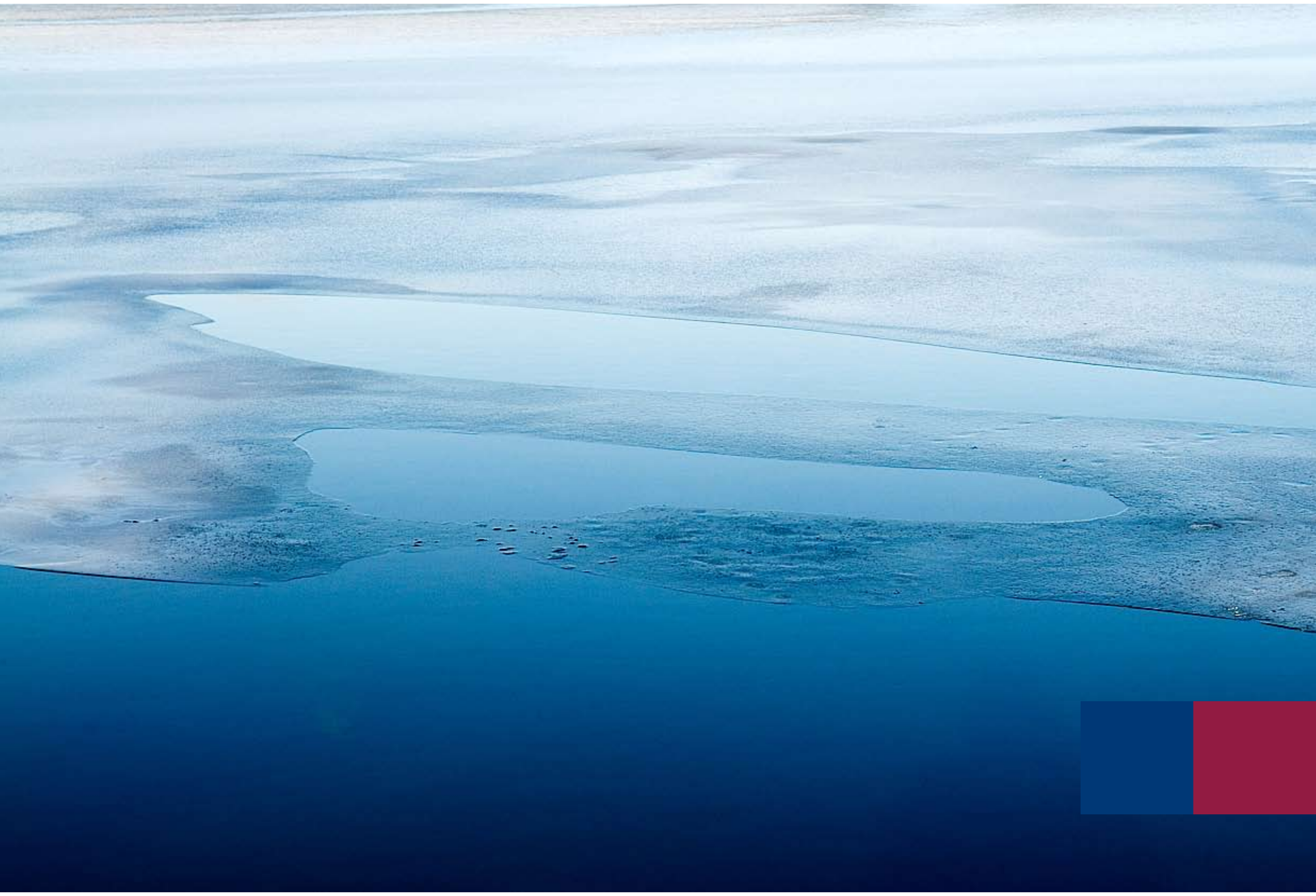
Fourth quarter report 2008

Preliminary and unaudited



DnB NOR Bank ASA

DnB NOR

Financial highlights

Fourth quarter 2008

- Pre-tax operating profits before write-downs were up 88.7 per cent to NOK 6.0 billion (3.2)
- Profit for the period declined by 32.1 per cent to NOK 2.5 billion (3.7)
- Return on equity was 16.1 per cent (24.6)
- Expenses represented 42.3 per cent of income (51.3)
- The core capital ratio was 7.0 per cent (7.9)

Full year 2008

- Pre-tax operating profits before write-downs were up 26.7 per cent to NOK 16.6 billion (13.1)
- Profit for the year declined by 16.3 per cent to NOK 9.5 billion (11.4)
- Return on equity was 14.5 per cent (19.7)
- Expenses represented 48.9 per cent of income (50.6)

Figures for the DnB NOR Bank Group.
Comparable figures for 2007 in parentheses.

There has been no full or partial *external* audit of the fourth quarter report and the fourth quarter accounts, though the report has been reviewed and major assessment items audited by DnB NOR's Group Audit.

Fourth quarter report 2008

Fourth quarter 2008

- Significant increase in write-downs on loans and non-performing commitments, particularly in DnB NORD
- Strong balance sheet growth as a result of exchange rate fluctuations
- Good access to long-term liquidity through Norges Bank's swap scheme

Full year 2008

- Healthy profits in spite of deep downturn in the global economy
- Strong underlying earnings
- Extreme market volatility presented challenges, but also opportunities
- Strict cost control
- Rise in write-downs on loans, particularly in DnB NORD

Introduction

In light of the significant financial market turmoil and the subsequent effects on the real economy, the DnB NOR Bank Group[1)] achieved strong profits in the fourth quarter of 2008. Profits for the quarter were NOK 2 489 million, down from NOK 3 666 million in the fourth quarter of 2007. Return on equity was 16.1 per cent, compared with 24.6 per cent in the October through December period in 2007.

Pre-tax operating profits before write-downs came to NOK 6 016 million, up NOK 2 826 million from the fourth quarter of 2007. Total income rose by NOK 41.0 per cent, while expenses increased by NOK 10.3 per cent adjusted for impairment losses for goodwill in 2008 and allocations to employees in 2007.

The brisk lending growth seen in the last few quarters abated markedly in the fourth quarter. Nevertheless, the effect of the strong growth earlier in 2008 and a certain widening in spreads ensured a NOK 1 266 million rise in total net interest income compared with the fourth quarter of 2007.

Net other operating income rose by NOK 1 771 million from the fourth quarter of 2007. This was partly due to income increases, especially in DnB NOR Markets, but also to adjustments in market values, which had a positive effect on profits. These effects will be partially reversed in subsequent quarters.

Pre-tax operating profits totalled NOK 3 709 million in the fourth quarter of 2008, down NOK 1 113 million from the year-earlier period. Due to financial problems among an increasing number of companies, there was a significant rise in write-downs on loans, from close to zero in the fourth quarter of 2007 to NOK 2 314 million in the October through December period in 2008. DnB NORD's property portfolio in Denmark generated the largest write-downs, though there was also an increase in write-downs among small and medium-sized enterprises in Norway and in DnB NOR Finans.

The banking group's tax charge increased by NOK 64 million from the fourth quarter of 2007.

The financial turmoil presented the banking group with liquidity challenges during the quarter. The effect of general lack of confidence in financial markets was that the DnB NOR Bank, like other banks, for all practical purposes had no access to long-term funding in the ordinary financial markets during parts of the quarter. The funding transactions that were completed, involved very high costs. The Norwegian authorities' funding package for banks, launched in the fourth quarter, was thus instrumental in ensuring long-term funding of the banking group towards the end of 2008. The government scheme has functioned well. The transfer of mortgage portfolios from Retail Banking to DnB NOR Boligkreditt AS was a key element in these funding transactions.

During the fourth quarter, the Norwegian government approved a stimulus package which ensures that Eksportfinans can continue to grant new export credits.

The new stimulus package presented by the government on 8 February 2009 is also expected to improve banks' lending capacity and capital position, while improving the situation in the Norwegian bond market.

During the fourth quarter, the banking group was subject to negative media coverage on a number of occasions. Among other things, a notified interest rate increase became effective immediately after Norges Bank cut its key policy rate. The banking group's funding costs in the turbulent, non-functioning financial market towards the end of 2008 were also considerably higher than Norges Bank's key policy rate. This presented a number of communication challenges.

Another issue that attracted much attention during the fourth quarter was past sales of loan-backed structured savings products. In January 2009, the conclusion reached by a scant majority of the members of the Norwegian Banking Complaints Board was in favour of a customer who had filed a complaint against the bank for the sale of loan-backed savings products. In the opinion of the Complaints Board, these products had an insufficient return potential. DnB NOR disagrees with the Complaints Board, and it is highly likely that the case will be brought to court.

The cost/income ratio was 42.3 per cent in the fourth quarter of 2008 and 51.3 per cent in the year-earlier period.

Due to the strong volume growth in the first three quarters of the year, the core capital ratio declined from 7.9 per cent as at 31 December 2007 to 7.0 per cent at end-December 2008. Exchange rate movements were a major factor behind the rise in risk-weighted volume. The banking group is considered to be adequately capitalised relative to the risk in the loan portfolios and other operations. In consequence of the significant financial turmoil, however, the market, rating agencies and the authorities will require a higher capital adequacy ratio then what has been considered to be adequate over the past few years. The banking group aims to increase capital adequacy in future.

[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.*

Net interest income

Amounts in NOK million	4th quarter 2008	Change	4th quarter 2007
Net interest income	6 301	1 266	5 035
Lending and deposit volumes		604	
Lending and deposit spreads		395	
Guarantee fund levy		(54)	
Exchange rate movements		116	
Other net interest income		204	

Net interest income was NOK 6 301 million in the fourth quarter of 2008, up 25.1 per cent compared with the year-earlier period. The growth in lending volumes was significantly more sluggish towards the end of 2008, though, on an average basis, total lending volume was nevertheless up NOK 217.7 billion or 23.2 per cent from year-end 2007 to end-December 2008, mainly reflecting international expansion and exchange rate movements. Parallel to this, the financial turmoil resulted in intensifying competition for deposits, and deposit spreads narrowed by 0.69 percentage points compared with the fourth quarter of 2007. Lending spreads widened from 0.80 per cent in the fourth quarter of 2007 to 1.32 per cent in the corresponding period in 2008.

Net other operating income

Amounts in NOK million	4th quarter 2008	Change	4th quarter 2007
Net other operating income	4 134	1 771	2 363
Changes in credit margins	1 939		
Net gains on foreign exchange and interest rate instruments [1)]		885	
Net other commissions and fees		(134)	
Stock-market related income including financial instruments		(874)	
Other operating income		(45)	

1) *Excluding guarantees and changes in income resulting from widening credit margins.*

Net other operating income amounted to NOK 4 134 million in the fourth quarter of 2008, up 74.9 per cent from 2007. There was a generally high level of income from DnB NOR Markets and Eksportfinans during the quarter. Due to the general fall in interest rates in the market, increases in the value of the banking group's bond portfolios were recorded in the income statement. In addition, DnB NOR Markets recorded revenues of NOK 444 million on financial derivatives entered into in connection with US dollar funding of the banking group's balance sheet during the fourth quarter. These revenues will be reversed over time.

Net other operating income represented 39.6 per cent of total income in the fourth quarter of 2008 and 31.9 per cent in the year-earlier period.

Operating expenses

Amounts in NOK million	4th quarter 2008	Change	4th quarter 2007
Operating expenses	4 418	209	4 208
Impairment loss for goodwill and allocations to employees	234	(180)	414
Total ordinary operating expenses		**390**	
Norwegian units		**271**	
Of which:			
IT expenses		124	
Wage settlements		56	
Operational leasing		59	
Cost programme		(80)	
Restructuring expenses, cost programme		55	
Other operating expenses		57	
International units		**119**	
Of which:			
SalusAnsvar		55	
DnB NOR Finans in Sweden, new operations		30	
Banking operations in Singapore		27	
DnB NORD		4	
Other units		2	

Operating expenses totalled NOK 4 418 million in the fourth quarter of 2008, up 5 per cent from the year-earlier period. Adjusted for impairment losses for goodwill and allocations to employees, there was a 10.3 per cent increase.

Impairment losses for goodwill totalled NOK 234 million in the fourth quarter of 2008.

