

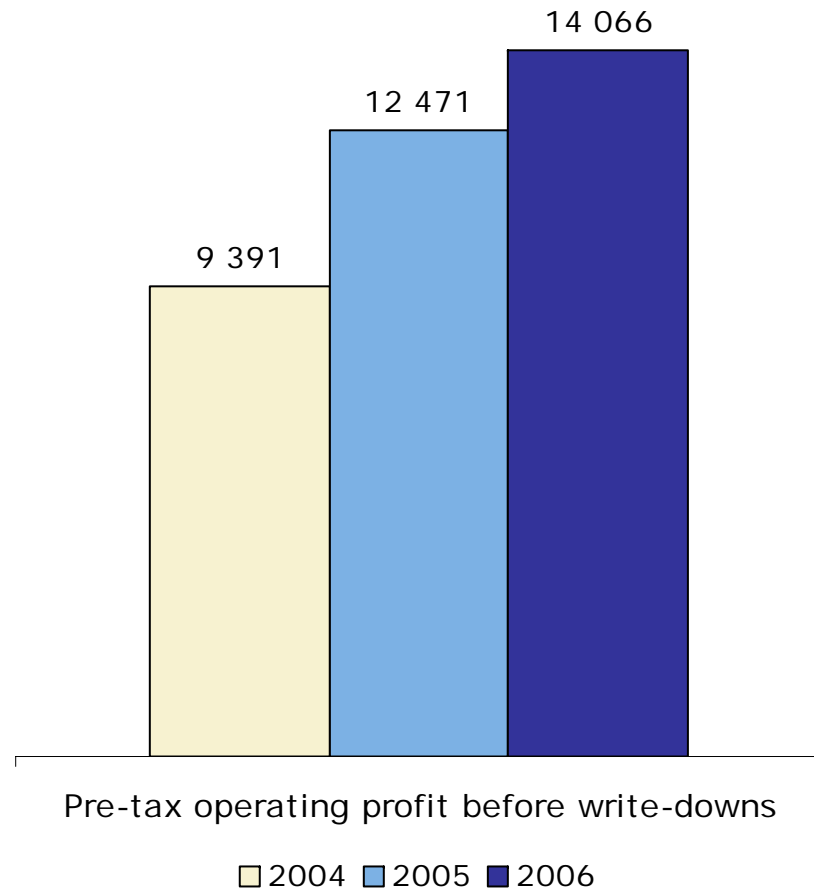
# DnB NOR Group – Results 2006



Rune Bjerke, CEO  
Tom Grøndahl, deputy CEO

# Pre-tax operating profit

NOK million



- Pre-tax operating profit before write-downs up 12.8 per cent from 2005
- Income up 12.5 per cent
- Ordinary expenses up 12.2 per cent
- 18.7 per cent increase in lending volume in 2006
- High level of activity



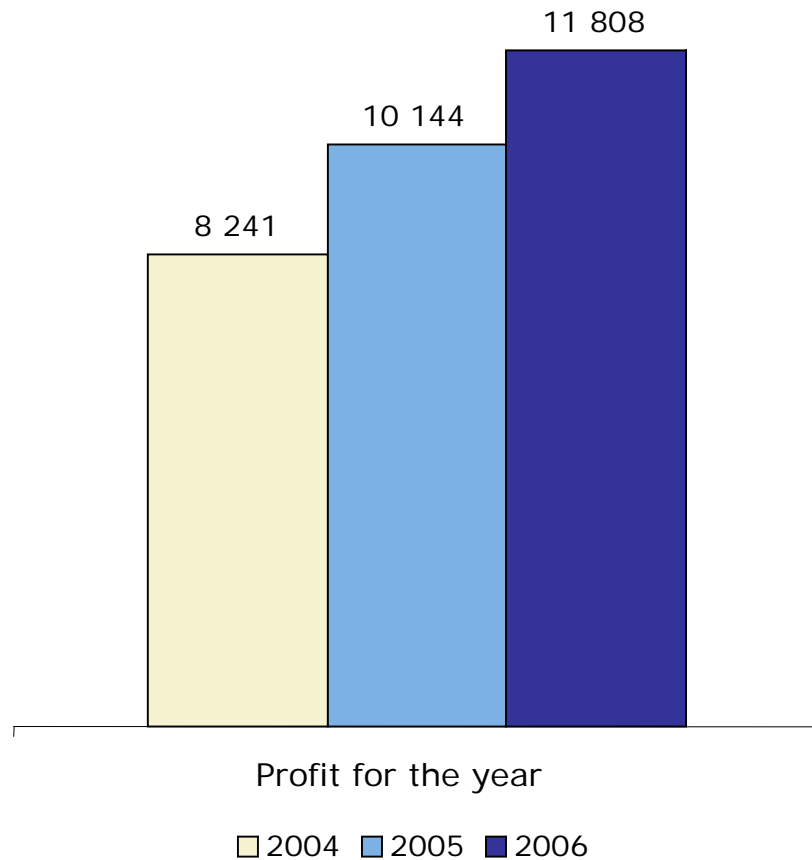
Pro forma accounting figures for 2004

2 | 21 February 2007

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# Profit for the year

NOK million



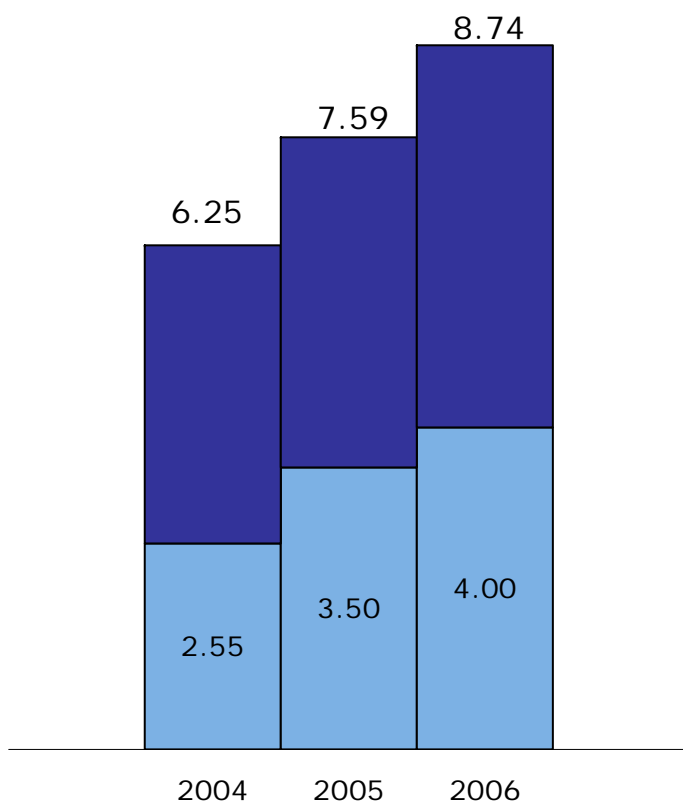
- Profit up 16.4% from 2005
- Very low write-downs on loans and a high level of reversals
- Tax charge: 19.6% (22.6% in 2005)



Pro forma accounting figures for 2004

# Earnings per share

NOK



■ Proposed dividend ■ Earnings per share

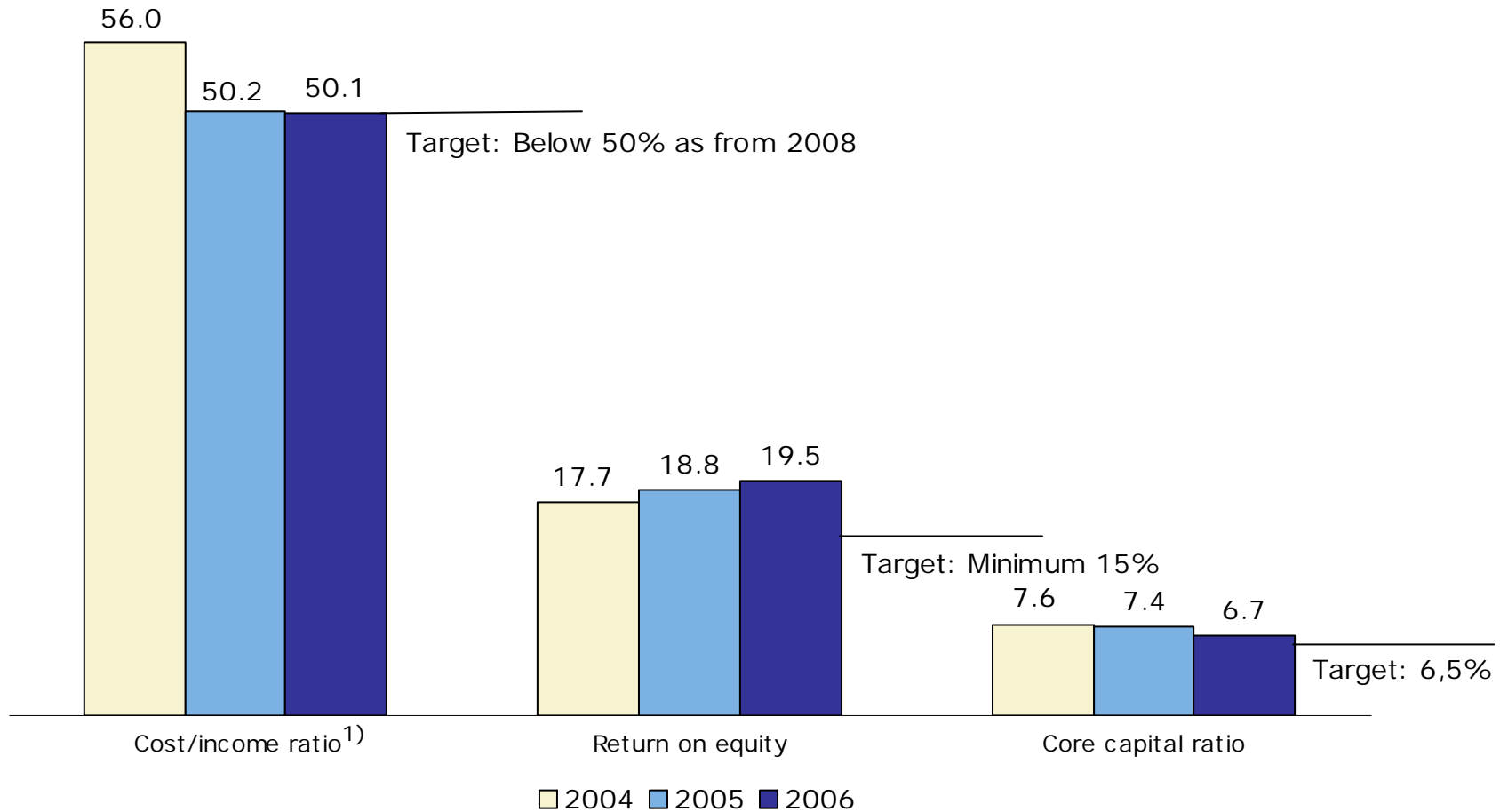
- Payout ratio: 45.8%
- Dividend yield: 4.5%
- Dividend growth: 14.3%

