

Interim Report  
Gjensidige NOR ASA  
30.09.2003



**Gjensidige  
NOR**

**PROFIT AND LOSS ACCOUNT**

(NOK Million)	Note	First three quarters 2003	2002	3rd quarter 2003	3rd quarter 2002	Year end 2002
Interest income	2	12 608	13 571	3 823	4 713	18 403
Interest expenses	2	8 196	9 348	2 323	3 266	12 688
<b>Net Interest Income</b>		<b>4 412</b>	4 223	<b>1 500</b>	1 447	5 715
Dividends	3	126	124	30	36	148
Commission income	3	1 430	1 351	524	445	1 778
Commission expenses	3	441	427	166	138	557
Capital gains	3	377	174	127	55	162
Additional operating income	3	364	358	117	106	461
<b>Other Operating Income, net</b>		<b>1 856</b>	1 580	<b>632</b>	504	1 992
Net Profit - Gj. NOR Spareforsikring	4	167	(146)	54	(47)	(157)
<b>Operating Income</b>		<b>6 435</b>	5 657	<b>2 186</b>	1 904	7 550
Personnel and administrative expenses	5,6	2 707	2 664	892	871	3 612
Depreciation and write-downs	5	351	350	114	123	482
Other operating expenses	5	489	501	156	197	674
<b>Operating Expenses</b>		<b>3 547</b>	3 515	<b>1 162</b>	1 191	4 768
<b>Operating Profit before Losses</b>		<b>2 888</b>	2 142	<b>1 024</b>	713	2 782
Losses on loans and guarantees	7,8	511	323	179	163	546
Losses (gains) on long-term financial assets		(1)	0	(1)	0	2
<b>Operating Profit</b>	11,12	<b>2 378</b>	1 819	<b>846</b>	550	2 234
Taxes		615	574	223	187	733
<b>Net Profit</b>		<b>1 763</b>	1 245	<b>623</b>	363	1 501
Earnings per share	14	20.26	14.31	7.16	4.17	17.25
Diluted earnings per share	14	20.26	14.31	7.16	4.17	17.25

**RATIOS/YIELDS** (% p.a. of average total assets)

Net interest	2.25	2.33	2.23	2.34	2.35
Other operating income, net	1.03	0.79	1.02	0.74	0.75
Operating expenses	1.81	1.94	1.73	1.92	1.96
Operating profit before losses	1.47	1.18	1.52	1.16	1.14
Losses (recoveries)	0.26	0.18	0.26	0.27	0.22
Operating profit	1.21	1.00	1.26	0.89	0.92
Taxes	0.31	0.31	0.33	0.30	0.30
Net profit	0.90	0.69	0.93	0.59	0.62
Return on equity (net profit as % p.a. of average equity)	13.7	10.1	14.1	8.7	9.1

**BALANCE SHEET** (NOK million)

Assets	30.09.03	30.06.03	31.03.03	31.12.02	30.09.02
Cash and deposits with Central Bank of Norway	2 897	1 747	1 739	3 857	1 889
Deposits with and loans to credit institutions	5 711	4 959	6 648	6 220	10 375
<b>Gross loans to customers</b>	<b>228 583</b>	225 121	218 657	211 928	206 998
Specific loan loss provisions	1 230	1 123	1 044	1 087	992
Unspecified loan loss provisions	1 434	1 418	1 399	1 386	1 381
<b>Net loans to customers</b>	<b>225 919</b>	222 580	216 214	209 455	204 625
Repossessed assets	134	138	298	252	253
Certificates and bonds	17 694	18 792	18 402	18 955	21 005
Shares and equity interests	1 547	1 595	1 699	1 672	1 519
Associated companies/Joint ventures	577	561	541	531	544
Owner interest, Spareforsikring	4	3 009	2 956	2 843	2 569
Intangible assets	13	799	830	885	850
Real estate	1 212	1 222	1 238	1 223	1 249
Fixed assets	783	810	839	907	938
Other assets and accruals	4 313	3 057	5 686	4 157	2 660
Prepayments and accrued income	1 042	1 662	1 661	2 733	2 211
<b>Total Assets</b>	<b>265 637</b>	260 909	258 715	253 690	250 687

**Liabilities and Equity**

Loans and deposits from credit institutions	35 818	39 066	33 064	31 243	30 334
Deposits from customers	120 248	123 427	123 073	122 797	114 580
Certificates and bond loans	69 461	62 445	65 269	64 798	70 557
Other liabilities, accruals and allocations	7 328	3 777	6 540	7 105	5 867
Accrued expenses and prepaid income	4 874	4 186	3 158	2 649	5 782
Provisions for commitments	462	433	470	508	505
Subordinated loan capital	9 447	10 197	10 335	8 355	6 105
Share capital	8 700	8 700	8 700	8 700	8 700
Other equity	14	9 299	8 678	7 535	8 257
<b>Total Liabilities and Equity</b>	<b>265 637</b>	260 909	258 715	253 690	250 687

# Report on the accounts for the first nine months of 2003

Gjensidige NOR ASA posted a net profit of NOK 1,763 million in the first nine months, an advance of NOK 518 million on the same period of 2002. The result before loss provisions and tax rose by NOK 746 million to NOK 2,888 million. Higher net interest income, higher capital gains and substantially improved results for the business area Life Insurance and Pensions explain the improvement. Expenses are well under control. Earnings per share came to NOK 20.26 for the first nine months of the year and NOK 7.16 for the third quarter. Compared with 2002 this represents an advance of almost NOK 3 for the quarter and NOK 6 for the first three quarters. Excluding goodwill amortisation, earnings per share were NOK 22.04 for the first nine months and NOK 7.75 for the third quarter of 2003. The Group achieved a return on equity of 14.1 per cent for the quarter and 13.7 per cent for the year to date, an improvement of 3.6 percentage points over 2002. Return on equity before goodwill amortisation was 14.9 per cent at end-September.

## INCOME

Norges Bank's key lending rate started 2003 at 6.5 per cent. Over the year the central bank has reduced its key rate on six occasions by a total of four percentage points. For the period 1 January to 30 September the interest rate fall in isolation has reduced the average return on non-interest-bearing items by 4.1 percentage points compared with 2002. For the full year 2003 this will weaken the Group's results by about NOK 250 million, of which about NOK 150 million is reflected in the figures at the end of the third quarter.

Net interest income for the first nine months rose by NOK 189 million from last year to NOK 4,414 million in the same period of the current year. The customer spread averaged 2.76 per cent in the first nine months compared with 2.89 per cent last year, weakening profit performance by about NOK 70 million. This is essentially because low interest rates make it difficult to maintain the spread on current accounts. In the third quarter the spread effect was broadly neutral since falling interest rates have facilitated better risk pricing, entailing a larger spread on lending to corporate customers. The narrower spread has been more than compensated for by higher deposit and lending volumes. The latest interest rate reduction took place on 18 September and will not be fully reflected in the price of the bank's products until the end of October.

In the 12 months to 30 September 2003 deposits with the Group rose by 4.9 per cent. For the bank, retail deposits rose by 9.1 per cent while deposits from business customers fell by 0.5 per cent. Overall lending showed twelve-month growth for the Group of 10.4 per cent, with lending to retail customers rising by 11.3 per cent and to business customers by 9.4 per cent.

In the first nine months of the year deposit volumes fell by 2 per cent, mainly due to a lower volume of deposits in the Corporate Customers area. The reduction took place in the third quarter. The Group's lending growth in the first nine months measured 7.9 per cent. From the second to the third quarter of 2003 lending rose by 1.5 per cent.

Net other operating income was NOK 276 million higher than last year's figure, reaching NOK 1,856 million at the end of September 2003. Almost half the increase took place in the third quarter. Capital

gains continued their second-quarter rise in the third quarter, essentially due to interest rate developments in the money and bond markets. Commissions on discretionary asset management, securities products and stockbroking also rose, and income from real estate agency operations made good progress.

## EXPENSES

Group expenses are well under control. In the first nine months expenses totalled NOK 3,547 million, an increase of NOK 32 million over last year. On a comparable basis expenses were reduced by NOK 21 million or 0.6 per cent. In the third quarter expenses fell by NOK 29 million, partly due to positive effects of the planned merger with DnB.

Staffing has been reduced by 156 full-time positions (FTEs) over the year. At end-September the Group employed staff equivalent to 4,049 FTEs. Good cost control combined with higher income enabled an expense-income ratio of 0.55 in the third quarter.

## LOSS PROVISIONS

After rising by NOK 188 million, net losses for the first nine months of the current year were NOK 511 million. At end-September losses measured 0.30 per cent p.a. of outstanding loans. Third-quarter losses totalled NOK 179 million, an increase of NOK 16 million over last year's figure. The loan portfolio is amply diversified. Exposure to industries that are particularly vulnerable in the current situation is modest. A breakdown of losses by industry and size of commitment shows that portfolio quality remains sound.

Losses on loans to business customers came to NOK 398 million in the first nine months, of which the manufacturing sector accounts for about 38 per cent. Losses on real estate management amounted to NOK 62 million, or 0.20 per cent p.a. of this portfolio. Risk concentration in the corporate market is low and no single customer is in receipt of credits in excess of 10 per cent of the bank's capital base.

At NOK 75 million, losses on loans to retail customers were NOK 35 million lower in the first nine months of the current year than in the same period last year - mainly due to a reduction in losses on the credit card operation Cresco. Net defaults for Cresco fell in the third quarter and ended September at 3.1 per cent.

Net defaults have been stable in 2003, measuring 0.88 per cent after nine months. In the 12 months to end-September both net defaults and doubtful, non-defaulted loans, rose by about 200 million. In the third quarter of 2003 net defaulted loans rose by NOK 116 million to NOK 1,991 million, while doubtful, non-defaulted loans declined by NOK 17 million to NOK 561 million.