During the fourth quarter of 2007, the banking group recorded non-recurring costs of NOK 414 million in connection with the dissolution of the employee investment funds and allocations to employees. There were no corresponding costs in the accounts for the fourth quarter of 2008.

There was an increase in ordinary operating expenses excluding impairment losses for goodwill in 2008 and allocations to employees in 2007, reflecting, among other things, the transition from financial to operational leasing in DnB NOR Finans and the acquisition of SkandiaBanken Bilfinans in Sweden and Norway.

The banking group's cost programme resulted in overall costs reductions of NOK 80 million in the fourth quarter of 2008 compared with the year-earlier period. Approximately NOK 55 million of restructuring funds were spent in the fourth quarter in connection with the cost programme.

Net gains on fixed and intangible assets

The banking group recorded non-recurring income of NOK 1.6 billion in the fourth quarter of 2007 from the sale of bank buildings. No corresponding income was recorded in the fourth quarter of 2008.

Write-downs on commitments

The downturn in the real economy gained momentum during the fourth quarter, resulting in a significant increase in write-downs on loans. Write-downs totalled NOK 2 314 million in the October through December period, an increase from close to zero in the year-earlier period. DnB NORD recorded the largest individual write-downs in the banking group at NOK 907 million, which represented more than half of the banking group's total individual write-downs. There were particularly large write-downs in DnB NORD's property portfolio in Denmark.

In Norway, there was a rise in write-downs on commitments with small and medium-sized enterprises, as well as in DnB NOR Finans.

The economic situation and changes in macro-economic forecasts gave a NOK 615 million rise in group write-downs in the fourth quarter of 2008, of which DnB NORD accounted for NOK 146 million. During the fourth quarter of 2007, group write-downs of NOK 189 million were reversed. Group write-downs recorded in the balance sheet increased from NOK 712 million at year-end2007 to NOK 1 625 million at end December 2008.

After deductions for individual write-downs, net non-performing and impaired commitments came to NOK 11 922 million at end-December 2008, up NOK 7 748 million from 31 December 2007. Net non-performing and impaired commitments represented 0.98 per cent of net lending at year-end 2008 and 0.42 per cent a year earlier.

Business areas

At year-end 2008, activities in DnB NOR were organised in the business areas Corporate Banking and Payment Services, Retail Banking and DnB NOR Markets. The business areas operate as independent profit centres and have responsibility for serving all of the Group's customers and for the total range of products. DnB NORD, which is owned 51 per cent by DnB NOR, is regarded as a separate profit centre.

The financial turmoil and market volatility escalated through the fourth quarter of 2008, influencing the business areas in various ways. A sudden, sharp fall in money market rates led to widening lending spreads, while deposit spreads came under pressure on account of declining interest rates and fierce competition for deposits. Performance in Corporate Banking and Payment Services, Retail Banking and DnB NORD reflected a rise in the level of non-performing and impaired commitments and an increase in write-downs on loans. Volatile foreign exchange and interest rate markets resulted in brisk demand for hedging products from DnB NOR Markets and good earnings from own-account trading.

Corporate Banking and Payment Services recorded healthy profits in 2008. Pre-tax operating profits totalled NOK 2 557 million in the fourth quarter, up NOK 290 million from the year-earlier period. Accounting figures for the partially owned company Eksportfinans have been excluded from Corporate Banking and Payment Services' accounts. Average lending increased by 34.3 per cent compared with the fourth quarter of 2007. The underlying growth rate declined towards the end of 2008, but a weakening of Norwegian kroner against the euro and US dollar resulted in strong growth in the NOK value of foreign currency lending. Lending spreads measured against the money market rate widened in all segments. Widening spreads were necessary to compensate for the rise in funding costs and higher guarantee fund levies. Deposits increased by 12.9 per cent, and fierce competition for deposits led to narrowing deposit spreads. The quality of the loan portfolio was satisfactory in all segments, though there was a negative trend at the end of 2008 caused by the general market conditions. Net write-downs on loans and guarantees represented NOK 674 million for the October through December period in 2008, the equivalent of 0.44 per cent of average lending volume on an annual basis. The corresponding figures for the year-earlier period were NOK 30 million and 0.03 per cent, respectively.

Retail Banking recorded pre-tax operating profits of NOK 999 million in the fourth quarter of 2008, down NOK 254 million from the year-earlier period. Net interest income was NOK 2 060 million, down NOK 98 million from the fourth quarter of 2007. A sharp fall in interest rates towards the end of 2008 resulted in a temporary widening of lending spreads, while deposit spreads narrowed. Lending growth abated towards the end of 2008 on account of the reduced demand for housing loans. Compared with the year-earlier period, average lending increased by 6.3 per cent. Deposits rose by 8.9 per cent during the same period, and the ratio of deposits to lending was improved by 1.3 percentage points to 52.0 per cent. Other operating income rose by 7.9 per cent to NOK 835 million, reflecting the turmoil in financial markets. This resulted in reduced income from the sale of mutual fund and insurance products and a decline in income from real estate broking in Norway. Operating expenses rose by 8.9 per cent to NOK 1 799 million, reflecting IT development, new activity in Sweden and impairment losses for goodwill of NOK 100 million. Cost-reducing measures in Norwegian operations reduced staff numbers in Norway and ensured firm control over expenses. Net write-downs on loans remained at a low level. On an annual basis, write-downs represented 0.08 per cent of average lending in the fourth quarter of 2008, compared with 0.06 per cent in the year-earlier period.

DnB NOR Markets achieved sound earnings from both customer and own-account trading in the fourth quarter of 2008. Pre-tax operating profits totalled NOK 2 015 million for the quarter, compared with NOK 423 million in the October through December period in 2007. Total revenues were NOK 2 543 million, an increase of NOK 1 701 million. Strong demand for currency, interest-rate and commodity hedging products, combined with extraordinary price volatility, contributed to an increase in customer revenues from these products. Other customer segments were negatively affected by the financial turmoil due to reduced values and lower capital market activity. High market volatility in relation to, for example, Norwegian kroner products contributed to the rise in income from market making and other proprietary trading. Costs increased by 25.7 per cent from the fourth quarter of 2007, resulting from new operations, new products, higher performance-based expenses and an increase in IT development activity. The cost/income ratio was 20.7 per cent, compared with 49.8 per cent in the year-earlier period.

DnB NORD, in which DnB NOR has a 51 per cent ownership interest, felt the effects of the significant financial turmoil in 2008. A pre-tax operating loss of NOK 852 million was recorded in the fourth quarter of 2008, compared with pre-tax operating profits of NOK 113 million in the year-earlier period. Average lending was NOK 87.8 billion in the fourth quarter of 2008, up 55.0 per cent compared with the year-earlier period. Lending growth was significantly more sluggish towards the end of 2008, but a weakening of Norwegian kroner against the euro led to strong lending growth when converted to Norwegian kroner. DnB NORD's financial performance reflected an increase in write-downs on loans, particularly in the Danish property loan portfolio, as well as in Latvia and Lithuania. Total write-downs were NOK 1 053 million in the fourth quarter of 2008, the equivalent of 4.77 per cent of average lending on an annual basis, up from 0.34 percent in 2007. The Baltic economies experienced a sharp downturn during 2008, and it is expected that this will continue into 2009. DnB NORD expects high write-downs on loans also in 2009. In future, the company will concentrate on consolidating its operations and improving cost-effectiveness. The cost/income ratio was 73.3 per cent, compared with 71.9 per cent in the fourth quarter of 2007. The cost/income ratio reflected impairment losses for goodwill in connection with operations in Lithuania in the fourth quarter of 2008. Adjusted for this, the cost/income ratio was 55.3 per cent.

Full year results 2008

The DnB NOR banking group's profits for the year came to NOK 9 530 million in 2008, down NOK 1 852 million from the previous year. The financial turmoil had a negative impact on profits. There was a 23.1 per cent rise in lending, while deposits grew by 11.9 per cent. Income increased by 18.8 per cent, while total costs rose by 11.5 per cent. Adjusted for impairment losses for goodwill in 2008 and allocations to employees in 2007, there was a NOK 13.1 per cent increase in costs.

Net interest income

Amounts in NOK million	2008	Change	2007
Net interest income	22 335	4 320	18 015
Lending and deposit volumes		2 378	
Lending and deposit spreads		656	
Amortisation effects in the liquidity portfolio		486	
Guarantee Fund levy		(214)	
Exchange rate movements		(198)	
Other net interest income		1 212	

Net interest income was NOK 22 335 million in 2008, a rise of 24.0 per cent compared with 2007. The increase was mainly due to rising lending volumes. Lending growth was particularly brisk in the corporate market, but clearly levelled off towards the end of the year. The combined spread remained fairly stable relative to the three-month money market rate through 2008, with a rise in lending spreads and a contraction in deposit spreads. However, actual funding costs were considerably higher than comparisons with money market rates indicate, as it was impossible to obtain long-term funding at this price due to the significant financial turmoil. Due to self-imposed requirements for a sound liquidity structure, the bank was required to finance 88 per cent of loans through stable, long-term deposits and funding in 2008. Access to such funds was very limited, while the costs were high. The requirement has been increased to 90 per cent in 2009.

Net other operating income

Amounts in NOK million	2008	Change	2007
Net other operating income	10 243	828	9 416
Net gains on foreign exchange and interest rate instruments [1]		2 364	
Stock-market-related income including financial instruments		(2 276)	
Net other commissions and fees		151	
Real estate broking		(124)	
Changes in credit margins		599	
Other operating income		114	

1) *Excluding guarantees and changes in income resulting from widening credit margins.*

Net other operating income totalled NOK 10 243 million in 2008, down NOK 828 million from 2007. There were significant variations in other operating income due to the turbulent financial market situation throughout 2008, which resulted in both actual changes in income and temporary adjustments of portfolio values. During the first half of the year, sizeable mark-to-market losses on the banking group's liquidity portfolio were recorded as a result of changes in credit margins. These losses reflected the decline in bond values resulting from the financial market turmoil and were not realised, but recorded in the accounts. With effect from 1 July 2008, based on new guidelines from the Ministry of Finance, this portfolio was reclassified from a trading portfolio to held-to-maturity investments. Consequently, previously recorded losses will be reversed over the residual maturity of the portfolio, which is just above three years.

Net other operating income represented 31.4 per cent of total income in 2008, compared with 34.3 per cent in 2007.

Operating expenses

Amounts in NOK million	2008	Change	2007
Operating expenses	15 942	1 642	14 300
Impairment loss for goodwill and allocations to employees	234	(180)	414
Total ordinary operating expenses		**1 823**	
Norwegian units		**969**	
Of which:			
IT expenses		469	
Wage settlements		177	
Properties		164	
Operational leasing		190	
Cost programme		(202)	
Restructuring expenses, cost programme		103	
Other operating expenses		68	
International units		**854**	
Of which:			
DnB NORD		261	
SalusAnsvar		197	
Banking operations in Sweden		188	
DnB NOR Finans in Sweden, new operations		77	
Other units		131	

Operating expenses totalled NOK 15 942 million in 2008, an increase of NOK 1 642 million or 11.5 per cent from 2007. Excluding impairment losses for goodwill in 2008 and allocations to employees in 2007, there was an increase of 13.1 per cent.

The banking group introduced a cost programme in 2008 which will have total annual effects estimated at NOK 1.2 billion through 2010. The accounting effect of the cost savings resulting from the cost programme in 2008 was estimated at NOK 202 million. The cost level at end-December 2008 was NOK 384 million lower than would have been the case if the cost programme had not been introduced. Restructuring costs in 2008 totalled NOK 103 million.

The key factors behind the rise in costs from 2007, apart from impairment losses for goodwill and allocations to employees, are higher activity levels both in Norway and internationally, relatively expansionary wage settlements and increased focus on modernising the banking group's IT solutions.

The number of full-time positions in Norwegian operations decreased by 29 from year-end 2007 to end-December 2008, while the number of full-time positions in international operations rose by 587 during the same period.

Net gains on fixed and intangible assets

Net gains on fixed and intangible assets came to NOK 52 million in 2008 and NOK 2 481 million in 2007. The reduction was partly due to the sale of the banking group's remaining bank buildings in 2007, generating gains of NOK 1.6 billion.