Pro forma accounting figures for 2004

# Realisation of targets



Per cent



1) Excluding allocations to employee funds

Pro forma accounting figures for 2004

## Important events in 2006

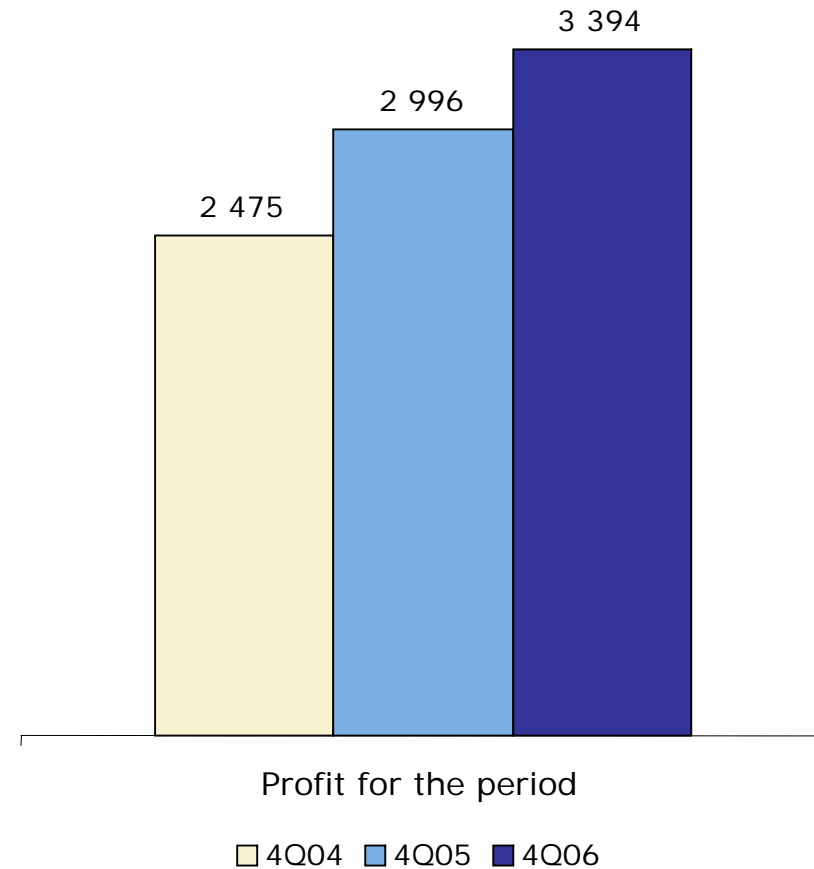
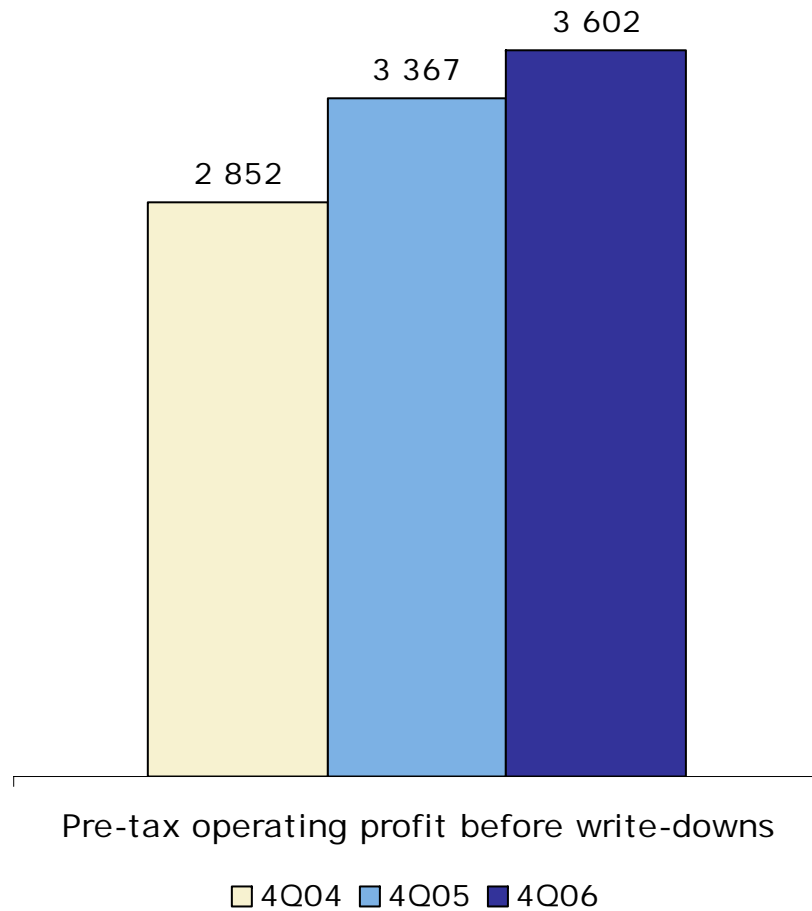


- Expansion into north-eastern Europe through DnB NORD
- Approx. 150 000 new loyalty programme members, to 1 056 000
- Foundation IRB approach approved from 1 Jan. 2007
- Vital won the race in the mandatory occupational pension market
- Completion of integration process

# Fourth quarter performance



NOK million

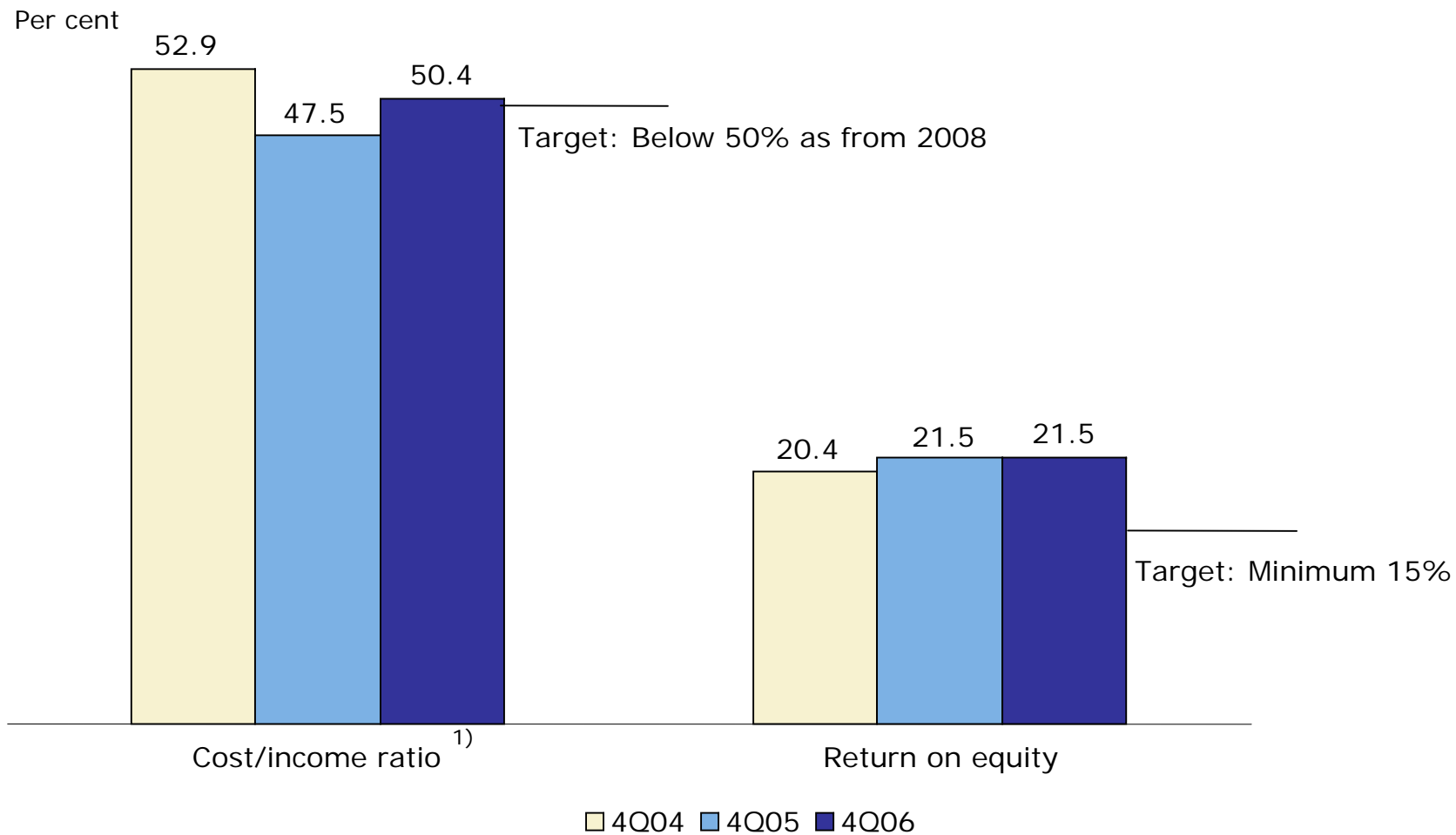


Pro forma accounting figures for 2004

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# Key figures for the 4<sup>th</sup> quarter



1) Excluding allocations to employee funds

Pro forma accounting figures for 2004



# Income statements



<i>Amounts in NOK million</i>	<b>4Q06</b>	<b>4Q05</b>	<i>Full year 2006</i>	<i>Full year 2005</i>
Net interest income	<b>3 975</b>	<b>3 473</b>	15 289	13 610
Net other operating income	<b>3 622</b>	<b>3 230</b>	13 204	11 725
Total ordinary operating expenses	<b>3 830</b>	<b>3 183</b>	14 263	12 711
Ordinary operating profit	<b>3 766</b>	<b>3 520</b>	14 230	12 624
Other expenses	<b>164</b>	<b>153</b>	164	153
Pre-tax operating profit before write-downs	<b>3 602</b>	<b>3 367</b>	14 066	12 471
Net gains on fixed and intangible assets	<b>66</b>	<b>172</b>	365	775
Write-downs on loans and guarantees	<b>(16)</b>	<b>(40)</b>	(258)	137
Pre-tax operating profit	<b>3 684</b>	<b>3 578</b>	14 689	13 109
Taxes	<b>291</b>	<b>582</b>	2 881	2 965
Profit for the period	<b>3 394</b>	<b>2 996</b>	11 808	10 144

# Financial highlights



	<b>4Q06</b>	<b>4Q05</b>	<i>Full year 2006</i>	<i>Full year 2005</i>
Cost/income ratio (%)	<b>50.4</b>	<b>47.5</b>	50.1	50.2
Return on equity (%)	<b>21.5</b>	<b>21.5</b>	19.5	18.8
Earnings per share (NOK)	<b>2.52</b>	<b>2.24</b>	8.74	7.59
Total combined assets at end of period (NOK billion)	<b>1 692</b>	<b>1 463</b>	1 692	1 463
Core capital ratio at end of period (%)	<b>6.7</b>	<b>7.4</b>	6.7	7.4

# Income statements



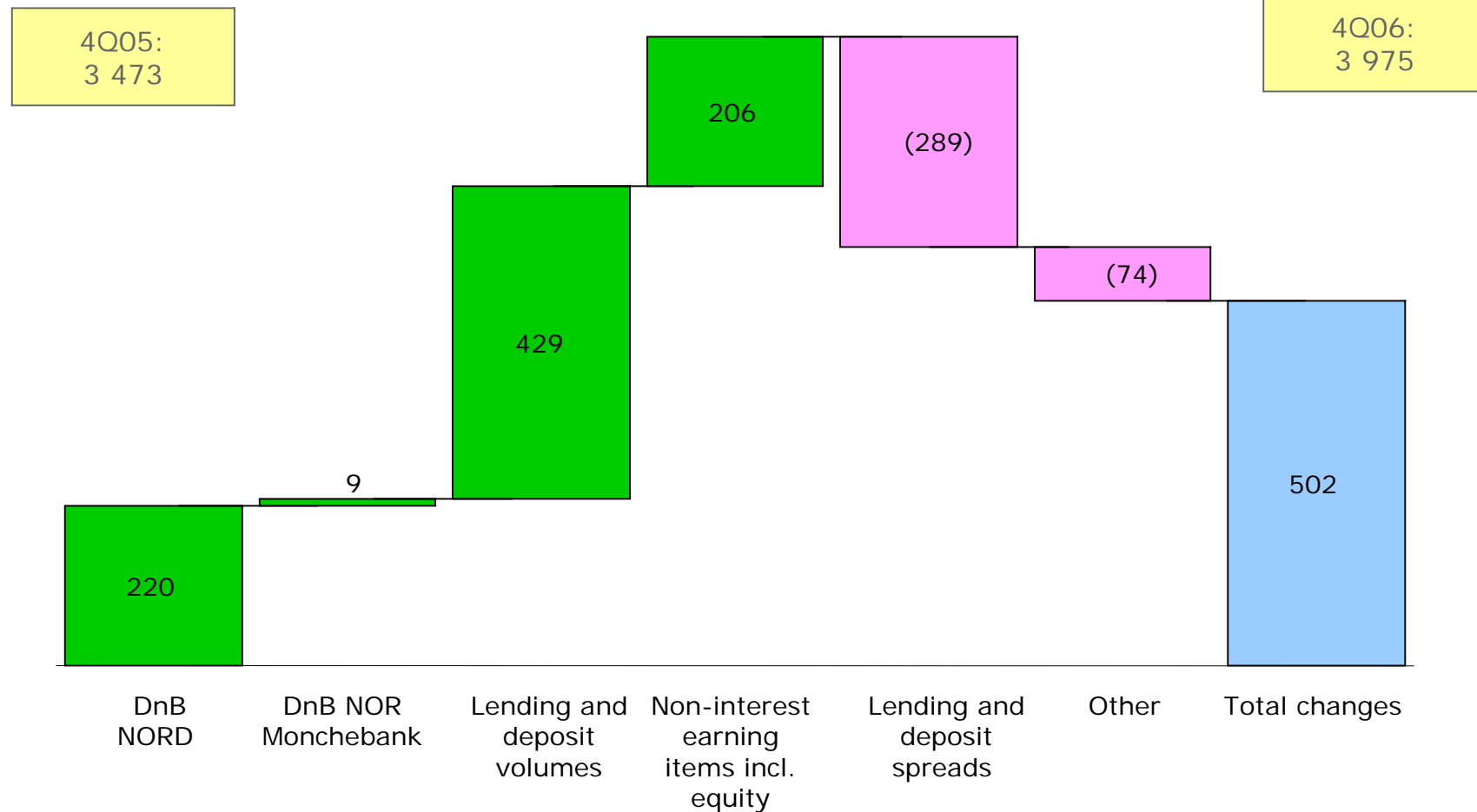
<i>Amounts in NOK million</i>	<b>4Q06</b>	<b>3Q06</b>	2Q06	1Q06	4Q05
Net interest income	<b>3 975</b>	<b>3 911</b>	3 781	3 622	3 473
Net other operating income	<b>3 622</b>	<b>2 951</b>	3 090	3 541	3 230
Total ordinary operating expenses	<b>3 830</b>	<b>3 491</b>	3 483	3 459	3 183
Ordinary operating profit	<b>3 766</b>	<b>3 372</b>	3 388	3 704	3 520
Other expenses	<b>164</b>	<b>0</b>	0	0	153
Pre-tax operating profit before write-downs	<b>3 602</b>	<b>3 372</b>	3 388	3 704	3 367
Net gains on fixed and intangible assets	<b>66</b>	<b>135</b>	151	12	172
Write-downs on loans and guarantees	<b>(16)</b>	<b>(51)</b>	(165)	(26)	(40)
Pre-tax operating profit	<b>3 684</b>	<b>3 558</b>	3 703	3 743	3 578
Taxes	<b>291</b>	<b>844</b>	853	894	582
Profit for the period	<b>3 394</b>	<b>2 714</b>	2 851	2 849	2 996