## CAPITAL ADEQUACY

At the end of September the Group's capital adequacy ratio was 10.8 per cent. Core capital adequacy was 7.8 per cent excluding the result for the first nine months. The capital base totalled NOK 23.7 billion of which core capital accounted for NOK 17.2 billion.

## OTHER MATTERS

The Competition Authority has until 19 November to consider the competitive aspects of the merger between Gjensidige NOR ASA

and DnB Holding ASA. In its letter of 19 August the Competition Authority expressed considerable concern regarding the increase in market concentration they expect in the wake of the merger. The merger partners contest the substance of the Competition Authority's scepticism. The parties are in contact with each other. Should the Competition Authority's decision in the matter prompt the merger partners to appeal the decision to the Ministry of Labour and Government Administration, there is no formal time-limit for the appeal to be considered. Any appeal will be submitted with minimal delay to expedite a final decision.

Work on planning the merger continues undiminished.

## REPORTS FROM THE BUSINESS UNITS

### SAVINGS BANK

Savings Bank services retail customers and SMEs. Improved income and reduced expenses increased the pre-loss operating profit by NOK 219 million (17 per cent) to NOK 1,530 million in the nine months to end-September.

Despite general pressure on spreads as a result of lower interest rates, Savings Bank's income in the first nine months was NOK 161 million higher than in the same period of 2002. Growth in business volume, higher margins on loans to corporate customers and better pricing of the bank's products and services explain the rise in income.

In the 12 months to end-September lending grew by NOK 11 billion (8 per cent). While lending to business customers declined, lending to the retail market rose by 11 per cent. Overall lending volume was stable in the third quarter.

Deposits grew by NOK 6 billion (7 per cent) in the 12 months to end-September. Balances on checking accounts fell, whereas deposits related to long-term saving rose. The growth in long-term saving partly explains the narrowing of the average customer spread by 0.13 to 2.83 percentage points in the first nine months compared with 2002. Demand for deposit products offering a guaranteed return rose in a period of falling interest rates and rising share values. In the six months to end-September more than NOK 1 billion was invested in equity-linked bank deposits.

Expenses were NOK 58 million (4 per cent) lower than in the same period of 2002. The reduction is primarily ascribable to the fact that staff numbers have been cut by the equivalent of 79 FTEs thus far this year and to a fall in resources expended on marketing.

Net losses for the first nine months total NOK 158 million, an increase of NOK 27 million over the same period of 2002. The increase is primarily ascribable to loans to the SME segment. Gross defaults rose by NOK 8 million in the third quarter to reach NOK 1,483 million at end-September 2003.

### CORPORATE CUSTOMERS

Corporate Customers services the largest private and public sector enterprises and organisations in the country. Corporate Customers' pre-loss operating profit for the first nine months totalled NOK 341 million, NOK 68 million (25 per cent) higher than for the same period of 2002.

Interest income for the first nine months rose by NOK 33 million (12 per cent) to NOK 308 million. Almost half the increase took place in the third quarter. Increased up front fees, higher loan and deposit volumes and exchange rate effects were positive contributors. Narrower deposit spreads and lower interest rates reduced income somewhat. Loan volumes rose by NOK 1.7 billion (7.1 per cent) in the first nine months of the year, evenly distributed between existing and new customers, and the customer spread was stable. Lending declined in the third quarter.

Other income rose by NOK 33 million (30 per cent) to NOK 144 million due to higher commission income and higher income from money transfer services. The increase in the third quarter came to NOK 21 million. The rise in commission income is largely due to the steadily growing number of Corporate Customers' transactions that reward the unit's spearhead competence and good financial solutions. Money transfer income has risen thanks to the influx of new, large-volume customers.

At NOK 111 million, Corporate Customers' operating expenses were NOK 2 million (1.8 per cent) lower in the first nine months of 2003 than in the same period of 2002 thanks to improved resource use and efficiency gains achieved by a reduction of 7 FTEs thus far in 2003.

Corporate Customers' loss provisioning was moderate at NOK 108 million, net, in the first nine months. This is NOK 61 million higher than in the same period of 2002. The unit retains good portfolio quality and moderate prospects of losses on loans and guarantees. A review of the portfolio after the first nine months shows a reduction in high-risk customer numbers and volume while low-risk customers and volume have increased.

### CAPITAL MARKETS

Capital Markets delivers services in the areas of stockbroking, mutual funds management, discretionary asset management and fixed-income and foreign-exchange products, as well as banking services to Norwegian and foreign banks. In the first three quarters of 2003 Capital Markets' income rose by NOK 127 million to NOK 589 million. Pre-tax profit totalled NOK 215 million in the same period compared with NOK 67 million last year. All sections of the Capital Markets show improved results.

Activity levels in the fixed-income and foreign exchange markets have been high as a result of Norges Bank interest rate adjustments. This has brought substantial growth in customer trade.

Gjensidige NOR Equities is experiencing sound growth, and the third quarter brought good income on the broking and corporate fronts. Growth is also quickening in the retail market for internet trading and direct broking. In addition to achieving higher income the company has further reduced expenses, with a positive impact on results.

At end-September Gjensidige NOR Kapitalforvaltning had NOK 114 billion under management, of which NOK 31.6 billion was managed on behalf of clients outside the Gjensidige NOR Alliance. Extra-group assignments remain in good supply, with growing interest particularly evident in products with absolute return targets.

At end-September Avanse Forvaltning had NOK 25.9 billion under management and a market share of 20.2 per cent. A positive trend in equity markets and increased net subscription led to improved income in the third quarter. 1 September saw the introduction of Avanse Sikring, which alone recorded a net subscription of NOK 597 million. Reduced expenses also contributed to Avanse Forvaltning's improved profit performance.

#### LIFE INSURANCE AND PENSIONS

Gjensidige NOR Spareforsikring reported a profit of NOK 167 million for the first nine months after a preliminary customer allocation and tax charge. This is NOK 313 million higher than in the same period last year. Third-quarter net profit came to NOK 54 million. Undistributed profit rose from a negative NOK 1,877 million for the first nine months of 2002 to a positive NOK 638 million for the same period of 2003. A preliminary customer allocation of NOK 458 million was made over and above the guaranteed return. In addition, unrealised gains worth NOK 1,422 million were built up.

All key asset classes produced a sound return in the first three quarters of 2003. Net financial income of NOK 2,684 million left the interest result at NOK 927 million at end-September compared with a negative NOK 1,687 million last year. Value-adjusted return for the period was 6.4 per cent, while book return was 4.1 per cent. Return on equity of 7.6 per cent includes a 13 basis points management fee. In the third quarter the interest result was a negative NOK 219 million, primarily because significant portions of the financial return for the third quarter were transferred to the unrealised gains.

Premium due was 7.5 per cent higher than the previous year at NOK 3,299 million. Sales activity has been brisk, and retail market products and group plans both showed growth. Operating expenses were on a par with last year at NOK 430 million, entailing an improvement from 0.97 per cent to 0.92 per cent of customer assets. The administration result was a negative NOK 70 million compared with a negative NOK 79 million in 2002. The risk result improved from a negative NOK 72 million in 2002 to a negative NOK 41 million in the current year. Other allocations charged to profit in an amount of NOK 52 million were due to increased transfers to contingency fund and to a strengthening of premium reserves.

Total assets rose by 5 per cent to NOK 69.5 billion in the first nine months. Sound financial return strengthened risk capital which, under the rules governing solvency margin capital, totalled NOK 3.5 billion at quarter end. The capital adequacy ratio at the same date was 14.9 per cent. At the end of the third quarter 10.3 per cent of total assets were invested in shares (including hedge funds at 2.2 per cent), while almost 75 per cent of the balance sheet was invested in interest-bearing assets.

Norwegian shares were the asset class that produced the best return (23.6 per cent) as of 30 September. While the vacancy rate in the office property market is higher than in preceding years, an overall assessment of the portfolio as of 30 September showed that maintaining the value of this portfolio is justified.

Gjensidige NOR Spareforsikring will maintain its financial strategy of moderate-risk investments. The aim is to assure a return for 2003 well above the guaranteed minimum return, in order to facilitate a strengthening of buffer capital, promote a flexible long-term asset management regime and provide an adequate return on the company's equity.