Write-downs on commitments

The financial turmoil affected the real economy towards the end of 2008, resulting in a rise in write-downs. DnB NORD's operations in Denmark generated the largest write-downs, though write-downs attributable to small and medium-sized enterprises in Norway and in DnB NOR Finans also showed a rising trend. Net write-downs on loans and guarantees totalled NOK 3 509 million in 2008, compared with NOK 220 million in 2007.

The economic situation and changes in macro-economic forecasts gave a NOK 830 million rise in group write-downs in 2008, of which DnB NORD accounted for NOK 210 million. In 2007, group write-downs of NOK 202 million were reversed. There was a rise in group write-downs in the balance sheet from NOK 712 million in 2007 to NOK 1 625 million in 2008.

Taxes

The DnB NOR Bank Group's total tax charge for 2008 was NOK 3 650 million, a reduction of NOK 360 million from 2007. Relative to pre-tax operating profits, the tax charge increased from 26.1 to 27.7 per cent from 2007 to 2008. The banking group anticipates a future normalised tax level of 27 per cent.

Balance sheet, liquidity and funding

Total assets in the banking group’s balance sheet were NOK 1 639 billion at year-end 2008 and NOK 1 250 billion a year earlier.

The banking group's liquidity situation was challenged during the fourth quarter due to the significant financial turmoil. In practice, the banking group only had access to very short-term funding in the ordinary financial markets during this period, just like most other financial institutions. The funding transactions that were completed, involved very high costs. The Norwegian authorities' measures aimed at the financial sector were instrumental in ensuring long-term funding of the bank towards the end of 2008. The measures gave Norwegian banks the opportunity to exchange mortgage bonds backed by sound collateral for Treasury bills. The Treasury bills could be sold in the ordinary financial markets and provided DnB NOR Bank Group with a much better funding base. The transfer of mortgage portfolios from Retail Banking to DnB NOR Boligkreditt AS was decisive for these transactions.

In order to keep the banking group's liquidity risk at a low level, the majority of loans are financed through customer deposits, long-term securities, subordinated loan capital and equity. The banking group's self-imposed 88 per cent long-term funding limit remained unchanged through 2008 and was raised to 90 per cent as from 2009. With respect to short-term funding, conservative limits have been set for refunding requirements. In spite of the challenging situation, the banking group has generally stayed within the established liquidity limits.

Net lending to customers rose by NOK 227 billion or 23.1 per cent from end-2007 to end-2008. Customer deposits rose by NOK 64.6 billion or 11.9 per cent during the twelve-month period. Due to the difficult funding situation, competition for deposits sharpened parallel to pressure on deposit spreads. The banking group's ratio of customer deposits to net lending to customers narrowed somewhat, from 55.3 per cent at end-December 2007, to 50.3 per cent a year later. During the same period, the ratio of deposits to lending in the bank increased from 66.9 to 69.2 per cent. In light of the financial turmoil, the banking group aims to increase the ratio of deposits to lending in future.

Securities issued by the banking group increased by NOK 242.4 billion or 65.2 per cent from 2007, totalling NOK 614.2 billion at end-December 2008.

Risk

DnB NOR quantifies risk by measuring risk-adjusted capital, which is a guiding factor for the banking group's capital requirement relative to financial risk. Net risk-adjusted capital increased by NOK 17.8 billion to NOK 64.2 billion from year-end 2007 to end December 2008. The rise mainly reflected an increase in credit volumes, though strong income growth also resulted in significant increases in measured operational risk and business risk. The table below shows developments in risk-adjusted capital:

Amounts in NOK billion	31 Dec. 2008	31 Dec. 2007
Credit risk	59.2	42.6
Market risk	4.2	3.6
Operational risk	4.9	4.4
Business risk	2.2	2.2
Gross risk-adjusted capital	70.5	52.8
Diversification effect [1]	(6.3)	(6.4)
Net risk-adjusted capital	64.2	46.4
Diversification effect in per cent of gross risk-adjusted capital [1]	9.0	12.1

1) *The diversification effect refers to the effect achieved by the banking group in reducing risk by operating within several risk categories where unexpected losses are unlikely to occur at the same time.*

Credit growth was brisk in the first half of 2008, but slowed down considerably towards the end of the year. However, due to a major weakening of Norwegian kroner against the US dollar and euro in the fourth quarter, lending measured in Norwegian kroner increased markedly also in this quarter. Credit quality was somewhat impaired in the second half of the year due to the strong shift in the global economy. Commitments in DnB NORD in Denmark showed the greatest deterioration, though commitments in the Baltic region are also considered to represent a higher risk. At the end of 2008, there was a sharp reduction in rates, especially within the dry bulk and container segments. Even if commitments originally are of sound quality, there will be a gradual increase in risk as long as these rate levels prevail. Due to sinking values of, among other things, properties and ships, breaches of loan conditions related to the value of collateral relative to exposure, are increasing. These conditions have been set to ensure that the bank enters into dialogue with customers at an early stage to be able to safeguard the bank's interests before customers experience payment problems.

In the retail market, the rise in lending volumes abated during the year. Credit quality remained stable, in spite of a rise in non-performing loans. Developments in DnB NOR Kort, which offers consumer finance, is an important indicator of future developments in the entire retail market. Non-performing loans in DnB NOR Kort represented 4.4 per cent of lending volume at end-December 2008, against 3.6 per cent at the beginning of the year. The most pronounced increase took place in the fourth quarter, at 0.5 percentage points.

Market risk varied considerably during the year, mainly due to changes in the banking group's equity positions, including ownership interests in and guarantees issued for Eksportfinans. The banking group's limits for equity, currency and interest rate positions generally remained unchanged. However, the utilisation of currency and interest rate limits was higher than normal in the second half of the year. The risk associated with changes in the value of the banking group's portfolio of bonds held to ensure access to short-term funding from Norges Bank and other central banks and as security for foreign exchange settlement, is treated as credit risk. This portfolio is classified as held-to-maturity investments, entailing that short-term changes in value are not reflected in the accounts.

A total of 423 operational loss events were registered during 2008, causing an overall net loss for the banking group of just under NOK 58.7 million. Half of the events are characterised as "processing and routine errors" associated with the banking group's products and services. In addition, there were operational errors in connection with credit losses. There are still occasional service disruptions in the Internet banks and other IT systems. However, the situation improved considerably in the course of 2008.

The last few months of the year were highly challenging from a reputational point of view. The effectuation of an interest rate increase which had been announced six weeks in advance, coincided with Norges Bank's cut in its key policy rate, which generated a lot of negative attention. On subsequent occasions, the banking group has been quick in announcing interest rate reductions when warranted by developments in money market rates. Consequently, very few customers have chosen to leave the bank. In connection with the authorities' stimulus package launched in October, the bank and two of its employees were charged with acting in breach of the provisions in the Securities Trading Act concerning the sale of Treasury bills.

Liquidity risk is not quantified when calculating risk-adjusted capital. During the first half of 2008, DnB NOR raised large bond loans, both through the issue of ordinary senior bank loans and through the use of covered bonds issued by DnB NOR Boligkreditt. These bonds are backed by well-secured housing loans. Thus, the banking group's funding situation was relatively sound as the full impact of the financial crisis became apparent following the Lehman Brothers bankruptcy on 15 September 2008. Since then, the international markets for long-term unsecured funding for banks have ceased to function. The authorities in a number of countries have therefore introduced various schemes with government guarantees to ensure funding for the banks. The model chosen in Norway entails that banks can exchange covered bonds for Treasury bills and thus obtain funding for three years. This scheme has functioned satisfactorily for DnB NOR Bank Group and ensures the banking group refinancing of the bonds reaching maturity in 2009. At year-end 2008, 93 per cent of the loan portfolio was financed by long-term/stable funding.

The Board of Directors approved a new capitalisation policy in connection with the transition to Basel II. The policy sets forth that core capital as part of risk-weighted volume shall be minimum 8 per cent upon full introduction of the IRB system. By the end of 2010, most of the IRB system will be in place. The banking group's capitalisation level shall support the bank's AA level rating target for ordinary long-term funding. Relative to the current risk-weighted volume, which is based on a combination of the standardised approach and the IRB approach, it has been estimated that measurement according to the IRB approach will give a reduction in risk-weighted volume of approximately 30 per cent. Based on this assumption, the capitalisation of the banking group was slightly above target at year-end 2008. Cyclicality in the models based on an anticipated negative economic trend will probably result in a slightly lower reduction on the planned implementation date.

Risk-weighted volume included in the calculation of the formal capital adequacy requirement was NOK 1 119 billion at end-December 2008, up 26.3 per cent from 2007. The increase reflected the transitional rules for Basel II, stipulating a reduction in risk-weighted volume of maximum 5 per cent in 2007 and 10 per cent in 2008 upon the transition from Basel I to the IRB system. Calculations of risk-weighted volume according to Basel II gave a reduction in the capital requirement relative to Basel I of 8.4 per cent.

The core capital ratio was 7.0 per cent at end-December 2008 and 7.9 per cent at year-end 2007, while the capital adequacy ratio was 9.9 per cent at year-end 2008.

Future prospects

During 2008, international financial markets and the global economy underwent a transition from high activity levels and prosperity to significant financial turmoil and a steep downturn. This sudden shift has had serious repercussions, and future developments remain highly uncertain. This also applies to the Norwegian financial services industry, in spite of the extensive measures implemented by the authorities, which are expected to counteract some of the most acute problems. Both in Norway and internationally, the authorities have been active in introducing extensive measures which are aimed at both stabilising financial markets and stimulating the economy. The new stimulus package presented by the Norwegian government on 8 February 2009 is also expected to improve banks' lending capacity and capital position, while improving the situation in the Norwegian bond market. Overall, the stimulus packages are expected to dampen the slowdown in the Norwegian real economy.

Due to its open economy, international developments have a profound impact on Norway. This applies not least to export-oriented industries, which only to a limited extent can be shielded from the international recession. The petroleum sector and petroleum-related activities are also affected by changes in demand and price levels. Moreover, great volatility in the foreign exchange market represents a challenge for Norwegian-based operations.

Developments in DnB NOR will be affected by external events, especially in Norway. In this connection, the Norwegian economy and Norway's financial strength will represent an advantage. Nevertheless, a not insignificant rise in losses and write-downs is also expected in Norwegian operations. On the other hand, the banking group will be in a position to increase its initiatives aimed at Norwegian customers wishing to secure their financial positions and cash flows during these turbulent times. There is also reason to expect significant interest in bank savings and insurance products in future.

During the coming year, DnB NOR will give priority to extending credit to Norwegian and Norwegian-related operations. The banking group has sufficient capacity to meet normal credit growth in its Norwegian customer base. There was significant growth in these operations in 2008. However, it cannot be excluded that the drought in the international financial and bond markets will prevail, so that customers who have used financing sources other than Norwegian banks, may face greater challenges in future.

Due to the economic downturn and higher volumes of non-performing commitments, DnB NOR will strengthen its follow-up of problem commitments and cooperate with customers to solve problems. More resources will be allocated to these efforts.

Interest rate levels are expected to fall in light of lower economic activity and a certain normalisation in financial markets. In the short term, this could result in a certain rise in gains on securities and higher net interest income. In the longer term, however, interest spreads could come under pressure. This is particularly relevant for deposit rates, where the combination of fierce competition for deposits and low interest rate levels could make it difficult to maintain the same level of earnings. A prolonged, low interest rate level could also represent a challenge for insurance operations.

DnB NOR will meet these challenges by offering its customers the best total package of financial services. The economic situation will also require stronger focus on streamlining operations. The implementation of the banking group's ongoing cost programme is a key element in these efforts. The programme will have total annual effects estimated at NOK 1.2 billion up until the end of 2010 and was ahead of schedule at year-end 2008. The process of upgrading the banking group's IT systems is well under way, and measures to stabilise operations have yielded good results. However, major initiatives remain, which will require additional extensive investments over the coming years.

In light of the financial turmoil and the downturn in the real economy, the banking group's strategic ambitions will have to be toned down somewhat in the short term. This applies in particular to growth ambitions outside Norway. Still, there will be scope for a high level of activity at the banking group's international offices in terms of services that do not affect the banking group's balance sheet. Growth in DnB NORD is expected to be scaled back. In the short term, the banking group will aim to strengthen operations and limit losses and the need for write-downs through a proactive consolidation process.