# Net interest income

## - 4th quarter 2005 to 4th quarter 2006



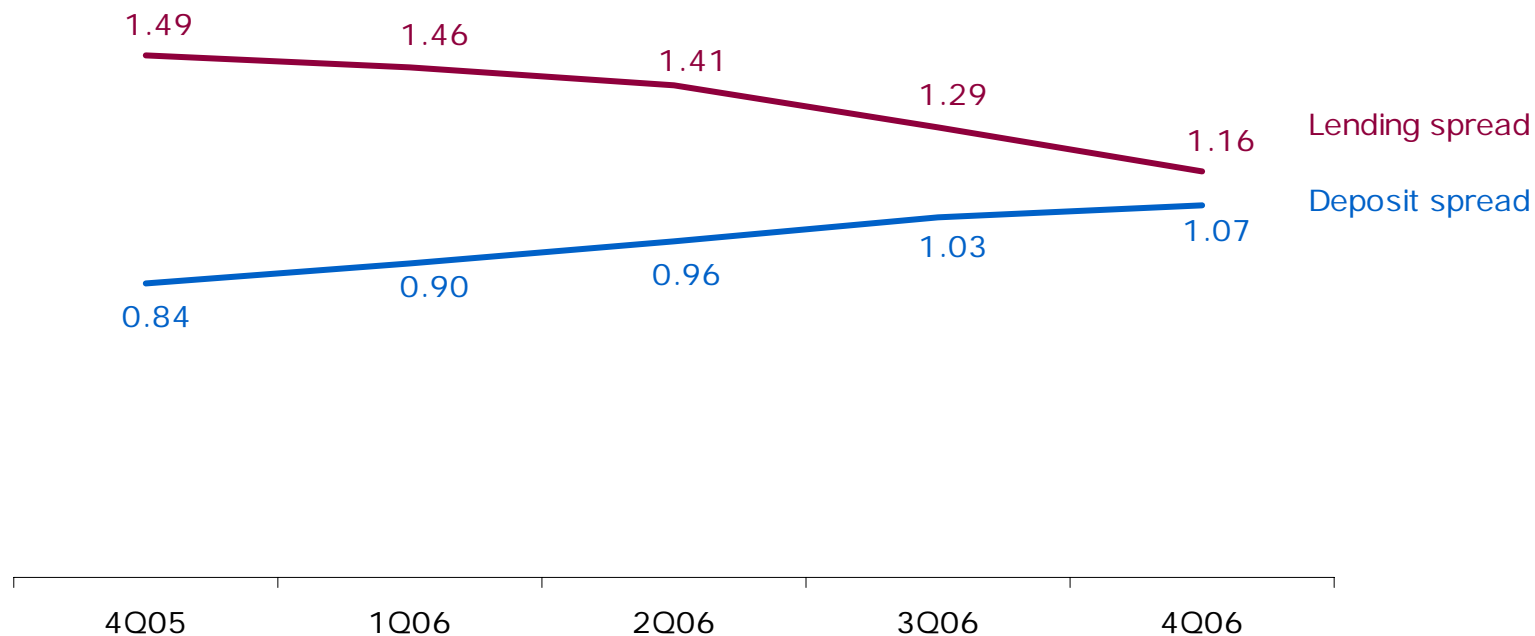
NOK million



# Developments in average interest rate spreads – Retail Banking <sup>1)</sup>



Per cent

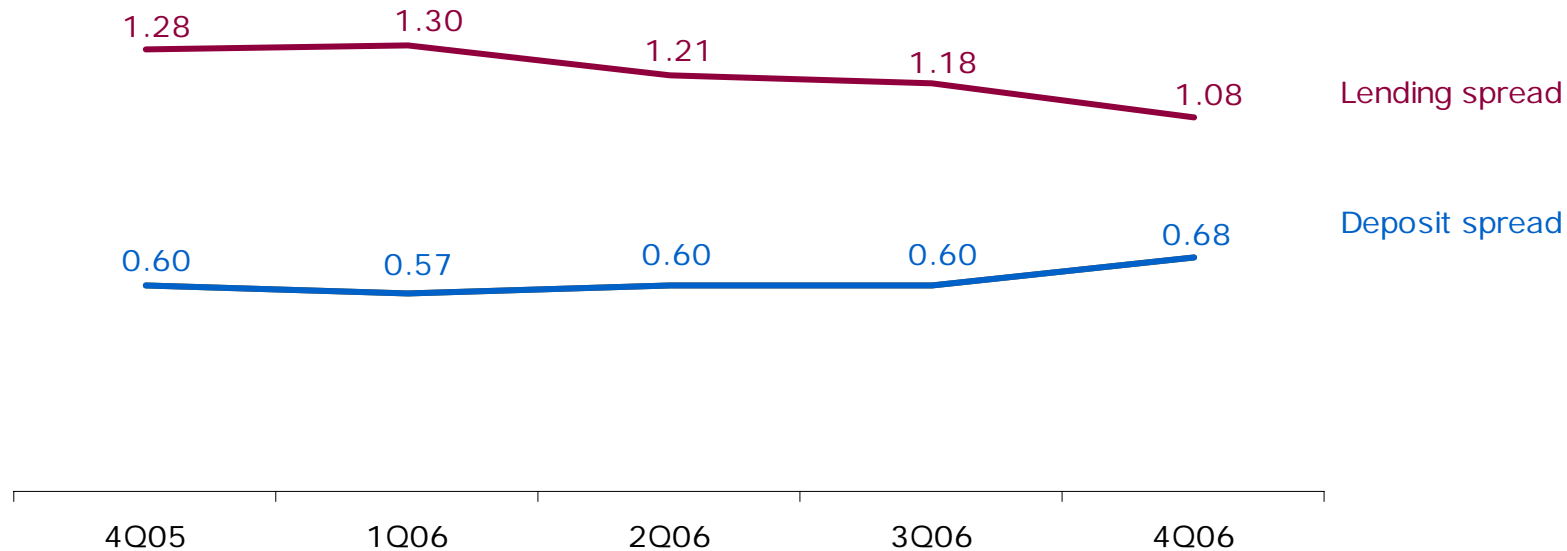


1) Based on nominal values excluding impaired loans

# Developments in average interest rate spreads – Corporate Banking <sup>1)</sup>



Per cent

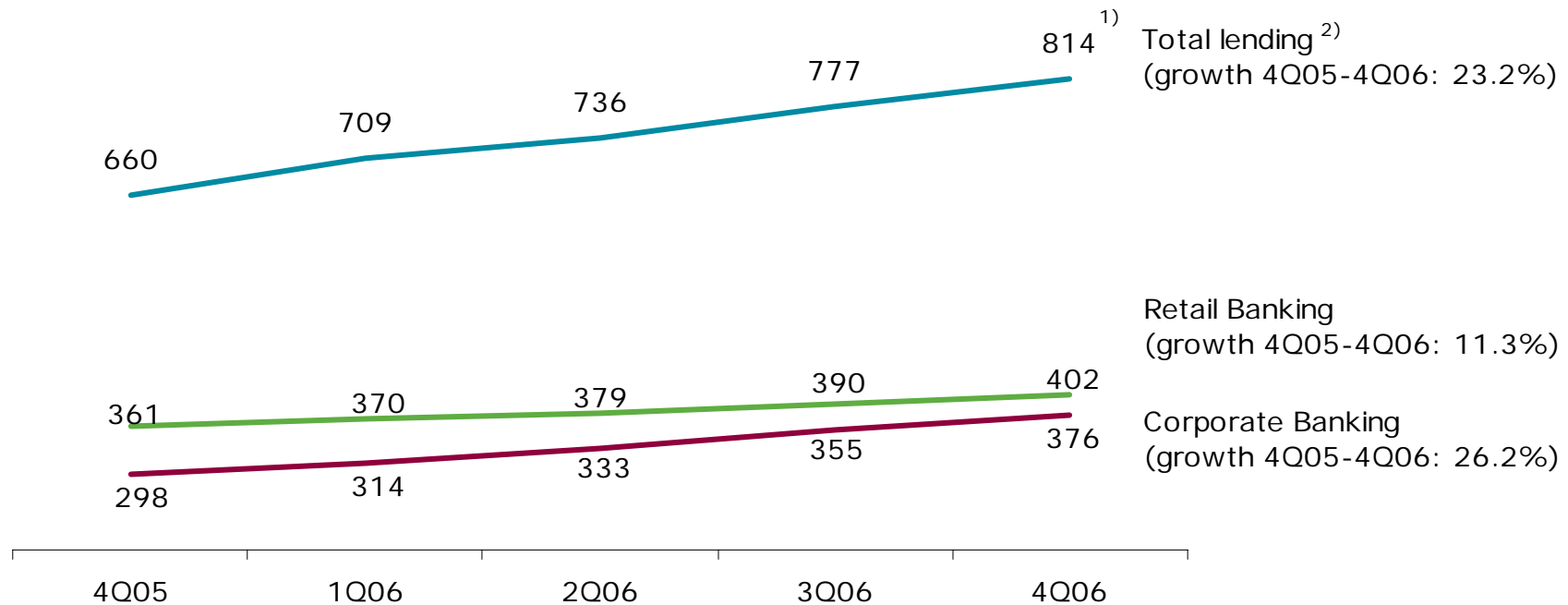


1) Based on nominal values excluding lending to/deposits with credit institutions and impaired loans

# Developments in average lending volumes



NOK billion

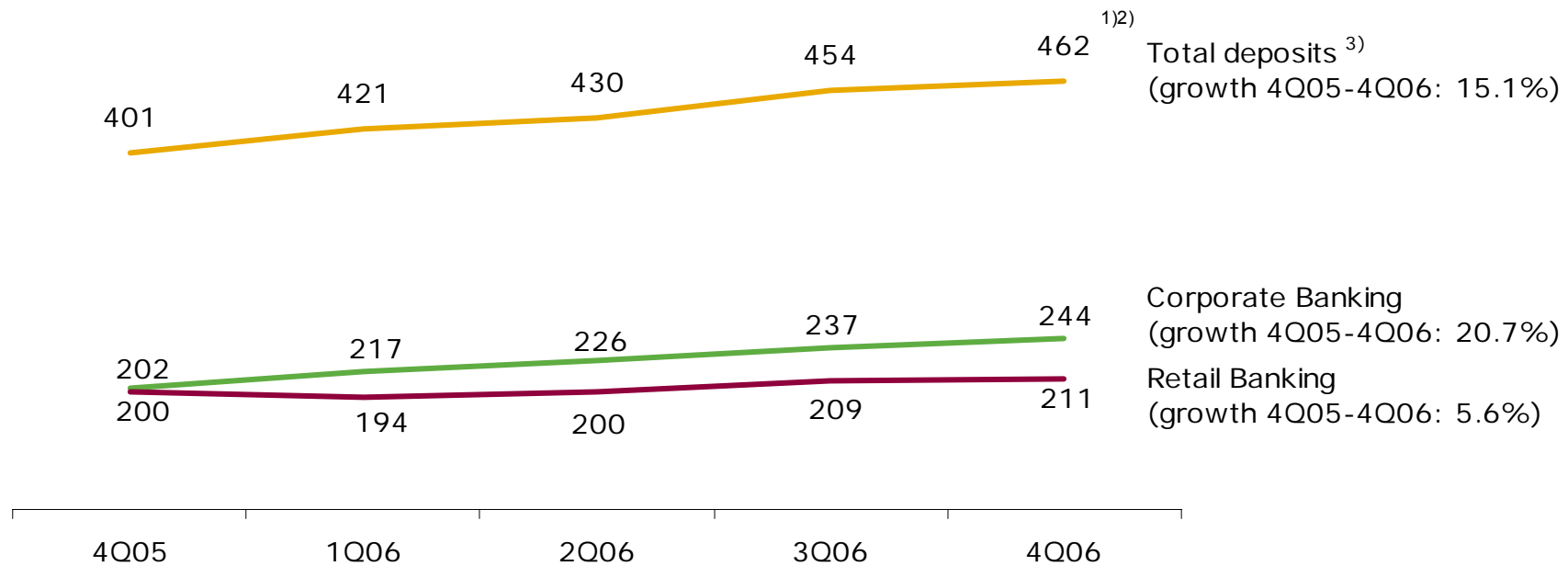


1) Of which DnB NORD and DnB NOR Monchebank: NOK 36 billion  
 Excluding DnB NORD and DnB NOR Monchebank: NOK 777 billion (17.7% growth)  
 2) Based on nominal values excluding lending to/deposits with credit institutions and impaired loans