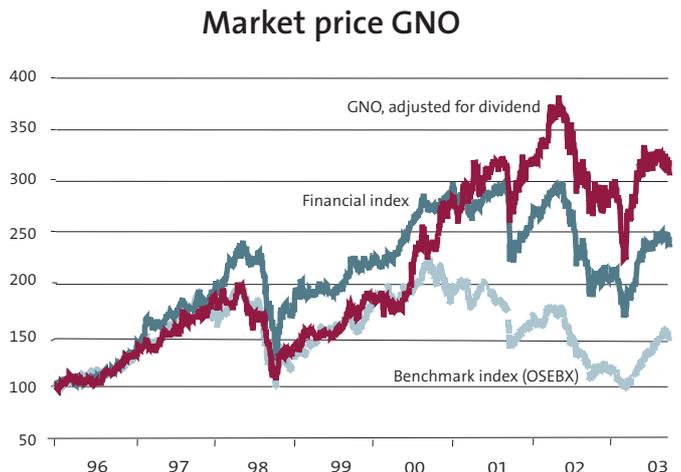
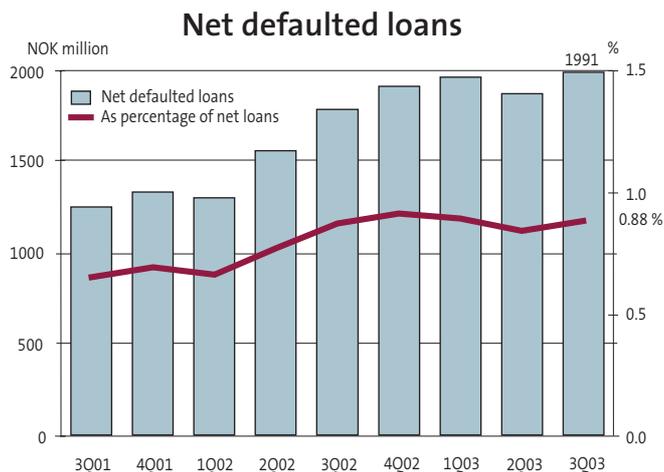
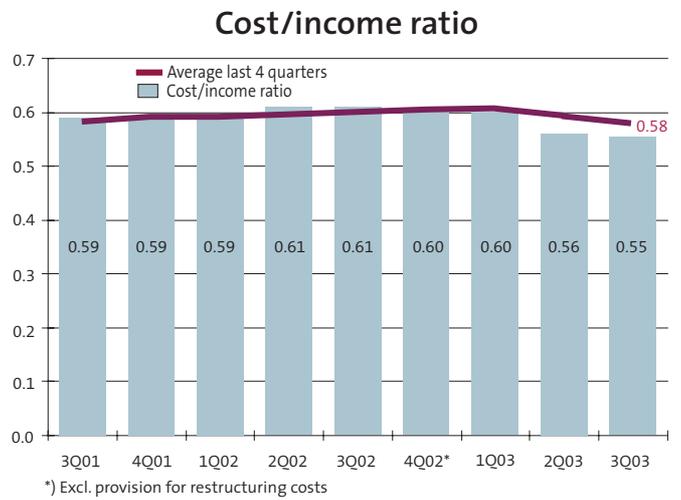
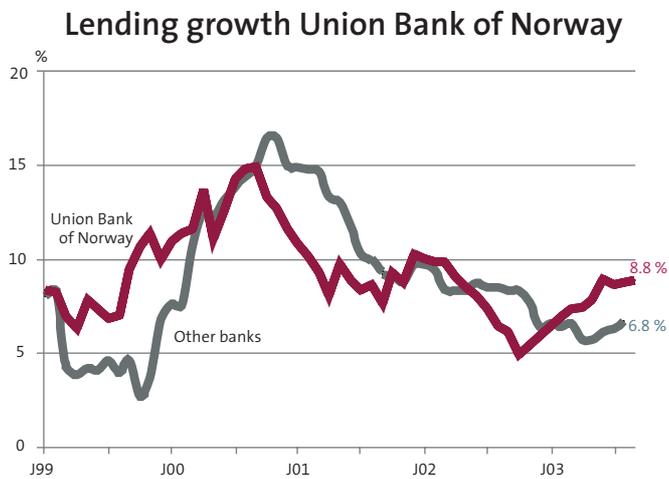
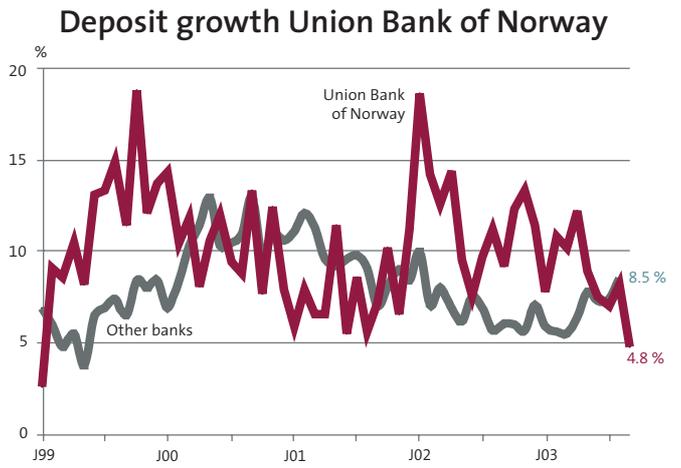
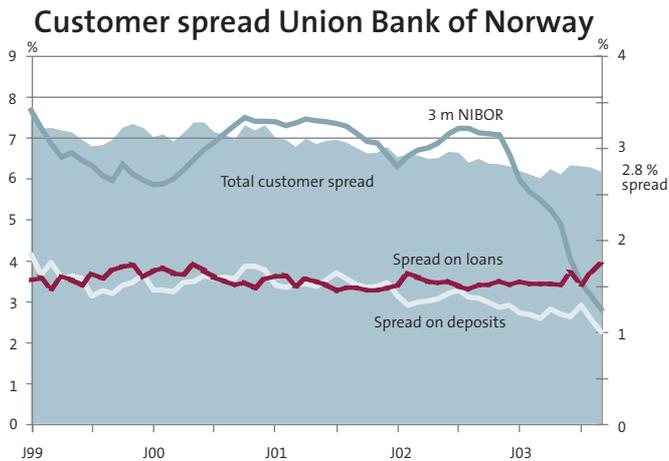
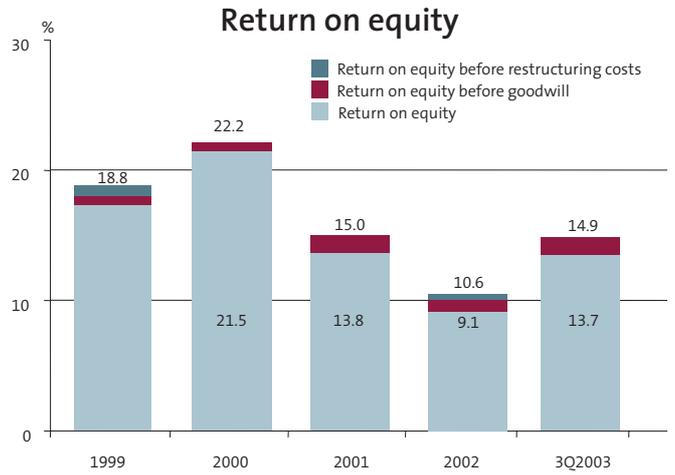
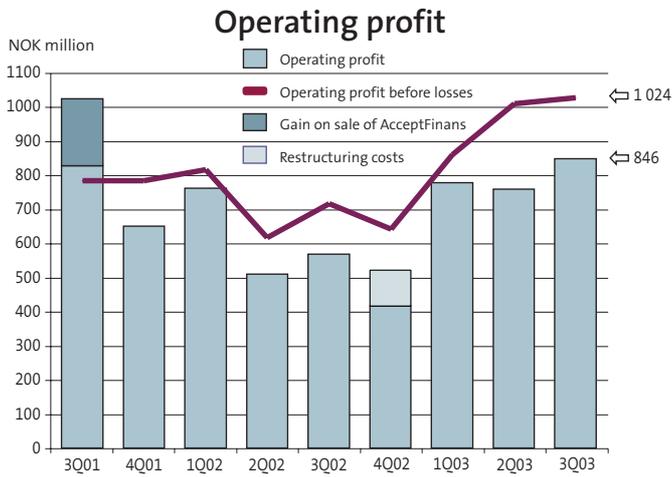
#### OUTLOOK

The Board of Directors expects the authorities to expedite their consideration of the application to merge Gjensidige NOR ASA and DnB Holding ASA. Should the merger partners find themselves compelled to appeal against the Competition Authority's decision, the possibility that a final decision on the concession application may not be forthcoming until 2004 cannot be ruled out.

Low interest rates are expected to persist in 2004, which will improve the Norwegian economy's growth prospects. Loss levels and defaults in the business market are expected to stabilise in the current year. More than half of Gjensidige NOR's aggregate outstanding loans are to Norwegian households. Losses and defaults among this customer category are still at a low level and are not anticipated to increase. A good result is expected by the Board of Directors for the year as a whole.

