290
Deviation between estimated and actual return on pension funds	76	(130)
Net amortisation	64	18
Net pension expenses ¹⁾	331	178
1) Of which: <i>Funded schemes</i>	254	69
<i>Unfunded schemes</i>	77	108

Pension commitments	31 Dec. 2003	31 Dec. 2002
<i>Amounts in NOK million</i>		
Accrued pension commitments – regular pensions	4 881	3 942
Accrued pension commitments – CPAs	465	515
Total accrued pension commitments	5 345	4 457
Estimated effect of future salary adjustments	816	772
Estimated pension commitments	6 161	5 229
Pension funds at market value	4 443	4 105
Pension commitments above pension funds	1 718	1 124
Deviation between actual and estimated market value on pension funds	(49)	(245)
Actuarial loss not recorded in the accounts	(1 090)	(331)
Net recorded pension commitments ¹⁾	579	548
1) Of which: <i>Net overfunding in funded schemes</i>	507	512
<i>Commitments in unfunded schemes</i>	1 086	1 060

Pension schemes based on investment funds were overfunded by NOK 543 million and underfunded by NOK 36 million respectively as at 31 December 2003. Pension commitments which are not financed through investment funds and where future pension payments are funded through the bank's operations amounted to NOK 1 086 million as at 31 December 2003.

Note 10 – Number of employees/full-time positions

	Den norske Bank ASA	
	2003	2002
Number of employees as at 31 December	5 311	5 475
Number of employees calculated on a full-time basis as at 31 December	5 094	5 232
Average number of employees	5 397	5 585
Average number of employees calculated on a full-time basis	5 167	5 330

Note 11 – Restructuring provisions

Amounts in NOK million	31 Dec. 2003	Accrued expenses 2003	Den norske Bank ASA	
			New provisions 2003	31 Dec. 2002
DnB NOR	-	39	39	-
Other restructuring provisions	29	62	38	53
Total	29	101	77	53

Note 12 – Losses on loans, guarantees etc.

Amounts in NOK million	Den norske Bank ASA	
	2003	2002
Specification of net losses/(reversals)		
Write-offs ^{a)}	412	205
Increase in specified loan-loss provisions ^{b)}	91	114
New specified loan-loss provisions ^{b)}	759	571
Total new specified provisions	1 262	889
Reassessed specified provisions ^{b)}	214	138
Total specified provisions	1 048	751
Recoveries on commitments previously written off ^{c)}	111	156
Increase in unspecified provisions ^{d)}	0	0
Net losses on loans, guarantees etc. ^{1) 2)}	937	594
1) Of which net losses/(reversals) on guarantees	(26)	35
2) Total gross losses for the 20 largest loss-exposed commitments	1 044	513
Specification of changes		
Increase in specified provisions during the period ^{b) minus e)}	441	347
+ Increase in unspecified provisions for the period ^{d)}	0	0
+ Write-offs covered by specified provisions made in previous years ^{e)}	194	200
+ Write-offs not covered by specified provisions made in previous years ^{a)}	412	205
- Recoveries on commitments previously written off ^{c)}	111	156
Net losses on loans, guarantees etc.	937	594

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

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

Amounts in NOK million	2003				Den norske Bank ASA 2002			
	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	121	5	89	26	139	10	97	33
International shipping	10	15	0	(5)	5	0	7	(2)
Real estate	26	31	11	(16)	29	22	3	3
Manufacturing	201	49	1	152	215	17	4	194
Services	232	63	6	163	218	23	3	192
Trade	77	19	2	56	76	36	7	33
Oil and gas	4	6	0	(2)	0	10	31	(41)
Transportation and communication	21	6	0	15	8	2	1	6
Building and construction	135	4	1	130	13	3	1	9
Power and water supply	0	0	0	0	0	1	1	(2)
Fishing	92	13	1	79	46	4	2	40
Hotels and restaurants	8	3	0	5	6	5	0	1
Agriculture and forestry	2	1	0	1	30	0	0	29
Other sectors	0	0	0	0	9	4	0	4
Total customers	929	214	111	604	794	138	156	499
Credit institutions	0	0	0	0	0	0	0	0
Reposessed assets	333	0	0	333	95	0	0	95
Change in unspecified provisions				0				0
Total losses/reversals on loans, guarantees etc.	1 262	214	111	937	889	138	156	594

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

Amounts in NOK million	Den norske Bank ASA	
	2003	2002
Gains		
Gjensidige NOR	157	0
Europay Norge	(1)	176
Subsidiaries	0	226
Other	2	0
Write-downs		
Storebrand	(209)	468
Nordlandsbanken	0	19
Subsidiary	(26)	0
Other	(2)	0
Net gains/(losses) on long-term securities	394	(85)

Note 15 – Taxes

In consequence of permanent differences between the accounts and the tax base according to Norwegian rules, Den norske Bank ASA will regularly show a tax charge relative to pre-tax operating profits which is lower than the ordinary tax rate for Norwegian companies. The long-term, normalised tax charge is estimated at 27 per cent of pre-tax operating profits. The relatively low tax level is partly attributable to the fact that dividends received on investments in Norwegian equities are tax-exempt. Further, there will be no taxes on income in certain international units as the units have tax-deductible timing differences against which such income is netted. These differences are not included in the basis for calculating deferred taxes. A corresponding adjustment needs to be made when estimating the bank's tax charge as a percentage of pre-tax operating profits.

In 2003, the Central Tax Office for Large Companies, which is responsible for the tax assessment of Den norske Bank, accepted adjustments in the tax assessment for 1995 and 1996, which reduced the bank's tax charge by a total of approximately NOK 180 million. In consequence of the decision to adjust the tax assessment, the tax charge for the bank was reduced by a corresponding amount. The matter concerned the distribution of debt interest in the taxation of the bank's Norwegian operations and its international branches. In 1997, the bank received approval for its interpretation of the rules concerning the distribution of taxes. The bank has later worked to ensure the full application of this interpretation for operations in all international branches also for the 1995 and 1996 financial years. By adjusting the tax assessment, the Central Tax Office has accepted this view.

The tax treatment of interest rate and currency swaps in Den norske Bank is subject to discussion with the tax authorities. The bank has pursued its practice from 2002 in this area. Den norske Bank has also issued a request to use an alternative taxation method for items in foreign currency if the current taxation principle is not acceptable. No financial consequences are expected of a possible revision of the taxation principle.

Taxes	Den norske Bank ASA	
<i>Amounts in NOK million</i>	2003	2002
Norway	821	1 369
Abroad	30	22
Total payable taxes	851	1 391
Deferred taxes	160	(626)
Effect of debt interest distribution in previous years	(180)	0
Total taxes	831	765

Balancing tax charges against pre-tax operating profit

<i>Amounts in NOK million</i>	2003	2002
Operating profit before taxes	3 622	2 920
Estimated income tax - nominal tax rate (28 per cent)	1 014	817
Tax effect of income taxable abroad	(37)	(42)
Tax effect of permanent differences	1	(32)
Taxes payable abroad	30	22
Inadequate tax provisions in previous years	3	0
Effect of debt interest distribution in previous years	(180)	0
Total taxes	831	765
Effective tax rate	23%	26%

Note 15 – Taxes (continued)

Tax base	Den norske Bank ASA	
	2003	2002
<i>Amounts in NOK million</i>		
Operating profit	3 622	2 920
Reversal of income taxable abroad	(133)	(149)
Permanent differences	5	(116)
Changing in timing differences and tax losses carried forward		
Timing differences	(572)	2 234
Use of losses carried forward	0	0
Tax base for the year – Norwegian operations	2 922	4 889

Elements in the calculation of deferred taxes

	31 Dec. 2003	31 Dec. 2002
<i>Amounts in NOK million</i>		
Taxable timing differences		
Fixed assets	0	0
Market values above book values – merger with Postbanken	214	255
Prepaid pension entitlements	536	555
Financial instruments ¹⁾	132	0
Other taxable timing differences	302	302
Total taxable timing differences	1 184	1 112
Tax-deductible timing differences		
Fixed assets	998	1 527
Accrued pension commitments	1 122	1 106
Financial instruments ¹⁾	0	40
Other tax-deductible differences	478	425
Total tax-deductible timing differences	2 598	3 098
Losses carried forward and tax allowance for dividends ²⁾	0	0
Tax-deductible timing differences including losses carried forward	2 598	3 098
Of which differences that cannot be offset ³⁾	(164)	(164)
Tax-deductible timing differences to be offset	2 424	2 934
Calculation base for deferred taxes	(1 250)	(1 822)
Deferred tax assets	350	510

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

Den norske Bank ASA		
	31 Dec. 2003	31 Dec. 2002
<i>Amounts in NOK million</i>		
Cash and deposits with central banks	594	19 130
Lending to and deposits with credit institutions with no fixed term or period of notice	7 109	6 535
Lending to and deposits with credit institutions with a fixed term or period of notice	42 830	33 382
Specified loan-loss provisions	(2)	(2)
Lending to and deposits with credit institutions	49 936	39 915
Instalment loans	273 544	243 163
Overdraft and working capital facilities	16 989	19 584
Building and construction loans	2 427	2 199
Other loans	54	63
Gross lending to customers	293 012	265 009
Specified loan-loss provisions	(2 160)	(1 330)
Unspecified loan-loss provisions	(2 047)	(2 047)
Net lending to customers	288 806	261 632
Reposessed assets	303	380
Commercial paper and bonds issued by central and local government	7 354	3 042
Commercial paper and bonds issued by financial institutions	21 898	18 390
Commercial paper and bonds issued by others	13 213	12 009
Own bonds and commercial paper, trading portfolio	1 514	214
Commercial paper and bonds	43 979	33 655
Short-term investments in shares, mutual funds and PCCs	1 172	1 146
Long-term investments in shares, mutual funds and PCCs	656	1 173
Shares in general and limited partnerships	1	1
Shareholdings etc.	1 828	2 320
Investments in associated companies – credit institutions	173	127
Investments in other associated companies	65	61
Investments in associated companies	238	189
Investments in subsidiaries – credit institutions	3 355	1 174
Investments in other subsidiaries	1 246	1 132
Investments in subsidiaries	4 600	2 307
Deferred tax assets	350	510
Systems development recorded in the balance sheet	12	44
Other intangible assets	69	105
Intangible assets	431	658
Machinery, equipment and vehicles	402	501
Buildings and other properties	1 475	1 493
Other fixed assets	4	4
Fixed assets	1 881	1 998
Financial derivatives	19 697	15 396
Amounts due on documentary credits and other payment services	233	206
Group contribution	1 509	0
Other amounts due	1 561	932
Other assets	23 000	16 534
Accrued interest income	2 266	2 546
Prepaid pension entitlements	543	562
Other prepayments and accrued income	169	171
Prepayments and accrued income	2 978	3 279
Total assets	418 575	381 996

Note 17 – Credit risk

Commitments according to risk category

Amounts in NOK billion	Den norske Bank ASA			
	Gross loans	Guarantee commitments	Undrawn limits (committed)	Total commitments
Risk category relative to percentage of normalised losses ¹⁾				
<0.25	240	26	81	346
0.25-0.75	32	9	7	48
>0.75 ²⁾	16	2	1	19
Non-performing and doubtful commitments	5	0	0	5
Total commitments as at 31 December 2003	293	37	89	419
Risk category relative to percentage of normalised losses ¹⁾				
<0.25	212	24	67	303
0.25-0.75	37	11	10	58
>0.75 ²⁾	13	1	1	14
Non-performing and doubtful commitments	3	0	0	4
Total commitments as at 31 December 2002	265	35	78	378

Loan-loss level ¹⁾

	2003	2002
Normalised losses including loss of interest income in per cent of net lending	0.33	0.32

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) 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

Amounts in NOK million	Den norske Bank ASA	
	31 Dec. 2003	31 Dec. 2002
Home mortgages <80 per cent of appraised value	141 114	119 742
Home mortgages >80 per cent of appraised value	4 276	3 564
Other loans	6 833	6 382
Total retail market loans	152 222	129 688

Note 18 – Commitments for principal sectors as at 31 December

Amounts in NOK million	Loans ¹⁾		Guarantees ¹⁾		Den norske Bank ASA Committed limits ²⁾	
	2003	2002	2003	2002	2003	2002
Retail customers	152 222	129 688	109	116	155 290	132 589
International shipping	20 019	18 368	6 978	7 154	39 085	33 838
Real estate	36 906	32 342	3 110	686	45 336	36 844
Manufacturing	12 247	15 871	4 162	4 242	30 418	31 791
Services	21 068	22 201	5 445	5 535	39 779	42 353
Trade	12 706	12 412	1 758	1 910	24 056	25 965
Oil and gas	3 606	3 337	2 230	1 564	12 545	10 274
Transportation and communication	7 413	6 830	2 564	2 621	19 078	16 874
Building and construction	1 764	1 730	1 798	1 905	6 668	5 650
Power and water supply	4 278	5 930	6 225	6 075	18 222	16 752
Central and local government	831	1 391	61	54	4 058	4 625
Fishing	6 627	6 027	181	200	7 568	7 320
Hotels and restaurants	1 446	1 346	51	62	1 648	1 532
Agriculture and forestry	501	510	0	(18)	636	652
Other sectors	9 219	5 694	2 554	2 792	14 849	11 073
Total customers	290 852	263 678	37 226	34 899	419 235	378 132
Credit institutions ³⁾	23 005	20 626	3 160	4 641	30 233	28 888
Total	313 858	284 304	40 385	39 540	449 468	407 020

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 as at 31 December

Amounts in NOK million	Net non-performing commitments ¹⁾		Net doubtful commitments ¹⁾		Den norske Bank ASA Total specified provisions	
	2003	2002	2003	2002	2003	2002
Retail customers	663	643	136	127	307	294
International shipping	(5)	7	0	0	38	14
Real estate	241	172	52	95	90	63
Manufacturing	299	120	108	120	329	432
Services	475	111	31	85	857	311
Trade	84	81	26	71	158	148
Oil and gas	6	3	0	0	36	21
Transportation and communication	17	38	14	23	16	17
Building and construction	458	45	5	6	254	40
Power and water supply	0	0	0	0	0	0
Fishing	502	157	74	167	123	52
Hotels and restaurants	30	14	6	6	19	17
Agriculture and forestry	4	10	0	4	43	35
Other sectors	0	3	0	0	0	9
Total customers	2 775	1 403	453	702	2 271	1 453
Credit institutions ²⁾	0	0	0	0	2	2
Total ^{*)}	2 775	1 403	453	702	2 273	1 455

*) Of which transferred from Nordlandsbanken ASA 645 - 0 - 849 -

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 as at 31 December

Amounts in NOK million	Den norske Bank ASA					
	Private customers		Corporate customers		Total	
	2003	2002	2003	2002	2003	2002
Non-performing commitments ¹⁾						
Before specified provisions	906	890	3 871	1 623	4 777	2 513
After specified provisions ¹⁾	663	644	2 111	759	2 775	1 403
Doubtful commitments ¹⁾						
Before specified provisions	192	178	531	870	723	1 048
After specified provisions ¹⁾	133	127	320	576	453	702
*) Of which:						
Non-accruing commitments						
Before specified provisions	1 025	734	3 719	1 639	4 744	2 373
After specified provisions	767	462	1 999	744	2 766	1 205

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.

Reduced-rate commitments

Amounts in NOK million	Den norske Bank ASA	
	31 Dec. 2003	31 Dec. 2002
Reduced-rate commitments	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

Amounts in NOK million	Den norske Bank ASA					
	Total provisions		Loans		Guarantees	
	2003	2002	2003	2002	2003	2002
Specified loan-loss provisions as at 1 January	1 455	1 130	1 333	1 056	122	74
Write-offs covered by specified provisions made in previous years	395	200	439	214	(45)	(14)
Portfolio transferred from subsidiaries	660	-	660	-	0	-
Provisions for the period						
Increase in specified loan-loss provisions	125	111	123	96	1	15
New specified loan-loss provisions	810	607	789	571	21	36
Reassessed specified loan-loss provisions	380	172	301	157	79	16
Exchange rate movements	(3)	(20)	(3)	(20)	0	0
Specified loan-loss provisions as at 31 December ¹⁾	2 273	1 455	2 162	1 333	111	122
Unspecified loan-loss provisions as at 1 January	2 048	2 047	2 047	2 047	1	1
Unspecified loan-loss provisions for the period	0	0	0	0	0	0
Exchange rate movements	0	0	0	0	0	0
Unspecified loan-loss provisions as at 31 December ²⁾	2 048	2 048	2 047	2 047	1	1
Total loan-loss provisions as at 31 December	4 320	3 503	4 209	3 379	111	124

1) Of which specified loan-loss provisions to:	Customers	2 160	1 330	111	122
	Credit institutions	2	2	0	0
2) Of which unspecified loan-loss provisions to:	Customers	2 047	2 047	1	1
	Credit institutions	0	0	0	0

Note 22 – Loans and guarantees according to geographical location as at 31 December ¹⁾

Amounts in NOK million	Den norske Bank ASA					
	Lending to customers		Lending to credit institutions		Guarantees	
	2003	2002	2003	2002	2003	2002
Oslo	67 642	54 825	7 054	5 852	13 188	14 290
Eastern and southern Norway	95 696	85 509	429	584	11 094	9 711
Western Norway	59 826	57 421	14 006	12 334	10 517	9 072
Northern and central Norway	45 521	41 865	212	714	1 451	2 168
Total Norway	268 685	239 620	21 701	19 484	36 251	35 241
Western Europe	8 730	9 563	664	805	2 489	2 126
Russia	193	285	33	0	1	1
Other Eastern European countries	398	287	59	24	131	20
Total Europe outside Norway	9 321	10 134	756	829	2 621	2 146
USA and Canada	5 242	6 158	66	192	224	1 593
Bermuda and Panama ²⁾	3 220	3 590	0	8	280	171
Argentina ³⁾	0	0	0	0	44	51
Other South and Central American countries	632	475	70	63	750	159
Total America	9 094	10 223	136	262	1 298	1 974
Singapore	2 541	2 680	0	0	54	49
Hong Kong	255	108	0	0	7	9
Indonesia	7	10	0	0	121	126
Thailand	21	21	0	0	0	0
Malaysia	125	176	0	0	19	17
Other Asian countries	391	484	413	51	111	97
Total Asia	3 340	3 479	413	52	312	297
Liberia ²⁾	1 527	1 185	0	0	7	0
Other African countries	5	15	1	0	6	5
Australia and New Zealand	1 040	351	1	0	2	0
Total	293 012	265 009	23 007	20 628	40 496	39 663

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

Amounts in NOK million	Den norske Bank ASA			
	31 December 2003		31 December 2002	
	Loans	Bonds	Loans	Bonds
In credit institutions	292	0	285	0
In other enterprises	2	291	107	301
Total subordinated loans ¹⁾	293	291	392	301
1) Of which subordinated loans to subsidiaries	287	0	264	0

The note shows total subordinated loans extended to customers. The terms applying to such loans indicate a higher risk for Den norske Bank ASA than ordinary loans and investments in bonds.

Note 24 – Commercial paper and bonds

Amounts in NOK million	31 December 2003			31 December 2002		
	Acquisition cost	Book value	Fair value	Acquisition cost	Book value	Fair value
Commercial paper and bonds						
Listed	39 874	40 105	40 144	27 369	27 442	27 442
Unlisted	3 841	3 874	3 874	6 175	6 213	6 213
Total short-term commercial paper and bonds ¹⁾	43 715	43 979	44 018	33 545	33 655	33 655
1) Of which: Trading portfolio	32 048	32 320	32 320	26 383	26 496	26 496
Banking portfolio	11 667	11 659	11 698	7 162	7 159	7 159

Note 25 – Shareholdings etc.

Amounts in NOK million	31 December 2003			31 December 2002		
	Acquisition cost	Book value	Fair value	Acquisition cost	Book value	Fair value
Short-term shareholdings etc.						
Listed Norwegian	488	506	506	282	243	243
Unlisted Norwegian	479	357	357	643	571	546
Mutual funds	204	206	206	356	258	258
International	79	104	104	77	73	98
Total short-term shareholdings etc. ¹⁾	1 251	1 172	1 172	1 358	1 146	1 146
Long-term shareholdings etc.						
Listed Norwegian	723	480	480	1 875	1 030	1 029
Unlisted Norwegian	60	48	71	3	3	4
International	128	128	132	166	141	144
Total long-term shareholdings etc. ²⁾	911	656	682	2 044	1 174	1 177
Total shareholdings etc.	163	1 828	1 854	3 402	2 320	2 323
1) Of which: Trading portfolio	296	269	269	120	118	118
Banking portfolio	955	903	903	1 238	1 028	1 028

2) The holding in Storebrand was reduced by NOK 484 million in 2003.

Note 26 – Short-term investments in shares, mutual funds and PCCs as at 31 December 2003

Amounts in 1 000 Values in NOK unless otherwise indicated	Den norske Bank ASA					
	Share capital	Number of shares	Nominal value	Ownership share in per cent ¹⁾	Book value	Market value
Financial institutions						
Acta Holding	42 307	1 901 675	342	0.81	19 004	4 089
Høland Sparebank Grunnfond	50 000	16	2	0.00	2	2
Privatbanken	500 000	3 230 000	32 300	6.46	33 915	25 840
Romsdals Fellesbank	156 788	23	1	0.00	3	3
Viking Ship Finance Ltd.	CHF 30 000	13 500	CHF 4 050	13.50	25 036	49 610
Voss Veksel- og Landmannsbank	9 500	6 972	697	7.34	1 177	8 018
Norwegian companies						
Aker Kværner	894 134	222 089	4 442	0.50	25 873	25 873
Aktiv Kapital	3 464	441 700	44	1.28	29 704	29 704
Bergen Industriutvikling	60 250	784	7 840	13.01	7 840	6 409
Bryggeriet KS					4 500	4 500
BTV-Fond	49 004	37 278	3 728	7.61	3 787	3 787

Note 26 – Short-term investments in shares, mutual funds and PCCs as at 31 December 2003 (continued)

Den norske Bank ASA						
<i>Amounts in 1 000 Values in NOK unless otherwise indicated</i>	Share capital	Number of shares	Nominal value	Ownership share in per cent ¹⁾	Book value	Market value
Elkem	985 600	458 964	9 179	0.93	77 435	89 498
Elva Fritz Dusseldorf	48 542	588 235	5 882	12.12	20 000	20 000
Ementor	231 903	1 150 778	1 151	0.50	6 445	6 445
Energivekst	540	45 000	45	8.33	4 500	3 101
Energos	6 800	1 900 239	190	2.79	22 800	0
Eurosilt	914	177	177	19.37	9 482	10 425
Fjord Seafood	474 967	2 000 000	2 000	0.42	7 180	7 180
Industrifinans Boligeiendom	1 453	576 975	58	3.97	5 190	1 154
Industrifinans Næringseiendom	477 207	800 113	8 001	1.68	12 001	7 201
Industrifinans SMB III	61 457	49 781	4 978	8.10	25 663	16 328
IT Fornebu	68 443	42 551	4 255	6.22	5 190	2 128
IT Fornebu Eiendom	1 050 629	1 314 130	131 413	12.51	133 634	102 634
KS Norsk Vekst II					8 557	5 452
KS Venturos Technology III					20 086	7 291
Lawson & Haug	118	616	6	5.23	4 002	0
Lerøy Seafood Group	32 441	884 320	884	2.73	24 808	31 040
Natumin Pharma	13 606	185 201	926	6.81	5 000	834
Nordisk Terapi	38 730	20 000	2 000	5.16	3 400	3 400
Nordnorsk Vekst	74 375	3 863	3 863	5.19	4 830	2 161
Norman	21 169	50 000	100	0.47	3 088	3 088
Norsk Hydro	5 331 933	85 300	1 706	0.03	35 541	35 541
Norske Skogindustrier	1 330 371	460 129	4 601	0.35	59 832	59 832
Opticom	1 940	28 800	4	0.22	3 427	3 427
Orkla	1 336 934	713 372	4 459	0.33	110 387	106 487
Oslo Børs Holding	50 000	433 213	4 332	8.66	61 695	78 845
Photocure	8 789	135 000	68	0.77	7 290	7 290
Plastgruppen	2 292	514	514	22.43	8 995	8 995
Prosafe	339 579	71 300	713	0.21	9 554	9 554
Rieber & Søn	795 757	423 282	4 233	0.53	6 780	21 164
Sarsia Innovation (HIB demerger)	43 331	7 648	1 912	4.41	3 291	3 728
Scan-Sense	20 321	2 749 385	2 749	13.53	12 714	0
Sentech	345	4 243	42	12.30	3 000	1 697
Såkkorninvest Midt-Norge	60 489	43 236	4 324	7.15	4 540	3 978
Tandberg	131 685	78 329	78	0.06	3 832	3 832
Tjuvholmen Eiendomsutvikling	20 000	2 000	2 000	10.00	3 000	3 000
Tomra Systems	178 487	608 905	609	0.34	30 432	24 571
Whitecliff	60 005	100 000	1 000	1.67	7 999	7 781
Companies based abroad						
Euroclear	EUR 3 795	15 625	EUR 16	0.41	36 582	36 582
Star Reefers	USD 76	200 000	USD 2	2.62	8 692	12 000
Mutual funds						
DnB Aktiehedgefond Primus		499 403			46 317	48 848
DnB Global Consumer		116 187			11 677	7 929
DnB Global Hedge		1 384 204			113 718	124 272
Postbanken Helse		177 078			17 708	12 743
Postbanken Teknologi		145 344			14 535	11 485
Thawee – II Fund		150 000			288	288
Other shareholdings etc.					47 965	60 826
Adjustment for unrealised gains in the banking portfolio					(52 035)	
Total short-term investments in shares, mutual funds and PCCs					1 171 888	1 171 888

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 2003

						Den norske Bank ASA	
<i>Amounts in 1 000</i>		Share capital	Number of shares	Nominal value	Ownership share in per cent	Book value	Market value
<i>Values in NOK unless otherwise indicated</i>							
Financial institutions							
Export Credit Insurance Corporation of Singapore	SGD	127 590	250 000	SGD 250	0.20	1 175	1 502
Storebrand		1 390 353	11 088 392	55 442	3.99	480 127	480 127
Norwegian companies							
Bankpower		1 000	40	200	20.00	700	1 400
DnB-ansattes Fond, B shares		12 388	200 000	200	1.61	200	200
Norsk Tillitsmann		11 600	11 228	1 123	9.68	1 123	4 211
NOS		15 983	2 233 408	2 233	13.97	14 517	14 517
VPS Holding		50 000	398 280	3 983	7.97	29 164	47 794
Companies based abroad							
CLS Services, A shares	USD	1	1 000	USD 0	1.49	1 669	1 669
CLS Services, D shares	USD	298 097	46 800	USD 4 680	1.57	5 007	5 007
Lorentzen Empreendimentos, class B ¹⁾	USD	1 768	47 813 984	USD 354	20.01	120 021	120 021
Swift	EUR	10 898	344	EUR 43	0.39	781	4 344
Other shareholdings etc.						1 672	1 588
Total long-term investments in shares, mutual funds and PCCs						656 156	682 379

1) Investments in Lorentzen Empreendimentos relate to previously converted loans in Brazil.

Note 28 – Investments in associated companies as at 31 December 2003

						Den norske Bank ASA	
<i>Amounts in NOK 1 000</i>		Share capital	Number of shares	Nominal value	Ownership share in per cent	Book value	
Eksporfinans		1 593 532	40 664	426 972	26.79	172 574	
BBS/Bank-Axept Holding		165 000	1 638 054	40 951	24.82	42 357	
Atento		14 100	45 326	4 533	32.15	8 889	
Visa Norge		8 000	1 600	1 600	20.00	400	
Norsk Kontanthåndtering		51 076	12 885	12 885	25.23	10 863	
Doorstep		2 500	12 500	1 250	50.00	2 834	
Total investments in associated companies							237 917

Note 29 – Investments in subsidiaries as at 31 December 2003

						Den norske Bank ASA	
<i>Amounts in 1 000 Values in NOK unless otherwise indicated</i>						Ownership share in per cent	Book value
Foreign subsidiaries							
DnB Asia Limited, Singapore	SGD	20 000	20 000 000	SGD	20 000	100	78 535
Luxcap S.A.	EUR	30 000	800 000	EUR	30 000	100	317 344
DnB Markets Inc.	USD	150	150 000	USD	150	100	1 002
Domestic subsidiaries							
DnB Eiendomsmegling		2 503	25 033		2 503	100	31 149
DnB Finans		512 000	5 120 000		512 000	100	1 017 791
DnB Invest Holding		200 000	200 000		200 000	100	543 000
DnB Kort		391 300	3 913 000		391 300	100	394 000
DnB Meglerservice		700	7		700	100	5 221
DnB Næringsmegling		1 000	10 000		1 000	100	4 000
Juridisk Byrå		50	50		50	100	50
Kreditt-Finans		21 000	42 000		21 000	100	50 394
Lørenfaret 1		500	5 000		500	100	500
Meks Holding		10 000	10 000		10 000	100	10 000
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
Viul Hovedgård		7 500	750 000		7 500	100	11 766
General and limited partnerships							
Store Elvegården, Mandal						50	5 786
Lørenfaret 1, Oslo						99	44 691
Total investments in subsidiaries							4 600 380

1) Will be sold within two years pursuant to the terms for the DnB NOR merger.

Note 30 – Repossessed properties and other repossessed assets

					Den norske Bank ASA	
<i>Amounts in NOK million</i>					Disposals	Book value
					2003	31 Dec. 2002
Properties, current assets		5	0		1	5
Properties, fixed assets		5	0		0	5
Other repossessed current assets ¹⁾		299	669		746	375
Total		308	670		747	385

1) Of which: NOK 45 million represents shares in Kjørbo Eiendom AS, which is wholly owned by Den norske Bank ASA.
NOK 201 million represents shares in Pan Fish ASA, where Den norske Bank ASA has a holding of around 25 per cent.

Note 31 – Intangible assets ¹⁾

						Den norske Bank ASA	
<i>Amounts in NOK million</i>						Total depreciation and write-downs before 2003	Original cost recorded in the balance sheet
						Book value 31 Dec. 2002	
Depreciation plan	Book value 31 Dec. 2003	Ordinary depreciation 2003	Disposals 2003	Book value 31 Dec. 2002			
Capitalised systems development	3 years	12	28	4	44	313	358
Postbanken brand name	10 years	62	12		74	45	119
Sundry intangible assets	5 years	7	24		31	90	120
Total		81	64	4	149	448	597

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

Den norske Bank 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

<i>Amounts in NOK million</i>	Den norske Bank ASA	
	Machinery, equipment and vehicles	Bank buildings and other properties
Original cost	2 499	2 021
Revaluations before 2003	0	443
Total write-downs and depreciation before 2003	1 998	971
Book value as at 1 January 2003	501	1 493
Additions	84	58
Disposals (sales value)	7	14
Losses	5	21
Gains	1	7
Ordinary depreciation	171	56
Depreciation on revaluations	0	11
Reversal of previous write-downs	0	19
Book value as at 31 December 2003	402	1 475

Note 33 – Real estate as at 31 December 2003

<i>Book value in NOK million</i>	Den norske Bank ASA			
	Bank buildings	Commercial properties	Sites/ projects	Total
Oslo	899	2	0	901
Eastern Norway and southern Norway	83	5	8	96
Bergen	383	2	2	387
Rest of western Norway	31	0	1	32
Northern Norway and central Norway	43	0	0	43
Abroad	15	0	1	16
Total book value	1 454	9	13	1 475

<i>Floor space in 1 000 square metres</i>				
Own use	150	0	0	150
Tenants	12	1	0	13
Not rented out	7	0	0	7
Total floor space	168	1	0	169
Number of tenants	35	7	0	42
Annual rental income from external tenants in NOK million	10	0	0	10

Note 34 – Liabilities

	Den norske Bank ASA	
<i>Amounts in NOK million</i>	31 Dec. 2003	31 Dec. 2002
Loans and deposits from credit institutions with no fixed term or period of notice	14 636	10 686
Loans and deposits from credit institutions with a fixed term or period of notice	30 375	39 293
Loans and deposits from credit institutions	45 011	49 979
Deposits from customers with no fixed term or period of notice	167 289	157 939
Deposits from customers with a fixed term or period of notice	38 257	40 530
Deposits from customers	205 546	198 469
Commercial paper issued	29 501	26 334
Bond debt	73 700	50 132
Less own bonds included in the banking portfolio	1 748	1 617
Securities issued	101 453	74 850
Short-term funding	84	235
Documentary credits, cheques and other payment services	928	1 199
Group contribution	4 564	2 959
Accrued unassessed payable taxes	76	591
Financial derivatives	19 810	17 136
Sundry liabilities	3 734	2 693
Other liabilities	29 196	24 814
Accrued interest expenses	844	853
Other accrued expenses and prepaid revenues	1 807	1 356
Accrued expenses and prepaid revenues	2 652	2 209
Pension commitments	1 122	1 110
Specified provisions for losses on guarantee commitments	57	81
Unspecified provisions for losses on guarantee commitments	1	1
Other provisions	154	160
Provisions for commitments	1 334	1 352
Term subordinated loan capital	7 128	3 793
Perpetual subordinated loan capital	3 772	3 923
Subordinated loan capital	10 900	7 716
Perpetual subordinated loan capital securities	2 638	2 740
Total liabilities	398 730	362 129

Note 35 – Customer deposits for principal sectors

<i>Amounts in NOK million</i>	Den norske Bank ASA	
	31 Dec. 2003	31 Dec. 2002
Retail customers	97 268	92 472
International shipping	13 684	13 520
Real estate	7 977	6 375
Manufacturing	10 593	9 861
Services	29 838	31 163
Trade	10 208	10 586
Oil and gas	1 340	1 496
Transportation and communication	7 882	6 466
Building and construction	1 914	1 908
Power and water supply	3 195	3 790
Central and local government	10 147	9 531
Fishing	661	941
Hotels and restaurants	557	674
Agriculture and forestry	363	464
Finance	9 918	9 221
Total customers	205 546	198 469
Credit institutions	2 768	1 708
Total	208 314	200 177

Note 36 – Maturity structure on bond debt as at 31 December 2003 ¹⁾

<i>Amounts in NOK million</i>	Den norske Bank ASA		
	NOK	Foreign currency	Total
Maturity (year)			
2004	3 668	9 816	13 484
2005	3 047	11 788	14 835
2006	3 026	9 794	12 820
2007	3 956	8 849	12 806
2008	329	16 626	16 955
2009	70	124	194
2010 and later	866	42	908
Capitalised costs and amortised discounts	0	(51)	(51)
Total	14 963	56 989	71 952

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

Note 37 – Premiums/discounts on own bonds included in the banking portfolio as at 31 December 2003

<i>Amounts in NOK million</i>	Den norske Bank ASA	
	Premiums/(discounts) ¹⁾	Book value
Maturity (year)		
2004	9	588
2005	11	386
2006	11	0
2007	10	441
2008	1	26
2009	1	0
2010 and later	(1)	307
Total	41	1 748

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 2003 totalled NOK 1 826 million.