# Developments in average deposit volumes



NOK billion



- 1) Of which DnB NORD and DnB NOR Monchebank: NOK 12 billion  
Excluding DnB NORD and DnB NOR Monchebank: NOK 450 billion (12.0% growth)
- 2) Of which reduction due to inter-company items etc.: NOK 5 billion
- 3) Based on nominal values

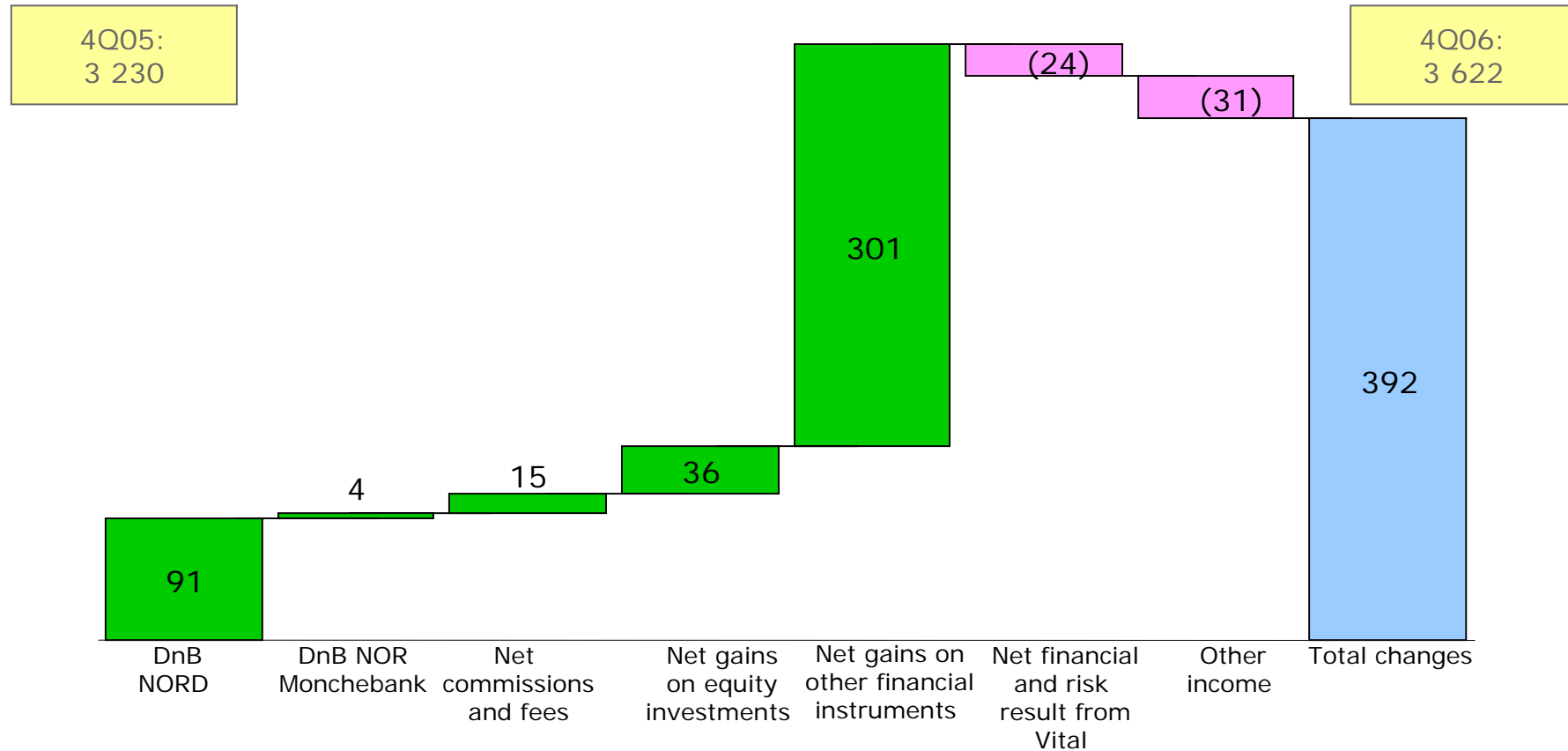


# Net other operating income

## - 4th quarter 2005 to 4th quarter 2006

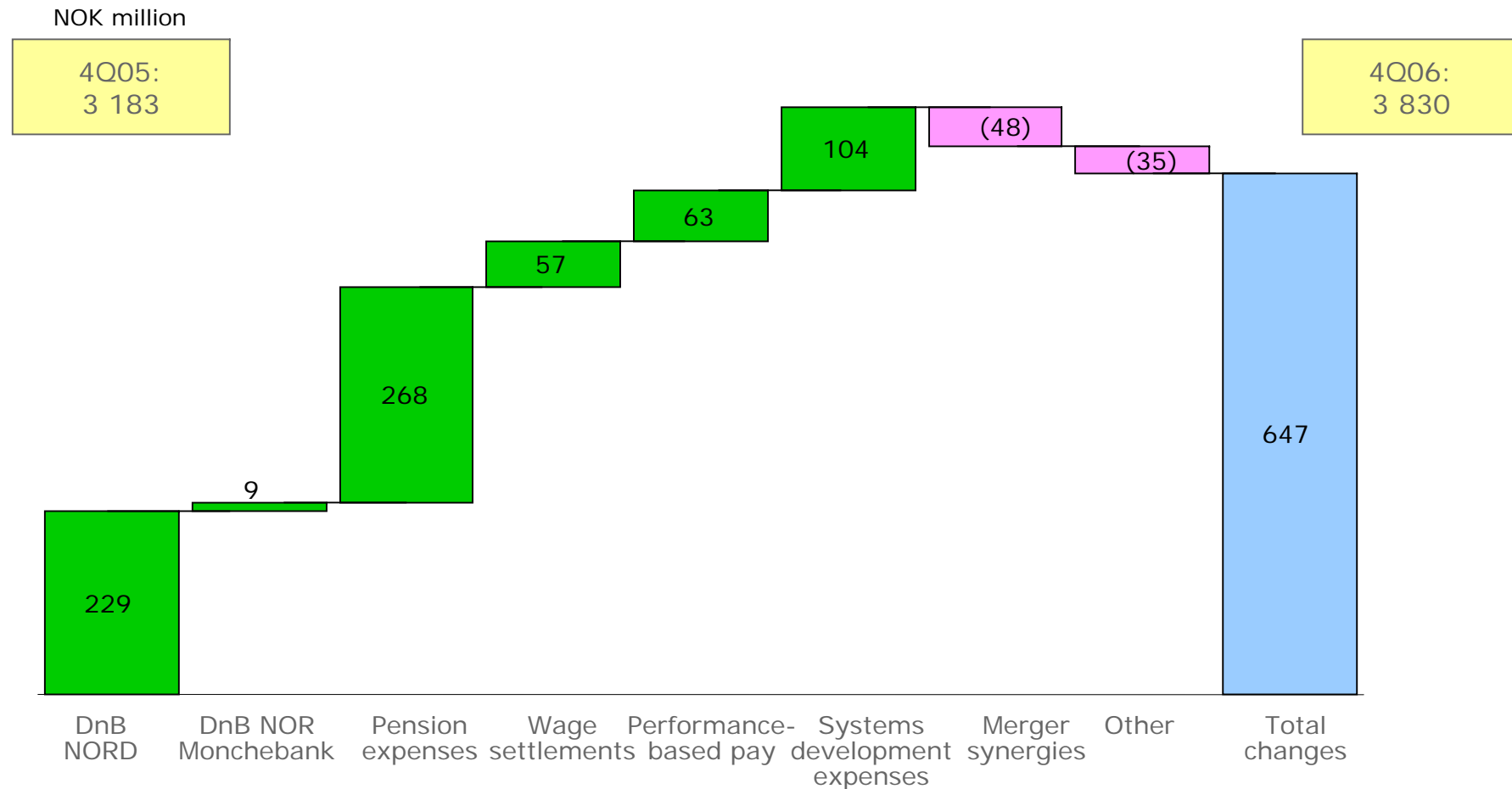


NOK million



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# Total ordinary operating expenses - 4th quarter 2005 to 4th quarter 2006



# Pension costs

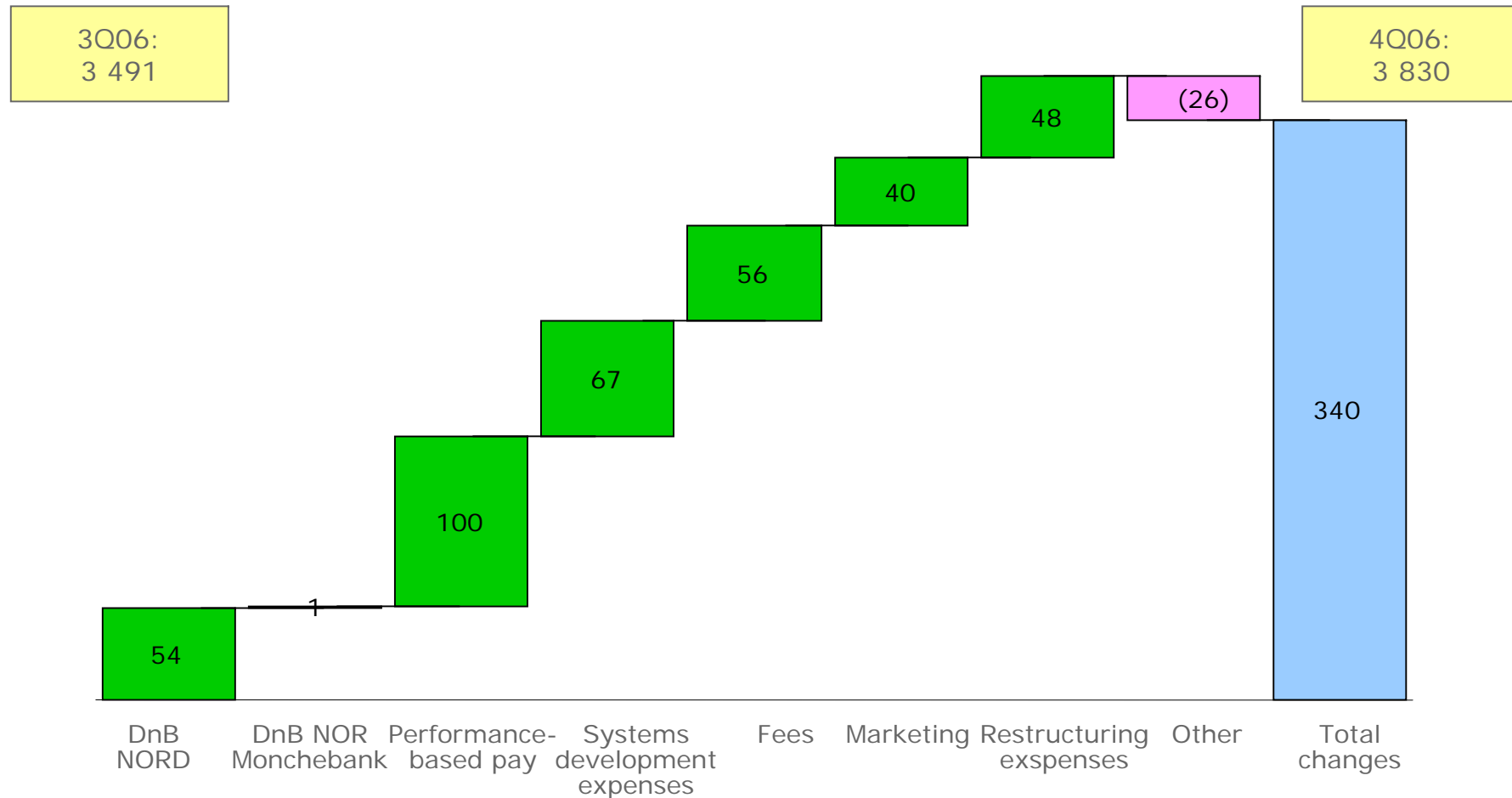


<i>Amounts in NOK million</i>	<b>4Q06</b>	3Q06	2Q06	1Q06	<b>4Q05</b>	<i>Full year</i>	<i>Full year</i>
						2006	2005
Regular pensions	<b>183</b>	201	182	156	<b>162</b>	722	690
Changes in pension schemes (one-time effect)					<b>(179)</b>		(322)
Changes in economic assumptions	<b>50</b>	47	47	47	<b>(19)</b>	191	32
<b>Total</b>	<b>233</b>	248	229	203	<b>(36)</b>	913	400