The banking group's capital adequacy has been under pressure due to rising write-downs, considerable financial market volatility and a weakening of Norwegian kroner relative to key currencies such as the US dollar and euro. The proposal not to distribute dividends for 2008 will strengthen the capital adequacy ratio. The banking group will consider various measures to improve the banking group's capital base, including building capital through operations. The banking group will also consider the measures to improve the capital situation of the financial industry introduced by the Norwegian government in its stimulus package on 8 February 2009. This will provide the basis for a continued robust balance sheet and make the banking group well prepared to handle the challenges presented by the economic downturn. There is great uncertainty about future macroeconomic developments, but at the start of 2009, the banking group has no reason to believe that the level of write-downs on loans will be higher than in the fourth quarter of 2008.

Oslo, 11 February 2009
The Board of Directors of DnB NOR Bank ASA

Anne Carine Tanum
(chairman)

Bent Pedersen
(vice-chairman)

Per Hoffmann

Kari Lotsberg

Kai Nyland

Torill Rambjør

Ingjerd Skjeldrum

Rune Bjerke
(group chief executive)

Contents – quarterly accounts

Income statement

		DnB NOR Bank ASA			
		4th quarter	4th quarter	Full year	Full year
Amounts in NOK million	Note	2008	2007	2008	2007
Total interest income	5	19 038	16 070	70 478	56 598
Total interest expenses	5	14 515	11 885	53 373	41 748
Net interest income	5	**4 523**	**4 185**	**17 105**	**14 850**
Commissions and fees receivable etc.	6	1 199	1 520	5 274	5 916
Commissions and fees payable etc.	6	471	504	1 878	1 923
Net gains on financial instruments at fair value	6, 7	660	618	1 918	3 009
Profit from companies accounted for by the equity method	6	0	0	0	0
Other income	6	907	1 882	1 695	2 621
Net other operating income	6	**2 295**	**3 516**	**7 008**	**9 624**
Total income		**6 818**	**7 701**	**24 113**	**24 474**
Salaries and other personnel expenses	8	1 657	1 970	6 306	6 347
Other expenses	8	1 292	1 167	5 013	4 364
Depreciation and write-downs of fixed and intangible assets	8	219	94	465	409
Total operating expenses	8	**3 168**	**3 231**	**11 784**	**11 119**
Net gains on fixed and intangible assets		3	862	47	1 566
Write-downs on loans and guarantees	11	910	(124)	1 586	75
Pre-tax operating profit		**2 742**	**5 456**	**10 791**	**14 846**
Taxes	10	844	1 076	2 971	3 705
Profit from discontinuing operations after taxes		0	0	0	0
Profit for the period		**1 898**	**4 380**	**7 820**	**11 141**

Balance sheet

Amounts in NOK million	Note	DnB NOR Bank ASA 31 Dec. 2008	31 Dec. 2007
Assets			
Cash and deposits with central banks		47 705	6 602
Lending to and deposits with credit institutions	13	245 652	178 742
Lending to customers	12, 13	824 515	763 472
Commercial paper and bonds	14	82 058	112 273
Shareholdings	15	9 317	8 731
Financial derivatives		137 751	65 135
Commercial paper and bonds, held to maturity	14	100 278	0
Investment property		0	0
Investments in associated companies		1 069	585
Investments in subsidiaries		19 192	12 716
Intangible assets	16	2 173	2 087
Deferred tax assets		10	8
Fixed assets		844	882
Discontinuing operations		0	0
Other assets		5 941	13 087
Total assets		**1 476 506**	**1 164 320**
Liabilities and equity			
Loans and deposits from credit institutions		147 371	129 162
Deposits from customers		570 312	510 745
Financial derivatives		119 168	63 257
Securities issued	17	507 680	335 772
Payable taxes		215	343
Deferred taxes		3 816	1 100
Other liabilities		10 608	25 711
Discontinuing operations		0	0
Provisions		4 299	4 566
Subordinated loan capital	17	43 612	32 491
Total liabilities		**1 407 079**	**1 103 147**
Minority interests		0	0
Share capital		17 514	17 514
Share premium reserve		12 695	12 695
Other equity		39 217	30 964
Total equity		**69 427**	**61 173**
Total liabilities and equity		**1 476 506**	**1 164 320**
Off-balance sheet transactions and contingencies	21		

Income statement

Amounts in NOK million	Note	DnB NOR Bank Group 4th quarter 2008	4th quarter 2007	Full year 2008	Full year 2007
Total interest income	5	22 916	17 671	82 741	62 214
Total interest expenses	5	16 615	12 637	60 406	44 199
Net interest income	5	**6 301**	**5 035**	**22 335**	**18 015**
Commissions and fees receivable etc.	6	1 458	1 786	6 236	6 632
Commissions and fees payable etc.	6	509	527	2 021	2 040
Net gains on financial instruments at fair value	6, 7	1 478	699	3 722	3 187
Profit from companies accounted for by the equity method	6	1 305	(10)	737	9
Other income	6	402	415	1 569	1 628
Net other operating income	6	**4 134**	**2 363**	**10 243**	**9 416**
Total income		**10 434**	**7 398**	**32 578**	**27 431**
Salaries and other personnel expenses	8	2 139	2 518	8 299	8 144
Other expenses	8	1 691	1 447	6 348	5 296
Depreciation and write-downs of fixed and intangible assets	8	588	244	1 296	860
Total operating expenses	8	**4 418**	**4 208**	**15 942**	**14 300**
Net gains on fixed and intangible assets		6	1 593	52	2 481
Write-downs on loans and guarantees	11	2 314	(41)	3 509	220
Pre-tax operating profit		**3 709**	**4 822**	**13 180**	**15 392**
Taxes	10	1 220	1 156	3 650	4 010
Profit from discontinuing operations after taxes		0	0	0	0
Profit for the period		**2 489**	**3 666**	**9 530**	**11 382**
Profit attributable to shareholders		2 891	3 607	9 823	11 139
Profit attributable to minority interests		(402)	59	(293)	242

Balance sheet

Amounts in NOK million	Note	DnB NOR Bank Group 31 Dec. 2008	31 Dec. 2007
Assets			
Cash and deposits with central banks		51 147	9 816
Lending to and deposits with credit institutions	13	54 187	52 302
Lending to customers	12, 13	1 207 134	980 239
Commercial paper and bonds	14	58 219	114 542
Shareholdings	15	9 642	9 104
Financial derivatives		136 567	64 445
Commercial paper and bonds, held to maturity	14	100 278	0
Investment property		167	170
Investments in associated companies		2 603	1 416
Investments in subsidiaries		-	-
Intangible assets	16	6 105	4 733
Deferred tax assets		253	128
Fixed assets		5 271	3 439
Discontinuing operations		246	225
Other assets		6 781	9 067
Total assets		**1 638 601**	**1 249 625**
Liabilities and equity			
Loans and deposits from credit institutions		178 834	144 228
Deposits from customers		606 915	542 307
Financial derivatives		93 207	61 731
Securities issued	17	614 183	371 784
Payable taxes		317	767
Deferred taxes		5 136	1 381
Other liabilities		12 380	23 205
Discontinuing operations		0	0
Provisions		4 607	4 930
Subordinated loan capital	17	45 225	33 226
Total liabilities		**1 560 803**	**1 183 558**
Minority interests		4 253	2 662
Share capital		17 514	17 514
Share premium reserve		13 411	13 411
Other equity		42 619	32 480
Total equity		**77 798**	**66 068**
Total liabilities and equity		**1 638 601**	**1 249 625**
Off-balance sheet transactions and contingencies	21		

Statement of changes in equity

DnB NOR Bank ASA

Amounts in NOK million	Share capital	Share premium reserve	Other equity [1)]	Total equity [1)]
Balance sheet as at 1 January 2007	**17 214**	**9 995**	**20 039**	**47 249**
Net change in currency translation reserve			(216)	(216)
Profit for the period			11 141	11 141
Net income for the period			10 924	10 924
Share issue	300	2 700		3 000
Balance sheet as at 31 December 2007	**17 514**	**12 695**	**30 964**	**61 173**
Net change in currency translation reserve			434	434
Profit for the period			7 820	7 820
Net income for the period			8 254	8 254
Balance sheet as at 31 December 2008	**17 514**	**12 695**	**39 217**	**69 427**

1) *Of which currency translation reserve:*

Balance sheet as at 1 January 2007			*(32)*	*(32)*
Net change			*(216)*	*(216)*
Balance sheet as at 31 December 2007			*(248)*	*(248)*
Net change			*434*	*434*
Balance sheet as at 31 December 2008			*185*	*185*

DnB NOR Bank Group

Amounts in NOK million	Minority interests [1)]	Share capital	Share premium reserve	Other equity [1)]	Total equity [1)]
Balance sheet as at 1 January 2007	**2 201**	**17 214**	**10 711**	**27 054**	**57 181**
Net change in currency translation reserve	(72)			(168)	(240)
Profit for the period	242			11 139	11 382
Net income for the period	171			10 972	11 142
Dividends paid for 2006				(5 544)	(5 544)
Share issue		300	2 700		3 000
Minority interests DnB NORD	261				261
Other minority interests	30				30
Balance sheet as at 31 December 2007	**2 662**	**17 514**	**13 411**	**32 480**	**66 068**
Net change in currency translation reserve	594			315	909
Profit for the period	(293)			9 823	9 530
Net income for the period	301			10 138	10 439
Net dividends/group contribution paid for 2007				0	0
Minority interests DnB NORD	1 305				1 305
Other minority interests	(15)				(15)
Balance sheet as at 31 December 2008	**4 253**	**17 514**	**13 411**	**42 619**	**77 798**

1) *Of which currency translation reserve:*

Balance sheet as at 1 January 2007	*44*			*(39)*	*6*
Net change	*(72)*			*(168)*	*(240)*
Balance sheet as at 31 December 2007	*(28)*			*(206)*	*(234)*
Net change [*)]	*594*			*335*	*929*
Balance sheet as at 31 December 2008	*566*			*129*	*695*

*) *Includes EUR 2 million reclassified from other retained earnings.*

Cash flow statement

DnB NOR Bank ASA			DnB NOR Bank Group	
Full year 2007	Full year 2008	*Amounts in NOK million*	Full year 2008	Full year 2007
		Operations		
(49 089)	(7 482)	Net payments on loans to customers	(152 300)	(146 922)
59 589	38 198	Net receipts on deposits from customers	42 427	63 859
41 105	51 882	Interest received from customers	71 823	50 680
(17 296)	(24 112)	Interest paid to customers	(25 220)	(18 052)
26 919	(49 460)	Net receipts/payments on the sale/aquisition of financial assets for investment or trading	(28 759)	(967)
4 027	3 398	Net receipts on commissions and fees	4 217	4 625
(13 087)	(8 821)	Payments to operations	(12 148)	(15 816)
(2 671)	(386)	Taxes paid	(927)	(2 832)
993	1 692	Other receipts	1 566	1 607
50 489	**4 909**	**Net cash flow relating to operations**	**(99 322)**	**(63 819)**
		Investment activity		
2 857	(462)	Net receipts/payments on the sale/acquisition of fixed assets	(3 374)	3 187
9	118	Receipts on the sale of long-term investments in shares	133	9
(4 080)	(6 993)	Payments on the acquisition of long-term investments in shares	(2 721)	(4 080)
1 347	144	Dividends received on long-term investments in shares	147	248
133	**(7 193)**	**Net cash flow relating to investment activity**	**(5 815)**	**(636)**
		Funding activity		
(49 164)	(46 802)	Net receipts/payments on loans to/from credit institutions	12 969	29 435
(7 064)	(266)	Net receipts/payments on other short-term liabilities	11 000	(2 416)
25 377	104 901	Net issue of bonds and commercial paper [1)]	151 691	58 281
5 436	8 030	Issue of subordinated loan capital	8 747	5 583
(3 917)	(3 196)	Redemptions of subordinated loan capital	(3 196)	(4 017)
3 000	0	Receipts of increase in share capital	0	3 000
(7 700)	(379)	Dividend/group contribution payments	(1 807)	(7 700)
(14 553)	(19 054)	Net interest payments on funding activity	(32 990)	(20 420)
(48 586)	**43 234**	**Net cash flow from funding activity**	**146 413**	**61 745**
2 036	**40 950**	**Net cash flow**	**41 276**	**(2 710)**
21 783	23 819	Cash as at 1 January	15 520	18 230
2 036	40 950	Net receipts/payments of cash	41 276	(2 710)
23 819	64 769	Cash at end of period [*)]	56 795	15 520
		*) *Of which:*		
6 602	*47 705*	*Cash and deposits with central banks*	*51 147*	*9 816*
17 217	*17 064*	*Deposits with credit institutions with no agreed period of notice* [2)]	*5 648*	*5 703*

1) A significant share of the banking group's operations was funded by issuing bonds and commercial paper in 2007 and 2008.
2) Recorded under "Lending to and deposits with credit institutions" in the balance sheet.

