



Directors' report 2005 – DnB NOR Bank ASA

In accordance with the provisions of the Norwegian Accounting Act, the Board of Directors confirms that the accounts have been prepared on a going concern basis.

Operations in 2005

DnB NOR Bank Group ¹⁾, hereinafter called "the banking group", showed healthy growth and good financial performance in 2005. There was a rise in income in spite of intensified competition, while operating expenses were scaled down in line with the banking group's integration process targets. Integration efforts progressed well, and synergies were realised ahead of schedule. There was sound quality in the loan portfolios, and the banking group recorded net reversals on losses on loans and guarantees.

There was a very high level of customer activity and brisk sales in the banking group throughout 2005, resulting in high lending growth in both the retail and corporate markets. During 2005, DnB NOR Bank became one of the world's largest shipping banks.

In recent years, competition has

increased considerably in the housing finance market. In response to this competition, the DnB NOR Boligkreditt AS was established in 2005. When new legislation is in place during 2006, the company will be able to reduce the funding costs for the banking group's housing loan portfolio in international financial markets through the issue of covered bonds, which will benefit both customers and shareholders.

There was a substantial increase in customer deposits in the banking group in 2005, reflecting good liquidity in the business sector and a high household savings ratio.

The credit rating agency Standard and Poor's upgraded its long-term credit rating for DnB NOR Bank ASA from A to A+ in 2005. The upgrading reflects, among other things, the successful implementation of the merger process between DnB and Gjensidige NOR, entailing lower funding costs for the banking group.

In 2005, DnB NOR and Norway Post entered into a new agreement to offer services in the postal network from 2006 to 2012. The agreement entered into force on 1 January 2006 and was a continuation of the agreement between DnB NOR and Norway Post.

In 2005, the banking group reinforced its future growth platform by expanding its international presence. DnB NOR Bank and

Norddeutsche Landesbank, NORD/LB, decided to establish a jointly-owned operation in the Baltic region, DnB NORD, with 130 branches in Finland, Denmark, Estonia, Latvia, Lithuania and Poland. DnB NOR Bank owns 51 per cent of the new bank, which is headquartered in Copenhagen. As part of the agreement, DnB NOR Bank took over the Swedish operations of NORD/LB in the third quarter of 2005 and thereby doubled banking operations in Sweden.

During 2005, DnB NOR Bank entered into an agreement to acquire Monchebank in Russia, and will open a full-service branch in Shanghai and an office in Houston in 2006. These investments give the banking group a future growth potential in interesting markets and segments.

Integration in the banking group progressed smoothly during 2005. The process is followed closely by DnB NOR Bank's Board of Directors and management. Merger plans included staff cuts of 1 425 full-time positions and cost synergies of NOK 1 600 million in the banking group, with full effect as from 2007. On an annualised basis, the cost synergies achieved in the fourth quarter of 2005 represented NOK 1 504 million or 94 per cent of the target set for 2007. At year-end 2005, the number of full-time positions had been cut back by 1 234 or 87 per cent of the final target for 2007.

¹⁾ DnB NOR Bank ASA is a subsidiary of DnB NOR ASA and part of the DnB NOR Group. The DnB NOR Bank Group, hereinafter called "the banking group", comprises the bank and the bank's subsidiaries. Other companies owned by DnB NOR ASA, including Vital Forsikring and DnB NOR Kapitalforvaltning, are not part of the banking group. Operations in DnB NOR ASA and the total DnB NOR Group are not covered in this report but described in a separate report and presentation.

The process of re-profiling the branch network was completed in 2005 and all branches now sport the new DnB NOR image. As a further measure to improve customer service, DnB NOR introduced a central switchboard number and an integrated Internet bank in 2005. In addition, the sales and credit support systems in the two merger banks were merged in an integrated customer system.

Risk measurement is a field subject to constant change. During 2004-2005, DnB NOR completed an extensive project to improve risk measurement in the Group, to provide, among other things, a good basis for adapting to the new capital adequacy regulations, Basel II. In the third quarter of 2005, DnB NOR sent an application to Kredittilsynet for permission to use internal measurement methods, IRB, for credit risk to calculate the Group's capital adequacy according to the new regulations from 2007.

The banking group's core capital ratio was 7.7 per cent at year-end 2005. The Board of Directors considers the banking group to be very well capitalised relative to the risk level of the loan portfolios and other operations.

In 2005, special corporate social responsibility guidelines were drawn up for credit operations and for equity investments, taking ethical, environmental and social aspects into consideration in investing and lending.

To secure high professional competence and ethical standards in its customer advisory services, DnB NOR has started a programme of certification of its financial advisers in the business area Retail Banking. In 2006, a process was initiated to certify all employees who are primarily engaged in advising retail customers.

During the year, the Board of Directors held 28 meetings and the banking group's future strategies and structure were extensively discussed and evaluated. The Audit Committee, which also functions as the bank's Audit Committee held five meetings in 2005. The committee reviewed the quarterly and annual accounts, risk reporting and the work of the internal and statutory auditors.

The Board wishes to thank all of the banking group's employees for their positive contributions throughout 2005, a year characterised by strong competition, a high level of customer activity and growth, good financial performance, large-scale restructuring of operations, as well as progress in the integration that was ahead of schedule at the end of the year. The employees have shown great commitment

and the ability to adapt in a challenging year

Strategy

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

- DnB NOR will be customers' best financial partner and will meet their needs for financial solutions.

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

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

The Group's international growth will be based on comparative advantages in the form of either competence within various customer segments and industries, special product expertise or established relationships where it is logical to accompany customers expanding outside Norway.

DnB NOR is the preferred partner for international customers doing business in Norway.

DnB NOR has a strong position within asset management in the Nordic region, and Sweden is defined as part of the Group's home market. The acquisition of NORD/LB's Swedish operations is part of the expansion in this region.

The Group holds a leading position within international shipping. DnB NOR also has strong expertise and an international presence in other sectors, such as energy and fisheries. The purchase of the Russian bank Monchebank, headquartered in Murmansk, is in line with DnB NOR's stated international strategy. There is a high level of activity in the energy, fisheries and shipping sectors in Murmansk and the Barents region, which correspond to DnB NOR's international priority areas.

The Baltic states and Poland are important markets experiencing strong

growth, and an increasing number of DnB NOR's customers are establishing operations in this area. Thus, the creation of DnB NORD, which is owned 51 per cent by DnB NOR Bank and 49 per cent by NORD/LB, is an important strategic initiative in accompanying customers into one of Europe's most dynamic regions. DnB NORD has taken over NORD/LB's operations in Estonia, Latvia, Lithuania and Poland and will consequently have a strong market position from the start, with 130 branches, approximately 1 700 employees and a position as the third largest bank in Lithuania and the fourth largest in Latvia.

A common value base and culture are prerequisites for creating a uniform DnB NOR image in the market. The Group's shared values, team spirit, simplicity and value creation, describe what should distinguish the organisation and work processes both internally and in relation to customers. The Group's strategic platform forms the foundation and under the heading "This is the way we do things", units throughout the Group have defined what the Group's business idea and values mean for each unit and employee. Values are also reflected in the leadership principles and in how the Group's brands will be projected in the market.

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

- A return on equity above 15 per cent
- A cost/income ratio below 50 per cent by 2008
- A core capital ratio of minimum 7 per cent
- Approximately 50 per cent of annual profits should be distributed as dividends, provided that capital adequacy remains at a satisfactory level
- DnB NOR Bank ASA's ratings for ordinary long-term debt should be maintained at an Aa level according to Moody's

Review of the annual accounts

The banking group recorded pre-tax operating profits before losses of NOK 10 140 million in 2005, up NOK 896 million or 9.7 per cent compared with 2004. Profits for the year totalled NOK 7 327 million, an increase of NOK 541 million or 8 per cent from the previous year. Return on equity was 18.7 per cent in 2005, compared with 19.4 per cent in 2004. The cost/income ratio was 53.1 per cent in 2005 and 57.6 per cent in 2004.

Income

Income totalled NOK 21 642 million, a decrease of NOK 146 million or 0.7 per cent from 2004.

Net interest income

Net interest income was NOK 13 401 million in 2005, a rise of NOK 25 million compared with 2004. Adjusted for the sale of operations in Elcon, however, net interest income increased by NOK 263 million.

Growth in average lending and deposit volumes of NOK 59 billion and NOK 35 billion, or 10.4 and 9.9 per cent, respectively from 2004, boosted net interest income by NOK 1 169 million in 2005. Compared with 2004, the combined spread contracted by 0.16 percentage points, bringing down net interest income by NOK 889 million in 2005. No levies were paid to the Norwegian Banks' Guarantee Fund in 2005. In 2004, levies of NOK 269 million were paid. Other balance sheet items, including the net interest income on problem commitments, reduced net interest income by NOK 286 million.

Net other operating income

Net other operating income totalled NOK 8 241 million in 2005, down NOK 171 million from 2004. When adjusted for gains on the sale of subsidiaries in 2004, net other operating income showed an increase of NOK 1 086 million. Net commission income rose by NOK 497 million. The increase was primarily attributable to securities trading, corporate finance activity and the sale of insurance products. Net gains on foreign exchange and financial instruments rose by NOK 491 million. Sundry ordinary operating income, such as the share of profits in associated companies, was down NOK 92 million, while gains on the sale of fixed assets were up NOK 190 million.

Operating expenses

Operating expenses totalled NOK 11 502 million in 2005, a reduction of NOK 1 042 million from 2004. The cost cuts were achieved in spite of the banking group's strong expansion in Norway and abroad.

The reduction was mainly a result of synergy gains of NOK 670 million and cut-back in pension costs due to changes in the pension scheme for employees by NOK 247 million. In addition, the 2004 accounts included restructuring provisions of NOK 805 million.

Wage settlements resulted in an increase in costs of NOK 116 million in 2005. Performance-based pay rose by NOK 201 million, overtime pay by NOK 75 million and commissions by NOK 52 million compared with 2004. Marketing expenses rose by

NOK 73 million, while other expenses, such as losses on the sale of fixed assets and write-downs on rental contracts increased by NOK 163 million.

Loan-loss provisions and non-performing commitments

In consequence of low interest rate levels and the healthy financial position of households and the business sector, combined with sound quality in loan portfolios, the banking group recorded net reversals on losses on loans and guarantees in 2005. Net reversals amounted to NOK 42 million in 2005, of which new losses and loan-loss provisions amounted to NOK 900 million while reversals on previous losses and loan-loss provisions totalled NOK 942 million. The corresponding figure for 2004 was NOK 167 million in net losses, of which new losses and loan-loss provisions amounted to NOK 1 403 million and reversals on previous losses and loan-loss provisions NOK 1 236 million.

After deductions for specified provisions, net non-performing and doubtful commitments, came to NOK 4 571 million at year-end, a reduction of NOK 1 403 million from year-end 2004. Net non-performing and doubtful commitments represented 0.68 per cent of net lending as at 31 December 2005, compared with 1.03 per cent a year earlier. Including DnB NOR, which was incorporated in the banking group's accounts as at 31 December 2005, net non-performing and doubtful commitments came to NOK 5 240 million at year-end.

Net gains on long-term securities

Net gains on investments in long-term securities amounted to NOK 203 million in 2005. The amount was largely attributed to the sale of ownership positions in Brazilian companies.

Taxes

The banking group's tax charge for 2005 was NOK 3 058 million, representing 29.4 per cent of pre-tax operating profits. In 2004, the tax charge was NOK 2 397 million or 26.1 per cent of pre-tax operating profits. The high tax rate in 2005 was due to variations in the basis of calculation. The banking group anticipates a future normalised tax level of 27 per cent.

Balance sheet

Total assets in the banking group's balance sheet were NOK 860 billion at year-end 2005 and NOK 712 billion a year earlier.

Net lending to customers rose by NOK 96 billion or 14.3 per cent in 2005, excluding DnB NOR, with NOK 36 billion

and NOK 60 billion referring to the retail and corporate markets respectively. The rise in lending to retail customers mainly represented well-secured housing loans. The loan portfolio of DnB NOR totalled NOK 19 billion at end-December 2005.

Customer deposits rose by NOK 48 billion or 11.8 per cent in 2005, excluding deposits in DnB NOR. Customer deposits in DnB NOR totalled NOK 10 billion at year-end 2005. The ratio of customer deposits to net lending to customers was maintained at a satisfactory level, standing at 60.6 per cent at end-December 2005, down from 62.4 per cent a year earlier.

The increase in customer deposits was not sufficient to finance the rise in the banking group's total assets. A significant share of the banking group's operations is funded through lending in Norwegian and international capital markets. Securities issued by the banking group represented NOK 237 billion at end-December 2005, an increase of NOK 44 billion or 23.0 per cent.

Risk

The macroeconomic climate had a favourable impact on operations in 2005. Oil prices rose significantly parallel to very strong growth in the Norwegian and international economy. Inflation and interest rate levels remained low. The energy-dominated Oslo Børs climbed by a good 40 per cent in 2005, and petroleum investments rose. The Norwegian krone rate remained stable against the euro, but depreciated against the US dollar. Thus, exchange rate movements bolstered the competitiveness of the Norwegian business sector.

There was increasing credit demand during 2005. The second half of the year saw a significant rise in corporate lending, especially in the shipping and offshore sectors. The bank participated in various acquisition financings, the majority of which were initiated by private equity funds. DnB NOR Bank primarily took part in financings where the bank had good knowledge of the acquired company. There was steady, high growth in housing loans throughout the year. Due to favourable macroeconomic parameters, credit quality was sound and stable. 2005 was a good year for the fish farming industry, and prices remained at a satisfactory level. The bank's risk exposure to this industry was reduced through the sale of shares in Pan Fish and other fish farming companies in which the bank had holdings due to the conversion of debt to equity in previous years.

Market risk remained at a low, stable level throughout the year. However, the risk associated with equity investments was reduced significantly while there was a

moderate rise in risk both in the trading portfolio and for interest rate instruments in the banking portfolio. One of the reasons for this was the inclusion of DnB NOR as at 31 December 2005. Nevertheless, DnB NOR has low limits for position-taking in the interest rate and foreign exchange markets. The low risk level reflects the fact that approximately NOK 300 million in risk-adjusted capital referred to such positions in the trading portfolio. Equity risk was reduced through the sale of a number of equity holdings, which included the sale of ownership positions in Brazilian companies and in Storebrand. Equity investments excluding subsidiaries and associated companies totalled approximately NOK 2 billion as at 31 December 2005.

Operational and business risk remained stable during 2005. As of 1 January 2005, systematic registration and quantification of operational errors and losses was introduced in the banking group. In consequence of this, management's awareness of operational risk increased and efforts to reduce such risk were stepped up. The banking group recorded no major operational losses in 2005, though there were certain operational disruptions linked to the group's IT systems which caused inconvenience for the banking group's customers. A number of measures were introduced to secure operational stability. The integration of IT systems in the wake of the merger has still not been completed and continues to represent operational risk.

Risk-weighted volume included in the calculation of the capital adequacy requirement rose by 20.3 per cent during the year, to NOK 636 billion at end-December 2005. The core capital ratio at the end of 2005 was 7.7 per cent while the capital adequacy ratio was 10.6 per cent.

Social responsibility

DnB NOR's role in society encompasses not only the management of financial values but also corporate social responsibility. For DnB NOR, it is strategically important to create a basis for long-term financial growth. This is done by combining customer profitability with environmental and social considerations.

The manner in which corporate social responsibility is exercised by the Group is a key factor in maintaining the trust of customers, shareholders, employees and society at large. Trust is an important part of the Group's value base.

DnB NOR's ambitions with respect to corporate social responsibility are outlined in a special policy. The key elements can be summarised as follows:

- DnB NOR wishes to promote sustainable development through responsible business operations giving priority to environmental, ethical and social considerations.
- DnB NOR will show special care in connection with transactions and actions representing a risk of involvement in unethical conduct, infringement of human or labour rights, corruption or harm to the environment.

DnB NOR's corporate social responsibility policy is based on the Group's strategy, corporate culture and values, as well as on international principles and guidelines. DnB NOR has, among other things, endorsed the principles of the United Nations Global Compact, the OECD guidelines for international companies and the Transparency International guidelines to counteract corruption.

Responsible business operations mean primarily taking ethical, environmental and social aspects into consideration in investing and lending. In 2005, guidelines for corporate social responsibility were drawn up for credit operations and equity investments based on the Group's policy.

The guidelines imply that all credit evaluations and investments are based on ethical, environmental and social criteria.

Earning the trust of the surrounding community and obtaining lasting commercial success is dependent on each individual employee maintaining high ethical standards. The Group's code of ethics applies to all employees and elected officers, comprising aspects such as customer and supplier relationships, duty of confidentiality, impartiality, gifts and services, trading in financial instruments and insider trading. Training and courses in handling ethical dilemmas are important instruments to make ethics an integrated part of the Group's daily operations. In 2005, several training tools in ethics were developed together with a certification programme for financial advisers in Retail Banking.

DnB NOR is strongly committed to being an attractive workplace. The Group's human resources policy should ensure diversity and equality, the necessary restructuring measures, competence development, sound health, safety and environmental standards, and good relations with the employee organisations. In 2005, emphasis was placed on creating a common corporate culture and meeting the needs of the employees during the reorganisation period. A survey carried out in the first quarter of 2005 showed that

employee satisfaction was 68.4 on a scale from 0-100. In 2005 the Group invested NOK 81 million on training and further education programmes.

DnB NOR's contribution to sustainable development also entails being a good partner for sports, cultural and humanitarian organisations. The Group supports a number of charitable institutions and is a general sponsor of, for example, Plan Norway and the Nobel Peace Center. In 2005, NOK 14 million was paid to cooperating humanitarian organisations and in gifts to good causes. Sparebankstiftelsen DnB NOR (the Savings Bank Foundation) annually makes considerable financial donations to non-profit organisations. In 2005, the Foundation distributed NOK 65 million. DnB NOR also supports sports and culture through sponsorships.

In 2005, the DnB NOR share once again qualified for inclusion in FTSE4Good Europe, an index for investors who wish to promote sustainable development.

For the first time, DnB NOR is publishing a separate annual report on corporate social responsibility for 2005. In 2006, the work of integrating corporate social responsibility in business operations will be continued, by such measures as training, special follow-up initiatives and audits.

External environment

The banking group influences the external environment both directly and indirectly. The group's investments and lending activities have an indirect impact on the environment and are governed by corporate social responsibility guidelines for credit operations and equity investments. The banking group has a direct impact on the environment through its consumption of paper and energy, waste management, procurement and use of means of transport.

The banking group wishes to reduce the group's direct environmental impact by keeping its own house in order. Measures implemented include certifying most large buildings under the eco-lighthouse programme. In 2005, a special declaration was introduced regarding suppliers' corporate social responsibility in connection with procurements. The declaration comprises environmental, social and ethical criteria and must be signed by all suppliers upon entering into a contract.

As part of environmental efforts, an environmental action plan was prepared by DnB NOR in 2005 containing specific targets for energy and paper consumption, air travel, procurements and environmental certification of properties in the period 2006-2008. Important initiatives in 2006

comprise charting the potential of energy savings in all large buildings and environmental certification of three new properties. Increased electronic communication, both internally and with customers, will also be facilitated to reduce paper consumption.

Environmental order in our own house – key figures for 2005:

- Energy consumption: 79.8 GWh
- Waste recycling ratio: 31 per cent
- Paper consumption: 957 tons
- Air travel: 318 040 kilometres

Health, safety and environment

As part of the Group's systematic and long-term HS&E work, DnB NOR will promote and facilitate physical and cultural activity among its employees. Several thousand DnB NOR employees participate in company sports activities and different cultural groups.

Physical training is offered to units where sedentary work can cause muscular tension.

Open-plan office solutions

The internal relocation of employees, partly to open-plan office solutions, continued in 2005, resulting in changes in working methods. This form of relocation has presented great challenges with respect to planning and involvement. In addition to ergonomic adjustments of workstations, great emphasis has been placed on noise screening measures in the design of open office landscapes to ensure a working environment with optimal communication and competence exchange opportunities.

Absence due to illness

Absence due to illness in the banking group averaged 5.15 per cent of total working days in 2005, in comparison with 4.73 per cent in 2004. Priority is given to implementing preventive measures and to taking corrective action in areas with high absentee rates.

As an inclusive workplace, DnB NOR is committed to closely following up employees absent due to illness and to reducing, as far as possible, such periods of absence. Professional support in this area is provided by external occupational health services. Furthermore, DnB NOR seeks to adapt working hours to suit the different phases of life and working situations of the employees.

HS&E and working environment training
DnB NOR endeavours to prevent injuries caused by robberies and threats through extensive security procedures and training programmes. In 2005, 31 managers and

16 safety representatives completed the banking group's internal HS&E and working environment training programmes, whose topics included security and preparedness. In addition, courses and drills in coping with bank robberies were held for 179 employees, threat management training courses for 324 employees and managers, as well as disaster recovery exercises for a total of 51 participants.

Occupational injuries

In 2005, a total of 20 occupational injuries were reported, with three employees exposed to robberies and threats. None of the employees exposed to robberies suffered physical injuries.

Equality

DnB NOR is committed to equality between men and women in the Group. Measures are implemented to ensure that men and women are given the same opportunities for professional and personal development, salary and career progression, as well as other benefits. DnB NOR also has flexible schemes that make it easier to combine a career with family life. In 2005, the gender balance in DnB NOR was 51.1 per cent women and 48.9 per cent men.

DnB NOR seeks greater diversity in its management teams. The target set by the Board of Directors for equality at the four top management levels in the Group calls for a minimum of 25 per cent women by the end of 2006 and minimum 30 per cent within the end of 2009. At the end of 2005, the proportion of women in the management teams at the four top levels was 21.0 per cent. If figures for management level five are included, female representation was 29 per cent, compared with 28 per cent in 2004.

Equal opportunity measures

In 2004, DnB NOR approved a number of measures to reach the Group's equal opportunity targets. This is a long-term process and the Group will pursue these measures.

In 2005, key priority was given to increasing the number of women at management level. Measures were implemented based on the following guidelines:

- Priority to be given to female applicants for management positions, subject to equal qualifications
- The best female candidate to be considered for positions in units with a minority of women
- Equality and diversity to be on the agenda in management training programmes
- Gender balance to be sought in the recruitment of trainees

- Flexible working hours and access to DnB NOR's IT systems outside of the office to be offered in large parts of the Group
- All vacancies to be advertised internally
- A minimum of one woman to be ensured as an introductory speaker/speaker at all major conferences

In 2006, DnB NOR will be represented in the Norwegian Financial Services Association's female management training programme "Futura". Furthermore, half of all participants on the talent programme GROWTH should be women. A separate programme and mentor scheme for female senior executive candidates will be implemented.

Future prospects

In 2005, economic growth was stronger than expected, partly on account of high oil prices and buoyant stock markets. The banking group experienced strong credit growth in both the retail and corporate markets.

DnB NOR Bank expects the good general economic conditions to continue, even though it is forecast that growth in 2006 will be somewhat subdued compared with the previous year. A certain rise is anticipated in interest rate levels in Norway as a result of the need to adjust economic growth and credit market expansion. It is expected that inflation will remain low.

DnB NOR Bank aims to maintain or increase market shares in Norway. In combination with good prospects for the Norwegian economy in 2006, this should indicate that the banking group will show strong organic growth in Norwegian operations.

DnB NOR Bank also sees considerable opportunities for strong growth in international markets in 2006. The banking group has enhanced its position in an important growth area through the establishment of DnB NORD in the Baltic Sea region. In 2005, the banking group increased its presence in Sweden considerably, and further expansion is planned over the coming years. DnB NOR Bank considers Sweden part of its home market. The takeover of Monchebank has given DnB NOR Bank an important foothold in North-West Russia, an area showing strong economic growth and good potential for business development within areas where the banking group is strongly qualified. Through the establishment of the branch in Shanghai, DnB NOR Bank will be well represented in one of the world's important

growth areas and able to support Norwegian customers requiring financial services in China.

New IT solutions will be developed to strengthen service offerings and customer relationships. The banking group is also committed to employee training and competence building to be well equipped to face new challenges.

Work has been commenced to achieve the same competitive terms in Norway that exist in the rest of the Nordic region, as reflected in, for example, capital adequacy regulations issued by Norwegian authorities. In this connection, the introduction of the Basel II rules governing capital adequacy is an important step, and DnB NOR Bank expects that the amount of tied-up capital in the banking group can be reduced over time.

Through the establishment of the company DnB NOR Boligkreditt, which will take over large parts of the housing loan portfolio, the banking group has laid the foundations for reducing funding costs through the issue of covered bonds to the

market once the regulations are approved by the authorities. In the longer term, these cost savings will benefit both customers and shareholders.