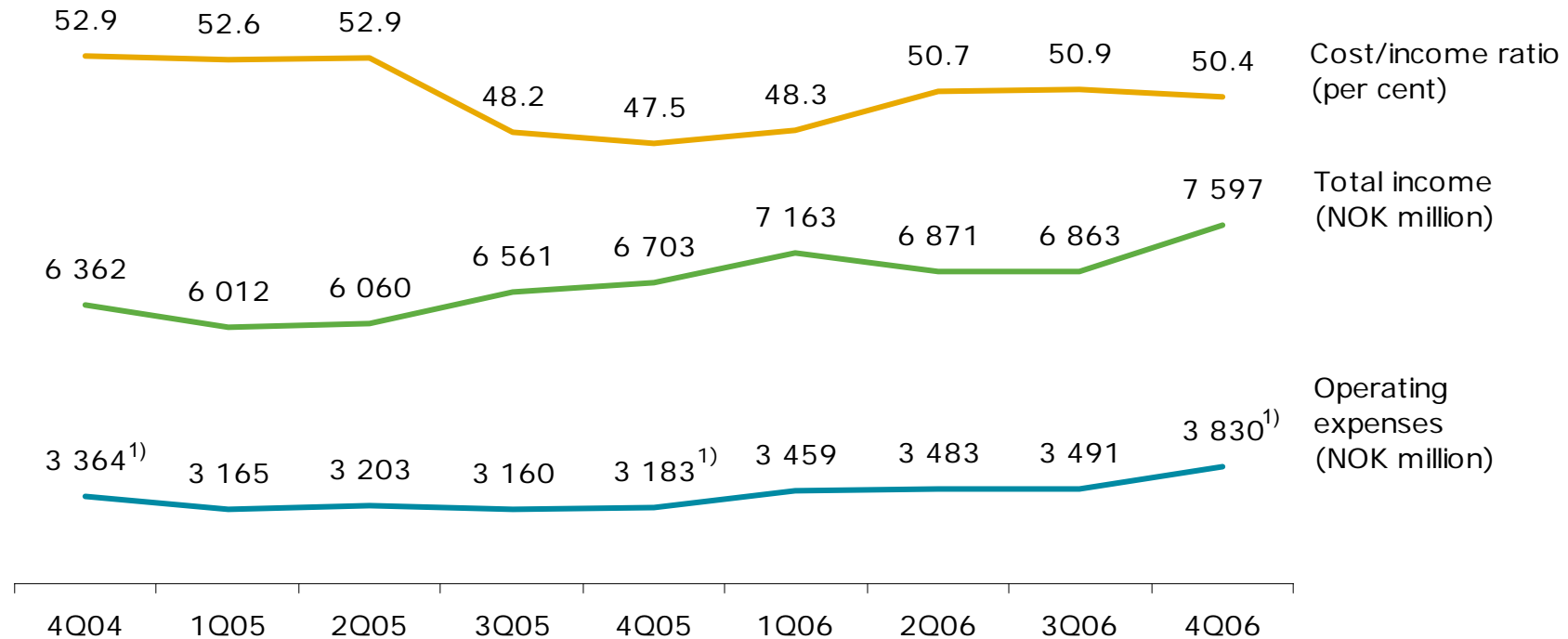
# Total ordinary operating expenses - 3rd to 4th quarter 2006



NOK million



# Cost/income ratio



1) Excluding allocations to employee funds

# Write-downs on loans and guarantees



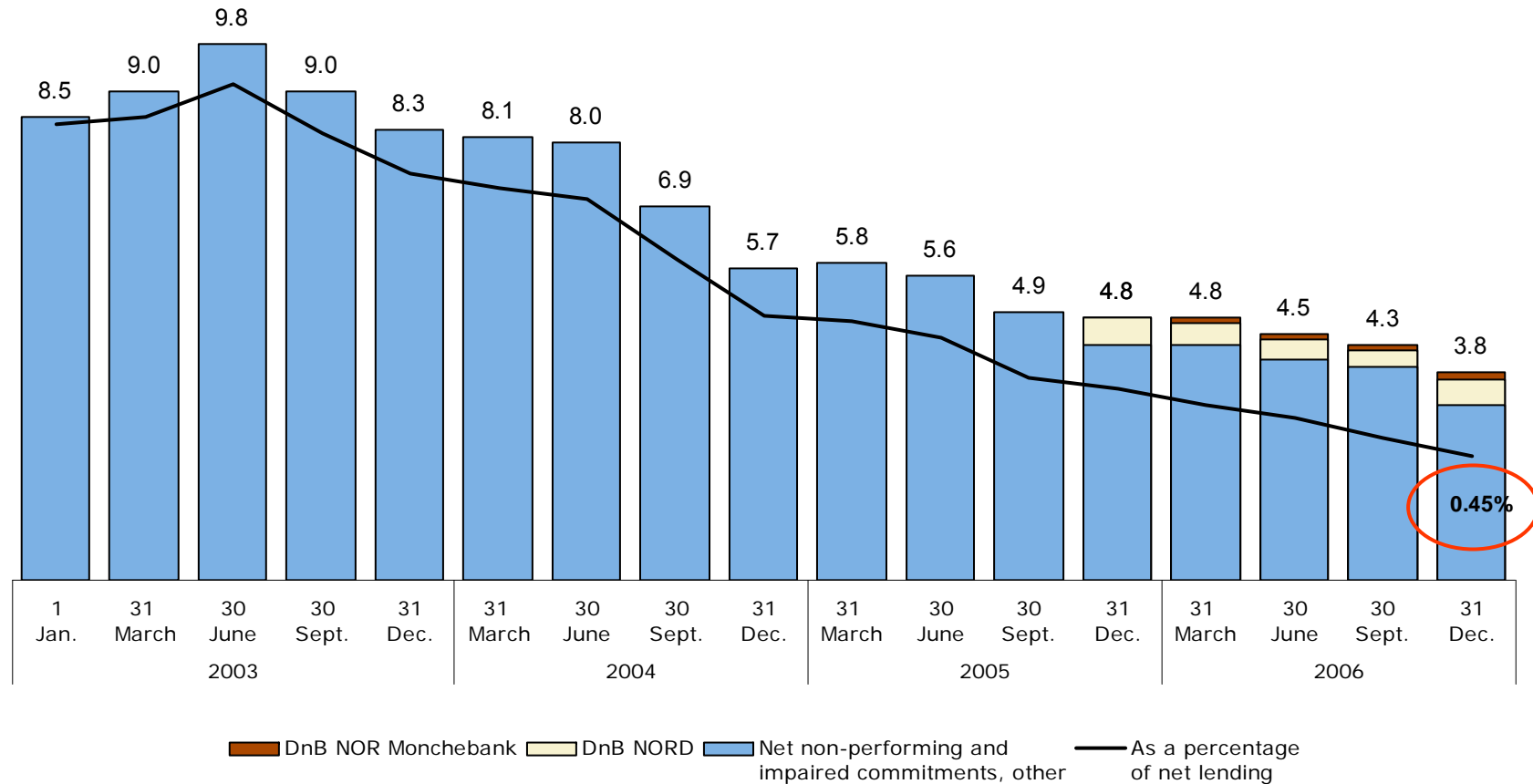
<i>Income statement</i>						<i>Full year</i>	<i>Full year</i>
<i>Amounts in NOK million</i>	<b>4Q06</b>	3Q06	2Q06	1Q06	<b>4Q05</b>	2006	2005
New individual write-downs	<b>225</b>	185	251	257	<b>44</b>	919	877
Reassessments and recoveries	<b>220</b>	160	193	186	<b>123</b>	759	643
Individual write-downs	<b>5</b>	25	58	71	<b>(79)</b>	160	234
Group write-downs on loans <sup>1)</sup>	<b>(21)</b>	(76)	(224)	(97)	<b>39</b>	(418)	(97)
Total write-downs	<b>(16)</b>	(51)	(165)	(26)	<b>(40)</b>	(258)	137

1) Figures are reclassified according to new accounting rules for guarantees

# Net non-performing and impaired commitments



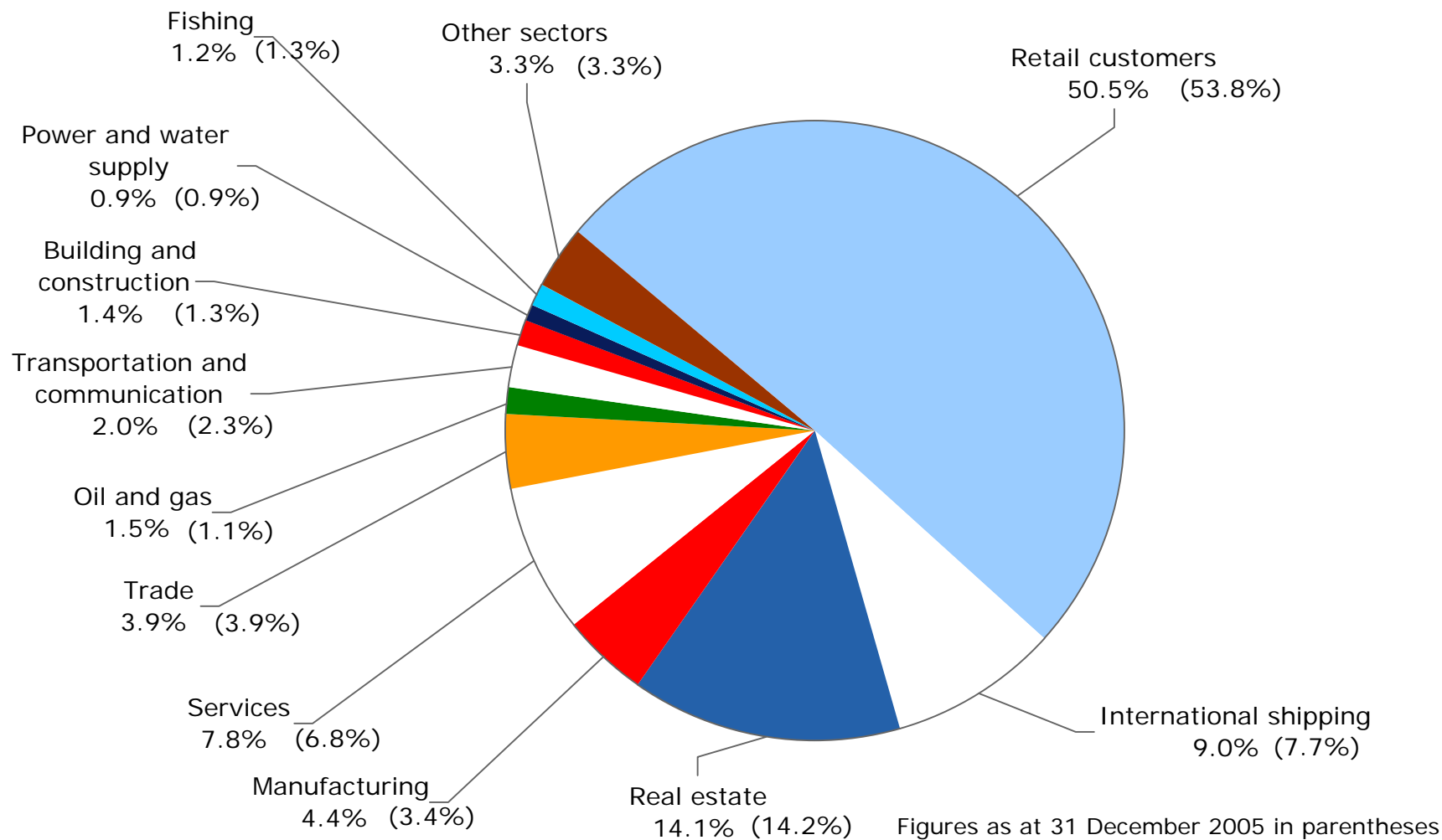
NOK billion



Pro forma accounting figures prior to 2005.