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

Amounts in NOK million	Den norske Bank ASA					
	Balance sheet 31 Dec. 2003	Issued 2003	Matured/ redeemed 2003	Exchange rate movements 2003	Net change in capitalised costs 2003	Balance sheet 31 Dec. 2002
Term subordinated loan capital	7 128	4 064	903	173	0	3 793
Perpetual subordinated loan capital	3 772	0	0	(151)	0	3 923
Perpetual subordinated loan capital securities ¹⁾	2 638	0	0	(107)	4	2 740
Total	13 538	4 064	903	(85)	5	10 456

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 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	418
2001	USD	45	3-month LIBOR + 0.63 %	2011	2006	299
2002	EUR	200	3-month LIBOR + 0.75 %	2012	2007	1 680
2002	USD	100	3-month LIBOR + 0.09 %	2012	2007	666
2003	EUR	200	3-month LIBOR + 0.45 %	2013	2008	1 684
2003	GBP	200	5.13 % p.a.	2015	2010	2 380
Net change in capitalised costs						0
Total term subordinated loan capital						7 128
Perpetual subordinated loan capital						
1985	USD	215	6-month LIBOR		2004	1 435
1986	USD	150	3-month LIBOR		2004	1 001
1986	USD	200	6-month LIBOR		2004	1 335
Net change in capitalised costs						0
Total perpetual subordinated loan capital						3 772
Perpetual subordinated loan capital securities						
2001	USD	400	6-month LIBOR		2011	2 634
Net change in capitalised costs						4
Total perpetual subordinated loan capital securities						2 638

Note 39 – Equity

Amounts in NOK million	Den norske Bank ASA			
	Share capital	Share premium reserve	Other equity	Total equity
Balance sheet as at 31 December 2002	7 787	3 244	8 837	19 867
Merger with DnB Betalingstjenester			4	4
Profit for the year			2 791	2 791
Group contribution			2 790	2 790
Exchange rate movements			(27)	(27)
Balance sheet as at 31 December 2003	7 787	3 244	8 815	19 846

Note 40 – Earnings per share

	Den norske Bank ASA	
	2003	2002
Profit for the year (NOK million)	2 791	2 156
Average number of shares (in 1 000)	778 658	778 658
Earnings per share (NOK)	3.58	2.77

Note 41 – Capital adequacy

<i>Amounts in NOK million</i>	Den norske Bank ASA	
	31 Dec. 2003	31 Dec. 2002
Share capital	7 787	7 787
Other equity	12 059	12 081
Total equity	19 846	19 867
Perpetual subordinated loan capital securities ^{1) 2)}	2 638	2 740
Pension funds above pension commitments	(543)	(562)
Goodwill	0	0
Deferred tax assets	(350)	(510)
Other intangible assets	(81)	(110)
Core capital	21 510	21 423
Perpetual subordinated loan capital ^{1) 2)}	3 772	3 923
Term subordinated loan capital ²⁾	6 753	3 793
Net supplementary capital	10 525	7 716
Deductions	400	881
Total eligible primary capital ³⁾	31 635	28 258
Total risk-weighted volume	289 670	262 590
Core capital ratio (per cent)	7.4	8.2
Capital ratio (per cent)	10.9	10.7

Specification of risk-weighted volume

Amounts in NOK million	Risk-weight:	Risk-weighted volume					31 Dec. 2003	31 Dec. 2002
		Nominal amounts as at 31 December 2003 ³⁾						
		0%	10%	20%	50%	100%		
Banking portfolio								
Cash and ordinary deposits with banks		660	0	6 462	0	0	1 292	798
Short-term investments in securities		2 790	0	7 939	0	1 924	3 512	3 167
Lending		4 388	0	29 152	144 961	134 951	213 262	199 189
Other assets		1 147	0	340	1 228	1 800	2 482	2 531
Fixed assets		591	0	0	0	7 683	7 683	5 650
Total assets		9 575	0	43 893	146 189	146 357	228 230	211 336
Guarantee commitments		500	7	4 267	0	37 665	25 709	22 296
Approved, undrawn credits		43 806	0	2 827	146	41 479	21 059	17 924
Other		0	0	317	0	427	98	85
Total off-balance-sheet instruments							46 866	40 305
Total risk-weighted volume, banking portfolio							275 096	251 641
Trading portfolio								
Position risk, equity instruments							198	403
Position risk, debt instruments							9 484	8 659
Settlement risk							0	2
Counterparty risk and other risks							9 558	6 236
Total risk-weighted volume, trading portfolio							19 240	15 299
Total risk-weighted volume, banking and trading portfolios							294 336	266 940
Deduction for:								
Investments in primary capital in other financial institutions							(400)	(890)
Specified and unspecified loan-loss provisions							(4 267)	(3 461)
Total risk-weighted volume							289 670	262 590

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) Pursuant to 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 and other eligible primary capital.

3) Primary capital and nominal amounts used in calculating risk-weighted volume deviate from figures in the Den norske Bank ASA's account 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 adjustment as at 31 December 2003

		Den norske Bank ASA						
		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
<i>Amounts in NOK million</i>								
Assets								
Cash and deposits with central banks	NOK	101					416	517
	Foreign currency	1					76	77
Lending to and deposits with credit institutions	NOK	18 871	9 049	1 485	7			29 412
	Foreign currency	11 666	2 424	898	2 076	3 461		20 525
Net lending to customers ¹⁾	NOK	166 552	27 953	18 897	28 866	2 444	(1 586)	243 125
	Foreign currency	18 534	17 995	9 608	2	3	(461)	45 681
Commercial paper and bonds	NOK	1 146	7 389	3 659	2 858	724	187	15 962
	Foreign currency	8 842	10 013	1 053	5 499	2 610		28 017
Sundry assets	NOK						32 628	32 628
	Foreign currency						2 632	2 632
Total assets		225 713	74 823	35 599	39 307	9 241	33 893	418 575
	NOK	186 670	44 390	24 041	31 730	3 167	31 645	321 644
	Foreign currency	39 043	30 432	11 558	7 577	6 074	2 247	96 931
Liabilities and equity								
Loans and deposits from credit institutions	NOK	10 753	209	9				10 971
	Foreign currency	14 788	14 686	4 566				34 040
Deposits from customers	NOK	178 800	2 911	1 014				182 725
	Foreign currency	22 087	304	363	67			22 822
Securities issued	NOK	1 840	1 495	1 232	10 060	936		15 563
	Foreign currency	35 007	37 291	8 896	4 530	166		85 890
Sundry liabilities	NOK						30 352	30 352
	Foreign currency						2 830	2 830
Subordinated loan capital and perpetual subordinated loan capital securities	NOK							
	Foreign currency	721	7 766			5 051		13 538
Equity	NOK						19 694	19 694
	Foreign currency						151	151
Total liabilities and equity		263 996	64 662	16 081	14 657	6 152	53 027	418 575
	NOK	191 393	4 615	2 255	10 060	936	50 046	259 305
	Foreign currency	72 603	60 047	13 826	4 597	5 217	2 981	159 271
Net time to interest rate adjustments on balance sheet items		(38 283)	10 160	19 518	24 650	3 089	(19 135)	0
	NOK	(4 723)	39 775	21 786	21 670	2 232	(18 401)	62 339
	Foreign currency	(33 560)	(29 615)	(2 267)	2 979	857	(734)	(62 339)
Net nominal values on financial derivatives								
	NOK	(41 004)	(29 200)	(2 256)	7 437	(1 422)		(66 445)
	Foreign currency	27 502	10 912	(1 798)	(1 035)	699		36 281

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.

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 Den norske Bank ASA 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 Den norske Bank relative to the bank's positions. Also, all interest rate movements within the same interval will be unfavourable for the bank. The figures will thus reflect maximum losses for Den norske Bank. In the trading portfolio, such losses will be charged to the accounts as they occur. In the banking portfolio, the losses will be amortised over the remaining maturity.

The calculations are based on the positions as at 31 December 2003 and market rates on the same date.

Interest rate sensitivity for different intervals

Den norske Bank ASA

<i>Amounts in NOK million</i>	Up to 1 month	From 1 month to 3 months	From 3 months to 1 year	From 1 year to 5 years	Over 5 years	Total
Trading portfolio						
NOK	4	1	38	62	49	30
USD	4	10	14	1	5	34
EUR	1	1	2	3	0	3
GBP	0	0	0	0	0	0
Other currencies	1	2	7	1	0	6
Banking portfolio						
NOK	2	29	81	0	13	66
Total						
NOK	0	0	0	0	0	0
USD	3	30	43	61	36	36
EUR	4	10	14	1	5	34
GBP	0	0	0	0	0	0
Other currencies	1	2	7	1	0	6

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

Note 44 – Currency positions

The table below shows net currency positions as at 31 December 2003 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.

Den norske Bank ASA

<i>Amounts in NOK million</i>	Norwegian kroner	Other currencies	Of which: USD	EUR	GBP	SEK	DKK	JPY
Assets								
Cash and deposits with central banks	517	77	19	31	6	10	7	0
Lending to and deposits with credit institutions	29 412	20 525	8 437	3 266	5 233	595	38	978
Net lending to customers	243 125	45 681	26 421	7 103	1 139	5 269	1 884	887
Commercial paper and bonds	15 962	28 017	6 732	17 214	2 069	74	725	768
Shareholdings etc.	1 573	683	175	321	0	51	0	0
Sundry assets	31 055	1 949	108	12	1 232	11	0	5
Total assets	321 644	96 931	41 891	27 947	9 679	6 009	2 654	2 639
Liabilities and equity								
Loans and deposits to credit institutions	10 971	34 040	24 477	5 334	2 590	76	104	15
Deposits from customers	182 725	22 822	17 609	2 200	1 510	411	383	204
Securities issued	15 563	85 890	44 660	23 550	11 818	0	0	187
Sundry liabilities	30 352	2 830	2 392	16	212	8	4	27
Subordinated loan capital	0	13 538	7 790	3 368	2 380	0	0	0
Equity	19 694	151	212	12	71	(110)	(35)	0
Total liabilities and equity	259 305	159 271	97 141	34 481	18 582	385	456	433
Net currency positions an balance sheets items	62 339	(62 339)	(55 249)	(6 533)	(8 903)	5 624	2 198	2 206
Financial derivatives	(62 143)	62 143	55 077	6 612	8 774	(5 596)	(2 192)	(2 210)
Net currency exposure	196	(196)	(172)	79	(129)	28	6	(4)

Note 45 – Residual maturity as at 31 December 2003

		Den norske Bank ASA						
<i>Amounts in NOK million</i>		Up to 1 month	From 1 month to 3 months	From 3 months to 1 year	From 1 year to 5 years	Over 5 years	No fixed maturity	Total
Assets								
Cash and deposits with central banks	NOK	101					416	517
	Foreign currency	1					76	77
Lending to and deposits with credit institutions	NOK	17 708	8 234	1 999	1 141	330		29 412
	Foreign currency	11 450	975	1 442	3 196	3 461		20 525
Net lending to customers ¹⁾	NOK	14 151	3 837	8 399	37 823	180 500	(1 586)	243 125
	Foreign currency	4 260	1 288	5 320	19 868	15 405	(461)	45 681
Commercial paper and bonds	NOK	131	3 653	3 829	7 275	886	187	15 962
	Foreign currency		764	2 510	10 484	14 259		28 017
Sundry assets	NOK						32 628	32 628
	Foreign currency	23	6	4	43	11	2 544	2 632
Total assets		47 825	18 758	23 503	79 831	214 853	33 805	418 575
	NOK	32 092	15 725	14 227	46 239	181 717	31 645	321 644
	Foreign currency	15 734	3 033	9 276	33 592	33 137	2 160	96 931
Liabilities and equity								
Loans and deposits from credit institutions	NOK	10 192	342	436				10 971
	Foreign currency	17 496	12 576	3 969				34 040
Deposits from customers	NOK	172 493	4 579	5 639	10	3		182 725
	Foreign currency	20 084	733	1 936	69			22 822
Securities issued	NOK	1 515	1 495	1 232	10 385	936		15 563
	Foreign currency	6 998	19 292	12 427	47 007	166		85 890
Sundry liabilities	NOK						30 352	30 352
	Foreign currency	38	2	3	43	11	2 734	2 830
Subordinated loan capital and perpetual subordinated loan capital securities	NOK							
	Foreign currency					7 128	6 410	13 538
Equity	NOK						19 694	19 694
	Foreign currency						151	151
Total liabilities and equity		228 816	39 019	25 642	57 513	8 244	59 341	418 575
	NOK	184 201	6 417	7 308	10 394	939	50 046	259 305
	Foreign currency	44 615	32 602	18 334	47 119	7 305	9 295	159 271
Net residual maturity on balance sheet items		(180 991)	(20 261)	(2 139)	22 318	206 609	(25 536)	0
	NOK	(152 109)	9 308	6 919	35 844	180 778	(18 400)	62 339
	Foreign currency	(28 882)	(29 569)	(9 058)	(13 526)	25 831	(7 135)	(62 339)
Net nominal values on financial derivatives		(429)	(960)	(1 333)	(4 120)	280		(6 562)
	NOK	9 952	(8 500)	(7 872)	(52 559)	(11 302)		(70 281)
	Foreign currency	(10 381)	7 540	6 539	48 439	11 582		63 719

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.

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 fixes 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 counterparties agree to exchange specific interest rate instruments at a fixed price on a specified date. The contracts are traded on an exchange. The value of interest rate futures follows the price trend on underlying interest rate instruments.

Cross-currency interest rate swaps

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

	31 December 2003			31 December 2002		
	Nominal amount ¹⁾	Positive market value ²⁾	Negative market value ²⁾	Nominal amount ¹⁾	Positive market value ²⁾	Negative market value ²⁾
<i>Amounts in NOK million</i>						
Trading portfolio						
Interest rate agreements	1 237 500	20 821	18 174	1 146 154	11 379	7 573
Foreign exchange agreements ³⁾	584 499	16 141	20 987	478 436	16 299	21 231
Equity-related agreements	25 133	1 313	1 324	21 475	740	695
Commodity-related agreements	1	0	0	1	1	1
Banking portfolio						
Interest rate agreements	43 506	338	1 361	39 578	171	2 006
Netting						
Effect of netting agreements ⁴⁾		(18 962)			(14 248)	

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

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

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

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

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

Internal transactions between the trading portfolio and the banking portfolio are valued according to principles relevant to these areas of business without eliminating internal gains and losses. Up till the end of 2003, a total of NOK 1 940 million was recorded as gains on such transactions, while gains of NOK 970 million were recorded in 2003 alone.

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

Amounts in NOK million	Den norske Bank ASA	
	31 Dec. 2003	31 Dec. 2002
Unutilised ordinary credit lines	87 007	79 626
Documentary credit commitments	4 125	2 670
Other commitments	729	7
Total commitments	91 860	82 303
Payment guarantees ¹⁾	12 130	15 824
Loan guarantees	12 053	9 122
Performance guarantees	8 915	7 581
Guarantee to the Commercial Banks Guarantee Fund	2 263	2 263
Guarantees for taxes etc.	2 318	2 003
Other guarantee commitments	2 818	2 871
Total guarantee commitments etc. ^{*)}	40 496	39 663
*) Of which:		
Counter-guaranteed by financial institutions	1 300	420
Joint and several liabilities	43	34
Securities ^{2) 3)}	27 317	16 445
Total mortgages etc.	27 317	16 445
are pledged as security for settlement in foreign currencies etc. ³⁾	8 610	1 823

1) The reduction is attributable the normalisation of the situation in the power market.

2) NOK 18 707 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 2003, Den norske Bank ASA had no borrowing from Norges Bank.

3) In March 2003, DnB Markets became a member of the global settlement system CLS (Continuous Linked Settlement), engaged in the settlement of transactions in major global currencies. The Norwegian krone was included in CLS in September, with Den norske Bank as the largest settlement bank. NOK 8 610 million represents securities in favour of Bank of England and Landeszentralbank for settlement in foreign currencies.

Note 48 – Contingencies

Due to its extensive operations in Norway and abroad, the Den norske Bank ASA will regularly be party to a number of legal actions. None of the current disputes are expected to have any material impact on the bank's financial position. The disputes involving the highest amounts are described below.

Den norske Bank ASA and Norway Post are in disagreement on the calculation of remuneration in connection with the business agreement between the two parties. The disagreement is estimated to involve a maximum amount of around NOK 300 million over a five-year period. The dispute will be settled by arbitration in 2004.

The bank's subsidiary 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.

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

Note 49 – Post balance-sheet events

On 19 December 2003, the Ministry of Finance approved the merger of Den norske Bank ASA and Gjensidige NOR Sparebank ASA prior to the combination of the Commercial Banks' Guarantee Fund and the Savings Banks' Guarantee Fund on certain conditions. One condition was that the Commercial Banks' Guarantee Fund and Den norske Bank ASA be required to issue a guarantee to the Savings Banks' Guarantee Fund. On 15 January 2004, the Board of Directors in the Commercial Banks' Guarantee Fund decided to issue the required guarantee. A corresponding decision was made by the Board of Directors of Den norske Bank ASA. The two banks merged to form DnB NOR Bank ASA on 19 January 2004. The merger will be reflected in the accounts as of 1 January 2004.

Note 50 – Information on related parties

Agreement with Norway Post

In cooperation with Norway Post, DnB NOR has established a joint service concept – in-store postal outlets – where customers can carry out everyday banking transactions. At the end of 2003, this concept was established in about 1 200 stores throughout Norway. In addition, customers gain access to DnB NOR's products through the postal distribution network of post offices and rural postmen.

Oslo, 19 March 2004
The Board of Directors of DnB NOR Bank ASA, as continuance from
Den norske Bank ASA

Olav Hytta
(chairman)

Bent Pedersen
(vice-chairman)

Sten Sture Larre

Per Hoffmann

Torill Rambjør

Ingjerd Skjeldrum

Marit Wiig

Svein Aaser

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

Auditor's Report for 2003

We have audited the annual financial statements of Den norske Bank ASA as of 31 December 2003, showing a profit of NOK 2 791 million. 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 and the accompanying notes. 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 Bank'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 Bank as of 31 December 2003, 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 Bank'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, 19 March 2004
PricewaterhouseCoopers DA

Geir Julsvoll
State Authorised Public Accountant (Norway)

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

Directors' report 2003

Gjensidige NOR Sparebank 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.

The bank has been granted exemption by the Banking, Insurance and Securities Commission from the requirement to prepare consolidated accounts for the bank and its subsidiaries. The bank and its subsidiaries are consolidated in the group accounts of the parent company DnB NOR ASA. All figures in the Directors' report thus refer to the accounts of Gjensidige NOR Sparebank ASA, unless special reference is made to other units within the Group.

The establishment of DnB NOR Bank ASA

At Extraordinary General Meetings on 19 May, shareholders in DnB Holding ASA and Gjensidige NOR ASA approved the merger. Following close dialogue with the authorities, DnB Holding ASA and Gjensidige NOR ASA were granted a concession by the Ministry of Finance to merge and establish the financial services group DnB NOR ASA. The two holding companies Gjensidige NOR ASA and DnB Holding ASA merged on 4 December 2003.

In September 2003, the Extraordinary General Meetings in Den norske Bank ASA and Gjensidige NOR Sparebank ASA approved the merger plan between the two banks. The two banks merged on 19 January 2004 with Gjensidige NOR Sparebank ASA as the acquiring company. The name of the merged bank is DnB NOR Bank ASA.

In connection with the processing of the concession, the Norwegian authorities stipulated a number of conditions, including the sale of some subsidiaries and holdings. Thus Gjensidige NOR Sparebank's subsidiary Elcon Finans AS is required to be sold. In addition, The Competition Authority demanded that competitors be given the opportunity to take over the premises of bank branches and business centres scheduled to be closed.

A process is under way to merge the

Commercial Banks' Guarantee Fund and the Savings Banks' Guarantee Fund. In its approval of the DnB NOR merger, given on 19 December 2003, the Ministry of Finance stipulated certain conditions for approving the merger of the two banks, Den norske Bank ASA and Gjensidige NOR Sparebank ASA, prior to the combination of the Guarantee Funds.

One of the conditions was that the Commercial Banks' Guarantee Fund be required to issue a guarantee to the Savings Banks' Guarantee Fund. In addition, Den norske Bank would have to issue a guarantee to the Savings Banks' Guarantee Fund corresponding to the increase in the Fund's liabilities resulting from the merger between the two banks. These conditions have been met, and the bank merger was implemented on 19 January 2004.

The merger of the two banks will ensure significant synergies and a basis for profitable growth. The practical implementation of the merger will take time and will include job assignments, integration of IT systems and coordination of products, services, systems and routines. The market will thus not see a fully integrated DnB NOR Bank until 2005. The Board emphasises the significance of giving proper attention to customer needs throughout this period to make sure that customers also see the merger in a positive light. Throughout the merger

process, the two banks operated as competitors.

16 regional and local savings banks have signed a cooperation agreement with DnB NOR. The agreement entails cooperation on IT solutions, product development and procurement, but not market cooperation. Gjensidige NOR has many years of experience in cooperating with savings banks, which has ensured all parties economies of scale and cost savings.

Strategy

Gjensidige NOR Sparebank was the main unit in the Gjensidige NOR Group. The bank's strategy was thus closely coordinated with the Group's overall strategy. In future, the strategy of DnB NOR Bank must be viewed in light of the strategy for the DnB NOR Group.

DnB NOR is Norway's leading financial services group, and the Group's strong position among customers in Norway represents a foundation for future operations. At the same time, the Group's resources and size will enable it to expand outside Norway in areas where experience and competence gained from operations in Norway ensure competitive clout in a Nordic and international perspective. During the period from 2004 through 2006, the DnB NOR Group will realise major cost synergies resulting from the merger. This will be given high

priority.

The work on developing and strengthening customer relationships is important. A flexible and well-developed distribution system, competent advice, cross-sales, product development and decentralised decision-making authority are instrumental in this process. DnB NOR has Norway's largest customer franchise and distribution network. The Group also offers all types of financial products and solutions. This provides a platform for becoming the market participant that best satisfies overall customer needs.

The Group will further develop a Nordic strategy within areas where it has competitive advantages based on, among other things, customer relations, product competence and industry expertise. The Group currently has a strong position within asset management in the Nordic region. The international strategy will also be further developed. The Group has a leading position within international shipping, along with a global presence and strong expertise in the energy and fisheries sectors. DnB NOR aims to be the preferred partner for international customers who conduct business in Norway within securities trading, international payments and securities services.

The new group has started the process of building a common corporate culture, which will result in a joint value base, core values and management principles. This work is closely linked to the development of the DnB NOR brand as well as the Group's other brand names. Together, these efforts form the pillars underpinning our commitment to organisational and management development. Motivated and competent managers and employees will be crucial to success in reaching group targets.

DnB NOR's financial targets aim to create shareholder value through a return on equity and increases in the share price which are competitive in a Nordic context. This can be expressed through the following targets:

- Return on equity should be in excess of 14 per cent per annum after tax but before goodwill amortisation
- The core capital ratio should be around 7 per cent.
- The banking operation's objective is an AA level rating for ordinary long-term debt

Operations in 2003

2003 was a year of brisk activity for Gjensidige NOR Sparebank. In spite of the strong impact of merger preparations, the primary focus was on ordinary operations and business as usual in all units. Customer relationships were given highest priority. The bank achieved progress in most market segments.

The global economy faced huge challenges at the beginning of the year. The weak international trend in 2002 continued through the first quarter of 2003. Fear of war in Iraq dampened the already weak level of economic activity. Companies concentrated on consolidating their financial position, unemployment rates were

climbing and pessimism was on the rise in the household sector. Following the declaration of the end of the war in Iraq in April, however, uncertainty gradually abated and was replaced by growing confidence in the future.

Lower Norwegian interest levels and reduced interest rate differentials relative to other countries led to a lower NOK exchange rate versus most other currencies. This eased the debt burden for many companies and strengthened Norwegian companies' international competitive position.

In consequence of low interest levels, demand for housing loans was high throughout 2003. Early in the year prices on residential property showed a slight decline, though prices started to pick up in May. Joblessness was also down towards the end of 2003. The earlier downward trend in prices on commercial property levelled off at the end of the year, with clear signs of improvement in price levels.

Declining interest levels in Norway and abroad presented both opportunities and challenges for Gjensidige NOR Sparebank. The interest rate level in Norway dropped so low in 2003 that it was difficult to implement corresponding interest rate cuts on deposit accounts. As a consequence, the bank's income on deposits declined. Further, reduced interest rate levels also led to a lower direct return on equity, though this was partly offset by lower funding costs on non-interest-earning assets.

After a number of years with falling global equity prices, the trend reversed in the second quarter of 2003. This led to greater interest in share investments and improved the earnings base for several of the business areas.

Gjensidige NOR Sparebank recorded strong progress in the sale of loans to the retail market, but also in the sale of services other than traditional lending and deposits in 2003. There was a higher demand for electronic payment transactions, and the number of transactions increased. Strong fluctuations in exchange rates and interest levels during the year led to a high level of activity within trading in foreign exchange and interest rate instruments. Customers showed strong interest in currency hedging.

The Board wishes to thank each and every employee for outstanding efforts in a hectic year.

Review of the annual accounts

Gjensidige NOR Sparebank's profits for 2003 totalled NOK 2 227 million. Corresponding profits for 2002 totalled NOK 1 781 million. Annual profits for 2003 represented a return on equity of 17.3 per cent.

Income

Income totalled NOK 6 795 million, up 2.9 per cent from NOK 6 605 million in 2002. Net interest income was reduced by NOK 82 million from 2002 to 2003. Growth in lending and deposits lifted interest income by a total of NOK 297 million, while narrower customer spreads gave a reduction of NOK 155 million. This can be ascribed to the significant reduction in money market rates through 2003 and pressure on deposit margins. On average, interest spreads

narrowed by 0.15 percentage points from 2002 to 2003. Other effects on net interest income, including a lower direct return on equity based on prevailing money market rates, brought interest income down by a total of NOK 224 million.

Net other operating income amounted to NOK 2 192 million in 2003, an increase of NOK 227 million from 2002. Higher share prices gave NOK 95 million in higher gains on the bank's share investments. Trading in foreign exchange and interest rate instruments showed strong progress in 2003, mainly due to an increase in customer trading. Gains on trading in foreign exchange and interest rate derivatives rose by NOK 171 million. Due to higher transaction volumes, income on payment transactions was up NOK 21 million.

Operating expenses

Operating expenses totalled NOK 3 427 million in 2003, a decrease of NOK 60 million from 2002. The cost/income ratio, representing total costs relative to income, was 50.4 per cent in 2003, as against 52.8 per cent in 2002.

Stringent cost controls were implemented in the bank, while synergies relating to the merger were realised already in the 2003 accounts, partly due to the postponement of new recruitment and marketing measures.

Restructuring expenses, write-downs etc. totalled NOK 90 million in 2003, down from NOK 100 million in the previous year. This included allocations to the employee fund of NOK 37 million in 2003, compared with NOK 5 million in 2002.

Non-performing and doubtful commitments

Losses totalled NOK 438 million in 2003, compared with NOK 460 million in 2002.

Non-performing and doubtful commitments in the retail market increased by NOK 134 million during 2003. In the corporate market, there was an increase in non-performing and doubtful commitments in the manufacturing, real estate, services, hotels and restaurants and building and construction sectors, while volumes were scaled back in most other industries. Extensive efforts were devoted to securing values in connection with loss-exposed commitments. Unspecified loan-loss provisions remained unchanged in 2003.

Long-term investments in securities

Net gains on long-term investments in securities were NOK 39 million in 2003, compared with a net loss of NOK 117 million recorded in 2002.

Taxes

Gjensidige NOR Sparebank's tax charge for 2003 totalled NOK 662 million, representing 23 per cent of pre-tax operating profits. The tax charge for 2002 was NOK 759 million or 30 per cent of pre-tax operating profits.

The main reason for the particularly low tax charge for 2003 was dividends received, tax allowances received and taxable loss in connection with the sale of shares.

Lending and deposits

Total lending in the bank's balance sheet was NOK 181 billion at the end of 2003, up from NOK 165 billion a year earlier. The growth in net lending was 10 per cent in 2003.

The combination of low credit demand and a restrictive lending policy gave a 4 per cent rise in lending in the corporate market in 2003. In the retail market, Gjensidige NOR Sparebank recorded lending growth of 13 per cent. Residential mortgages increased by 15 per cent. These mortgages totalled 92 per cent of the bank's lending to the segment at the end of 2003.

Bank deposits rose from NOK 122.5 billion to NOK 125 billion in 2003. The ratio of deposits to lending declined from 74 per cent to 69 per cent at the end of 2003. Low Norwegian deposit rates coupled with the stock market upturn has caused greater demand for alternative savings products at the expense of traditional bank deposits. A lower ratio of deposits to lending and the acquisition of operations increased the bank's need for alternative funding sources, and securities issued rose from NOK 57 billion to NOK 69 billion during 2003.

Risk

2003 was characterised by strong fluctuations in interest rates, exchange rates and share prices. The number of bankruptcies was the highest since 1992. Thanks to its moderate risk profile and active risk management, Gjensidige NOR Sparebank came through the year without extraordinary losses or negative surprises. Credit losses were roughly at the normalised level. While industries exposed to international competition went through a difficult time in 2002 and 2003, other sectors of the Norwegian economy showed a stable trend. This was supported by government budget policy, where weaker tax revenues were offset by increased use of petroleum revenues. Norges Bank (the central bank of Norway) reduced key interest rates by as much as 4.25 percentage points in 2003, from 6.50 to 2.25 per cent. At end-December, Norwegian interest rates were at their lowest level since 1969. In the course of 2003, the Norwegian krone depreciated 15.4 per cent against the euro and 11.8 per cent against a trade-weighted currency basket. The low interest rate level and weaker Norwegian krone will have a positive impact on future competitiveness and debt servicing capacity in the corporate sector.

Housing prices climbed 1.8 per cent from 2002 to 2003, and lending growth in the retail market was brisk even before Norges Bank lowered interest rates. 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 bank.

The merger between Den norske Bank and Gjensidige NOR Sparebank has led to a further diversification in credit exposure. As the two groups had few major customers in common, large commitments constitute a markedly lower percentage of total exposure than in the former institutions. There is also less concentration in the commercial property, shipping and fisheries/fish

farming sectors.

Gjensidige NOR Sparebank has set low risk limits in interest rate and currency markets, which has ensured moderate profit fluctuations. However, volatile markets have boosted income due to customers' increasing need for interest rate and foreign exchange products.

During 2003, Gjensidige NOR Sparebank recorded only minor operational losses. Much attention is given to the various types of operational risk associated with the completion of the merger. Experience gained during the merger process has been positive thus far, and planning and follow-ups have produced the intended results.

The core capital ratio of Gjensidige NOR Sparebank at the end of 2003 was 9.2 per cent. In the opinion of the Board of Directors, the bank is adequately capitalised considering the current risk situation and relative to the bank's risk profile and rating targets.

Corporate social responsibility

With Norway's largest bank as a key entity and as an active participant in Norwegian society, the DnB NOR Group is committed to sustainable development locally, nationally and internationally. This will be achieved through a business strategy which includes the pursuit of socially responsible business practices by the DnB NOR Group with priority on ethics and social responsibility as well as environmental considerations. A policy for pursuing and highlighting corporate social responsibility in the DnB NOR Group is being drawn up.

Socially responsible performance will be a prerequisite for the long-term competitiveness and profitability of the Group, and the DnB NOR Group will focus on ethical, social and environmental issues in line with the demands of investors, customers, the authorities and employees.

Code of ethics

The DnB NOR Group is highly dependent on the confidence of the wider community in the professionalism and integrity of the Group. The Group must always act with due care, fairness and objectivity. The new code of ethics for employees and elected officers covers aspects relating to customers and suppliers, the duty of confidentiality, notification requirements, personal finances, participation and positions in business enterprises, trading in financial instruments and insider trading.

Social responsibility

DnB NOR's social responsibility is reflected in the Group's human resources policy and efforts within health, safety and environment. Furthermore, contributions are made to various cultural and social activities, research, education and Norwegian sports activities through DnB NOR's sponsorship activities. Another aspect is the development of Internet banks and electronic banking services lightens the burden on the environment by reducing the need for transportation and paper.

External environment

The environmental policy provides guidelines and action plans with respect to maintaining order in its own house and ensuring satisfactory focus on ethical and environmental issues relating to various business activities.

Direct impact on the external environment is of little significance. The environmental policy focuses primarily on energy efficiency, reductions in the use of paper and in air travel, eco-friendly procurement as well as responsible waste treatment. Environmental certification of financial services centres and other large units is in the pipeline.

Gjensidige NOR Sparebank has, however, a substantial indirect impact on the external environment through its business activities. In this area, environmental policy especially targets the credit activity. Guidelines for ethical and environmental risk factors are stipulated for credit activity.

Health, safety and environment

The bank has well-established routines for dealing systematically with health, safety and environment (HS&E) issues. The bank's HS&E model has ensured an annual review of physical, safety and psychosocial issues relating to the working environment. Health, safety and environment has been a priority area where importance is attached to training of managers and safety representatives along with specific preventive measures.