Dividends and allocation of profits

Profits for 2005 in DnB NOR Bank ASA came to NOK 7 422 million. The Board of Directors proposes a group contribution of NOK 1 629 million and dividends of NOK 1 668 million to DnB NOR ASA.

The banking group's capital adequacy ratio as at 31 December 2005 was 10.6 per cent, with a core capital ratio of 7.7 per cent. Correspondingly, capital adequacy in DnB NOR Bank ASA was 11.2 per cent and core capital 8.1 per cent.

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

The Board of Directors recommends allocating profits for the year, which

represented NOK 7 422 million in DnB NOR Bank ASA for 2005, as follows:

Amounts in NOK million

Group contribution	1 629
Dividends	1 668
Transfers to other equity	4 126
Total allocations	7 422

In connection with the finalisation of the annual accounts, the Board of Directors decided to allocate NOK 15 400 per employee to the employees' share investment fund. The total allocation amounted to NOK 135 million. Importance has been placed on expressing appreciation for the excellent work carried out by the staff during a challenging year for all and for the good results that were achieved.

Oslo, 8 March 2006

The Board of Directors of DnB NOR Bank ASA

Olav Hytta
(chairman)
(sig.)

Bent Pedersen
(vice-chairman)
(sig.)

Sten Sture Larre
(sig.)

Per Hoffmann
(sig.)

Torill Rambjør
(sig.)

Ingjerd Skjeldrum
(sig.)

Marit Wiig
(sig.)

Heidi M. Petersen
(sig.)

Svein Aaser
(sig.)

Profit and loss accounts

DnB NOR Bank ASA				DnB NOR Bank Group			
Pro forma			<i>Amounts in NOK million</i>	Note	Pro forma		
2003	2004	2005			2005	2004	2003
34 065	25 908	27 536	Interest income	2, 4	29 712	28 803	38 733
22 870	14 280	15 560	Interest expenses	2, 4	16 311	15 428	24 710
11 196	11 628	11 976	Net interest income and credit commissions	2, 4	13 401	13 376	14 023
1 354	979	1 465	Dividends	5	154	143	211
4 896	5 546	6 073	Commissions and fees receivable on banking services	5	6 276	5 764	5 768
1 897	1 936	1 980	Commissions and fees payable on banking services	5	2 025	2 010	2 057
1 750	1 689	2 117	Net gains on foreign exchange and financial instruments	5, 6	2 166	1 675	1 836
345	651	648	Sundry ordinary operating income	5	1 440	1 541	1 255
9	9	143	Gains on the sale of fixed assets	5	231	1 298	23
6 457	6 937	8 467	Net other operating income	5	8 241	8 412	7 037
4 881	4 926	4 955	Salaries and other ordinary personnel expenses	7, 8, 9, 10	5 718	5 792	6 267
3 364	3 355	3 287	Administrative expenses	7	3 586	3 678	3 864
634	653	589	Depreciation	7	778	839	1 013
1 081	1 234	1 169	Sundry ordinary operating expenses	7	1 189	1 282	1 353
183	903	188	Other expenses	7	232	952	217
10 142	11 072	10 188	Total operating expenses	7	11 502	12 544	12 715
7 511	7 493	10 255	Pre-tax operating profit before losses		10 140	9 244	8 344
1 376	79	(32)	Net losses on loans, guarantees etc.	12, 13	(42)	167	1 891
198	1 535	108	Net gains on long-term securities	14	203	106	224
6 333	8 950	10 395	Pre-tax operating profit		10 385	9 183	6 677
1 473	2 358	2 973	Taxes	15	3 058	2 397	1 715
4 860	6 592	7 422	Profit for the year		7 327	6 786	4 963
4 276	5 564	1 629	Group contribution	39	1 629	5 564	4 276
641	0	1 668	Dividends	39	1 669	1	641
57	0	0	Transferred from other equity	39	0	0	0
0	1 028	4 126	Transferred to other equity	39	4 029	1 221	46
4 860	6 592	7 422	Total transfers and adjustments		7 327	6 786	4 963
28.65	38.86	43.12	Earnings per share (NOK)		42.56	40.00	29.26

Balance sheets

DnB NOR Bank ASA			DnB NOR Bank Group				
1 Jan. 2004	31 Dec. 2004	31 Dec. 2005			31 Dec. 2005	31 Dec. 2004	1 Jan. 2004
			<i>Amounts in NOK million</i>	Note			
Assets							
8 223	8 286	19 715	Cash and deposits with central banks		21 229	8 780	8 565
92 523	54 947	86 156	Lending to and deposits with credit institutions	16	31 342	21 604	28 060
476 283	525 645	600 680	Gross lending to customers	16, 17, 18, 19, 20, 22	698 881	584 230	573 973
(3 181)	(2 494)	(1 478)	- Specified loan-loss provisions	21	(2 065)	(3 255)	(4 329)
(3 147)	(3 230)	(3 230)	- Unspecified loan-loss provisions	21	(3 576)	(3 534)	(3 714)
469 955	519 921	595 972	Net lending to customers		693 240	577 441	565 929
310	456	206	Repossessed assets	30	232	538	576
61 289	64 615	78 221	Commercial paper and bonds	16, 24	79 259	62 986	59 677
3 270	4 213	2 610	Shareholdings etc.	16, 25, 26, 27	2 791	4 611	3 905
633	583	537	Investments in associated companies	16, 28	1 261	1 354	1 384
8 911	5 597	8 122	Investments in subsidiaries	16, 29	-	-	-
3 087	3 038	1 493	Intangible assets	15, 16, 31	2 418	3 469	4 125
2 585	2 467	2 206	Fixed assets	16, 30, 32, 33	4 287	4 155	4 454
24 269	23 138	19 901	Other assets	16	19 288	22 943	23 618
3 701	3 946	4 097	Prepayments and accrued income	16	4 645	4 477	4 483
678 756	691 207	819 238	Total assets		859 993	712 356	704 776
Liabilities and equity							
76 530	47 608	87 341	Loans and deposits from credit institutions	34	97 870	48 950	78 508
330 597	353 741	401 942	Deposits from customers	34, 35	418 395	360 240	337 807
170 935	184 572	230 124	Securities issued	34, 36, 37	236 711	192 410	181 949
36 884	40 337	27 024	Other liabilities	34	28 527	41 140	37 820
5 142	4 318	4 832	Accrued expenses and prepaid revenues	34	5 426	5 013	5 999
4 143	4 525	3 698	Provisions for commitments	21, 34	4 145	4 952	4 528
17 374	18 092	19 373	Subordinated loan capital	38	20 333	18 770	18 126
5 583	5 270	5 465	Perpetual subordinated loan capital securities	38	5 465	5 270	5 583
647 187	658 465	779 800	Total liabilities		816 873	676 745	670 320
16 964	16 964	17 214	Share capital	39	17 214	16 964	16 964
7 745	7 745	9 995	Share premium reserve	39	10 711	8 461	8 461
6 860	8 033	12 228	Other equity	39	15 194	10 185	9 031
31 570	32 743	39 438	Total equity		43 119	35 611	34 456
678 756	691 207	819 238	Total liabilities and equity		859 993	712 356	704 776

Other commitments and conditional commitments 46, 47, 48

Cash flow statements

DnB NOR Bank ASA				DnB NOR Bank Group		
Pro forma			Amounts in NOK million	Pro forma		
2003	2004	2005		2005	2004	2003
OPERATIONS						
(44 298)	(42 494)	(81 030)	Net payments on loans to customers	(86 662)	(42 088)	(45 447)
6 423	25 636	45 230	Net receipts on deposits from customers	45 373	25 121	6 858
30 614	21 918	22 455	Interest and commissions received from customers	25 325	25 480	35 596
(11 311)	(7 119)	(6 519)	Interest paid to customers	(6 592)	(7 214)	(11 734)
(4 060)	(3 695)	(10 117)	Net payments on trading in short-term investments in share	(10 583)	(3 447)	(311)
286	528	(2 718)	Net payments on trading in foreign exchange and financial derivatives	(2 624)	564	339
4 592	5 404	6 097	Net receipts on commissions and fees	6 300	5 623	5 314
(10 877)	(13 882)	(11 692)	Payments to operations	(12 997)	(15 390)	(13 095)
(623)	0	(5)	Taxes paid	(5)	(120)	(882)
534	606	586	Other receipts	1 377	1 488	1 458
(28 720)	(13 098)	(37 713)	Net cash flow relating to operations	(41 088)	(9 983)	(21 904)
INVESTMENT ACTIVITY						
24	26	651	Receipts on the sale of fixed assets	858	147	99
(237)	(251)	(758)	Payments on the acquisition of fixed assets	(1 024)	(347)	(256)
862	3 737	1 170	Receipts on the sale of long-term investments in shares	1 291	3 745	1 046
(1 399)	(10)	(2 549)	Payments on the acquisition of long-term investments in shares	(1 349)	0	(1 104)
1 282	791	1 427	Dividends received on long-term investments in shares	93	57	98
532	4 293	(59)	Net cash flow relating to investment activity	(131)	3 602	(117)
FUNDING ACTIVITY						
(17 691)	1 351	19 480	Net loans from credit institutions	27 370	3 174	(9 795)
3 470	(4 824)	(613)	Net receipts on other short-term liabilities	(960)	(6 587)	(414)
38 211	21 043	40 214	Net issue of bonds and commercial paper	37 687	17 867	30 062
5 747	1 648	1 594	Issue of subordinated loan capital	1 594	1 648	5 747
(2 088)	0	(683)	Redemptions of subordinated loan capital	(952)	(74)	(2 088)
0	0	2 500	Share issue	2 500	0	0
(5 398)	(5 737)	(7 430)	Group contribution payments	(7 430)	(5 737)	(5 797)
(8 781)	(4 614)	(5 861)	Net interest payments on funding activity	(7 265)	(3 695)	(10 785)
13 470	8 867	49 201	Net cash flow from funding activity	52 544	6 596	6 930
(14 718)	63	11 429	Net cash flow	11 325	215	(15 091)
22 940	8 223	8 286	Cash as at 1 January	8 780	8 565	22 941
0	0	0	Increase in cash and deposits through acquisitions	1 124	0	715
(14 718)	63	11 429	Net receipts/payments on cash	11 325	215	(15 091)
8 223	8 286	19 715	Cash as at 31 December	21 229	8 780	8 565

The cash flow statements show cash flows grouped according to source and use. Cash is 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 the Ministry of Finance and Norwegian generally accepted accounting principles. For the time being, it is not permissible for unlisted Norwegian banks to prepare the accounts according to IFRS. DnB NOR Bank has taken the opportunity to postpone the implementation of new lending regulations till 1 January 2006.

CHANGES IN ACCOUNTING PRINCIPLES

The effects of changes in accounting principles are recorded directly against equity.

In accordance with Norwegian Accounting Standard 6A, the banking group implemented IAS 19 Employee Benefits as of 1 January 2005. Thus, deviations in estimates and effects of changes in pension schemes not recorded according to previous accounting principles, have been charged to equity in the subsidiaries' accounts. The only other changes made in accounting principles in 2005 are certain insignificant reclassifications.

CONSOLIDATION

The consolidated accounts of DnB NOR Bank ASA ("DnB NOR Bank" or "the banking group") include DnB NOR Bank ASA, subsidiaries and associated companies. Subsidiaries are defined as companies in which DnB NOR Bank has control, directly or indirectly, through a long-term ownership interest and a holding of more than 50 per cent of the voting share capital or primary capital and a decisive influence on the company's operations. Subsidiaries are consolidated from the time DnB NOR Bank takes over control of the company, including financial risk.

In the accounts of DnB NOR Bank ASA, investments in subsidiaries are recorded at cost.

Associated companies in which the banking group has a long-term holding of between 20 and 50 per cent and a significant influence on operations, are carried in the group accounts according to the equity method. In the accounts of the individual companies, ownership interests in the form of share investments are valued at cost, while holdings in general partnerships are recorded according to the equity method.

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

Balance sheet items of foreign branches and subsidiaries are translated into Norwegian kroner at the rates prevailing on the balance sheet date, while profit and loss items are translated according to exchange rates on the transaction date. Changes in net assets due to exchange rate

fluctuations are recorded directly against equity.

When acquiring operations to be consolidated, cost is recorded under identifiable assets and liabilities in subsidiaries, which are recorded at fair value in the consolidated accounts on the acquisition date. Any positive residual value is classified as goodwill. Goodwill is amortised in the group accounts over its expected useful economic life. Any negative residual value which cannot be linked to assets or conditional commitments is recorded as negative goodwill and charged systematically to the profit and loss account over the relevant period of time.

Goodwill recorded in the balance sheet is reviewed on each reporting date. Assets generating joint cash flows are considered collectively. Future cash flows are estimated based on the market situation for comparable assets, taking account of expected price developments, growth prospects, return requirements and the duration of cash flows. Any decrease in value which is not considered to be temporary is written down in the accounts. Goodwill from the acquisition of companies generating cash flows in foreign currencies is recorded in the balance sheet in the same currency and translated at rates of exchange ruling on the balance sheet date.

CLASSIFICATION AND VALUATION

Trading portfolio and banking portfolio

DnB NOR makes a distinction in the accounting treatment of financial instruments entered into as part of proprietary trading to achieve a gain by exploiting price differences and changes, and agreements regarding the management of other group operations. Agreements in the first category constitute the trading portfolio and are part of DnB NOR Markets' operations, while all other agreements are included in the banking portfolio.

The trading portfolio includes negotiable securities, investment fund holdings, interest rate instruments recorded in the balance sheet, foreign currency positions and financial derivatives. The trading portfolio is recorded according to the market value principle.

Income from trading in interest rate and currency positions recorded in DnB NOR Markets' balance sheet is classified as interest income. Other income from the trading portfolio is included under "Net gain on foreign exchange and financial instruments" and "Commissions and fees receivable on banking services".

Loans and non-performing and doubtful commitments

Loans are recorded at their nominal value with the exception of non-performing and doubtful commitments, reduced-rate loans and loans to

customers in debt rescheduling countries. All loans, guarantees and other outstanding claims against a customer are considered collectively.

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

Repossessed assets

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

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

Losses on loans and guarantees, etc.

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

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

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

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

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

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

Leasing

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

tax purposes, the declining balance method is applied.

Factoring

Accounts receivable where the credit risk of the account debtors has been assumed, are recorded under other assets in the balance sheet. Financing of accounts receivable in excess of the credit risk assumed and financing of accounts receivable without any credit risk coverage is recorded under lending in the balance sheet. In the event that advances paid on accounts receivable for which credit risk has been assumed amount to less than the credit risk, the difference is included under liabilities in the balance sheet. Accounts receivable factored without assuming credit risk and without financing, are not recorded in the balance sheet.

Financial instruments

Financial instruments include securities such as shares, PCCs, bonds and commercial paper, as well as investment fund holdings, other short-term debt instruments and financial derivatives.

Securities in the trading portfolio

Securities included in the trading portfolio are recorded at market value on the balance sheet date.

Short-term debt instruments included in the trading portfolio are reported at net present value, and unrealised gains and losses are recorded in the accounts.

Securities in the banking portfolio

Short-term investments in shares are recorded at the lower of the total portfolio's acquisition cost and market value.

Bonds and commercial paper are recorded at the lower of the total portfolio's acquisition cost and market value. Holdings of bonds issued by DnB NOR and included in the banking portfolio are netted against bond debt in the balance sheet.

Issued index-linked bonds are classified as securities issued. The bond element is recorded as a zero-coupon bond. Discounts or yields on the bond are recorded in the profit and loss account over the life of the bond. The remaining element is recorded as an option. The value of the option is netted against the hedging contract, and any gains or losses are entered in the accounts when the index-linked bond is issued.

Shares held as long-term investments are stated at cost. If the fair market value of the shares is significantly lower than cost, and the decrease in value is not expected to be temporary, the shares will be written down. Write-downs are reversed when the conditions for writing down the shares no longer apply.

Financial derivatives

Financial derivatives are contracts stipulating financial values in the form of interest rate terms, exchange rates and the value of equity instruments for fixed periods of time. Corresponding contracts stipulating prices on commodities and indexes are defined as financial derivatives in this context. Derivatives include swaps, forward

contracts and options as well as combinations thereof, including forward rate agreements (FRAs), financial futures and agreements on the transfer of securities.

Interest rate and foreign exchange contracts are classified as part of either the trading portfolio or banking portfolio when entered into, depending on the intentions behind the individual agreement.

When financial derivatives are used to hedge securities recorded in the balance sheet, the value of the derivatives is included when stipulating the securities' market value. Positions are hedged when financial instruments are linked to other identified financial instruments on the transaction date, and the maturities and prices of the instruments are closely related.

Financial derivatives included in the trading portfolio are recorded at market value. Gains and losses on financial derivatives included in the banking portfolio are amortised according to the underlying maturity and reported under the related items in the profit and loss account.

When financial derivatives are used to manage risk on balance-sheet items, due to cost factors such agreements are entered into through the business units in the banking group trading such instruments in the market. Internal transactions between the trading portfolio and the banking portfolio are valued according to principles relevant to these portfolios without eliminating internal gains and losses. See note 45.

Properties and other fixed assets

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.

On each balance sheet date, fixed assets are reviewed to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of asset's net selling price and value in use. If the recoverable amount of the relevant asset proves to be lower than its carrying amount, the asset is written down to its recoverable amount.

Such write-downs are reversed when the reasons for writing down the assets no longer apply.

Software

Development of software is classified as intangible assets provided that the criteria for being recorded in the balance sheet are met. Costs related to the development of software are recorded in the balance sheet when significant and the software is expected to have sustainable value. Software developed by DnB NOR which is

recorded in the balance sheet is depreciated on the basis of a conservative estimate of expected life. Such software is written down if the value of expected financial benefits is lower than recorded value.

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

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

Assets and liabilities in foreign currency

Assets and liabilities denominated in foreign currencies are recognised as financial assets and translated to NOK according to exchange rates prevailing on the balance sheet date.

ACCRUALS

Income is recorded in the profit and loss account when accrued. Costs are matched against income and charged to the accounts in the same accounting period as related income. Incurred costs related to income earned in subsequent periods are deferred. Costs which will occur in future periods concerning accrued income are charged to the profit and loss account during the same period. Future costs not related to future income are charged to the accounts when the costs are identified.

Recording of interest and fees

Interest and commissions are included in the profit and loss account when earned as income or incurred as expenses. Unrealised gains and losses on loans, deposits and borrowings arising on interest rate hedges in connection with changes in market rates, are amortised under net interest income.

Fees which represent direct payment for services rendered are recognised as income upon payment. Fees for the establishment of loan agreements in excess of the actual costs involved are amortised over the life of the loan.

Employee subscription rights programme

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

Premiums and discounts on bonds issued

Issued bonds are recorded in the balance sheet at their nominal value with the addition of premiums or deduction of discounts. Premiums and discounts are amortised as an adjustment to current interest expenses until final maturity of the bonds. Discounts on raising other long-term capital are treated correspondingly.

DnB NOR Bank will regularly repurchase bonds issued by itself in connection with ongoing funding activity. Gains or losses resulting from the repurchase and resale of own bonds are in this respect amortised over the remaining term of the bonds according to the straight line principle.

Provisions for restructuring measures

If restructuring plans are approved which change the scope of operations or the way operations are carried out, the need for provisions for restructuring measures will be considered. If expenses arising from the implementation of such measures are not linked to future income and the future expenses represent actual commitments on the balance sheet date, the net present value of future cash flows is charged to the accounts and recorded under liabilities in the balance sheet. The provisions are reversed when costs are incurred.

Pension expenses and pension commitments

In accordance with Norwegian Accounting Standard 6A, the banking group implemented IAS 19 Employee Benefits as of 1 January 2005. Thus, deviations in estimates and effects of changes in pension schemes not recorded according to previous accounting principles, have been charged to equity in the subsidiaries' 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 estimated future pension payments which in the accounts are classified as accumulated on the balance sheet date. The calculation of pension commitments is based on actuarial and economic assumptions about life expectancy, rise in salaries, early retirement etc. The discount rate used should be determined by reference to market yields at the balance sheet date on a 10-year government bond, plus an addition that takes into account that the commitments have terms of up to 30 years.

Upon transition to NAS 6A, the banking group has chosen to charge deviations in estimates and effects of scheme changes not recorded according to previous accounting principles to equity. Deviations in estimates arising after the transition to NAS 6A will be recorded in the profit and loss accounts over the average remaining service period when the difference exceeds the greater of 10 per cent of pension funds and 10 per cent of pension commitments.

The financial effects of changes in pension schemes are recorded as income or charged to expense on the date of the change, unless the rights under the new pension scheme are conditional on the employee remaining in service for a specified period (the service period).

Pension expenses are based on assumptions determined at the start of the period. Expenses in connection with the accumulation of pension rights are classified as personnel expenses in the profit and loss account. Employer's contributions are included in pension expenses and pension commitments.

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.

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. DnB NOR was classified as a separate business area as of 2006. The busi

ness areas, which include the activities of DnB NOR Bank ASA and other companies of the Group, are set up according to the customer segments served by the Group as well as the products offered independent of the Group's legal structure. Consequently, profit and loss accounts and balance sheets for the business areas are prepared only for the business areas' combined operations in the DnB NOR Group. A description of the business areas and their accounts is included in the annual report of DnB NOR ASA.

CASH FLOW STATEMENTS

The consolidated cash flow statements are structured on the basis of banking operations and reflect the main aspects of the banking group's liquidity management, with special emphasis on cash flows relating to lending and funding activities.

PRO FORMA FIGURES

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

Note 1 Changes in group structure

Sale of Postbanken Eiendomsmegling AS

In June 2004, DnB NOR Bank ASA signed an agreement with Terra-Gruppen AS on the sale of the real estate brokerages Postbanken Eiendomsmegling AS and Aktiv Eiendomsmegling AS. The sale was part of the concession terms for the DnB NOR merger. The agreement was approved by the purchaser in August 2004. The actual takeover took place on 3 January 2005, and the sale generated gains of NOK 18 million.

Establishment of DnB NORD

On 21 June 2005, DnB NOR Bank and Norddeutsche Landesbank (NORD/LB) announced their plans to establish a jointly owned bank, DnB NORD, to be owned 51 per cent by DnB NOR Bank and 49 per cent by NORD/LB. DnB NORD was established in autumn 2005, and on 16 December 2005, the Norwegian Ministry of Finance granted DnB NOR Bank permission to acquire 51 per cent of the company. DnB NORD thus became part of the DnB NOR Bank Group at year-end 2005. Headquartered in Copenhagen, DnB NORD has operations in Denmark, Finland, Estonia, Latvia, Lithuania and Poland. In the Baltic region and Poland, DnB NORD has taken over the operations of NORD/LB, with a total of 130 branch offices. In the Baltic states, DnB NORD has both retail and corporate customers, while operations in Denmark, Finland and Poland are aimed at corporate customers.

As a first step in the business combination, DnB NORD was established by NORD/LB and headquartered in Copenhagen. In connection with the takeover of operations in the Baltic region and Poland, goodwill in the amount of EUR 94.2 million was recorded in DnB NORD's balance sheet, of which DnB NOR Bank's share represented NOK 383 million. Once the permission from the Ministry of Finance was in place on 16 December 2005, and with accounting effect as of 31 December 2005, DnB NOR Bank acquired 51 per cent of DnB NORD's voting share capital for an amount of EUR 167.2 million. DnB NORD is thus included as a subsidiary in DnB NOR Bank's consolidated balance sheet as at 31 December 2005. Accrued acquisition costs totalled EUR 2.1 million, representing mainly fees to lawyers and advisers. An additional NOK 45 million in goodwill was recorded in DnB NOR Bank's consolidated balance sheet in connection with the acquisition.

DnB NORD's balance sheet at year-end 2005 did not include the Finnish and Danish portfolios that were transferred to DnB NORD from NORD/LB and DnB NOR Bank at the beginning of 2006. Net customer loans in these portfolios totalled some NOK 4,3 billion. The transaction increased goodwill in DnB NOR Bank's consolidated accounts by EUR 1 million, representing compensation to NORD/LB for excess values related to the Finnish portfolio.

Balance sheet	DnB NOR Bank Group Capitalised value of DnB NORD on the acquisition date 31 Dec. 2005
<i>Amounts in NOK million</i>	
Assets	
Cash and deposits with central banks	1 124
Lending to and deposits with credit institutions	1 430
Net lending to customers	19 367
Commercial paper and bonds	1 926
Goodwill	428
Other intangible assets	66
Fixed assets	400
Other assets	216
Total assets	24 956
Liabilities and equity	
Loans and deposits from credit institutions	10 632
Deposits from customers	9 782
Securities issued	1 267
Other liabilities and provisions	421
Subordinated loan capital	565
Equity	2 289
Total liabilities and equity	24 956

The acquisition of DnB NORD was reflected in the accounts as of 31 December 2005. Thus, profit and loss items from the acquired company are not included in DnB NOR Bank's consolidated accounts for 2005.