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# Loan portfolio as at 31 Dec. 2006





# Balance sheets

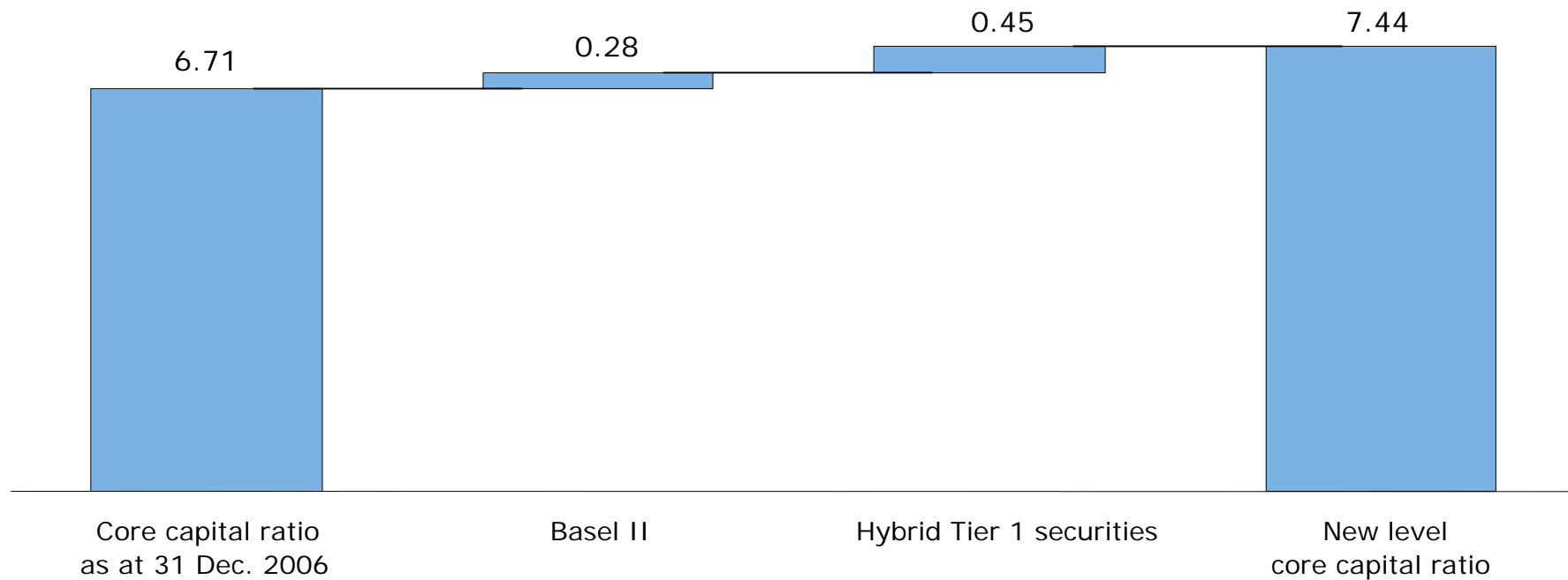


<i>Amounts in NOK billion</i>	<b>31 Dec. 2006</b>	<i>30 Sept. 2006</i>	<i>30 June 2006</i>	<i>31 March 2006</i>	<b>31 Dec. 2005</b>
Cash and lending to/deposits with credit institutions	<b>83</b>	85	104	71	<b>62</b>
Net lending to customers	<b>828</b>	802	765	728	<b>698</b>
Commercial paper, bonds etc.	<b>234</b>	224	216	208	<b>198</b>
Shareholdings, etc.	<b>53</b>	47	44	45	<b>37</b>
Fixed and intangible assets	<b>38</b>	37	35	35	<b>34</b>
Financial assets - customers bearing the risk	<b>19</b>	16	15	15	<b>13</b>
Other assets	<b>66</b>	57	43	37	<b>39</b>
<b>Total assets</b>	<b>1 320</b>	1 268	1 222	1 138	<b>1 081</b>
Loans and deposits from credit institutions	<b>124</b>	121	133	111	<b>108</b>
Deposits from customers	<b>475</b>	457	460	421	<b>411</b>
Borrowings through the issue of securities	<b>327</b>	316	282	262	<b>237</b>
Insurance liabilities - customers bearing the risk	<b>19</b>	16	15	15	<b>13</b>
Liabilities to life insurance policyholders	<b>188</b>	182	182	183	<b>175</b>
Other liabilities and provisions	<b>87</b>	76	60	57	<b>53</b>
Primary capital	<b>100</b>	99	91	90	<b>84</b>
<b>Total liabilities and equity</b>	<b>1 320</b>	1 268	1 222	1 138	<b>1 081</b>
Ratio of average deposits to average net lending, quarterly (per cent)	<b>56.2</b>	58.1	58.2	59.0	<b>60.1</b>
Risk-weighted volume	<b>880</b>	857	811	770	<b>714</b>

# Enhanced core capital – Basel II and hybrid Tier 1 securities



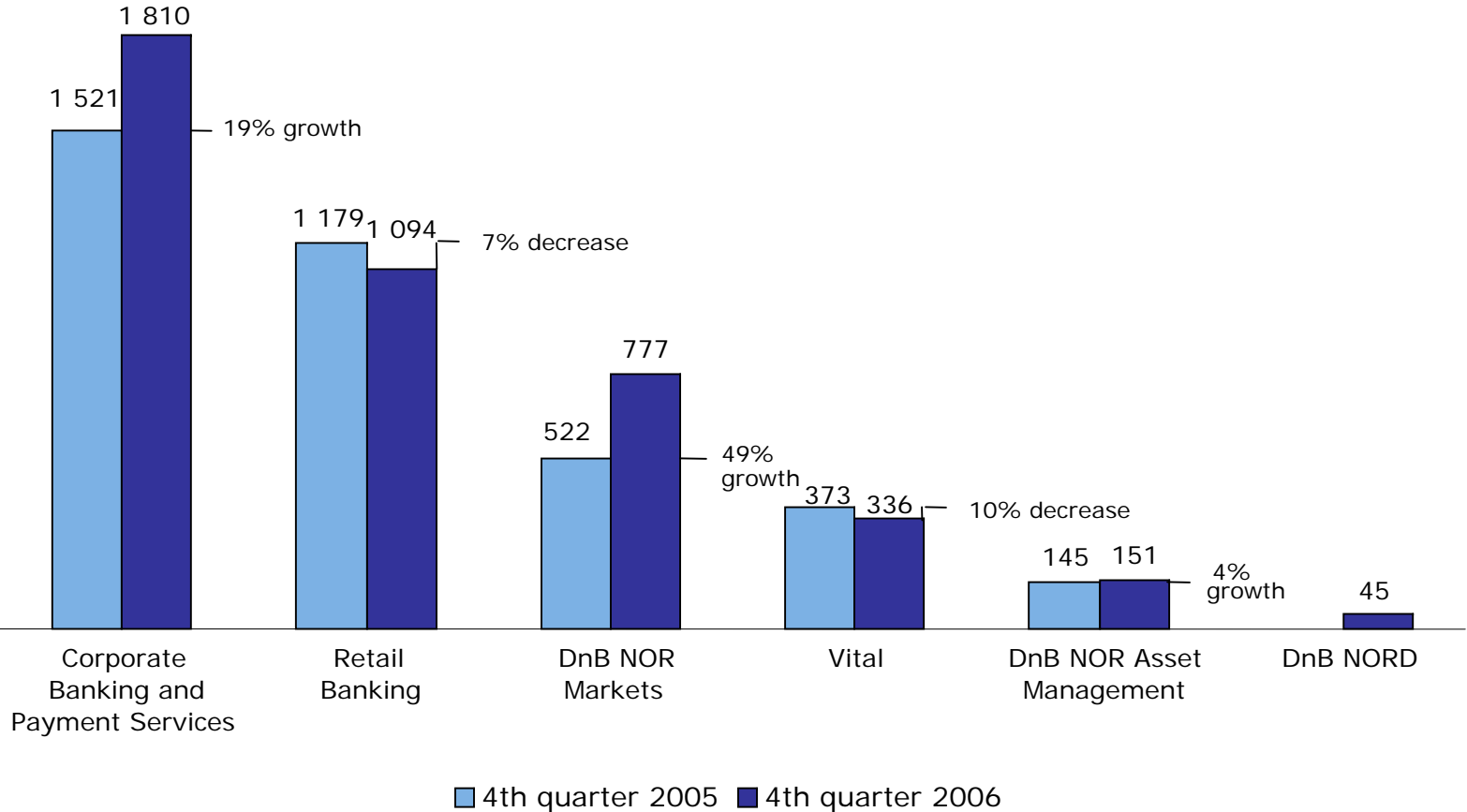
Core capital ratio in per cent



# Business area performance



Pre-tax operating profits in NOK million



# Corporate Banking and Payment Services

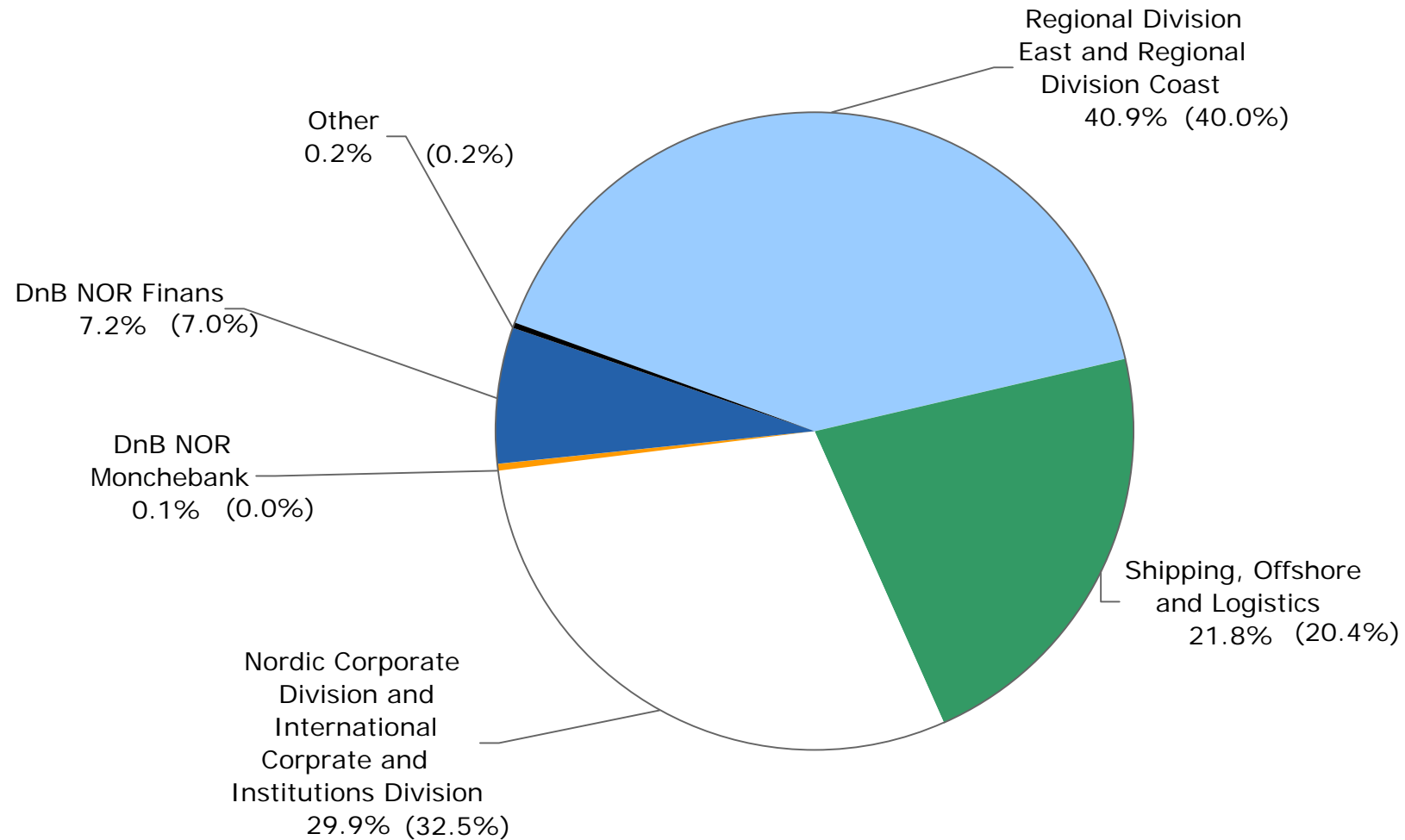


<i>Amounts in NOK million</i>	4Q06	4Q05
Net interest income - ordinary operations	1 777	1 474
Interest on allocated capital	256	147
Net interest income	2 033	1 621
Net other operating income	791	606
Total income	2 824	2 227
Operating expenses	1 050	868
Pre-tax operating profit before write-downs	1 774	1 359
Net gains on fixed and intangible assets	(4)	16
Write-downs on loans and guarantees	(39)	(145)
Pre-tax operating profit	1 810	1 521
Net lending to customers (NOK billion)	383	304
Deposits from customers (NOK billion)	257	216
Cost/income ratio (per cent)	37.2	39.0
Ratio of deposits to lending (per cent)	67.2	71.1
Return on capital BIS (per cent)	18.3	18.9