HS&E and working environment training in the DnB NOR Group involved a total of 79 managers and 78 safety representatives in 2003. Various forms of physical exercise during working hours were introduced in 2003 for more than 1 000 staff members. The initiatives have strengthened social bonds and had a positive impact on efforts to prevent repetitive strain injuries. In 2003, the Group carried out four emergency exercises as well as 85 courses and drills in coping with robberies and threats, in which both managers and staff were actively involved.

As part of the agreement on an inclusive working environment, the bank has approved an extension of the use of self-certified sick leave up to 24 days during a 12-month period. In addition, a new group standard procedure has been introduced for closer and more active follow-ups of persons with health problems. The goal is to reduce sickness absenteeism, which has remained at a stable level in recent years.

Absence due to illness for the DnB NOR Group averaged 4.95 per cent of total working days in 2003, compared with 4.49 per cent in 2002. A total of 13 occupational injuries were reported, with eight employees exposed to robberies. None of the employees exposed to robberies reported physical problems.

Equal rights

The DnB NOR Group has an approximate gender balance, however, women represented a total of 92.8 per cent of the 1 397 part-time employees. The number of men at senior management levels

was 421, compared with 112 women. These factors are part of the reason that average salaries for women employees are lower than for men employees.

The Group has a stated goal of achieving greater diversity in its management teams. Measures aimed at increasing the representation of women in senior executive positions were implemented in 2003, including the preparation of a list of women displaying managerial talent and women in current management positions with senior executive potential. Several women have participated in an external mentor programme run by the Administrative Research Foundation. The Group has also realised its target of increasing the number of women participants in all management training programmes to 50 per cent.

The DnB NOR Group still has a way to go before achieving the preferred gender balance at management level. The Group will work actively on initiatives and analyses relating to how women can gain greater access to executive positions. Mapping women's situation and their attitudes towards a management career is among the initiatives under review, which will be used as the basis for considering specific measures.

Future prospects

The international economy passed the trough in 2003, and there are sound prospects for economic growth in 2004. Demand for Norwegian goods and services is expected to increase, parallel to rising economic growth in Norway. The low interest rate level at the beginning of 2004 was reduced further during the first few months of the year. Household consumption growth and demand for housing rose appreciably in the second half of 2003 and is expected to continue to climb in 2004. Household credit demand was high throughout 2003, and the low interest levels can help sustain this demand in 2004. A moderate increase in interest rates is expected in the second half of the year.

Cost cuts and consolidation have helped improve profitability in the business sector. A

weaker krone has also contributed to upholding the level of exports of traditional goods and manufacturing production. There is, however, still surplus capacity in several sectors, and it could take some time before the increase in demand and production has any substantial impact on employment and investments. Corporate credit demand is expected to grow somewhat. Parts of the business community will most likely still face problems in 2004, though certain sectors will reflect the upturn in the global economy. Overall, a certain rise in equity prices is expected.

A fall in oil prices is anticipated in consequence of increased production in non-OPEC countries and much higher production in Iraq. This could cause a certain decline in the NOK exchange rate. Inflation is expected to remain low throughout 2004. Tough competition from international companies in Norway and rising imports from low-cost countries will probably counteract the effects of higher inflationary trends abroad.

In 2004, the new bank, DnB NOR Bank, will focus on retaining and strengthening customer relationships in the new group by offering a full range of products at competitive terms and by making the Group's overall competence available to customers. After the merger, DnB NOR Bank acquired a unique market position and will be able to expand its product offering to existing customers.

The low interest rate level at the beginning of 2004 presents both opportunities and challenges for the bank. Low interest rate levels will strengthen the debt servicing capacity of both households and the business sector, thus giving reason to assume that the level of loan losses and non-performance will be relatively low in 2004.

On the other hand, low interest rates represent a challenge with respect to the bank's net interest income. The direct return on equity measured against short-term money market rates has been reduced and deposit margins are under pressure. The bank's stance, however, is that low interest levels will stimulate new activity in the business community and thus gradually bring

about higher inflation, which in turn will provide the impetus for higher interest levels.

The integration between the merger parties provides ample opportunities for realising synergies through the discontinuation and combination of operations. These efforts will be given high priority in 2004 and followed up closely by management and the Board of Directors. The process is on schedule and will have a significant impact on profits in 2004.

Dividends and allocation of profits

Profits for 2003 in Gjensidige NOR Sparebank ASA came to NOK 2 227 million. The Board of Directors proposed a group contribution of NOK 1 485 million (net) and NOK 641 million in dividend to DnB NOR ASA.

The bank's capital adequacy ratio per 31 of December 2003 is 12.3 per cent with a core capital ratio of 9.2 per cent.

In the opinion of the Board of Directors, following allocations, Gjensidige NOR Sparebank ASA will have adequate financial strength and flexibility to cover the bank's financial risk and to provide satisfactory support to operations in the subsidiaries.

The Board of Directors recommends allocating profits for the year as follows:

Amounts in NOK million

Group contribution	1 485
Dividend	641
Transfers to other equity	101
Total allocations	2 227

At the beginning of 2003, Gjensidige NOR Sparebank had a scheme for the allocation of shares to the employee investment fund. In accordance with defined criteria for the scheme, when finalising the accounts the Board of Directors decided to allocate the following to the employees' share investment fund:

<i>Amounts in NOK million</i>	2003	2002
Gjensidige NOR-ansattes Fond AS	37	5

Oslo, 19 March 2004
The Board of Directors of DnB NOR Bank ASA, as continuance from
Gjensidige NOR Sparebank ASA

Olav Hytta
(chairman)

Bent Pedersen
(vice-chairman)

Sten Sture Larre

Per Hoffmann

Torill Rambjør

Ingjerd Skjeldrum

Marit Wiig

Svein Aaser

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Profit and loss accounts

		Gjensidige NOR Sparebank ASA	
Amounts in NOK million	Note	2003	2002
Interest income	2, 4	14 160	16 630
Interest expenses	2, 4	9 557	11 945
Net interest income and credit commissions	2, 4	4 603	4 685
Dividends	5	638	686
Commissions and fees receivable on banking services	5	1 597	1 538
Commissions and fees payable on banking services	5	491	508
Net gain on foreign exchange and financial instruments	5, 6	429	164
Sundry ordinary operating income	5	17	39
Gains on the sale of fixed assets	5	1	1
Net other operating income	5	2 192	1 920
Salaries and other personnel expenses	7, 8, 9, 10	1 602	1 602
Administrative expenses	7	980	1 025
Depreciation	7	249	246
Sundry ordinary operating expenses	7	507	514
Other expenses	7	90	100
Total operating expenses	7	3 427	3 487
Pre-tax operating profit before losses		3 367	3 118
Net losses on loans, guarantees, etc.	12, 13	438	460
Net losses on long-term securities	14	39	117
Pre-tax operating profit		2 890	2 541
Taxes	15	662	759
Profit for the year		2 227	1 781
Group contribution/dividends	37	2 126	1 721
Transferred to other equity	37	101	60
Total transfers and adjustments		2 227	1 781
Earnings per share (NOK)		32.82	26.25

Balance sheets

		Gjensidige NOR Sparebank ASA	
<i>Amounts in NOK million</i>	Note	31 Dec. 2003	31 Dec. 2002
Assets			
Cash and deposits with central banks	16	7 628	3 810
Lending to and deposits with credit institutions	16	42 586	36 029
Gross lending to customers	16, 18, 19, 20, 22	183 270	167 133
- Specified loan-loss provisions	21	(1 021)	(995)
- Unspecified loan-loss provisions	21	(1 100)	(1 097)
Net lending to customers		181 150	165 041
Reposessed assets		7	14
Commercial paper and bonds	16, 24	17 310	18 908
Shareholdings etc.	16, 25, 26, 27	1 480	1 560
Investments in associated companies and jointly controlled operations	16, 28	358	358
Investments in subsidiaries	16, 29	4 311	4 035
Intangible assets	15, 16, 30	373	388
Fixed assets	16, 31	704	801
Other assets	16	1 269	1 574
Prepayments and accrued income	16	1 685	2 523
Total assets		258 861	235 041
Liabilities and equity			
Loan and deposits from credit institutions	32	31 519	27 354
Deposits from customers	32, 33	125 050	122 544
Securities issued	32, 34, 35	69 482	56 831
Other liabilities	32	7 688	4 652
Accrued expenses and prepaid revenues	32	2 490	2 172
Provisions for commitments	32	322	387
Subordinated loan capital	36	6 475	5 758
Perpetual subordinated loan capital securities	36	2 944	2 552
Total liabilities		245 970	222 250
Share capital	37	6 786	6 786
Other equity	37	6 105	6 004
Total equity		12 891	12 790
Total liabilities and equity		258 861	235 041
Other commitments and conditional commitments	44, 45, 46, 47		

Cash flow statements

		Gjensidige NOR Sparebank ASA	
<i>Amounts in NOK million</i>		2003	2002
OPERATIONS			
Lending and funding activity			
Net payments made on instalment loans	(17 764)	(11 434)	
Net receipts on credit lines and other current accounts	13 707	9 422	
Receipts on loans and guarantees previously written off	72	82	
Net receipts/payments on time deposits from customers	(10 068)	4 602	
Interest and commissions received from customers	14 397	12 844	
Interest paid to customers	(4 560)	(5 959)	
Other operations			
Other receipts on commissions and fees	1 127	883	
Net receipts/payments on trading in short-term investments in shares	144	(83)	
Net receipts/payments on trading in fixed-income securities	1 579	(2 974)	
Net payments on trading in foreign exchange and financial derivatives	931	1 428	
Dividends received on short-term investments in shares and other participations	82	96	
Interest earned on securities	792	949	
Other receipts	203	159	
Payments to operations	(3 349)	(3 139)	
Taxes paid	(33)	(865)	
Net cash flow relating to operations	(2 740)	6 011	
INVESTMENT ACTIVITY			
Receipts on the sale of fixed assets	3	152	
Payments on the acquisition of fixed assets	(94)	(174)	
Receipts on the sale of long-term investments in shares etc.	8	20	
Payments on the acquisition of long-term investments in shares etc.	(349)	(878)	
Dividends received on long-term investments in shares etc.	586	590	
Net cash flow relating to investment activity	154	(290)	
FUNDING ACTIVITY			
Net investments loans from credit institutions	(2 392)	(1 528)	
Net issue of bonds and commercial paper	12 651	(2 641)	
Net receipts on other short-term liabilities	2 909	1 195	
Issue of subordinated loan capital	1 684	1 503	
Redemptions of subordinated loan capital	(1 185)	(976)	
Inflows of perpetual subordinated loan capital securities		2 552	
Dividend payments	(2 464)	(797)	
Net interest payments on funding activity	(4 799)	(3 404)	
Net cash flow from funding activity	6 404	(4 096)	
Net cash flow	3 818	1 625	
Cash and deposits with Norges Bank as at 1 January	3 810	2 185	
Net receipts on cash and deposits with Norges Bank	3 818	1 625	
Cash and deposits with Norges Bank as at 31 December	7 628	3 810	

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 Gjensidige NOR Sparebank 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 2003 are certain insignificant reclassifications, which are addressed in note 1.

SUBSIDIARIES AND ASSOCIATED COMPANIES

Subsidiaries are defined as companies in which Gjensidige NOR Sparebank 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. In the accounts of Gjensidige NOR Sparebank, investments in subsidiaries are recorded at cost.

Associated limited companies in which DnB has a long-term holding of between 20 and 50 per cent and a significant influence on operations, are valued at cost, while holdings in general partnerships are recorded according to the equity method.

Holdings of a short-term nature are carried at cost in the accounts. Holdings taken over in connection with non-performing commitments are generally of a short-term nature.

CLASSIFICATION AND VALUATION

Trading portfolio and banking portfolio

Gjensidige NOR Sparebank 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 bank operations. Agreements in the first category constitute the trading portfolio and are part of the Market Area's 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 the Markets Area's 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.

Reposessed assets

Reposessed assets are assets acquired by the Bank 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 reposessed 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 reposessed assets. Any gains or reversals of previous write-downs are classified as a re-assessment of reposessed 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.

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 Gjensidige NOR Sparebank 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 units in the bank 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 44.

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 Gjensidige NOR Sparebank 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 subscription rights 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.

Gjensidige NOR Sparebank 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 re-

structuring 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 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.

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 Den norske Bank ASA, are organised into five functional business areas and four staff and support units. The business areas, which include the activities of Den norske 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 cash flow statements are structured on the basis of banking operations. The statements reflect the main aspects of the Bank's liquidity development, with special emphasis on cash flows relating to lending and funding activities.

Note 1 – Reclassifications

DnB Holding ASA and Gjensidige NOR ASA merged in 2003. The accounts of the Group and its subsidiaries (among others Gjensidige NOR Sparebank ASA) were made comparable by harmonising principles and estimates.

The following changes have been made to historical numbers and implemented in the annual accounts of Gjensidige NOR Sparebank ASA:

Income

Annual and monthly credit card fees were classified under "Net interest income and credit commissions", and are now included in "Commissions and fees receivable". Collection fees not related to non-performing and doubtful commitments were classified under "Commissions and fees payable" and are now included in "Sundry ordinary operating expenses". Income and expenses related to terminal rental were classified net under "Sundry ordinary operating income". Gross income and expenses on terminal rental are now included under "Commissions and fees receivable" and "Commissions and fees payable".

Costs

Allocations to the employee fund were classified under "Salaries and other ordinary personnel expenses". These allocations are now included in the item "Other expenses". Restructuring expenses were classified partly as "Salaries and other ordinary personnel expenses" and partly as "Other expenses". The expenses are now classified under "Other expenses".

Note 2 – Net interest income and credit commissions

<i>Amounts in NOK million</i>	Gjensidige NOR Sparebank ASA	
	2003	2002
Interest on loans to and deposits with credit institutions	2 136	2 924
Interest and credit commissions on instalment loans	9 452	10 827
Interest and credit commissions on overdraft and working capital facilities	1 136	1 287
Interest and commissions on building loans	259	303
Front-end fees, back-end fees	365	297
Interest on other loans to customers	66	43
Total interest income on loans to customers	11 278	12 757
Interest on commercial paper, bonds, etc.	710	949
Other interest income	36	0
Total interest income	14 160	16 630
Interest on loans and deposits from credit institutions	737	858
Interest on demand deposits from customers	3 255	4 405
Interest on time deposits from customers	221	310
Interest on special-term deposits from customers	1 181	1 848
Total interest expenses on deposits from customers	4 657	6 563
Interest on securities issued	1 842	2 406
Interest on subordinated loan capital	317	216
Contributions to the Savings Banks Guarantee Fund	173	162
Other interest expenses	1 830	1 740
Total interest expenses	9 557	11 945
Net interest income and credit commissions	4 603	4 685

Note 3 – Unrecorded interest on loans

<i>Amounts in NOK million</i>	Gjensidige NOR Sparebank ASA	
	2003	2002
Accrued, unrecorded interest on non-performing and doubtful loans as at 1 January	85	57
- Recorded interest on non-performing and doubtful loans accrued in previous periods ¹⁾	16	15
- Identified loss of unrecorded interest accrued in previous periods ²⁾	30	5
+ Accrued, unrecorded interest on non-performing and doubtful loans during the period ³⁾	57	48
Accrued, unrecorded interest on non-performing and doubtful loans as at 31 December	96	85

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

2) Will result in a reduction in accrued interest recorded in the balance sheet, but no further changes 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 account as a reduction in net interest income.

The note shows changes in accrued interest on non-performing and doubtful commitments (see notes 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

Average interest rate	Gjensidige NOR Sparebank ASA	
<i>Per cent</i>	2003	2002
Commercial paper and bonds		
Trading portfolio	5.69	6.61
Banking portfolio	3.23	4.39
Loans and deposits from credit institutions		
Loans and deposits with no fixed term or period of notice	4.36	7.58
Loans and deposits with a fixed term or period of notice	3.43	5.25
Deposits from customers		
Deposits with no fixed term	3.80	5.78
Fixed-term deposits	3.20	5.15
Securities issued		
Commercial paper issued	4.72	7.61
Bond debt	4.35	5.67
Own bonds included in the banking portfolio	6.85	6.03

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

Note 5 – Net other operating income

Amounts in NOK million	Gjensidige NOR Sparebank ASA	
	2003	2002
Dividends	638	686
Money transfer fees receivable	989	992
Fees on asset management services	46	69
Fees on custodial services	41	38
Fees on securities	16	15
Guarantee commissions	94	87
Interbank fees	81	74
Credit-broking commissions	10	8
Sales commissions on insurance products	95	87
Sundry commissions and fees receivable on banking services	225	168
Total commissions and fees receivable on banking services	1 597	1 538
Money transfer fees payable	312	336
Interbank fees	89	90
Sundry commissions and fees payable on banking services	90	82
Total commissions and fees payable on banking services	491	508
Net gain/(loss) on short-term shareholdings	37	(58)
Net gain on commercial paper and bonds	168	171
Net gain on trading in foreign exchange and financial derivatives ¹⁾	224	51
Net gain on foreign exchange and financial instruments	429	164
Operating income on real estate	1	1
Remunerations	2	2
Miscellaneous operating income	14	36
Total sundry ordinary operating income	17	39
Gains on the sale of fixed assets	1	1
Net other operating income	2 192	1 920

1) This item must be evaluated relative to interest income on the same activities.

Note 6 – Net gain on foreign exchange and financial instruments

Amounts in NOK million	Gjensidige NOR Sparebank ASA	
	2003	2002
Net gain on trading portfolio	300	162
Net gain/(loss) on equity investments in the banking portfolio	0	0
Net gain on other investments in the banking portfolio	129	2
Net gain on foreign exchange and financial instruments	429	164
Unrecorded market value above book value in the banking portfolio at end of period		
Short-term shareholdings	0	0
Commercial paper and bonds	23	23

Note 7 – Operating expenses

<i>Amounts in NOK million</i>	Gjensidige NOR Sparebank ASA	
	2003	2002
Ordinary salaries	1 115	1 130
Employer's national insurance contributions	180	168
Pension expenses	205	202
Social expenses	102	102
Total salaries and other personnel expenses	1 602	1 602
Fees	103	140
EDP expenses ¹⁾	370	316
Postage and telecommunications	192	198
Office supplies	42	50
Marketing and public relations	159	200
Travel expenses	57	62
Training expenses	10	14
Sundry administrative expenses	47	45
Total administrative expenses	980	1 025
Depreciation on EDP equipment etc.	74	77
Goodwill amortisation	59	58
Depreciation on other machinery, equipment and vehicles	115	110
Depreciation on properties and premises	1	1
Total depreciation	249	246
Rent and operating expenses on rented premises	323	360
Operating expenses on real estate	5	6
Operating expenses on machinery, vehicles and office equipment taken to expense	38	25
Insurance	18	16
Membership fee, Savings Banks Association	7	2
Miscellaneous ordinary operating expenses	116	105
Total sundry ordinary operating expenses	507	514
Allocations to employee funds	35	5
Provisions for restructuring measures	34	74
Write-downs on rental contracts and fixed assets	20	20
Total other expenses	90	100
Total operating expenses	3 427	3 487

1) These expenses concern the purchase, operation and maintenance of computers and software. The Bank's IT expenses totalled NOK 713 million and NOK 636 million in the pro forma accounts for 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 bank's IT operations.

Note 8 – Remunerations etc.

Terms for the group chief executive

The group chief executive in DnB NOR ASA received an ordinary salary of NOK 3 202 000 in 2003, compared with NOK 3 048 000 in 2002. The bonus payment for 2003 was NOK 400 000, compared with NOK 533 000 in 2002, representing payment for extraordinary effort. Benefits in kind were estimated at NOK 269 000, as against NOK 263 000 in 2002, and the pension premium paid during the year was NOK 118 000, compared with NOK 115 000 in 2002. The figures represent the total remuneration to the group chief executive. Costs are divided between DnB NOR Bank ASA and DnB NOR ASA.

The Board of Directors of DnB NOR ASA has stipulated the annual remuneration of the group chief executive at NOK 3 850 000 as of 1 January 2004. According to the employment contract, the group chief executive is entitled to two years' salary (reduced from three years, effective as at 1 January 2004 at the request of the group chief executive) 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.

The new salary has been determined after consideration in two meetings of the Board of Directors in DnB NOR ASA held on 13 February and 25 February 2004, pending a decision by the bank's Supervisory Board on the amount to be covered by the bank (proposed at 50 per cent). The salary to be paid by the Group has been approved.

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 1 970 000 for the 2003 accounting year.

The group chief executive has subscribed for 20 000 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 was group chief executive in Gjensidige NOR up till the merger became effective on 4 December 2003, and became chairman of the Board of Directors of DnB NOR ASA as of the same date. As group chief executive in Gjensidige NOR, he received a total remuneration of NOK 2 950 000 in 2003, compared with NOK 2 393 000 in 2002. These figures included bonus payments of NOK 400 000 in 2003, and NOK 150 000 in 2002, in recognition of extraordinary effort. Benefits in kind were estimated at NOK 181 000, compared with NOK 146 000 in 2002.

Hytta resigned as group chief executive in Gjensidige NOR with an annual pension payable as from 1 January 2004 of NOK 1 700 000, corresponding to 70 per cent of his annual salary. DnB NOR's expenses in conjunction with the former chief executive's pension scheme came to NOK 1 979 000 for the 2003 accounting year. As chairman of the Board of Directors in DnB NOR ASA, Hytta will receive an annual remuneration of NOK 300 000, plus additional remuneration for other board positions within the Group. In accordance with the merger agreement Hytta is entitled to remuneration terms at least on a par with what he received as group chief executive in Gjensidige NOR.

The chairman of the Board has subscribed for 1 550 subscription rights under the general subscription rights programme for all former Gjensidige NOR employees. See more detailed description of the programme below.

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 long-term performance.

Lump sum payments can be made to senior executives in DnB NOR on a discretionary basis. Criteria for such payments relate to results achieved in the respective areas of responsibility. Any payments will be determined on the basis of the individual's ordinary salary and in accordance with usual remuneration schemes within the area of responsibility.

Remunerations to elected representatives

<i>Amounts in NOK 1 000</i>	Gjensidige NOR Sparebank ASA	
	2003	2002
Remuneration to the Board of Directors	744	1 263
Remuneration to the Supervisory Board	378	304
Remuneration to the Control Committee	521	148

Subscription rights programme for employees

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. Thus, as at 31 December 2003 there were 6 860 262 independent subscription rights outstanding at a subscription price of NOK 27.95 per share.

Note 8 – Remunerations etc. (continued)

Loan facilities to employees and elected representatives as at 31 December 2003

Amounts in NOK 1 000

Lending

Employees in Gjensidige NOR Sparebank ASA

Senior employees

Svein Aaser, CEO	0
Tom Grøndahl, deputy CEO	0
Karl-Olav Hovden, deputy CEO	266
Øyvind Birkeland, group executive vice president	1 614
Ottar Ertzeid, group executive vice president	0
Frode Helgerud, group executive vice president	1 256
Harald Jægtnes, group executive vice president, Group Audit	0
Bente A. Landsnes, group executive vice president	2 964
Evlyn Raknerud, group executive vice president	0
Åsmund Skår, group executive vice president	3 004
Leif Teksum, group executive vice president	0
Employees, total	2 220 710

Elected representatives in Gjensidige NOR Sparebank ASA

Board of Directors

Olav Hytta, chairman	0
Bjørn Sund, vice-chairman	0
Sverre Finstad	273
Stephen Gravlíe Kunz	237
Sten Sture Larre	0
Amund Skarholt	0
Hans-Kristian Sætrum	415
Marit Wiig	0
Svein Aaser	0

Supervisory Board

Erik Sture Larre sr., chairman	0
Total members of the Supervisory Board	19 967
Control Committee, total	0

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

Remuneration to the statutory auditor

Amounts in NOK 1 000

2003 2002

Auditor's remuneration	1 167	1 536
Other audit-related remuneration	288	3 385
Remunerations for tax advice	0	11
Other remuneration	384	681
Total remuneration to the statutory auditor	1 839	5 613

Note 9 – Pensions

At year-end, Gjensidige NOR Sparebank had a company pension plan in the form of separate defined benefit schemes. The schemes were funded by Gjensidige NOR Spareforsikring.

The Bank also has commitments relating to salaries exceeding the National Insurance Fund's base rate, agreements on early retirement and participates in the contractual pension (CPA) schemes for banks and the financial services sector.

In Gjensidige NOR Sparebank, commitments relating to salaries exceeding the base rate as well as most rights relating to early retirement agreements, are organised as group pension insurance schemes. Upon retirement under a contractual pension agreement, employees continue as members of the respective company pension plans, earning benefits up till ordinary retirement age. Under other forms of early retirement employees resign from the company pension plans and consequently no longer earn further benefits. These employees will, upon reaching the ordinary retirement age, be compensated for the reduction in benefits earned.

Pension commitments and pension costs are computed on the basis of the calculatory assumptions listed below:

<i>Per cent</i>	2003	2002
Discount rate	6.0	6.5
Anticipated return	7.0	7.0
Anticipated rise in salaries	3.5	4.0
Anticipated increase in base rate	3.0	4.0
Anticipated rise in pensions	3.0	4.0
Anticipated CPA acceptance	40.0	54.0

The economic assumptions have a long-term perspective.

Pension expenses

Gjensidige NOR Sparebank ASA

<i>Amounts in NOK million</i>	2003	2002
Net present value of pension entitlements – regular pension	132	88
Net present value of pension entitlements – CPAs	13	17
Interest expenses on pension commitments	145	160
Actual return on pension funds	182	65
Actual pension expenses	108	200
Deviation between estimated and actual return on pension funds	50	(46)
Net amortisation	47	48
Net pension expenses ¹⁾	205	202
1) Of which: Funded schemes	162	124
Unfunded schemes	43	78

Pension commitments

<i>Amounts in NOK million</i>	31 Dec. 2003	31 Dec. 2002
Accrued pension commitments – regular pensions	2 144	1 968
Accrued pension commitments – CPAs	213	287
Total accrued pension commitments	2 357	2 255
Estimated effect of future salary adjustments	286	459
Estimated pension commitments	2 643	2 714
Pension funds at market value	2 441	1 774
Pension commitments above pension funds	202	940
Deviation between actual and estimated market value of pension funds	(235)	(387)
Actuarial gain/(loss) not recorded in the accounts	(78)	(258)
Net recorded pension commitments ¹⁾	(111)	295
1) Of which: Net overfunding in funded schemes	380	45
Commitments in unfunded schemes	269	340

Pension schemes based on investment funds were overfunded by NOK 426 million and underfunded by NOK 46 million respectively as at 31 December 2003. Pension commitments which are not financed through investment funds and where future pension payments are funded through operations amounted to NOK 269 million as at 31 December 2003.

	31 Dec. 2003	31 Dec. 2002
Number of persons covered by pension schemes in Gjensidige NOR Sparebank ASA	3 116	3 272

Note 10 – Number of employees/full-time positions

	Gjensidige NOR Sparebank ASA	
	2003	2002
Number of employees as at 31 December	2 825	3 117
Number of employees calculated on a full-time basis as at 31 December	2 609	2 785
Average number of employees	2 931	3 151
Average number of employees calculated on a full-time basis	2 698	2 819

Note 11 – Restructuring provisions

	31 Dec. 2003	Gjensidige NOR Sparebank ASA		
		Accrued expenses 2003	New provisions 2003	31 Dec. 2002
<i>Amounts in NOK million</i>				
Restructuring provisions	47	73	34	86

Note 12 – Losses on loans, guarantees etc.

	Gjensidige NOR Sparebank ASA	
	2003	2002
<i>Amounts in NOK million</i>		
Specification of net losses		
Write-offs ^{a)}	131	168
Increase in specified loan-loss provisions ^{b)}	25	96
New specified loan-loss provisions ^{b)}	445	335
Total new specified provisions	601	599
Reassessed specified provisions ^{b)}	91	59
Total specified provisions	510	540
Recoveries on commitments previously written off ^{c)}	72	82
Increase in unspecified provisions ^{d)}		2
Net losses on loans, guarantees. etc. ^{1) 2)}	438	460
1) Of which net losses on guarantees	13	0
2) Total gross losses for the 20 largest loss-exposed commitments	272	264
Specification of changes		
Increase in specified provisions during the period ^{b) minus e)}	8	159
+ Increase in unspecified provisions for the period ^{d)}		2
+ Write-offs covered by specified provisions made in previous years ^{e)}	371	213
+ Write-offs not covered by specified provisions made in previous years ^{a)}	131	168
- Recoveries on commitments previously written off ^{c)}	72	82
Net losses on loans, guarantees. etc.	438	460

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

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

	2003				Gjensidige NOR Sparebank ASA 2002			
	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
<i>Amounts in NOK million</i>								
Retail customers	173	10	70	93	228	13	68	147
International shipping	2	13	1	(12)	1	2		(1)
Real estate	74	11		62	174	4		170
Manufacturing	150	13		137	36	25		11
Services	72	12	1	59	52	3	13	36
Trade	40	3		37	73	9	1	63
Transportation and communication	7	2		5	2	2		0
Building and construction	48	13		35	9			9
Fishing	16	1		15	20			20
Hotels and restaurants	14	1		13	2			2
Agriculture and forestry	3			3	2	1		1
Other sectors	3	12		(9)				0
Total customers	601	91	72	438	599	59	82	458
Change in unspecified provisions				0				2
Total losses/reversals on loans, guarantees etc.	601	91	72	438	599	59	82	460

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

	Gjensidige NOR Sparebank ASA	
	2003	2002
<i>Amounts in NOK millions</i>		
Gains		
Miscellaneous	1	
Write-downs		
Gjensidige NOR Equities	(40)	(117)
Net gains/(losses) on long-term securities	(39)	(117)

Note 15 – Taxes

In consequence of permanent differences between the accounts and the tax base according to Norwegian rules, Gjensidige NOR Sparebank will regularly show a tax charge relative to pre-tax operating profits which is lower than the ordinary tax rate for Norwegian companies. The long-term, normalised tax charge is estimated at 27 per cent of pre-tax operating profits. The relatively low tax level is partly attributable to the fact that dividends received on investments in Norwegian equities are tax-exempt.

As from the 2003 financial year, Gjensidige NOR Sparebank has changed the principle for the tax treatment of currency swaps. The bank previously classified currency swaps as two separate contracts with different maturity dates, which were not subject to the same tax treatment. After a thorough review, the bank has found it appropriate to treat currency swaps as one contract, to be regarded as realised on the date the principal reaches maturity. This means that the contract will be given equal treatment in the accounts and for tax purposes. Application of the former principle would increase tax-deductible timing differences by NOK 1.2 billion. The tax base for payable taxes would thus have been correspondingly higher in 2003. There is some uncertainty regarding this tax principle. In their tax return, Gjensidige NOR Sparebank will thus seek approval for adjusting the taxation principle for long-term currency items. The two alternative solutions have approximately the same accounting and tax effects.

Taxes	Gjensidige NOR Sparebank ASA	
<i>Amounts in NOK millions</i>	2003	2002
Total payable taxes	23	91
Deferred taxes	2	17
Taxes on group contributions	638	651
Total taxes	662	759

Balancing tax charges against pre-tax operating profit

<i>Amounts in NOK million</i>	2003	2002
Operating profit before taxes	2 890	2 541
Estimated income tax – nominal tax rate (28 per cent)	809	711
Tax effect of permanent differences	(55)	23
Tax assets in discontinued operations ¹⁾	(113)	
Inadequate tax provisions in previous years	22	24
Total taxes	662	759
Effective tax rate	23 %	30 %

Tax base

<i>Amounts in NOK million</i>	2003	2002
Operating profit	2 890	2 541
Permanent differences	(196)	83

Changes in timing differences

Timing differences	(417)	(61)
Tax base for the year	2 277	2 562

Elements in the calculation of deferred taxes

<i>Amounts in NOK million</i>	31 Dec. 2003	31 Dec. 2002
Taxable timing differences		
Fixed assets		1
Prepaid pension entitlements	426	75
Other timing differences tax-deductible	31	22
Total taxable timing differences	457	98
Tax-deductible timing differences		
Non-current assets	424	
Prepaid pension entitlements	316	253
Financial instruments ²⁾	104	151
Other taxable timing differences	46	134
Other tax-deductible timing differences ¹⁾	890	538
Calculation base for deferred taxes	(432)	(439)
Deferred tax assets	121	123

1) The 2003 figure include tax-deductible timing differences of NOK 247 million relating to Elcon Finans and NOK 157 million relating to Gjensidige NOR Equities. The timing differences have been taken to income in 2003 as the company will be sold during 2004.

2) 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.