Acquisition of NORD/LB's operations in Sweden

In the third quarter of 2005, DnB NOR Bank took over NORD/LB's operations in Sweden, including a loan portfolio of approximately EUR 600 million and bond portfolios totalling just over EUR 50 million. In connection with the acquisition, goodwill of NOK 68 million was capitalised in the balance sheet of DnB NOR Bank.

Note 2 Net interest income and credit commission

DnB NOR Bank ASA				DnB NOR Bank Group		
Pro forma					Pro forma	
2003	2004	2005	<i>Amounts in NOK million</i>	2005	2004	2003
4 662	2 407	2 227	Interest on loans to and deposits with credit institutions	1 495	1 821	2 758
23 500	17 367	18 733	Interest and credit commissions on instalment loans	20 794	19 805	27 297
2 591	2 473	2 608	Interest and credit commissions on overdraft and working capital facilities	2 677	2 564	3 405
159	268	324	Interest and credit commissions on building loans	324	268	159
0	0	0	Leasing income	534	714	1 599
0	0	0	Factoring income	66	79	185
766	911	968	Front-end fees, back-end fees	1 052	1 001	793
118	206	78	Interest on other loans to customers	136	250	178
27 134	21 226	22 710	Total interest income on loans to customers	25 583	24 682	33 616
2 142	2 031	2 142	Interest on commercial paper, bonds, etc.	2 174	2 071	2 222
127	244	456	Other interest income	460	230	137
34 065	25 908	27 536	Total interest income	29 712	28 803	38 733
1 839	1 504	2 095	Interest on loans and deposits from credit institutions	2 278	1 794	2 265
8 229	3 335	3 574	Interest on demand deposits from customers	3 624	3 390	8 410
300	196	783	Interest on time deposits from customers	787	201	325
2 897	1 014	1 255	Interest on special-term deposits from customers	1 271	1 047	3 005
11 426	4 544	5 611	Total interest expenses on deposits from customers	5 681	4 638	11 740
3 749	4 033	5 997	Interest on securities issued	6 368	4 585	4 796
654	721	912	Interest on subordinated loan capital	915	725	661
480	244	0	Levies to the Commercial Banks' Guarantee Fund and the Savings Banks' Guarantee Fund	0	269	499
4 722	3 233	945	Other interest expenses	1 069	3 417	4 749
22 870	14 280	15 560	Total interest expenses	16 311	15 428	24 710
11 196	11 628	11 976	Net interest income and credit commissions	13 401	13 376	14 023

Note 3 Unrecorded interest on loans

DnB NOR Bank ASA				DnB NOR Bank Group		
Pro forma					Pro forma	
2003	2004	2005	<i>Amounts in NOK million</i>	2005	2004	2003
			Accrued, unrecorded interest on non-performing and doubtful loans			
911	992	838	as at 1 January	894	1 099	1 224
142	207	163	- Recorded interest on non-performing and doubtful loans accrued in previous periods ¹⁾	166	210	272
548	565	530	- Identified loss of unrecorded interest accrued in previous periods ²⁾	537	605	698
774	608	565	+ Accrued, unrecorded interest on non-performing and doubtful loans during the period ³⁾	570	613	829
-	14	-	+ Impact of transfer of portfolios from subsidiaries	-	-	-
(3)	(4)	0	+ Exchange rate movements	0	(2)	17
992	838	710	Accrued, unrecorded interest on non-performing and doubtful loans as at 31 December	761	894	1 099

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

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

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

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

Note 4 Interest rates on selected balance sheet items

DnB NOR Bank ASA				DnB NOR Bank Group		
Pro forma					Pro forma	
2003	2004	2005	Per cent	2005	2004	2003
			Commercial paper and bonds			
3.46	3.05	3.21	Trading portfolio	3.21	3.05	3.46
3.74	3.12	3.01	Banking portfolio	3.89	3.68	4.36
			Loans and deposits from credit institutions			
4.98	1.74	2.57	Loans and deposits with no fixed term or period of notice	2.94	2.51	5.99
3.33	1.86	2.88	Loans and deposits with a fixed term or period of notice	2.91	1.90	3.42
			Deposits from customers			
3.25	1.10	1.38	Deposits with no fixed term	1.37	1.10	2.86
3.82	1.54	1.57	Fixed-term deposits	1.57	1.54	4.00
			Securities issued			
3.90	1.96	3.34	Commercial paper issued	3.34	1.96	4.12
4.22	2.33	2.94	Bond debt	3.04	2.54	4.54
4.04	6.20	4.02	Own bonds included in the banking portfolio	2.90	2.29	5.78

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

Note 5 Net other operating income

DnB NOR Bank ASA				DnB NOR Bank Group		
Pro forma					Pro forma	
2003	2004	2005	Amounts in NOK million	2005	2004	2003
1 354	979	1 465	Dividends	154	143	211
2 661	3 132	2 989	Money transfer fees receivable	3 060	3 196	3 069
117	163	188	Fees on asset management services	190	164	365
222	253	309	Fees on custodial services	309	253	222
371	489	754	Fees on securities	788	514	498
354	357	359	Guarantee commissions	378	389	378
214	182	185	Interbank fees	185	182	214
117	126	190	Credit broking commissions	190	126	117
169	220	305	Sales commissions on insurance products	309	225	171
670	625	792	Sundry commissions and fees receivable on banking services	866	717	734
4 896	5 546	6 073	Total commissions and fees receivable on banking services	6 276	5 764	5 768
1 112	1 126	1 032	Money transfer fees payable	1 045	1 136	1 159
63	83	94	Fees on custodial services payable	94	83	63
258	243	259	Interbank fees	259	243	258
464	483	595	Sundry commissions and fees payable on banking services	626	547	576
1 897	1 936	1 980	Total commissions and fees payable on banking services	2 025	2 010	2 057
118	46	276	Net gains on short-term shareholdings	282	12	163
521	202	(155)	Net gains on commercial paper and bonds	(150)	210	523
1 444	2 869	1 259	Net gains on trading in foreign exchange and financial derivatives ¹⁾	1 296	2 881	1 484
(333)	(1 428)	738	Net gains on other short-term interest instruments ¹⁾	738	(1 428)	(333)
1 750	1 689	2 117	Net gains on foreign exchange and financial instruments	2 166	1 675	1 836
33	36	18	Operating income on real estate	12	39	61
66	173	101	Rental income	98	166	69
0	0	0	Fees in real estate broking	645	618	595
9	3	4	Share of profit in associated companies	97	218	159
237	437	526	Miscellaneous operating income	587	501	371
345	651	648	Total sundry ordinary operating income	1 440	1 541	1 255
9	9	143	Gains on the sale of fixed assets ²⁾	231	1 298	23
6 457	6 937	8 467	Net other operating income	8 241	8 412	7 037

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

2) Of which NOK 946 million represented gains on the sale of Elcon, after deduction for transaction cost and value adjustments, and NOK 359 million gains on the sale of Avanse Forvaltning and Gjensidige NOR Kapitalforvaltning in 2004.

Note 6 Net gains on foreign exchange and financial instruments

DnB NOR Bank ASA				DnB NOR Bank Group		
Pro forma				Pro forma		
2003	2004	2005	<i>Amounts in NOK million</i>	2005	2004	2003
1 484	1 575	1 896	Net gains on trading portfolio	1 896	1 575	1 484
111	24	157	Net gains on equity investments in the banking portfolio	164	(10)	156
154	89	64	Net gains on other investments in the banking portfolio	107	110	196
1 750	1 689	2 117	Net gains on foreign exchange and financial instruments	2 166	1 675	1 836
Unrecorded market value above book value in the banking portfolio at end of period						
0	30	10	Short-term shareholdings	96	110	45
62	103	4	Commercial paper and bonds	7	104	57

Note 7 Operating expenses

DnB NOR Bank ASA				DnB NOR Bank Group		
Pro forma				Pro forma		
2003	2004	2005	<i>Amounts in NOK million</i>	2005	2004	2003
3 566	3 624	3 772	Ordinary salaries	4 422	4 305	4 631
515	526	510	Employer's national insurance contributions	599	623	667
537	578	401	Pension expenses	393	641	634
263	198	272	Social expenses	304	223	336
4 881	4 926	4 955	Total salaries and other ordinary personnel expenses	5 718	5 792	6 267
432	380	399	Fees	442	442	496
1 152	1 180	1 109	EDP expenses ¹⁾	1 214	1 283	1 331
447	447	407	Postage and telecommunications	439	483	534
102	106	86	Office supplies	98	121	117
321	345	375	Marketing and public relations	441	409	435
146	132	131	Travel expenses	154	156	182
563	574	555	Reimbursement to Norway Post for transactions executed ²⁾	555	574	563
35	29	37	Training expenses	44	38	45
167	163	188	Sundry administrative expenses	199	172	161
3 364	3 355	3 287	Total administrative expenses	3 586	3 678	3 864
211	165	127	Depreciation on EDP equipments etc.	154	191	250
166	223	210	Goodwill amortisation	271	292	396
178	185	164	Depreciation on other machinery, equipment and vehicles	207	219	225
67	68	76	Depreciation on properties and premises	134	128	130
12	12	12	Other depreciation	12	10	12
634	653	589	Total depreciation	778	839	1 013
646	771	723	Rent and operating expenses on rented premises	608	674	628
158	191	194	Operating expenses on real estate	230	233	218
79	58	68	Operating expenses on machinery, vehicles and office equipment taken to expense	88	75	102
52	57	38	Insurance	41	64	59
17	13	10	Membership fees, Norwegian Financial Services Association and Savings Banks Association	10	13	17
129	144	137	Miscellaneous ordinary operating expenses	212	224	329
1 081	1 234	1 169	Total sundry ordinary operating expenses	1 189	1 282	1 353
98	116	117	Allocations to employee funds	135	134	112
45	780	0	Provisions for restructuring measures	0	805	38
26	5	44	Losses on the sale of fixed assets	69	12	28
14	2	27	Write-downs on rental contracts and fixed assets	27	1	39
183	903	188	Total other expenses	232	952	217
10 142	11 072	10 188	Total operating expenses	11 502	12 544	12 715

1) These expenses concern the purchase, operation and maintenance of computers and software. The DnB NOR Bank Group's IT expenses totalled NOK 2 088, NOK 2 188 and NOK 2 447 million for 2005, 2004 and 2003 respectively, which in addition to EDP expenses include depreciation, systems development, remuneration to external consultants, as well as salaries and other operating expenses relating to the DnB NOR Bank Group's IT operations. IT expenses in DnB NOR Bank ASA totalled NOK 1 941, NOK 2 043 and NOK 2 203 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 4 244 000 in 2005, compared with NOK 3 963 000 in 2004. Benefits in kind were estimated at NOK 364 000, as against NOK 223 000 in 2004, and the pension premium paid during the year was NOK 257 000, compared with NOK 120 000 in 2004. The figures represent the total ordinary remuneration to the group chief executive. In a meeting to be held in March 2006, the Supervisory Board in DnB NOR Bank ASA will consider how much of the group chief executive's salary should be covered by the bank. The Board of Directors in DnB NOR ASA will recommend that the Supervisory Board in DnB NOR Bank ASA approve coverage of 50 per cent of the salary by the bank.

The Board of Directors of DnB NOR ASA has stipulated the annual remuneration to the group chief executive at NOK 4 375 000 as of 1 January 2006.

The Board of Directors of DnB NOR ASA has stipulated the group chief executive's bonus payment for 2005 at NOK xx. The bonus payment for 2004, paid in 2005, was NOK 1 925 000 for extraordinary effort. The Board of Directors has stipulated that the maximum future bonus payment for the group chief executive may amount to 35 per cent of annual salary.

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

The retirement age of the group chief executive is 60 years. The Board of Directors has asked the group chief executive to continue beyond this age, and an agreement has been reached whereby he will retire on 1 January 2007. During the first year, the pension will represent 100 per cent of the salary at the time of retirement, which will be reduced by an amount corresponding to 10 percentage points the first three years until the pension constitutes 70 per cent for the fourth and consecutive years. The pension, which will be covered through DnB NOR's operations, will be coordinated with pension entitlements from previous employers and be adjusted annually in line with the consumer price index. Costs for DnB NOR in connection with the group chief executive's pension scheme were NOK 3 921 000 for the 2005 accounting year.

Terms for the chairman of the Board of Directors

Olav Hytta has been chairman of the Board of Directors in DnB NOR Bank ASA since the merger came into effect on 19 January 2004. As chairman of the Board of Directors in DnB NOR Bank ASA, he received a total remuneration of NOK 300 000 in 2005. Benefits in kind from the DnB NOR Bank Group were estimated at NOK 137 000, compared with NOK 31 000 in 2004.

In addition, Olav Hytta received remuneration for other board positions within the Group. In 2005, he received NOK 350 000 as chairman of the Board of Directors in DnB NOR ASA, compared with NOK 425 000 in 2004 (of which NOK 100 000 was a bonus for extraordinary effort), and NOK 200 000 as vice-chairman in Vital Forsikring ASA, remained unchanged from 2004. In 2005, pension payments totalled NOK 1 755 000, compared with NOK 1 700 000 in 2004. Olav Hytta resigned as chief executive officer in December 2003 and became officially retired on 1 January 2004. In accordance with the merger agreement, for up to 24 months from the date of the merger, Olav Hytta was entitled to remuneration terms at least on a par with what he received as group chief executive. In line with provisions in the merger plan, Olav Hytta assumed the role of ordinary board chairman in DnB NOR ASA and DnB NOR Bank ASA as of 4 December 2005. As of this date, he also received ordinary directors' remuneration.

Paid directors' remuneration in 2005 ¹⁾

Amounts in NOK 1 000

Per Hoffmann	220
Olav Hytta (chairman)	300
Sten Sture Larre	220
Bent Pedersen (vice-chairman)	250
Heidi M. Petersen (new member as of 14 June 2005)	119
Torill Rambjør	220
Ingjerd Skjeldrum	220
Marit Wiig	220
Bjørn Davidsen (deputy)	60
Sverre Finstad (deputy)	110
Paid directors' remuneration	1 939

1) Refers only to board positions in DnB NOR Bank ASA.

Note 8 Remunerations etc. (continued)

Remuneration terms of group management

The information below applies to group management, with the exception of Svein Aaser, whose terms are described above.

Title/Name	Notice period	Termination payment	Pension terms
Group executive vice president Ottar Ertzeid	6 months	0 months	70 per cent of pensionable income upon termination of employment at 62 years. Pensionable income is salary at termination date.
Group executive vice president Helge Forfang	6 months	0 months	70 per cent of pensionable income upon termination of employment at 62 years. Pensionable income is salary at termination date.
Deputy CEO Tom Grøndahl	6 months	0 months	70 per cent of pensionable income upon termination of employment at 62 years. Pensionable income is salary at termination date.
Group executive vice president Bente A. Landsnes (until 31 Dec. 2005)	6 months	0 months	70 per cent of pensionable income upon termination of employment at 62 years. Pensionable income is salary at termination date.
Group executive vice president Evlyn Raknerud	6 months	0 months	66 per cent of pensionable income upon termination of employment at 62 years. Pensionable income is salary at termination date.
Group executive vice president Åsmund Skår	6 months	0 months	70 per cent of pensionable income upon termination of employment at 60 years. Pensionable income is salary at termination date.
Group executive vice president Leif Teksum	6 months	0 months	70 per cent of pensionable income upon termination of employment at 62 years. Pensionable income is salary at termination date.

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

Terms relating to other senior executives, approved by the Board of Directors of DnB NOR ASA

"The group chief executive determines the remuneration to his management group. The remuneration should ensure that the DnB NOR Group attracts and retains people with the preferred competencies and experience. Remuneration can comprise a fixed salary and bonus payments. Pension schemes and any agreements on severance pay etc. shall be seen in connection with other remuneration and be drawn up to ensure competitive terms. The various components in remuneration, pension schemes and severance pay, either alone or together, must not be such that they could be detrimental to DnB NOR's reputation. The group chief executive must consult the chairman of the Board of Directors before making a decision."

Remuneration to the group management team excluding the group chief executive totalled NOK 23 993 000.

Remuneration to elected representatives	DnB NOR Bank ASA		
	2005	2004	Pro forma 2003
<i>Amounts in NOK 1 000</i>			
Remuneration to the Board of Directors	1 939	1 544	2 413
Remuneration to the Supervisory Board	381	325	763
Remuneration to the Control Committee	693	693	932

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 was continued in DnB NOR. The scheme gave employees the right to subscribe for a specified number of shares in the holding company during the period 2003 to 2005 corresponding to one-third of the awarded rights for each year at a price of NOK 32.83 per share. Subscription rights were granted on the basis of the pensionable salary of the individual employee, ranging from 2 000 to 20 000 subscription rights. Each subscription right entitled the subscriber to demand the issue of one share. In March 2005, 9 736 376 subscription rights were exercised to subscribe for shares. At the end of 2005, there were no remaining subscription rights under this programme.

Note 8 Remunerations etc. (continued)

Loan facilities to employees and elected representatives as at 31 December 2005

<i>Amounts in NOK 1 000</i>		Lending
Employees in DnB NOR Bank ASA		
Group management		
Svein Aaser, CEO		0
Tom Grøndahl, deputy CEO		716
Ottar Ertzeid, group executive vice president		0
Helge Forfang, group executive vice president		3 325
Bente A. Landsnes, group executive vice president (until 31 December 2005)		4 171
Evllyn Raknerud, group executive vice president		0
Åsmund Skår, group executive vice president		2 743
Leif Teksum, group executive vice president		2 475
Employees, total		7 591 197
Elected representatives in DnB NOR Bank ASA		
Board of Directors		
Olav Hytta, chairman		0
Bent Pedersen, vice-chairman		0
Per Hoffmann		1 450
Sten Sture Larre		0
Heidi Marie Petersen		3 425
Torill Rambjør		500
Ingjerd Skjeldrum		98
Marit Wiig		0
Svein Aaser		0
Supervisory Board		
Harald Norvik, chairman		0
Total members of the Supervisory Board		35 199
Control Committee, total		936

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	
2004	2005	<i>Amounts in NOK 1 000</i>	2005	2004
2 675	2 675	Statutory audit	4 787	4 749
185	435	Other certification services	487	196
773	287	Tax-related advice	910	911
425	802	Other services ²⁾	1 151	726
4 058	4 199	Total remuneration to the statutory auditor	7 335	6 582

- 1) *The Group's statutory auditor, PwC, is also the statutory auditor for DnB NOR. As of 2006, remuneration for the audit of DnB NOR will be included in the remuneration to the statutory auditor.*
- 2) *Other services not included under the audit of the DnB NOR Bank Group in 2005 mainly related to due diligence reviews in connection with the acquisition of Monchebank as well as assistance provided upon the establishment of leasing operations in Sweden.*

Note 9 Pensions

Description of the pension schemes

With effect from 1 January 2005, the DnB NOR Bank Group established a joint, defined benefit occupational pension scheme for all employees in Norway in the form of a group pension scheme funded by Vital Forsikring. Pension benefits include retirement pensions, disability pensions and pensions for spouses and dependent children, which supplement benefits from the National Insurance Scheme. Full pension entitlements require 30 years of pensionable service and give the right to a retirement pension corresponding to the difference between 70 per cent of the employee's salary and estimated benefits from the National Insurance Scheme. The pension scheme is in compliance with the Act on Occupational Pensions. In addition to this scheme, around 800 employees in the former Postbanken are covered by a group pension plan in the Norwegian Public Service Pension Fund.

With effect from 1 July 2005, the scheme was changed, whereby the right to a paid-up policy upon termination of employment only applies to retirement pensions. In this connection, employees' accumulated paid-up values related to disability pensions and survivor's pensions have been transferred. Subsequent to this, disability pensions and survivor's pensions for employees and survivor's pensions for retirement pensioners represent risk coverage without accumulation of capital. The annual risk coverage premium is included in pension expenses. Consequently, the Group's pension commitments and pension funds have been considerably reduced. The elimination of pension funds and commitments resulted in a NOK 241 million increase in income for the banking group.

With few exceptions, companies in the Group have adopted the contractual pension (CPA) scheme for the banking and financial services industry. In addition, an agreement on contractual pensions according to public sector rules has been entered into with respect to employees who are members of the Public Service Pension Fund. Provisions have thus been made in the accounts to cover anticipated future CPA acceptance. Upon retirement under a contractual pension agreement, employees continue as members of the group pension scheme, earning benefits up till ordinary retirement age.

The Group also has commitments relating to salaries exceeding 12G (12 times the National Insurance basic amount) and early retirement agreements. Commitments relating to salaries exceeding 12G and early retirement agreements are funded through the bank's operations with respect to employees from the former DnB Group. In the former Gjensidige NOR Group, commitments relating to salaries exceeding 12G, and in general also early retirement entitlements, are organised as group pension insurance schemes funded by Vital Forsikring. Under other forms of early retirement than CPA, employees resign from the company pension plans but are, upon reaching the ordinary retirement age, compensated for the reduction in benefits earned. The aim is to also coordinate these commitments in the future.

Employer's contributions are included in pension expenses and commitments. In pension schemes where pension funds exceed pension commitments, no allocation has been made for employer's contributions.

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

In 2005, the DnB NOR Bank Group implemented Norwegian Accounting standard 6A with effect as of 1 January 2004. This entails that unrecorded commitments as at 1 January 2004 were recorded against equity. Comparison figures for 2004 take this correction into account. The effect on equity was NOK 2 950 million for the DnB NOR Bank Group as at 1 January 2004.

Economic assumptions applied in calculating pension expenses and commitments:

Economic assumptions <i>Per cent</i>	Expenses		Commitments		
	2005	2004	31 Dec. 05	31 Dec. 04	1 Jan. 04
Discount rate	4.7	5.4	3.9	4.7	5.4
Anticipated return	5.7	6.4	4.9	5.7	6.4
Anticipated rise in salaries	3.5	3.5	3.5	3.5	3.5
Anticipated increase in basic amount	3.0	3.0	3.0	3.0	3.0
Anticipated rise in pensions	2.5	3.0	2.5	2.5	3.0
Anticipated CPA acceptance	40.0	40.0	40.0	40.0	40.0

The discount rate should be determined by reference to market yields at the balance sheet date on 10-year government bonds, plus an addition that takes into account that the terms of the commitments are longer than 10 years. The addition equals the yield differential between 10 and 30-year government bonds in the international market. The type of pension funds investments and historical returns determine the expected return on pension funds. In the past, the average return on pension funds has been higher than the risk-free rate of interest as part of the pension funds have normally been placed in securities with higher risk than government bonds. In the longer term, the return on pension funds is estimated to be 1 percentage point above the risk-free rate of interest. The table below shows a breakdown of pension funds as at 31 December 2005.