The cash flow statement shows receipts and payments of cash and cash equivalents during the year. The statement has been prepared in accordance with the direct method and has been adjusted for items that do not generate cash flows, such as accruals, depreciation and write-downs on loans and guarantees. Cash flows are classified as operating activities, investment activities or funding activities. Balance sheet items are adjusted for the effects of exchange rate movements. Cash is defined as cash and deposits with central banks, and deposits with credit institutions with no agreed period of notice.

Key figures

		DnB NOR Bank Group			
		4th quarter 2008	4th quarter 2007	Full year 2008	Full year 2007
Interest rate analyses					
1.	Combined weighted total average spread for lending and deposits (%)	1.10	1.00	1.02	0.98
2.	Spread for ordinary lending to customers (%)	1.32	0.80	1.00	0.83
3.	Spread for deposits from customers (%)	0.67	1.36	1.07	1.25
Rate of return / profitability					
4.	Net other operating income, per cent of total income	39.6	31.9	31.4	34.3
5.	Cost/income ratio (%)	42.3	51.3	48.9	50.6
6.	Return on equity, annualised (%)	16.1	24.6	14.5	19.7
Financial strength					
7.	Core (Tier 1) capital ratio at end of period (%)	7.0	7.9	7.0	7.9
8.	Capital adequacy ratio at end of period (%)	9.9	10.5	9.9	10.5
9.	Core capital at end of period (NOK million)	77 986	69 579	77 986	69 579
10.	Risk-weighted volume at end of period (NOK million)	1 119 490	886 099	1 119 490	886 099
Loan portfolio and write-downs					
11.	Individual write-downs relative to average net lending to customers, annualised	0.58	0.06	0.25	0.05
12.	Write-downs relative to average net lending to customers, annualised	0.79	(0.02)	0.33	0.02
13.	Net non-performing and impaired commitments, per cent of net lending	0.98	0.42	0.98	0.42
14.	Net non-performing and impaired commitments at end of period (NOK million)	11 922	4 174	11 922	4 174
Liquidity					
15.	Ratio of customer deposits to net lending to customers at end of period (%)	50.3	55.3	50.3	55.3
Staff					
16.	Number of full-time positions at end of period	12 848	12 290	12 848	12 290

Definitions

1, 2, 3 Based on nominal values excluding lending to and deposits with credit institutions and impaired loans, measured against the 3–month money market rate.

5 Total expenses relative to total income. Expenses are excluding allocations to employees.

6 Profit for the period, excluding profit attributable to minority interests, adjusted for the period's change in fair value recognised in equity. Average equity is calculated on the basis of recorded equity excluding minority interests.

Note 1 Accounting principles

The forth quarter accounts have been prepared according to IAS 34 Interim Financial Reporting. A description of the accounting principles applied in preparing the accounts of the bank and the banking group is found in the annual report for 2007 and in the description under 'Change in principle' in the third quarter report for 2008. The annual and interim accounts are prepared according to IFRS principles as approved by the EU.

IFRS 8 Operating Segments entered into force on 1 January 2009, replacing IAS 14. The new standard places greater emphasis on management's internal review of operations. The banking group has chosen early application of IFRS 8, taking the standard into use with effect from the fourth quarter of 2008. IFRS 8 has not resulted in any changes in the number of segments presented.

Note 2 Estimates and discretionary assessments

When preparing the consolidated accounts, management makes estimates and discretionary assessments as well as assumptions that influence the effect of the accounting principles applied and thus the recorded values of assets and liabilities, income and expenses.

Estimates and discretionary assessments are subject to continual evaluation and are based on historical experience and other factors, including expectations of future events that are believed to be probable on the balance sheet date. During 2008, international financial markets and the global economy underwent a transition from high activity levels and prosperity to a financial turmoil and a steep downturn. This sudden shift has had serious repercussions, and future developments remain highly uncertain. The current financial turmoil increases the uncertainty surrounding some of the assumptions and expectations underlying the preparation of the various estimates.

Write-downs on loans

If objective evidence of a decrease in value can be found, write-downs on loans are calculated as the difference between the value of the loan in the balance sheet and the net present value of estimated future cash flows discounted by the effective interest rate. Estimates of future cash flows are based on empirical data and discretionary assessments of future macroeconomic developments and developments in problem commitments. The estimates are the result of a process which involves the business areas and central credit units and represents management's best estimate based on the situation on the balance sheet date. When considering write-downs on loans, there will be an element of uncertainty with respect to the identification of impaired loans, the estimation of amounts and the timing of future cash flows, including collateral assessments.

Individual write-downs

When estimating write-downs on individual commitments, both the current and the future financial positions of customers are considered. For corporate customers, the prevailing market situation is also reviewed, along with market conditions within the relevant industry and general market conditions which could affect the commitments. In addition, potential restructuring, refinancing and recapitalisation are taken into account. An overall assessment of these factors forms the basis for estimating future cash flows. The discount period is estimated on an individual basis or based on empirical data regarding the period up until a solution is found to the problems resulting in impairment of the commitment.

Group write-downs

On each balance sheet date, commitments which have not been individually evaluated for impairment, are evaluated collectively in groups. Commitments which have been individually evaluated, but not individually written down, are also included in this category. Commitments are divided into customer groups on the basis of macroeconomic conditions which are assumed to have the same effect on the relevant customers. The expected future cash flow is estimated on the basis of expected losses and the anticipated economic situation for the respective customer groups. Expected losses are based on loss experience within the relevant customer groups. The anticipated economic situation, in terms of an economic indicator, is estimated for each customer group based on external information about the market. Various parameters are used depending on the customer group in question. Key parameters are production gaps, which give an indication of capacity utilisation in the economy, housing prices and shipping freight rates. The economic indicators that are used show a high level of correlation with past write-downs. To estimate the net present value of expected future cash flows for commitments subject to group write-downs, the observed discount effect estimated for the individually evaluated commitments is used.

Estimated impairment of goodwill

Goodwill is subject to impairment testing on an annual basis or if there are indications of impairment. Recoverable amounts from cash flow generating units are determined by calculating discounted future cash flows. The cash flows are based on financial plans approved by the Board of Directors or management in the cash-generating unit. The financial plans include management's assumptions and estimates regarding highly uncertain factors. The plans worked out in late 2008 were based on the assumption of a gradual normalisation of financial markets. If the macroeconomic assumptions that underlie the financial plans deviate materially from actual macroeconomic developments, the impairment tests may give a different result.

The results of the impairment tests depend on estimated required rates of return. The required rates of return are subject to a discretionary assessment based on information available on the balance sheet date. See note 16 Intangible assets.

Note 2 Estimates and discretionary assessments (continued)

Fair value of financial derivatives and other financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using different valuation techniques. The banking group considers and chooses techniques and assumptions that as far as possible are based on market conditions on the balance sheet date. When valuing financial instruments for which observable market data are not available, the banking group will make assumptions regarding what it expects the market to use as a basis for valuing corresponding financial instruments. The valuations require a high level of discretion when calculating liquidity risk, credit risk and volatility. Changes in these factors could affect the established fair value of the banking group's financial instruments. See also note 14 Investments in bonds and note 15 Investments in shares. The fair value of the obligations under issued financial guarantees is measured by using the techniques applied to write-downs on loans, as described above.

The Norwegian government's stimulus package

The Norwegian government's stimulus package for the banks allows the banks to exchange covered bonds for Treasury bills. DnB NOR Bank ASA has purchased bonds from DnB NOR Boligkreditt which have been used as collateral for swap agreements with Norges Bank. The value of the collateral must exceed the value of the Treasury bills by a minimum safety margin throughout the contract period. At the end of the contract period, the bank is required to repurchase the covered bonds at the original selling price. The bank receives yield from the covered bonds as if they never had been sold. From an accounting perspective, the banking group is of the opinion that the terms for derecognition in IAS 39 have not been fulfilled, as the banking group, through the swap agreements, retain the risk associated with changes in value of the bonds and other cash flows in the form of yields.

Transfer of loan portfolios

When transferring loan portfolios to, among others, Eksportfinans AS, the banking group will consider whether the criteria for derecognition have been fulfilled in accordance with IAS 39. In cases where the banking group retains the credit risk and margins relating to the loan portfolios, the risks and returns are not considered to be transferred to the counterparty, and the loan portfolios are retained in the banking group's balance sheet. As at 31 December 2008, such portfolios totalled NOK 10 billion.

DnB NORD – consolidation

DnB NOR Bank ASA has a 51 per cent ownership interest in Bank DnB NORD AS. Bank DnB NORD AS is the parent company in the DnB NORD Group and has branches in Denmark, Finland and Estonia and subsidiaries in Lithuania, Latvia and Poland. Through its ownership, shareholder agreement and actual management, DnB NOR Bank has de facto control of operations, whereby Bank DnB NORD AS is classified as a subsidiary. The DnB NORD Group is thus fully consolidated in the accounts of the DnB NOR Bank Group.

The Board of Directors of Bank DnB NORD AS was established with four representatives from each of the owners. The board chairman is from DnB NOR Bank ASA, while the vice-chairman is from NORD L/B. When de facto control exists, the company shall be included in the parent company's accounts. De facto control is assumed to exist when a company holds more than 50 per cent of the voting share capital of another entity. If there is a tie vote, the board chairman in Bank DnB NORD AS has a double vote. In certain matters, however, the shareholder agreement requires consent from both the board chairman and the vice-chairman. In this connection, an assessment has been made of whether the existing shareholder agreement may influence the consolidation requirement. After an assessment of key operational aspects, it has been concluded that the consolidation requirement remains in force.

Note 3 Changes in group structure

SkandiaBanken Bilfinans

In order to further strengthen its market position, DnB NOR, through its subsidiary DnB NOR Finans, acquired SkandiaBanken Bilfinans in Norway and Sweden and has thus become one of the key providers of car financing in Scandinavia. The operations in Norway were taken over with effect from 31 January 2008, while the company's operations in Sweden were taken over on 29 February 2008. The transaction was carried out as a share purchase with a subsequent merger in Norway, while operations were transferred to the Swedish branch through the transfer of all of the company's assets and liabilities. The acquired company in Sweden is under liquidation. Through the purchase, the Group took over 115 000 customer contracts, 120 employees and a total credit portfolio of approximately NOK 11 billion, equally balanced between Norway and Sweden.

Car financing for private individuals and companies is part of DnB NOR Finans' core operations and a special priority area for DnB NOR.

DnB NOR Finans offers loans, leasing and fleet management in Norway and Sweden. After the completion of these transactions, the company finances a portfolio of around 250 000 cars. The market share within car financing is approximately 30 per cent in Norway and just below 20 per cent in Sweden.

A preliminary acquisition analysis was presented in the report for the first quarter of 2008. According to the IFRS, acquisition analyses may be adjusted for a period of up to twelve months after the acquisition. In the final acquisition analysis, the cost price has been reduced by NOK 16 million. The reduction mainly reflected that contingent additional compensation payable to dealers upon the achievement of set sales targets during the first six months after the contract date, no longer applies. Access to the dealer network was one of the main reasons for the acquisition. In the adjusted acquisition analysis, the dealer network has been valued at NOK 198 million before tax, as against NOK 20 million in the original analysis. Identified excess values, adjusted for deferred tax, have risen by a total of NOK 149 million. Goodwill has been reduced by NOK 165 million.

The cost price was NOK 1 072 million for SkandiaBanken Bilfinans in Norway and SEK 1 078 million for SkandiaBanken Bilfinans in Sweden. Transaction costs accounted for NOK 5.7 million of the cost price and mainly represented fees to advisers and commissions for assistance with the share purchases. No excess values were identified relating to recorded assets and liabilities in the companies. In connection with the acquisition, a due diligence was undertaken of the companies to identify any additional intangible assets and commitments.