Oslo, 29 October 2003

The Board of Directors of Gjensidige NOR ASA



## Key figures from the past 9 quarters

Amounts in NOK million	3K2003	2K2003	1K2003	4K2002	3K2002	2K2002	1K2002	4K2001*	3K2001*
<b>Profit and loss account</b>									
Net interest income	1 500	1 489	1 423	1 492	1 447	1 409	1 367	1 430	1 395
Capital gains	127	143	107	(12)	55	18	101	106	46
Other operating income	505	474	500	424	449	478	479	549	405
Net profit – Gj. NOR Spareforsikring	54	75	38	(11)	(47)	(120)	21	(73)	17
Operating income	2 186	2 181	2 068	1 893	1 904	1 785	1 968	2 012	1 863
Operating expenses	1 162	1 174	1 211	1 253	1 191	1 170	1 154	1 230	1 081
Operating profit before losses	1 024	1 007	857	640	713	615	814	782	782
Losses on loans	179	251	81	223	163	105	55	143	153
Losses (gains) on long-term financial assets	(1)	0	0	2	0	1	(1)	(9)	(196)
Operating profit	846	756	776	415	550	509	760	648	825
Taxes	223	185	207	159	187	176	211	174	229
Net profit	623	571	569	256	363	333	549	474	596
<b>Balance sheet</b>									
Loans, retail customers	123 788	119 558	116 192	113 446	111 195	107 890	104 605	102 545	99 281
Loans, corporate customers	104 795	105 563	102 465	98 482	95 803	96 801	95 020	94 165	93 770
Specified loan loss provisions	1 230	1 123	1 044	1 087	992	950	932	906	734
Unspecified loan loss provisions	1 434	1 418	1 399	1 386	1 381	1 377	1 393	1 386	1 375
Customer deposits	120 248	123 427	123 073	122 797	114 580	114 341	112 745	109 405	105 887
Total assets at end of quarter	265 637	260 909	258 715	253 690	250 687	249 948	238 411	233 883	240 205
Average total assets (ATA)	268 800	256 000	259 100	248 900	247 600	241 100	236 400	235 600	229 000
Average equity	17 689	17 092	16 521	17 075	16 685	16 416	15 979	16 264	15 725
Total assets under management	395 300	388 000	377 700	366 400	370 700	369 300	359 900	351 200	351 700
Share capital	8 700	8 700	8 700	8 700	8 700	8 700	8 700	8 700	8 700
Other equity	9 299	8 678	8 106	7 535	8 257	7 883	7 549	7 008	7 323
Total equity	17 999	17 378	16 806	16 235	16 957	16 583	16 249	15 708	16 023
<b>Operations and profitability</b>									
Interest income	(% p.a.) 5.7 %	6.6 %	7.0 %	7.8 %	7.6 %	7.4 %	7.4 %	7.8 %	8.0 %
Interest expenses	(% p.a.) 3.5 %	4.3 %	4.8 %	5.4 %	5.3 %	5.1 %	5.1 %	5.4 %	5.6 %
Interest margin	(% p.a.) 2.2 %	2.3 %	2.2 %	2.4 %	2.3 %	2.3 %	2.3 %	2.4 %	2.4 %
Operating income	(% p.a.) 3.3 %	3.4 %	3.2 %	3.0 %	3.1 %	3.0 %	3.3 %	3.4 %	3.3 %
Operating income – change **	11.4 %	15.3 %	5.0 %	(0.1 %)	1.8 %	(14.9 %)	15.8 %	(0.3 %)	(4.2 %)
Cost ratio	(% p.a.) 1.7 %	1.8 %	1.9 %	2.0 %	1.9 %	1.9 %	2.0 %	2.1 %	1.9 %
Costs per NOK earned	(1) 0.55	0.56	0.60	0.66	0.61	0.61	0.59	0.59	0.59
Costs per NOK earned (exclusive of capital gains)	0.58	0.60	0.63	0.65	0.63	0.62	0.63	0.62	0.60
Operating profit before losses/write-downs	(% p.a.) 1.5 %	1.6 %	1.3 %	1.0 %	1.2 %	1.0 %	1.4 %	1.3 %	1.4 %
Return on total assets	(% p.a.) 0.9 %	0.9 %	0.9 %	0.4 %	0.6 %	0.6 %	0.9 %	0.8 %	1.0 %
Return on equity	(2) 14.1 %	13.4 %	13.8 %	6.0 %	8.7 %	8.1 %	13.7 %	11.7 %	15.2 %
Return on equity pre-goodwill-depreciation	15.2 %	14.6 %	15.0 %	7.2 %	10.0 %	9.4 %	15.0 %	12.8 %	16.3 %
<b>Proforma key figures, shares (***)</b>									
Market price end of quarter (NOK)	245.00	252.50	209.50	227	226.50	278	298	272	235
Book value per share (NOK) – including dividend allocated	207	200	204	198	195	191	187	190	184
Price/book value – including dividend allocated	1.2	1.3	1.0	1.1	1.2	1.5	1.6	1.4	1.3
Price/earnings	8.6	9.6	8.0	19.3	13.6	18.2	11.8	12.5	8.6
Earnings per share (NOK)	7.16	6.56	6.54	2.94	4.17	3.83	6.31	5.45	6.85
Earnings per share pre-goodwill-depreciation	7.75	7.15	7.14	3.55	4.78	4.41	6.91	5.98	7.31
Effective yield	(3) 12.8 %	16.1 %	(7.7 %)	(10.3 %)	(10.5 %)	8.5 %	15.8 %	12.5 %	(1.9 %)
<b>Balance sheet development</b>									
12 months loan growth	10.4 %	9.9 %	9.5 %	7.7 %	7.1 %	8.0 %	9.1 %	9.5 %	7.0 %
12 months deposit growth	4.9 %	7.9 %	9.2 %	12.2 %	8.2 %	6.9 %	10.7 %	9.4 %	5.3 %
Deposit coverage	(4) 53 %	55 %	56 %	58 %	55 %	56 %	56 %	56 %	55 %
12 months growth in total assets	6.0 %	4.4 %	8.5 %	8.5 %	4.4 %	6.3 %	3.0 %	11.6 %	11.2 %
<b>Defaults, provisions and loan losses</b>									
Defaults, gross	1.3 %	1.2 %	1.3 %	1.3 %	1.2 %	1.1 %	1.0 %	1.0 %	0.9 %
Defaults, net	0.9 %	0.8 %	0.9 %	0.9 %	0.9 %	0.8 %	0.7 %	0.7 %	0.7 %
Provision ratio on defaulted loans	33 %	31 %	29 %	30 %	30 %	32 %	33 %	31 %	31 %
Unspecified loan loss provisions (in % of gross lending)	0.6 %	0.6 %	0.6 %	0.7 %	0.7 %	0.7 %	0.7 %	0.7 %	0.7 %
Losses on loans and guarantees (in % of gross lending)	0.31 %	0.45 %	0.15 %	0.42 %	0.31 %	0.21 %	0.11 %	0.29 %	0.32 %
Net defaulted and doubtful loans (in % of gross lending)	1.1 %	1.1 %	1.1 %	1.1 %	1.0 %	0.9 %	0.8 %	0.9 %	0.8 %
<b>Capital adequacy</b>									
Capital base	23 720	24 466	25 571	23 923	20 942	21 450	20 908	21 058	19 867
Calculation base	219 568	217 141	209 927	204 531	205 746	208 339	206 963	205 813	199 035
Capital ratio	10,8 %	11,3 %	12,2 %	11,7 %	10,2 %	10,3 %	10,1 %	10,2 %	10,0 %
Of which Core capital	7,8 %	7,9 %	8,2 %	8,4 %	6,8 %	6,6 %	6,7 %	6,7 %	6,5 %
<b>Total FTP-equivalents at end of quarter</b>	<b>4 049</b>	<b>4 056</b>	<b>4 154</b>	<b>4 210</b>	<b>4 202</b>	<b>4 255</b>	<b>4 345</b>	<b>4 351</b>	<b>4 235</b>

(\*) Pro forma.

(\*\*) Measured against same quarter last year.

(\*\*\*) Until third quarter 2002 Primary Capital Certificates were Union Bank of Norway's equity instrument.

(1) Ratio of operating expenses to operating income.

(2) After-tax operating profit in % of quarterly reported average equity (incl. minority interests).

(3) Dividend paid plus change in market price from 1 Jan to end of period, in % of market price on 1 Jan.

(4) Customer deposits in % of gross loans to customers at end of quarter.

# Notes

## 1 ACCOUNTING POLICY

The consolidated accounts for Gjensidige NOR ASA include Union Bank of Norway ASA, Gjensidige NOR Spareforsikring ASA and Gjensidige NOR Fondsforsikring AS with subsidiaries and associated companies. The accounts for the Gjensidige NOR ASA Group have been compiled in accordance with the accounting policies described in the annual accounts for 2002. The quarterly accounts comply with NRS 11 – the Norwegian accounting standard for interim reporting.

All amounts are shown in NOK million.

## 2 INTEREST INCOME AND EXPENSES

	<b>First three quarters</b>	<b>3rd quarter</b>	3rd quarter	Year end
	<b>2003</b>	2002	<b>2003</b>	2002
Interest on deposits with and loans to credit institutions	<b>631</b>	977	<b>161</b>	303
Interest on loans to customers	<b>11 369</b>	11 871	<b>3 487</b>	4 145
Net interest income on loans previously written off	<b>50</b>	35	<b>23</b>	10
Interest on CDs and bonds	<b>558</b>	688	<b>152</b>	255
<b>Interest income</b>	<b>12 608</b>	13 571	<b>3 823</b>	4 713
Interest on loans from credit institutions	<b>1 977</b>	2 086	<b>674</b>	692
Interest on customer deposits	<b>4 058</b>	4 789	<b>1 002</b>	1 677
Interest on CDs and bond loans	<b>1 789</b>	2 199	<b>527</b>	798
Interest on subordinated loan capital	<b>242</b>	153	<b>77</b>	59
Levy to Savings Banks' Guarantee Fund	<b>130</b>	121	<b>43</b>	40
<b>Interest expenses</b>	<b>8 196</b>	9 348	<b>2 323</b>	3 266
<b>Net interest income</b>	<b>4 412</b>	4 223	<b>1 500</b>	1 447

**3 OTHER OPERATING INCOME, NET**

	First three quarters		Year end
	2003	2002	2002
Share dividends	21	26	27
Income from money market funds	57	61	82
<b>Income from ownership interests in associated companies/joint ventures</b>	<b>48</b>	<b>37</b>	<b>39</b>
Dividends	126	124	148
Guarantee commissions	70	65	87
Interbank fees	61	53	74
Money transfer fees	597	600	797
Mutual funds management fees	179	192	241
Discretionary asset management	99	68	91
Securities broking activities	103	100	123
Life insurance (Gjensidige NOR Spareforsikring)	60	58	85
Miscellaneous commissions and fees	261	215	280
<b>Commission income</b>	<b>1 430</b>	<b>1 351</b>	<b>1 778</b>
Interbank fees	66	64	90
Money transfer fees, external costs	152	183	239
Other commissions and fees	223	180	228
<b>Commission expenses</b>	<b>441</b>	<b>427</b>	<b>557</b>
Capital gains on bonds and CDs	163	142	168
Capital gains (losses) on shares and PCC's	31	(47)	(58)
Foreign currency gains	199	200	254
Gains (losses) on financial derivatives	(16)	(121)	(202)
<b>Capital gains</b>	<b>377</b>	<b>174</b>	<b>162</b>
Operating income, real estate	22	26	34
Gains on disposals of fixed assets	4	3	4
Real estate agency commissions	230	223	283
Additional operating income	108	106	140
<b>Miscellaneous operating income</b>	<b>364</b>	<b>358</b>	<b>461</b>
<b>Other operating income, net</b>	<b>1 856</b>	<b>1 580</b>	<b>1 992</b>