Pension expenses

<i>Amounts in NOK million</i>	2005			DnB NOR Bank ASA 2004		
	Funded	Unfunded	Total	Funded	Unfunded	Total
Net present value of pension entitlements	399	93	492	412	85	497
Interest expenses on pension commitments	401	85	486	409	85	494
Expected return on pension funds	(407)	0	(407)	(424)	0	(424)
Changes in pension schemes	(181)	0	(181)	0	0	0
Amortisation of changes in estimates not recorded in the accounts	1	0	1	0	0	0
Administrative expenses	11	0	11	9	0	9
Net pension expenses	224	178	401	408	170	578

Note 9 Pensions (continued)

<i>Amounts in NOK million</i>	DnB NOR Bank ASA								
	31 Dec. 2005			31 Dec. 2004			1 Jan. 2004		
	Funded	Unfunded	Total	Funded	Unfunded	Total	Funded	Unfunded	Total
Accrued pension commitments	6 751	1 579	8 330	7 156	1 436	8 592	6 033	1 241	7 274
Estimated effect of future salary adjustments	2 872	742	3 614	1 897	417	2 314	1 912	414	2 326
Total pension commitments	9 623	2 321	11 945	9 053	1 852	10 906	7 945	1 655	9 600
Value of pension funds	(6 969)	0	(6 969)	(7 402)	0	(7 402)	(6 749)	0	(6 749)
Net pension commitments	2 654	2 321	4 975	1 651	1 852	3 503	1 195	1 655	2 850
Changes in estimates not recorded in the accounts	(1 860)	(274)	(2 134)	(655)	(20)	(675)	0	0	0
Employer's contribution	149	289	438	158	258	416	171	233	404
Recorded pension commitments	943	2 335	3 278	1 154	2 091	3 245	1 366	1 888	3 254

<i>Amounts in NOK million</i>	DnB NOR Bank Group					
	2005			2004		
	Funded	Unfunded	Total	Funded	Unfunded	Total
Net present value of pension entitlements	440	98	538	451	90	541
Interest expenses on pension commitments	427	88	515	437	89	526
Expected return on pension funds	(433)	0	(433)	(451)	0	(451)
Changes in pension schemes	(241)	0	(241)	13	0	13
Amortisation of changes in estimates not recorded in the accounts	0	0	0	0	0	0
Administrative expenses	12	0	12	11	0	11
Net pension expenses	206	187	393	461	179	641

<i>Amounts in NOK million</i>	DnB NOR Bank Group								
	31 Dec. 2005			31 Dec. 2004			1 Jan. 2004		
	Funded	Unfunded	Total	Funded	Unfunded	Total	Funded	Unfunded	Total
Accrued pension commitments	7 186	1 603	8 789	7 618	1 502	9 120	6 418	1 307	7 725
Estimated effect of future salary adjustments	3 082	750	3 832	2 065	434	2 499	2 022	428	2 450
Total pension commitments	10 268	2 353	12 622	9 683	1 936	11 620	8 440	1 735	10 175
Value of pension funds	(7 395)	0	(7 395)	(7 853)	0	(7 853)	(7 137)	0	(7 137)
Net pension commitments	2 873	2 353	5 226	1 830	1 936	3 766	1 303	1 735	3 038
Changes in estimates not recorded in the accounts	(1 977)	(278)	(2 255)	(692)	(23)	(715)	0	0	0
Employer's contribution	158	290	448	167	263	430	180	238	418
Recorded pension commitments	1 055	2 364	3 419	1 305	2 176	3 481	1 483	1 974	3 457

DnB NOR Bank ASA		Pension commitments		DnB NOR Bank Group	
31 Dec. 2004	31 Dec. 2005	<i>Amounts in NOK million</i>		31 Dec. 2005	31 Dec. 2004
9 600	10 906	Opening balance		11 620	10 175
0	(1 119)	Changes in pension schemes		(1 251)	13
385	398	Accumulated pension entitlements		435	425
494	486	Interest expenses		515	526
(410)	(385)	Pension payments		(402)	(415)
838	1 659	Changes in estimates not recorded in the accounts		1 705	897
10 906	11 945	Closing balance		12 622	11 620

DnB NOR Bank ASA		Pension funds		DnB NOR Bank Group	
31 Dec. 2004	31 Dec. 2005	<i>Amounts in NOK million</i>		31 Dec. 2005	31 Dec. 2004
6 749	7 402	Opening balance		7 853	7 137
0	(938)	Changes in pension schemes		(1 010)	0
421	407	Expected return		433	447
533	312	Premium transfers		388	565
(258)	(259)	Pension payments		(284)	(267)
(43)	46	Changes in estimates not recorded in the accounts		15	(28)
7 402	6 969	Closing balance		7 395	7 853

Premium transfers in 2006 are expected to be NOK 400 million for the banking group. Payments through operations are estimated at NOK 120 million.

Note 9 Pensions (continued)

DnB NOR Bank ASA			Members	DnB NOR Bank Group		
1 Jan. 2004	31 Dec. 2004	31 Dec. 2005		31 Dec. 2005	31 Dec. 2004	1 Jan. 2004
13 679	12 666	12 339	Number of persons covered by the pension schemes	13 858	14 111	15 767
8 915	8 668	8 284	- in employment	9 559	9 882	10 884
4 764	3 998	4 055	- on retirement and disability pensions	4 299	4 229	4 883
Pension funds investments				31 Dec. 2005	31 Dec. 2004	1 Jan. 2004
<i>Per cent</i>						
Short-term bonds				18	18	26
Bonds held to maturity				27	33	31
Money market				17	17	14
Equities				23	17	13
Real estate				12	12	12
Other				3	4	4
Total				100	100	100

The table shows how pension funds including derivative contracts administered by Vital Forsikring were invested at year-end. The recorded return on assets administered by Vital Forsikring was 7.3 per cent for 2005. The recorded return amounted to 6.5 per cent in 2004.

Historic developments	DnB NOR Bank Group				
	31 Dec. 2005	31 Dec. 2004	1 Jan. 2004	31 Dec. 2002	31 Dec. 2001
<i>Amounts in NOK million</i>					
Gross pension commitments	13 070	12 050	10 593	8 517	7 590
Gross pension funds	(7 395)	(7 853)	(7 137)	(6 376)	(6 210)
Commitments not recorded in the accounts	(2 255)	(715)	0	(1 288)	(756)
Net recorded pension commitments	3 419	3 481	3 457	852	625

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

DnB NOR Bank ASA				DnB NOR Bank Group		
Pro forma 2003	2004	2005		2005	2004	Pro forma 2003
8 136	7 812	7 473	Number of employees as at 31 December	10 611	9 050	10 318
7 703	7 498	7 197	Number of employees calculated on a full-time basis as at 31 December	10 269	8 693	9 765
8 328	8 080	7 549	Average number of employees	8 952	9 438	10 431
7 865	7 728	7 251	Average number of employees calculated on a full-time basis	8 609	9 041	9 892

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

Note 11 Restructuring provisions

<i>Amounts in NOK million</i>	DnB NOR Bank Group		
	31 Dec. 2005	Expenses 2005	31 Dec. 2004
Total DnB NOR Bank ASA	8	701	710
Total DnB NOR Bank Group ^{*)}	58	718	776
<i>*) Of which:</i>			
IT		296	
Staff cuts		282	
Real estate		84	
Other		56	

Note 12 Net losses on loans, guarantees etc.

DnB NOR Bank ASA				DnB NOR Bank Group		
Pro forma					Pro forma	
2003	2004 ¹⁾	2005	<i>Amounts in NOK million</i>	2005	2004 ¹⁾	2003
Specification of net losses						
544	571	347	Write-offs ^{a)}	404	507	725
116	250	117	Increase in specified loan-loss provisions ^{b)}	190	378	288
1 204	361	239	New specified loan-loss provisions ^{c)}	306	518	1 657
1 864	1 182	703	Total new specified provisions	900	1 403	2 671
306	828	265	Reassessed specified provisions ^{d)}	324	924	509
1 558	354	438	Total specified provisions	576	479	2 162
183	275	470	Recoveries on commitments previously written off ^{e)}	618	312	276
0	0	0	Change in unspecified provisions ^{f)}	0	0	5
1 376	79	(32)	Net losses on loans, guarantees etc.	(42)	167	1 891
(13)	7	13	<i>Of which net losses on guarantees</i>	19	15	(7)
1 316	530	249	<i>Total gross losses for the 20 largest loss-exposed commitments</i>	271	558	1 380
Specification of changes						
450	(801)	(962)	Increase in specified provisions during the period ^{b) and c) minus d) and g)}	(1 191)	(865)	773
0	0	0	+ Change in unspecified provisions for the period ^{f)}	0	0	5
565	584	1 053	+ Write-offs covered by specified provisions made in previous years ^{g)}	1 363	837	664
543	571	347	+ Write-offs not covered by specified provisions made in previous years ^{a)}	404	507	725
183	275	470	- Recoveries on commitments previously written off ^{e)}	618	312	276
1 376	79	(32)	Net losses on loans, guarantees etc.	(42)	167	1 891

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

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

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

<i>Amounts in NOK million</i>	2005				2004			
	New specified provisions ¹⁾	Reassessed specified provisions	Recoveries on commitments		New specified provisions ¹⁾	Reassessed specified provisions	Recoveries on commitments	
			previously written off	Net losses (reversals)			previously written off	Net losses (reversals)
Retail customers	274	15	188	71	347	93	189	65
International shipping	12	2	3	7	3	8	6	(11)
Real estate	34	38	0	(4)	38	31	4	3
Manufacturing	80	24	0	56	108	269	1	(162)
Services	37	64	27	(54)	119	342	25	(247)
Trade	59	24	2	33	67	31	2	34
Oil and gas	3	0	7	(4)	0	21	22	(43)
Transportation and communication	13	2	1	10	3	0	1	2
Building and construction	31	16	1	14	60	16	0	44
Power and water supply	2	0	0	2	0	0	0	0
Fishing	61	39	0	22	153	10	2	141
Hotels and restaurants	13	12	3	(2)	17	0	1	16
Agriculture and forestry	4	3	1	0	1	0	0	1
Other sectors	0	12	0	(12)	127	7	22	98
Total customers	623	251	233	139	1 045	828	275	(58)
Credit institutions	80	14	0	66	2	0	0	2
Repossessed assets	0	0	237	(237)	135	0	0	135
Change in unspecified provisions				0				0
Total losses/reversals on loans, guarantees etc.	703	265	470	(32)	1 182	828	275	79

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

DnB NOR Bank ASA				
Pro forma 2003				
<i>Amounts in NOK million</i>	New	Reassessed	Recoveries on	Net losses
	specified	specified	previously	
	provisions ¹⁾	provisions	written off	(reversals)
Retail customers	294	15	159	119
International shipping	12	28	1	(17)
Real estate	100	42	12	46
Manufacturing	351	62	1	289
Services	304	75	7	222
Trade	117	22	2	93
Oil and gas	4	6	0	(2)
Transportation and communication	28	8	0	20
Building and construction	183	17	1	165
Power and water supply	0	0	0	0
Fishing	108	14	1	94
Hotels and restaurants	22	4	0	18
Agriculture and forestry	5	1	0	4
Other sectors	3	12	0	(9)
Total customers	1 531	306	183	1 042
Credit institutions	0	0	0	0
Repossessed assets	333	0	0	333
Change in unspecified provisions				0
Total losses/reversals on loans, guarantees etc.	1 864	306	183	1 376

DnB NOR Bank Group								
2005					2004			
<i>Amounts in NOK million</i>	New	Reassessed	Recoveries on	Net losses	New	Reassessed	Recoveries on	Net losses
	specified	specified	previously		specified	specified	previously	
	provisions ¹⁾	provisions	written off	(reversals)	provisions ¹⁾	provisions	written off	(reversals)
Retail customers	327	20	202	105	359	100	202	57
International shipping	17	2	3	12	9	17	38	(46)
Real estate	44	66	1	(23)	83	65	11	7
Manufacturing	95	36	1	58	173	271	3	(101)
Services	56	66	77	(87)	157	349	23	(215)
Trade	70	26	4	40	100	46	3	51
Oil and gas	3	0	7	(4)	0	21	22	(43)
Transportation and communication	27	7	2	18	31	4	2	25
Building and construction	39	17	3	19	88	25	1	62
Power and water supply	2	0	0	2	0	0	0	0
Fishing	109	40	66	3	196	15	2	179
Hotels and restaurants	19	14	3	2	26	5	1	20
Agriculture and forestry	6	3	1	2	12	0	1	11
Other sectors	6	13	11	(18)	27	6	3	18
Total customers	820	310	381	129	1 261	924	312	25
Credit institutions	80	14	0	66	7	0	0	7
Repossessed assets	0	0	237	(237)	135	0	0	135
Change in unspecified provisions				0				0
Total losses/reversals on loans, guarantees etc.	900	324	618	(42)	1 403	924	312	167

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

<i>Amounts in NOK million</i>	DnB NOR Bank Group Pro forma 2003			
	New specified provisions ¹⁾	Reassessed specified provisions	Recoveries on commitments previously written off	Net losses (reversals)
Retail customers	537	74	192	271
International shipping	21	53	28	(60)
Real estate	158	76	14	67
Manufacturing	414	70	2	342
Services	443	103	20	319
Trade	173	27	5	141
Oil and gas	6	6	4	(3)
Transportation and communication	80	9	3	69
Building and construction	176	18	2	156
Power and water supply	0	0	0	0
Fishing	187	55	4	128
Hotels and restaurants	42	5	0	38
Agriculture and forestry	13	2	1	11
Other sectors	30	12	1	17
Total customers	2 280	509	276	1 495
Credit institutions	5	0	0	5
Repossessed assets	385	0	0	385
Change in unspecified provisions				5
Total losses/reversals on loans, guarantees, etc.	2 671	509	276	1 891

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 on long-term securities

DnB NOR Bank ASA				DnB NOR Bank Group		
Proforma			<i>Amounts in NOK million</i>	Pro forma		
2003	2004	2005		2005	2004	2003
			Gains			
0	4	0	Bankpower	0	4	0
0	7	0	BBS	0	7	0
0	0	0	Bolig- og Næringsbanken	0	0	22
0	53	71	Eksporthfinans	0	1	0
(1)	0	0	Europay Norge	0	0	(1)
0	3	0	Norsk Tillitsmann	0	3	0
0	0	0	Vittoria Participacoes	198	0	0
0	1 429 ¹⁾	32	Subsidiaries	0	0	0
2	1	0	Other	0	6	13
			Losses			
0	48	1	Subsidiaries	1	0	0
			Write-downs			
(209)	(89)	(9)	Storebrand	(9)	(89)	(209)
12	0	0	NOS	0	0	12
(7)	0	0	Subsidiaries	0	0	0
7	3	3	Other	3	3	7
198	1 535	108	Net gains on long-term securities	203	106	224

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

Note 15 Taxes

In accordance with Norwegian Accounting Standard 6A, the banking group implemented IAS 19 Employee Benefits as of 1 January 2005. Thus, deviations in estimates and effects of changes in pension schemes not recorded according to previous accounting principles, have been charged to equity in the subsidiaries' accounts. Corresponding changes in deferred tax assets/deferred tax are also recorded directly against equity.

DnB NOR Bank ASA			Taxes	DnB NOR Bank Group		
Pro forma 2003	2004	2005	<i>Amounts in NOK million</i>	2005	2004	Pro forma 2003
1 441	2 384	1 294	Norway	1 349	2 399	460
30	44	149	Abroad	171	104	98
1 471	2 428	1 443	Total payable taxes	1 520	2 503	558
182	(194)	1 530	Deferred taxes	1 552	(188)	430
0	124	0	Changes in deferred taxes due to transition to the tax exemption model	0	82	0
0	0	0	Changes in deferred taxes resulting from the acquisition of companies	(14)	0	329
0	0	0	Taxes on group contributions to/from subsidiaries consolidated according to the equity method	0	0	578
(180)	0	0	Effect of debt interest distribution in previous years	0	0	(180)
1 473	2 358	2 973	Total taxes	3 058	2 397	1 715

Balancing tax charges against pre-tax operating profit

Pro forma 2003	2004	2005	<i>Amounts in NOK million</i>	2005	2004	Pro forma 2003
6 333	8 950	10 395	Operating profit before losses	10 385	9 183	6 677
1 773	2 506	2 911	Estimated income tax - nominal tax rate (28 per cent)	2 908	2 571	1 870
(37)	(56)	(71)	Tax effect of income taxable abroad	(118)	(105)	(132)
(25)	(260)	(16)	Tax effect of permanent differences	97	(255)	78
0	124	0	Tax effect of transition to the tax exemption model	0	82	0
(113)	0	0	Tax assets in discontinued operations	0	0	(44)
30	44	149	Taxes payable abroad	171	104	98
25	0	0	Inadequate tax provisions in previous year	0	0	25
(180)	0	0	Effect of debt interest distribution in previous years	0	0	(180)
1 473	2 358	2 973	Total taxes	3 058	2 397	1 715
23 %	26 %	29 %	Effective tax rate	29 %	26 %	26 %

Pro forma 2003	2004	2005	Tax base <i>Amounts in NOK million</i>	2005	2004	Pro forma 2003
6 333	8 950	10 395	Operating profit	10 385	9 183	6 677
(133)	(202)	(254)	Reversal of income taxable abroad	(421)	(375)	(467)
(85)	(928)	(57)	Permanent differences	345	(910)	279
(1 062)	695	(5 463)	Changes in timing differences and tax losses carried forward	(5 539)	670	(1 609)
0	0	0	Timing differences	51	0	(1 177)
0	0	0	Changes in timing differences due to the acquisition of operations	0	0	(96)
0	0	0	Use of losses carried forward	0	0	(2 064)
0	0	0	Use of losses carried forward in subsidiaries consolidated according to the equity method	0	0	(2 064)
5 053	8 515	4 621	Tax base for the year - Norwegian operations	4 821	8 568	1 543

Note 15 Taxes (continued)

DnB NOR Bank ASA			Elements in the calculation of deferred taxes <i>Amounts in NOK million</i>	DnB NOR Bank Group		
1 Jan. 2004	31 Dec. 2004	31 Dec. 2005		31 Dec. 2005	31 Dec. 2004	1 Jan. 2004
			Taxable timing differences			
0	0	0	Fixed assets	217	594	713
214	192	0	Market values above book values - merger with Postbanken	0	192	214
6	164	56	Prepaid pension entitlements	57	173	24
28	0	0	Financial instruments ¹⁾	0	0	28
333	254	5 620	Other taxable timing differences	6 185	384	719
581	610	5 676	Total taxable timing differences	6 459	1 343	1 698
			Tax-deductible timing differences			
1 422	453	442	Fixed assets	529	558	1 707
3 273	3 376	3 353	Accrued pension commitments	3 493	3 618	3 499
0	966	890	Financial instruments ¹⁾	890	966	0
1 188	1 336	1 049	Other tax-deductible timing differences	1 367	1 509	1 605
5 883	6 131	5 734	Total tax-deductible timing differences	6 279	6 651	6 811
0	0	0	Losses carried forward and tax allowance for dividends ²⁾	3	3	3
5 883	6 131	5 734	Tax-deductible timing differences including losses carried forward	6 282	6 654	6 814
(164)	(164)	(164)	Of which differences that cannot be offset ³⁾	(164)	(164)	(164)
5 719	5 967	5 570	Tax-deductible timing differences to be offset	6 118	6 490	6 650
(5 138)	(5 357)	106	Calculation base for deferred taxes	341	(5 147)	(4 952)
1 440	1 500	6	Deferred tax assets	36	1 442	1 387
0	0	36	Deferred taxes	132	0	0

1) In the financial accounts, financial instruments are recorded at market value, while in the tax assessment, they are recorded at realisation value. The same applies to balance sheet transactions which are linked to forward contracts through swap agreements.

2) Tax allowance for dividends received, converted to tax-deductible timing differences.

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

Note 16 Assets

DnB NOR Bank ASA				DnB NOR Bank Group		
1 Jan. 2004	31 Dec. 2004	31 Dec. 2005	<i>Amounts in NOK million</i>	31 Dec. 2005	31 Dec. 2004	1 Jan. 2004
8 223	8 286	19 715	Cash and deposits with central banks	21 229	8 780	8 565
			Lending to and deposits with credit institutions with no fixed term or period of notice	4 469	5 136	6 794
7 627	8 449	10 423	Lending to and deposits with credit institutions with a fixed term or period of notice	26 952	16 469	21 268
84 898	46 500	75 813	Specified loan-loss provisions	(80)	(2)	(2)
(2)	(2)	(80)	Lending to and deposits with credit institutions	31 342	21 604	28 060
92 523	54 947	86 156	Instalment loans	637 015	535 641	508 958
445 007	489 416	556 301	Overdraft and working capital facilities	38 909	31 663	32 268
26 223	30 517	36 524	Building and construction loans	8 729	6 039	5 410
5 000	5 700	7 828	Finance leases	12 571	9 649	24 861
0	0	0	Factoring receivables	824	568	946
0	0	0	Factoring loans	790	625	1 449
54	12	27	Other loans	42	46	81
476 283	525 645	600 680	Gross lending to customers	698 881	584 230	573 973
(3 181)	(2 494)	(1 478)	Specified loan-loss provisions	(2 065)	(3 255)	(4 329)
(3 147)	(3 230)	(3 230)	Unspecified loan-loss provisions	(3 576)	(3 534)	(3 714)
469 955	519 921	595 972	Net lending to customers	693 240	577 441	565 929
310	456	206	Repossessed assets	232	538	576
7 554	2 122	4 154	Commercial paper and bonds issued by central and local government	6 716	2 123	7 842
38 365	44 069	54 786	Commercial paper and bonds issued by financial institutions	53 100	42 439	36 273
13 857	16 458	17 305	Commercial paper and bonds issued by others	17 466	16 458	14 049
1 514	1 966	1 977	Own bonds and commercial paper, trading portfolio	1 977	1 966	1 514
61 289	64 615	78 221	Commercial paper and bonds	79 259	62 986	59 677
2 484	3 574	2 304	Short-term investments in shares, mutual funds and PCCs	2 474	3 823	2 945
770	637	305	Long-term investments in shares, mutual funds and PCCs	312	784	940
16	2	2	Shares in general and limited partnerships	5	4	20
3 270	4 213	2 610	Shareholdings etc.	2 791	4 611	3 905
519	485	440	Investments in associated companies - credit institutions	1 069	1 163	1 241
115	98	98	Investments in associated companies	192	191	144
633	583	537	Investments in associated companies	1 261	1 354	1 384
6 651	4 054	6 606	Investments in subsidiaries - credit institutions	-	-	-
2 260	1 542	1 517	Investments in other subsidiaries	-	-	-
8 911	5 597	8 122	Investments in subsidiaries	-	-	-
1 472	1 460	1 318	Goodwill	2 171	1 948	2 502
1 440	1 500	6	Deferred tax assets	36	1 442	1 387
106	27	130	Systemts development recorded in the balance sheet	130	27	167
69	51	39	Other intangible assets	81	51	70
3 087	3 038	1 493	Intangible assets	2 418	3 469	4 125
1 078	990	954	Machinery, equipment and vehicles	1 412	1 116	1 245
1 486	1 458	1 252	Building and other properties	2 767	2 985	3 121
21	18	1	Other fixed assets	108	54	89
2 585	2 467	2 206	Fixed assets	4 287	4 155	4 454
19 697	19 546	16 800	Financial derivatives	16 827	19 600	19 756
722	332	307	Amounts due on documentary credits and other payment services	307	332	722
2 203	754	1 244	Group contribution	0	0	0
1 647	2 506	1 550	Other amounts due	2 153	3 010	3 140
24 269	23 138	19 901	Other assets	19 288	22 943	23 618
2 693	2 447	2 570	Accrued interest income	2 887	2 840	3 199
6	168	56	Prepaid pension entitlements	64	173	24
1 001	1 331	1 471	Other prepayments and accrued income	1 695	1 464	1 260
3 701	3 946	4 097	Prepayments and accrued income	4 645	4 477	4 483
678 756	691 207	819 238	Total assets	859 993	712 356	704 776

Note 18 Commitments for principal sectors

<i>Amounts in NOK million</i>	DnB NOR Bank ASA								
	Loans ¹⁾			Guarantees ¹⁾			Committed limits ²⁾		
	31 Dec. 2005	31 Dec. 2004	1 Jan. 2004	31 Dec. 2005	31 Dec. 2004	1 Jan. 2004	31 Dec. 2005	31 Dec. 2004	1 Jan. 2004
Retail customers	332 079	311 951	271 005	342	325	249	376 457	338 991	285 425
International shipping	48 733	31 987	25 063	7 833	7 108	8 055	93 583	59 823	46 483
Real estate	74 453	64 150	61 561	5 669	3 307	4 006	93 090	82 256	74 871
Manufacturing	19 948	18 030	18 115	5 467	4 842	5 374	46 820	42 156	43 002
Services and management	40 990	27 171	28 542	8 098	7 837	7 019	67 761	57 801	50 053
Trade	22 514	18 509	18 903	2 720	2 863	2 602	40 156	39 469	33 677
Oil and gas	6 967	4 747	3 736	2 884	2 081	2 246	26 112	15 820	12 770
Transportation and communication	12 122	9 272	8 508	2 613	1 979	2 890	20 643	21 877	20 730
Building and construction	6 409	4 571	4 037	3 935	2 824	2 519	14 664	11 584	10 317
Power and water supply	5 675	4 533	5 998	5 517	5 376	7 355	19 838	18 988	21 279
Fishing	6 829	6 803	7 000	154	34	181	8 417	9 286	8 008
Hotels and restaurants	3 247	3 258	3 507	243	218	240	4 117	4 174	4 146
Agriculture and forestry	5 169	3 971	3 405	34	21	27	5 856	5 003	4 019
Central and local government	1 700	722	1 090	84	87	61	5 661	4 087	5 645
Other sectors	12 367	13 476	12 632	3 438	3 258	3 910	19 081	20 581	20 384
Total customers	599 202	523 151	473 101	49 033	42 160	46 734	842 257	731 896	640 808
Credit institutions ³⁾	55 410	33 108	61 549	1 059	3 365	3 608	70 722	49 232	82 165
Total	654 612	556 259	534 651	50 092	45 525	50 342	912 979	781 128	722 973