For SkandiaBanken Bilfinans in Norway, the value of customer contracts and customer relations and systems is estimated at NOK 118 million. The excess value of customer contracts and customer relations is depreciated over three years according to the straight-line principle, while capitalised systems development is depreciated over five years. The value of the dealer network is estimated at NOK 79 million and is depreciated over ten years. Deferred taxes on intangible assets total NOK 55 million.

For SkandiaBanken Bilfinans in Sweden, the value of customer contracts and customer relations is estimated at SEK 64 million. The excess value of customer contracts and customer relations is depreciated over three years according to the straight-line principle. The value of the dealer network is estimated at SEK 144 million and is depreciated over ten years.

Other excess values are classified as goodwill and represent the value of greater distribution power in the Norwegian and Swedish retail and corporate markets. Goodwill will be subject to annual impairment testing.

In 2008, the acquisitions resulted in a NOK 229 million increase in operating income and a NOK 198 million rise in costs, while profits roughly broke even after the depreciation of excess values.

SkandiaBanken Bilfinans – Norway

Acquisition analysis SkandiaBanken Bilfinans - Norway	**DnB NOR Bank Group**
Amounts in NOK million	31 January 2008
Cost price	
Purchase of shares, 100 per cent	1 072
Cost price	**1 072**
Excess of cost over book value	
Cost price	1 072
Equity capital	565
Excess of cost over book value	**507**
Allocation of excess values	
Value of systems, customer contracts and customer relations	118
Dealer network	79
Deferred taxes	55
Identified excess values	142
Goodwill	365
Excess of cost over book value	**507**

Note 3 Changes in group structure (continued)

Balance sheet *Amounts in NOK million*	**DnB NOR Bank Group** Recorded value of SkandiaBanken Bilfinans - Norway on the acquisition date 31 January 2008	**SkandiaBanken Bilfinans - Norway** Recorded value (acc. to IFRS) immediately before the acquisition date
Assets		
Lending to customers	5 270	5 270
Intangible assets	565	3
Other assets	72	72
Total assets	**5 907**	**5 345**
Liabilities and equity		
Loan and deposits from credit institutions	4 606	4 606
Deferred taxes	151	96
Other liabilities	78	78
Equity	1 072	565
Total liabilities and equity	**5 907**	**5 345**

SkandiaBanken Bilfinans – Sweden

Acquisition analysis SkandiaBanken Bilfinans - Sweden		**DnB NOR Bank Group**
	29 February 2008 *Amounts in SEK million*	29 February 2008 *Amounts in NOK million*
Cost price		
Purchase of shares, 100 per cent	1 078	910
Cost price	**1 078**	**910**
Excess of cost over book value		
Cost price	1 078	910
Equity capital	591	499
Excess of cost over book value	**487**	**411**
Allocation of excess values		
Value of customer contracts and customer relations	64	54
Dealer network	144	122
Identified excess values	208	176
Goodwill	278	235
Excess of cost over book value	**487**	**411**

Balance sheet	**DnB NOR Bank Group** Recorded value of SkandiaBanken Bilfinans - Sweden on the acquisition date 29 February 2008 *Amounts in SEK million*	**SkandiaBanken Bilfinans - Sweden** Recorded value (acc. to IFRS) immediately before the acquisition date *Amounts in SEK million*	**DnB NOR Bank Group** Recorded value of SkandiaBanken Bilfinans - Sweden on the acquisition date 29 February 2008 *Amounts in NOK million*	**SkandiaBanken Bilfinans - Sweden** Recorded value (acc. to IFRS) immediately before the acquisition date *Amounts in NOK million*
Assets				
Lending to customers	6 391	6 391	5 396	5 396
Intangible assets	487	0	411	0
Other assets	9	9	8	8
Total assets	**6 887**	**6 400**	**5 815**	**5 404**
Liabilities and equity				
Loan and deposits from credit institutions	5 781	5 781	4 881	4 881
Deferred taxes	0	0	0	0
Other liabilities	28	28	24	24
Equity	1 078	591	910	499
Total liabilities and equity	**6 887**	**6 400**	**5 815**	**5 404**

Svensk Fastighetsförmedling

The acquisition of Svensk Fastighetsförmedling was made with accounting effect from 30 June 2007. The agreement included a proviso regarding increased payment for the company if 40 per cent or more of negotiated sales result in loan applications to DnB NOR during the first two years after the agreement was entered into. At the time of acquisition, this was not considered to be a likely outcome based on experience from similar operations in Norway. However, the target was reached one year after the agreement date, resulting in an additional payment of SEK 43 million in July 2008. Goodwill relating to the acquisition has consequently increased by SEK 43 million, corresponding to NOK 39 million. Due to changes in prices and other adjustments in the Swedish market, no corresponding additional payment is expected.

Note 4 Business areas

The activities of the DnB NOR Bank Group, which include DnB NOR Bank ASA and subsidiaries, are organised into three functional business areas and four staff and support units. In addition, DnB NORD is reported as a separate profit centre. The business areas carry responsibility for customer segments served by the banking group, as well as the products offered.

The income statement and balance sheets for business areas have been prepared on the basis of internal financial reporting for the functional organisation of the DnB NOR Bank Group into business areas. Figures for the business areas are based on DnB NOR's management model and the banking group's accounting principles. The figures have been restated in accordance with the banking group's current principles for allocating costs and capital between business areas and are based on a number of assumptions, estimates and discretionary distribution. Accounting figures for the partially owned company Eksportfinans were not included under Corporate Banking and Payment Services in the fourth quarter, but under other operations. Figures for previous periods have been restated in line with this. DnB NOR Boligkreditt's funding in Norwegian kroner is recorded at fair value. Widening credit margins through 2008 resulted in relatively large unrealised gains on these funds. In the fourth quarter, these gains were transferred from Retail Banking to other operations. Figures for previous periods have been restated in line with this.

Income statement, fourth quarter **DnB NOR Bank Group**

	Corporate Banking and Payment Services		Retail Banking		DnB NOR Markets		DnB NORD		Other operations/ eliminations [1]		DnB NOR Bank Group	
	4th quarter		4th quarter		4th quarter		4th quarter		4th quarter		4th quarter	
Amounts in NOK million	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Net interest income - ordinary operations	2 834	2 118	1 971	1 962	289	44	394	311	814	601	6 301	5 035
Interest on allocated capital	701	488	89	196	127	58	71	48	(988)	(790)	0	0
Net interest income	3 535	2 606	2 060	2 158	416	101	464	359	(174)	(189)	6 301	5 035
Net other operating income	1 021	861	835	774	2 127	740	276	206	(125)	(218)	4 134	2 363
Total income	4 556	3 467	2 895	2 932	2 543	842	740	565	(299)	(407)	10 435	7 398
Operating expenses *)	1 325	1 178	1 799	1 651	527	419	543	406	225	554	4 418	4 208
Pre-tax operating profit before write-downs	3 231	2 289	1 096	1 280	2 016	423	198	159	(524)	(962)	6 017	3 189
Net gains on fixed and intangible assets	1	7	(2)	44	0	0	3	2	4	1 539	6	1 593
Write-downs on loans and guarantees	674	30	95	72	1	0	1 053	48	491	(190)	2 314	(41)
Pre-tax operating profit	2 557	2 267	999	1 253	2 015	423	(852)	113	(1 011)	767	3 709	4 822
*) *Of which group overhead*	*41*	*31*	*24*	*14*	*8*	*6*	*0*	*0*	*(73)*	*(52)*		

Income statement, full year **DnB NOR Bank Group**

	Corporate Banking and Payment Services		Retail Banking		DnB NOR Markets		DnB NORD		Other operations/ eliminations		DnB NOR Bank Group	
	Full year	Full year	Full year	Full year	Full year	Full year	Full year	Full year	Full year	Full year	Full year	Full year
Amounts in NOK million	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Net interest income - ordinary operations	9 544	7 714	7 265	7 015	708	206	1 411	1 101	3 407	1 979	22 335	18 015
Interest on allocated capital	2 621	1 537	409	641	387	189	271	154	(3 687)	(2 520)	0	0
Net interest income	12 165	9 251	7 674	7 655	1 095	395	1 682	1 255	(280)	(541)	22 335	18 015
Net other operating income	3 426	3 091	3 120	3 070	4 671	2 894	754	631	(1 727)	(270)	10 243	9 416
Total income	15 590	12 342	10 794	10 725	5 767	3 289	2 436	1 886	(2 008)	(811)	32 578	27 431
Operating expenses *)	4 899	4 156	6 851	6 322	1 749	1 517	1 704	1 310	738	994	15 942	14 300
Pre-tax operating profit before write-downs	10 691	8 185	3 943	4 403	4 017	1 772	732	576	(2 746)	(1 805)	16 636	13 131
Net gains on fixed and intangible assets	28	19	(2)	44	0	(1)	19	14	7	2 404	52	2 481
Write-downs on loans and guarantees	1 056	76	423	266	1	22	1 388	121	641	(266)	3 509	220
Pre-tax operating profit	9 663	8 128	3 518	4 181	4 016	1 748	(637)	469	(3 380)	865	13 180	15 392
*) *Of which group overhead*	*156*	*127*	*94*	*57*	*32*	*25*	*0*	*0*	*(283)*	*(209)*		

1) *Of which elimination of double entries:*

	4th quarter	
Amounts in NOK million	*2008*	*2007*
Net interest income - ordinary operations	*0*	*(2)*
Interest on allocated capital		
Net interest income	*0*	*(2)*
Net other operating income	*(617)*	*(474)*
Total income	*(617)*	*(476)*
Operating expenses		
Pre-tax operating profit before write-downs	*(617)*	*(476)*
Net gains on fixed and intangible assets		
Write-downs on loans and guarantees		
Pre-tax operating profit	*(617)*	*(476)*

The elimination of double entries primarily concerns net profits on customer business carried out in cooperation between DnB NOR Markets and other business areas and taken to income in both areas.

Note 4 Business areas (continued)

Main average balance sheet items — **DnB NOR Bank Group**

	Corporate Banking and Payment Services		Retail Banking		DnB NOR Markets		DnB NORD		Other operations/ eliminations		DnB NOR Bank Group	
	4th quarter		4th quarter		4th quarter		4th quarter		4th quarter		4th quarter	
Amounts in NOK billion	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Net lending to customers [1]	604.2	449.8	466.6	439.2	7.2	15.2	87.8	56.6	10.2	5.0	1 176.0	965.8
Deposits from customers [1]	340.2	301.3	242.5	222.6	21.3	23.1	23.1	20.8	(9.1)	(6.4)	618.0	561.3

Key figures — **DnB NOR Bank Group**

	Corporate Banking and Payment Services		Retail Banking		DnB NOR Markets		DnB NORD		Other operations		DnB NOR Bank Group	
	4th quarter		4th quarter		4th quarter		4th quarter		4th quarter		4th quarter	
Per cent	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Cost/income ratio [2]	29.1	34.0	62.1	56.3	20.7	49.8	73.3	71.9			42.3	56.9
Ratio of deposits to lending [1) 3)]	56.3	67.0	52.0	50.7			26.4	36.6			52.5	58.1
Return on capital, annualised [4) 5)]	15.9	19.0	48.3	26.4	69.4	30.3	(41.4)	8.8			16.1	24.6
Number of full-time positions as at 30 September [6]	2 548	2 316	3 883	3 853	655	612	3 597	3 236	2 166	2 273	12 848	12 290

1) *Based on nominal values and includes lending to and deposits from credit institutions.*
2) *Total operating expenses relative to total income.*
3) *Deposits from customers relative to net lending to customers.*
4) *Return on capital is calculated on the basis of allocated capital. Allocated capital for Corporate Banking and Payment Services, Retail Banking, DnB NOR Markets and DnB NORD is calculated as 6.5 per cent of risk-weighted volume.*
5) *Estimated return on capital is based on profit after tax. A tax rate of 28 per cent is applied for Corporate Banking and Payment Services, Retail Banking and DnB NOR Markets. A tax rate of 20 per cent has been used for DnB NORD.*
6) *Includes 68 full-time positions in the Norwegian operations of Skandiabanken Bilfinans, which were acquired on 31 January 2008, and 52 full-time positions in the company's Swedish operations, which were acquired on 29 February 2008. An increase of 218 full-time positions in Retail Banking resulting from the acquisition of SalusAnsvar in December 2007.*