- Improving skills through the "SME Academy"
- Great improvement in customer satisfaction with customer service phone
- DnB NOR: World leader within syndicated shipping loans

# Corporate Banking and Payment Services

## – lending by division



Figures as at 31 December 2005 in parentheses

Loans to customers excluding credit institutions as at 31 December 2006

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# Retail Banking



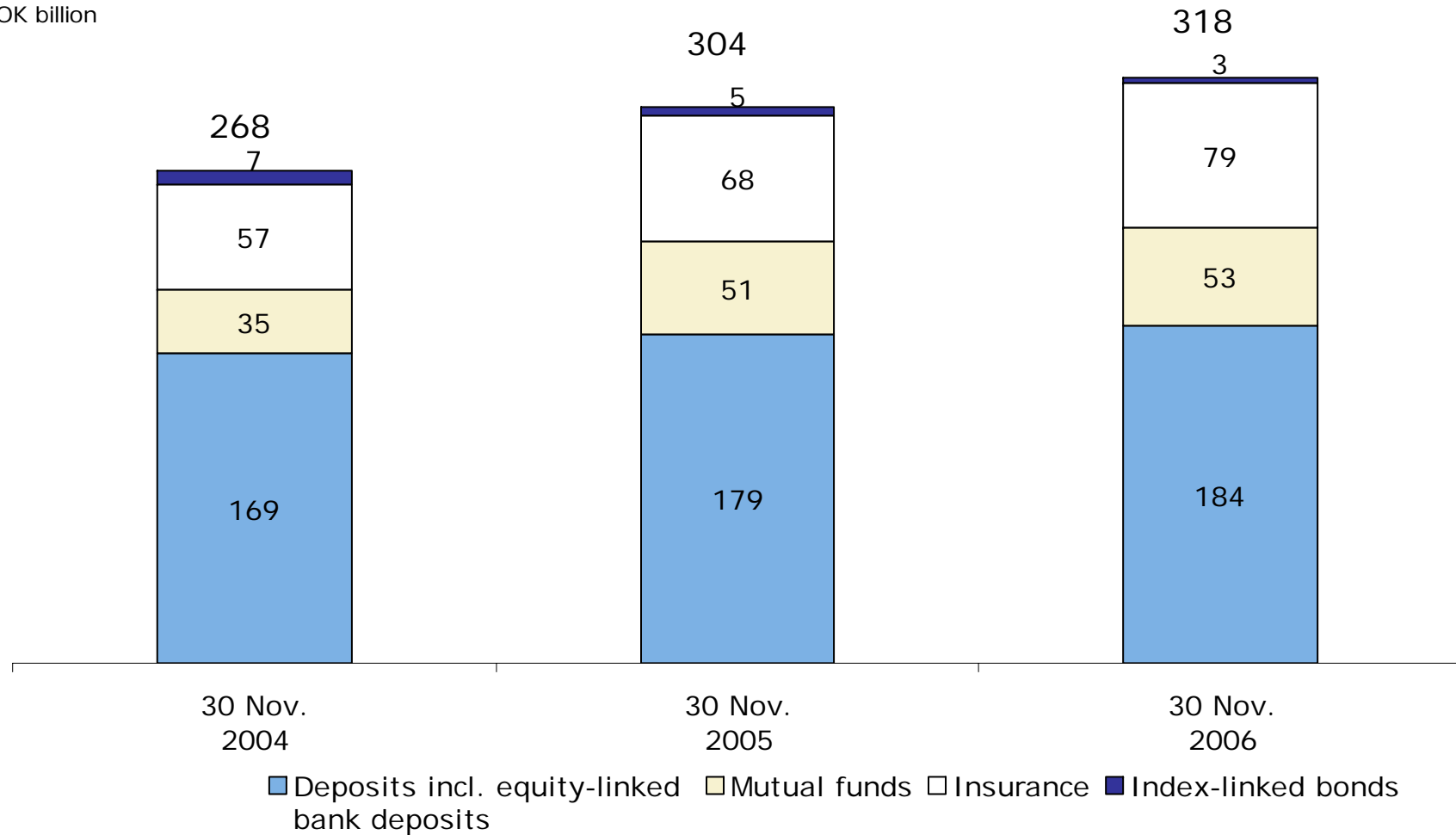
<i>Amounts in NOK million</i>	4Q06	4Q05
Net interest income - ordinary operations	1 718	1 894
Interest on allocated capital	129	82
Net interest income	1 847	1 976
Net other operating income	757	903
Total income	2 604	2 880
Operating expenses	1 551	1 634
Pre-tax operating profit before write-downs	1 054	1 246
Net gains on fixed and intangible assets	9	0
Write-downs on loans and guarantees	(32)	67
Pre-tax operating profit	1 094	1 179
Net lending to customers (NOK billion)	404	363
Deposits from customers (NOK billion)	211	200
Cost/income ratio (per cent)	59.5	56.7
Ratio of deposits to lending (per cent)	52.2	55.0
Return on capital BIS (per cent)	22.1	26.2

- New activities:
  - Postbanken Eiendom
  - Mobile bank
  - Non-life insurance
- The subsidiary DnB NOR Boligkreditt was established. Lending volume of NOK 23 billion

# Retail banking - household savings



NOK billion



# DnB NOR Markets



<i>Amounts in NOK million</i>	4Q06	4Q05
Net interest income - ordinary operations	57	64
Interest on allocated capital	30	14
Net interest income	87	78
Net other operating income	1 132	784
Total income	1 219	862
Operating expenses	443	340
Pre-tax operating profit	777	522
Cost/income ratio (%)	36.3	39.5
Return on capital BIS (%)	66.4	65.9

- Favourable market conditions and a high level of activity spurred growth
- High trading income
- Largest income increase from corporate finance and interest rate products

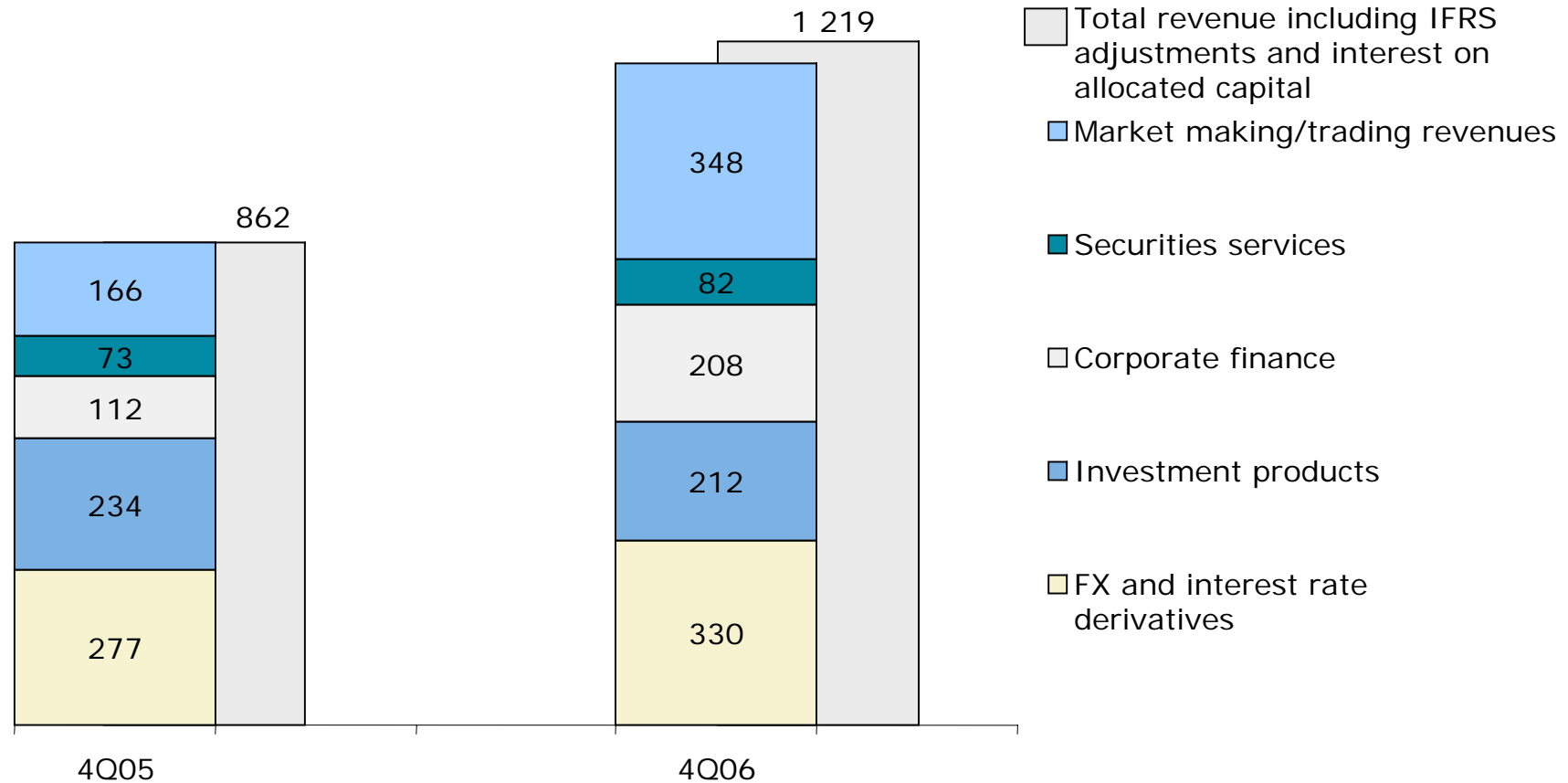


# DnB NOR Markets

## – high income levels in fourth quarter



NOK million



# Vital



<i>Amounts in NOK million</i>	4Q06	4Q05
Interest result	2 990	1 912
Risk result	45	53
Administration result	(12)	25
Transferred to security reserve	4	(2)
Profit in Vital before additional allocations	3 020	1 991
Transferred to additional allocations	2 740	1 500
Profit for distribution in Vital	280	491
Funds transferred to policyholders	(51)	118
+ Reversal of goodwill amortisation	5	0
Pre-tax operating profit	336	373
Taxes	(765)	(306)
Profit after taxes	1 101	679
Total assets (NOK billion) <sup>1)</sup>	224	203
Return on capital (per cent) <sup>2)</sup>	48.7	31.3

1) Assets at end of period

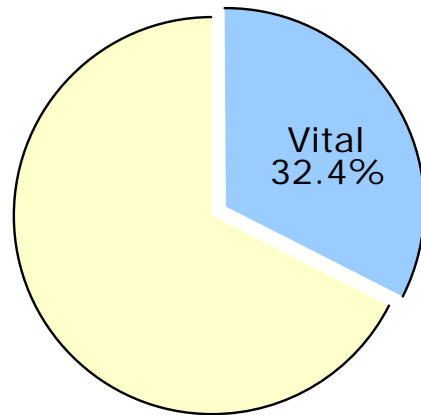
2) Calculated based on recorded equity

- Strong returns in fourth quarter 2006:
  - Value-adjusted 3.6%
  - Recorded 2.6%
- NOK 4.7 billion increase in additional allocations and the securities adjustment reserve in fourth quarter 2006
- Launch of employer's liability insurance in the corporate market

# Vital – largest player in mandatory occupational pension market <sup>1)</sup>



Number of mandatory occupational pension members



- 14 500 mandatory occupational pension agreements encompassing 200 000 members
- Annual deposits: NOK 770 million
- More than 40% of mandatory occupational pension agreements sold via the bank channel