<b>PAST FIVE QUARTERS</b>	<b>3Q2003</b>	<b>2Q2003</b>	<b>1Q2003</b>	<b>4Q2002</b>	<b>3Q2002</b>
Share dividends	2	15	4	1	2
Income from money market funds	13	22	22	21	22
Income from ownership interests in associated companies/joint ventures	15	21	12	2	12
<b>Dividends</b>	<b>30</b>	<b>58</b>	<b>38</b>	<b>24</b>	<b>36</b>
Guarantee commissions	23	22	25	22	20
Interbank fees	21	21	19	21	21
Money transfer fees	217	197	183	197	214
Mutual funds management fees	68	59	52	49	54
Discretionary asset management	35	29	35	23	22
Securities broking activities	45	31	27	23	31
Life insurance (Gjensidige NOR Spareforsikring)	22	17	21	27	19
Miscellaneous commissions and fees	93	73	95	65	64
<b>Commission income</b>	<b>524</b>	<b>449</b>	<b>457</b>	<b>427</b>	<b>445</b>
Interbank fees	23	23	20	26	24
Money transfer fees, external costs	54	50	48	56	63
Other commissions and fees	89	77	57	48	51
<b>Commission expenses</b>	<b>166</b>	<b>150</b>	<b>125</b>	<b>130</b>	<b>138</b>
Capital gains on bonds and CDs	43	25	95	26	123
Capital gains (losses) on shares and PCC's	17	20	(6)	(11)	(29)
Foreign currency gains	62	76	61	54	51
Gains (losses) on financial derivatives	5	22	(43)	(81)	(90)
<b>Capital gains (losses)</b>	<b>127</b>	<b>143</b>	<b>107</b>	<b>(12)</b>	<b>55</b>
Operating income, real estate	5	9	8	8	10
Gains on disposals of fixed assets	1	3	0	1	2
Real estate agency commissions	84	82	64	60	71
Additional operating income	27	23	58	34	23
<b>Miscellaneous operating income</b>	<b>117</b>	<b>117</b>	<b>130</b>	<b>103</b>	<b>106</b>
<b>Other operating income, net</b>	<b>632</b>	<b>617</b>	<b>607</b>	<b>412</b>	<b>504</b>

## 4 GJENSIDIGE NOR SPAREFORSIKRING ASA

PROFIT AND LOSS ACCOUNT	First three quarters		3rd quarter	3rd quarter	Year end
	2003	2002	2003	2002	2002
Premium income	4 268	6 457	1 317	2 650	8 618
Income from financial assets etc., (net)	2 751	(3)	376	250	1 125
Claims and transfers (premium reserves)	(4 120)	(2 865)	(1 096)	(975)	(4 124)
Change in technical reserves	(1 764)	(5 044)	(759)	(2 186)	(6 407)
Operating expenses related to underwriting	(389)	(383)	(124)	(125)	(515)
Other income (expenses)	(108)	(39)	(18)	(16)	(111)
<b>Unallocated profit</b>	<b>638</b>	<b>(1 877)</b>	<b>(304)</b>	<b>(402)</b>	<b>(1 414)</b>
From (to) supplementary reserves	0	1 625	0	329	1 146
Customer allocation	(458)	0	364	0	(30)
<b>Pre-tax profit (loss)</b>	<b>180</b>	<b>(252)</b>	<b>60</b>	<b>(73)</b>	<b>(298)</b>
Tax charge	(13)	106	(6)	30	141
<b>Net profit (loss)</b>	<b>167</b>	<b>(146)</b>	<b>54</b>	<b>(43)</b>	<b>(157)</b>

BALANCE SHEET	30.09.03	30.06.03	31.03.03	31.12.02	30.09.02
<b>Assets</b>					
Buildings and real estate	8 607	8 527	8 419	8 324	8 171
Shares and interests, domestic	2 088	1 988	2 343	2 175	2 051
Shares and interests, foreign	5 074	4 471	2 900	2 333	4 289
Mortgage loans	2 965	3 040	3 086	3 180	3 234
Other financial assets	48 347	47 927	47 204	46 568	43 580
Other assets	2 425	3 367	4 042	3 583	2 988
<b>Total assets</b>	<b>69 506</b>	<b>69 320</b>	<b>67 994</b>	<b>66 163</b>	<b>64 313</b>
<b>Equity and Liabilities</b>					
Equity	3 009	2 956	2 880	2 843	2 569
Subordinated loan capital	1 500	1 500	1 516	1 478	1 533
Hybrid capital	225	225	225	225	0
Unrealised gains	1 422	900	0	0	0
Additional provisions	471	474	477	484	70
Technical provisions for own account	62 487	62 415	61 891	60 598	59 290
Other liabilities	392	850	1 005	535	851
<b>Total equity and liabilities</b>	<b>69 506</b>	<b>69 320</b>	<b>67 994</b>	<b>66 163</b>	<b>64 313</b>

PROFIT ANALYSIS	First three quarters		3rd quarter	3rd quarter	Year end
	2003	2002	2003	2002	2002
Interest result	927	(1 687)	(219)	(345)	(1 148)
Risk result	(41)	(72)	(2)	(27)	6
Increase of disability provision	(126)	(39)	(42)	(13)	(64)
Administration result	(70)	(79)	(17)	(21)	(104)
Other allocations to reserves	(52)	0	(24)	4	(104)
<b>Unallocated profit</b>	<b>638</b>	<b>(1 877)</b>	<b>(304)</b>	<b>(402)</b>	<b>(1 414)</b>

Key ratios					
Book return (*)	5.5 %	0.1 %	2.2 %	1.7 %	1.9 %
Value adjusted return (*)	9.9 %	0.3 %	5.6 %	3.1 %	2.3 %
Expenses as % of customer funds (*)	0.92 %	0.97 %	0.89 %	0.89 %	0.97 %
Return on equity, after tax (*)	7.6 %	(8.0 %)	7.2 %	(6.8 %)	(5.8 %)
Customer funds (NOK billion)	63	61			61
Capital adequacy	14.9 %	11.4 %			15.9 %
Core capital	9.2 %	6.0 %			9.8 %
Solvency margin in % of requirements (**)	151.9 %	120.9 %			153.3 %

(\*) Quarterly figures have been annualised.

(\*\*) The solvency margin requirement is an expression of risks attached to technical commitments (interest guarantee and death/disability), and is computed on the basis of the size of the life insurance fund and the sum of risk insurance premiums. The solvency margin capital includes the eligible capital base, 50% of supplementary reserves and that part of the contingency reserve that exceeds 55% of the minimum required contingency reserve. Total solvency margin capital must at a minimum cover the solvency margin requirement.

BUFFER CAPITAL	30.09.2003		30.09.2002		31.12.2002	
Equity	2 842	4.6 %	2 715	4.6 %	2 842	4.7 %
Unallocated profit	638	1.0 %	(1 771)	(3.0 %)	0	
Subordinated loan capital	1 500	2.4 %	1 533	2.6 %	1 478	2.4 %
Hybrid capital	225	0.4 %	0		225	0.4 %
Supplementary reserves	471	0.8 %	1 695	2.9 %	484	0.8 %
Contingency reserve	81	0.1 %	63	0.1 %	75	0.1 %
Unrealised gains	1 422	2.3 %	0		0	
Additional value, fixed assets	1 097	1.8 %	264	0.4 %	418	0.7 %
<b>Total buffer capital (*)</b>	<b>8 276</b>	<b>13.3 %</b>	<b>4 499</b>	<b>7.6 %</b>	<b>5 522</b>	<b>9.1 %</b>

(\*) Buffer capital as per cent of technical provisions exclusive of supplementary reserves and contingency reserve.

**5 OPERATING EXPENSES**

	<b>Fist three quarters</b>		Year end
	<b>2003</b>	2002	2002
Salaries	<b>1 211</b>	1.209	1 596
Pensions	<b>193</b>	167	243
Other benefits	<b>306</b>	275	356
Restructuring expenses			73
Allocation to employee fund	<b>29</b>	16	5
<b>Personnel expenses</b>	<b>1 739</b>	1.667	2 273
IT and development costs	<b>320</b>	268	360
Office supplies	<b>37</b>	43	61
Telecommunications, postage	<b>151</b>	150	193
Fees, substitute personnel, other services	<b>208</b>	248	317
Travel, staff training	<b>77</b>	80	121
Marketing	<b>175</b>	208	287
<b>Administrative expenses</b>	<b>968</b>	997	1 339
<b>Personnel and administrative expenses</b>	<b>2 707</b>	2.664	3 612
Amortised goodwill	<b>137</b>	139	187
Ordinary depreciation	<b>208</b>	197	268
Write-downs	<b>6</b>	14	27
<b>Depreciation and write-downs</b>	<b>351</b>	350	482
Operating expenses, real estate	<b>42</b>	35	50
Rental and operating expenses, rented premises	<b>246</b>	258	341
<i>Properties and premises</i>	<b>288</b>	293	391
Operating assets, expensed	<b>18</b>	28	30
Expenses - secondary offering of shares upon conversion		33	34
Restructuring expenses			32
Merger expenses	<b>32</b>		
Miscellaneous operating expenses	<b>151</b>	147	187
<i>Additional operating expenses</i>	<b>201</b>	208	283
<b>Other operating expenses</b>	<b>489</b>	501	674
<b>Operating expenses</b>	<b>3 547</b>	3.515	4 768