Note 16 – Assets

<i>Amounts in NOK million</i>	Gjensidige NOR Sparebank ASA	
	31 Dec. 2003	31 Dec. 2002
Cash and deposits with central banks	7 628	3 810
Lending to and deposits with credit institutions with no fixed term or period of notice	518	341
Lending to and deposits with credit institutions with a fixed term or period of notice	42 068	35 688
Specified loan-loss provisions	0	0
Lending to and deposits with credit institutions	42 586	36 029
Instalment loans	171 463	154 193
Overdraft and working capital facilities	9 234	9 592
Building and construction loans	2 573	3 348
Gross lending to customers	183 270	167 133
Specified loan-loss provisions	(1 021)	(995)
Unspecified loan-loss provisions	(1 100)	(1 097)
Net lending to customers	181 150	165 041
Reposessed assets	7	14
Commercial paper and bonds issued by central and local government	199	1 195
Commercial paper and bonds issued by financial institutions	7 532	9 597
Commercial paper and bonds issued by others	9 579	8 116
Commercial paper and bonds	17 310	18 908
Short-term investments in shares, mutual funds and PCCs	1 312	1 417
Long-term investments in shares, mutual funds and PCCs	153	129
Shares in general and limited partnerships	15	14
Shareholdings etc.	1 480	1 560
Investments in associated companies - credit institutions	345	345
Investments in other associated companies and jointly controlled operations	13	13
Investments in associated companies and jointly controlled operations	358	358
Investments in subsidiaries - credit institutions	3 297	3 002
Investments in other subsidiaries	1 014	1 033
Investments in group companies	4 311	4 035
Goodwill	158	217
Deferred tax assets	121	123
Systems development recorded in the balance sheet	93	49
Intangible assets	373	388
Machinery, equipment and vehicles	676	773
Buildings and other properties	11	11
Other fixed assets	17	17
Fixed assets	704	801
Amounts due on documentary credits and other payment services	488	56
Dividends	695	573
Other amounts due	86	944
Other assets	1 269	1 574
Accrued interest income	1 019	2 343
Prepaid pension entitlements	426	72
Other prepayments and accrued income	240	108
Prepayments and accrued income	1 685	2 523
Total assets	258 861	235 041

Note 17 – Credit risk

Commitments according to risk category

Gjensidige NOR Sparebank ASA

<i>Amounts in NOK billion</i>	Gross loans	Guarantee commitments	Undrawn limits (committed)	Total commitments
Risk category relative to percentage of normalised losses ^{1) 2)}				
<0.25	140	7	23	170
0.25-0.75	19	2	4	24
>0.75 ³⁾	21	1	2	24
Non-performing and doubtful commitments	3			3
Total commitments as at 31 December 2003	183	10	28	222
Risk category relative to percentage of normalised losses ^{1) 2)}				
<0.25	125	7	22	154
0.25-0.75	18	2	5	25
>0.75 ³⁾	21	1	1	23
Non-performing and doubtful commitments	3			3
Total commitments as at 31 December 2002	167	10	28	205
Loan-loss level ¹⁾			2003	2002
Normalised losses including loss of interest income in per cent of net lending			0.29	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. This 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

Gjensidige NOR Sparebank ASA

<i>Amounts in NOK million</i>	31 Dec. 2003	31 Dec. 2002
Home mortgages <80 per cent of appraised value	104 878	91 632
Home mortgages >80 per cent of appraised value	3 866	2 838
Credit card loans	4 670	4 863
Other loans	5 369	5 728
Total retail marked loans	118 783	105 061

Note 18 – Commitments for principal sectors as at 31 December

Amounts in NOK million	Gjensidige NOR Sparebank ASA					
	Loans ¹⁾		Guarantees ¹⁾		Committed limits ²⁾	
	2003	2002	2003	2002	2003	2002
Retail customers	118 783	105 061	139	125	130 135	116 139
International Shipping	5 044	3 701	1 077	1 173	7 398	6 407
Real estate	24 655	24 849	896	1 228	29 535	30 019
Services	7 474	6 630	1 574	1 231	10 274	8 942
Trade	6 197	5 544	845	780	9 621	6 412
Oil and gas	130	117	16	19	225	136
Transportation and communication	1 095	2 384	326	382	1 652	2 769
Building and construction	2 273	2 368	722	634	3 649	4 266
Power and water supply	1 720	2 051	1 130	1 647	3 057	3 697
Central and local government	259	411			1 587	802
Fishing	373	400			440	417
Hotels and restaurants	2 061	1 620	189	190	2 498	5 641
Agriculture and forestry	2 904	2 784	27	115	3 383	3 509
Other sectors	3 413	2 767	1 728	1 377	5 535	5 460
Total customers	182 250	166 138	9 538	9 464	221 573	205 083
Credit institutions ³⁾	38 544	31 160	419	299	51 932	35 563
Total	220 794	197 298	9 957	9 764	273 505	240 646

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 as at 31 December

Amounts in NOK million	Gjensidige NOR Sparebank ASA					
	Net non-performing commitments ¹⁾		Net doubtful commitments ¹⁾		Total specified provisions	
	2003	2002	2003	2002	2003	2002
Retail customers	991	850	6	13	415	415
International shipping	7	1			3	2
Real estate	308	310	179	84	164	190
Manufacturing	175	30	21	25	195	145
Services	98	48	31	43	98	77
Trade	52	99	10	8	46	42
Transportation and communication	17	10		1	6	1
Building and construction	94	64	5	6	58	33
Fishing	80	23		44	18	4
Hotels and restaurants	68	38	11	9	14	55
Agriculture and forestry	33	20	4	3	6	2
Other sectors	10	6		5	1	49
Total customers	1 933	1 500	266	241	1 024	1 015
Credit institutions ²⁾	5		5		2	
Total	1 938	1 500	271	241	1 027	1 015

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 as at 31 December

Amounts in NOK million	Gjensidige NOR Sparebank ASA					
	Retail customers		Corporate customers		Total	
	2003	2002	2003	2002	2003	2002
Non-performing commitments ¹⁾						
Before specified provisions	1 393	1 246	1 349	1 014	2 742	2 260
After specified provisions ¹⁾	991	850	947	649	1 938	1 500
Doubtful commitments ¹⁾						
Before specified provisions	19	32	475	463	494	495
After specified provisions ¹⁾	6	13	265	247	271	241
*) Of which:						
Non-accruing commitments						
Before specified provisions	644	590	809	689	1 453	1 279
After specified provisions	242	233	407	286	649	519

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.

Note 21 – Provisions for losses on loans and guarantees

Amounts in NOK million	Gjensidige NOR Sparebank ASA					
	Total provisions		Loans		Guarantees	
	2003	2002	2003	2002	2003	2002
Specified loan-loss provisions as at 1 January	1 015	868	995	844	20	24
Write-offs covered by specified provisions made in previous years	371	213	366	213	5	
Provisions for the period						
Increase in specified loan-loss provisions	25	96	25	96		
New specified loan-loss provisions	446	335	443	333	3	2
Reassessed specified loan-loss provisions	91	59	80	57	11	2
Exchange rate movements	3	(12)	3	(8)		(4)
Specified loan-loss provisions as at 31 December	1 027	1 015	1 021	995	7	20
Unspecified loan-loss provisions as at 1 January	1 097	1 095	1 097	1 095		
Unspecified loan-loss provisions for the period	0	2	0	2		
Unspecified loan-loss provisions - purchased portfolio	3		3			
Unspecified loan-loss provisions as at 31 December	1 100	1 097	1 100	1 097	0	0
Total loan-loss provisions as at 31 December	2 127	2 112	2 120	2 092	7	20

Note 22 – Loans and guarantees according to geographical location as at 31 December ¹⁾

Amounts in NOK million	Gjensidige NOR Sparebank ASA					
	Lending to customers		Lending to credit institutions		Guarantees	
	2003	2002	2003	2002	2003	2002
Oslo	42 503	37 608	12 774	9 352	4 428	4 370
Eastern and southern Norway	112 394	103 060	24 869	21 044	3 512	3 634
Western Norway	6 763	6 381	195	193	337	201
Northern and central Norway	18 697	16 728	142	56	719	819
Total Norway	180 357	163 777	37 980	30 645	9 371	9 024
Western Europe	1 756	2 489	78	184	221	176
Other Eastern European countries	131	63	487	331	13	8
Total Europe outside Norway	1 887	2 552	564	515	234	184
USA and Canada	261	372			195	159
Bermuda and Panama ²⁾	166	191				
Argentina	3	3				
Other South and Central American countries	135	8			167	113
Total America	565	574			362	272
Singapore	6	3			229	303
Hong Kong	5	6				
Indonesia		1				
Thailand	6	4			1	
Malaysia	5	5				
Other Asian countries	14	27			140	
Total Asia	36	46			370	303
Liberia ²⁾	98	170				
Other African countries	19	7				
Australia and New Zealand	309	7				
Total	183 270	167 133	38 544	31 160	9 963	9 783

1) Based on the customer's address.

2) Represents shipping commitments.

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

Note 23 – Subordinated loans to customers

Amounts in NOK million	Gjensidige NOR Sparebank ASA			
	31 December 2003		31 December 2002	
	Loans	Bonds	Loans	Bonds
In credit institutions ¹⁾	966	443	963	440
In other enterprises ²⁾	1 726	35	709	40
Total subordinated loans	2 692	478	1 672	480

1) Of which subordinated loans to subsidiaries

966

963

2) Of which subordinated loans to Gjensidige NOR Spareforsikring account for

1 725

706

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

Note 24 – Commercial paper and bonds

Gjensidige NOR Sparebank ASA						
Amounts in NOK million	31 December 2003			31 December 2002		
	Acquisition cost	Book value	Fair value	Acquisition cost	Book value	Fair value
Commercial paper and bonds						
Listed	16 992	17 002	17 025	18 596	18 624	18 646
Unlisted	308	308	308	284	284	285
Total short-term commercial paper and bonds ¹⁾	17 300	17 310	17 333	18 880	18 908	18 931
1) Of which: Trading portfolio	1 405	1 415	1 415	2 511	2 539	2 539
Banking portfolio	15 895	15 895	15 918	16 369	16 369	16 392

Note 25 – Shareholdings etc.

Gjensidige NOR Sparebank ASA						
Amounts in NOK million	31 December 2003			31 December 2002		
	Acquisition cost	Book value	Fair value	Acquisition cost	Book value	Fair value
Short-term shareholdings etc.						
Listed Norwegian	4	4	4	217	183	183
Mutual funds	1 313	1 308	1 308	1 244	1 234	1 234
Total short-term shareholdings etc. ¹⁾	1 317	1 312	1 312	1 461	1 417	1 417
Long-term shareholdings etc.						
Unlisted Norwegian	139	139	194	115	115	117
International	29	29	47	28	28	28
Total long-term shareholdings etc.	168	168	242	143	143	145
Total shareholdings etc.	1 485	1 480	1 554	1 604	1 560	1 562
1) Of which: Trading portfolio	29	24	24	242	198	198
Banking portfolio	1 288	1 288	1 288	1 219	1 219	1 219

Note 26 – Short-term investments in shares, mutual funds and PCCs as at 31 December 2003

Gjensidige NOR Sparebank 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						
Sparebanken Rana	50 935	27 900	2 790	5.5	3 655	3 655
Mutual funds						
Avanse Kort Likviditet III		121 571	1 218 707		1 218 523	1 218 523
Avanse Obligasjon III		6 944	69 440		69 328	69 329
Fidelity UBN Am. Growth		50 000	5 000		4 305	4 305
Fidelity UBN Global SmallCap		50 000	5 000		4 558	4 558
Fidelity UBN Nordic		50 000	5 000		4 278	4 278
MLIM UBN European Opportunities		25 000	2 500		2 107	2 107
MLIM UBN World Energy		25 000	2 500		2 250	2 250
MLIM UBN World New Energy		25 000	2 500		1 227	1 227
MLIM UBN World Technology		25 000	2 500		1 658	1 658
Total short-term investments in shares, mutual funds and PCCs					1 311 889	1 311 889

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 2003

		Gjensidige NOR Sparebank ASA					
<i>Amounts in 1 000</i>		Share capital	Number of shares	Nominal value	Ownership share in per cent ¹⁾	Book value	Market value
<i>Values in NOK unless otherwise indicated</i>							
Financial institutions							
Viking Ship Finance Ltd.	CHF	30 000	9 000	2 700	9.0	14 591	33 074
Norwegian companies							
BBS/Bank-Axept Holding		165 000	1 172 392	29 310	17.8	29 226	29 226
Buskerud Telemark Vestfold Investeringsfond		49 004	25 883	2 588	5.3	2 588	2 629
Grenland Investeringsfond		47 000	1 000	1 000	2.1	1 000	1 000
NOKAS		50 000	7 886	7 886	15.8	7 886	7 886
Norsk Tillitsmann		11 600	11 974	1 197	10.3	1 197	4 490
Oslo Børs Holding		50 000	483 512	4 835	9.7	55 945	87 999
Sikon Øst		50 013	52 500	5 250	10.5	10 475	8 925
Spama		3 156	7 674	767	24.3	747	6 383
Såkorinvest Innland		30 000	2 500	1 000	3.3	1 000	500
Teller		8 000	1 600	1 600	20.0	397	397
Vestfold Flyplassinvest		7 324	340	340	4.6	340	27
VPS Holding		50 000	329 300	3 293	6.6	23 051	39 516
Companies based abroad							
FSN Capital Limited Partnership 1						9 768	9 768
Procuritas MBO Invest						4 631	4 631
Other shareholdings etc.						5 234	5 234
Total long-term investments in shares, mutual funds and PCCs						168 076	241 686

Note 28 – Investments in associated companies

		Gjensidige NOR Sparebank ASA				
		Share-capital	Number of shares	Ownership share in per cent	Book value	Book value
<i>Amounts in NOK million</i>		31 Dec. 2003	31 Dec. 2003	31 Dec. 2003	31 Dec. 2003	31 Dec. 2002
Shares in jointly controlled operations						
Gjensidige NOR Markedsstøtte ¹⁾		10	5 000	50.00	5	5
Gjensidige NOR Driftspartner ¹⁾		15	7 500	50.00	8	8
Associated companies						
Eksporthfinans		1 594	30 997	20.42	345	345
Total investments in associated companies and jointly controlled operations					358	358

1) As of January 2004 the companies are fully owned by DnB NOR Bank ASA.

Note 29 – Investments in subsidiaries as at 31 December 2003

Gjensidige NOR Sparebank ASA						
Amounts in 1000 Values in NOK unless otherwise indicated		Share Capital	Number of shares	Nominal value	Ownership share in per cent	Book value
Foreign subsidiaries						
UBN INT SA Luxembourg	EUR	17 352	70 000	17 352	100	146 088
UBN Reinsurance SA Luxembourg		11 000	10 999	10 999	100	10 999
Domestic subsidiaries						
Avanse Forvaltning ¹⁾		3 265	3 265 000	3 265	100	336 411
Elcon Finans ²⁾		1 895 011	1 895 011	1 895 011	100	2 197 884
Gjensidige NOR Eiendomsmegling ³⁾		39 100	1 955	39 100	100	44 200
Gjensidige NOR Equities ⁴⁾		43 266	131 109	43 266	100	138 121
Gjensidige NOR Kapitalforvaltning ¹⁾		75 000	75 000	75 000	100	258 186
Hafjell Alpinsenter		26 330	2 633	26 330	100	12 400
Sparebankgårdene		204 920	204 920	204 920	100	213 914
SparebankKreditt		825 000	8 250 000	825 000	100	952 552
Total investments in subsidiaries						4 310 755

1) The company will merge with DnB NOR Kapitalforvaltning ASA.

2) Will be sold within two years, in accordance with the conditions set for the merger between DnB and Gjensidige NOR.

3) The company will merge with DnB Eiendomsmegling AS.

4) The company will be liquidated, and the business will be transferred to DnB NOR Bank ASA.

Note 30 – Intangible assets

Gjensidige NOR Sparebank ASA							
Goodwill							
Amounts in NOK million	Amortisation plan	Book value 31 Dec. 2003	Ordinary amortisation 2003	Acquired goodwill 2003	Book value 1 Jan. 2003	Total amortisation before 2003	Original goodwill
Cresco	8 years ¹⁾	125	38		163	144	307
Gjensidige NOR Spareforsikring's portfolio	4 years	15	14	1	29	26	55
Branches Bø and Vinje	5 years	18	6		25	7	32
Total goodwill		158	59	1	217	177	394

1) 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.

Other intangible assets ¹⁾

Amounts in NOK million	Depreciation plan	Book value 31 Dec. 2003	Ordinary depreciation 2003	Disposals 2003	Book value 2003	Book value 1 Jan. 2003	Total depreciation before 2003	Original book value
EDP Software	3-5 years	93	21	0	65	49	12	61

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

Gjensidige NOR Sparebank ASA 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 31 – Fixed assets

<i>Amounts in NOK million</i>	Gjensidige NOR Sparebank ASA	
	Machinery, equipment and vehicles	Bank buildings and other properties
Original cost	1 761	16
Total write-downs and depreciation before 2003	988	5
Book values as at 1 January 2003	790	11
Additions	92	2
Disposals (sales value)	1	2
Gains	1	0
Ordinary depreciation	168	1
Write-downs	20	0
Book value as at 31 December 2003	676	11

Note 32 – Liabilities

<i>Amounts in NOK million</i>	Gjensidige NOR Sparebank ASA	
	31 Dec. 2003	31 Dec. 2002
Loans and deposits from credit institutions with no fixed term or period of notice	2 055	4 144
Loans and deposits from credit institutions with a fixed term or period of notice	29 464	23 210
Loans and deposits from credit institutions	31 519	27 354
Deposits from customers with no fixed term or period of notice	116 892	114 432
Deposits from customers with a fixed term or period of notice	8 158	8 112
Deposits from customers	125 050	122 544
Commercial paper issued	9 452	11 106
Less own commercial paper included in the banking portfolio	0	90
Bond debt	61 255	48 677
Less own bonds included in the banking portfolio	1 225	2 862
Securities issued	69 482	56 831
Documentary credits, cheques and other payment services	565	496
Allocated to dividends/group contribution	2 918	2 464
Accrued unassessed payable taxes	6	16
Financial derivatives	1 256	1 188
Sundry liabilities	2 943	488
Other liabilities	7 688	4 652
Accrued interest expenses	1 604	1 805
Other accrued expenses and prepaid revenues	886	367
Accrued expenses and prepaid revenues	2 490	2 172
Pension commitments	316	357
Specified provisions for losses on guarantee commitments	6	20
Provisions for commitments	322	387
Term subordinated loan capital	4 192	2 667
Perpetual subordinated loan capital	2 282	3 091
Subordinated loan capital	6 475	5 758
Perpetual subordinated loan capital securities	2 944	2 552
Total liabilities	245 970	222 250

Note 33 – Customer deposits for principal sectors

Amounts in NOK million	Gjensidige NOR Sparebank ASA	
	31 Dec. 2003	31 Dec. 2002
Retail customers	65 064	61 330
International shipping	490	428
Real estate	7 871	7 285
Manufacturing	3 064	3 489
Services and management	18 792	12 118
Trade	5 937	5 841
Oil and gas	54	61
Transportation and communication	1 513	1 440
Building and construction	2 130	2 261
Power and water supply	2 065	2 192
Central and local government	6 872	6 589
Fishing	131	141
Hotels and restaurants	658	647
Agriculture and forestry	1 364	1 405
Finance	9 040	15 605
Other customer sectors	6	1 713
Total customers	125 050	122 544
Credit institutions	1 112	966
Total	126 163	123 511

Note 34 – Maturity structure on bond debt as at 31 December 2003 ¹⁾

Amounts in NOK million	Gjensidige NOR Sparebank ASA		
	NOK	Foreign currency	Total
Maturity (year)			
2004	860	10 175	11 035
2005	2 359	10 496	12 855
2006	3 048	7 443	10 491
2007		8 104	8 104
2008	2 670	11 247	13 917
2009	296	296	592
2010 and later	845	1 966	2 811
Effect of currency hedging		261	261
Capitalised costs and amortised discounts	(36)		(36)
Total	10 042	49 988	60 030

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

Note 35 – Premiums/discounts on own bonds in the banking portfolio as at 31 December 2003

Amounts in NOK million	Gjensidige NOR Sparebank ASA	
	Premiums/(discounts) ¹⁾	Book value
Maturity (year)		
2004	(23)	8
2005	(17)	206
2006	(15)	
2007	(2)	
2008	(1)	782
2009	(1)	204
2010 and later	(4)	25
Total	(64)	1 225

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 2003 totalled NOK 1 329 million.

Note 36 – Subordinated loan capital and perpetual subordinated loan capital securities

Amounts in NOK million	Gjensidige NOR Sparebank ASA					
	Balance sheet 31 Dec. 2003	Issued 2003	Matured/ redeemed 2003	Exchange rate movements 2003	Net change in capitalised costs 2003	Balance sheet 31 Dec. 2002
Term subordinated loan capital	4 192	1 684	349	200	(10)	2 667
Perpetual subordinated loan capital	2 282		836	28	(1)	3 091
Perpetual subordinated loan capital securities ¹⁾	2 945			395	(2)	2 552
Total	9 419	1 684	1 185	623	(13)	8 310

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 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						
2001	USD	125	3 mndr LIBOR + 0.75%	2011	2006	834
2002	EUR	200	3 mndr EURIBOR + 0.60%	2012	2007	1 684
2003	EUR	200	3 mndr EURIBOR + 0.70%	2013	2008	1 684
Net change in capitalised costs					(10)	
Total term subordinated loan capital					4 192	
Perpetual subordinated loan capital						
1996	USD	105	7.65% p.a.		2006	701
1996	JPY	10 000	4.00% p.a.		2011	624
1999	JPY	10 000	4.51% p.a.		2029	624
2000	USD	50	8.61% p.a.		2005	334
Net change in capitalised costs					(1)	
Total perpetual subordinated loan capital					2 282	
Perpetual subordinated loan capital securities						
2002	EUR	350	7.07% p.a.		2012	2 947
Net change in capitalised costs						(2)
Total perpetual subordinated loan capital securities						2 945

Note 37 – Equity

Amounts in NOK million	Gjensidige NOR Sparebank ASA		
	Share- capital	Other equity	Total equity
Balance sheet as at 31 December 2002	6 786	6 004	12 790
Profit for the year		2 227	2 227
Dividends/group contribution		2 126	2 126
Balance sheet as at 31 December 2003	6 786	6 105	12 891

Note 38 – Earnings per share

	Gjensidige NOR Sparebank ASA	
	2003	2002
Profit for the year (NOK million)	2 227	1 781
Average number of shares (in 1 000)	67 857	67 857
Earnings per share (NOK)	32.82	26.25

Note 39 – Capital adequacy

Gjensidige NOR Sparebank ASA		
Amounts in NOK million	31 Dec. 2003	31 Dec. 2002
Share capital	6 786	6 786
Other equity	6 105	6 004
Total equity	12 891	12 790
Perpetual subordinated loan capital securities ^{1) 2)}	2 155	2 179
Pension funds above pension commitments	(307)	(52)
Goodwill	(158)	(217)
Deferred taxes	(121)	(123)
Other intangible assets	(94)	(48)
Core capital	14 366	14 529
Perpetual subordinated loan capital ^{1) 2)}	2 686	3 464
Term subordinated loan capital ²⁾	3 865	2 667
Net supplementary capital	6 551	6 131
Deductions	(1 674)	(1 000)
Total eligible primary capital ³⁾	19 243	19 660
Total risk-weighted volume	156 870	146 406
Core capital ratio (per cent)	9.2	9.9
Capital ratio (per cent)	12.3	13.4

Specification of risk-weighted volume

Amounts in NOK million	Risk-weight:	Risk-weighted volume ³⁾ Nominal amounts as at 31 December 2003					31 Dec. 2003	31 Dec. 2002
		0%	10%	20%	50%	100%		
Banking portfolio								
Cash and ordinary deposits with banks		7 007		4 150			830	867
Short-term investments in securities		200		16 348		635	3 905	4 012
Lending		526	1	35 405	114 109	69 091	133 227	122 986
Other assets		426		791	492	1 242	1 646	2 918
Fixed assets						5 551	5 551	5 347
Total assets		8 159	1	56 694	114 601	76 519	145 158	136 129
Guarantee commitments		384		376	36	9 541	6 849	6 686
Approved, undrawn credits		34 089	188	812		6 294	3 247	2 646
Financial derivatives				29 377			432	243
Other							(100)	(68)
Total off-balance-sheet instruments							10 428	9 508
Total risk-weighted volume, banking portfolio							155 586	145 637
Trading portfolio								
Position risk, equity instruments							26	290
Position risk, debt instruments							2 010	1 689
Counterparty risk and other risks							3 049	1 902
Total risk-weighted volume, trading portfolio							5 085	3 880
Total risk-weighted volume, banking and trading portfolios							160 671	149 517
Deduction for:								
Investments in primary capital in other financial institutions							(1 674)	(1 000)
Specified and unspecified loan-loss provisions							(2 128)	(2 112)
Total risk-weighted volume							156 870	146 406

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.

3) Primary capital and nominal amounts used in calculating risk-weighted volume deviate from figures in the Gjensidige NOR Sparebank ASA account as different principles are used in calculating capital adequacy.

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

Note 40 – Expected time to interest rate adjustments as at 31 December 2003

		Gjensidige NOR Sparebank ASA						
<i>Amounts in NOK million</i>		Up to 1 month	From 1 month to 3 months	From 3 months to 1 year	From 1 year to 5 years	Over 5 years	No interest rate	Total
Assets								
Cash and deposits with central banks	NOK	6 998					523	7 521
	Foreign currency	9					98	107
Net lending to and deposits with credit institutions	NOK	31 168	1 573	170	25			32 936
	Foreign currency	8 953	472	222	3			9 650
Net lending to customers ¹⁾	NOK	19 439	115 229	11 075	23 891	1 401	(1 100)	169 934
	Foreign currency	4 262	4 826	2 126				11 215
Commercial paper and bonds	NOK	183	1 319	425	5 874	187	10	7 997
	Foreign currency	3 513	4 881	14	905			9 313
Sundry assets	NOK						9 875	9 875
	Foreign currency						312	312
Total assets		74 525	128 301	14 032	30 697	1 588	9 718	258 861
	NOK	57 788	118 121	11 670	29 789	1 588	9 308	228 263
	Foreign currency	16 737	10 180	2 362	908		410	30 598
Liabilities and equity								
Loans and deposits from credit institutions	NOK	4 585	1 308	1 969				7 862
	Foreign currency	9 503	6 235	7 919				23 657
Deposits from customers	NOK	123 102	104	140	51			123 397
	Foreign currency	1 653						1 653
Securities issued	NOK	1 290	4 966	3 007	4 866	845	(35)	14 939
	Foreign currency	17 747	31 653	1 651	1 897	1 334	261	54 543
Sundry liabilities	NOK						10 206	10 206
	Foreign currency						294	294
Subordinated loan capital and perpetual subordinated loan capital securities	NOK						(13)	(13)
	Foreign currency		4 202		1 035	4 195		9 432
Equity	NOK						12 891	12 891
	Foreign currency							
Total liabilities and equity		157 881	48 468	14 686	7 849	6 374	23 603	258 861
	NOK	128 977	6 378	5 116	4 917	845	23 049	169 282
	Foreign currency	28 904	42 090	9 570	2 932	5 529	554	89 579
Net time to interest rate adjustments on balance sheet items		(83 356)	79 834	(654)	22 848	(4 786)	(13 885)	
	NOK	(71 189)	111 743	6 554	24 872	743	(13 741)	58 982
	Foreign currency	(12 167)	(31 909)	(7 208)	(2 024)	(5 529)	(144)	(58 982)
Net nominal values on financial derivatives		7 434	7 269	(1 790)	(17 347)	3 887		(547)
	NOK	8 926	(23 228)	(20 001)	(21 126)	(1 406)		(56 834)
	Foreign currency	(1 492)	30 496	18 211	3 779	5 293		56 286

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.

Note 41 – 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 Gjensidige NOR Sparebank 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 Gjensidige NOR Sparebank relative to the bank's positions. Also, all interest rate movements within the same interval will be unfavourable for the bank. The figures will thus reflect maximum losses for Gjensidige NOR Sparebank. In the trading portfolio, such losses will be charged to the accounts as they occur. In the banking portfolio, the losses will be amortised over the remaining maturity.

The calculations are based on the positions as at 31 December 2003 and market rates on the same date.

Interest rate sensitivity for different intervals

Gjensidige NOR Sparebank ASA						
<i>Amounts in NOK million</i>	Up to 1 month	From 1 month to 3 months	From 3 months to 1 year	From 1 year to 5 years	Over 5 years	Total
Trading portfolio						
NOK	4	10	6	58	18	52
USD	0	12	10	11	0	5
EUR	0	7	1	0	11	20
GBP	0	0	0	0	0	0
Other currencies	5	4	6	4	1	9
Banking portfolio						
NOK	7	5	1	20	33	10
Total						
NOK	12	15	5	38	15	62
USD	0	12	10	12	0	5
EUR	0	0	0	0	0	0
GBP	0	0	0	0	0	0
Other currencies	5	4	6	4	7	9

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

Note 42 – Currency positions

The table below shows the Gjensidige NOR Sparebank ASA's net currency positions as at 31 December 2003, as defined by Norges Bank. Net positions in individual currencies may represent up to 15 per cent of the Bank's 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.

Gjensidige NOR Sparebank ASA								
<i>Amounts in NOK million</i>	Norwegian kroner	Other currencies	Of which: USD	EUR	GBP	SEK	DKK	JPY
Assets								
Cash and deposits with central banks	7 521	107	14	42	9	22	13	1
Lending to and deposits with credit institutions	32 936	9 650	2 316	2 162	84	3 516	1 324	60
Net lending to customers	169 935	11 215	3 946	1 815	724	2 260	203	201
Commercial paper and bonds	7 997	9 313	1 494	7 552	266			
Shareholdings etc.	1 451	29		10		5		
Sundry assets	8 424	283	54	200	6	11	1	4
Total assets	228 263	30 598	7 824	11 781	1 089	5 814	1 541	266
Liabilities and equity								
Loans and deposits to credit institutions	7 862	23 657	15 355	4 893	1 072	353	16	4
Deposits from customers	123 397	1 653	727	481	132	208	26	45
Securities issued	14 939	54 543	19 760	33 890	893			
Sundry liabilities	10 206	294	81	163	14	9		4
Subordinated loan capital	(13)	9 432	1 869	6 314				1 249
Equity	12 891							
Total liabilities and equity	169 282	89 579	37 792	45 742	2 110	569	42	1 301
Net currency positions on balance sheet items	58 982	(58 982)	(29 968)	(33 961)	(1 020)	5 245	1 499	1 035
Financial derivatives	(58 968)	58 968	29 988	33 967	1 020	(5 241)	(1 495)	1 003
Net currency exposure	14	(14)	20	6	0	4	4	(32)

Note 43 – Residual maturity as at 31 December 2003

		Gjensidige NOR Sparebank ASA						
<i>Amounts in NOK million</i>		Up to 1 month	From 1 month to 3 months	From 3 months to 1 year	From 1 year to 5 years	Over 5 years	No fixed maturity	Total
Assets								
Cash and deposits with central banks	NOK	6 998					523	7 521
	Foreign currency	9					98	107
Lending to and deposits with credit institutions	NOK	31 160	388	178	215	995		32 936
	Foreign currency	8 813	265	288	133	152		9 650
Net lending to customers ¹⁾	NOK	16 161	2 866	11 306	35 336	105 365	(1 100)	169 934
	Foreign currency	4 748	2 265	1 274	1 936	992		11 215
Commercial paper and bonds	NOK	9	209	322	6 065	1 382	10	7 997
	Foreign currency			1 200	7 833	280		9 313
Sundry assets	NOK	610		695	121		8 449	9 875
	Foreign currency	58					254	312
Total assets		68 566	5 993	15 263	51 639	109 166	8 234	258 861
	NOK	54 938	3 463	12 501	41 737	107 742	7 882	228 263
	Foreign currency	13 628	2 530	2 762	9 902	1 424	352	30 598
Liabilities and equity								
Loans and deposits from credit institutions	NOK	4 579	1 308	1 969	6			7 862
	Foreign currency	9 503	6 020	7 919	215			23 657
Deposits from customers	NOK	120 377	339	851	1 830			123 397
	Foreign currency	1 653						1 653
Securities issued	NOK	2 750	480	2 527	8 076	1 141	(35)	14 939
	Foreign currency	5 325	2 467	6 938	37 291	2 262	261	54 543
Sundry liabilities	NOK	6 200	172	4	7	316	3 507	10 206
	Foreign currency	26		29			238	294
Subordinated loan capital and perpetual subordinated loan capital securities	NOK						(13)	(13)
	Foreign currency					4 202	5 230	9 432
Equity	NOK						12 891	12 891
	Foreign currency							
Total liabilities and equity		150 413	10 786	20 237	47 425	7 921	22 079	258 861
	NOK	133 906	2 299	5 351	9 919	1 457	16 350	169 282
	Foreign currency	16 507	8 487	14 886	37 506	6 464	5 729	89 579
Net residual maturity on balance sheet items		(81 847)	(4 793)	(4 974)	4 214	101 245	(13 845)	
	NOK	(78 968)	1 164	7 150	31 818	106 285	(8 468)	58 982
	Foreign currency	(2 879)	(5 957)	(12 124)	(27 604)	(5 040)	(5 377)	(58 982)
<i>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.</i>								
Net nominal values on financial derivatives								
	NOK	3 652	(22 560)	(19 999)	(12 736)	(5 191)		(56 834)
	Foreign currency	(3 652)	22 560	19 999	12 736	5 191		56 834

Note 44 – 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 fixes 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 counterparties agree to exchange specific interest rate instruments at a fixed price on a specified date. The contracts are traded on an exchange. The value of interest rate futures follows the price trend on underlying interest rate instruments.

Cross-currency interest rate swaps

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

	31 December 2003			Gjensidige NOR Sparebank ASA 31 December 2002		
	Nominal amount ¹⁾	Positive market value ²⁾	Negative market value ²⁾	Nominal amount ¹⁾	Positive market value ²⁾	Negative market value ²⁾
<i>Amounts in NOK million</i>						
Trading portfolio						
Interest rate agreements	1 031 734	12 290	14 771	1 004 895	5 349	4 990
Foreign exchange agreements ³⁾	346 576	12 985	16 058	452 450	19 440	23 131
Equity-related agreements	3 722	194	4	1 599	55	14
Banking portfolio						
Interest rate agreements	13 440	572	266	11 431	529	41
Foreign exchange agreements	16 163	759	1 683	8 361	198	945
Netting						
Effect of netting agreements ⁴⁾		(4 296)			(4 927)	

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

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

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

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

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

Note 45 – Other off-balance sheet transactions and additional information

Amounts in NOK million	Gjensidige NOR Sparebank ASA	
	31 Dec. 2003	31 Dec. 2002
Unutilised ordinary credit lines	41 569	32 074
Documentary credit commitments	375	412
Total commitments	41 944	32 486
Payment guarantees	1 501	1 110
Loan guarantees	2 129	1 940
Performance guarantees	3 495	3 867
Guarantee to the Savings Banks Guarantee Fund	293	166
Guarantees for taxes etc	220	593
Other guarantee commitments	2 324	2 106
Total guarantee commitments etc.	9 962	9 783
Pledged assets ¹⁾	15 511	16 327

1) NOK 15 511 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 2003, Gjensidige NOR Sparebank had borrowed NOK 1 171 million from Norges Bank.

Note 46 – Contingencies

Due to its extensive operations, Gjensidige NOR Sparebank will regularly be party to a number of legal actions. None of the current disputes are expected to have any material impact on the Bank's financial position. The disputes involving the highest amounts are described below.