<i>Amounts in NOK million</i>	DnB NOR Bank Group								
	Loans ¹⁾			Guarantees ¹⁾			Committed limits ²⁾		
	31 Dec. 2005	31 Dec. 2004	1 Jan. 2004	31 Dec. 2005	31 Dec. 2004	1 Jan. 2004	31 Dec. 2005	31 Dec. 2004	1 Jan. 2004
Retail customers	374 247	330 785	301 579	356	340	266	419 173	348 579	316 489
International shipping	48 751	32 003	31 167	7 833	7 108	8 307	93 610	59 841	55 224
Real estate	95 805	82 900	82 155	5 707	3 284	4 043	115 297	98 476	95 275
Manufacturing	23 731	20 422	24 758	5 581	4 909	5 582	50 932	44 040	51 596
Services and management	47 710	32 494	38 669	8 189	7 783	7 179	76 969	62 893	58 770
Trade	27 075	21 207	23 849	2 879	2 941	2 687	45 086	41 475	40 252
Oil and gas	7 486	4 811	4 238	2 884	2 081	2 253	26 631	15 848	13 927
Transportation and communication	15 845	12 966	14 026	2 699	2 038	2 947	24 647	25 030	26 478
Building and construction	8 867	6 239	8 428	4 085	2 967	2 679	17 362	12 829	15 000
Power and water supply	6 151	4 725	6 276	5 604	5 637	7 606	20 403	19 092	21 600
Fishing	8 963	8 973	10 440	170	39	188	10 592	9 472	10 480
Hotels and restaurants	3 716	3 622	4 113	248	221	245	4 598	4 372	4 786
Agriculture and forestry	6 445	4 455	4 749	37	22	28	7 145	5 254	5 406
Central and local government	3 401	1 424	2 094	89	91	65	7 515	4 761	6 698
Other sectors	18 625	13 949	13 100	4 279	3 198	3 628	32 512	20 925	14 440
Total customers	696 817	580 975	569 643	50 639	42 659	47 701	952 472	772 887	736 419
Credit institutions ³⁾	10 558	7 416	8 911	905	3 410	3 482	69 814	49 318	16 676
Total	707 375	588 391	578 554	51 544	46 069	51 184	1 022 286	822 205	753 096

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

<i>Amounts in NOK million</i>	Net non-performing commitments ¹⁾			Net doubtful commitments ¹⁾			DnB NOR Bank ASA Total specified provisions		
	31 Dec. 2005	31 Dec. 2004	1 Jan. 2004	31 Dec. 2005	31 Dec. 2004	1 Jan. 2004	31 Dec. 2005	31 Dec. 2004	1 Jan. 2004
	Retail customers	1 878	1 872	1 654	57	177	142	544	687
International shipping	(33)	(13)	2	0	0	0	42	32	41
Real estate	257	359	549	146	219	229	114	177	254
Manufacturing	120	112	474	212	292	129	258	316	524
Services and management	249	371	573	39	122	62	131	599	955
Trade	139	47	136	58	131	36	154	165	204
Oil and gas	9	1	6	0	2	0	3	0	36
Transportation and communication	43	44	34	23	18	14	25	17	22
Building and construction	76	360	552	6	6	10	56	351	312
Power and water supply	0	0	0	0	0	0	0	0	0
Fishing	84	289	582	69	81	74	172	182	141
Hotels and restaurants	23	13	98	21	21	17	26	37	33
Agriculture and forestry	38	15	37	6	0	4	11	6	49
Other sectors	2	(4)	10	1	13	0	1	17	3
Total customers	2 885	3 466	4 708	638	1 083	717	1 537	2 586	3 298
Credit institutions ²⁾	19	5	5	4	8	7	80	2	2
Total ¹⁾	2 904	3 471	4 713	642	1 091	724	1 617	2 588	3 300

*) Of which transferred from Nordlandsbanken ASA

0	0	645	0	0	0	0	0	0	849
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<i>Amounts in NOK million</i>	Net non-performing commitments ¹⁾			Net doubtful commitments ¹⁾			DnB NOR Bank Group Total specified provisions		
	31 Dec. 2005	31 Dec. 2004	1 Jan. 2004	31 Dec. 2005	31 Dec. 2004	1 Jan. 2004	31 Dec. 2005	31 Dec. 2004	1 Jan. 2004
	Retail customers	2 083	2 078	2 159	130	207	310	695	839
International shipping	(35)	(14)	21	0	0	5	52	40	63
Real estate	394	558	1 026	543	697	617	184	285	372
Manufacturing	188	159	547	293	377	393	349	413	743
Services and management	302	411	684	62	152	195	249	705	1 083
Trade	160	80	194	69	139	68	192	209	282
Oil and gas	9	1	8	0	2	0	3	0	37
Transportation and communication	59	55	87	74	41	43	68	79	99
Building and construction	93	390	613	11	4	49	73	387	355
Power and water supply	1	0	1	0	0	0	0	0	0
Fishing	126	386	881	47	106	144	224	244	217
Hotels and restaurants	35	32	141	39	44	31	33	48	56
Agriculture and forestry	51	25	58	19	7	11	16	10	57
Other sectors	393	31	112	71	2	1	13	113	48
Total customers	3 859	4 191	6 531	1 358	1 779	1 865	2 151	3 372	4 445
Credit institutions ²⁾	19	5	0	4	(1)	5	80	11	9
Total ¹⁾	3 878	4 196	6 531	1 362	1 778	1 870	2 231	3 383	4 454

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

Amounts in NOK million	Private customers			Corporate customers			DnB NOR Bank ASA Total		
	31 Dec.	31 Dec.	1 Jan.	31 Dec.	31 Dec.	1 Jan.	31 Dec.	31 Dec.	1 Jan.
	2005	2004	2004	2005	2004	2004	2005	2004	2004
Non-performing commitments ^{*)}									
Before specified provisions	2 368	2 521	2 299	1 762	3 120	5 220	4 130	5 641	7 519
After specified provisions ¹⁾	1 878	1 872	1 654	1 026	1 599	3 058	2 904	3 471	4 713
Doubtful commitments ^{*)}									
Before specified provisions	111	217	211	921	1 295	1 006	1 032	1 512	1 217
After specified provisions ¹⁾	57	177	139	585	914	585	642	1 091	724
*) Of which:									
Non-accruing commitments									
Before specified provisions	2 479	2 162	1 669	1 849	2 676	4 528	4 328	4 838	6 197
After specified provisions	1 801	1 819	1 009	851	1 343	2 408	2 652	3 162	3 415

Amounts in NOK million	Private customers			Corporate customers			DnB NOR Bank Group Total		
	31 Dec.	31 Dec.	1 Jan.	31 Dec.	31 Dec.	1 Jan.	31 Dec.	31 Dec.	1 Jan.
	2005	2004	2004	2005	2004	2004	2005	2004	2004
Non-performing commitments ^{*)}									
Before specified provisions	2 688	2 844	3 064	2 868	4 051	6 989	5 556	6 895	10 053
After specified provisions ¹⁾	2 083	2 079	2 143	1 795	2 117	4 388	3 878	4 196	6 531
Doubtful commitments ^{*)}									
Before specified provisions	211	279	436	1 703	2 181	2 366	1 914	2 460	2 802
After specified provisions ¹⁾	130	207	317	1 232	1 571	1 553	1 362	1 778	1 870
*) Of which:									
Non-accruing commitments									
Before specified provisions	2 589	2 382	2 365	3 599	3 952	6 045	6 188	6 334	8 410
After specified provisions	1 829	1 927	1 422	2 196	2 159	3 419	4 025	4 086	4 841

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

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

DnB NOR Bank ASA				DnB NOR Bank Group		
1 Jan.	31 Dec.	31 Dec.	Reduced-rate commitments ¹⁾	31 Dec.	31 Dec.	1 Jan.
2004	2004	2005	Amounts in NOK million	2005	2004	2004
361	114	141	Reduced-rate commitments	141	114	361

1) 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

<i>Amounts in NOK million</i>	Total provisions			Loans			DnB NOR Bank ASA Guarantees		
	31 Dec.	31 Dec.	1 Jan.	31 Dec.	31 Dec.	1 Jan.	31 Dec.	31 Dec.	1 Jan.
	2005	2004	2004	2005	2004	2004	2005	2004	2004
Specified loan-loss provisions as at 1 Jan.	2 588	3 300	2 470	2 496	3 183	2 328	92	117	142
Write-offs covered by specified provisions made in previous years	1 062	493	765	1 016	463	804	46	30	(40)
Portfolio transferred from subsidiary	0	0	660	0	0	660	0	0	0
Provisions for the period									
Increase in specified loan-loss provisions	117	250	150	98	250	148	19	0	1
New specified loan-loss provisions	239	361	1 256	203	336	1 232	36	25	24
Reassessed specified loan-loss provisions	265	828	471	223	808	381	42	20	90
Exchange rate movements	0	(2)	0	0	(2)	0	0	0	0
Specified loan-loss provisions as at 31 Dec. ¹⁾	1 617	2 588	3 300	1 558	2 496	3 183	59	92	117
Unspecified loan-loss provisions as at 1 Jan.	3 231	3 148	3 145	3 230	3 147	3 144	1	1	1
Subsidiary transferred to parent company	0	83	0	0	83	0	0	0	0
Unspecified loan-loss provisions for the period	0	0	0	0	0	0	0	0	0
Purchased portfolio	0	0	3	0	0	3	0	0	0
Unspecified loan-loss provisions as at 31 Dec. ²⁾	3 231	3 231	3 148	3 230	3 230	3 147	1	1	1
Total loan-loss provisions as at 31 Dec.	4 848	5 819	6 448	4 788	5 726	6 330	60	93	118

1) *Of which specified*

<i>loan-loss provisions to:</i> Customers	1 478	2 494	3 181	59	92	117
Credit institutions	80	2	2	0	0	0

2) *Of which unspecified*

<i>loan-loss provisions to:</i> Customers	3 230	3 147	3 147	1	1	1
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<i>Amounts in NOK million</i>	Total provisions			Loans			DnB NOR Bank Group Guarantees		
	31 Dec.	31 Dec.	1 Jan.	31 Dec.	31 Dec.	1 Jan.	31 Dec.	31 Dec.	1 Jan.
	2005	2004	2004	2005	2004	2004	2005	2004	2004
Specified loan-loss provisions as at 1 Jan.	3 383	4 454	3 028	3 257	4 331	2 886	126	122	143
Operations sold/Elcon as at 31 March	0	0	0	0	(115)	0	0	0	0
Write-offs covered by specified provisions made in previous years	1 381	925	1 579	1 321	914	1 587	60	11	(8)
Purchased portfolio	57	0	0	57	0	0	0	0	0
Provisions for the period									
Increase in specified loan-loss provisions	190	378	288	170	374	286	20	4	2
New specified loan-loss provisions	306	518	1 678	264	486	1 649	42	32	29
Reassessed specified loan-loss provisions	324	924	522	282	903	463	42	21	59
Nordlandsbanken as at 1 Jan.	0	0	1 555	0	0	1 555	0	0	0
Exchange rate movements	0	(2)	5	0	(2)	5	0	0	0
Specified loan-loss provisions as at 31 Dec. ¹⁾	2 231	3 383	4 454	2 145	3 257	4 331	86	126	122
Unspecified loan-loss provisions as at 1 Jan.	3 535	3 715	3 502	3 534	3 714	3 501	1	1	1
Operations sold/Elcon as at 31 March	0	(180)	0	0	(180)	0	0	0	0
Unspecified loan-loss provisions for the period	0	0	5	0	0	5	0	0	0
Nordlandsbanken as at 1 Jan.	0	0	204	0	0	204	0	0	0
Purchased portfolio	42	0	5	42	0	5	0	0	0
Unspecified loan-loss provisions as at 31 Dec. ²⁾	3 577	3 535	3 715	3 576	3 534	3 714	1	1	1
Total loan-loss provisions as at 31 Dec.	5 808	6 918	8 169	5 721	6 791	8 046	87	127	123

1) *Of which specified*

<i>loan-loss provisions to:</i> Customers	2 065	3 255	4 329	86	126	115
Credit institutions	80	2	2	0	0	7

2) *Of which unspecified*

<i>loan-loss provisions to:</i> Customers	3 576	3 534	3 714	1	1	1
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Note 22 Loans and guarantees according to geographical location ¹⁾

<i>Amounts in NOK million</i>	DnB NOR Bank ASA								
	Lending to customers			Lending to credit institutions			Guarantees		
	31 Dec. 2005	31 Dec. 2004	1 Jan. 2004	31 Dec. 2005	31 Dec. 2004	1 Jan. 2004	31 Dec. 2005	31 Dec. 2004	1 Jan. 2004
Oslo	130 292	111 334	110 145	15 240	13 032	19 828	15 974	13 635	17 891
Eastern and southern Norway	243 363	229 804	208 090	981	786	25 299	16 146	13 437	14 507
Western Norway	90 126	79 136	66 589	33 946	16 919	14 200	8 253	9 989	10 754
Northern and central Norway	70 974	67 318	64 218	100	175	353	1 788	1 653	2 130
Total Norway	534 755	487 592	449 042	50 268	30 912	59 681	42 161	38 714	45 282
Western Europe	33 194	15 573	10 486	4 423	1 244	741	4 916	3 828	2 675
Russia	290	121	193	73	2	33	0	1	1
Baltic states	435	0	0	40	0	0	0	0	0
Poland	0	0	0	0	0	0	0	0	0
Other Eastern European countries	321	607	529	124	254	546	30	286	144
Total Europe outside Norway	34 240	16 301	11 208	4 660	1 500	1 321	4 946	4 115	2 820
USA and Canada	8 829	5 313	5 502	306	510	66	613	297	419
Bermuda and Panama ²⁾	5 852	5 601	3 386	1	0	0	862	818	280
Other South and Central American countries	1 436	1 150	770	86	75	70	363	1 108	961
Total America	16 117	12 064	9 658	393	585	136	1 837	2 224	1 660
Singapore	5 027	2 076	2 547	0	0	0	745	313	283
Hong Kong	1 056	241	259	19	4	0	0	2	7
Other Asian countries	28	337	569	5	107	413	20	227	392
Total Asia	6 111	2 655	3 376	23	111	413	766	542	682
Liberia ²⁾	724	5 632	1 625	136	0	0	410	6	7
Other African countries	6 062	17	24	0	1	1	2	7	6
Australia and New Zealand	2 672	1 384	1 349	11	1	1	29	9	2
Total	600 680	525 645	476 283	55 490	33 110	61 552	50 151	45 617	50 459

<i>Amounts in NOK million</i>	DnB NOR Bank Group								
	Lending to customers			Lending to credit institutions			Guarantees		
	31 Dec. 2005	31 Dec. 2004	1 Jan. 2004	31 Dec. 2005	31 Dec. 2004	1 Jan. 2004	31 Dec. 2005	31 Dec. 2004	1 Jan. 2004
Oslo	151 472	125 081	133 282	3 670	2 687	5 025	15 832	13 318	17 518
Eastern and southern Norway	265 448	243 206	233 363	983	292	12	16 181	13 459	14 500
Western Norway	97 503	83 074	75 643	768	2 079	1 877	8 256	9 990	10 815
Northern and central Norway	96 401	89 442	90 758	5	178	142	2 417	2 491	2 885
Total Norway	610 823	540 803	533 046	5 426	5 236	7 057	42 686	39 257	45 718
Western Europe	35 261	20 567	19 379	4 409	1 229	726	4 921	3 858	2 953
Russia	736	388	197	73	2	33	0	1	1
Baltic states	17 084	0	0	40	0	0	244	0	0
Poland	2 822	0	0	0	0	0	700	1	1
Other Eastern European countries	400	693	541	128	254	546	30	286	144
Total Europe outside Norway	56 303	21 648	20 117	4 650	1 484	1 305	5 895	4 146	3 099
USA and Canada	8 815	5 304	5 762	306	510	66	613	298	421
Bermuda and Panama ²⁾	5 852	5 601	5 578	1	0	0	862	818	280
Other South and Central American countries	1 454	1 150	821	86	75	70	367	1 108	961
Total America	16 122	12 055	12 162	393	585	136	1 841	2 224	1 663
Singapore	5 043	2 077	2 565	0	0	0	745	313	414
Hong Kong	1 056	241	282	19	4	0	0	2	7
Other Asian countries	41	365	668	5	107	413	20	231	392
Total Asia	6 139	2 684	3 516	23	111	413	766	546	813
Liberia ²⁾	731	5 632	3 743	136	0	0	410	6	7
Other African countries	6 070	17	26	0	1	1	2	7	6
Australia and New Zealand	2 693	1 391	1 364	11	1	1	29	9	2
Total	698 881	584 230	573 973	10 638	7 418	8 912	51 629	46 194	51 306

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

DnB NOR Bank ASA						DnB NOR Bank Group					
1 January 2004		31 December 2004		31 December 2005		31 December 2005		31 December 2004		1 January 2004	
Loans	Bonds	Loans	Bonds	Loans	Bonds	Loans	Bonds	Loans	Bonds	Loans	Bonds
<i>Amounts in NOK million</i>											
1 257	443	931	79	1 037	84	0	27	0	4	4	443
2 565	326	2 335	250	2 398	9	2 398	9	2 335	250	2 565	326
3 822	769	3 266	329	3 435	93	2 398	36	2 335	254	2 569	769
Total subordinated loans ¹⁾											

1) Of which subordinated loans to subsidiaries / Vital											
3 815	0	3 223	75	3 405	56	2 368	0	2 293	0	2 562	0

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

Note 24 Commercial paper and bonds

DnB NOR Bank ASA									
<i>Amounts in NOK million</i>									
31 December 2005			31 December 2004			1 January 2004			
Acquisition cost	Book value	Fair value	Acquisition cost	Book value	Fair value	Acquisition cost	Book value	Fair value	
Commercial paper and bonds									
Listed	74 903	75 018	75 024	58 349	58 692	58 795	56 866	57 107	57 169
Unlisted	3 211	3 203	3 202	5 913	5 923	5 923	4 149	4 182	4 182
Total commercial paper and bonds ¹⁾	78 114	78 221	78 225	64 262	64 615	64 718	61 015	61 289	61 351
1) Of which:									
Trading portfolio	69 591	69 697	69 697	50 081	50 436	50 436	33 453	33 735	33 735
Banking portfolio	8 522	8 524	8 529	14 181	14 179	14 281	27 562	27 554	27 616

DnB NOR Bank Group									
<i>Amounts in NOK million</i>									
31 December 2005			31 December 2004			1 January 2004			
Acquisition cost	Book value	Fair value	Acquisition cost	Book value	Fair value	Acquisition cost	Book value	Fair value	
Commercial paper and bonds									
Listed	75 834	75 942	75 951	57 242	57 584	57 688	55 259	55 491	55 547
Unlisted	3 324	3 317	3 315	5 392	5 402	5 402	4 149	4 187	4 187
Total commercial paper and bonds ¹⁾	79 159	79 259	79 266	62 634	62 986	63 090	59 408	59 677	59 734
1) Of which:									
Trading portfolio	69 591	69 697	69 697	50 081	50 436	50 436	33 453	33 735	33 735
Banking portfolio	9 567	9 563	9 569	12 552	12 549	12 653	25 955	25 942	25 999

Note 25 Shareholdings etc.

<i>Amounts in NOK million</i>	31 December 2005			31 December 2004			DnB NOR Bank ASA 1 January 2004		
	Acquisition cost	Book value	Fair value	Acquisition cost	Book value	Fair value	Acquisition cost	Book value	Fair value
Short-term shareholdings etc.									
Listed Norwegian	732	754	815	716	624	681	492	509	509
Unlisted Norwegian	485	508	454	414	404	333	479	357	357
Mutual funds	388	394	402	1 697	1 681	1 696	1 517	1 514	1 514
International	613	646	643	737	865	895	79	104	104
Total short-term shareholdings etc. ¹⁾	2 218	2 304	2 313	3 565	3 574	3 605	2 568	2 484	2 484
Long-term shareholdings etc.									
Listed Norwegian	0	0	0	338	303	303	723	480	480
Unlisted Norwegian	318	305	742	236	224	461	162	150	228
International	39	2	1	265	112	112	157	157	179
Total long-term shareholdings etc. ²⁾	356	307	743	839	639	876	1 042	787	887
Total shareholdings etc.	2 575	2 610	3 056	4 404	4 213	4 481	3 610	3 270	3 370
<i>1) Of which: Trading portfolio</i>	<i>1 292</i>	<i>1 377</i>	<i>1 377</i>	<i>1 143</i>	<i>1 115</i>	<i>1 115</i>	<i>296</i>	<i>269</i>	<i>269</i>
<i>Banking portfolio</i>	<i>926</i>	<i>926</i>	<i>936</i>	<i>2 422</i>	<i>2 459</i>	<i>2 489</i>	<i>2 272</i>	<i>2 215</i>	<i>2 215</i>

<i>Amounts in NOK million</i>	31 December 2005			31 December 2004			DnB NOR Bank Group 1 January 2004		
	Acquisition cost	Book value	Fair value	Acquisition cost	Book value	Fair value	Acquisition cost	Book value	Fair value
Short-term shareholdings etc.									
Listed Norwegian	727	723	834	720	628	714	485	502	537
Unlisted Norwegian	660	703	658	638	620	580	721	643	612
Mutual funds	388	394	402	1 707	1 691	1 707	1 648	1 645	1 654
International	620	654	676	756	885	932	135	155	186
Total short-term shareholdings etc. ¹⁾	2 396	2 474	2 570	3 821	3 823	3 933	2 988	2 945	2 990
Long-term shareholdings etc.									
Listed Norwegian	0	0	0	338	303	303	723	480	480
Unlisted Norwegian	328	315	752	248	236	472	183	171	249
International	39	2	1	402	250	250	309	309	331
Total long-term shareholdings etc. ²⁾	367	317	753	988	788	1 025	1 215	960	1 060
Total shareholdings etc.	2 762	2 791	3 323	4 809	4 611	4 958	4 203	3 905	4 049
<i>1) Of which: Trading portfolio</i>	<i>1 292</i>	<i>1 377</i>	<i>1 377</i>	<i>1 143</i>	<i>1 115</i>	<i>1 115</i>	<i>304</i>	<i>271</i>	<i>271</i>
<i>Banking portfolio</i>	<i>1 104</i>	<i>1 097</i>	<i>1 193</i>	<i>2 678</i>	<i>2 708</i>	<i>2 818</i>	<i>2 685</i>	<i>2 674</i>	<i>2 719</i>

2) The holding in Storebrand was sold in 2005.