<b>PAST FIVE QUARTERS</b>	<b>3Q2003</b>	2Q2003	1Q2003	4Q2002	3Q2002
Salaries	<b>411</b>	390	410	387	412
Pensions	<b>65</b>	62	66	76	60
Other benefits	<b>103</b>	101	102	81	83
Restructuring expenses	<b>0</b>	0	0	73	0
Allocation to employee fund	<b>21</b>	5	3	( 11)	2
<b>Personnel expenses</b>	<b>600</b>	558	581	606	557
IT and development costs	<b>104</b>	118	98	92	88
Office supplies	<b>12</b>	13	12	18	13
Telecommunications, postage	<b>49</b>	52	50	43	46
Fees, substitute personnel, other services	<b>62</b>	72	74	69	85
Travel, staff training	<b>19</b>	29	29	41	20
Marketing	<b>46</b>	70	59	79	62
<b>Administrative expenses</b>	<b>292</b>	354	322	342	314
<b>Personnel and administrative expenses</b>	<b>892</b>	912	903	948	871
Amortised goodwill	<b>45</b>	46	46	48	47
Ordinary depreciation	<b>69</b>	69	70	71	69
Write-downs	<b>0</b>	6	0	13	7
<b>Depreciation and write-downs</b>	<b>114</b>	121	116	132	123
Operating expenses, real estate	<b>17</b>	13	12	15	13
Rental and operating expenses, rented premises	<b>83</b>	79	84	83	94
<i>Properties and premises</i>	<b>100</b>	92	96	98	107
Operating assets, expensed	<b>7</b>	3	8	2	5
Expenses - secondary offering of shares upon conversion				1	33
Restructuring expenses	<b>0</b>	0	0	32	0
Merger expenses	<b>3</b>	4	25		
Miscellaneous operating expenses	<b>46</b>	42	63	40	52
<i>Additional operating expenses</i>	<b>56</b>	49	96	75	90
<b>Other operating expenses</b>	<b>156</b>	141	192	173	197
<b>Operating expenses</b>	<b>1 162</b>	1 174	1 211	1 253	1 191

## 6 STAFFING

Full-time position equivalents		30.09.03	31.12.02	Transfers	Chabge
Savings Bank	(1)	1 588	1 677	( 10)	( 79)
Corporate Customers		79	86		( 7)
Capital Markets		248	262		( 14)
Of which:: Gjensidige NOR Equities		59	56		3
Gjensidige NOR Kapitalforvaltning	(2)	83	68	16	( 1)
Avanse Forvaltning	(2)	31	63	( 16)	( 16)
Capital Markets, other		75	75		0
Life Insurance and Pensions		442	445		( 3)
Other businesses:					
Bank, other	(3)	911	947		( 36)
Elcon Finans	(4)	449	437	5	7
Gjensidige NOR Eiendomsmebling		251	254		( 3)
Hafjell Alpenserter		18	41		( 23)
UBNI Luxembourg		33	33		0
Sparebankkreditt		30	28		2
<b>Total full-time position equivalents</b>		<b>4 049</b>	<b>4 210</b>	<b>( 5)</b>	<b>( 156)</b>

(1) 10 FTP equivalents were in 1st quarter 2003 transferred to Gjensidige NOR Driftspartner.

(2) 16 FTP equivalents were in 1st quarter 2003 transferred from Avanse Forvaltning to Gjensidige NOR Kapitalforvaltning.

(3) Includes Cresco, Banking Products, Group Finance, Group Staff and Corporate Communications.

(4) Includes five FTP equivalents in subsidiary Elcon Teknologi Finans AB, acquired on 30 September 2003.

## 7 LOSSES ON LOANS AND GUARANTEES

	First three quarters 2003	3rd quarter 2002	3rd quarter 2003	3rd quarter 2002	Year end 2002
Realised losses exceeding previous years' specified loss provisions	135	139	28	75	237
Increase in specified loss provisions	39	97	8	14	103
New, specified loss provisions	453	246	164	109	424
<b>Gross losses</b>	<b>627</b>	<b>482</b>	<b>200</b>	<b>198</b>	<b>764</b>
Reduction in specified loss provisions due to reduced risk	26	20	5	8	26
Reversal of specified loss provisions due to reclassification	64	52	6	10	87
<b>Reductions in and reversals of specified loan loss provisions</b>	<b>90</b>	<b>72</b>	<b>11</b>	<b>18</b>	<b>113</b>
Recovered on previously realised loan losses	73	82	25	21	105
Increase in unspecified loss provisions	47	(5)	15	4	0
<b>Losses on loans and guarantees</b>	<b>511</b>	<b>323</b>	<b>179</b>	<b>163</b>	<b>546</b>
Realised losses (additional) covered by specified provisions from previous years	278	181	55	62	228

## 8 LOANS AND LOSSES (RECOVERIES) BY CUSTOMER SECTOR

Sector/Industry	30.09.03			30.09.02		
	Loans	Share	Losses	Loans	Share	Losses
Retail market	123 788	53.8 %	75	111 195	53.2 %	110
Public administration	814	0.4 %	2	966	0.5 %	1
Agriculture, forestry and fishing	4 480	1.9 %	20	4 446	2.1 %	7
Manufacturing	8 883	3.9 %	152	8 605	4.1 %	24
Construction, power and water supply	6 335	2.8 %	39	6 441	3.1 %	5
Retailing, hotel and restaurant trade	10 866	4.7 %	44	9 860	4.7 %	62
Shipping	4 228	1.8 %	2	3 076	1.5 %	( 1)
Real estate management	42 335	18.4 %	62	40 588	19.5 %	90
Transportation and other services	8 253	3.6 %	18	8 247	3.9 %	14
Other customer categories	9 132	4.0 %	10	6 666	3.2 %	( 8)
Foreign	9 469	4.1 %	49	6 908	3.3 %	25
<b>Gross loans to customers</b>	<b>228 583</b>	<b>99.4 %</b>	<b>473</b>	<b>206 998</b>	<b>99.1 %</b>	<b>329</b>
Credit institutions, domestic	773	0.3 %	0	964	0.5 %	0
Credit institutions, foreign	576	0.3 %	0	843	0.4 %	0
<b>Total loans</b>	<b>229 932</b>	<b>100.0 %</b>	<b>473</b>	<b>208 805</b>	<b>100.0 %</b>	<b>329</b>
Increase in unspecified loan loss provisions			47			( 5)
Guarantee losses (recoveries)			(9)			( 1)
<b>Losses on loans and guarantees</b>			<b>511</b>			<b>323</b>

**9 DEFAULTED, DOUBTFUL AND NON-ACCRUAL LOANS**

<b>DEFAULTED LOANS</b>	<b>30.09.03</b>	30.06.03	31.03.03	31.12.02	30.09.02
<i>Retail market</i>					
Gross defaulted loans	<b>1 286</b>	1 318	1 360	1 378	1 309
Specified loss provisions	<b>413</b>	418	413	421	395
<b>Net defaults, retail market</b>	<b>873</b>	900	947	957	914
<b>Level of provisions, retail market</b>	<b>32 %</b>	32 %	30 %	31 %	30 %
<i>Corporate market</i>					
Gross defaulted loans	<b>1 674</b>	1 381	1 392	1 366	1 235
Specified loss provisions	<b>556</b>	406	375	408	363
<b>Net defaults, corporate market</b>	<b>1.118</b>	975	1.017	958	872
<b>Level of provisions, corporate market</b>	<b>33 %</b>	29 %	27 %	30 %	29 %
<i>All loans</i>					
Gross defaulted loans	<b>2 960</b>	2 699	2 752	2 744	2 544
Specified loss provisions	<b>969</b>	824	788	829	758
<b>Net defaults</b>	<b>1 991</b>	1 875	1 964	1 915	1 786
<b>Level of provisions, all loans</b>	<b>33 %</b>	31 %	29 %	30 %	30 %
<b>DOUBTFUL LOANS</b>					
Doubtful loans with loss provisions	<b>822</b>	877	662	637	598
Specified loss provisions	<b>261</b>	299	256	258	234
<b>Net doubtful loans</b>	<b>561</b>	578	406	379	364
<b>Level of provisions</b>	<b>32 %</b>	34 %	39 %	41 %	39 %
<b>NON-ACCRUAL LOANS</b>					
Net non-accrual retail loans	<b>412</b>	380	374	434	390
Net non-accrual corporate loans	<b>751</b>	601	616	479	364
<b>Net non-accrual loans (*)</b>	<b>1 163</b>	981	990	913	754
<b>Gross non-accrual loans (*)</b>	<b>2 160</b>	1 805	1 788	1 754	1 583

(\*) Net and gross non-accrual loans are included in the table «Defaulted loans with loss provisions».