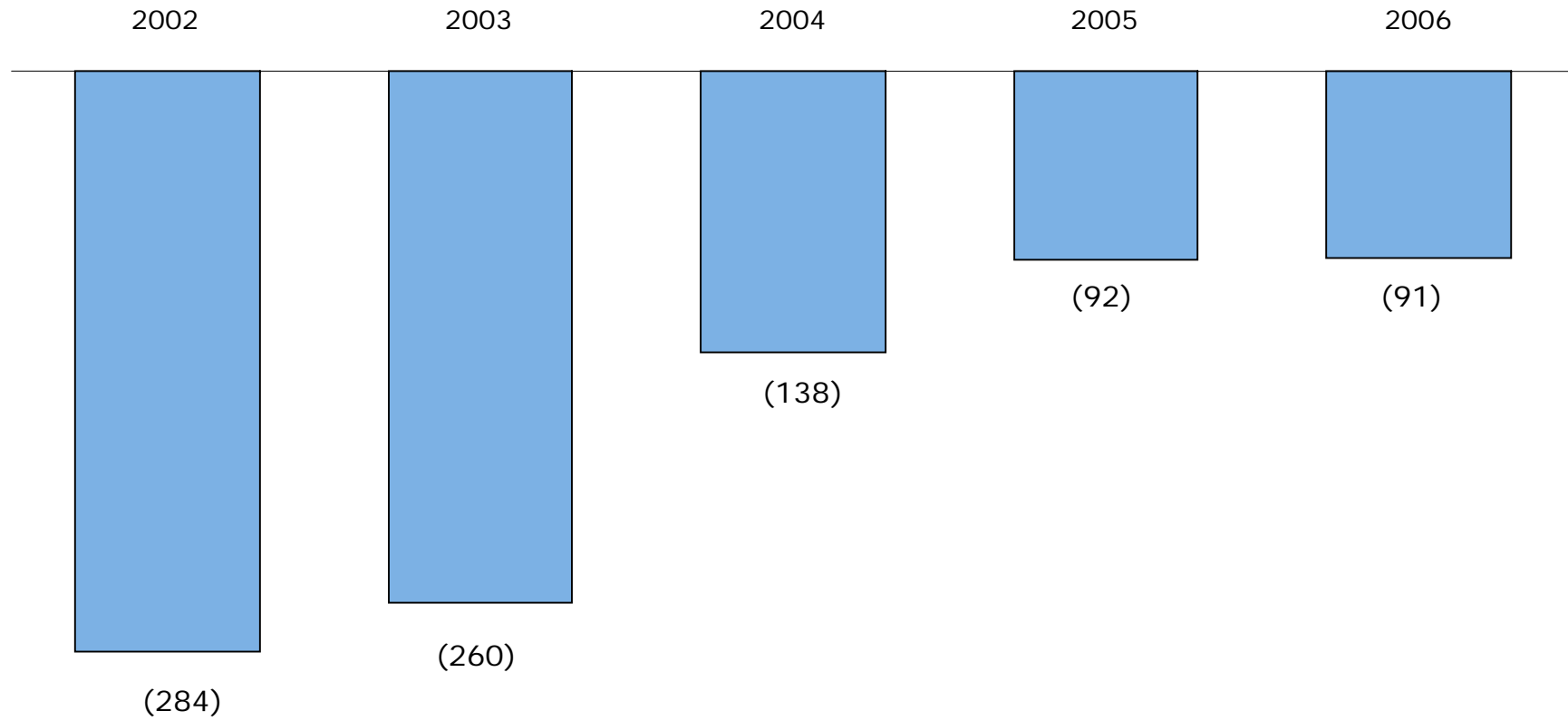
1) Figures at year-end 2006

Source: The Norwegian Financial Services Association (FNH) and DnB NOR

# Vital – administration result



NOK million



# DnB NOR Asset Management



<i>Amounts in NOK million</i>	4Q06	4Q05
Net interest income - ordinary operations	0	(19)
Interest on allocated capital	16	8
Net interest income	16	(10)
Net other operating income	319	302
Total income	335	292
Operating expenses	184	147
Pre-tax operating profit before write-downs	151	145
Assets under management (NOK billion) <sup>1)</sup>	542	530
Assets under management (NOK billion) <sup>2)</sup>	549	549
Cost/income ratio (per cent)	55.0	50.4
Return on capital (per cent) <sup>3)</sup>	25.0	31.7

- The best quarterly results ever
- Rise in performance fees and greater share of equity funds
- Number of savings schemes up 11 000 to 302 000
- Sound asset management performance for customers

1) Average assets for the period

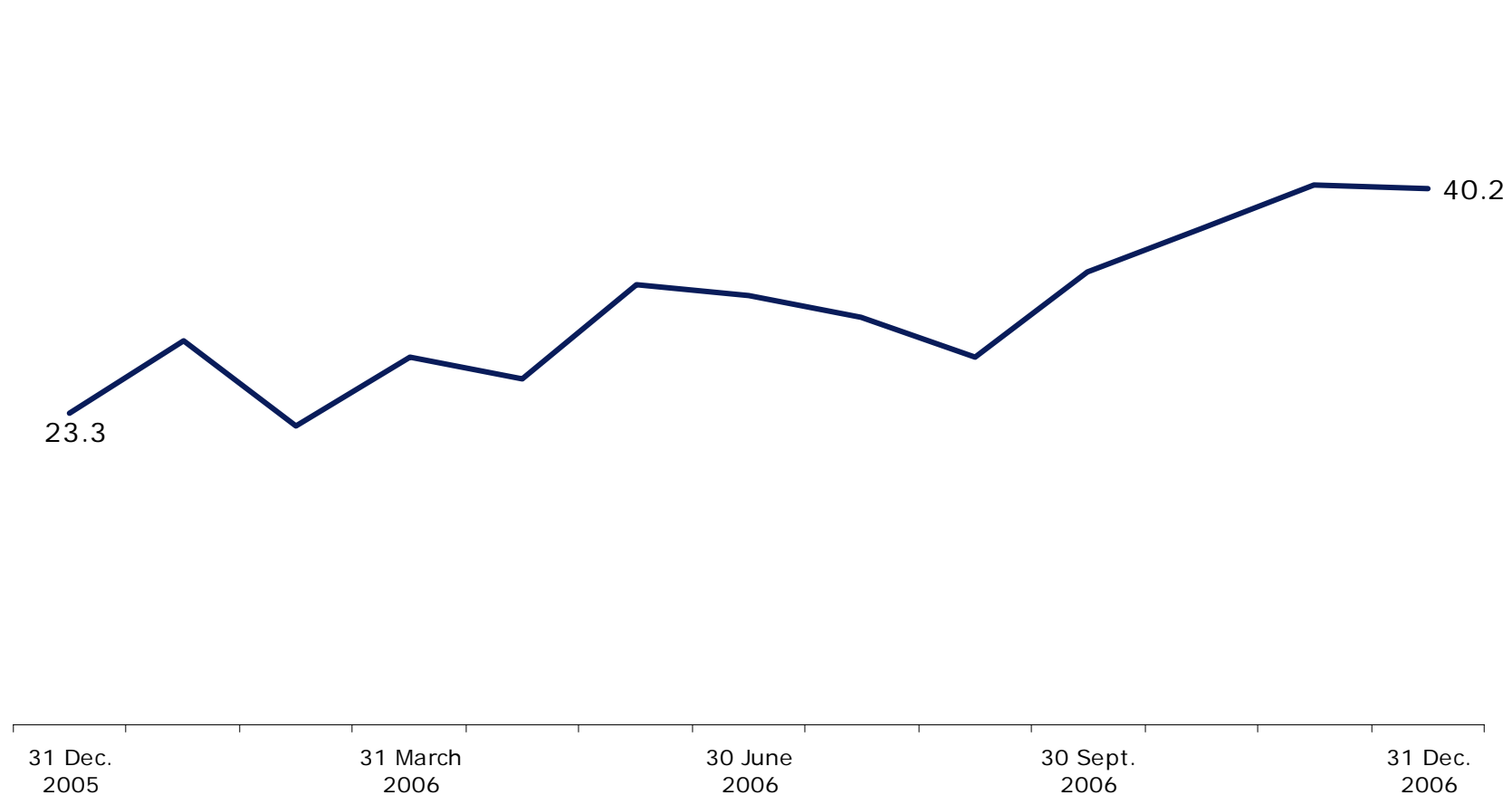
2) Assets at end of period

3) Calculated on the basis of recorded equity

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# DnB NOR Asset Management – percentage of funds with 4 or 5 stars from Morningstar

Per cent



# DnB NORD

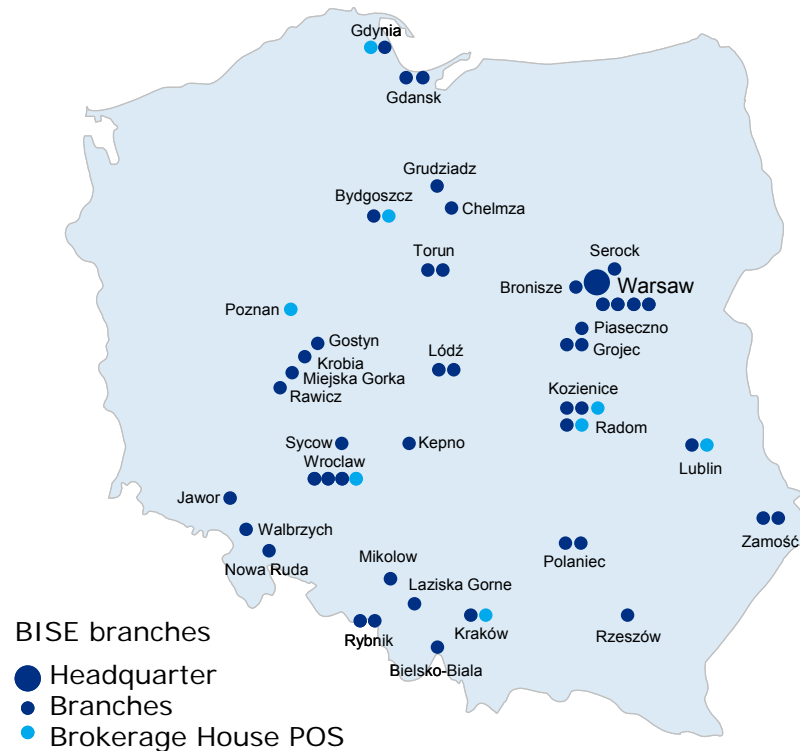


<i>Amounts in NOK million</i>	<i>4Q06</i>	<i>Pro forma 4Q05</i>
Net interest income - ordinary operations	197	124
Interest on allocated capital	23	8
Net interest income	220	132
Net other operating income	91	65
Total income	311	196
Operating expenses	229	176
Pre-tax operating profit before write-downs	82	20
Net gains on fixed and intangible assets	2	0
Write-downs on loans and guarantees	38	4
Pre-tax operating profit	45	16
Net lending to customers (NOK billion) <sup>1)</sup>	38	23
Deposits from customers (NOK billion) <sup>1)</sup>	13	13
Cost/income ratio (per cent)	73.6	89.6
Ratio of deposits to lending (per cent) <sup>1)</sup>	33.7	53.8
Return on capital BIS (per cent)	5.7	5.0

- Ranked financial institution of the year in Denmark within property financing
- Sound portfolio quality
  - 97% in category 6 or better
  - balanced portfolio
- Strong lending growth
  - Latvia 106%
  - Lithuania 67%
  - Other 17%
- Acquisition of BISE Bank in Poland

1) Balances at end of period

# DnB NORD - BISE Bank



- Acquisition of BISE Bank

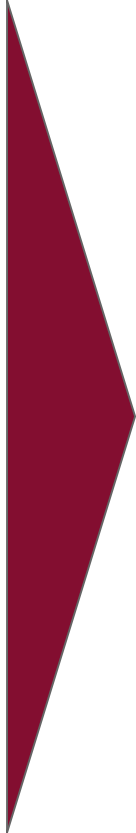
- close to 6 000 SME customers, 0.7% market share
  - distribution network with 46 branches
  - loans of EUR 380 million and deposits of EUR 536 million
- 
- Preliminary agreement to purchase 76.3% of the shares – aiming for 100%



# Sound basis for continued growth



- **Strong economic expansion** in Norway
  - Growth will continue, but somewhat more subdued than in 2006
  - Inflation will be low, but labour costs will increase
  - Rising interest rate levels
- Higher **customer** requirements and expectations – nationally and internationally
- Intense **competition** within all product areas in all markets



*To be among the leading financial services groups in the Nordic region, we must continually improve our products and solutions*

We will further develop our platform



- Maximum utilisation of **scale and scope**
- Robust and targeted **international growth**
- Improve **productivity and cost awareness** at all levels
- Enhance **employee and customer satisfaction**

DnB NOR – a local presence and a full range of services are our strengths



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