Note 47 – Post balance-sheet events

On 19 December 2003, the Ministry of Finance approved the merger of Den norske Bank ASA and Union Bank of Norway ASA prior to the combination of the Commercial Banks' Guarantee Fund and the Savings Banks' Guarantee Fund on certain conditions. One condition was that the Commercial Banks' Guarantee Fund and Den norske Bank ASA be required to issue a guarantee to the Savings Banks' Guarantee Fund. On 15 January 2004, the Board of Directors in the Commercial Banks' Guarantee Fund decided to issue the required guarantee. A corresponding decision was made by the Board of Directors of Den norske Bank ASA. The two banks merged to form DnB NOR Bank ASA on 19 January 2004. The merger will be reflected in the accounts as of 1 January 2004.

Note 48 – Information on related parties

Gjensidige NOR Forsikring

At end-2003 Gjensidige NOR Forsikring held 70 472 696 shares in DnB NOR ASA at a market value of NOK 3 129 million. DnB NOR ASA has a long-term strategic cooperation with Gjensidige NOR Forsikring, primarily targeting mutual product distribution.

Cooperating banks

Gjensidige NOR Sparebank ASA has established 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.

Oslo, 19 March 2004
The Board of Directors of DnB NOR Bank ASA, as continuance from
Gjensidige NOR Sparebank ASA

Olav Hytta
(chairman)

Bent Pedersen
(vice-chairman)

Sten Sture Larre

Per Hoffmann

Torill Rambjør

Ingjerd Skjeldrum

Marit Wiig

Svein Aaser

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

Auditor's report for 2003

We have audited the annual financial statements of Gjensidige NOR Sparebank ASA as of 31 December 2003, showing a profit of NOK 2 227 million. 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 and the accompanying notes. 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 Bank'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 Bank as of 31 December 2003, 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 Bank'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, March 19, 2004
PricewaterhouseCoopers DA

Einar Westby
State Authorised Public Accountant (Norway)

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

DnB NOR Bank Group

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DnB NOR Bank Group

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Profit and loss accounts

DnB NOR Bank ASA				DnB NOR Bank Group	
2002	2003	Amounts in NOK million	Note	2003	2002
40 482	34 065	Interest income	2, 4	38 733	43 269
28 446	22 870	Interest expenses	2, 4	24 710	29 150
12 036	11 196	Net interest income and credit commissions	2, 4	14 023	14 119
773	1 354	Dividends	5	211	169
4 505	4 833	Commissions and fees receivable on banking services	5	5 705	5 494
1 748	1 834	Commissions and fees payable on banking services	5	1 994	1 982
776	1 750	Net gain on foreign exchange and financial instruments	5, 6	1 836	775
406	345	Sundry ordinary operating income	5	1 255	1 130
32	9	Gains on the sale of fixed assets	5	23	264
4 743	6 457	Net other operating income	5	7 037	5 851
4 695	4 881	Salaries and other personnel expenses	7, 8, 9, 10	6 267	5 774
3 375	3 364	Administrative expenses	7	3 864	3 831
664	634	Depreciation	7	1 013	962
1 116	1 081	Sundry ordinary operating expenses	7	1 353	1 428
317	183	Other expenses	7	217	369
10 168	10 142	Total operating expenses	7	12 715	12 364
6 612	7 511	Pre-tax operating profit before losses		8 344	7 606
1 055	1 376	Net losses on loans, guarantees etc.	12, 13	1 891	1 023
(202)	198	Net gains/(losses) on long-term securities	14	224	(317)
5 355	6 333	Pre-tax operating profit		6 677	6 265
1 524	1 473	Taxes	15	1 715	1 732
3 831	4 860	Profit for the year		4 963	4 533
3 851	4 276	Group contribution	39	4 276	4 201
0	641	Dividends	39	641	1
21	57	Transferred from other equity	39	0	0
0	0	Transferred to other equity	39	46	331
3 831	4 860	Total transfers and adjustments		4 963	4 533
22.58	28.65	Earnings per share (NOK)		29.26	29.72

Balance sheets

DnB NOR Bank ASA			DnB NOR Bank Group		
31 Dec. 2002	31 Dec. 2003	Amounts in NOK million	Note	31 Dec. 2003	31 Dec. 2002
Assets					
22 940	8 223	Cash and deposits with central banks	16	8 565	22 941
75 944	92 523	Lending to and deposits with credit institutions	16	28 060	26 385
432 141	476 283	Gross lending to customers	16, 18, 19, 20, 22	573 973	500 807
(2 325)	(3 181)	- Specified loan-loss provisions	21	(4 329)	(2 884)
(3 144)	(3 147)	- Unspecified loan-loss provisions	21	(3 714)	(3 501)
426 672	469 955	Net lending to customers		565 929	494 422
394	310	Reposessed assets	30	576	651
51 484	61 289	Commercial paper and bonds	16, 24	59 677	51 699
3 842	3 271	Shareholdings etc.	16, 25, 26, 27	3 905	4 332
		Investments in associated companies and jointly controlled operations	16, 28	1 384	1 263
584	633				
6 342	8 911	Investments in subsidiaries	29	-	-
2 673	2 304	Intangible assets	15, 16	3 294	3 595
2 799	2 585	Fixed assets	16, 30, 32, 33	4 454	4 389
18 213	24 269	Other assets	16	23 618	18 561
5 802	4 663	Prepayments and accrued income	16	5 484	6 154
617 690	678 936	Total assets		704 946	634 392
Liabilities and equity					
77 333	76 530	Loans and deposits from credit institutions	34	78 508	80 314
321 013	330 597	Deposits from customers	34, 35	337 807	320 887
130 602	170 935	Securities issued	34, 36, 37	181 949	138 568
29 466	36 884	Other liabilities	34	37 820	31 624
4 381	5 142	Accrued expenses and prepaid revenues	34	5 999	5 038
2 476	2 320	Provisions for commitments	34	2 570	2 658
13 474	17 374	Subordinated loan capital	38	18 126	13 519
5 292	5 583	Perpetual subordinated loan capital securities	38	5 583	5 292
584 038	645 364	Total liabilities		668 362	597 901
16 964	16 964	Share capital	39	16 964	16 964
7 745	7 745	Share premium reserve	39	8 461	8 461
8 942	8 863	Other equity	39	11 158	11 066
33 652	33 572	Total equity		36 584	36 491
617 690	678 936	Total liabilities and equity		704 946	634 392

Other commitments and conditional commitments 46, 47, 48, 49

Cash flow statements

DnB NOR Bank ASA			DnB NOR Bank Group	
2002	2003	Amounts in NOK million	2003	2002
OPERATIONS				
Lending and funding activity				
(25 838)	(46 857)	Net payments made on instalment loans	(49 015)	(28 852)
10 191	25 433	Net receipts on credit lines and other current accounts	23 806	8 373
238	183	Receipts on loans and guarantees previously written off	275	426
11 583	(16 634)	Net receipts/payments on time deposits from customers	(13 655)	11 598
32 003	30 614	Interest and commissions received from customers	35 596	36 525
(15 850)	(11 311)	Interest paid to customers	(11 734)	(16 053)
Other operations				
3 694	4 592	Other receipts on commissions and fees	5 314	4 842
(276)	73	Net receipts/payments on trading in short-term investments in shares	314	(95)
(1 700)	(6 421)	Net payments on trading in fixed-income securities	(2 999)	(1 654)
(4 834)	286	Net receipts/payments on trading in foreign exchange and financial derivatives	339	(5 239)
118	102	Dividends received on short-term investments in shares etc.	112	115
2 612	2 186	Interest earned on securities	2 262	2 624
530	534	Other receipts	1 458	1 163
(10 384)	(10 877)	Payments to operations	(13 095)	(12 396)
(888)	(623)	Taxes paid	(882)	(1 113)
1 199	(28 720)	Net cash flow relating to operations	(21 904)	264
INVESTMENT ACTIVITY				
250	24	Receipts on the sale of fixed assets	99	324
(276)	(237)	Payments on the acquisition of fixed assets	(256)	(389)
611	862	Receipts on the sale of long-term investments in shares etc.	1 046	695
(946)	(1 399)	Payments on the acquisition of long-term investments in shares etc.	(1 104)	(580)
655	1 282	Dividends received on long-term investments in shares etc.	98	54
294	532	Net cash flow relating to investment activity	(117)	104
FUNDING ACTIVITY				
12 758	(17 691)	Net investments/loans from credit institutions	(9 795)	18 370
10 018	38 211	Net issue of bonds and commercial paper	30 062	9 151
1 003	3 470	Net receipts/payments on other short-term liabilities	(132)	726
0	0	Net payments on other long-term liabilities	(282)	(351)
3 653	5 747	Issue of subordinated loan capital	5 747	3 653
(1 966)	(2 088)	Redemption of subordinated loan capital	(2 088)	(1 966)
2 552	0	Inflows of perpetual subordinated loan capital securities	0	2 552
(4 597)	(5 398)	Dividends/group contribution payments	(5 797)	(5 669)
(6 980)	(8 781)	Net interest payments on funding activity	(10 785)	(8 960)
16 441	13 470	Net cash flow from funding activity	6 930	17 506
17 934	(14 718)	Net cash flow	(15 091)	17 874
5 005	22 940	Cash and deposits with Norges Bank as at 1 January	22 941	5 067
0	0	Increase in cash and deposits with Norges Bank through acquisitions	715	0
17 934	(14 718)	Net receipts/payments on cash and deposits with Norges Bank	(15 091)	17 874
22 940	8 223	Cash and deposits with Norges Bank as at 31 December	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 2003 are certain insignificant reclassifications, which have also been reflected in the pro forma figures.

CONSOLIDATION

The consolidated accounts of DnB NOR Bank ASA ("DnB NOR Bank" or "the banking group") include DnB NOR Bank ASA (previously Den norske Bank ASA and Gjensidige NOR Sparebank 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.

Reposessed assets

Reposessed 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 reposessed 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 reposessed assets. Any gains or reversals of previous write-downs are classified as a reassessment of reposessed 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 Bank 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 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

As banking represents the main line of business in the DnB NOR Bank Group, the consolidated cash flow statements are structured on the basis of banking operations. The statements reflect the main aspects of the banking group's liquidity management, with special emphasis on cash flows relating to lending and funding activities.

Note 1 – New group structure

Acquisition of Nordlandsbanken

On the basis of an invitation extended by the Board of Directors in Nordlandsbanken at the end of 2002, Den norske Bank ASA presented an offer to acquire all shares in Nordlandsbanken ASA. The offer price was NOK 35 per share, representing a total of NOK 1 050 million.

In the accounts, the acquisition of Nordlandsbanken is treated according to the purchase method. To establish a basis for the accounting treatment, an analysis was carried out to identify market values above or below book values in the acquired operations and allocate these to the appropriate balance sheet items. Nordlandsbanken's balance sheet as at 31 December 2002 was used to identify approximate values on the transaction date. Based on assessments made in the first and second quarter of 2003 the market value of the loan portfolio turned out to be NOK 244 million lower than book value. The volume of non-performing and doubtful commitments has been restated based on these assessments. The market value of long-term shareholdings exceeded book value by NOK 15 million. The part of the acquisition cost exceeding recorded equity after value adjustments, costs relating to the acquisition and restructuring provisions are recorded as goodwill in the Bank's balance sheet. Goodwill relating to the acquisition will be amortised over ten years based on an analysis of values in the acquired operations as well as the significance of operations for the DnB NOR Bank Group.

<i>Amounts in NOK million</i>	DnB NOR Bank Group
Acquisition cost	1 050
Recorded equity in acquired operations as at 31 December 2002	754
Value adjustments	(229)
Acquisition cost exceeding recorded equity	525
Costs relating to the acquisition	10
Restructuring provisions	76
Deferred taxes	85
Recorded goodwill in the balance sheet of the acquired operations	4
Goodwill in the DnB NOR Bank Group on the acquisition date	531
Annual amortisation	53

Nordlandsbanken's accounts for 2002 reflected the special circumstances leading up to the acquisition by DnB NOR. Pro forma accounts for DnB NOR including Nordlandsbanken will thus not provide an appropriate basis for evaluating Nordlandsbanken's impact on DnB NOR's future accounts. Pro forma accounts for previous periods have therefore not been prepared.

In the formal accounts, Nordlandsbanken has been included as from 1 January 2003, which approximates the implementation date for the acquisition. Nordlandsbanken is not included in the pro forma accounts for 2002.

Merger between Den norske Bank ASA and Gjensidige NOR Sparebank ASA

The Boards of Directors in DnB Holding ASA and Gjensidige NOR ASA agreed on a merger of the two companies on 18 March 2003. The merger was approved by the Ministry of Finance on 28 November 2003. The two holding companies merged on 4 December 2003 and formed DnB NOR ASA.

The merger of Den norske Bank ASA and Gjensidige NOR Sparebank ASA is a direct consequence of the merger between the two holding companies. On 19 December 2003, the Ministry of Finance approved the merger of Den norske Bank ASA and Gjensidige NOR Sparebank ASA prior to the combination of the Commercial Banks' Guarantee Fund and the Savings Banks' Guarantee Fund on certain conditions. One condition was that the Commercial Banks' Guarantee Fund and Den norske Bank ASA be required to issue a guarantee to the Savings Banks' Guarantee Fund. On 15 January 2004, the Board of Directors in the Commercial Banks' Guarantee Fund decided to issue the required guarantee. A corresponding decision was made by the Board of Directors of Den norske Bank ASA. The two banks merged to form DnB NOR Bank ASA on 19 January 2004. The merger will be reflected in the accounts as of 1 January 2004. The pro forma accounts have been prepared as if the merger had taken place at the beginning of 2002.

In terms of company law Gjensidige NOR Sparebank ASA is the acquiring company in the merger, and DnB NOR ASA as sole shareholder in Den norske Bank ASA has assigned assets, liabilities and obligations in full to Gjensidige NOR Sparebank ASA and received a merger consideration in the form of shares in DnB NOR Bank ASA. In the accounts the relevant fair values identified in the holding company merger will be employed. This is because the bank merger will combine companies which are under common control and because the bank merger is a direct result of the merger of the holding companies. The business combination will be accounted for as a merger with Den norske Bank ASA as the acquiring entity due to the relative size of the two banks, and the distribution between paid-in capital and retained earnings in the new bank will be unaffected by the legal structure chosen for the merger. Paid-in capital in the merged entity will correspond to paid-in capital in Den norske Bank ASA and Gjensidige NOR Sparebank ASA, including the relevant share of market value assigned to Gjensidige NOR Sparebank ASA in the merger of the two holding companies. Other equity in Den norske Bank ASA will be included as other equity in DnB NOR Bank ASA.

Harmonisation of accounting principles and estimates

No significant deviations have been found in the accounting principles or estimates applied by DnB and Gjensidige NOR respectively. Restated pro forma accounting figures have been prepared for previous periods in accordance with harmonised accounting principles and estimates. See accounting principles for the DnB NOR Bank Group above.

Note 1 – New group structure (continued)

Goodwill

The basis for the accounting treatment of the merger is the value of Gjensidige NOR Sparebank ASA assessed in connection with the merger of the two holding companies. The value assessments in the merger of the holding companies have been adjusted for additional values at DnB NOR Group level not reflected in the values of the DnB NOR Bank Group. The difference between the cost price and actual value as at 31 December 2002 of the balance sheet transferred will constitute goodwill on the transaction. The cost price in the transaction will constitute a share of the value of the consideration to shareholders in Gjensidige NOR ASA in the merger of the two holding companies, with the addition of restructuring expenses which can be related to the acquired business, i.e. Gjensidige NOR Sparebank ASA.

Goodwill will be capitalised and mainly expensed over 20 years. Goodwill relating to the credit card business and the business of Elcon Finans AS will be amortised over eight years. One of the terms stipulated by the Norwegian Competition Authority in its approval of the merger on 7 November 2003 was the sale of some companies, including Elcon Finans AS. The cost price relating to the transaction has not been adjusted for this, and the allocated goodwill relating to Elcon Finans AS will be deducted from the balance sheet when accounting for the sale of the company.

Calculation of goodwill

DnB NOR Bank Group

Amounts in NOK million

Merger consideration related to the Gjensidige NOR Sparebank Group	14 616
Equity in the Gjensidige NOR Sparebank Group as at 31 December 2002	13 569
Estimated restructuring expenses after tax, related to the operations of Gjensidige NOR Bank Group	580
Goodwill in the DnB NOR Bank Group	1 627
Annual amortisation	131

Allocation of goodwill

DnB NOR Bank Group

<i>Amounts in NOK million</i>	Amortisation period (no. of years)	Annual amortisation	Goodwill
Savings bank – bank branches ¹⁾	20	27	536
Savings bank – corporate customers ¹⁾	20	22	431
Cresco – credit card portfolio	8	59	471
Elcon Finans – business in Norway	8	24	189
Total		131	1 627

1) The savings bank business (Gjensidige NOR Sparebank ASA) is considered to be of a very long-term nature, with substantial values attaching to the general business. The importance of the earnings potential of this business will be significant for the new group over a long time horizon.

Annual goodwill amortisation totalling NOK 131 million is included in the DnB NOR Bank Group's pro forma accounts.

Other aspects

Up till 31 December 2003, Gjensidige NOR and Gjensidige NOR Forsikring owned 50 per cent each of the company Gjensidige NOR Driftspartner AS. In Gjensidige NOR's accounts, Driftspartner was classified as a joint venture, and income and expenses were netted. Still, Gjensidige NOR recorded the cost of services provided by Driftspartner as ordinary expenses. In the pro forma accounts, income and expenses referring to Driftspartner are presented net.

DnB NOR Bank ASA took over 100 per cent of Driftspartner in 2004, and income and related expenses incurred by Driftspartner referring to external parties and life insurance operations will be recorded gross. This is expected to result in an increase of an estimated NOK 230 million in operating income and operating expenses in 2004 compared with pro forma figures for 2003.

Operations required sold in connection with the merger – discontinued operations

In connection with the Norwegian Competition Authority's approval of the merger, DnB NOR was required to sell some companies, including Elcon Finans AS and Postbanken Eiendomsmegling AS. The two companies are subsidiaries of DnB NOR Bank ASA. In the pro forma accounts for the merged entity, operations in these companies are included. To facilitate analysis of operations in DnB NOR Bank Group after the planned sales, separate accounts for the companies to be sold have been prepared.

Operations in these companies will, in accordance with the Ministry of Finance's regulation for banks etc. paragraph 2-5 (2), be included in the 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.

Note 1 – New group structure (continued)

Profit and loss accounts – discontinued operations ¹⁾

	DnB NOR Bank Group	
<i>Amounts in NOK million</i>	2003	2002
Net interest income and credit commissions	923	715
Commissions and fees receivable on banking services	70	69
Commission and fees payable on banking services	49	14
Net gain/(loss) on foreign exchange and financial instruments	6	(1)
Sundry ordinary operating income	89	85
Net other operating income	116	139
Salaries and other personnel expenses	287	242
Administrative expenses	109	111
Depreciation	20	18
Sundry ordinary operating expenses	75	80
Other expenses	0	1
Total operating expenses	491	452
Pre-tax operating profit before losses	547	402
Net losses on loans, guarantees, etc.	173	76
Pre-tax operating profit	375	326
Taxes	109	93
Profit for the year	266	233

Balance sheets – discontinued operations ¹⁾

	DnB NOR Bank Group	
<i>Amounts in NOK million</i>	31 Dec. 2003	31 Dec. 2002
Assets		
Cash and deposits with central banks	0	0
Lending to and deposits with credit institutions	312	364
Gross lending to customers	27 669	23 508
- Specified loan-loss provisions	(113)	(65)
- Unspecified loan-loss provisions	(180)	(177)
Net lending to customers	27 376	23 267
Repossessed assets	134	238
Shareholdings etc.	6	1
Intangible assets	146	313
Fixed assets	22	18
Other assets	296	44
Prepayments and accrued income	114	62
Total assets	28 406	24 306
Liabilities and equity		
Loans and deposits from credit institutions	24 507	20 858
Deposits from customers	283	287
Other liabilities	771	628
Accrued expenses and prepaid revenues	174	144
Provisions for commitments	20	16
Subordinated loan capital	350	350
Total liabilities	26 105	22 281
Share capital	1 915	1 640
Other equity	386	385
Total equity	2 301	2 025
Total liabilities and equity	28 406	24 306

1) Includes the accounts of Elcon Finans AS and Postbanken Eiendomsmegling AS as included in the accounts of the DnB NOR Bank Group.

Note 2 – Net interest income and credit commissions

DnB NOR Bank ASA			DnB NOR Bank Group	
2002	2003	Amounts in NOK million	2003	2002
5 975	4 662	Interest on loans to and deposits with credit institutions	2 758	3 148
27 676	23 500	Interest and credit commissions on instalment loans	27 297	30 502
3 233	2 591	Interest and credit commissions on overdraft and working capital facilities	3 405	3 766
224	159	Interest and commissions on building loans	159	224
0	0	Leasing income	1 599	1 949
0	0	Factoring income	185	202
653	766	Front-end fees, back-end fees	793	686
134	118	Interest on other loans to customers	178	180
31 921	27 135	Total interest income on loans to customers	33 617	37 509
2 545	2 142	Interest on commercial paper, bonds, etc.	2 222	2 554
41	127	Other interest income	137	58
40 482	34 065	Total interest income	38 733	43 269
2 315	1 839	Interest on loans and deposits from credit institutions	2 265	2 431
11 823	8 229	Interest on demand deposits from customers	8 410	11 799
415	300	Interest on time deposits from customers	325	415
4 225	2 897	Interest on special-term deposits from customers	3 005	4 233
16 463	11 426	Total interest expenses on deposits from customers	11 740	16 447
4 158	3 749	Interest on securities issued	4 796	4 731
514	654	Interest on subordinated loan capital	661	517
		Contributions to the Commercial Banks' Guarantee Fund and the Savings Banks' Guarantee Fund	499	471
479	480			
4 517	4 722	Other interest expenses	4 749	4 553
28 446	22 870	Total interest expenses	24 710	29 150
12 036	11 196	Net interest income and credit commissions	14 023	14 119

Note 3 – Unrecorded interest on loans

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

1) Included in the profit and loss account 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 account 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		Average interest rate	DnB NOR Bank Group	
2002	2003	Per cent	2003	2002
		Commercial paper and bonds		
4.30	3.46	Trading portfolio	3.46	3.81
4.99	3.74	Banking portfolio	4.36	5.68
		Loans and deposits from credit institutions		
7.88	4.98	Loans and deposits with no fixed term or period of notice	5.99	7.89
4.79	3.33	Loans and deposits with a fixed term or period of notice	3.42	4.88
		Deposits from customers		
5.01	3.25	Deposits with no fixed term	2.86	5.03
5.75	3.82	Fixed-term deposits	4.00	6.06
		Securities issued		
5.59	3.90	Commercial paper issued	4.12	5.63
5.20	4.22	Bond debt	4.54	5.22
4.06	4.04	Own bonds included in the banking portfolio	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	
2002	2003	Amounts in NOK million	2003	2002
773	1 354	Dividends	211	169
2 588	2 661	Money transfer fees receivable	3 069	3 019
143	117	Fees on asset management services	365	530
155	159	Fees on custodial services	159	155
277	371	Fees on securities	498	362
312	354	Guarantee commissions	378	327
192	214	Interbank fees	214	192
144	117	Credit-broking commissions	117	144
135	169	Sales commissions on insurance products	171	135
560	670	Sundry commissions and fees receivable on banking services	734	631
4 505	4 833	Total commissions and fees receivable on banking services	5 705	5 494
1 105	1 112	Money transfer fees payable	1 159	1 221
243	258	Interbank fees	258	243
401	464	Sundry commissions and fees payable on banking services	576	518
1 748	1 834	Total commissions and fees payable on banking services	1 994	1 982
(336)	118	Net gain/(loss) on short-term shareholdings	163	(337)
200	521	Net gain on commercial paper and bonds	523	200
1 205	1 444	Net gain on trading in foreign exchange and financial derivatives ¹⁾	1 484	1 204
292	333	Net loss on other short-term interest rate instruments ¹⁾	333	292
776	1 750	Net gain on foreign exchange and financial instruments	1 836	775
29	33	Operating income on real estate	61	58
64	66	Rental income	69	66
0	0	Fees in real estate broking	595	516
4	9	Share of profit in associated companies	159	111
24	(17)	Remunerations	21	27
284	253	Miscellaneous operating income	350	351
406	345	Total sundry ordinary operating income	1 255	1 130
32	9	Gains on the sale of fixed assets	23	264
4 743	6 457	Net other operating income	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.

Note 6 – Net gain on foreign exchange and financial instruments

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

Note 7 – Operating expenses

DnB NOR Bank ASA			DnB NOR Bank Group	
2002	2003	Amounts in NOK million	2003	2002
3 555	3 566	Ordinary salaries	4 631	4 386
515	515	Employer's national insurance contributions	667	649
380	537	Pension expenses	634	436
246	263	Social expenses	336	304
4 695	4 881	Total salaries and other personnel expenses	6 267	5 774
475	432	Fees	496	534
1 103	1 152	EDP expenses ¹⁾	1 331	1 241
461	447	Postage and telecommunications	534	525
131	102	Office supplies	117	148
356	321	Marketing and public relations	435	466
163	146	Travel expenses	182	208
491	563	Reimbursement to Norway Post for transactions executed ²⁾	563	491
42	35	Training expenses	45	53
153	167	Sundry administrative expenses	161	165
3 375	3 364	Total administrative expenses	3 864	3 831
250	211	Depreciation on EDP equipment etc.	250	287
164	166	Goodwill amortisation	396	349
173	178	Depreciation on other machinery, equipment and vehicles	225	203
65	67	Depreciation on properties and premises	130	111
12	12	Other depreciation	12	12
664	634	Total depreciation	1 013	962
698	646	Rent and operating expenses on rented premises	628	680
155	158	Operating expenses on real estate	218	199
63	79	Operating expenses on machinery, vehicles and office equipment taken to expense	102	81
45	52	Insurance	59	49
12	17	Membership fees, Norwegian Financial Services Association and Savings Banks Association	17	12
144	129	Miscellaneous ordinary operating expenses	329	407
1 116	1 081	Total sundry ordinary operating expenses	1 353	1 428
38	98	Allocations to employee funds	112	43
249	45	Provisions for restructuring measures	38	280
8	26	Losses on the sale of fixed assets	28	10
22	14	Write-downs on rental contracts and fixed assets	39	36
317	183	Total other expenses	217	369
10 168	10 142	Total operating expenses	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 2 447 million and NOK 2 341 million for 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's totalled NOK 2 203 million 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 3 202 000 in 2003, compared with NOK 3 048 000 in 2002. The bonus payment for 2003 was NOK 400 000, compared with NOK 533 000 in 2002, representing payment for extraordinary effort. Benefits in kind were estimated at NOK 269 000, as against NOK 263 000 in 2002, and the pension premium paid during the year was NOK 118 000, compared with NOK 115 000 in 2002. The figures represent the total remuneration to the group chief executive. Costs are divided between DnB NOR Bank ASA and DnB NOR ASA.

The Board of Directors of DnB NOR ASA has stipulated the annual remuneration of the group chief executive at NOK 3 850 000 as of 1 January 2004. According to the employment contract, the group chief executive is entitled to two years' salary (reduced from three years, effective as at 1 January 2004 at the request of the group chief executive) 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.

The new salary has been determined after consideration in two meetings of the Board of Directors in DnB NOR ASA held on 13 February and 25 February 2004, pending a decision by the bank's Supervisory Board on the amount to be covered by the bank (proposed at 50 per cent). The salary to be paid by the Group has been approved.

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 1 970 000 for the 2003 accounting year.

The group chief executive has subscribed for 20 000 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 was group chief executive in Gjensidige NOR up till the merger became effective on 4 December 2003, and became chairman of the Board of Directors of DnB NOR ASA as of the same date. As group chief executive in Gjensidige NOR, he received a total remuneration of NOK 2 950 000 in 2003, compared with NOK 2 393 000 in 2002. These figures included bonus payments of NOK 400 000 in 2003, and NOK 150 000 in 2002, in recognition of extraordinary effort. Benefits in kind were estimated at NOK 181 000, compared with NOK 146 000 in 2002.

Hytta resigned as group chief executive in Gjensidige NOR with an annual pension payable as from 1 January 2004 of NOK 1 700 000, corresponding to 70 per cent of his annual salary. DnB NOR's expenses in conjunction with the former chief executive's pension scheme came to NOK 1 979 000 for the 2003 accounting year. As chairman of the Board of Directors in DnB NOR ASA, Hytta will receive an annual remuneration of NOK 300 000, plus additional remuneration for other board positions within the Group. In accordance with the merger agreement Hytta is entitled to remuneration terms at least on a par with what he received as group chief executive in Gjensidige NOR.

The chairman of the Board has subscribed for 1 550 subscription rights under the general subscription rights programme for all former Gjensidige NOR employees. See more detailed description of the programme below.

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 long-term performance.

Lump sum payments can be made to senior executives in DnB NOR on a discretionary basis. Criteria for such payments relate to results achieved in the respective areas of responsibility. Any payments will be determined on the basis of the individual's ordinary salary and in accordance with usual remuneration schemes within the area of responsibility.

Remunerations to elected representatives

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

No remuneration was paid to elected representatives in the merged DnB NOR in 2003.

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 right 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 the end of 2003, a total of 26 396 000 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 and 2004. In 2003, however, the share price was lower than the subscription price. It will also be possible to exercise this third of the subscription rights in 2004. The subscription period is from 1 through 15 March 2004.

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. Thus, as at 31 December 2003 there were 6 860 262 independent subscription rights outstanding at a subscription price of NOK 27.95 per share.

Note 8 – Remunerations etc. (continued)

Loan facilities to employees and elected representatives as at 31 December 2003

Amounts in NOK 1 000

Lending

Employees in DnB NOR Bank ASA

Senior employees

Svein Aaser, CEO	0
Tom Grøndahl, deputy CEO	772
Karl-Olav Hovden, deputy CEO	266
Øivind Birkeland, group executive vice president	1 614
Ottar Ertzeid, group executive vice president	0
Frode Helgerud, group executive vice president	1 256
Harald Jægtnes, group executive vice president, Group Audit	1 435
Bente A. Landsnes, group executive vice president	2 964
Evlyn Raknerud, group executive vice president	0
Åsmund Skår, group executive vice president	3 004
Leif Teksum, group executive vice president	2 091

Employees, total

7 031 710

Elected representatives in DnB NOR Bank ASA

Board of Directors

Olav Hytta, chairman	0
Bent Pedersen, vice-chairman	0
Per Hoffmann	1 263
Sten Ture Larre	0
Torill Rambjør	500
Ingjerd Skjeldrum	178
Marit Wiig	0
Svein Aaser	0

Supervisory Board

Harald Norvik, chairman	0
Total members of the Supervisory Board	158 898

Control Committee, total

2 403

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.

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

Note 9 – Pensions

At year-end, the DnB NOR Bank Group had a company pension plan in the form of separate defined benefit schemes relating to the former Gjensidige NOR and to individual companies in the former DnB. The schemes were funded by Gjensidige NOR Spareforsikring and Vital Forsikring respectively. In addition to these pension schemes, employees in the former Postbanken AS were covered through a group pension plan in the Norwegian Public Service Pension Fund.

The banking group also has commitments relating to salaries exceeding the National Insurance Fund's base rate and to agreements on early retirement. With few exceptions, companies in the banking group participate in the contractual pension (CPA) schemes for banks and the financial services sector. An additional contractual pension agreement has been entered into in accordance with public sector rules for employees with membership in the Norwegian Public Service Pension Fund.

Pension commitments relating to salaries exceeding the National Insurance Fund's base rate and early retirement agreements are funded through operations for employees in companies from the former DnB. In the former Gjensidige NOR, commitments relating to salaries exceeding the base rate as well as most rights relating to early retirement agreements, are organised as group pension insurance schemes. Upon retirement under a contractual pension agreement, employees continue as members of the respective company pension plans, earning benefits up till ordinary retirement age. Under other forms of early retirement employees resign from the company pension plans and consequently no longer earn further benefits. In both of the former banking group, these employees will, upon reaching the ordinary retirement age, be compensated for the reduction in benefits earned.

Work is currently under way to coordinate all of the pension schemes of the DnB NOR Bank Group. Most of this coordination will take place during 2004.

Branches and subsidiaries outside Norway have separate schemes for their employees.

The pension schemes in the banking group include 9 337 persons from the former DnB and 3 961 persons from the former Gjensidige NOR.

As from 2003, joint assumptions have been applied for the entire banking group in calculating pension costs and commitments:

<i>Per cent</i>	DnB NOR 2003	DnB 2002	Gjensidige NOR 2002
Discount rate	6.0	7.0	6.5
Anticipated return	7.0	8.0	7.0
Anticipated rise in salaries	3.5	3.3	4.0
Anticipated increase in base rate	3.0	2.5	4.0
Anticipated rise in pensions	3.0	2.5	4.0
Anticipated CPA acceptance	40.0	40.0	54.0

The economic assumptions have a long-term perspective.

DnB NOR Bank ASA		Pension expenses	DnB NOR Bank Group	
2002	2003	<i>Amounts in NOK million</i>	2003	2002
225	322	Net present value of pension entitlements – regular pensions	386	272
43	32	Net present value of pension entitlements – CPAs	38	46
460	476	Interest expenses on pension commitments	525	494
238	530	Actual return on pension funds ¹⁾	579	263
490	300	Actual pension expenses	370	549
(176)	126	Deviation between estimated and actual return on pension funds	134	(189)
66	111	Net amortisation	130	76
380	537	Net pension expenses ^{*)}	634	436
193	416	<i>*) Of which: Funded schemes</i>	455	240
186	120	<i>Unfunded schemes</i>	179	195

1) The actual return is calculated on the basis of estimated profit sharing in DnB NOR's pension scheme with Vital Forsikring and Gjensidige NOR Spareforsikring.