**10 CAPITAL ADEQUACY****GJENSIDIGE NOR ASA GROUP**

	<b>30.09.03</b>		<b>31.12.02</b>	
Equity	<b>16 236</b>	<b>7,4 %</b>	16 235	7,9 %
Minority interests	<b>( 2)</b>	<b>(0,0 %)</b>	( 2)	(0,0 %)
Hybrid capital, Union Bank of Norway (*)	<b>2 481</b>	<b>1,1 %</b>	2 434	1,2 %
Hybrid capital, Eksportfinans	<b>94</b>	<b>0,0 %</b>	142	0,1 %
Excess funding of pension commitments	<b>( 324)</b>	<b>(0,1 %)</b>	( 175)	(0,1 %)
Goodwill	<b>( 506)</b>	<b>(0,2 %)</b>	( 662)	(0,3 %)
Deferred tax benefit	<b>( 517)</b>	<b>(0,3 %)</b>	( 513)	(0,3 %)
Other intangible assets	<b>( 299)</b>	<b>(0,1 %)</b>	( 287)	(0,1 %)
<b>Core capital</b>	<b>17 163</b>	<b>7,8 %</b>	17 172	8,4 %
Hybrid capital, Union Bank of Norway (*)	<b>78</b>	<b>0,0 %</b>	119	0,1 %
Additional capital (Upper Tier 2)	<b>2 382</b>	<b>1,1 %</b>	3 091	1,5 %
Supplementary capital (Lower Tier 2)	<b>4 152</b>	<b>1,9 %</b>	3 689	1,8 %
Other items, net	<b>( 55)</b>	<b>(0,0 %)</b>	( 148)	(0,1 %)
<b>Capital base</b>	<b>23 720</b>	<b>10,8 %</b>	23 923	11,7 %
<b>Calculation base</b>	<b>219 568</b>		204 531	

(\*) Hybrid capital may account for up to 15% of core capital, additional hybrid capital is recorded as Upper Tier 2.

**UNION BANK OF NORWAY GROUP**

	<b>30.09.03</b>		<b>31.12.02</b>	
Equity	<b>13 348</b>	<b>6,9 %</b>	13 347	7,4 %
Minority interests	<b>( 2)</b>	<b>(0,0 %)</b>	( 2)	(0,0 %)
Hybrid capital, Union Bank of Norway	<b>2 089</b>	<b>1,1 %</b>	2 047	1,1 %
Hybrid capital, Eksportfinans	<b>94</b>	<b>0,0 %</b>	142	0,1 %
Excess funding of pension commitments	<b>( 213)</b>	<b>(0,1 %)</b>	( 79)	(0,0 %)
Goodwill	<b>( 380)</b>	<b>(0,2 %)</b>	( 515)	(0,3 %)
Deferred tax benefit	<b>( 243)</b>	<b>(0,1 %)</b>	( 245)	(0,1 %)
Other intangible assets	<b>( 143)</b>	<b>(0,1 %)</b>	( 103)	(0,1 %)
<b>Core capital</b>	<b>14 550</b>	<b>7,5 %</b>	14 592	8,1 %
Hybrid capital, Union Bank of Norway	<b>470</b>	<b>0,2 %</b>	506	0,3 %
Additional capital (Upper Tier 2)	<b>2 382</b>	<b>1,2 %</b>	3 090	1,7 %
Supplementary capital (Lower Tier 2)	<b>4 151</b>	<b>2,2 %</b>	2 892	1,6 %
Other items, net (*)	<b>(1 702)</b>	<b>(0,9 %)</b>	(1 011)	(0,6 %)
<b>Capital base</b>	<b>19 851</b>	<b>10,2 %</b>	20 069	11,1 %
<b>Calculation base</b>	<b>193 791</b>		181 102	

(\*) Of which, perpetual subordinated loans and other subordinated loans to Gjensidige NOR

## 11 SELECTED ACCOUNTING FIGURES FOR BUSINESS AREAS

### SUMMARIES OF PROFIT AND LOSS ACCOUNTS

Amounts in NOK million	Net interest income		Other operating income		Operating expenses		Operating income before losses and taxes		Net loss loans and longterm securities		Operating profit before taxes	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
Savings Bank	2 570	2 452	510	467	1 550	1 608	1 530	1 311	158	131	1 372	1 180
Corporate Customers	308	275	144	111	111	113	341	273	108	47	233	226
Capital Markets	58	31	531	431	374	395	215	67			215	67
Life Insurance and Pensions (*)	4	1	186	(140)	29	8	161	(147)			161	(147)
Other	1 472	1 498	659	655	1 487	1 407	644	746	244	145	400	601
Eliminations		(34)	(7)	(90)	(4)	(16)	(3)	(108)			(3)	(108)
<b>Gjensidige NOR ASA Group</b>	<b>4 412</b>	<b>4 223</b>	<b>2 023</b>	<b>1 434</b>	<b>3 547</b>	<b>3 515</b>	<b>2 888</b>	<b>2 142</b>	<b>510</b>	<b>323</b>	<b>2 378</b>	<b>1 819</b>

(\*) Net profit after taxes.

### BALANCE SHEETS/KEY FIGURES

Amounts in NOK billion	Net loans to customers		Customer deposits/ managed funds		Managed assets		Net loss in % of gross lending		Cost ratio		Return of equity, after taxes	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	Year end 2002
Savings Bank	138.8	130.6	94.3	94.2	140.1	132.1	0.15	0.14	50	55	16.6	16.0
Corporate Customers	25.7	23.0	20.9	24.1	25.9	23.4	0.56	0.27	25	29	10.9	13.1
Capital Markets	0.2	0.5	112.5	100.2	117.1	106.6			63	87		
Life Insurance and Pensions (*)					74.8	70.9						
Other	61.9	56.1	5.8	4.8	152.7	145.2	0.51	0.35	70	65		
Eliminations	(0.7)	(0.7)	3.9	(0.5)	(115.3)	(111.8)						
<b>Gjensidige NOR ASA Group</b>	<b>225.9</b>	<b>209.5</b>	<b>237.4</b>	<b>222.8</b>	<b>395.3</b>	<b>366.4</b>	<b>0.30</b>	<b>0.21</b>	<b>57</b>	<b>61</b>	<b>13.7</b>	<b>9.1</b>

The accounting figures above are based on internal accounting reports. Figures from 2002 are made comparable with 2003 figures.

## 12 SELECTED ACCOUNTING FIGURES FOR INTRA-GROUP COMPANIES

### SUMMARIES OF PROFIT AND LOSS ACCOUNTS

Amounts in NOK million	Net interest income		Other operating income		Operating expenses		Operating income before losses and taxes		Net loss loans and longterm securities		Operating profit before taxes	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
Union Bank of Norway	3 569	3 547	1 149	940	2 546	2 531	2 172	1 956	368	279	1 804	1 677
Elcon Finans	693	523	64	69	333	305	424	287	131	38	293	249
Sparebankkreditt	165	162			25	27	140	135	11	6	129	129
UBNI Luxembourg	42	40	32	20	29	26	45	34	0	0	45	34
Avanse forvaltning	4	5	82	93	76	107	10	(9)			10	(9)
Gj. NOR Kapitalforvaltning		3	99	69	94	87	5	(15)			5	(15)
Gj. NOR Equities		(3)	75	64	69	88	6	(27)			6	(27)
Gj. NOR Eiendomsmegling	3	7	232	223	206	209	29	21			29	21
Assoc.companies / joint ventures			48	37			48	37			48	37
Other group companies	(49)	(63)	62	65	93	82	(80)	(80)			(80)	(80)
<b>Banking Group</b>	<b>4 427</b>	<b>4 221</b>	<b>1 843</b>	<b>1 580</b>	<b>3 471</b>	<b>3 462</b>	<b>2 799</b>	<b>2 339</b>	<b>510</b>	<b>323</b>	<b>2 289</b>	<b>2 016</b>
Gj. NOR Spareforsikring (*)			167	(146)			167	(146)			167	(146)
Gj. NOR Fondsforsikring	4	1	19	6	29	8	(6)	(1)			(6)	(1)
Gj. NOR ASA	(19)	1			51	44	(70)	(43)			(70)	(43)
Eliminations			(6)	(6)	(4)	1	(2)	(7)			(2)	(7)
<b>Gjensidige NOR ASA Group</b>	<b>4 412</b>	<b>4 223</b>	<b>2 023</b>	<b>1 434</b>	<b>3 547</b>	<b>3 515</b>	<b>2 888</b>	<b>2 142</b>	<b>510</b>	<b>323</b>	<b>2 378</b>	<b>1 819</b>

(\*) Net profit after taxes.

### BALANCE SHEETS/KEY FIGURES

Amounts in NOK billion	Net loans to customers		Customer deposits/ managed funds		Managed assets		Net loss in % of gross lending		Cost ratio		Return of equity, after taxes	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	Year end 2002
Union Bank of Norway	177.3	165.0	120.3	122.5	248.6	235.0	0.27	0.23	54	56	13.1	12.9
Elcon Finans	26.6	23.3	0.4	0.3	27.6	24.3	0.65	0.22	44	52	13.1	13.4
Sparebankkreditt	18.1	17.7			18.4	18.2	0.08	0.05	15	17	10.3	10.2
UBNI Luxembourg	5.4	5.0	0.4	0.5	8.7	8.0			39	43	18.9	13.8
Avanse forvaltning			25.9	21.5	25.9	21.5			88	109	20.4	(19.6)
Gj. NOR Kapitalforvaltning			114.0	78.2	114.0	78.2			95	121	6.7	(51.4)
Gj. NOR Equities				0.3	0.2	0.3			92	144	9.5	(85.1)
Gj. NOR Eiendomsmegling					0.2				88	91	53.9	21.7
Other group companies	(0.8)	(0.8)	(22.9)	(0.2)	(69.4)	(39.7)						
<b>Banking Group</b>	<b>226.6</b>	<b>210.2</b>	<b>238.1</b>	<b>223.1</b>	<b>374.2</b>	<b>345.8</b>	<b>0.30</b>	<b>0.21</b>	<b>55</b>	<b>60</b>	<b>15.6</b>	<b>11.7</b>
Gj. NOR Spareforsikring					69.5	66.2					7.6	(5.8)
Other, Spareforsikring Group					3.0	3.0						
<b>Spareforsikring Group</b>					<b>72.5</b>	<b>69.2</b>						
Gj. NOR Fondsforsikring					2.3	1.7			126	114	(7.2)	(1.6)
Gj. NOR ASA					17.5	20.4						
Eliminations	(0.7)	(0.7)	(0.7)	(0.3)	(71.2)	(70.7)						
<b>Gjensidige NOR ASA Group</b>	<b>225.9</b>	<b>209.5</b>	<b>237.4</b>	<b>222.8</b>	<b>395.3</b>	<b>366.4</b>	<b>0.30</b>	<b>0.21</b>	<b>57</b>	<b>61</b>	<b>13.7</b>	<b>9.1</b>