Note 5 Net interest income

DnB NOR Bank ASA

Amounts in NOK million	4th quarter 2008	4th quarter 2007	Full year 2008	Full year 2007
Interest on loans to and deposits with credit institutions	3 405	2 495	12 045	9 060
Interest on loans to customers	13 782	11 851	51 814	41 292
Interest on impaired commitments	21	28	61	112
Interest on commercial paper and bonds	2 249	1 530	6 975	5 699
Front-end fees etc.	98	113	431	427
Other interest income	(517)	54	(848)	7
Total interest income	**19 038**	**16 070**	**70 478**	**56 598**
Interest on loans and deposits from credit institutions	1 598	1 708	6 099	6 169
Interest on demand deposits from customers	6 483	5 302	24 100	17 703
Interest on securities issued	4 719	4 011	16 912	15 410
Interest on subordinated loan capital	600	499	2 084	1 959
Other interest expenses [1]	1 116	365	4 179	507
Total interest expenses	**14 515**	**11 885**	**53 373**	**41 748**
Net interest income	**4 523**	**4 185**	**17 105**	**14 850**

Note 5 Net interest income (continued)

	DnB NOR Bank Group			
	4th quarter	4th quarter	Full year	Full year
Amounts in NOK million	2008	2007	2008	2007
Interest on loans to and deposits with credit institutions	846	1 030	3 991	4 898
Interest on loans to customers	20 085	14 928	71 734	50 850
Interest on impaired commitments	13	34	82	129
Interest on commercial paper and bonds	2 363	1 590	7 308	5 912
Front-end fees etc.	97	106	440	445
Other interest income	(489)	(16)	(815)	(19)
Total interest income	**22 916**	**17 672**	**82 741**	**62 214**
Interest on loans and deposits from credit institutions	1 815	1 827	7 256	6 792
Interest on demand deposits from customers	6 801	5 520	25 208	18 459
Interest on securities issued	6 383	4 383	21 583	16 322
Interest on subordinated loan capital	607	509	2 125	2 001
Other interest expenses [1)]	1 010	398	4 234	626
Total interest expenses	**16 615**	**12 637**	**60 406**	**44 199**
Net interest income	**6 301**	**5 035**	**22 335**	**18 015**

1) *Other interest expenses include interest rate adjustments resulting from interest swap entered into. Derivatives are recorded at fair value.*

Note 6 Net other operating income

	DnB NOR Bank ASA			
	4th quarter	4th quarter	Full year	Full year
Amounts in NOK million	2008	2007	2008	2007
Money transfer fees receivable	659	659	2 678	2 594
Fees on asset management services	1	18	31	78
Fees on custodial services	84	104	372	407
Fees on securities broking	76	99	333	398
Corporate finance	39	218	295	693
Interbank fees	27	31	112	123
Credit broking commissions	119	72	402	335
Sales commissions on insurance products	62	67	287	283
Sundry commissions and fees receivable on banking services	132	251	763	1 006
Total commissions and fees receivable etc.	**1 199**	**1 520**	**5 274**	**5 916**
Money transfer fees payable	230	244	888	943
Commissions payable on fund management services	(25)	69	22	98
Fees on custodial services payable	30	32	135	140
Interbank fees	43	48	174	188
Credit broking commissions	37	7	119	61
Commissions payable on the sale of insurance products	1	(3)	4	5
Sundry commissions and fees payable on banking services	155	108	537	490
Total commissions and fees payable etc.	**471**	**504**	**1 878**	**1 923**
Net gains on financial instruments at fair value	**660**	**618**	**1 918**	**3 009**
Income from owned/leased premises	27	30	101	122
Miscellaneous operating income [1)]	880	1 853	1 594	2 499
Total other income	**907**	**1 882**	**1 695**	**2 621**
Net other operating income	**2 295**	**3 516**	**7 008**	**9 624**

1) *Of which dividends/group contributions from subsidiaries represented NOK 567 million in the fourth quarter of 2008 and NOK 1 721 million in the fourth quarter of 2007.*

Note 6 Net other operating income (continued)

	DnB NOR Bank Group			
	4th quarter	4th quarter	Full year	Full year
Amounts in NOK million	2008	2007	2008	2007
Money transfer fees receivable	725	744	2 899	2 807
Fees on asset management services	13	22	70	87
Fees on custodial services	86	108	382	415
Fees on securities broking	76	100	334	400
Corporate finance	78	296	378	792
Interbank fees	28	33	117	127
Credit broking commissions	120	73	406	338
Sales commissions on insurance products	92	71	443	297
Sundry commissions and fees receivable on banking services	238	340	1 208	1 368
Total commissions and fees receivable etc.	**1 458**	**1 786**	**6 236**	**6 632**
Money transfer fees payable	242	271	942	995
Commissions payable on fund management services	(25)	69	22	98
Fees on custodial services payable	30	32	135	140
Interbank fees	45	50	180	194
Credit broking commissions	33	5	119	55
Commissions payable on the sale of insurance products	16	(3)	27	5
Sundry commissions and fees payable on banking services	167	104	597	555
Total commissions and fees payable etc.	**509**	**527**	**2 021**	**2 040**
Net gains on financial instruments at fair value	**1 478**	**699**	**3 722**	**3 187**
Profit from companies accounted for by the equity method 1)	**1 305**	**(10)**	**737**	**9**
Income from owned/leased premises	11	22	45	95
Fees on real estate broking	122	212	658	782
Net unrealised gains on investment property	0	0	0	(2)
Miscellaneous operating income	268	181	866	753
Total other income	**402**	**415**	**1 569**	**1 628**
Net other operating income	**4 134**	**2 363**	**10 243**	**9 416**

1) *Widening credit spreads have had a negative effect on Eksportfinans' liquidity portfolio of bonds. The company has entered into an agreement with a syndicate comprising most of Eksportfinans' owners. With effect from 1 March 2008, the agreement will protect Eksportfinans from further value reductions in the portfolio. Taking the guarantee into account, there was a profit contribution of NOK 1 281 million from the company in the fourth quarter of 2008. Liabilities in Eksportfinans are largely recorded at fair value, and widening credit margins have a positive effect on the company's profits. At year-end 2008, the effect of widening credit margins raised DnB NOR's share of profits in the company by approximately NOK 1.4 billion. The rise in credit margins mainly took place during the fourth quarter.*

Note 7 Net gains on financial instruments at fair value

	DnB NOR Bank ASA			
Amounts in NOK million	4th quarter 2008	4th quarter 2007	Full year 2008	Full year 2007
Dividends	41	27	177	163
Net gains on commercial paper and bonds [1)]	497	(562)	(969)	(1 252)
Net gains on shareholdings	(537)	105	(1 161)	528
Net gains on other financial assets [2)]	659	1 048	3 871	3 571
Net gains on financial instruments at fair value	**660**	**618**	**1 918**	**3 009**

	DnB NOR Bank Group			
Amounts in NOK million	4th quarter 2008	4th quarter 2007	Full year 2008	Full year 2007
Dividends	45	29	162	176
Net gains on commercial paper and bonds [1)]	753	(344)	(763)	(1 233)
Net gains on shareholdings	(576)	106	(1 298)	515
Net gains on other financial assets [2)]	1 256	908	5 623	3 730
Net gains on financial instruments at fair value	**1 478**	**699**	**3 722**	**3 187**

1) *The reclassification of the liquidity portfolio in DnB NOR Markets in the third quarter of 2008 resulted in a NOK 592 million rise in net gains on financial instruments at fair value compared in the fourth quarter of 2008 compared with the fourth quarter of 2007.*
2) *Due to highly volatile interest rate markets in the fourth quarter of 2008, revenues of NOK 444 million were recorded on financial derivatives entered into in connection with funding of the Group's balance sheet in US dollar. Rising demand for US dollars resulted in widening margins on basis swaps along with large unrealised gains in both the third and the fourth quarter.*

Note 8 Operating expenses

	DnB NOR Bank ASA			
Amounts in NOK million	4th quarter 2008	4th quarter 2007	Full year 2008	Full year 2007
Ordinary salaries	1 214	1 141	4 480	4 212
Employer's national insurance contributions	186	144	678	550
Pension expenses	174	254	796	923
Allocation to employees [1)]	0	341	0	341
Restructuring expenses [2)]	25	14	70	48
Other personnel expenses	58	76	283	273
Total salaries and other personnel expenses	**1 657**	**1 970**	**6 306**	**6 347**
Fees	352	113	945	589
EDP expenses	219	326	1 241	1 143
Postage and telecommunications	93	90	299	321
Office supplies	15	19	62	71
Marketing and public relations	136	106	502	423
Travel expenses	57	55	168	171
Reimbursement to Norway Post for transactions executed	46	59	207	221
Training expenses	14	17	53	52
Operating expenses on properties and premises	252	233	988	854
Operating expenses on machinery, vehicles and office equipment	23	25	87	92
Other operating expenses [2)]	84	124	460	427
Other expenses	**1 292**	**1 167**	**5 013**	**4 364**
Depreciation and write-downs of fixed and intangible assets	**219**	**94**	**465**	**409**
Total operating expenses	**3 168**	**3 231**	**11 784**	**11 119**

Note 8 Operating expenses (continued)

				DnB NOR Bank Group
	4th quarter	4th quarter	Full year	Full year
Amounts in NOK million	2008	2007	2008	2007
Ordinary salaries	1 580	1 508	6 033	5 554
Employer's national insurance contributions	251	205	920	765
Pension expenses	200	277	906	1 010
Allocation to employees [1]	0	414	0	414
Restructuring expenses [2]	25	14	70	48
Other personnel expenses	83	100	370	352
Total salaries and other personnel expenses	**2 139**	**2 518**	**8 299**	**8 144**
Fees	401	128	1 092	657
EDP expenses	288	382	1 478	1 329
Postage and telecommunications	114	108	389	393
Office supplies	28	32	100	107
Marketing and public relations	176	155	670	585
Travel expenses	76	72	227	218
Reimbursement to Norway Post for transactions executed	46	59	207	221
Training expenses	20	21	80	72
Operating expenses on properties and premises	315	246	1 188	889
Operating expenses on machinery, vehicles and office equipment	39	35	141	138
Other operating expenses [2]	188	210	775	686
Other expenses	**1 691**	**1 447**	**6 348**	**5 296**
Depreciation and write-downs of fixed and intangible assets	**588**	**244**	**1 296**	**860**
Total operating expenses	**4 418**	**4 208**	**15 942**	**14 300**

1) *Allocations to the employees in 2007 were in the form of bonuses of NOK 158 million and NOK 130 million, including employer's national insurance contributions, for the DnB NOR Bank Group and DnB NOR Bank ASA, respectively. In addition, provisions relating to the winding up of the employee investment funds represented NOK 257 million for the DnB NOR Bank Group and NOK 212 million for DnB NOR Bank ASA.*

2) *Restructuring costs relating to the cost programme were NOK 103 million for the full year 2008 and NOK 55 million in the fourth quarter of 2008 for both the DnB NOR Bank Group and DnB NOR Bank ASA.*

Note 9 Number of employees/full-time positions

				DnB NOR Bank ASA
	4th quarter	4th quarter	Full year	Full year
	2008	2007	2008	2007
Number of employees at end of period	7 376	7 373	7 376	7 373
of which number of employees abroad	429	323	429	323
Number of employees calculated on a full-time basis at end of period	7 140	7 133	7 140	7 133
of which number of employees calculated on a full-time basis abroad	422	319	422	319
Average number of employees	7 393	7 397	7 414	7 355
Average number of employees calculated on a full-time basis	7 154	7 159	7 145	7 115

				DnB NOR Bank Group
	4th quarter	4th quarter	Full year	Full year
	2008	2007	2008 [1]	2007 [2]
Number of employees at end of period	13 207	12 610	13 207	12 610
of which number of employees abroad	4 806	4 171	4 806	4 171
Number of employees calculated on a full-time basis at end of period	12 848	12 290	12 848	12 290
of which number of employees calculated on a full-time basis abroad	4 713	4 126	4 713	4 126
Average number of employees	13 209	12 470	12 965	11 928
Average number of employees calculated on a full-time basis	12 872	12 120	12 638	11 592