Note 9 – Pensions (continued)

DnB NOR Bank ASA		Pension commitments	DnB NOR Bank Group	
31 Dec. 2002	31 Dec. 2003	Amounts in NOK million	31 Dec. 2003	31 Dec. 2002
5 910	7 025	Accrued pension commitments – regular pensions	7 715	6 357
802	678	Accrued pension commitments – CPAs	747	825
6 712	7 702	Total accrued pension commitments	8 462	7 183
1 231	1 102	Estimated effect of future salary adjustments	1 265	1 333
7 943	8 804	Estimated pension commitments	9 728	8 517
5 879	6 684	Pension funds at market value	7 584	6 376
2 064	1 920	Pension commitments above pension funds	2 144	2 140
(632)	(284)	Deviation between actual and estimated market value on pension funds	(405)	(684)
(553)	(1 168)	Actuarial gain/(loss) not recorded in the accounts	(1 246)	(604)
843	468	Net recorded pension commitments ¹⁾	493	852
557	887	1) Of which: Net overfunding in funded schemes	953	585
1 400	1 355	Commitments in unfunded schemes	1 399	1 438

Pension schemes for the banking group based on investment funds were overfunded by NOK 1 025 million and underfunded by NOK 72 million respectively as at 31 December 2003. Pension commitments which are not financed through investment funds and where future pension payments are funded through the bank's operations amounted to NOK 1 445 million as at 31 December 2003.

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

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

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

Note 11 – Restructuring provisions

				DnB NOR Bank Group	
Amounts in NOK million	31 Dec. 2003	Accrued expenses 2003	New provisions 2003	Provisions upon merger/acquisition 2003	31 Dec. 2002
Gjensidige NOR	0	105	0	0	105
DnB NOR Bank ASA ^{*)}	664	74	0	738 ¹⁾	-
Other restructuring provisions	29	62	38	0	53
Total DnB NOR Bank ASA	693	240	38	738	158
Acquisition of Nordlandsbanken	18	58	0	76 ²⁾	-
DnB NOR merger	68	0	0	68 ¹⁾	-
Total DnB NOR Bank Group	778	299	38	881	158

^{*)} Of which: IT 14
Human Resources 34
Other 26

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

2) Provisions relating to the acquisition of Nordlandsbanken are included in the acquisition cost.

Note 12 – Losses on loans, guarantees, etc.

DnB NOR Bank ASA			DnB NOR Bank Group	
2002	2003	Amounts in NOK million	2003	2002
Specification of net losses/(reversals)				
373	544	Write offs ^{a)}	725	461
210	116	Increase in specified loan-loss provisions ^{b)}	288	283
906	1 204	New specified loan-loss provisions ^{b)}	1 657	1 076
1 488	1 864	Total new specified provisions	2 671	1 820
197	306	Reassessed specified provisions ^{b)}	509	371
1 291	1 558	Total specified provisions	2 162	1 449
238	183	Recoveries on commitments previously written off ^{c)}	276	425
2	0	Increase in unspecified provisions ^{d)}	5	0
1 055	1 376	Net losses on loans, guarantees, etc. ^{1) 2)}	1 891	1 023
35	(13)	1) Of which net losses/(reversals) on guarantees	(7)	35
777	1 316	2) Total gross losses for the 20 largest loss-exposed commitments	1 380	777
Specification of changes				
506	450	Increase in specified provisions during the period ^{b) minus e)}	773	343
2	0	+ Increase in unspecified provisions for the period ^{d)}	5	0
413	565	+ Write-offs covered by specified provisions made in previous years ^{e)}	664	646
373	543	+ Write-offs not covered by specified provisions made in previous years ^{a)}	725	461
238	183	- Recoveries on commitments previously written off ^{c)}	276	425
1 055	1 376	Net losses on loans, guarantees, etc.	1 891	1 023

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

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

Amounts in NOK million	2003				2002			
	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	294	15	159	119	367	23	165	180
International shipping	12	28	1	(17)	6	2	7	(3)
Real estate	100	42	12	46	203	26	3	173
Manufacturing	351	62	1	289	251	42	4	205
Services	304	75	7	222	270	26	16	228
Trade	117	22	2	93	149	45	8	96
Oil and gas	4	6	0	(2)	0	10	31	(41)
Transportation and communication	28	8	0	20	10	4	1	6
Building and construction	183	17	1	165	22	3	1	18
Power and water supply	0	0	0	0	0	1	1	(2)
Fishing	108	14	1	94	66	4	2	60
Hotels and restaurants	22	4	0	18	8	5	0	3
Agriculture and forestry	5	1	0	4	32	1	0	30
Other sectors	3	12	0	(9)	9	4	0	4
Total customers	1 531	306	183	1 042	1 393	197	238	957
Credit institutions	0	0	0	0	0	0	0	0
Repossession assets	333	0	0	333	95	0	0	95
Change in unspecified provisions				0				2
Total losses/reversals on loans, guarantees, etc.	1 864	306	183	1 376	1 488	197	238	1 055

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

	2003				DnB NOR Bank Group 2002			
	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
<i>Amounts in NOK million</i>								
Retail customers	537	74	192	271	512	37	251	224
International shipping	21	53	28	(60)	10	98	21	(110)
Real estate	158	76	14	67	225	36	5	183
Manufacturing	414	70	2	342	315	58	21	236
Services	443	103	20	319	307	30	42	235
Trade	173	27	5	141	177	52	20	105
Oil and gas	6	6	4	(3)	0	33	32	(65)
Transportation and communication	80	9	3	69	37	6	16	15
Building and construction	176	18	2	156	25	3	6	15
Power and water supply	0	0	0	0	0	1	1	(3)
Fishing	187	55	4	128	66	4	3	59
Hotels and restaurants	42	5	0	38	8	5	1	3
Agriculture and forestry	13	2	1	11	38	3	2	32
Other sectors	30	12	1	17	7	4	4	(1)
Total customers	2 280	509	276	1 495	1 725	371	425	929
Credit institutions	5	0	0	5	0	0	0	0
Reposessed assets	385	0	0	385	95	0	0	95
Change in unspecified provisions				5				0
Total losses/reversals on loans, guarantees, etc.	2 671	509	276	1 891	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	
2002	2003	<i>Amounts in NOK million</i>	2003	2002
		Gains		
0	0	Bolig- og Næringsbanken	22	0
176	(1)	Europay Norge	(1)	176
226	0	Subsidiaries	0	0
1	2	Other	13	1
		Losses		
1	0	Other	0	1
		Write-downs		
468	(209)	Storebrand	(209)	468
19	0	Nordlandsbanken	0	19
0	12	NOS	12	0
117	(7)	Subsidiaries	0	0
0	7	Other	7	5
(202)	198	Net gains/(losses) on long-term securities	224	(317)

Note 15 – Taxes

In consequence of permanent differences between the accounts and the tax base according to Norwegian rules, DnB NOR Bank ASA will regularly show a tax charge relative to pre-tax operating profits which is lower than the ordinary tax rate for Norwegian companies. The long-term, normalised tax charge is estimated at 27 per cent of pre-tax operating profits. The relatively low tax level is partly attributable to the fact that dividends received on investments in Norwegian equities are tax-exempt. Further, there will be no taxes on income in certain international units as the units have tax-deductible timing differences against which such income is netted. These differences are not included in the basis for calculating deferred taxes. A corresponding adjustment needs to be made when estimating the bank's tax charge as a percentage of pre-tax operating profits.

In 2003, the Central Tax Office for Large Companies, which is responsible for the tax assessment of DnB NOR Bank, accepted adjustments in the tax assessment of Den norske Bank for 1995 and 1996, which reduced the bank's tax charge by a total of approximately NOK 180 million. In consequence of the decision to adjust the tax assessment, the tax charge for the bank was reduced by a corresponding amount. The matter concerned the distribution of debt interest in the taxation of the bank's Norwegian operations and its international branches. In 1997, the bank received approval for its interpretation of the rules concerning the distribution of taxes. The bank has later worked to ensure the full application of this interpretation for operations in all international branches also for the 1995 and 1996 financial years. By adjusting the tax assessment, the Central Tax Office has accepted this view.

The tax treatment of interest rate and currency swaps in Den norske Bank is subject to discussion with the tax authorities. DnB NOR Bank has pursued Den norske Bank's practice from 2002 in this area. DnB NOR Bank has also issued a request to use an alternative taxation method for items in foreign currency if the current taxation principle is not acceptable. No financial consequences are expected of a possible revision of the taxation principle.

DnB NOR Bank ASA		Taxes	DnB NOR Bank Group	
2002	2003		2003	2002
		<i>Amounts in NOK million</i>		
2 111	1 441	Norway	460	1 761
22	30	Abroad	98	85
2 133	1 471	Total payable taxes	558	1 846
(609)	182	Deferred taxes	430	(794)
0	0	Changes in deferred taxes resulting from the acquisition of companies	329	29
0	0	Taxes on group contributions to/from subsidiaries consolidated according to the equity method	578	651
0	(180)	Effect of debt interest distribution in previous years	(180)	0
1 524	1 473	Total taxes	1 715	1 732

Note 15 – Taxes (continued)

DnB NOR Bank ASA		Balancing tax charges against pre-tax operating profit	DnB NOR Bank Group	
2002	2003	Amounts in NOK million	2003	2002
5 355	6 333	Operating profit before losses	6 677	6 265
1 499	1 773	Estimated income tax – nominal tax rate (28 per cent)	1 870	1 754
(42)	(37)	Tax effect of income taxable abroad	(132)	(183)
20	(25)	Tax effect of permanent differences	78	52
0	(113)	Tax assets in discontinued operations ¹⁾	(44)	0
22	30	Taxes payable abroad	98	85
24	25	Inadequate tax provisions in previous years	25	23
0	(180)	Effect of debt interest distribution in previous years	(180)	0
1 524	1 473	Total taxes	1 715	1 732
28%	23%	Effective tax rate	26 %	28 %
Tax base				
2002	2003	Amounts in NOK million	2003	2002
5 355	6 333	Operating profit	6 677	6 265
(149)	(133)	Reversal of income taxable abroad	(467)	(632)
72	(85)	Permanent differences	279	189
Changing in timing differences and tax losses carried forward				
2 173	(1 062)	Timing differences	(1 609)	2 804
0	0	Changes in timing differences due to the acquisition of operations	(1 177)	0
0	0	Use of losses carried forward	(96)	(128)
0	0	Use of losses carried forward in subsidiaries consolidated according to the equity method	(2 064)	(2 325)
7 451	5 053	Tax base for the year – Norwegian operations	1 543	6 173
Elements in the calculation of deferred taxes				
31 Dec. 2002	31 Dec. 2003	Amounts in NOK million	31 Dec. 2003	31 Dec. 2002
Taxable timing differences				
1	0	Fixed assets	713	697
255	214	Market values above book values – merger with Postbanken	214	255
630	962	Prepaid pension entitlements	1 010	613
0	28	Financial instruments ²⁾	28	0
324	333	Other taxable timing differences	719	764
1 210	1 537	Total taxable timing differences	2 684	2 329
Tax-deductible timing differences				
1 527	1 422	Fixed assets	1 707	1 908
1 359	1 438	Accrued pension commitments	1 515	1 427
191	0	Financial instruments ²⁾	0	176
1 296	1 188	Other tax-deductible timing differences	1 605	2 395
4 373	4 048	Total tax-deductible timing differences	4 827	5 906
0	0	Losses carried forward and tax allowance for dividends ³⁾	3	116
4 373	4 048	Tax-deductible timing differences including losses carried forward	4 830	6 022
(164)	(164)	Of which differences that cannot be offset ⁴⁾	(164)	(164)
4 209	3 884	Tax-deductible timing differences to be offset	4 666	5 858
(2 999)	(2 347)	Calculation base for deferred taxes ¹⁾	(1 982)	(3 529)
839	658	Deferred tax assets	556	988

- 1) The 2003 figure includes tax-deductible timing differences of NOK 404 million in DnB NOR Bank and NOK 159 million in the DnB NOR Bank Group respectively relating to Elcon Finans and Gjensidige NOR Equities. These timing differences have been taken to income in 2003 as the companies will be sold/liquidated during 2004.
- 2) 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.
- 3) Tax allowance for dividends received, converted to tax-deductible timing differences.
- 4) 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		Amounts in NOK million	DnB NOR Bank Group	
31 Dec. 2002	31 Dec. 2003		31 Dec. 2003	31 Dec. 2002
22 940	8 223	Cash and deposits with central banks	8 565	22 941
6 877	7 627	Lending to and deposits with credit institutions with no fixed term or period of notice	6 794	7 784
69 069	84 898	Lending to and deposits with credit institutions with a fixed term or period of notice	21 268	18 603
2	2	Specified loan-loss provisions	2	2
75 944	92 523	Lending to and deposits with credit institutions	28 060	26 385
397 356	445 007	Instalment loans	508 958	437 332
29 176	26 223	Overdraft and working capital facilities	32 268	33 504
5 546	5 000	Building and construction loans	5 410	5 546
0	0	Finance leases	24 861	22 256
0	0	Factoring receivables	946	616
0	0	Factoring loans	1 449	1 468
63	54	Other loans	81	84
432 141	476 283	Gross lending to customers	573 973	500 807
(2 325)	(3 181)	Specified loan-loss provisions	(4 329)	(2 884)
(3 144)	(3 147)	Unspecified loan-loss provisions	(3 714)	(3 501)
426 672	469 955	Net lending to customers	565 929	494 422
394	310	Repossessed assets	576	651
4 237	7 554	Commercial paper and bonds issued by central and local government	7 842	4 457
34 300	38 365	Commercial paper and bonds issued by financial institutions	36 273	34 246
12 733	13 857	Commercial paper and bonds issued by others	14 049	12 783
214	1 514	Own bonds and commercial paper, trading portfolio	1 514	214
51 484	61 289	Commercial paper and bonds	59 677	51 699
2 563	2 484	Short-term investments in shares, mutual funds and PCCs	2 945	2 721
1 264	770	Long-term investments in shares, mutual funds and PCCs	940	1 592
15	16	Shares in general and limited partnerships	20	19
3 842	3 271	Shareholdings etc.	3 905	4 332
473	519	Investments in associated companies – credit institutions	1 241	1 154
111	115	Investments in associated companies and jointly controlled operations	144	110
584	633	Investments in associated companies and jointly controlled operations	1 384	1 263
4 176	6 651	Investments in subsidiaries – credit institutions	-	-
2 165	2 260	Investments in other subsidiaries	-	-
6 342	8 911	Investments in subsidiaries	-	-
1 637	1 472	Goodwill	2 502	2 356
839	658	Deferred tax assets	556	988
92	106	Systems development recorded in the balance sheet	167	145
105	69	Other intangible assets	70	106
2 673	2 304	Intangible assets	3 294	3 595
1 274	1 078	Machinery, equipment and vehicles	1 245	1 378
1 503	1 486	Buildings and other properties	3 121	2 922
21	21	Other fixed assets	89	89
2 799	2 585	Fixed assets	4 454	4 389
15 396	19 697	Financial derivatives	19 756	15 396
262	722	Amounts due on documentary credits and other payment services	722	262
573	2 203	Group contribution	0	0
1 982	1 647	Other amounts due	3 140	2 903
18 213	24 269	Other assets	23 618	18 561
4 889	3 286	Accrued interest income	3 792	4 904
635	969	Prepaid pension entitlements	1 025	692
278	408	Other prepayments and accrued income	667	558
5 802	4 663	Prepayments and accrued income	5 484	6 154
617 690	678 936	Total assets	704 946	634 392

Note 17 – Credit risk

Commitments according to risk category

DnB NOR Bank ASA

<i>Amounts in NOK billion</i>	Gross loans	Guarantee commitments	Undrawn limits (committed)	Total commitments
Risk category relative to percentage of normalised losses ^{1) 2)}				
<0.25	380	33	104	516
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 2002	432	44	106	583

Loan-loss level ¹⁾

2003 ²⁾ 2002

Normalised losses including loss of interest income in per cent of net lending	0.31	0.31
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Commitments according to risk category

DnB NOR Bank Group

<i>Amounts in NOK billion</i>	Gross loans	Guarantee commitments	Undrawn limits (committed)	Total commitments
Risk category relative to percentage of normalised losses ^{1) 2)}				
<0.25	441	27	92	559
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 2002	501	44	109	655

Loan-loss level ¹⁾

2003 ²⁾ 2002

Normalised losses including loss of interest income in per cent of net lending	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.

DnB NOR Bank ASA		Retail market <i>Amounts in NOK million</i>	DnB NOR Bank Group	
31 Dec. 2002	31 Dec. 2003		31 Dec. 2003	31 Dec. 2002
211 374	245 992	Home mortgages <80 per cent of appraised value	253 842	211 391
6 402	8 142	Home mortgages >80 per cent of appraised value	8 732	6 402
4 863	4 670	Credit card loans	8 080	8 009
12 110	12 202	Other loans	30 925	27 531
234 749	271 005	Total retail market loans	301 579	253 332

Note 18 – Commitments for principal sectors as at 31 December

<i>Amounts in NOK million</i>	Loans ¹⁾		Guarantees ¹⁾		DnB NOR Bank ASA Committed limits ²⁾	
	2003	2002	2003	2002	2003	2002
Retail customers	271 005	234 749	249	241	285 425	248 727
International shipping	25 063	22 069	8 055	8 327	46 483	40 245
Real estate	61 561	57 191	4 006	1 914	74 871	66 863
Manufacturing	18 115	21 323	5 374	4 806	43 002	42 258
Services	28 542	28 831	7 019	6 766	50 053	51 295
Trade	18 903	17 956	2 602	2 690	33 677	32 376
Oil and gas	3 736	3 455	2 246	1 582	12 770	10 409
Transportation and communication	8 508	9 214	2 890	3 003	20 730	19 642
Building and construction	4 037	4 098	2 519	2 540	10 317	9 916
Power and water supply	5 998	7 981	7 355	7 721	21 279	20 450
Central and local government	1 090	1 803	61	54	5 645	5 428
Fishing	7 000	6 427	181	200	8 008	7 737
Hotels and restaurants	3 507	2 966	240	252	4 146	7 173
Agriculture and forestry	3 405	3 294	27	97	4 019	4 161
Other sectors	12 632	8 461	3 910	4 205	20 384	16 533
Total customers	473 101	429 816	46 734	44 400	640 808	583 215
Credit institutions ³⁾	61 549	51 786	3 608	4 941	82 165	64 451
Total	534 651	481 602	50 342	49 341	722 973	647 666

<i>Amounts in NOK million</i>	Loans ¹⁾		Guarantees ¹⁾		DnB NOR Bank Group Committed limits ²⁾	
	2003	2002	2003	2002	2003	2002
Retail customers	301 579	253 332	266	250	316 489	275 734
International shipping	31 167	25 841	8 307	8 539	55 224	46 380
Real estate	82 155	74 018	4 043	1 909	95 275	84 570
Manufacturing	24 758	26 593	5 582	4 930	51 596	48 817
Services	38 669	37 566	7 179	6 823	58 770	58 514
Trade	23 849	21 193	2 687	2 699	40 252	36 125
Oil and gas	4 238	4 073	2 253	1 593	13 927	11 593
Transportation and communication	14 026	13 546	2 947	3 004	26 478	24 619
Building and construction	8 428	7 417	2 679	2 541	15 000	13 574
Power and water supply	6 276	8 027	7 606	7 722	21 600	20 501
Central and local government	2 094	2 779	65	54	6 698	6 450
Fishing	10 440	7 520	188	201	10 480	8 855
Hotels and restaurants	4 113	3 246	245	252	4 786	7 691
Agriculture and forestry	4 749	4 238	28	97	5 406	5 265
Other sectors	13 100	8 533	3 628	3 835	14 440	11 735
Total customers	569 643	497 923	47 701	44 450	736 419	660 423
Credit institutions ³⁾	8 911	6 715	3 482	4 873	16 676	15 572
Total	578 554	504 638	51 184	49 323	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 as at 31 December

DnB NOR Bank ASA

Amounts in NOK million	Net non-performing commitments ¹⁾		Net doubtful commitments ¹⁾		Total specified provisions	
	2003	2002	2003	2002	2003	2002
Retail customers	1 654	1 493	142	139	723	709
International shipping	2	7	0	0	41	16
Real estate	549	482	229	244	254	254
Manufacturing	474	150	129	80	524	577
Services	573	159	62	128	955	387
Trade	136	180	36	78	204	190
Oil and gas	6	3	0	0	36	21
Transportation and communication	34	48	14	24	22	19
Building and construction	552	109	10	12	312	72
Power and water supply	0	0	0	0	0	0
Fishing	582	132	74	210	141	104
Hotels and restaurants	98	100	17	15	33	25
Agriculture and forestry	37	31	4	6	49	37
Other sectors	10	8	0	5	3	57
Total customers	4 708	2 902	717	943	3 298	2 468
Credit institutions ²⁾	5	0	7	0	2	2
Total ^{*)}	4 713	2 902	724	943	3 300	2 470

*) Of which transferred from Nordlandsbanken ASA 645 - 0 - 849 -

DnB NOR Bank Group

Amounts in NOK million	Net non-performing commitments ¹⁾		Net doubtful commitments ¹⁾		Total specified provisions	
	2003	2002	2003	2002	2003	2002
Retail customers	2 159	1 773	310	275	1 034	928
International shipping	21	76	5	1	63	144
Real estate	1 026	588	617	337	372	279
Manufacturing	547	191	393	80	743	608
Services	684	239	195	145	1 083	449
Trade	194	204	68	80	282	215
Oil and gas	8	8	0	1	37	21
Transportation and communication	87	83	43	31	99	62
Building and construction	613	137	49	15	355	88
Power and water supply	1	0	0	0	0	0
Fishing	881	141	144	240	217	105
Hotels and restaurants	141	124	31	16	56	26
Agriculture and forestry	58	40	11	7	57	42
Other sectors	112	17	1	6	48	59
Total customers	6 531	3 622	1 865	1 232	4 445	3 026
Credit institutions ²⁾	0	0	5	0	9	2
Total	6 531	3 622	1 870	1 232	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 as at 31 December

Amounts in NOK million	DnB NOR Bank ASA					
	Private customers		Corporate customers		Total	
	2003	2002	2003	2002	2003	2002
Non-performing commitments ¹⁾						
Before specified provisions	2 299	2 136	5 220	2 637	7 519	4 773
After specified provisions ¹⁾	1 654	1 494	3 058	1 408	4 713	2 902
Doubtful commitments ¹⁾						
Before specified provisions	211	210	1 006	1 333	1 217	1 543
After specified provisions ¹⁾	139	140	585	804	724	943
*) Of which:						
Non-accruing commitments						
Before specified provisions	1 669	1 324	4 528	2 328	6 197	3 652
After specified provisions	1 009	695	2 406	1 030	3 415	1 724

Amounts in NOK million	DnB NOR Bank Group					
	Private customers		Corporate customers		Total	
	2003	2002	2003	2002	2003	2002
Non-performing commitments ¹⁾						
Before specified provisions	3 064	2 559	6 989	3 348	10 053	5 906
After specified provisions ¹⁾	2 143	1 769	4 388	1 852	6 531	3 622
Doubtful commitments ¹⁾						
Before specified provisions	436	413	2 366	1 563	2 802	1 976
After specified provisions ¹⁾	317	276	1 553	956	1 870	1 232
*) Of which:						
Non-accruing commitments						
Before specified provisions	2 365	1 824	6 045	2 933	8 410	4 757
After specified provisions	1 422	1 034	3 419	1 369	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		Reduced-rate commitments	DnB NOR Bank Group	
31 Dec. 2002	31 Dec. 2003		31 Dec. 2003	31 Dec. 2002
578	361	Amounts in NOK million		
		Reduced-rate commitments	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

Amounts in NOK million	Total provisions		Loans		Guarantees	
	2003	2002	2003	2002	2003	2002
Specified loan-loss provisions as at 1 January	2 470	1 998	2 328	1 900	142	98
Write-offs covered by specified provisions made in previous years	765	413	804	427	(40)	(14)
Portfolio transferred from subsidiary	660	0	660	0	0	0
Provisions for the period						
Increase in specified loan-loss provisions	150	207	148	192	1	15
New specified loan-loss provisions	1 256	942	1 232	904	24	38
Reassessed specified loan-loss provisions	471	232	381	214	90	18
Exchange rate movements	0	(32)	0	(28)	0	(4)
Specified loan-loss provisions as at 31 December ¹⁾	3 300	2 470	3 183	2 328	117	142
Unspecified loan-loss provisions as at 1 January	3 145	3 142	3 144	3 142	1	1
Unspecified loan-loss provisions for the period	0	2	0	2	0	0
Unspecified loan-loss provisions purchased portfolio	3	0	3	0	0	0
Exchange rate movements	0	0	0	0	0	0
Unspecified loan-loss provisions as at 31 December ²⁾	3 148	3 145	3 147	3 144	1	1
Total loan-loss provisions as at 31 December	6 448	5 614	6 330	5 471	118	143
1) Of which specified loan-loss provisions to:						
Customers			3 181	2 325	117	142
Credit institutions			2	2	0	0
2) Of which unspecified loan-loss provisions to:						
Customers			3 147	3 144	1	1
Credit institutions			0	0	0	0

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Amounts in NOK million	Total provisions		Loans		Guarantees	
	2003	2002	2003	2002	2003	2002
Specified loan-loss provisions as at 1 January	3 028	2 746	2 886	2 648	143	98
Write-offs covered by specified provisions made in previous years	1 579	645	1 587	660	(8)	(14)
Provisions for the period						
Increase in specified loan-loss provisions	288	280	286	266	2	15
New specified loan-loss provisions	1 678	1 112	1 649	1 074	29	37
Reassessed specified loan-loss provisions	522	374	463	356	59	18
Loan-loss provisions in Nordlandsbanken as at 1 January	1 555	-	1 555	-	0	-
Exchange rate movements	5	(90)	5	(86)	0	(4)
Specified loan-loss provisions as at 31 December ¹⁾	4 454	3 028	4 331	2 886	122	143
Unspecified loan-loss provisions as at 1 January	3 502	3 502	3 501	3 501	1	1
Unspecified loan-loss provisions for the period	5	0	5	0	0	0
Unspecified loan-loss provisions in Nordlandsbanken as at 1 January	204	-	204	-	0	-
Unspecified loan-loss provisions purchased portfolio	5	0	5	0	0	0
Exchange rate movements	0	0	0	0	0	0
Unspecified loan-loss provisions as at 31 December ²⁾	3 715	3 502	3 714	3 501	1	1
Total loan-loss provisions as at 31 December	8 169	6 531	8 046	6 387	123	143
1) Of which specified loan-loss provisions to:						
Customers			4 329	2 884	115	143
Credit institutions			2	2	7	0
2) Of which unspecified loan-loss provisions to:						
Customers			3 714	3 501	1	1
Credit institutions			0	0	0	0

Note 22 – Loans and guarantees according to geographical location as at 31 December ¹⁾

<i>Amounts in NOK million</i>	DnB NOR Bank ASA					
	Lending to customers		Lending to credit institutions		Guarantees	
	2003	2002	2003	2002	2003	2002
Oslo	110 145	92 433	19 828	15 204	17 891	18 697
Eastern and southern Norway	208 090	188 569	25 299	21 628	14 507	13 345
Western Norway	66 589	63 802	14 200	12 527	10 754	9 273
Northern and central Norway	64 218	58 593	353	770	2 130	2 987
Total Norway	449 042	403 397	59 681	50 129	45 282	44 302
Western Europe	10 486	12 052	741	989	2 675	2 302
Russia	193	285	33	0	1	1
Other Eastern European countries	529	350	546	355	144	28
Total Europe outside Norway	11 208	12 686	1 321	1 344	2 820	2 330
USA and Canada	5 502	6 530	66	192	419	1 752
Bermuda and Panama ²⁾	3 386	3 781	0	8	280	171
Argentina ³⁾	3	3	0	0	44	51
Other South and Central American countries	767	483	70	63	917	272
Total America	9 658	10 797	136	262	1 660	2 246
Singapore	2 547	2 683	0	0	283	352
Hong Kong	259	114	0	0	7	9
Indonesia	7	11	0	0	121	126
Thailand	27	25	0	0	1	0
Malaysia	129	181	0	0	19	17
Other Asian countries	406	511	413	51	251	97
Total Asia	3 376	3 525	413	52	682	600
Liberia ²⁾	1 625	1 355	0	0	7	0
Other African countries	24	22	1	0	6	5
Australia and New Zealand	1 349	358	1	0	2	0
Total	476 283	432 141	61 552	51 788	50 459	49 483

<i>Amounts in NOK million</i>	DnB NOR Bank Group					
	Lending to customers		Lending to credit institutions		Guarantees	
	2003	2002	2003	2002	2003	2002
Oslo	133 282	114 655	5 025	2 827	17 518	18 380
Eastern and southern Norway	233 363	211 289	12	0	14 500	13 263
Western Norway	75 643	72 128	1 877	1 757	10 815	9 274
Northern and central Norway	90 758	65 152	142	56	2 885	2 991
Total Norway	533 046	463 223	7 057	4 640	45 718	43 908
Western Europe	19 379	18 519	726	1 407	2 953	2 516
Russia	197	285	33	0	1	1
Other Eastern European countries	541	358	546	355	144	28
Total Europe outside Norway	20 117	19 161	1 305	1 762	3 098	2 545
USA and Canada	5 762	6 786	66	192	421	1 777
Bermuda and Panama ²⁾	5 578	4 521	0	8	280	171
Argentina ³⁾	3	3	0	0	44	51
Other South and Central American countries	818	490	70	63	917	273
Total America	12 162	11 800	136	262	1 663	2 273
Singapore	2 565	2 705	0	0	414	486
Hong Kong	282	150	0	0	7	9
Indonesia	7	11	0	0	121	126
Thailand	32	60	0	0	1	0
Malaysia	135	183	0	0	19	17
Other Asian countries	494	529	413	51	251	97
Total Asia	3 516	3 639	413	52	813	734
Liberia ²⁾	3 743	2 593	0	0	7	0
Other African countries	26	25	1	0	6	6
Australia and New Zealand	1 364	366	1	0	2	0
Total	573 973	500 807	8 912	6 717	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			
31 December 2002 Loans	Bonds	31 December 2003 Loans	Bonds	Amounts in NOK million	31 December 2003 Loans	Bonds	31 December 2002 Loans	Bonds
1 248	440	1 257	443	In credit institutions	4	443	21	440
816	341	1 728	326	In other enterprises	1 728	326	816	341
2 064	781	2 985	769	Total subordinated loans ¹⁾	1 732	769	837	781
1 933	0	2 978	0	1) Of which subordinated loans to subsidiaries	1 725	-	706	-

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

Note 24 – Commercial paper and bonds

				DnB NOR Bank ASA		
				31 December 2003	31 December 2002	
				Acquisition cost	Book value	Fair value
Amounts in NOK million				Acquisition cost	Book value	Fair value
Commercial paper and bonds						
Listed				56 866	57 107	57 169
Unlisted				4 149	4 182	4 182
Total short-term commercial paper and bonds ¹⁾				61 015	61 289	61 351
1) Of which: Trading portfolio				33 453	33 735	33 735
Banking portfolio				27 562	27 554	27 616
				28 894	29 035	29 035
				22 452	22 449	22 471

				DnB NOR Bank Group		
				31 December 2003	31 December 2002	
				Acquisition cost	Book value	Fair value
Amounts in NOK million				Acquisition cost	Book value	Fair value
Commercial paper and bonds						
Listed				55 259	55 491	55 547
Unlisted				4 149	4 187	4 187
Total short-term commercial paper and bonds ¹⁾				59 408	59 677	59 734
1) Of which: Trading portfolio				33 453	33 735	33 735
Banking portfolio				25 955	25 942	25 999
				28 945	29 045	29 045
				22 657	22 654	22 666

Note 25 – Shareholdings etc.

DnB NOR Bank ASA						DnB NOR Bank Group					
31 December 2002			31 December 2003			31 December 2003			31 December 2002		
Acqui- sition cost	Book value	Fair value	Acqui- sition cost	Book value	Fair value	Acqui- sition cost	Book value	Fair value	Acqui- sition cost	Book value	Fair value
<i>Amounts in NOK million</i>											
Short-term shareholdings etc.											
499	426	426	492	509	509	485	502	537	471	388	428
643	571	546	479	357	357	721	643	612	671	639	574
1 600	1 492	1 492	1 517	1 514	1 514	1 648	1 645	1 654	1 678	1 568	1 568
77	73	98	79	104	104	135	155	186	130	125	150
2 819	2 563	2 563	2 568	2 484	2 484	Total short-term shareholdings etc. ¹⁾			2 949	2 721	2 721
Long-term shareholdings etc.											
1 875	1 030	1 029	723	480	480	723	480	480	2 037	1 189	1 190
80	80	82	162	150	228	183	171	249	95	95	99
194	169	172	157	157	179	309	309	331	351	327	330
2 149	1 280	1 283	1 042	787	887	Total long-term shareholdings etc. ²⁾			2 484	1 611	1 618
4 969	3 842	3 846	3 610	3 271	3 371	Total shareholdings etc.			5 433	4 332	4 339
362	316	316	296	269	269	1) Of which: Trading portfolio			362	316	316
2 457	2 247	2 247	2 272	2 215	2 215	Banking portfolio			2 587	2 405	2 405

2) The holding in Storebrand was reduced by NOK 484 million in 2003.

The holding in Bolig- og Næringsbanken was sold in 2003. As at 31 December 2002, the book value of these holdings totalled NOK 162 million in the DnB NOR Bank Group.