**13 GOODWILL AND OTHER INTANGIBLE ASSETS****GOODWILL**

	Credit card portfolio Cresco	Gj. NOR Spare- forsikring portfolio	Branches Bø and Vinje	Avanse Forvaltning	GN Kapital- forvaltning	Gjensidige NOR Equities	Other	<b>Total goodwill</b>
Original goodwill at 01.01.2003	307	55	32	279	148	209	17	<b>1 047</b>
Total depreciation at 01.01.2003	144	26	7	174	76	94	9	<b>530</b>
Book value at 01.01.2003	163	29	25	105	72	115	8	<b>517</b>
Ordinary depreciation	29	10	5	42	22	27	3	<b>138</b>
Book value at 30.09.2003	134	19	20	63	50	88	5	<b>379</b>
Depreciation plan	8 år	4 år	5 år	5 år	5 år	5 år		

Goodwill on credit card- and other customer portfolios is amortised over the portfolios' expected economic lifetime at the time of acquisition. Goodwill on the portfolio from Spareforsikring is amortised over the same period as the duration of the commission agreement:

<b>INTANGIBLE ASSETS</b>	<b>30.06.03</b>	31.03.03	31.12.02	30.09.02	30.06.02
Goodwill	<b>379</b>	425	471	517	564
Deferred tax benefit	<b>275</b>	272	282	257	181
Other intangible assets	<b>145</b>	133	117	111	105
Total intangible assets	<b>799</b>	830	870	885	850

Other intangible assets consist of application software. This is amortised over estimated longevity – maximum five years. In addition, the following intangible assets are on Gjensidige NOR Spareforsikring's balance sheet, which company has – in the Group's figures – been accounted for according to the equity method:

<b>INTANGIBLE ASSETS GJENSIDIGE NOR SPAREFORSIKRING</b>	<b>30.06.03</b>	31.03.03	31.12.02	30.09.02	30.06.02
Goodwill	<b>122</b>	128	134	139	145
Deferred tax benefit	<b>242</b>	248	251	256	738
Other intangible assets	<b>149</b>	157	169	175	0
Total intangible assets	<b>513</b>	533	554	570	883

**14 EQUITY**

<b>EQUITY</b>	<b>2003</b>	2002
Share capital as at 01.01.2003	<b>8 700</b>	8 700
Other equity as at 01.01.2003	<b>7 535</b>	7 008
<b>Equity, Gjensidige NOR ASA group as at 01.01.2003</b>	<b>16 235</b>	15 708
Gain on own shares		7
Net profit	<b>1 763</b>	1 245
Change in currency exchange rates	<b>1</b>	(3)
<b>Equity, Gjensidige NOR ASA group as at 30.09.2003</b>	<b>17 999</b>	16 957

**Warrants**

On 10 September 2002 the Gjensidige NOR ASA's General Meeting resolved to issue 250 warrants to all employees of the Group. A total of 4,644 employees accepted the offer and the subscription price for the warrants was set at NOK 248.92 per share. Up to one-half of the warrants were exercisable in the period 1 - 15 October 2003, the remainder in the period 1 - 15 October 2004. If all the warrants are exercised, the overall increase of share capital should total NOK 116.1 million (nominal) or 1.33% of Gjensidige NOR ASA's present share capital. Maximum share capital increase was as of 30 September 2003 reduced to NOK 111.3 million, as a consequence of several employees' termination prior to 1 October 2003. During the first period of exercise, a total of 3,006 shares in Gjensidige NOR ASA were subscribed at NOK 248.92. A total of 86,999,473 shares at a par value of NOK 100 per share are at the present outstanding.

<b>EARNINGS PER SHARE</b>	<b>2003</b>	2002
<b>Profit attributable to shareholders</b>	<b>1 763</b>	1 245
Goodwill amortisation	<b>137</b>	139
<b>Profit attributable to shareholders before goodwill amortisation</b>	<b>1 900</b>	1 384
Average number of shares – basic (1,000)	<b>86 996</b>	86 996
Dilution effect of outstanding share options	<b>33</b>	
<b>Diluted number of shares</b>	<b>87 029</b>	86 996
Earnings per share – basic	<b>20,26</b>	17,25
Diluted	<b>20,26</b>	
Earnings per share before goodwill amortisation – basic	<b>22,04</b>	16,10
Diluted	<b>22,04</b>	

# Gjensidige NOR ASA

PROFIT AND LOSS ACCOUNT (NOK Million)	First three quarters		3rd quarter	3rd quarter	Year end
	2003	2002	2003	2002	2002
Interest income	12	1	5	1	4
Interest expenses	31	0	10	0	15
<b>Net Interest Income</b>	<b>(19)</b>	<b>1</b>	<b>(5)</b>	<b>1</b>	<b>(11)</b>
Group contribution	0	0	0	0	2 390
<b>Other Operating Income, net</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2 390</b>
Personnel expenses	4	0	1	0	0
Merger expenses (1)	38	0	3	0	0
Expenses – secondary offering of shares upon conversion	0	44	0	44	52
Other operating expenses	9	0	2	0	0
<b>Operating Expenses</b>	<b>51</b>	<b>44</b>	<b>6</b>	<b>44</b>	<b>52</b>
<b>Operating Profit</b>	<b>(70)</b>	<b>(43)</b>	<b>(11)</b>	<b>(43)</b>	<b>2 327</b>
Taxes	(20)	(12)	(3)	(12)	652
<b>Net profit</b>	<b>(50)</b>	<b>(31)</b>	<b>(8)</b>	<b>(31)</b>	<b>1 675</b>

BALANCE SHEET (NOK million)	30.09.03	30.06.03	31.03.03	31.12.02	30.09.02
<b>Assets</b>					
Deposits in and loans to credit institutions (group companies)	589	613	143	193	190
Owner interests in group companies	16 907	16 907	16 907	16 907	16 575
Deferred tax benefit	19	16	12		12
Other assets (group companies)	13	7	3 267	3 278	0
<b>Total assets</b>	<b>17 528</b>	<b>17 543</b>	<b>20 329</b>	<b>20 378</b>	<b>16 777</b>
<b>Liabilities and Equity</b>					
Loans and deposits from credit institutions (group companies)	680	680	680	680	680
Other liabilities (group companies)	0	0	1 675	1 675	0
Other liabilities	63	61	1 140	1 140	0
Accrued expenses and pre-paid income	1	11	32	49	13
Share capital	8 700	8 700	8 700	8 700	8 700
Other equity	8 084	8 091	8 102	8 134	7 384
<b>Total liabilities and equity</b>	<b>17 528</b>	<b>17 543</b>	<b>20 329</b>	<b>20 378</b>	<b>16 777</b>

The company presented its first interim financial statement as of 30 September 2002.

#### (1) Merger expenses

In connection with the proposed merger with Den norske Bank, irreversible accrued expenses amounting to NOK 38 million on financial advisers have been expensed. If the merger is carried out, total costs on financial advisers and translation, printing and distribution of the prospectus and other relevant information to Gjensidige NOR's shareholders are expected to amount to NOK 114-150 million, depending on the size of discretionary additional fees to financial advisers. The remaining costs on financial advisers will largely be expensed once final approval has been given to carry out the merger.

## Additional information – DnB NOR pro forma

### PRO FORMA PROFIT AND LOSS ACCOUNTS (selected items)

NOK million	<b>3rd quarter</b>	2nd quarter	1st quarter
	<b>2003</b>	2003	2003
Net interest income	<b>3 495</b>	3 471	3 480
Net other operating income	<b>1 909</b>	1 921	1 641
Profit from life insurance operations	<b>88</b>	297	15
<b>Total income</b>	<b>5 492</b>	5 688	5 136
Operating expenses	<b>3 281</b>	3 299	3 306
<b>Operating profit</b>	<b>2 211</b>	2 390	1 829
Net losses on loans and guarantees	<b>356</b>	811	448
Net losses on long-term investments	<b>( 2)</b>	31	1
Taxes	<b>490</b>	231	365
<b>Profit for the period</b>	<b>1 364</b>	1 377	1 015

### PRO FORMA BALANCE SHEET AND KEY FIGURES (selected items)

NOK billion	<b>30 September</b>	30 June	31 March
	<b>2003</b>	2003	2003
Net lending to customers	<b>547</b>	541	529
Deposits from customers	<b>331</b>	336	331
Equity	<b>44</b>	42	41
Total assets	<b>710</b>	699	695
Total combined assets	<b>1 190</b>	1 171	1 129

	<b>3rd quarter</b>	2nd quarter	1st quarter
	<b>2003</b>	2003	2003
Earnings per share before goodwill amortisation (NOK)	<b>1.17</b>	1.18	0.90
Earnings per share after goodwill amortisation (NOK)	<b>1.04</b>	1.05	0.78
Return on equity (%)	<b>12.7</b>	13.3	10.1
Core capital ratio (%)	<b>6.4</b>	6.3	6.5
Capital ratio (%)	<b>9.6</b>	9.3	9.8

(1) At end of period and including 50 per cent of profit year to date.

Note: preliminary and unaudited figures

**Gjensidige NOR ASA**

Kirkegata 18

P.O. Box 1172 Sentrum

N-0107 OSLO

Telephone: (+47) 22 31 90 50

[www.gjensidigenor.no/investor/english](http://www.gjensidigenor.no/investor/english)



**Gjensidige  
NOR**