Note 26 Short-term investments in shares, mutual funds and PCCs as at 31 December 2005

<i>Amounts in NOK 1 000</i> <i>Values in NOK unless otherwise indicated</i>	Share capital	Number of shares	Nominal value	Ownership		Book value	Market value
				share in per cent ¹⁾			
Financial institutions							
Viking Ship Finance	CHF 30 000	22 500	CHF 6 750	22.50		37 598	65 759
Acta Holding	45 303	1 120 000	202	0.45		20 104	20 104
Helgeland Sparebank	201 826	19 261	1 926	0.95		3 857	4 333
Sparebanken Øst	363 680	25	3	0.00		7	7
Voss Veksel- og Landmandsbank	9 500	2	0	0.00		4	4
Bluewater Insurance	211 600	57	1	0.00		3	3
Sandnes Sparebank	520 000	12	1	0.00		3	3
Høland Sparebank	50 000	16	2	0.00		2	2
Sparebanken Vestfold	126 655	5	1	0.00		1	1

Note 26 Short-term investments in shares, mutual funds and PCCs as at 31 December 2005 (continued)

							DnB NOR Bank ASA	
<i>Amounts in NOK 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		
Norwegian companies								
Fast Search & Transfer	2 263	8 718 726	70	3.08	215 788	215 788		
IT Fornebu Eiendom	1 157 509	1 459 587	145 959	12.61	148 179	113 994		
Tomra Systems	178 487	2 045 246	2 045	1.15	101 841	98 870		
Aker	3 213 712	391 283	10 956	0.34	77 376	77 376		
Orkla	1 301 789	400 000	2 500	0.19	63 500	111 800		
Norsk Vekst Private Equity Fund					62 803	45 435		
Bergerveien 12					41 710	41 710		
Sinvest	346 232	437 000	2 622	0.76	37 582	37 582		
Andvord Tybring-Gjedde	105 976	5 000 000	2 500	2.36	35 200	35 200		
Pan Fish	1 037 592	13 525 000	10 144	0.98	28 267	28 267		
KS Venturos Technology III					22 495	6 873		
EFD-Elva Fritz Dusseldorf	48 542	588 235	5 882	12.12	20 000	20 000		
Eltek	32 261	145 600	146	0.45	16 290	16 290		
SMB Invest III	61 457	49 781	4 978	8.10	16 264	8 000		
Ignis	54 291	12 500 000	1 250	2.30	15 813	15 813		
Slottsparken Eiendom					14 508	14 508		
Troms Fylkes Dampskibsselskap	15 653	131 636	263	1.68	13 164	9 939		
Scan-Sense	20 321	2 749 385	2 749	13.53	12 714	0		
Norman	4 075	187 600	72	1.77	10 787	10 787		
Sikon Øst	50 013	52 500	5 250	10.50	10 475	9 503		
Ocean Rig	946 527	108 800	1 088	0.11	10 051	10 051		
KS Norsk Vekst II					8 664	7 597		
Buskerud Telemark Vestfold Investeringsfond	79 890	7 084	7 084	8.87	8 376	7 596		
Technor	18 146	641 500	417	2.30	7 473	7 473		
Telebygget					7 425	7 425		
Byggma	24 550	230 080	598	2.44	7 363	7 363		
Camillo Eitzen & Co	180 266	100 000	500	0.28	7 025	7 025		
Komplett	12 058	90 000	90	0.75	7 020	7 020		
Rieber & Søn	795 757	423 282	4 233	0.53	6 780	21 270		
Grenland Group	51 422	255 003	510	0.99	6 566	6 566		
Ibas Holding	1 458	261 000	30	2.06	6 029	6 029		
FSN Capital II					5 775	4 578		
Ganger Rolf	45 350	10 000	50	0.11	5 773	5 773		
IT Fornebu	71 280	45 904	4 590	6.44	5 526	528		
Altinex	162 758	10 698 420	1 070	0.66	5 510	5 510		
Aktiv Kapital	4 719	50 000	5	0.11	5 150	5 150		
Naturmin Pharma Holding	13 606	185 201	926	6.81	5 000	2 013		
KS Teknoinvest VIII					4 676	3 985		
Cotech	504	1 360 874	136	27.00	4 500	5 443		
Petrolia Drilling	256 108	1 350 000	675	0.26	4 388	4 388		
DNO	226 214	72 402	72	0.03	4 299	4 299		
BoltSafe	6 485	2 123 620	2 124	32.75	4 242	0		
Norwegian Air Shuttle	1 837	51 400	5	0.28	4 042	4 042		
Photocure	8 792	80 000	40	0.45	4 000	4 000		
Blom	3 237	110 000	11	0.34	3 839	3 839		
Revus Energy	8 250	70 150	18	0.21	3 486	3 486		
Energivekst	3 355	145 870	146	4.35	2 431	13 099		
Høytteknologisenteret i Bergen	71 000	3 700	2 775	3.91	2 375	9 361		
ScanRope	10 400	2 380	2 380	22.88	2 000	6 866		
Lerøy Seafood Group	39 377	16 000	16	0.04	1 160	1 160		
Companies based abroad								
General Maritime Corporation	USD	387	1 922 309	USD	19	4.97	510 778	510 778
Euroclear	USD	3 795	15 625	USD	16	0.41	36 729	36 727
Anoto Group	SEK	2 531	1 000 000	SEK	20	0.79	21 530	21 530
Golar Ing	USD	51 708	190 000	USD	190	0.37	17 148	17 148
Crew Gold Corporation	CAD		1 700 000	CAD		0.53	15 785	15 785
Golden Ocean Group	USD	24 688	3 664 000	USD	366	1.48	13 960	13 960

Note 26 Short-term investments in shares, mutual funds and PCCs as at 31 December 2005 (continued)

							DnB NOR Bank ASA	
<i>Amounts in NOK 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 ¹⁾	value	value
SeaDrill	USD	440 080	240 000	USD	480	0.11	12 991	12 991
Ship Finance International	USD	74 069	48 667	USD	49	0.07	6 409	6 409
Mutual funds								
DnB NOR Aktiv Rente			1 379 202				138 679	138 679
DnB NOR Global Quant Cl. B			100 000				100 000	101 159
DnB NOR Kredittobligasjon			50 703				52 094	52 094
DnB NOR Obx			414 586				46 189	46 189
Aktiehedgefond PRIMUS			510 519				42 382	48 497
Postbanken Aksjefokus			150 000				15 000	15 097
Other shareholdings etc.							86 604	85 216
Total short-term investments in shares, mutual funds and PCCs							2 303 556	2 313 143

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

							DnB NOR Bank Group	
<i>Amounts in NOK 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 ¹⁾	value	value
Financial institutions								
Viking Ship Finance	CHF	30 000	22 500	CHF	6 750	22.50	37 598	65 759
Acta Holding		45 303	1 120 000		202	0.45	20 104	20 104
Helgeland Sparebank		201 826	19 261		1 926	0.95	3 857	4 333
Sparebanken Øst		363 680	25		3	0.00	7	7
Voss Veksel- og Landmandsbank		9 500	2		0	0.00	4	4
Bluewater Insurance		211 600	57		1	0.00	3	3
Sandnes Sparebank		520 000	12		1	0.00	3	3
Høland Sparebank		50 000	16		2	0.00	2	2
Sparebanken Vestfold		126 655	5		1	0.00	1	1
Norwegian companies								
Fast Search & Transfer		2 263	8 718 726		70	3.08	215 788	215 788
IT Fornebu Eiendom		1 157 509	1 459 587		145 959	12.61	148 179	113 994
Tomra Systems		178 487	2 045 246		2 045	1.15	101 841	98 870
OVDS		116 739	2 324 195		23 242	19.91	83 671	147 586
Aker		3 213 712	391 283		10 956	0.34	77 376	77 376
Norsk Vekst Private Equity Fund							62 803	45 435
Troms Fylkes Dampskibsselskap		15 653	470 855		942	6.02	54 779	35 550
Bergerveien 12							41 710	41 710
Sinvest		346 232	437 000		2 622	0.76	37 582	37 582
Andvord Tybring-Gjedde		105 976	5 000 000		2 500	2.36	35 200	35 200
Pan Fish		1 037 592	13 525 000		10 144	0.98	28 267	28 267
Orkla		1 301 789	400 000		2 500	0.19	23 025	111 800
KS Venturos Technology III							22 495	6 873
iTet		18 145	8 040 117		8 040	44.31	21 092	3 800
EFD-Elva Fritz Dusseldorf		48 542	588 235		5 882	12.12	20 000	20 000
Eltek		32 261	145 600		146	0.45	16 290	16 290
SMB Invest III		61 457	49 781		4 978	8.10	16 264	8 000
Ignis		54 291	12 500 000		1 250	2.30	15 813	15 813
Slottsparken Eiendom					0		14 508	14 508
Saltens Bilruter		10 959	18 125		1 813	16.54	14 152	14 152
iTicket		3 000	2 590 000		2 590	86.33	14 118	14 118
Scan-Sense		20 321	2 749 385		2 749	13.53	12 714	0
Norman		4 075	187 600		72	1.77	10 787	10 787
Sikon Øst		50 013	52 500		5 250	10.50	10 475	9 503
Ocean Rig		946 527	108 800		1 088	0.11	10 051	10 051
KS Norsk Vekst II							8 664	7 597
Buskerud Telemark Vestfold Investeringsfond		79 890	7 084		7 084	8.87	8 376	7 596
Viking Venture		1 625	81 030		81	4.99	8 103	8 103
Technor		18 146	641 500		417	2.30	7 473	7 473

Note 26 Short-term investments in shares, mutual funds and PCCs as at 31 December 2005 (continued)

DnB NOR Bank Group

<i>Amounts in NOK 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 ¹⁾	value	value	
Telebygget						7 425	7 425	
Byggma		24 550	230 080	598	2.44	7 363	7 363	
Camillo Eitzen & Co		180 266	100 000	500	0.28	7 025	7 025	
Komplett		12 058	90 000	90	0.75	7 020	7 020	
Rieber & Søn		795 757	423 282	4 233	0.53	6 780	21 270	
Grenland Group		51 422	255 003	510	0.99	6 566	6 566	
Ibas Holding		1 458	261 000	30	2.06	6 029	6 029	
FSN Capital II						5 775	4 578	
Ganger Rolf		45 350	10 000	50	0.11	5 773	5 773	
IT Fornebu		71 280	45 904	4 590	6.44	5 526	528	
Altinex		162 758	10 698 420	1 070	0.66	5 510	5 510	
Aktiv Kapital		4 719	50 000	5	0.11	5 150	5 150	
Naturmin Pharma Holding		13 606	185 201	926	6.81	5 000	2 013	
KS Teknoinvest VIII						4 676	3 985	
Cotech		504	1 360 874	136	27.00	4 500	5 443	
Petrolia Drilling		256 108	1 350 000	675	0.26	4 388	4 388	
DNO		226 214	72 402	72	0.03	4 299	4 299	
BoltSafe		6 485	2 123 620	2 124	32.75	4 242	0	
Norwegian Air Shuttle		1 837	51 400	5	0.28	4 042	4 042	
Photocure		8 792	80 000	40	0.45	4 000	4 000	
Blom		3 237	110 000	11	0.34	3 839	3 839	
Revus Energy		8 250	70 150	18	0.21	3 486	3 486	
Energivekst		3 355	145 870	146	4.35	2 431	13 099	
Høyteknologisenteret i Bergen		71 000	3 700	2 775	3.91	2 375	9 361	
ScanRope		10 400	2 380	2 380	22.88	2 000	6 866	
Lerøy Seafood Group		39 377	16 000	16	0.04	1 160	1 160	
Companies based abroad								
General Maritime Corporation	USD	387	1 922 309	USD	19	4.97	510 778	510 778
Euroclear	USD	3 795	15 625	USD	16	0.41	36 729	36 727
Anoto Group	SEK	2 531	1 000 000	SEK	20	0.79	21 530	21 530
Golar Ing	USD	51 708	190 000	USD	190	0.37	17 148	17 148
Crew Gold Corporation	CAD		1 700 000	CAD		0.53	15 785	15 785
Golden Ocean Group	USD	24 688	3 664 000	USD	366	1.48	13 960	13 960
SeaDrill	USD	440 080	240 000	USD	480	0.11	12 991	12 991
Ship Finance International	USD	74 069	48 667	USD	49	0.07	6 409	6 409
Optima Glory	USD	4 500	13	USD	585	13.00	3 950	8 778
Cape Investments	USD	42	4 162	USD	4	9.99	3 376	23 973
Mutual funds								
DnB NOR Aktiv Rente			1 379 202			138 679	138 679	
DnB NOR Global Quant Cl. B			100 000			100 000	101 159	
DnB NOR Kredittobligasjon			50 703			52 094	52 094	
DnB NOR Obx			414 586			46 189	46 189	
Aktiehedgefond PRIMUS			510 519			42 382	48 497	
Postbanken Aksjefokus			150 000			15 000	15 097	
Other shareholdings etc.						107 415	95 643	
Total short-term investments in shares, mutual funds and PCCs						2 473 970	2 569 691	

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 2005

						DnB NOR Bank ASA		
<i>Amounts in NOK 1 000</i>		Share	Number		Nominal	Ownership	Book	Market
<i>Values in NOK unless otherwise indicated</i>		capital	of shares		value	share in	value	value
<hr/>								
Financial institutions								
EH Group	SGD	67 590	132 436	SGD	132	0.20	648	648
Norwegian companies								
Oslo Børs Holding		50 000	983 392		9 834	19.67	132 977	393 357
VPS Holding		50 000	829 180		8 292	16.58	70 508	215 587
DnB Ansattes Fond, A-share		17 614	1 470 000		1 470	8.35	57 918	57 918
NOS		23 975	2 233 408		2 233	9.32	14 517	33 501
DnB NOR Ansattefond		6 821	590 000		590	8.65	11 765	11 765
Gjensidige NOR Ansattefond, A-share		10 451	250 000		250	2.39	9 580	9 580
Norsk Tillitsmann		10 784	15 039		1 504	13.95	1 504	7 896
Spama		3 156	7 674		767	24.32	747	6 139
DnB Ansattes Fond, B-share		12 388	200 000		200	1.61	200	200
Gjensidige NOR Ansattefond, B-share		12 041	1 000		1	0.01	12	12
Companies based abroad								
Swift	EUR	439 260	477	EUR	2 385	0.54	815	815
Other shareholdings etc.							5 556	5 542
<hr/>							306 746	742 958
Total long-term investments in shares, mutual funds and PCCs								

						DnB NOR Bank Group		
<i>Amounts in NOK 1 000</i>		Share	Number		Nominal	Ownership	Book	Market
<i>Values in NOK unless otherwise indicated</i>		capital	of shares		value	share in	value	value
<hr/>								
Financial institutions								
EH Group	SGD	67 590	132 436	SGD	132	0.20	648	648
Norwegian companies								
Oslo Børs Holding		50 000	983 392		9 834	19.67	132 977	393 357
VPS Holding		50 000	829 180		8 292	16.58	70 508	215 587
DnB Ansattes Fond, A-share		17 614	1 470 000		1 470	8.35	57 918	57 918
NOS		23 975	2 233 408		2 233	9.32	14 517	33 501
DnB NOR Ansattefond		6 821	590 000		590	8.65	11 765	11 765
Gjensidige NOR Ansattefond, A-share		10 451	250 000		250	2.39	9 580	9 580
Nordlandsbanken Invest		2 600	2 600		2 600	100.00	2 610	2 610
Norsk Tillitsmann		10 784	15 039		1 504	13.95	1 504	7 896
Spama		3 156	7 674		767	24.32	747	6 139
DnB Ansattes Fond, B-share		12 388	200 000		200	1.61	200	200
Gjensidige NOR Ansattefond, B-share		12 041	1 000		1	0.01	12	12
Companies based abroad								
Swift	EUR	439 260	477	EUR	2 385	0.54	815	815
Other shareholdings etc.							13 057	13 043
<hr/>							316 857	753 069
Total long-term investments in shares, mutual funds and PCCs								

Note 28 Investments in associated companies as at 31 December 2005

<i>Amounts in NOK 1 000</i>	Share capital	Number of shares	Nominal value	DnB NOR Bank Group	
				Ownership share in per cent	Book value
Owned by DnB NOR Bank ASA					
Eksportfinans	1 593 532	60 701	637 413	40.00	438 838
BBS	165 000	2 639 998	66 000	40.00	67 242
Teller	8 000	3 200	3 200	40.00	797
NOKAS	51 076	20 771	20 771	40.67	18 749
Atento	14 100	47 000	4 700	33.33	8 889
Doorstep	2 500	12 500	1 250	50.00	2 834
Total investments in associated companies owned by DnB NOR Bank ASA					537 349
DnB NOR Bank Group adjustments					
Eksportfinans					592 833
BBS					83 142
Teller					36 881
NOKAS					7 283
Atento					(109)
Doorstep					1 409
Other shareholdings					2 513
Total investments in associated companies					1 261 300

Note 29 Investments in subsidiaries as at 31 December 2005

<i>Amounts in NOK 1 000</i>		Share capital	Number of shares	Nominal value	DnB NOR Bank ASA	
					Ownership share in per cent	Book value
<i>Values in NOK unless otherwise indicated</i>						
Foreign subsidiaries						
Bank DnB NORD	EUR	317 095	317 095 100	EUR	317 095	51 1 349 137
Den Norske Investments	GBP	210	210 000	GBP	210	100 2 441
DnB NOR Asia	SGD	20 000	20 000 000	SGD	20 000	100 81 209
DnB NOR Markets Inc.	USD	1	1 000	USD	1	100 2 474
DnB NOR Reinsurance		11 000	11 000		11 000	100 11 000
Luxcap	EUR	30 000	800 000	EUR	30 000	100 300 464
DnB NOR Luxembourg	EUR	17 352	70 000	EUR	17 352	100 138 317
Domestic subsidiaries						
DnB NOR Boligkreditt		650 000	6 500 000		650 000	100 650 000
DnB NOR Eiendom		2 503	25 033		2 503	100 75 349
DnB NOR Finans		787 000	7 870 000		787 000	100 1 567 791
DnB NOR Fiskeriutvikling		1 000	1 000		1 000	100 10 000
DnB NOR Hypotek		825 000	8 250 000		825 000	100 952 552
DnB NOR Invest Holding		200 000	200 000		200 000	100 543 000
DnB NOR Meglerservice		700	7		700	100 5 221
DnB NOR Næringsmegling		1 000	10 000		1 000	100 24 000
Hafjell Alpsenter		26 330	2 633		26 330	100 12 400
Kreditt-Finans		21 000	42 000		21 000	100 50 394
Lørenfaret NE 1		500	5 000		500	100 500
Netaxept		10 500	26 250 000		10 500	100 67 675
Nordlandsbanken		625 062	50 004 984		625 062	100 1 864 444
Realkreditt Eiendom		11 000	11 000		11 000	100 133 033
Sparebankgårdene		204 920	204 920		204 920	100 213 914
Viul Hovedgård		7 500	750 000		7 500	100 11 766
General and limited partnerships						
Lørenfaret NE 1						99 49 387
Store Elvegården						50 5 950
Total investments in subsidiaries						8 122 415

Note 30 Repossessed properties and other repossessed assets

DnB NOR Bank ASA					DnB NOR Bank Group					
Book value	Book value			Book value		Book value			Book value	Book value
1 Jan.	31 Dec.	Disposals	Additions	31 Dec.		31 Dec.	Additions	Disposals	31 Dec.	1 Jan.
2004	2004	2005	2005	2005	<i>Amounts in NOK million</i>	2005	2005	2005	2004	2004
11	84	27	0	57	Properties, current assets	71	1	42	112	47
5	3	7	13	8	Properties, fixed assets	8	13	7	3	2
					Other repossessed					
					current assets	162 ¹⁾	613	878	426	529
299	372	766	543	149 ¹⁾						
315	459	800	555	214	Total	240	627	927	541	578

- 1) Of which: NOK 45 million represents shares in DnB NOR Eiendomsutvikling AS (former Kjørbo Eiendom AS), which is wholly owned by DnB NOR Bank ASA.
NOK 84 million represents shares in Lodalen Holding AS, which is wholly owned by DnB NOR Bank ASA.

Note 31 Intangible assets

Goodwill	Amortisation plan	Book value	Ordinary amortisation	Acquired goodwill	Disposals	Book value	DnB NOR Bank ASA	
							31 Dec. 2005	2005
<i>Amounts in NOK million</i>								
Savings bank - bank branches	20 years ¹⁾	448	26			474	52	526
Savings bank - corporate customers	20 years ¹⁾	361	21			381	42	423
Cresco - credit card portfolio	8 years ¹⁾	294	59			353	118	471
Cresco - credit card portfolio	8 years ²⁾	48	39			87	221	307
Gjensidige NOR Spareforsikring's portfolio	4 years	(0)	1			1	55	56
American Express	10 years ³⁾	85	25			110	24	134
Gjensidige NOR Equities	5 years	9	35			44	33	77
Offices in Bø and Vinje	5 years	6	6			12	20	32
NORD LB Stockholm	20 years ⁴⁾	67	1	68				
Total goodwill		1 318	210	68	0	1 460	565	2 026

- 1) Refers to the merger with Gjensidige NOR ASA as at 31 December 2003, with DnB Holding ASA as the acquiring company. The savings bank business is considered to be of a very long-term nature.
- 2) Refers to the acquisition of the credit card portfolio of Gjensidige Bank in 1999. The amortisation period is based on the portfolio's expected remaining economic life at the time of acquisition.
- 3) Refers to the acquisition of the Norwegian card operations of American Express. The acquisition is part of DnB NOR Group's long-term strategy to provide a full range of card products. Experience shows that such products have a long economic life.
- 4) Refers to the acquisition of Norddeutsche Landesbank's organisation and portfolio in Sweden. The acquisition is part of Corporate Banking's expansion in the Swedish market.

Note 31 Intangible assets (continued)

Goodwill	Amortisation plan	Book value 31 Dec. 2005	Ordinary amortisation 2005	Acquired goodwill 2005	Disposals 2005	Book value 31 Dec. 2004	DnB NOR Bank Group	
							Total amortisation before 2005	Original goodwill
<i>Amounts in NOK million</i>								
Savings bank - bank branches	20 years ¹⁾	457	27			483	53	536
Savings bank - corporate customers	20 years ¹⁾	366	22			387	43	431
Cresco - credit card portfolio	8 years ¹⁾	294	59			353	118	471
Nordlandsbanken	10 years ²⁾	371	53			424	107	531
American Express	10 years ³⁾	86	24			110	133	243
IT Solutions	10 years ⁴⁾	33	6			39	27	66
Aktiv Eiendomsmegling	10 years ⁵⁾	0			8	8	19	27
Adjudis	20 years ⁶⁾	5	1	6				
Cresco - credit card portfolio	8 years ⁶⁾	48	39			87	221	307
Gjensidige NOR Spareforsikring's portfolio	4 years	0	1			1	55	56
Gjensidige NOR Equities	5 years	9	35			44	165	209
Offices in Bø and Vinje	5 years	6	6			12	20	32
NORD LB Stockholm	20 years ⁷⁾	67	1	68				
DnB NORD	20 years ⁸⁾	428		428				
Total goodwill		2 171	271	502	8	1 948	961	2 909

- 1) Refers to the merger with Gjensidige NOR ASA as at 31 December 2003, with DnB Holding ASA as the acquiring company. The savings bank business is considered to be of a very long-term nature.
- 2) Refers to the acquisition of Nordlandsbanken at the beginning of 2003. Operations are expected to have long-term value.
- 3) Refers to the acquisition of the Norwegian card operations of American Express. The acquisition is part of the DnB NOR Bank Group's long-term strategy to provide a full range of card products. Experience shows that such products have a long economic life.
- 4) The amortisation period is based on the company's strategic importance for DnB NOR. IT Solutions' financing solutions within information technology and telecommunications expand the product range in line with DnB NOR Finans' long-term business strategy.
- 5) Goodwill is linked to the value of the Aktiv brand name. Aktiv Eiendomsutvikling AS was sold 3rd January 2005. See note 1 for more information.
- 6) Refers to the acquisition of the credit card portfolio of Gjensidige Bank in 1999. The amortisation period is based on the portfolio's expected remaining economic life at the time of acquisition.
- 7) Refers to the acquisition of Nordeutsche Landesbank's organisation and portfolio in Sweden. The acquisition is part of Corporate Banking's expansion in the Swedish market.
- 8) Goodwill from the acquisition of 51 per cent of DnB NORD in December 2005.