Note 26 – Short-term investments in shares, mutual funds and PCCs as at 31 December 2003

DnB NOR Bank ASA						
<i>Amounts in 1 000</i>						
<i>Values in NOK unless otherwise indicated</i>						
	Share capital	Number of shares	Nominal value	Ownership share in per cent ¹⁾	Book value	Market value
Financial institutions						
Acta Holding	42 307	1 901 675	342	0.81	19 004	4 089
Høland Sparebank Grunnfond	50 000	16	2	0.00	2	2
Privatbanken	500 000	3 230 000	32 300	6.46	33 915	25 840
Romsdals Fellesbank	156 788	23	1	0.00	3	3
Sparebanken Rana	50 935	27 900	2 790	5.48	3 655	3 655
Viking Ship Finance Ltd.	CHF 30 000	13 500	CHF 4 050	13.50	25 036	49 610
Voss Veksel- og Landmannsbank	9 500	6 972	697	7.34	1 177	8 018
Norwegian companies						
Aker Kværner	894 134	222 089	4 442	0.50	25 873	25 873
Aktiv Kapital	3 464	441 700	44	1.28	29 704	29 704
Bergen Industriutvikling	60 250	784	7 840	13.01	7 840	6 409
Bryggeriet KS					4 500	4 500
BTV-Fond	49 004	37 278	3 728	7.61	3 787	3 787
Elkem	985 600	458 964	9 179	0.93	77 435	89 498
Elva Fritz Dusseldorf	48 542	588 235	5 882	12.12	20 000	20 000
Ementor	231 903	1 150 778	1 151	0.50	6 445	6 445
Energivekst	540	45 000	45	8.33	4 500	3 101
Energos	6 800	1 900 239	190	2.79	22 800	0
Euroskilt	914	177	177	19.37	9 482	10 425
Fjord Seafood	474 967	2 000 000	2 000	0.42	7 180	7 180
Industrifinans Boligeiendom	1 453	576 975	58	3.97	5 190	1 154
Industrifinans Næringsseiendom	477 207	800 113	8 001	1.68	12 001	7 201
Industrifinans SMB III	61 457	49 781	4 978	8.10	25 663	16 328
IT Fornebu	68 443	42 551	4 255	6.22	5 190	2 128
IT Fornebu Eiendom	1 050 629	1 314 130	131 413	12.51	133 634	102 634
KS Norsk Vekst II					8 557	5 452
KS Venturos Technology III					20 086	7 291
Lawson & Haug	118	616	6	5.23	4 002	0
Lerøy Seafood Group	32 441	884 320	884	2.73	24 808	31 040
Natumin Pharma	13 606	185 201	926	6.81	5 000	834

Note 26 – Short-term investments in shares, mutual funds and PCCs as at 31 December 2003 (continued)

DnB NOR Bank ASA

<i>Amounts in 1 000 Values in NOK unless otherwise indicated</i>	Share capital	Number of shares	Nominal value	Ownership share in per cent ¹⁾	Book value	Market value
Nordisk Terapi	38 730	20 000	2 000	5.16	3 400	3 400
Nordnorsk Vekst	74 375	3 863	3 863	5.19	4 830	2 161
Norman	21 169	50 000	100	0.47	3 088	3 088
Norsk Hydro	5 331 933	85 300	1 706	0.03	35 541	35 541
Norske Skogindustrier	1 330 371	460 129	4 601	0.35	59 832	59 832
Opticom	1 940	28 800	4	0.22	3 427	3 427
Orkla	1 336 934	713 372	4 459	0.33	110 387	106 487
Oslo Børs Holding	50 000	433 213	4 332	8.66	61 695	78 845
Photocure	8 789	135 000	68	0.77	7 290	7 290
Plastogruppen	2 292	514	514	22.43	8 995	8 995
Prosafé	339 579	71 300	713	0.21	9 554	9 554
Rieber & Søn	795 757	423 282	4 233	0.53	6 780	21 164
Sarsia Innovation (HIB demerger)	43 331	7 648	1 912	4.41	3 291	3 728
Scan-Sense	20 321	2 749 385	2 749	13.53	12 714	0
Sentech	345	4 243	42	12.30	3 000	1 697
Såkorinvest Midt-Norge	60 489	43 236	4 324	7.15	4 540	3 978
Tandberg	131 685	78 329	78	0.06	3 832	3 832
Tjuvholmen Eiendomsutvikling	20 000	2 000	2 000	10.00	3 000	3 000
Tomra Systems	178 487	608 905	609	0.34	30 432	24 571
Whitecliff	60 005	100 000	1 000	1.67	7 999	7 781
Companies based abroad						
Euroclear	EUR 3 795	15 625	EUR 16	0.41	36 582	36 582
Star Reefers	USD 76	200 000	USD 2	2.62	8 692	12 000
Mutual funds						
Avanse Kort Likviditet III		121 571			1 218 523	1 218 523
Avanse Obligasjon III		6 944			69 328	69 328
DnB Aktiehedegfond Primus		499 403			46 317	48 848
DnB Global Consumer		116 187			11 677	7 929
DnB Global Hedge		1 384 204			113 718	124 272
Fidelity UBN Am. Growth		50 000			4 305	4 305
Fidelity UBN Global SmallCap		50 000			4 558	4 558
Fidelity UBN Nordic		50 000			4 278	4 278
MLIM UBN European Opportunities		25 000			2 107	2 107
MLIM UBN World Energy		25 000			2 250	2 250
MLIM World World New Energy		25 000			1 227	1 227
MLIM UBN World Technology		25 000			1 658	1 658
Postbanken Helse		177 078			17 708	12 743
Postbanken Teknologi		145 344			14 535	11 485
Thawee – II Fund		150 000			288	288
Other shareholdings etc.					47 965	60 826
Adjustments for unrealised gains in the banking portfolio					(52 035)	
Total short-term investments in shares, mutual funds and PCCs					2 483 777	2 483 777

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

DnB NOR Bank Group

<i>Amounts in 1 000 Values in NOK unless otherwise indicated</i>	Share capital	Number of shares	Nominal value	Ownership share in per cent ¹⁾	Book value	Market value
Financial institutions						
Acta Holding	42 307	1 901 675	342	0.81	19 004	4 089
Factor Insurance Group	12 546	20 025	200	1.60	5 035	4 005
Høland Sparebank Grunnfond	50 000	16	2	0.00	2	2
Privatbanken	500 000	3 230 000	32 300	6.46	33 915	25 840
Romsdals Fellesbank	156 788	23	1	0.00	3	3
Sparebanken Rana	50 935	27 900	2 790	5.48	3 655	3 655
Viking Ship Finance Ltd.	CHF 30 000	13 500	CHF 4 050	13.50	25 036	49 610
Voss Veksel- og Landmannsbank	9 500	6 972	697	7.34	1 177	8 018

Note 26 – Short-term investments in shares, mutual funds and PCCs as at 31 December 2003 (continued)

DnB NOR Bank Group						
<i>Amounts in 1 000 Values in NOK unless otherwise indicated</i>	Share capital	Number of shares	Nominal value	Ownership share in per cent ¹⁾	Book value	Market value
Norwegian companies						
Aker Kværner	894 134	222 089	4 442	0.50	25 873	25 873
Aktiv Kapital	3 464	441 700	44	1.28	29 704	29 704
Aspmøya Næringsbygg	16 714	274 006	2 740	16.39	3 859	0
Bergen Industriutvikling	60 250	784	7 840	13.01	7 840	6 409
Bryggeriet KS					4 500	4 500
BTV-Fond	49 004	37 278	3 728	7.61	3 787	3 787
Catch Communication	1 873	828 157	1 656	88.43	4 000	19 048
Elkem	985 600	458 964	9 179	0.93	77 435	89 498
Elva Fritz Dusseldorf	48 542	588 235	5 882	12.12	20 000	20 000
Ementor	231 903	1 150 778	1 151	0.50	6 445	6 445
Energivekst	540	45 000	45	8.33	4 500	3 101
Energos	6 800	1 900 239	190	2.79	22 800	0
Euroskilt	914	177	177	19.37	9 482	10 425
Fjord Seafood	474 967	2 000 000	2 000	0.42	7 180	7 180
Helgelandske	14 196	498 953	4 990	35.15	31 434	39 916
Industrifinans Boligeiendom	1 453	576 975	58	3.97	5 190	1 154
Industrifinans Næringseiendom	477 207	800 113	8 001	1.68	12 001	7 201
Industrifinans SMB III	61 457	49 781	4 978	8.10	25 663	16 328
IT Fornebu	68 443	42 551	4 255	6.22	5 190	2 128
IT Fornebu Eiendom	1 050 629	1 314 130	131 413	12.51	133 634	102 634
iTet	20 002	16 718 771	16 719	83.59	17 292	0
Iticket	30 000	2 442 000	24 420	81.40	13 378	13 382
KS Norsk Vekst II					8 557	5 452
KS Venturos Technology III					20 086	7 291
Lawson & Haug	118	616	6	5.23	4 002	0
Lerøy Seafood Group	32 441	884 320	884	2.73	24 808	31 040
Lofoten Trållerrederi	8 178	815	708	4.98	3 647	4 075
Natumin Pharma	13 606	185 201	926	6.81	5 000	834
Nordisk Terapi	38 730	20 000	2 000	5.16	3 400	3 400
Nordnorsk Vekst	74 375	3 863	3 863	5.19	4 830	2 161
Norlandia Holding	55 000	1 708 996	1 709	3.11	6 642	0
Norman	21 169	50 000	100	0.47	3 088	3 088
Norrøna Hotell	11 040	39	3 588	32.50	10 700	10 700
Norsk Hydro	5 331 933	85 300	1 706	0.03	35 541	35 541
Norske Skogindustrier	1 330 371	460 129	4 601	0.35	59 832	59 832
Opticom	1 940	28 800	4	0.22	3 427	3 427
Orkla	1 336 934	713 372	4 459	0.33	110 387	106 487
Oslo Børs Holding	50 000	433 213	4 332	8.66	61 695	78 845
OVDS	116 739	2 324 195	23 242	19.91	83 671	115 048
Photocure	8 789	135 000	68	0.77	7 290	7 290
Plastogruppen	2 292	514	514	22.43	8 995	8 995
Prosafe	339 579	71 300	713	0.21	9 554	9 554
Rieber & Søn	795 757	423 282	4 233	0.53	6 780	21 164
Saltens Bilruter	10 959	18 125	1 813	16.54	14 152	14 152
Sarsia Innovation (HIB demerger)	43 331	7 648	1 912	4.41	3 291	3 728
Scan-Sense	20 321	2 749 385	2 749	13.53	12 714	0
Sentech	345	4 243	42	12.30	3 000	1 697
Såkominvest Midt-Norge	60 489	43 236	4 324	7.15	4 540	3 978
Såkominvest Nord	9 277	11 020	1 102	11.88	4 408	4 496
Tandberg	131 685	78 329	78	0.06	3 832	3 832
Tjuvholmen Eiendomsutvikling	20 000	2 000	2 000	10.00	3 000	3 000
Tomra Systems	178 487	608 905	609	0.34	30 432	24 571
Troms Fylkes DS	10 673	256 440	513	4.81	33 337	29 234
Whitecliff	60 005	300 000	3 000	5.00	23 997	23 343
Companies based abroad						
Cape Invest	USD 42	4 162	USD 4	9.91	50 066	81 517
Euroclear	EUR 3 795	15 625	EUR 16	0.41	36 582	36 582
Star Reefers	USD 76	200 000	USD 2	2.62	8 692	12 000
Usienergy	USD 25	31 200	USD 0	1.27	936	936

Note 26 – Short-term investments in shares, mutual funds and PCCs as at 31 December 2003 (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						
Avanse Kort Likviditet II		33 582			33 619	33 575
Avanse Kort Likviditet III		121 571			1 218 523	1 218 523
Avanse Obligasjon II		3 116			33 010	34 658
Avanse Obligasjon III		6 944			69 328	69 328
DnB Aktiehedgefond Primus		499 403			46 317	48 848
DnB Global Consumer		116 187			11 677	7 929
DnB Global Hedge		1 384 204			113 718	124 272
Fidelity UBN Am. Growth		50 000			4 305	4 305
Fidelity UBN Global SmallCap		50 000			4 558	4 558
Fidelity UBN Nordic		50 000			4 278	4 278
MLIM UBN European Opportunities		25 000			2 107	2 107
MLIM UBN World Energy		25 000			2 250	2 250
MLIM UBN World New Energy		25 000			1 227	1 227
MLIM UBN World Technology		25 000			1 658	1 658
NB Pengemærkedsfond		356 097			37 905	37 486
NB Plussfond		249 501			16 218	23 773
Postbanken Helse		177 078			17 708	12 743
Postbanken Teknologi		145 344			14 535	11 485
Thawee – II Fund		150 000			288	288
Viking Venture		43 030			4 303	4 303
WarrenWicklund Multi-Strategy		8 333			10 000	10 958
Other shareholdings etc.					113 556	69 882
Elimination of internal gains					(38 029)	
Adjustments for unrealised gains in the banking portfolio					(52 035)	
Total short-term investments in shares, mutual funds and PCCs					2 944 949	2 989 655

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 2003

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							
Export Credit Insurance Corporation of Singapore	SGD	127 590	250 000	SGD 250	0.20	1 175	1 502
Storebrand		1 390 353	11 088 392	55 442	3.99	480 127	480 127
Viking Ship Finance	CHF	30 000	9 000	CHF 2 700	9.00	14 591	33 074
Norwegian companies							
Bankpower		1 000	40	200	20.00	700	1 400
BTV-Fond		49 004	25 883	2 588	5.28	2 588	2 629
DnB-ansattes Fond, B shares		12 388	200 000	200	1.61	200	200
Grenland Investeringsfond		47 000	1 000	1 000	2.13	1 000	1 000
Norsk Tillitsmann		11 600	23 202	2 320	20.00	2 320	8 701
NOS		15 983	2 233 408	2 233	13.97	14 517	14 517
Oslo Børs Holding		50 000	483 512	4 835	9.67	55 945	87 999
Sikon Øst		50 013	52 500	5 250	10.50	10 475	8 925
Spama		3 156	7 674	767	24.32	747	6 383
Såkorinvest Innland		30 000	2 500	1 000	3.33	1 000	500
Vestfold Flyplassinvest		7 324	340	340	4.64	340	27
VPS Holding		50 000	727 580	7 276	14.55	52 215	87 310

Note 27 – Long-term investments in shares, mutual funds and PCCs as at 31 December 2003 (continued)

							DnB NOR Bank ASA
<i>Amounts in 1 000</i>		Share	Number	Nominal	Ownership	Book	Market
<i>Values in NOK unless otherwise indicated</i>		capital	of shares	value	share in per cent	value	value
Companies based abroad							
CLS Services, A shares	USD	1	1 000	USD 0	1.49	1 669	1 669
CLS Services, D shares	USD	298 097	46 800	USD 4 680	1.57	5 007	5 007
FSN Capital Limited Partnership 1						9 768	9 768
Lorentzen Empreendimentos, class B ¹⁾	USD	1 768	47 813 984	USD 354	20.01	120 021	120 021
Procuritas MBO Invest						4 631	4 631
Swift	EUR	10 898	477	EUR 59	0.54	861	4 424
Other shareholdings etc.						6 826	7 007
Total long-term investments in shares, mutual funds and PCCs						786 723	886 820

							DnB NOR Bank Group
<i>Amounts in 1 000</i>		Share	Number	Nominal	Ownership	Book	Market
<i>Values in NOK unless otherwise indicated</i>		capital	of shares	value	share in per cent	value	value
Financial institutions							
Export Credit Insurance Corporation of Singapore	SGD	127 590	250 000	SGD 250	0.20	1 175	1 502
Nordenfjeldske livsforsikring		100 000	10 000	10 000	10.00	5 683	5 683
Storebrand		1 390 353	11 088 392	55 442	3.99	480 127	480 127
Viking Ship Finance	CHF	30 000	9 000	CHF 2 700	9.00	14 591	33 074
Norwegian companies							
Bankpower		1 000	40	200	20.00	700	1 400
BTV-Fond		49 004	25 883	2 588	5.28	2 588	2 629
DnB-ansattes Fond, B shares		12 388	200 000	200	1.61	200	200
Grenland Investeringsfond		47 000	1 000	1 000	2.13	1 000	1 000
Hafjell Ferie og Fritid		15 000	15	7 350	49.00	735	735
Karihaugen Eiendom		1 000	1 000	1 000	100.00	1 293	1 293
Kirkegt. 74		500	250	250	50.00	250	250
Norsk Tillitsmann		11 600	23 202	2 320	20.00	2 320	8 701
NOS		15 983	2 233 408	2 233	13.97	14 517	14 517
Oslo Børs Holding		50 000	483 512	4 835	9.67	55 945	87 999
Sikon Øst		50 013	52 500	5 250	10.50	10 475	8 925
SK Eiendom		100	100	100	100.00	147	147
Spama		3 156	7 674	767	24.32	747	6 383
Såkkorninvest Innland		30 000	2 500	1 000	3.33	1 000	500
Vestfold Flyplassinvest		7 324	340	340	4.64	340	27
VPS Holding		50 000	727 580	7 276	14.55	52 215	87 310
Companies based abroad							
CLS Services, A shares	USD	1	1 000	USD 0	1.49	1 669	1 669
CLS Services, D shares	USD	298 097	46 800	USD 4 680	1.57	5 007	5 007
FSN Capital Limited Partnership 1						9 768	9 768
Lorentzen Empreendimentos, class B ¹⁾	USD	1 768	47 813 984	USD 354	20.01	120 021	120 021
Procuritas MBO Invest						4 631	4 631
Swift	EUR	10 898	477	EUR 59	0.54	861	4 424
Vertex Participacoes ¹⁾	USD	12 721	188 644 371	USD 12 721	100.00	81 242	81 242
Vittoria Participacoes ¹⁾	USD	10 008	188 649 371	USD 10 008	100.00	70 332	70 332
Other shareholdings etc.						20 176	20 098
Total long-term investments in shares, mutual funds and PCCs						959 755	1 059 594

¹⁾ Investments in Lorentzen Empreendimentos, Vertex and Vittoria relate to previously converted loans in Brazil.

Note 28 – Investments in associated companies and jointly controlled operations as at 31 December 2003

Amounts in NOK 1 000	DnB NOR Bank Group				
	Share capital	Number of shares	Nominal value	Ownership share in per cent	Book value
Owned by DnB NOR Bank ASA:					
Eksportfinans	1 593 532	71 661	752 441	47.19	518 073
BBS/Bank-Axept Holding	165 000	2 810 446	70 261	42.58	71 583
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
Gjensidige NOR Driftspartner	15 000	7 500	7 500	50.00	7 502
Gjensidige NOR Markedsstøtte	10 000	5 000	5 000	50.00	5 000
Total investments in associated companies and jointly controlled operations owned by DnB NOR Bank ASA					633 428
DnB NOR Bank Group adjustments:					
Reversal of internal profit ¹⁾					(30 883)
Eksportfinans					706 213
BBS/Bank-Axept Holding					51 822
Teller					12 427
Other shareholdings					11 461
Total investments in associated companies and jointly controlled operations					1 384 468

1) Reversal of part of the gain on the sale of Postbanken's Clearing House in 2001, corresponding to the banking group's holding in the Banks' Central Clearing House. The gain on the sale is taken to income in accordance with the expected five-year realisation plan.

Note 29 – Investments in subsidiaries as at 31 December 2003

Amounts in 1 000 Values in NOK unless otherwise indicated	DnB NOR Bank ASA				
	Share capital	Number of shares	Nominal value	Ownership share in per cent	Book value
Foreign subsidiaries					
DnB Asia Limited, Singapore	SGD 20 000	20 000 000	SGD 20 000	100	78 535
Luxcap S.A.	EUR 30 000	800 000	EUR 30 000	100	317 344
DnB Markets Inc.	USD 150	150 000	USD 150	100	1 002
UBN INT SA Luxembourg	EUR 17 352	70 000	EUR 17 352	100	146 088
UBN Reinsurance SA Luxembourg	11 000	10 999	10 999	100	10 999
Domestic subsidiaries					
Avanse Forvaltning ¹⁾	3 265	3 265 000	3 265	100	336 411
DnB Eiendomsmegling	2 503	25 033	2 503	100	31 149
DnB Finans	512 000	5 120 000	512 000	100	1 017 791
DnB Finans	512 000	5 120 000	512 000	100	1 017 791
DnB Invest Holding	200 000	200 000	200 000	100	543 000
DnB Kort	391 300	3 913 000	391 300	100	394 000
DnB Meglerservice	700	7	700	100	5 221
DnB Næringsmegling	1 000	10 000	1 000	100	4 000
Elcon Finans ²⁾	1 895 011	1 895 011	1 895 011	100	2 197 884
Gjensidige NOR Eiendomsmegling ³⁾	39 100	1 955	39 100	100	44 200
Gjensidige NOR Equities ⁴⁾	43 266	131 109	43 266	100	138 121
Gjensidige NOR Kapitalforvaltning ¹⁾	75 000	75 000	75 000	100	258 186
Hafjell Alpinsenter	26 330	2 633	26 330	100	12 400
Juridisk Byrå	50	50	50	100	50
Kreditt-Finans	21 000	42 000	21 000	100	50 394
Lørenfaret 1	500	5 000	500	100	500
Meks Holding	10 000	10 000	10 000	100	10 000
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 ²⁾	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

Note 29 – Investments in subsidiaries as at 31 December 2003 (continued)

				DnB NOR Bank ASA	
Amounts in 1 000				Ownership share in per cent	Book value
Values in NOK unless otherwise indicated	Share capital	Number of shares	Nominal value		
Sparebankkreditt	825 000	8 250 000	825 000	100	952 552
Viul Hovedgård	7 500	750 000	7 500	100	11 766
General and limited partnerships					
Store Elvegården, Mandal				50	5 786
Lørenfare 1, Oslo				99	44 691
Total investments in subsidiaries					8 911 135

- 1) The company will merge with DnB NOR Kapitalforvaltning ASA.
2) Will be sold within two years, in accordance with the conditions set for the merger between DnB and Gjensidige NOR.
3) The company will merge with DnB Eiendomsmegling AS.
4) The company will be liquidated, and the business will be transferred to DnB NOR Bank ASA.

Note 30 – Repossessed properties and other repossessed assets

DnB NOR Bank ASA					DnB NOR Bank Group			
Book value 31 Dec. 2002	Disposals 2003	Additions 2003	Book value 31 Dec. 2003		Book value 31 Dec. 2003	Additions 2003	Disposals 2003	Book value 31 Dec. 2002
Amounts in NOK million								
5	1	0	5	Properties, current assets	47	30	1	18
5	0	0	5	Properties, fixed assets	2	0	3	5
389	753	669	305 ¹⁾	Other repossessed current assets	529 ^{1) 2)}	952	1 056	632
399	754	670	315	Total	578	982	1 059	656

- 1) Of which: NOK 45 million represents shares in Kjørbo Eiendom AS, which is wholly owned by DnB NOR Bank.
NOK 201 million represents shares in Pan Fish ASA, where DnB NOR Bank has a holding of around 25 per cent.
2) Of which: NOK 66 million represents assets in Aurora Salmon (former Dåfjord Laks), which is wholly owned by DnB NOR.
NOK 134 million represents leasing assets in Elcon Finans.

Note 31 – Intangible assets

						DnB NOR Bank ASA	
Amounts in NOK million	Amortisation plan	Book value 31 Dec. 2003	Ordinary amortisation 2003	Acquired goodwill 2003	Book value 31 Dec. 2002	Total amortisation before 2003	Original goodwill
Savings bank – bank branches	20 years ¹⁾	500	26		526		526
Savings bank – corporate customers	20 years ¹⁾	402	21		423		423
Cresco – credit card portfolio	8 years ¹⁾	412	59		471		471
Credit card portfolio, Cresco	8 years ²⁾	125	38		163	144	307
Gjensidige NOR Spareforsikring's portfolio	4 years	15	14	1	29	26	55
Offices in Bø and Vinje	5 years	18	6		25	7	32
Total		1 472	166	1	1 637	177	1 814

- 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. See note 1 for more information.
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.

Note 31 – Intangible assets (continued)

Goodwill

DnB NOR Bank Group

<i>Amounts in NOK million</i>	Amortisation plan	Book value 31 Dec. 2003	Ordinary amortisation 2003	Acquired goodwill 2003	Book value 31 Dec. 2002	Total amortisation before 2003	Original goodwill
Savings bank – bank branches	20 years ¹⁾	509	27		536		536
Savings bank – corporate customers	20 years ¹⁾	409	22		431		431
Cresco – credit card portfolio	8 years ¹⁾	412	59		471		471
Elcon Finans – business in Norway	8 years ¹⁾	165	24		189		189
Nordlandsbanken	10 years ²⁾	478	53	531			531
American Express	10 years ³⁾	134	24		158	84	243
IT Solutions	10 years ⁴⁾	46	7		52	15	66
Aktiv Eiendomsmegling	10 years ⁵⁾	11	3		14	14	27
Netaxept	2 years	(2)	(2)		(4)	0	(4)
Credit card portfolio, Cresco	8 years ⁶⁾	125	38		163	144	307
Gjensidige NOR Kapitalforvaltning	5 years	42	30		72	76	148
Gjensidige NOR Spareforsikring's portfolio	4 years	15	14	1	29	26	55
Gjensidige NOR Equities	5 years	80	36		115	94	209
Offices in Bø and Vinje	5 years	18	6		25	7	32
Avanse Forvaltning	5 years	59	56	10	105	174	279
Total		2 502	396	542	2 356	634	2 988

- 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. See note 1 for more information.
- 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. The value is expected to be of long-term duration.
- 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.

Other intangible assets ¹⁾

DnB NOR Bank ASA

<i>Amounts in NOK million</i>	Depreciation plan	Book value 31 Dec. 2003	Ordinary depreciation 2003	Disposals 2003	Recorded in the balance sheet 2003	Book value 31 Dec. 2002	Total depre- ciation and write-downs before 2003	Original cost recorded in the balance sheet
Capitalised systems development	3 years	12	28	4		44	313	368
Postbanken brand name	10 years	62	12			74	45	119
Sundry intangible assets	5 years	7	24			31	90	120
Software	3-5 years	93	21		65	49	12	61
Total		175	85	4	65	197	460	668

Other intangible assets ¹⁾

DnB NOR Bank Group

<i>Amounts in NOK million</i>	Depreciation plan	Book value 31 Dec. 2003	Ordinary depreciation 2003	Disposals 2003	Recorded in the balance sheet 2003	Book value 31 Dec. 2002	Total depre- ciation and write-downs before 2003	Original cost recorded in the balance sheet
Capitalised systems development	3 years	12	28	4		44	313	368
Postbanken brand name	10 years	62	12			74	45	119
Sundry intangible assets	5 years	7	24			31	90	120
Software	3-5 years	155	31		84	102	23	125
Total		237	95	4	84	251	471	732

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

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

Note 32 – Fixed assets

DnB NOR Bank ASA			DnB NOR Bank Group	
Machinery, equipment and vehicles	Bank buildings and other properties	<i>Amounts in NOK million</i>	Machinery, equipment and vehicles	Bank buildings and other properties
4 250	2 047	Original cost	4 777	3 997
0	455	Revaluations before 2003	0	443
2 976	998	Total write-downs and depreciation before 2003	3 399	1 517
1 274	1 503	Book value as at 1 January 2003	1 378	2 923
166	57	Additions	325	428
8	16	Disposals (sales value)	25	91
1	8	Losses	3	22
6	20	Gains	5	20
339	57	Ordinary depreciation	415	118
0	10	Depreciation on revaluations	0	14
20	0	Write-downs	20	5
0	19	Reversals of previous write-downs	0	0
1 078	1 486	Book value as at 31 December 2003	1 245	3 121

Note 33 – Real estate as at 31 December 2003

DnB NOR Bank ASA				
<i>Book value in NOK million</i>	Bank buildings	Commercial properties	Sites/ projects	Total
Oslo	911	2	0	913
Eastern Norway and southern Norway	83	5	8	96
Bergen	383	2	3	387
Rest of western Norway	31	0	1	32
Northern Norway and central Norway	43	0	0	43
Abroad	15	0	1	16
Total book value	1 465	9	13	1 486

Floor space in 1 000 square metres

Own use	149	0	0	150
Tenants	12	1	0	13
Not rented out	7	0	0	7
Total floor space	168	1	0	169
Number of tenants	35	7	0	42
Annual rental income from external tenants in NOK million	10	0	0	10

DnB NOR Bank Group				
<i>Book value in NOK million</i>	Bank buildings	Commercial properties	Sites/ projects	Total
Oslo	1 534	107	48	1 689
Eastern Norway and southern Norway	616	13	26	656
Bergen	383	2	3	387
Rest of western Norway	31	0	1	32
Northern Norway and central Norway	251	60	27	338
Abroad	15	0	4	20
Total book value	2 830	181	109	3 121

Floor space in 1 000 square metres

Own use	272	22	6	300
Tenants	44	11	2	56
Not rented out	23	1	0	24
Total floor space	338	34	8	380
Number of tenants	48	36	1	85
Annual rental income from external tenants in NOK million	15	12	1	28

Note 34 – Liabilities

DnB NOR Bank ASA		<i>Amounts in NOK million</i>	DnB NOR Bank Group	
31 Dec. 2002	31 Dec. 2003		31 Dec. 2003	31 Dec. 2002
18 830	14 691	Loans and deposits from credit institutions with no fixed term or period of notice	16 716	16 331
62 503	59 839	Loans and deposits from credit institutions with a fixed term or period of notice	61 792	63 983
77 333	76 530	Loans and deposits from credit institutions	78 508	80 314
241 835	263 759	Deposits from customers with no fixed term or period of notice	268 634	241 263
79 178	66 838	Deposits from customers with a fixed term or period of notice	69 174	79 624
321 013	330 597	Deposits from customers	337 807	320 887
37 440	38 953	Commercial paper issued	38 953	37 640
90	0	Less own commercial paper included in the banking portfolio	0	90
98 810	134 955	Bond debt	150 169	109 343
5 558	2 973	Less own bonds included in the banking portfolio	7 173	8 324
130 602	170 935	Securities issued	181 949	138 568
0	0	Long-term funding	60	342
235	84	Short-term funding	354	499
0	0	Liabilities related to factoring	80	73
1 695	1 493	Documentary credits, cheques and other payment services	1 493	1 695
5 423	7 482	Group contribution/dividends	5 203	5 850
607	82	Accrued unassessed payable taxes	202	913
18 324	21 066	Financial derivatives	21 148	18 324
3 182	6 676	Sundry liabilities	9 279	3 927
29 466	36 884	Other liabilities	37 820	31 624
2 659	2 430	Accrued interest expenses	2 615	2 751
1 722	2 712	Other accrued expenses and prepaid revenues	3 384	2 287
4 381	5 142	Accrued expenses and prepaid revenues	5 999	5 038
1 477	1 438	Pension commitments	1 517	1 545
101	64	Specified provisions for losses on guarantee commitments	69	101
1	1	Unspecified provisions for losses on guarantee commitments	1	1
898	818	Other provisions	983	1 013
2 476	2 320	Provisions for commitments	2 570	2 658
6 461	11 320	Term subordinated loan capital	11 973	6 506
7 014	6 053	Perpetual subordinated loan capital	6 153	7 014
13 474	17 374	Subordinated loan capital	18 126	13 519
5 292	5 583	Perpetual subordinated loan capital securities	5 583	5 292
584 038	645 364	Total liabilities	668 362	597 901

Note 35 – Customer deposits for principal sectors

DnB NOR Bank ASA			DnB NOR Bank Group	
31 Dec. 2002	31 Dec. 2003	Amounts in NOK million	31 Dec. 2003	31 Dec. 2002
153 802	162 332	Retail customers	167 056	153 868
13 948	14 174	International shipping	14 150	14 010
13 660	15 848	Real estate	16 083	13 873
13 350	13 657	Manufacturing	13 824	13 428
43 281	48 630	Services	48 704	42 673
16 427	16 145	Trade	16 571	16 551
1 557	1 394	Oil and gas	1 393	1 584
7 906	9 395	Transportation and communication	9 745	7 907
4 169	4 044	Building and construction	6 372	4 113
5 982	5 260	Power and water supply	3 337	5 982
16 120	17 019	Central and local government	17 378	16 120
1 082	792	Fishing	1 144	1 082
1 321	1 215	Hotels and restaurants	1 275	1 273
1 869	1 727	Agriculture and forestry	1 730	1 859
26 539	18 964	Finance	19 044	26 565
321 013	330 597	Total customers	337 807	320 887
5 703	3 880	Credit institutions	3 240	5 398
326 716	334 477	Total	341 047	326 285

Note 36 – Maturity structure on bond debt as at 31 December 2003 ¹⁾

DnB NOR Bank ASA				DnB NOR Bank Group		
NOK	Foreign currency	Total	Amounts in NOK million	NOK	Foreign currency	Total
			Maturity (year)			
4 528	19 991	24 519	2004	6 319	19 991	26 310
5 406	22 284	27 690	2005	8 678	22 284	30 963
6 074	17 237	23 311	2006	6 392	17 237	23 629
3 956	16 953	20 910	2007	7 642	16 953	24 595
2 999	27 873	30 872	2008	3 435	27 873	31 308
366	420	786	2009	1 322	420	1 742
1 711	2 008	3 719	2010 and later	2 267	2 008	4 275
0	261	261	Effect of currency hedging	0	261	261
(36)	(51)	(87)	Capitalised costs and amortised discounts	(36)	(51)	(87)
25 005	106 977	131 982	Total	36 019	106 977	142 996

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 2003

DnB NOR Bank ASA			DnB NOR Bank Group	
Premiums/(discounts) ¹⁾	Book value	Amounts in NOK million	Premiums/(discounts) ¹⁾	Book value
			Maturity (year)	
(14)	596	2004	(24)	1 634
(6)	592	2005	(13)	1 824
(4)	0	2006	(11)	386
8	441	2007	3	1 794
0	808	2008	(2)	851
0	204	2009	(2)	295
(5)	332	2010 and later	(7)	390
(22)	2 973	Total	(55)	7 173

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 2003 totalled NOK 3 391 million for DnB NOR Bank ASA and NOK 7 437 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. 2003	Issued 2003	Matured/ redeemed 2003	Exchange rate movements 2003	Net change in capitalised costs 2003	Balance sheet 31 Dec. 2002
Term subordinated loan capital	11 320	5 748	1 252	373	(10)	6 461
Perpetual subordinated loan capital	6 053	0	836	(123)	(1)	7 014
Perpetual subordinated loan capital securities ¹⁾	5 583	0	0	288	3	5 292
Total	22 957	5 748	2 088	538	(8)	18 767

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 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	418
2001	USD	45	3-month LIBOR + 0.63 %	2011	2006	299
2001	USD	125	3-month LIBOR + 0.75 %	2011	2006	834
2002	EUR	200	3-month LIBOR + 0.75 %	2012	2007	1 680
2002	EUR	200	3-month EURIBOR + 0.60 %	2012	2007	1 684
2002	USD	100	3-month LIBOR + 0.09 %	2012	2007	666
2003	EUR	200	3-month LIBOR + 0.45 %	2013	2008	1 684
2003	EUR	200	3-month EURIBOR + 0.70 %	2013	2008	1 684
2003	GBP	200	5.13 % p.a.	2015	2010	2 380
Net change in capitalised costs						(10)
Total term subordinated loan capital						11 320
Perpetual subordinated loan capital						
1985	USD	215	6-month LIBOR		2004	1 435
1986	USD	150	3-month LIBOR		2004	1 001
1986	USD	200	6-month LIBOR		2004	1 335
1996	JPY	10 000	4.00 % p.a.		2011	624
1996	USD	105	7.65 % p.a.		2006	701
1999	JPY	10 000	4.51 % p.a.		2029	624
2000	USD	50	8.61 % p.a.		2005	334
Net change in capitalised costs						(1)
Total perpetual subordinated loan capital						6 053
Perpetual subordinated loan capital securities						
2001	USD	400	6-month LIBOR		2011	2 634
2002	EUR	350	7.07 % p.a.		2012	2 947
Net change in capitalised costs						3
Total perpetual subordinated loan capital securities						5 583

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

DnB NOR Bank Group						
Amounts in NOK million	Balance sheet 31 Dec. 2003	Issued 2003	Matured/ redeemed 2003	Exchange rate movements 2003	Net change in capitalised costs 2003	Balance sheet 31 Dec. 2002
Term subordinated loan capital	11 973	6 348	1 252	380	(10)	6 506
Perpetual subordinated loan capital	6 153	100	836	(123)	(1)	7 014
Perpetual subordinated loan capital securities ¹⁾	5 583	0	0	288	3	5 292
Total	23 709	6 448	2 088	555	(8)	18 812

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 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	EUR	6	3-month LIBOR + 0.90%	2008	-	52
2000	NOK	170	3.81 % p.a.	2010	2005	170
2000	NOK	130	8.05 % p.a.	2010	2005	130
2000	USD	63	3-month LIBOR + 0.55 %	2010	2005	418
2001	NOK	300	4.13 % p.a.	2011	2006	300
2001	USD	45	3-month LIBOR + 0.63 %	2011	2006	299
2001	USD	125	3-month LIBOR + 0.75 %	2011	2006	834
2002	EUR	200	3-month LIBOR + 0.75 %	2012	2007	1 680
2002	EUR	200	3-month EURIBOR + 0.60 %	2012	2007	1 684
2002	USD	100	3-month LIBOR + 0.09 %	2012	2007	666
2003	EUR	200	3-month LIBOR + 0.45 %	2013	2008	1 684
2003	EUR	200	3-month EURIBOR + 0.70 %	2013	2008	1 684
2003	GBP	200	5.13 % p.a.	2015	2010	2 380
Net change in capitalised costs						(10)
Total term subordinated loan capital						11 973
Perpetual subordinated loan capital						
1985	USD	215	6-month LIBOR		2004	1 435
1986	USD	150	3-month LIBOR		2004	1 001
1986	USD	200	6-month LIBOR		2004	1 335
1996	JPY	10 000	4.00 % p.a.		2011	624
1996	USD	105	7.65 % p.a.		2006	701
1997	NOK	100	4.56 % p.a.		2007	100
1999	JPY	10 000	4.51 % p.a.		2029	624
2000	USD	50	8.61 % p.a.		2005	334
Net change in capitalised costs						(1)
Total perpetual subordinated loan capital						6 153
Perpetual subordinated loan capital securities						
2001	USD	400	6-month LIBOR		2011	2 634
2002	EUR	350	7.07 % p.a.		2012	2 947
Net change in capitalised costs						3
Total perpetual subordinated loan capital securities						5 583

Note 39 – Equity

DnB NOR Bank ASA					DnB NOR Bank Group			
Share capital	Share premium reserve	Other equity	Total equity	<i>Amounts in NOK million</i>	Share capital	Share premium reserve	Other equity	Total equity
16 964	7 745	8 942	33 652	Balance sheet as at 31 Dec. 2002	16 964	8 461	11 066	36 491
		4	4	Merger with DnB Betalingstjenester			-	-
		-	-	Minority interests in Netaxept			(2)	(2)
		4 860	4 860	Profit for the year			4 963	4 963
		4 276	4 276	Group contribution			4 276	4 276
		641	641	Dividends			641	641
		(27)	(27)	Exchange rate movements			49	49
16 964	7 745	8 863	33 572	Balance sheet as at 31 Dec. 2003	16 964	8 461	11 158	36 584

Note 40 – Earnings per share

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

Note 41 – Capital adequacy

DnB NOR Bank ASA				DnB NOR Bank Group	
31 Dec. 2002	31 Dec. 2003		<i>Amounts in NOK million</i>	31 Dec. 2003	31 Dec. 2002
16 964	16 964	Share capital		16 964	16 964
16 687	16 608	Other equity		19 619	19 527
33 652	33 572	Total equity		36 584	36 491
5 292	5 195	Perpetual subordinated loan capital securities ^{1) 2)}		5 476	5 292
(634)	(969)	Pension funds above pension commitments		(1 034)	(1 063)
(1 636)	(1 472)	Goodwill		(2 513)	(2 360)
(839)	(658)	Deferred tax assets		(574)	(1 269)
(197)	(174)	Other intangible assets etc.		(247)	(112)
35 637	35 494	Core capital		37 690	36 979
7 014	6 053	Perpetual subordinated loan capital ^{1) 2)}		6 153	7 014
6 461	10 431	Term subordinated loan capital ²⁾		11 473	7 883
13 475	16 484	Net supplementary capital		17 626	14 896
2 564	2 073	Deductions		2 171	2 023
46 548	49 906	Total eligible primary capital ³⁾		53 147	49 853
408 995	445 523	Total risk-weighted volume		527 256	468 306
8.7	8.0	Core capital ratio (per cent)		7.1	7.9
11.4	11.2	Capital ratio (per cent)		10.1	10.6

Note 41 – Capital adequacy (continued)

Specification of risk-weighted volume

Specification of risk-weighted volume		Risk-weighted volume Nominal amounts as at 31 December 2003 ³⁾					DnB NOR Bank ASA	
Amounts in NOK million	Risk-weight:	0%	10%	20%	50%	100%	31 Dec. 2003	31 Dec. 2002
Banking portfolio								
Cash and ordinary deposits with banks		7 667	0	10 611	0	0	2 122	1 665
Short-term investments in securities		2 990	0	24 287	0	2 559	7 416	7 179
Lending		4 914	1	59 482	259 070	204 042	345 473	322 175
Other assets		1 573	0	1 131	1 720	3 042	4 128	5 449
Fixed assets		591	0	0	0	13 234	13 234	10 997
Total assets		17 734	1	95 512	260 790	222 876	372 373	347 463
Guarantee commitments		884	0	4 643	36	47 206	32 558	28 982
Approved, undrawn credits		77 895	750	4 451	147	54 067	24 306	20 570
Financial derivatives							433	243
Other		0	0	317	0	427	(2)	17
Total off balance-sheet instruments							57 295	49 814
Total risk-weighted volume, banking portfolio							429 668	397 277
Trading portfolio								
Position risk, equity instruments							224	693
Position risk, debt instruments							11 494	10 348
Settlement risk							0	2
Counterparty risk and other risks							12 607	8 138
Total risk-weighted volume, trading portfolio							24 325	19 179
Total risk-weighted volume, banking and trading portfolios							453 993	416 456
Deduction for:								
Investments in primary capital in other financial institutions							2 074	1 890
Specified and unspecified loan-loss provisions							6 395	5 573
Total risk-weighted volume							445 523	408 995

Specification of risk-weighted volume

Specification of risk-weighted volume	Risk-weighted volume Nominal amounts as at 31 December 2003 ³⁾						DnB NOR Bank Group	
Amounts in NOK million	Risk-weight:	0%	10%	20%	50%	100%	31 Dec. 2003	31 Dec. 2002
Banking portfolio								
Cash and ordinary deposits with banks		8 719	0	12 619	0	0	2 524	2 168
Short-term investments in securities		3 203	0	35 297	0	2 898	9 958	9 739
Lending		8 601	1	35 722	270 343	284 192	426 508	378 139
Other assets		1 678	0	1 420	2 358	2 949	4 412	5 965
Fixed assets		1 967	12	25	0	6 412	6 418	7 135
Total assets		24 168	13	85 083	272 702	296 451	449 819	403 146
Guarantee commitments		1 061	7	5 847	74	49 785	34 110	30 659
Approved, undrawn credits		91 878	375	3 974	260	50 556	25 759	21 991
Financial derivatives							753	1 235
Other		0	0	342	0	752	164	(339)
Total off balance-sheet instruments							60 786	53 545
Total risk-weighted volume, banking portfolio							510 605	456 691
Trading portfolio								
Position risk, equity instruments							562	713
Position risk, debt instruments							12 910	11 223
Settlement risk							0	22
Counterparty risk and other risks							12 607	8 179
Total risk-weighted volume, trading portfolio							26 080	20 139
Total risk-weighted volume, banking and trading portfolios							536 685	476 830
Deduction for:								
Investments in primary capital in other financial institutions							2 171	2 023
Specified and unspecified loan-loss provisions							8 116	6 498
Total risk-weighted volume							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 2003

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 central banks	NOK	7 099					940	8 038
	Foreign currency	9					175	184
Lending to and deposits with credit institutions	NOK	50 039	10 622	1 655	32			62 348
	Foreign currency	20 619	2 896	1 120	2 078	3 461		30 175
Net lending to customers ¹⁾	NOK	185 991	143 181	29 972	52 756	3 845	(2 686)	413 059
	Foreign currency	22 797	22 822	11 734	2	3	(461)	56 896
Commercial paper and bonds	NOK	1 329	8 708	4 084	8 731	910	196	23 959
	Foreign currency	12 355	14 895	1 066	6 404	2 610		37 330
Sundry assets	NOK						44 003	44 003
	Foreign currency						2 944	2 944
Total assets		300 238	203 124	49 631	70 004	10 829	45 111	678 936
	NOK	244 458	162 511	35 711	61 519	4 755	42 453	551 407
	Foreign currency	55 780	40 613	13 921	8 484	6 074	2 658	127 529
Liabilities and equity								
Loans and deposits from credit institutions	NOK	15 338	1 517	1 977				18 833
	Foreign currency	24 291	20 921	12 485				57 698
Deposits from customers	NOK	301 902	3 015	1 154	51			306 122
	Foreign currency	23 741	304	363	67			24 475
Securities issued	NOK	3 130	6 461	4 239	14 926	1 745		30 502
	Foreign currency	52 754	68 943	10 547	6 427	1 501	261	140 433
Sundry liabilities	NOK						41 222	41 222
	Foreign currency						3 124	3 124
Subordinated loan capital and perpetual subordinated loan capital securities	NOK							
	Foreign currency	721	11 955		1 035	9 246		22 957
Equity	NOK						33 421	33 421
	Foreign currency						151	151
Total liabilities and equity		421 877	113 117	30 767	22 506	12 491	78 179	678 936
	NOK	320 370	10 993	7 371	14 977	1 745	74 643	430 100
	Foreign currency	101 507	102 124	23 396	7 529	10 746	3 536	248 837
Net time to interest rate adjustments on balance sheet items		(121 639)	90 007	18 864	47 498	(1 662)	(33 068)	0
	NOK	(75 912)	151 518	28 339	46 542	3 010	(32 190)	121 308
	Foreign currency	(45 727)	(61 511)	(9 475)	955	(4 672)	(878)	(121 308)
Net nominal values on financial derivatives								
		(6 068)	(11 020)	(5 843)	(9 940)	3 264		(29 606)
	NOK	(32 078)	(52 428)	(22 257)	(12 683)	(2 728)		(122 174)
	Foreign currency	26 010	41 409	16 413	2 743	5 992		92 567

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.

Note 42 – Expected time to interest rate adjustments as at 31 December 2003 (continued)

		DnB NOR Bank Group						
		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
<i>Amounts in NOK million</i>								
Assets								
Cash and deposits with central banks	NOK	7 378					999	8 376
	Foreign currency	10					179	188
Lending to and deposits with credit institutions	NOK	8 873	3 633	1 340	32			13 878
	Foreign currency	10 307	2 478	924	347	126		14 181
Net lending to customers ¹⁾	NOK	205 015	185 265	31 039	64 197	6 179	(3 236)	488 459
	Foreign currency	27 660	35 447	14 077	553	212	(478)	77 470
Commercial paper and bonds	NOK	1 329	7 874	2 684	9 489	497	196	22 069
	Foreign currency	12 481	14 970	1 143	6 404	2 610		37 608
Sundry assets	NOK	345	98	55	2		39 424	39 925
	Foreign currency		1				2 789	2 790
Total assets		273 397	249 766	51 262	81 024	9 625	39 873	704 946
	NOK	222 940	196 871	35 118	73 719	6 676	37 383	572 708
	Foreign currency	50 457	52 895	16 143	7 304	2 948	2 489	132 238
Liabilities and equity								
Loans and deposits from credit institutions	NOK	14 434	1 528	2 133				18 094
	Foreign currency	23 557	23 718	13 137				60 414
Deposits from customers	NOK	308 568	3 283	1 175	51			313 078
	Foreign currency	23 952	342	368	67			24 730
Securities issued	NOK	3 130	6 268	4 010	24 271	3 836		41 516
	Foreign currency	52 704	68 994	10 547	6 427	1 501	261	140 433
Sundry liabilities	NOK	651	66	100			41 978	42 794
	Foreign currency	80		60			3 455	3 594
Subordinated loan capital and perpetual subordinated loan capital securities	NOK					700		700
	Foreign currency	721	12 009		1 035	9 244		23 009
Equity	NOK						35 294	35 294
	Foreign currency						1 290	1 290
Total liabilities and equity		427 796	116 207	31 530	31 854	15 281	82 277	704 946
	NOK	326 783	11 145	7 418	24 323	4 536	77 272	451 476
	Foreign currency	101 013	105 062	24 113	7 531	10 745	5 006	253 469
Net time to interest rate adjustments on balance sheet items		(154 399)	133 559	19 732	49 170	(5 657)	(42 405)	0
	NOK	(103 843)	185 726	27 701	49 397	2 140	(39 889)	121 232
	Foreign currency	(50 556)	(52 167)	(7 969)	(227)	(7 797)	(2 516)	(121 232)
Net nominal values on financial derivatives		(6 068)	(11 020)	(5 843)	(9 940)	3 264		(29 606)
	NOK	(32 078)	(52 428)	(22 257)	(12 683)	(2 728)		(122 174)
	Foreign currency	26 010	41 409	16 413	2 743	5 992		92 567

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.

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 2003 and market rates on the same date.

Interest rate sensitivity for different intervals

DnB NOR Bank Group ¹⁾

<i>Amounts in NOK million</i>	Up to 1 month	From 1 month to 3 months	From 3 months to 1 year	From 1 year to 5 years	Over 5 years	Total
Trading portfolio						
NOK	0	11	44	4	31	82
USD	0	22	24	10	5	39
EUR	0	6	3	4	11	23
GBP	0	0	0	0	0	0
Other currencies	1	5	13	4	1	14
Banking portfolio						
NOK	9	33	81	20	20	56
Total						
NOK	9	45	38	24	52	26
USD	0	22	24	10	5	39
EUR	0	6	3	4	11	23
GBP	0	1	4	1	0	2
Other currencies	1	4	8	3	1	12

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 2003 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

<i>Amounts in NOK million</i>	Norwegian kroner	Other currencies	Of which: USD	EUR	GBP	SEK	DKK	JPY
Assets								
Cash and deposits with central banks	8 038	184	33	73	15	32	21	1
Lending to and deposits with credit institutions	62 348	30 175	10 752	5 429	5 317	4 111	1 363	1 038
Net lending to customers	413 059	56 896	30 367	8 918	1 862	7 529	2 087	1 088
Commercial paper and bonds	23 959	37 330	8 226	24 766	2 335	74	725	768
Shareholdings etc.	2 987	284	229	477	0	56	0	0
Sundry assets	41 017	2 660	162	65	1 238	22	0	9
Total assets	551 407	127 529	49 769	39 728	10 768	11 823	4 195	2 904
Liabilities and equity								
Loans and deposits to credit institutions	18 833	57 698	39 832	10 227	3 662	429	120	19
Deposits from customers	306 122	24 475	18 336	2 682	1 642	619	410	248
Securities issued	30 502	140 433	64 421	57 440	12 710	0	0	187
Sundry liabilities	41 222	3 124	2 473	179	226	16	4	31
Subordinated loan capital	0	22 957	9 659	9 682	2 380	0	0	1 249
Equity	33 421	151	213	12	71	(11)	(35)	0
Total liabilities and equity	430 100	248 837	134 933	80 222	20 692	1 053	498	1 734
Net currency positions on balance sheet items	121 308	(121 308)	(85 164)	(40 494)	(9 923)	10 770	3 697	1 171
Financial derivatives	(121 098)	121 098	85 012	40 579	9 794	(10 738)	(3 687)	(1 207)
Net currency exposure	210	(210)	(152)	85	(129)	32	10	(36)

Note 44 – Currency positions (continued)

DnB NOR Bank Group								
<i>Amounts in NOK million</i>	Norwegian kroner	Other currencies	Of which: USD	EUR	GBP	SEK	DKK	JPY
Assets								
Cash and deposits with central banks	8 376	188	43	69	15	32	21	1
Lending to and deposits with credit institutions	13 878	14 181	6 145	1 816	1 793	896	444	1 160
Net lending to customers	488 459	77 470	36 579	10 374	3 137	11 284	3 660	1 924
Commercial paper and bonds	22 069	37 608	8 281	25 011	2 335	74	725	768
Shareholdings etc.	3 419	486	0	331	0	56	0	0
Sundry assets	36 507	2 305	502	346	158	796	37	340
Total assets	572 708	132 238	51 549	37 947	7 439	13 138	4 886	4 194
Liabilities and equity								
Loans and deposits to credit institutions	18 094	60 414	38 641	10 983	4 047	424	852	116
Deposits from customers	313 078	24 730	18 395	2 752	1 647	660	430	249
Securities issued	41 516	140 433	64 421	57 440	12 710	0	0	187
Sundry liabilities	42 794	3 594	1 832	484	246	66	127	13
Subordinated loan capital	700	23 009	9 646	9 734	2 380	0	0	1 249
Equity	35 294	1 290	271	315	844	(105)	(35)	0
Total liabilities and equity	451 476	253 469	133 205	81 708	21 874	1 044	1 374	1 814
Net currency positions on balance sheet items	121 232	(121 232)	(81 656)	(43 761)	(14 436)	12 094	3 512	2 380
Financial derivatives	(121 022)	121 022	81 504	43 846	14 307	(12 062)	(3 502)	(2 416)
Net currency exposure	210	(210)	(152)	85	(129)	32	10	(36)

Note 45 – Residual maturity as at 31 December 2003

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 central banks	NOK	7 099					940	8 038
	Foreign currency	9					175	184
Lending to and deposits with credit institutions	NOK	48 868	8 622	2 177	1 356	1 325		62 348
	Foreign currency	20 262	1 240	1 730	3 329	3 613		30 175
Net lending to customers ¹⁾	NOK	30 312	6 704	19 705	73 159	285 865	(2 686)	413 059
	Foreign currency	9 008	3 553	6 595	21 804	16 397	(461)	56 896
Commercial paper and bonds	NOK	140	3 862	4 152	13 340	2 268	196	23 959
	Foreign currency		764	3 710	18 317	14 539		37 330
Sundry assets	NOK	610		695	121		42 577	44 003
	Foreign currency	160	6	4	43	11	2 720	2 944
Total assets		116 469	24 750	38 767	131 470	324 019	43 461	678 936
	NOK	87 029	19 188	26 729	87 976	289 458	41 027	551 407
	Foreign currency	29 440	5 562	12 039	43 494	34 561	2 433	127 529
Liabilities and equity								
Loans and deposits from credit institutions	NOK	14 771	1 650	2 405	6			18 833
	Foreign currency	26 999	18 596	11 888	215			57 698
Deposits from customers	NOK	292 870	4 919	6 490	1 840	3		306 122
	Foreign currency	21 737	733	1 936	69			24 475
Securities issued	NOK	4 265	1 975	3 759	18 461	2 077	(35)	30 502
	Foreign currency	12 323	21 759	19 365	84 298	2 428	261	140 433
Sundry liabilities	NOK	9 708	172	4	7	316	31 016	41 222
	Foreign currency	302	2	32	43	11	2 734	3 124
Subordinated loan capital and perpetual subordinated loan capital securities	NOK							
	Foreign currency					11 320	11 637	22 957
Equity	NOK						33 421	33 421
	Foreign currency						151	151
Total liabilities and equity		382 976	49 805	45 878	104 939	16 154	79 184	678 936
	NOK	321 614	8 716	12 658	20 314	2 395	64 401	430 100
	Foreign currency	61 362	41 089	33 220	84 625	13 759	14 783	248 837
Net residual maturity on balance sheet items		(266 507)	(25 055)	(7 111)	26 531	307 865	(35 723)	0
	NOK	(234 585)	10 472	14 070	67 662	287 063	(23 374)	121 308
	Foreign currency	(31 921)	(35 527)	(21 182)	(41 131)	20 802	(12 350)	(121 308)
Net nominal values on financial derivatives								
		(429)	(960)	(1 333)	(4 120)	280		(6 562)
	NOK	13 605	(31 061)	(27 871)	(65 295)	(16 493)		(127 114)
	Foreign currency	(14 034)	30 101	26 538	61 175	16 773		120 553

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.

Note 45 – Residual maturity as at 31 December 2003 (continued)

		DnB NOR Bank Group						
		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
<i>Amounts in NOK million</i>								
Assets								
Cash and deposits with central banks	NOK	7 378					999	8 376
	Foreign currency	10					179	188
Lending to and deposits with credit institutions	NOK	8 656	2 567	1 874	781			13 878
	Foreign currency	9 860	997	1 598	1 523	126	78	14 181
Net lending to customers ¹⁾	NOK	33 334	14 212	26 013	103 039	315 096	(3 236)	488 459
	Foreign currency	9 636	4 374	9 175	31 932	22 831	(478)	77 470
Commercial paper and bonds	NOK	140	3 393	3 718	12 816	1 806	196	22 069
	Foreign currency		797	3 912	18 317	14 581		37 608
Sundry assets	NOK	2 438	116	37	129	12	37 193	39 925
	Foreign currency	162	7	4	43	11	2 562	2 790
Total assets		71 613	26 464	46 331	168 580	354 464	37 493	704 946
	NOK	51 947	20 287	31 643	116 765	316 914	35 152	572 708
	Foreign currency	19 667	6 176	14 689	51 815	37 550	2 340	132 238
Liabilities and equity								
Loans and deposits from credit institutions	NOK	13 944	1 660	2 484	6			18 094
	Foreign currency	26 266	21 382	12 548	217			60 414
Deposits from customers	NOK	299 563	4 931	6 740	1 840	3		313 078
	Foreign currency	21 949	738	1 974	69			24 730
Securities issued	NOK	4 265	2 925	4 602	26 187	3 538		41 516
	Foreign currency	12 323	21 759	19 365	84 298	2 428	261	140 433
Sundry liabilities	NOK	11 318	972	254	7	334	29 910	42 794
	Foreign currency	361	73	92	43	11	3 015	3 594
Subordinated loan capital and perpetual subordinated loan capital securities	NOK					600	100	700
	Foreign currency				52	11 320	11 637	23 009
Equity	NOK						35 294	35 294
	Foreign currency						1 290	1 290
Total liabilities and equity		389 989	54 439	48 058	112 719	18 234	81 507	704 946
	NOK	329 091	10 488	14 079	28 040	4 475	65 303	451 476
	Foreign currency	60 898	43 951	33 979	84 679	13 759	16 203	253 469
Net residual maturity on balance sheet items		(318 376)	(27 976)	(1 726)	55 861	336 230	(44 014)	0
	NOK	(277 144)	9 799	17 564	88 725	312 439	(30 151)	121 232
	Foreign currency	(41 232)	(37 775)	(19 290)	(32 863)	23 791	(13 863)	(121 232)
 <i>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.</i>								
Net nominal values on financial derivatives		(429)	(960)	(1 333)	(4 120)	280		(6 562)
	NOK	13 605	(31 061)	(27 871)	(65 295)	(16 493)		(127 114)
	Foreign currency	(14 034)	30 101	26 538	61 175	16 773		120 553

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.

	31 December 2003			DnB NOR Bank Group ¹⁾ 31 December 2002		
	Nominal amount ²⁾	Positive market value ³⁾	Negative market value ³⁾	Nominal amount ²⁾	Positive market value ³⁾	Negative market value ³⁾
<i>Amounts in NOK million</i>						
Trade portfolio						
Interest rate agreements	2 269 234	33 111	32 945	2 151 049	16 728	12 563
Foreign exchange agreements ⁴⁾	931 075	29 126	37 045	930 886	35 739	44 412
Equity-related agreements	28 855	1 507	1 328	23 074	795	704
Commodity-related agreements	1	0	0	1	1	1
Banking portfolio						
Interest rate agreements	58 117	996	1 627	51 690	666	2 047
Foreign exchange agreements	24 715	759	1 683	13 901	198	945
Netting						
Effect of netting agreements ⁵⁾		(23 258)			(19 175)	

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

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 2003, a total of NOK 1 940 million was recorded as gains on such transactions, while gains of NOK 970 million were recorded in 2003 alone.

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

DnB NOR Bank ASA			DnB NOR Bank Group	
31 Dec. 2002	31 Dec. 2003	Amounts in NOK million	31 Dec. 2003	31 Dec. 2002
111 700	128 575	Unutilised ordinary credit lines	121 191	113 356
3 082	4 500	Documentary credit commitments	5 705	4 002
7	729	Other commitments	1 218	455
114 789	133 804	Total commitments	128 113	117 814
16 934	13 631	Payment guarantees ¹⁾	14 198	16 968
11 062	14 182	Loan guarantees	14 331	11 261
11 449	12 410	Performance guarantees	12 611	11 479
2 263	2 263	Guarantee to the Commercial Banks Guarantee Fund	2 383	2 263
166	293	Guarantee to the Savings Banks Guarantee Fund	293	166
2 596	2 538	Guarantees for taxes etc.	2 655	2 689
5 013	5 142	Other guarantee commitments	4 835	4 638
49 483	50 459	Total guarantee commitments	51 306	49 465
		Support agreements	1 643	1 231
49 483	50 459	Total guarantee commitments etc. ^{*)}	52 948	50 696
		^{*)} Of which:		
420	1 300	Counter-guaranteed by financial institutions	1 300	473
37	43	Joint and several liabilities	45	37
32 772	42 828	Securities ^{2) 3)}	42 892	33 120
32 772	42 828	Total mortgages etc.	42 892	33 120
0	0	are pledged as security for: Loans ²⁾	1 230	342
1 823	8 610	Other activities ³⁾	8 610	1 823

1) The reduction is attributable the normalisation of the situation in the power market.

2) NOK 34 218 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 2003 the DnB NOR Bank Group had borrowed NOK 1 171 million from Norges Bank.

3) In March 2003, DnB NOR Markets became a member of the global settlement system CLS (Continuous Linked Settlement), engaged in the settlement of transactions in major global currencies. The Norwegian krone was included in CLS in September, with DnB NOR as the largest settlement bank. NOK 8 610 million represents securities in favour of Bank of England and Landeszentralbank 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.

DnB NOR Bank ASA and Norway Post are in disagreement on the calculation of remuneration in connection with the business agreement between the two parties. The disagreement is estimated to involve a maximum amount of around NOK 300 million over a five-year period. The dispute will be settled by arbitration in 2004.

The banking group's subsidiary 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.

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

Note 49 – Post balance-sheet events

On 19 December 2003, the Ministry of Finance approved the merger of Den norske Bank ASA and Gjensidige NOR Sparebank ASA prior to the combination of the Commercial Banks' Guarantee Fund and the Savings Banks' Guarantee Fund on certain conditions. One condition was that the Commercial Banks' Guarantee Fund and Den norske Bank ASA be required to issue a guarantee to the Savings Banks' Guarantee Fund. On 15 January 2004, the Board of Directors in the Commercial Banks' Guarantee Fund decided to issue the required guarantee. A corresponding decision was made by the Board of Directors of Den norske Bank ASA. The two banks merged to form DnB NOR Bank ASA on 19 January 2004. The merger will be reflected in the accounts as of 1 January 2004.

Note 50 – Information on related parties

<i>Amounts in NOK million</i>	DnB NOR Bank Group	
	31 Dec. 2003	31 Dec. 2002
Intra-group items – assets		
Lending to and deposits with credit institutions	72 816	57 017
Net lending to customers	1 113	1 093
Intra-group items – liabilities		
Loans and deposits from credit institutions	71 460	55 639
Deposits from customers	1 217	1 000
Subordinated loan capital	1 253	1 227

Gjensidige NOR Forsikring

At end-2003, Gjensidige NOR Forsikring held 70 472 696 shares in DnB NOR ASA at a market value of NOK 3 129 million. DnB NOR ASA has a long-term strategic cooperation with Gjensidige NOR Forsikring, primarily targeting mutual product distribution.

Cooperating banks

DnB NOR has established 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

In cooperation with Norway Post, DnB NOR has established a joint service concept – in-store postal outlets – where customers can carry out everyday banking transactions. At the end of 2003, this concept was established in about 1 200 stores throughout Norway. In addition, customers gain access to DnB NOR's products through the postal distribution network of post offices and rural postmen.

Oslo, 19 March 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

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 Den norske Bank ASA, Gjensidige NOR Sparebank ASA and the Groups in accordance with law and instructions laid down by the Supervisory Board.

In connection with the closing of the accounts for the 2003 financial year, the Control Committee has examined the Directors' Report, the annual accounts and the Auditor's Report for Den norske Bank ASA and Gjensidige NOR Sparebank ASA.

The Committee finds that the Board of Directors gives an adequate description of the financial position of the holding companies and the groups, and recommends the approval of the Directors' Reports and annual accounts for the 2003 financial year.

Oslo, 19 March 2004

Helge B. Andresen
(chairman)

Kristin Normann Aarum
(vice-chairman)

Geir Dege

Frode Hassel

Thorstein Øverland
(deputy)

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

Supervisory Board

Members elected by shareholders

Wenche Agerup, Oslo
 Widar Slemdal Andersen, Rælingen
 Rannveig Munkeby Arentz, Åsen (vice-chairman)
 Nils Halvard Bastiansen, Bærum
 Elisabeth Berge, Stavanger
 Anne Cathrine Frøstrup, Oslo
 Herbjørn Hansson, Sandefjord
 Jan Willy Hopland, Oslo
 Finn Jebsen, Oslo
 Knut Hartvig Johannson, Snarøya
 Erik Sture Larre sr., Oslo
 Ole-Eirik Lerøy, Bergen
 Odd Lunde, Bærum
 Trond Mohn, Paradis
 Harald Norvik, Nesodden (chairman)
 Anita Roarsen, Oslo
 Benedicte Berg Schilbred, Tromsø
 Jan Olav Steensland, Oslo
 Marit Tønsberg, Sørumsand
 Tor Peter Øwre, Tromsø

Deputies elected by shareholders

Morten Sig. Bergesen, Oslo
 Erik Buchmann, Oslo
 Turid Dankertsen, Oslo
 Rolf Domstein, Måløy
 Jan-Erik Dyvi, Oslo
 Eva Granly Fredriksen, Oslo
 Rolf Hodne, Stavanger
 Liv Johannson, Oslo
 Fred N. Johannsen, Bærum
 Herman Mehren, Nevnlunghamn
 Aage Møst, Bærum
 Einar Nistad, Rådal
 Asbjørn Olsen, Skedsmo
 Oddbjørn Paulsen, Bodø
 Anne Kathrine Slungård, Trondheim
 Birger Solberg, Oslo
 Tove Storrødvann, Ski
 Anne-Grete Strøm-Erichsen, Hjellevstad
 Anne Bjørg Thoen, Oslo
 Lars Wenaas, Måndalen

Members elected by employees

Sigrunn Ballo, Vadsø
 Rune Bernbo, Drøbak
 Else Carlsen, Bødalen
 Bente H. Espenes, Oslo
 Erik Grøtting, Oslo
 Atle Heum, Tønsberg
 Jon-Sigurd Hjørnerød, Gressvik
 Jorunn Løvaas, Bergen
 Berit Pedersen, Arendal
 Siri E. Stensrud, Oslo

Deputies elected by employees

Vigdis M. Gutterud, Krogstadelva
 Bjørg D. Karlstad, Ringeby
 Lars Kristiansen, Oslo
 Hanne Mette Lundberg, Hamar
 Trond Erik Mikkelsen, Bergen
 Truls Sandvik, Lillestrøm (resigned)
 Marianne Steinsbu, Oslo
 Tove Tveiten, Krogstadelva

Control Committee

Members

Helge B. Andresen, Hamar (chairman)
 Geir Dege, Fredrikstad
 Frode Hassel, Trondheim
 Kristin Normann Aarum, Oslo (vice-chairman)

Deputy

Thorstein Øverland, Oslo

Board of Directors

Members

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

Deputies for the employee representative

Bjørn Davidsen, Oslo
 Sverre Finstad, Lillehammer

Group Management

Group chief executive

Svein Aaser

Retail Banking

Åsmund Skår

Corporate Banking

Leif Teksum

DnB NOR Markets

Ottar Ertzeid

Life Insurance and Pensions

Bård Benum

Asset Management

Øyvind Birkeland

Human Resources and Group Services

Evlyn Raknerud

IT and Payment Services

Bente A. Landsnes

Group Staff

Tom Grøndahl

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Karl-Olav Hovden

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Geir Julsvoll
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