Other intangible assets ¹⁾	Depreciation plan	Book value 31 Dec. 2005	Ordinary depreciation 2005	Disposals 2005	Acquisitions 2005	Book value 31 Dec. 2004	DnB NOR Bank ASA	
							Total depre- ciation and write-downs before 2005	Original cost recorded in the balance sheet 31 Dec. 2004
<i>Amounts in NOK million</i>								
Capitalised systems development	3-10 years	130	17	0	119	27	366	393
Postbanken brand name	10 years	39	12	0	0	51	69	120
Sundry intangible assets	5 years	0	0	0	0	0	152	152
Total		169	29	0	119	78	587	665

Other intangible assets ¹⁾	Depreciation plan	Book value 31 Dec. 2005	Ordinary depreciation 2005	Disposals 2005	Acquisitions 2005	Book value 31 Dec. 2004	DnB NOR Bank Group	
							Total depre- ciation and write-downs before 2005	Original cost recorded in the balance sheet 31 Dec. 2004
<i>Amounts in NOK million</i>								
Capitalised systems development	3-10 years	130	17	0	119	27	366	393
Postbanken brand name	10 years	39	12	0	0	51	69	120
Sundry intangible assets	5 years	42	0	0	42	0	152	152
Total		211	29	0	161	78	587	665

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

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

Note 32 Fixed assets

DnB NOR Bank ASA			DnB NOR Bank Group	
Machinery, equipment and vehicles	Bank buildings and other properties	<i>Amounts in NOK million</i>	Machinery, equipment and vehicles	Bank buildings and other properties
2 252	2 015	Original cost	2 767	4 372
0	411	Revaluations before 2005	0	434
1 262	968	Total write-downs and depreciation before 2005	1 651	1 821
990	1 458	Book value as at 1 January 2005	1 116	2 985
418	221	Additions	814	446
180	471	Disposals (sales value)	188	683
4	39	Losses	5	39
1	159	Gains	1	192
271	68	Ordinary depreciation	326	125
0	8	Derpeciation on revaluations	0	9
954	1 252	Book value as at 31 December 2005	1 412	2 767

Note 33 Real estate as at 31 December 2005

<i>Book value in NOK million</i>	DnB NOR Bank ASA			
	Bank buildings	Commercial properties	Sites/ projects	Total
Oslo	746	2	0	748
Eastern Norway and southern Norway	65	20	5	90
Bergen	357	0	0	357
Rest of western Norway	3	0	0	3
Northern Norway and central Norway	21	0	0	21
Abroad	29	3	1	33
Total book value	1 221	25	6	1 252
<i>Floor space in 1 000 square metres</i>				
Own use	105	0	0	105
Tenants	12	0	0	12
Not rented out	16	0	0	16
Total floor space	133	0	0	133
Number of external tenants	25	1	0	26
Annual rental income from external tenants in NOK million	22	0	0	22

<i>Book value in NOK million</i>	DnB NOR Bank Group			
	Bank buildings	Commercial properties	Sites/ projects	Total
Oslo	1 344	129	10	1 483
Eastern Norway and southern Norway	393	22	5	420
Bergen	357	0	0	357
Rest of western Norway	3	1	0	4
Northern Norway and central Norway	233	57	7	297
Abroad	202	3	1	206
Total book value	2 532	212	23	2 767
<i>Floor space in 1 000 square metres</i>				
Own use	268	2	0	270
Tenants	24	10	0	34
Not rented out	24	0	0	24
Total floor space	316	12	0	328
Number of external tenants	198	30	0	228
Annual rental income from external tenants in NOK million	40	14	0	54

Note 34 Liabilities

DnB NOR Bank ASA				DnB NOR Bank Group		
1 Jan. 2004	31 Dec. 2004	31 Dec. 2005	<i>Amounts in NOK million</i>	31 Dec. 2005	31 Dec. 2004	1 Jan. 2004
16 691	14 444	13 617	Loans and deposits from credit institutions with no fixed term or period of notice	13 742	14 228	16 716
59 839	33 164	73 724	Loans and deposits from credit institutions with a fixed term or period of notice	84 128	34 722	61 792
76 530	47 608	87 341	Loans and deposits from credit institutions	97 870	48 950	78 508
263 759	279 611	278 543	Deposits from customers with no fixed term or period of notice	290 550	284 503	268 634
66 838	74 131	123 399	Deposits from customers with a fixed term or period of notice	127 846	75 737	69 174
330 597	353 741	401 942	Deposits from customers	418 395	360 240	337 807
38 953	49 022	69 192	Commercial paper issued	69 445	49 022	38 953
134 955	139 562	164 750	Bond debt	174 037	152 405	150 169
2 973	4 012	3 817	Less own bonds included in the banking portfolio	6 771	9 017	7 173
170 935	184 572	230 124	Securities issued	236 711	192 410	181 949
0	0	0	Long-term funding	0	0	60
84	3 639	452	Short-term funding	798	3 948	354
0	0	0	Liabilities related to factoring	362	109	80
1 493	1 738	2 261	Documentary credits, cheques and other payment services	2 316	1 779	1 493
0	0	1 668	Allocated to dividends	1 669	0	0
7 482	7 742	3 930	Group contribution/dividends	3 930	7 742	5 203
82	342	770	Accrued unassessed payable taxes	872	457	202
21 066	20 153	12 571	Financial derivatives	12 688	20 259	21 148
6 676	6 724	5 371	Sundry liabilities	5 892	6 845	9 279
36 884	40 337	27 024	Other liabilities	28 527	41 140	37 820
2 430	2 402	2 004	Accrued interest expenses	2 122	2 602	2 615
2 712	1 916	2 829	Other accrued expenses and prepaid revenues	3 304	2 411	3 384
5 142	4 318	4 832	Accrued expenses and prepaid revenues	5 426	5 013	5 999
0	0	36	Deferred taxes	132	0	0
3 261	3 413	3 334	Pension commitments	3 483	3 653	3 476
64	92	59	Specified provisions for losses on guarantee commitments	86	126	69
1	1	1	Unspecified provisions for losses on guarantee commitments	1	1	1
818	1 020	269	Other provisions	444	1 173	983
4 143	4 525	3 698	Provisions for commitments	4 145	4 952	4 528
11 320	12 565	13 704	Term subordinated loan capital	14 563	13 142	11 973
6 053	5 528	5 670	Perpetual subordinated loan capital	5 770	5 628	6 153
17 374	18 092	19 373	Subordinated loan capital	20 333	18 770	18 126
5 583	5 270	5 465	Perpetual subordinated loan capital securities	5 465	5 270	5 583
647 187	658 465	779 800	Total liabilities	816 873	676 745	670 320

Note 35 Customer deposits for principal sectors

DnB NOR Bank ASA				DnB NOR Bank Group		
1 Jan. 2004	31 Dec. 2004	31 Dec. 2005	<i>Amounts in NOK million</i>	31 Dec. 2005	31 Dec. 2004	1 Jan. 2004
162 332	168 035	169 534	Retail customers	178 739	172 484	167 056
14 174	19 220	35 159	International shipping	35 160	19 222	14 150
15 848	21 409	22 667	Real estate	23 253	21 717	16 083
13 657	13 055	12 271	Manufacturing	12 694	13 248	13 824
48 630	57 038	65 842	Services and management	67 106	56 421	48 704
16 145	16 974	16 798	Trade	17 412	17 332	16 571
1 394	1 609	5 042	Oil and gas	5 043	1 610	1 393
9 395	10 055	10 091	Transportation and communication	10 667	10 374	9 745
4 044	5 016	7 030	Building and construction	7 609	5 308	6 372
5 260	4 171	6 299	Power and water supply	6 724	4 450	3 337
17 019	12 604	15 631	Central and local government	17 100	13 080	17 378
792	697	921	Fishing	1 280	942	1 144
1 215	1 160	1 262	Hotels and restaurants	1 338	1 292	1 275
1 727	1 958	1 921	Agriculture and forestry	2 232	1 979	1 730
18 964	20 739	31 473	Finance	32 038	20 781	19 044
330 597	353 741	401 942	Total customers	418 395	360 240	337 807
3 880	4 827	9 176	Credit institutions	8 787	4 373	3 240
334 477	358 568	411 118	Total	427 182	364 613	341 047

Note 36 Maturity structure on bond debt as at 31 December 2005 ¹⁾

DnB NOR Bank ASA				DnB NOR Bank Group		
NOK	Foreign currency	Total	<i>Amounts in NOK million</i>	NOK	Foreign currency	Total
Maturity (year)						
6 559	20 189	26 749	2006	7 435	20 566	28 001
5 657	31 397	37 054	2007	8 177	31 912	40 089
5 161	43 364	48 525	2008	5 579	43 487	49 067
697	17 555	18 252	2009	1 647	17 555	19 201
786	25 971	26 757	2010	1 246	25 971	27 217
792	199	991	2011	792	199	991
883	1 819	2 702	2012 and later	977	1 819	2 796
0	(97)	(97)	Recorded costs and amortised discounts	0	(97)	(97)
20 535	140 398	160 933	Total	25 854	141 412	167 266

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 2005

DnB NOR Bank ASA			DnB NOR Bank Group	
Premiums/ (discounts) ¹⁾	Book value	<i>Amounts in NOK million</i>	Premiums/ (discounts) ¹⁾	Book value
Maturity (year)				
20	999	2006	12	1 547
9	644	2007	5	2 385
(1)	1 231	2008	(3)	1 290
(1)	404	2009	(2)	488
1	75	2010	0	124
0	158	2011	0	158
0	306	2012 and later	0	780
28	3 817	Total	13	6 771

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 2005 totalled NOK 3 885 million for DnB NOR Bank ASA and NOK 6 610 million for the DnB NOR Bank Group.

Note 38 Subordinated loan capital and perpetual subordinated loan capital securities

<i>Amounts in NOK million</i>	DnB NOR Bank ASA					
	Balance sheet 31 Dec. 2005	Issued 2005	Matured/ redeemed 2005	Exchange rate movements 2005	Net change in recorded costs 2005	Balance sheet 31 Dec. 2004
Term subordinated loan capital	13 704	1 594	381	(82)	8	12 565
Perpetual subordinated loan capital	5 670	0	302	444	1	5 528
Perpetual subordinated loan capital securities ¹⁾	5 465	0	0	191	5	5 270
Total	24 839	1 594	683	553	13	23 362

Year raised	Book value in foreign currency	Interest rate	Maturity	Call date	Book value in NOK
Term subordinated loan capital					
2001	USD 45	3-month LIBOR + 0.625%	2011	2006	304
2001	USD 125	3-month LIBOR + 0.75%	2011	2006	844
2002	USD 100	3-month LIBOR + 0.50%	2012	2007	675
2002	EUR 200	3-month EURIBOR + 0.60%	2012	2007	1 594
2002	EUR 200	3-month EURIBOR + 0.75%	2012	2007	1 594
2003	GBP 200	5.125% p.a.	2015	2010	2 325
2003	EUR 200	3-month EURIBOR + 0.70%	2013	2008	1 594
2003	EUR 200	3-month EURIBOR + 0.45%	2013	2008	1 594
2004	EUR 200	3-month EURIBOR + 0.3%	2016	2011	1 594
2005	EUR 200	3-month EURIBOR + 0.20%	2015	2010	1 594
Recorded costs					(10)
Total term subordinated loan capital					13 704
Perpetual subordinated loan capital					
1985	USD 215	3-month LIBOR + 0.25%			1 452
1986	USD 150	6-month LIBOR + 0.15%			1 013
1986	USD 200	6-month LIBOR + 0.125%			1 351
1996	JPY 3 000	4.00% p.a.		2011	172
1996	JPY 7 000	4.00% p.a.		2011	401
1996	USD 105	7.65% p.a.		2006	709
1999	JPY 10 000	4.51% p.a.		2029	573
Recorded costs					0
Total perpetual subordinated loan capital					5 670
Perpetual subordinated loan capital securities					
2001	USD 400	7.729% p.a.		2011	2 701
2002	EUR 350	7.07% p.a.		2012	2 790
Recorded costs					(25)
Total perpetual subordinated loan capital securities					5 465

<i>Amounts in NOK million</i>	DnB NOR Bank Group					
	Balance sheet 31 Dec. 2005	Issued 2005	Matured/ redeemed 2005	Exchange rate movements 2005	Net change in recorded costs 2005	Balance sheet 31 Dec. 2004
Term subordinated loan capital	14 563	2 159	662	(84)	8	13 142
Perpetual subordinated loan capital	5 770	0	302	444	1	5 628
Perpetual subordinated loan capital securities ¹⁾	5 465	0	0	191	5	5 270
Total	25 798	2 159	964	551	13	24 040

1) Perpetual subordinated loan capital securities are eligible for inclusion in core capital by an amount not exceeding 15 per cent of total core capital. Kredittilsynet may require that the securities should be written down proportionally to equity if the bank's core capital ratio falls below 5 per cent or capital adequacy falls below 6 per cent. Amounts written down on the securities must be revalued before the distribution of dividends to shareholders or revaluation of equity.

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

Year raised	Book value in		Interest rate	Maturity	DnB NOR Bank Group	
	foreign	currency			Call date	Book value in NOK
Term subordinated loan capital						
2000	EUR	6	3.70% p.a.	2010		49
2001	USD	45	3-month LIBOR + 0.625%	2011	2006	304
2001	USD	125	3-month LIBOR + 0.75%	2011	2006	844
2001	NOK	245	3.7% p.a.	2011	2006	245
2002	USD	100	3-month LIBOR + 0.50%	2012	2007	675
2002	EUR	200	3-month EURIBOR + 0.60%	2012	2007	1 594
2002	EUR	200	3-month EURIBOR + 0.75%	2012	2007	1 594
2003	EUR	200	3-month EURIBOR + 0.70%	2013	2008	1 594
2003	EUR	200	3-month EURIBOR + 0.45%	2013	2008	1 594
2003	EUR	15	6-month EURIBOR+0.61%	2013		120
2003	GBP	200	5.125% p.a.	2015	2010	2 325
2004	EUR	11	6-month EURIBOR+1.40%	2014	2009	88
2004	EUR	14	6-month EURIBOR + 0.61%	2014		113
2004	EUR	200	3-month EURIBOR + 0.3%	2016	2011	1 594
2005	EUR	200	3-month EURIBOR + 0.20%	2015	2010	1 594
2005	EUR	3	4.39% p.a.	2015		20
2005	EUR	15	3.014% p.a.	2015		120
2005	EUR	13	6-month EURIBOR + 0.60%	2015		105
Recorded costs						(10)
Total term subordinated loan capital						14 563
Perpetual subordinated loan capital						
1985	USD	215	3-month LIBOR + 0.25%			1 452
1986	USD	150	6-month LIBOR + 0.15%			1 013
1986	USD	200	6-month LIBOR + 0.125%			1 351
1996	JPY	3 000	4.00% p.a.		2011	172
1996	JPY	7 000	4.00% p.a.		2011	401
1996	USD	105	7.65% p.a.		2006	709
1997	NOK	100	4.14% p.a.		2007	100
1999	JPY	10 000	4.51% p.a.		2029	573
Recorded costs						0
Total perpetual subordinated loan capital						5 770
Perpetual subordinated loan capital securities						
2001	USD	400	7.729% p.a.		2011	2 701
2002	EUR	350	7.07% p.a.		2012	2 790
Recorded costs						(25)
Total perpetual subordinated loan capital securities						5 465

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	8 033	32 743	Balance sheet as at 31 December 2004 ¹⁾				16 964	8 461	10 185	35 611
	250		2 500	Share issue				250	2 250		2 500
				Minority interests DnB NORD						940	940
		7 423	7 423	Profit for the year						7 327	7 327
		3 297	3 297	Group contributions and dividends						3 298	3 298
		69	69	Exchange rate movements						39	39
17 214	9 995	12 228	39 438	Balance sheet as at 31 December 2005				17 214	10 711	15 194	43 119

1) Implementation of Norwegian Accounting Standard 6A relating to pensions resulted in reductions in Other equity of NOK 2 003 million in DnB NOR Bank ASA and NOK 2 127 million in the DnB NOR Bank Group.

Note 40 Capital adequacy

DnB NOR Bank ASA				DnB NOR Bank Group		
Pro forma				Pro forma		
31 Dec. 2003	31 Dec. 2004	31 Dec. 2005	Amounts in NOK million	31 Dec. 2005	31 Dec. 2004	31 Dec. 2003
16 964	16 964	17 214	Share capital	17 214	16 964	16 964
16 608	17 781	22 223	Other equity	25 905	20 774	19 619
33 572	34 745	39 438	Total equity	43 119	37 738	36 584
5 195	5 270	5 465	Perpetual subordinated loan capital securities ^{1) 2)}	5 698	5 531	5 476
			Reductions			
(969)	(814)	(40)	Pension funds above pension commitments	(51)	(853)	(1 034)
(1 472)	(1 460)	(1 318)	Goodwill	(2 175)	(1 967)	(2 513)
(658)	(717)	(6)	Deferred tax assets	(93)	(646)	(574)
(174)	(78)	(169)	Other intangible assets	(219)	(88)	(247)
			Additions			
		2 218	Portion of unrecognised actuarial gains/losses ³⁾	2 357		
35 494	36 945	45 588	Core capital	48 638	39 715	37 690
6 053	5 528	5 670	Perpetual subordinated loan capital ^{1) 2)}	5 770	5 367	6 153
10 431	12 565	13 664	Term subordinated loan capital ²⁾	14 868	13 538	11 473
16 484	18 092	19 334	Net supplementary capital	20 638	18 905	17 626
2 073	2 514	2 182	Deductions	2 182	2 514	2 171
49 905	52 523	62 740	Total eligible primary capital ⁴⁾	67 094	56 105	53 146
445 523	480 291	562 052	Total risk-weighted volume	635 707	528 240	527 256
8.0	7.7	8.1	Core capital ratio (per cent)	7.7	7.5	7.1
11.2	10.9	11.2	Capital ratio (per cent)	10.6	10.6	10.1

- 1) Perpetual subordinated loan capital securities can represent up to 15 per cent of core capital. The excess will qualify as perpetual supplementary capital.
- 2) Calculations of capital adequacy include a total of NOK 578 million in subordinated loan capital in associated companies, in addition to subordinated loan capital in the banking group's balance sheet.
- 3) Upon implementation of NRS 6A (IAS 19) in 2005, unrecognised actuarial gains/losses for pension commitments were charged to equity in the bank's accounts. The ministry of Finance has established a transitional rule whereby four-fifths of the amount recorded against equity can be included in capital adequacy calculations as at 31 December 2005. This effect will be reduced by one-fifth in each of the subsequent four years.
- 4) Primary capital and nominal amounts used in calculating risk-weighted volume deviate from figures in the DnB NOR Bank Group's accounts as a different consolidation method ("pro rata consolidation") is used in calculating capital adequacy in relation to associated companies.

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

Note 40 Capital adequacy (continued)

Specification of risk-weighted volume	Risk-weight:	Risk-weighted volume					DnB NOR Bank ASA		
		Nominal amounts as at 31 December 2005					Pro forma		
		0%	10%	20%	50%	100%	31 Dec. 2005	31 Dec. 2004	31 Dec. 2003
<i>Amounts in NOK million</i>									
Banking portfolio									
Cash and ordinary deposits with banks		19 730		12 310			2 462	1 899	2 122
Short-term investments in securities		68		7 579		1 979	3 495	6 517	7 416
Lending		2 934	6	64 811	310 136	270 209	438 240	370 402	345 473
Other assets		1 410		1 325	575	3 485	4 038	4 333	4 128
Fixed assets		1 493				11 204	11 204	10 035	13 234
Total assets		25 635	6	86 025	310 712	286 878	459 439	393 187	372 373
Guarantee commitments		862	499	5 129	12	48 532	32 717	29 710	32 558
Approved, undrawn credits		96 419		5 338	5 929	75 085	39 558	38 947	24 306
Financial derivatives							33	30	433
Other		5		482		3 877	795	224	(2)
Total off-balance-sheet instruments							73 103	68 912	57 295
Total risk-weighted volume, banking portfolio							532 542	462 099	429 668
Trading portfolio									
Position risk, equity instruments							1 324	191	224
Position risk, debt instruments							21 874	16 058	11 494
Settlement risk							18	4	0
Counterparty risk and other risks							12 581	10 272	12 607
Currency risk							742	0	0
Total risk-weighted volume, trading portfolio							36 539	26 525	24 325
Total risk-weighted volume, banking and trading portfolio							569 081	488 624	453 993
Deduction for:									
Investments in primary capital in other financial institutions							2 182	2 514	2 074
Specified and unspecified loan-loss provisions							4 847	5 819	6 395
Total risk-weighted volume							562 052	480 291	445 523

Specification of risk-weighted volume	Risk-weight:	Risk-weighted volume					DnB NOR Bank Group		
		Nominal amounts as at 31 December 2005					Pro forma		
		0%	10%	20%	50%	100%	31 Dec. 2005	31 Dec. 2004	31 Dec. 2003
<i>Amounts in NOK million</i>									
Banking portfolio									
Cash and ordinary deposits with banks		21 370		3 359		77	749	469	2 524
Short-term investments in securities		1 580		20 359		2 157	6 229	8 409	9 958
Lending		6 919	13	50 098	341 813	330 810	511 737	418 117	427 366
Other assets		1 536		794	965	3 596	4 237	4 715	4 412
Fixed assets		2 602			26	5 299	5 312	7 116	6 418
Total assets		34 007	13	74 610	342 804	341 939	528 264	438 826	450 677
Guarantee commitments		939	499	6 007	115	49 234	33 379	30 429	34 110
Approved, undrawn credits		107 444		8 702	6 061	77 762	41 266	39 468	25 759
Financial derivatives							694	831	753
Other		5		482		4 782	1 556	224	164
Total off-balance-sheet instruments							76 895	70 952	60 786
Total risk-weighted volume, banking portfolio							605 160	509 778	511 463
Trading portfolio									
Position risk, equity instruments							1 505	406	562
Position risk, debt instruments							23 218	17 211	12 910
Settlement risk							18	4	0
Counterparty risk and other risks							12 582	10 273	12 607
Currency risk							1 213	0	0
Total risk-weighted volume, trading portfolio							38 536	27 894	26 080
Total risk-weighted volume, banking and trading portfolio							643 696	537 672	537 543
Deduction for:									
Investments in primary capital in other financial institutions							2 182	2 514	2 171
Specified and unspecified loan-loss provisions							5 807	6 917	8 116
Total risk-weighted volume							635 707	528 240	527 256

Note 41 Expected time to interest rate adjustments as at 31 December 2005

DnB NOR 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 interest rate	Total
Assets								
Cash and deposits with central banks	NOK	18 748					842	19 589
	Foreign currency	1					125	126
Lending to and deposits with credit institutions	NOK	57 293	4 553	2 263	1 820	43		65 973
	Foreign currency	5 225	8 520	4 240	1 900	297		20 183
Net lending to customers ¹⁾	NOK	204 830	265 880	11 421	20 123	2 674	(2 769)	502 159
	Foreign currency	28 795	59 815	5 553	2	108	(461)	93 813
Commercial paper and bonds	NOK	2 998	6 673	2 264	5 659	2 164		19 757
	Foreign currency	25 537	27 271	1 894	3 384	379		58 464
Sundry assets ²⁾	NOK	0					33 732	33 732
	Foreign currency	16	19	2		1	5 403	5 441
Total assets		343 444	372 731	27 638	32 888	5 666	36 872	819 238
	NOK	283 869	277 105	15 948	27 602	4 881	31 804	641 211
	Foreign currency	59 574	95 625	11 690	5 286	785	5 067	178 027
Liabilities and equity								
Loans and deposits from credit institutions	NOK	26 134	43	23		6		26 206
	Foreign currency	37 748	15 969	6 736	108	573		61 135
Deposits from customers	NOK	343 265	191	269	1 753			345 479
	Foreign currency	55 437	927	99				56 463
Securities issued	NOK	2 478	4 507	5 629	8 247	1 425		22 285
	Foreign currency	79 099	105 197	11 998	9 643	1 904		207 840
Sundry liabilities ²⁾	NOK						31 899	31 899
	Foreign currency						3 655	3 655
Subordinated loan capital and perpetual subordinated loan capital securities	NOK							
	Foreign currency	1 898	13 305	707	2 320	6 609		24 839
Equity	NOK						38 704	38 704
	Foreign currency						734	734
Total liabilities and equity		546 060	140 140	25 460	22 071	10 516	74 991	819 238
	NOK	371 877	4 741	5 921	10 000	1 431	70 602	464 572
	Foreign currency	174 182	135 399	19 539	12 071	9 085	4 389	354 666
Net, time to interest rate adjustments on balance sheet items	NOK	(202 616)	232 591	2 178	10 817	(4 850)	(38 120)	0
	Foreign currency	(88 008)	272 364	10 028	17 602	3 451	(38 798)	176 638
	Foreign currency	(114 608)	(39 773)	(7 850)	(6 785)	(8 301)	678	(176 638)

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.*

2) *Financial derivatives and accrued interest are grouped under "No interest rate".*

Net nominal values on financial derivatives		(27 429)	(40 778)	21 171	(1 695)	3 235		(45 497)
	NOK	(94 983)	(76 235)	17 286	(9 104)	554		(162 482)
	Foreign currency	67 554	35 457	3 885	7 408	2 681		116 985

Note 41 Expected time to interest rate adjustments as at 31 December 2005 (continued)

		DnB NOR Bank Group						
<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	18 756					1 228	19 984
	Foreign currency	1 037					207	1 245
Lending to and deposits with credit institutions	NOK	8 506	2 547	1 794	1 403	10		14 259
	Foreign currency	3 060	7 233	4 349	2 143	297		17 083
Net lending to customers ¹⁾	NOK	250 392	282 078	15 062	26 637	3 734	(3 073)	574 831
	Foreign currency	37 338	68 387	12 080	785	322	(503)	118 409
Commercial paper and bonds	NOK	2 998	6 673	2 264	4 769	2 166		18 869
	Foreign currency	25 605	27 356	2 137	4 298	993		60 390
Sundry assets ²⁾	NOK	71	50	24	1		30 031	30 177
	Foreign currency	72	46	17	3	1	4 606	4 745
Total assets		347 836	394 370	37 727	40 038	7 524	32 496	859 993
	NOK	280 723	291 347	19 144	32 809	5 911	28 186	658 121
	Foreign currency	67 113	103 023	18 584	7 229	1 614	4 310	201 872
Liabilities and equity								
Loans and deposits from credit institutions	NOK	25 822	146	23		6		25 997
	Foreign currency	40 525	20 995	9 585	196	573		71 873
Deposits from customers	NOK	350 187	234	281	1 763			352 465
	Foreign currency	62 526	1 848	1 318	232	5		65 930
Securities issued	NOK	2 486	4 783	5 632	12 581	2 123		27 604
	Foreign currency	79 591	105 296	12 396	9 920	1 904		209 107
Sundry liabilities ²⁾	NOK	83	5	66			33 725	33 879
	Foreign currency	125	17	7	3		4 069	4 220
Subordinated loan capital and perpetual subordinated loan capital securities	NOK			100	300	(55)		345
	Foreign currency	2 130	13 498	707	2 320	6 678	121	25 453
Equity	NOK						40 198	40 198
	Foreign currency						2 922	2 922
Total liabilities and equity		563 474	146 821	30 115	27 314	11 234	81 034	859 993
	NOK	378 578	5 168	6 102	14 644	2 074	73 922	480 488
	Foreign currency	184 896	141 654	24 013	12 670	9 160	7 111	379 505
Net, time to interest rate adjustments on balance sheet items	NOK	(215 638)	247 549	7 612	12 724	(3 710)	(48 537)	0
	Foreign currency	(97 855)	286 180	13 042	18 166	3 836	(45 736)	177 633
	Foreign currency	(117 783)	(38 631)	(5 430)	(5 441)	(7 546)	(2 801)	(177 633)

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.*

2) *Financial derivatives and accrued interest are grouped under "No interest rate".*

Net nominal values on financial derivatives		(27 429)	(40 778)	21 171	(1 695)	3 235		(45 497)
	NOK	(94 983)	(76 235)	17 286	(9 104)	554		(162 482)
	Foreign currency	67 554	35 457	3 885	7 408	2 681		116 985

Note 42 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 2005 and market rates on the same date.

Interest rate sensitivity for different intervals

Amounts in NOK million	DnB NOR Bank Group ¹⁾					
	Up to 1 month	From 1 months to 3 months	From 3 months to 1 year	From 1 year to 5 years	Over 5 years	Total
Trading portfolio						
NOK	20	26	13	251	220	50
USD	12	18	30	1	4	42
EUR	1	11	10	41	47	6
GBP	0	1	3	2	4	1
Other currencies	4	11	10	3	3	10
Banking portfolio						
NOK	8	99	14	85	17	26
Total						
NOK	28	72	26	336	237	25
USD	12	18	30	1	4	42
EUR	1	11	10	41	47	6
GBP	0	1	3	2	4	1
Other currencies	4	11	10	3	3	10

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 43 Currency positions

The tables below shows net currency positions as at 31 December 2005 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.

Amounts in NOK million	DnB NOR Bank ASA							
	Norwegian kroner	Other currencies	Of which: USD	EUR	GBP	SEK	DKK	JPY
Assets								
Cash and deposits with central banks	19 589	126	27	52	11	17	13	0
Lending to and deposits with credit institutions	65 973	20 183	3 349	8 989	2 790	715	210	1 137
Net lending to customers	502 159	93 813	54 397	13 937	2 309	16 251	1 810	1 342
Commercial paper and bonds	19 757	58 464	17 540	33 579	1 125	204	847	143
Shareholdings etc.	8 694	2 577	523	1 861	2	71	0	0
Sundry assets	25 038	2 865	1 709	30	544	46	15	196
Total assets	641 211	178 027	77 545	58 448	6 781	17 305	2 895	2 819
Liabilities and equity								
Loans and deposits to credit institutions	26 206	61 135	35 918	13 913	3 128	2 209	1 241	917
Deposits from customers	345 479	56 463	38 872	11 061	1 723	2 098	612	1 093
Securities issued	22 285	207 840	79 548	74 378	31 215	170	0	2 541
Sundry liabilities	31 899	3 655	2 104	482	436	47	52	419
Subordinated loan capital	0	24 839	9 039	12 330	2 324	0	0	1 146
Equity	38 704	734	696	(4)	166	(89)	(35)	0
Total liabilities and equity	464 572	354 666	166 176	112 159	38 992	4 434	1 871	6 116
Net currency positions on balance sheet items	176 638	(176 638)	(88 632)	(53 712)	(32 211)	12 871	1 024	(3 298)
Financial derivatives	(176 244)	176 244	88 772	53 044	32 299	(12 835)	(1 029)	3 286
Net currency exposure	394	(394)	140	(668)	88	36	(5)	(12)

Note 43 Currency positions (continued)

<i>Amounts in NOK million</i>	DnB NOR Bank Group							
	Norwegian kroner	Other currencies	Of which: USD	EUR	GBP	SEK	DKK	JPY
Assets								
Cash and deposits with central banks	19 984	1 245	53	92	36	21	16	0
Lending to and deposits with credit institutions	14 259	17 083	2 058	8 464	2 832	386	416	1 207
Net lending to customers	574 831	118 409	56 225	25 333	2 809	16 771	2 054	1 586
Commercial paper and bonds	18 869	60 390	17 540	34 170	1 125	204	847	143
Shareholdings etc.	3 342	710	520	90	0	71	0	0
Sundry assets	26 836	4 034	1 719	65	545	46	47	197
Total assets	658 121	201 871	78 115	68 214	7 346	17 498	3 380	3 134
Liabilities and equity								
Loans and deposits to credit institutions	25 997	71 873	36 461	23 008	3 140	2 345	1 695	1 036
Deposits from customers	352 465	65 930	39 936	12 031	1 748	2 148	642	1 094
Securities issued	27 604	209 107	79 548	75 441	31 215	170	0	2 541
Sundry liabilities	33 879	4 220	2 248	603	442	54	59	325
Subordinated loan capital	345	25 453	9 039	12 944	2 324	0	0	1 146
Equity	40 198	2 922	760	2 091	194	(89)	(35)	0
Total liabilities and equity	480 488	379 505	167 991	126 118	39 063	4 627	2 361	6 142
Net currency positions on balance sheet items	177 634	(177 634)	(89 876)	(57 904)	(31 717)	12 871	1 018	(3 009)
Financial derivatives	(176 244)	176 244	88 772	53 044	32 299	(12 835)	(1 029)	3 286
Net currency exposure	1 390	(1 390)	(1 104)	(4 860)	582	36	(11)	277

The difference in net currency exposure between DnB NOR Bank and the banking group can mainly be attributed to DnB NOR.

Note 44 Residual maturity as at 31 December 2005

DnB NOR 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	18 748					842	19 589	
	Foreign currency	1					125	126	
Lending to and deposits with credit institutions	NOK	57 114	3 702	2 273	1 814	1 071		65 973	
	Foreign currency	4 331	7 369	5 471	1 617	1 395		20 183	
Net lending to customers ¹⁾	NOK	45 241	11 032	15 957	78 088	354 611	(2 769)	502 159	
	Foreign currency	12 035	2 101	1 696	27 150	51 291	(461)	93 813	
Commercial paper and bonds	NOK	443	482	4 273	11 214	3 345		19 757	
	Foreign currency	304	623	1 995	9 973	45 570		58 464	
Sundry assets ²⁾	NOK	0		45	14	85	33 588	33 732	
	Foreign currency	172	19	2	4	1	5 243	5 441	
Total assets		138 388	25 327	31 712	129 874	457 369	36 567	819 238	
		NOK	121 546	15 215	22 548	91 130	359 111	31 660	641 211
		Foreign currency	16 843	10 112	9 164	38 744	98 257	4 907	178 027
Liabilities and equity									
Loans and deposits from credit institutions	NOK	26 134	43	23	6			26 206	
	Foreign currency	37 748	15 969	6 736	108	573		61 135	
Deposits from customers	NOK	332 283	1 091	2 500	9 391	214		345 479	
	Foreign currency	49 867	5 725	742	128			56 463	
Securities issued	NOK	1 000	750	6 559	12 301	1 675		22 285	
	Foreign currency	23 544	46 412	17 673	117 972	2 238		207 840	
Sundry liabilities	NOK	0	118	83			31 698	31 899	
	Foreign currency	130	14	2			3 509	3 655	
Subordinated loan capital and perpetual subordinated loan capital securities	NOK								
	Foreign currency					13 704	11 135	24 839	
Equity	NOK						38 704	38 704	
	Foreign currency						734	734	
Total liabilities and equity		470 707	70 123	34 319	139 907	18 404	85 779	819 238	
		NOK	359 417	2 002	9 165	21 698	1 889	70 401	464 572
		Foreign currency	111 290	68 106	25 154	118 209	16 515	15 378	354 666
Net, residual maturity on balance sheet items		(332 319)	(44 796)	(2 606)	(10 033)	438 965	(49 212)	0	
		NOK	(237 871)	13 213	13 383	69 432	357 223	(38 741)	176 638
		Foreign currency	(94 447)	(57 994)	(15 989)	(79 465)	81 742	(10 471)	(176 638)
<p>1) <i>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></p> <p>2) <i>Financial derivatives and accrued interest are grouped under "No fixed maturity".</i></p>									
Net nominal values		1 868	88	6	(1 160)	2 697		3 499	
on financial derivatives	NOK	(32 035)	(21 686)	(35 453)	(75 198)	(18 157)		(182 529)	
	Foreign currency	33 903	21 774	35 459	74 038	20 854		186 028	

Note 44 Residual maturity as at 31 December 2005 (continued)

		DnB NOR Bank Group						
<i>Amounts in NOK million</i>		Up to	From	From	From	Over	No fixed	Total
		1 month	1 month	3 months	1 year	5 years	maturity	
			to 3 months	to 1 year	to 5 years			
Assets								
Cash and deposits with central banks	NOK	18 756					1 228	19 984
	Foreign currency	1 037					208	1 245
Lending to and deposits with credit institutions	NOK	8 234	1 710	1 880	1 397	1 038		14 259
	Foreign currency	2 793	6 829	4 718	1 616	1 127		17 083
Net lending to customers ¹⁾	NOK	48 361	13 442	22 393	98 256	395 453	(3 073)	574 831
	Foreign currency	14 482	3 867	6 283	36 974	57 307	(503)	118 409
Commercial paper and bonds	NOK	443	492	4 512	10 078	3 345		18 869
	Foreign currency	332	654	2 238	10 996	46 170		60 390
Sundry assets ²⁾	NOK	136	138	70	15	85	29 734	30 177
	Foreign currency	279	57	33	7	2	4 367	4 745
Total assets		94 854	27 189	42 127	159 337	504 526	31 960	859 993
	NOK	75 930	15 781	28 855	109 744	399 921	27 889	658 121
	Foreign currency	18 923	11 407	13 272	49 593	104 605	4 071	201 872
Liabilities and equity								
Loans and deposits from credit institutions	NOK	25 956	40					25 997
	Foreign currency	39 575	17 551	9 278	4 013	1 456		71 873
Deposits from customers	NOK	339 266	1 093	2 501	9 391	214		352 465
	Foreign currency	57 257	6 411	1 854	392	15		65 930
Securities issued	NOK	1 000	750	7 260	16 358	2 235		27 604
	Foreign currency	23 544	46 412	18 072	118 841	2 238		209 107
Sundry liabilities ²⁾	NOK	488	273	265			32 853	33 879
	Foreign currency	494	34	17	3	5	3 667	4 220
Subordinated loan capital and perpetual subordinated loan capital securities	NOK					245	100	345
	Foreign currency					14 318	11 135	25 453
Equity	NOK						40 198	40 198
	Foreign currency						2 922	2 922
Total liabilities and equity		487 581	72 565	39 246	148 999	20 727	90 875	859 993
	NOK	366 710	2 157	10 025	25 750	2 694	73 151	480 488
	Foreign currency	120 871	70 408	29 221	123 249	18 032	17 724	379 505
Net, residual maturity on balance sheet items		(392 728)	(45 376)	2 881	10 339	483 799	(58 914)	0
	NOK	(290 780)	13 625	18 829	83 994	397 226	(45 261)	177 633
	Foreign currency	(101 948)	(59 001)	(15 948)	(73 656)	86 572	(13 653)	(177 633)
<p>1) <i>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></p> <p>2) <i>Financial derivatives and accrued interest are grouped under "No fixed maturity".</i></p>								
Net nominal values on financial derivatives		1 446	444	18	(1 153)	2 697		3 452
	NOK	(32 062)	(21 685)	(35 479)	(75 181)	(18 157)		(182 564)
	Foreign currency	33 508	22 129	35 497	74 028	20 854		186 015

Note 45 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.

Amounts in NOK million	31 December 2005			31 December 2004			DnB NOR Bank Group ¹⁾ 1 January 2004		
	Nominal amount ²⁾	Positive	Negative	Nominal amount ²⁾	Positive	Negative	Nominal amount ²⁾	Positive	Negative
		market value ³⁾	market value ³⁾		market value ³⁾	market value ³⁾		market value ³⁾	
Trading portfolio									
Interest rate agreements	2 335 982	21 134	17 938	1 993 460	27 733	24 565	2 269 234	33 111	32 945
Foreign exchange agreements ⁴⁾	723 362	16 353	14 688	638 319	17 174	27 551	931 075	29 126	37 045
Equity-related agreements	46 465	2 810	2 840	39 444	1 819	1 894	28 855	1 507	1 328
Other agreements	296	9	0	576	85	0	1	0	0
Banking portfolio									
Interest rate agreements	85 415	814	1 449	87 286	1 098	3 019	58 117	996	1 627
Foreign exchange agreements	5 731	23	20	4 136	42	0	24 715	759	1 683
Netting									
Effect of netting agreements ⁵⁾		(18 073)			(24 432)			(23 258)	

1) The figures for DnB NOR Bank ASA are identical with the exception foreign exchange agreements in the trading portfolio, which showed a nominal amount of NOK 723 097 million and a positive market value of NOK 16 350 million, in addition to interest rate agreements in the banking portfolio, which showed a nominal amount of NOK 83 416 million, a positive market value of NOK 729 million and a negative market value of NOK 1 437 million as at 31 December 2005.

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 2005, a total of NOK 1 928 million was recorded as gains on such transactions, while losses of NOK 1 438 million were recorded in 2005 alone.

Note 46 Other off-balance sheet transactions and additional information

DnB NOR Bank ASA				DnB NOR Bank Group		
1 Jan. 2004	31 Dec. 2004	31 Dec. 2005	<i>Amounts in NOK million</i>	31 Dec. 2005	31 Dec. 2004	1 Jan. 2004
137 249	164 578	182 821	Unutilised ordinary credit lines	186 803	165 845	130 414
5 229	8 625	8 928	Documentary credit commitments	9 115	8 629	6 434
0	0	351	Other commitments	1 654	1	489
142 478	173 203	192 100	Total commitments	197 572	174 475	137 337
12 410	13 257	14 247	Performance guarantees	14 764	13 433	12 611
13 631	11 059	13 777	Payment guarantees	14 519	11 577	14 198
14 182	10 913	13 716	Loan guarantees	13 831	10 916	14 331
2 556	2 556	0	Guarantee to the Norwegian Banks' Guarantee Fund ¹⁾	0	2 676	2 676
2 538	2 766	3 050	Guarantees for taxes etc.	3 077	2 790	2 655
5 142	5 067	5 360	Other guarantee commitments	5 438	4 803	4 835
50 459	45 617	50 151	Total guarantee commitments	51 629	46 194	51 306
0	0	0	Support agreements	4 995	2 482	1 643
50 459	45 617	50 151	Total guarantee commitments etc. ²⁾	56 624	48 676	52 948
			*) Of which:			
1 300	1 481	1 492	Counter-guaranteed by financial institutions	1 498	1 481	1 300
43	43	0	Joint and several liabilities	0	45	45
42 828	43 843	49 669	Securities	49 669	43 843	42 892
			are pledged as security for:			
34 218	43 728	49 558	Loans ²⁾	49 558	43 728	35 448
8 610	115	111	Other activities	111	115	8 610

1) As of 1 January 2005, members are no longer required to guarantee the minimum requirements for capital in the Norwegian Banks' Guarantee Fund.

2) NOK 49 558 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 2005, DnB NOR Bank Group had borrowed NOK 10 000 million from Norges Bank.

Note 47 Contingencies and post balance sheet events

Contingencies

Due to its extensive operations in Norway and abroad, the banking 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.

In 2004, Nordlandsbanken ASA filed a suit against KPMG, claiming compensation on the basis of KPMG's audit of Finance Credit AS. The parties reached agreement in the damage suit, and Nordlandsbanken received a final settlement of NOK 45 million. The settlement ensured reversals on previous write-downs in the third quarter of 2005.

Finance Credit AS' estate in bankruptcy filed a claim in 2004 to reverse the debtor's repayment of credit facilities in Union Bank of Norway ASA (now DnB NOR Bank ASA) in autumn 2001 and spring 2002. The amount of the claim was NOK 160 million. The District Court found in favour of the bank. The sentence was appealed, but the appeal was later dropped.

Patricia Long and Wien Air Alaska Inc. have filed a suit against, among others, DnB NOR Bank ASA before a US court, claiming compensation of USD 160 million. In February 2006, the action was discontinued by the plaintiffs.

Amalie Riis has filed a suit claiming up to NOK 500 million in compensation, plus interest as from 1974, for the alleged loss of inheritance as a result of Den norske Creditbank's (now DnB NOR Bank ASA) extension of credits to the shipping company Olsen & Ugelstad in 1975. The complaint was filed with the Oslo Conciliation Court in October 2004. The Conciliation Court reviewed the complaint and referred the case to the District Court. The bank disputes the claim. In the view of the bank, there is no legal basis for the claim and the limitation period has expired. The bank is also of the opinion that the same claim has been filed previously, and that the former ruling in favour of the bank is legally binding.

DnB NOR Bank has issued a writ against the Norwegian government, represented by the Central Tax Office for Large Companies, requiring that the tax assessment for 2002 be invalidated. The bank claims that the tax authorities made incorrect use of the realisation principle with respect to interest rate and currency swaps, as no tax credit was awarded for net losses in the tax assessment.

Post balance sheet events

At the start of 2006, loan portfolios totalling approximately NOK 4 300 million were transferred from NORD/LB and DnB NOR to DnB NORD. As a result of this, DnB NOR's capitalised goodwill relating to DnB NORD increased by EUR 1 million, representing compensation for NORD/LB's Finnish loan portfolio.

DnB NOR has acquired Monchebank, a Russian bank headquartered in Murmansk, from the Russian bank Rosbank. The agreement to acquire the Monchebank shares was signed on 31 January 2006 and Monchebank thus became part of the DnB NOR Group.

Note 48 Information on related parties

<i>Amounts in NOK million</i>	DnB NOR Bank Group		
	31 Dec. 2005	31 Dec. 2004	1 Jan. 2004
Intra-group items - assets			
Lending to and deposits with credit institutions	88 756	45 754	72 816
Net lending to customers	637	942	1 113
Intra-group items - liabilities			
Loans and deposits from credit institutions	85 647	43 918	71 460
Deposits from customers	2 733	1 869	1 217
Subordinated loan capital	1 092	1 004	1 253

Note 49 Key figures – Trends 2002 - 2005

	DnB NOR Bank Group			
	2005	2004	Pro forma 2003	Pro forma 2002
Interest rate analysis				
1. Combined average spread for lending and deposits (%)	2.18	2.33	2.45	2.62
2. Spread for ordinary lending to customers (%)	1.48	1.64	1.58	1.40
3. Spread for deposits from customers (%)	0.70	0.69	0.87	1.22
Financial strength				
4. Core (Tier 1) capital ratio at end of period (%)	7.7	7.5	7.1	7.9
5. Capital adequacy ratio at end of period (%)	10.6	10.6	10.1	10.6
6. Core capital at end of period (NOK million)	48 638	39 175	37 690	36 979
7. Total eligible primary capital at end of period (NOK million)	67 094	56 105	53 147	49 853
8. Risk-weighted volume at end of period (NOK million)	635 707	528 240	527 256	468 306
Loan portfolio and write-downs				
9. Loan-loss ratio annualised (%)	(0.01)	0.03	0.33	0.20
10. Non-performing and doubtful commitments, % of net lending	0.76	1.03	1.48	0.98
11. Loan-loss provisions relative to total gross lending (%)	0.81	1.16	1.40	1.27
12. Non-performing commitments at end of period (NOK million)	3 878	4 196	6 531	3 622
13. Doubtful commitments at end of period (NOK million)	1 362	1 778	1 870	1 232
Liquidity				
14. Ratio of customer deposits to net lending to customers at end of period (%)	60.4	62.4	59.7	64.9

Definitions

10. Non-performing and doubtful commitments after the deduction of specified loan-loss provisions relative to lending after the deduction of specified loan-loss provisions.
11. Accumulated specified and unspecified provisions relative to gross lending at end of period.

Note 50 Survey of results 2002 – 2005

<i>Amounts in NOK million</i>	DnB NOR Bank Group			
	2005	2004	Pro forma 2003	Pro forma 2002
Interest income	29 712	28 803	38 733	43 269
Interest expenses	16 311	15 428	24 710	29 150
Net interest income	13 401	13 376	14 023	14 119
Dividends	154	143	211	169
Commissions and fees receivable etc.	6 276	5 764	5 768	5 542
Commissions and fees payable etc.	2 025	2 010	2 057	2 030
Net gains on foreign exchange and financial instruments	2 166	1 675	1 836	775
Sundry ordinary operating income	1 440	1 541	1 255	1 130
Netto gevinster ved salg av varige driftsmidler	231	1 298	23	264
Nett other operating income	8 241	8 412	7 037	5 851
Salaries and other personnel expenses	5 718	5 792	6 267	5 774
Administrative expenses	3 586	3 678	3 864	3 831
Depreciation	778	839	1 013	962
Sundry ordinary operating expenses	1 189	1 282	1 353	1 428
Other expenses	232	952	217	369
Total operating income	11 502	12 544	12 715	12 364
Pre-tax operating profit	10 140	9 244	8 344	7 606
Net losses on loans etc.	(42)	167	1 891	1 023
Net gains on long-term securities	203	106	224	(317)
Pre-tax operating profit	10 385	9 183	6 677	6 265
Taxes	3 058	2 397	1 715	1 732
Profit for the year	7 327	6 786	4 963	4 533
Earnings per share	42.56	40.00	29.26	29.72

Note 51 Balance sheet summary 2002 – 2005

<i>Amounts in NOK million</i>	DnB NOR Bank Group			
	31 Dec. 2005	31 Dec. 2004	1 Jan. 2004	Pro forma 31 Dec. 2002
Assets				
Cash and deposits with central banks	21 229	8 780	8 565	22 941
Lending to and deposits with credit institutions	31 342	21 604	28 060	26 385
Gross lending to customers	698 881	584 230	573 973	500 807
- Specified loan-loss provisions	(2 065)	(3 255)	(4 329)	(2 884)
- Unspecified loan-loss provisions	(3 576)	(3 534)	(3 714)	(3 501)
Net lending to customers	693 240	577 441	565 929	494 422
Repossessed assets	232	538	576	651
Commercial paper and bonds	79 259	62 986	59 677	51 699
Shareholdings etc.	2 791	4 611	3 905	4 332
Investments in associated companies	1 261	1 354	1 384	1 263
Intangible assets	2 418	3 469	4 125	3 595
Fixed assets	4 287	4 155	4 454	4 389
Other assets	19 288	22 943	23 618	18 561
Prepayments and accrued income	4 645	4 477	4 483	6 154
Total assets	859 993	712 356	704 776	634 392
Liabilities and equity				
Loans and deposits from credit institutions	97 870	48 950	78 508	80 314
Deposits from customers	418 395	360 240	337 807	320 887
Securities issued	236 711	192 410	181 949	138 568
Other liabilities	28 527	41 140	37 820	31 624
Accrued expenses and prepaid revenues	5 426	5 013	5 999	5 038
Provisions for commitments	4 145	4 952	4 528	2 658
Subordinated loan capital	20 333	18 770	18 126	13 519
Perpetual subordinated loan capital securities	5 465	5 270	5 583	5 292
Total liabilities	816 873	676 745	670 320	597 901
Share capital	17 214	16 964	16 964	16 964
Share premium reserve	10 711	8 461	8 461	8 461
Paid-in capital	27 926	25 426	25 426	25 426
Other equity	15 194	10 185	9 031	11 066
Total equity	43 119	35 611	34 456	36 491
Total liabilities and equity	859 993	712 356	704 776	634 392

Oslo, 8 March 2006

The Board of Directors of DnB NOR Bank ASA

Olav Hytta
(chairman)
(sig.)

Bent Pedersen
(vice-chairman)
(sig.)

Sten Sture Larre
(sig.)

Per Hoffmann
(sig.)

Torill Rambjør
(sig.)

Ingjerd Skjeldrum
(sig.)

Marit Wiig
(sig.)

Heidi M. Petersen
(sig.)

Svein Aaser
(sig.)

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

Auditor's report for 2005

We have audited the annual financial statements of DnB NOR Bank ASA as of December 31, 2005, showing a profit of NOK 7 422 million for the parent company and a profit of NOK 7 327 million for the group. We have also audited the information in the directors' report concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit. The annual financial statements comprise the balance sheet, the statements of income and cash flows, the accompanying notes and the group accounts. The regulations of the Norwegian accounting act and accounting standards, principles and practices generally accepted in Norway have been applied in the preparation of the financial statements. These financial statements are the responsibility of the Company'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 laws, regulations and auditing standards and practices generally accepted in Norway, including standards on auditing adopted by The Norwegian Institute of Public Accountants. These auditing standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. To the extent required by law and auditing standards an audit also comprises a review of the management of the Company's financial affairs and its accounting and internal control systems. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- the financial statements have been prepared in accordance with the law and regulations and give a true and fair view of the financial position of the company and the group as of December 31, 2005, and the results of its operations and its cash flows for the year then ended, in accordance with accounting standards, principles and practices generally accepted in Norway
- the company's management has fulfilled its duty to produce a proper and clearly set out registration and documentation of accounting information in accordance with the law and good bookkeeping practice in Norway

- the information 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 8, 2006

PricewaterhouseCoopers AS

Geir Julsvoll

State Authorised Public Accountant (Norway)

(sig.)

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