1) *Includes 68 full-time positions in the Norwegian operations of SkandiaBanken Bilfinans, which were acquired on 31 January 2008, and 52 full-time positions in the company's Swedish operations, which were acquired on 29 February 2008.*

2) *Staff in SalusAnsvar, which was acquired on 31 December 2007, represented 235 employees/218 full-time positions.*

Note 10 Taxes

DnB NOR Bank ASA Full year 2007	Full year 2008	Balancing tax charges against pre-tax operating profit *Amounts in NOK million*	DnB NOR Group Full year 2008	Full year 2007
14 846	10 791	Operating profit before taxes	13 180	15 392
4 157	3 021	Estimated income tax - nominal tax rate (28 per cent)	3 690	4 310
(95)	(129)	Tax effect of income taxable abroad	(21)	(280)
79	312	Tax effect of debt interest distribution with international branches	312	79
(659)	(123)	Tax effect of tax-excempt income and non-deductible expenses	(307)	(455)
223	263	Taxes payable abroad	348	356
0	(373)	Excess tax provision previous year	(373)	0
3 705	2 971	**Total taxes**	**3 650**	**4 010**
25%	28%	Effective tax rate	28%	26%

Note 11 Write-downs on loans and guarantees

				DnB NOR Bank ASA
Amounts in NOK million	4th quarter 2008	4th quarter 2007	Full year 2008	Full year 2007
Write-offs	88	55	196	199
New individual write-downs	576	128	1 331	595
Total new individual write-downs	664	183	1 527	794
Reassessed individual write-downs	37	41	127	187
Total individual write-downs	627	142	1 400	607
Recoveries on commitments previously written off	90	67	303	298
Change in group write-downs on loans	395	(199)	511	(234)
Write-downs on loans and guarantees 1)	**932**	**(124)**	**1 608**	**75**
Write-offs covered by individual write-downs made in previous years	244	148	617	605
1) Of which indvidual write-downs on guarantees	*(11)*	*(1)*	*(15)*	*5*

				DnB NOR Bank Group
Amounts in NOK million	4th quarter 2008	4th quarter 2007	Full year 2008	Full year 2007
Write-offs	206	76	335	230
New individual write-downs	1 657	238	2 925	850
Total new individual write-downs	1 863	314	3 260	1 080
Reassessed individual write-downs	65	90	246	308
Total individual write-downs	1 798	224	3 014	772
Recoveries on commitments previously written off	99	76	335	350
Change in group write-downs on loans	615	(189)	830	(202)
Write-downs on loans and guarantees 1)	**2 314**	**(41)**	**3 509**	**220**
Write-offs covered by individual write-downs made in previous years	240	163	678	663
1) Of which indvidual write-downs on guarantees	*(4)*	*(1)*	*5*	*22*

Losses incurred from derivative trading and securities clearing with Lehman Brothers are classified as losses on financial instruments.

See note 2 estimates and discretionary assessments for further information on write-downs on loans.

Note 12 Lending to customers

DnB NOR Bank ASA 31 Dec. 2007	31 Dec. 2008	*Amounts in NOK million*	DnB NOR Bank Group 31 Dec. 2008	31 Dec. 2007
594 067	645 492	Lending to customers, nominal amount	1 022 108	808 811
1 082	1 758	Individual write-downs	4 256	1 953
592 985	643 734	Lending to customers, after individual write-downs	1 017 852	806 857
2 338	2 652	+ Accrued interest and amortisation	3 762	2 909
376	439	- Individual write-downs of accrued interest and amortisation	478	388
477	994	- Group write-downs	1 625	712
594 471	644 953	Lending to customers, at amortised cost	1 019 511	808 667
168 166	176 928	Lending to customers, nominal amount	184 639	170 765
1 236	1 882	+ Accrued interest	1 907	1 247
(401)	752	+ Adjustment to fair value	1 077	(440)
169 001	179 562	Lending to customers, at fair value	187 623	171 572
763 472	**824 515**	**Lending to customers**	**1 207 134**	**980 239**

See note 2 estimates and discretionary assessments for further information on write-downs on loans.

Note 13 Net non-performing and impaired commitments for principal sectors [1)]

DnB NOR Bank ASA 31 Dec. 2007	31 Dec. 2008	*Amounts in NOK million*	DnB NOR Bank Group 31 Dec. 2008	31 Dec. 2007
1 749	2 554	Retail customers	4 129	2 237
0	0	International shipping	37	32
208	944	Real estate	2 447	317
70	1 504	Manufacturing	2 322	364
132	504	Services	823	381
88	99	Trade	275	164
0	171	Oil and gas	172	1
64	89	Transportation and communication	485	193
87	126	Building and construction	347	208
0	1	Power and water supply	26	0
14	365	Seafood	443	88
21	68	Hotels and restaurants	115	68
47	125	Agriculture and forestry	206	92
0	0	Central and local government	0	0
0	1	Other sectors	95	29
2 480	6 551	Total customers	11 922	4 174
0	0	Credit institutions	0	0
2 480	6 551	Total	11 922	4 174

1) 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 14 Investments in bonds

Information about the portfolios

The DnB NOR Bank Group has investments in bonds through several of the Group's entities. DnB NOR Bank, DnB NORD and the associated company Eksportfinans all have their own bond portfolios for a variety of purposes.

As part of ongoing liquidity management, DnB NOR Bank needs to maintain a holding of securities that can be used in different ways to regulate the liquidity requirement and as a basis for furnishing collateral for operations in various countries. Among other things, the securities serve as collateral for short and long-term borrowing in a number of central banks and as a basis for liquidity buffers to meet regulatory requirements.

The bank has chosen to cover its need for liquid securities by investing in high-quality international bonds. As at 31 December 2008, the liquidity portfolio in DnB NOR Markets represented the equivalent of NOK 99.1 billion. 98.9 per cent of the securities had an AAA rating, while none of the securities were rated lower than A. There were no synthetic securities in the portfolio and no investments in US sub-prime bonds or Collateralised Debt Obligations, CDOs. Residential Mortgage Backed Securities, RMBS, represented 75.4 per cent of the total portfolio, securitised loans to the corporate market 10.3 per cent, corresponding consumer finance loans 4.7 per cent and other loans 9.6 per cent.

In addition, DnB NOR Bank had Norwegian bonds and fixed-income securities equivalent to a balance sheet value of NOK 52.8 billion used for customer trading and position taking in Norwegian interest rate instruments.

Like DnB NOR Bank, DnB NORD and Eksportfinans use investments in bonds and fixed-income securities for liquidity purposes and as a basis for furnishing collateral to central banks. At end-December 2008, the value of the DnB NORD portfolio was equivalent to NOK 6.6 billion. Eksportfinans had a liquidity portfolio of NOK 74.0 billion. The Eksportfinans portfolio was structured largely in line with DnB NOR Bank's portfolio, though it contained a larger share of financial sector investments. Through its ownership interest and the issue of guarantees, DnB NOR Bank is exposed to 40.4 per cent of value changes in the portfolio. In addition, a guarantee of up to NOK 142 million has been issued to one of the other owners of Eksportfinans.

Classification

On 13 October 2008, the International Accounting Standards Board, IASB, approved amendments to IAS 39 Financial Instruments: Recognition and Measurements and IFRS 7 Financial Instruments – Disclosure. Following the amendments, it is permitted to reclassify certain financial assets in the categories "fair value through profit or loss" and "available for sale" to other categories for financial assets. To qualify for reclassification, special circumstances must have occurred and according to the IASB, the situation in the credit markets can be regarded as rare circumstances. Reclassification in the third quarter could be made with accounting effect from 1 July 2008. The EU approved the amendments on 15 October 2008. On 16 October 2008, the Ministry of Finance adopted regulations implementing the amendments to the accounting standards IAS 39 and IFRS 7.

In the third quarter accounts, the DnB NOR Group chose to reclassify the liquidity portfolio in DnB NOR Markets from the "fair value through profit or loss" category to the "held to maturity" category. This gave a NOK 1 481 million rise in profits compared with the result if the previous valuation principle had been retained. There was a rise in profits of NOK 1 520 million in the fourth quarter, and the total annual effect on profits of the reclassification was thus NOK 3 001 million. On the reclassification date, the book value of the portfolio was NOK 88.0 billion, while it had risen to NOK 99.1 billion at year-end 2008. The increase mainly reflected exchange rate movements.

Effects of the reclassification of the liquidity portfolio **DnB NOR Bank Group**

Amounts in NOK million	4th quarter 2008	3rd quarter 2008	2nd quarter 2008	1st quarter 2008	Full year 2008	Full year 2007
Net interest income						
- amortisation effect	205	282			487	
Net gains on financial instruments at fair value						
- value adjustment			(94)	(1 733)	(1 827)	(1 337)
- maturity effects			327	167	494	84
Net gains on financial instruments at fair value	0	0	233	(1 566)	(1 333)	(1 253)
Recorded unrealised losses at end of period	2 099	2 304	2 586	2 819	2 099	1 253

Effects of reclassifications						
- amortisation effects	205	282			487	
- net gains financial instruments at fair value	1 315	1 199			2 514	
Effects of reclassifications	1 520	1 481	0	0	3 001	0
Unrealised losses, valued at fair value	5 100	3 785	2 586	2 819	5 100	1 253

Note 14 Investments in bonds (continued)

Measurement

With effect from 1 July 2008, the liquidity portfolio in DnB NOR Markets is reclassified as held-to-maturity investments. In addition, the bank invested in a portfolio of commercial paper with three to six month maturities during the fourth quarter. Portfolios in this category are recorded at amortised cost and written down if there is objective evidence of a decrease in value.

Other bond portfolios in the Group are classified as securities carried at fair value with changes in value recognised in profit or loss. Other bond portfolios in the Group are classified as securities carried at fair value with changes in value recognised in profit or loss. If there are no observable prices in the market, the value is set by using models which incorporate relevant market information.

To set fair values for the liquidity portfolio, price estimates on the same securities are obtained from a number of brokers and brokerage houses. The price estimates are then compared. An assessment is also made of own transactions and of price information from known new issues. The price estimates are subject to ongoing assessment and analysis.

In cases where no price information for the individual securities is available, values are estimated based on information about corresponding securities with equivalent characteristics, i.e. rating, maturity, country and other criteria.

The reclassification in accordance with the amendments to IAS 39, as described above, requires that the value of the liquidity portfolio based on the principles applied before the reclassification must be reported. In a normal market situation, the liquidity portfolio would have been recorded at external observable prices. Due to the financial turmoil, such prices have been virtually non-existent. In order to meet the disclosure requirement at end-December 2008, the liquidity portfolio has been measured at fair value according to models used for financial instruments not traded in an active market. The model applied is based on a regression analysis whereby historical market data (explanatory variables) which have been observable even during the financial turmoil are used to explain historical changes in value in the liquidity portfolio. During the period from the fourth quarter of 2006 up to and including the second quarter of 2008, the model shows a high level of correlation between changes in given market data and changes in value in the liquidity portfolio, which at the time was priced in an active market or through broker quotes which were believed to be fairly reliable. If this model had been applied to the liquidity portfolio in the fourth quarter of 2008, there would have been a loss of NOK 1 315 million. In addition, amortisation effects of NOK 205 million would have been reversed. A corresponding model has also been used for valuing the bond portfolio in Eksportfinans.

In line with previous practice, DnB NOR has obtained price estimates from brokers in the fourth quarter. As mentioned above, DnB NOR does not believe that these estimates as such give an adequate reflection of fair values.

Note 15 Investments in shares

Investments in shares are carried at fair value. Measurement at fair value is described in Note 1 Accounting principles in the annual report for 2007. The market situation in the fourth quarter has resulted in greater uncertainty regarding fair value assessments, especially for shares not listed on a stock exchange.

The banking group's investments in Private Equity, PE, and Management Buyout Funds totalled NOK 325 million at end-December 2008. When determining fair values, the industry's recognised guidelines for PE valuations are used. The industry standard has been prepared by the European Private Equity & Venture Capital Association, EVCA. The method is considered to represent the best estimate of fair values for investments in not very liquid equity instruments. The valuation as at 31 December 2008 takes into account the IASB's statement of 3 October 2008 and the reference to the statement from the U.S. Securities and Exchange Commission, SEC on 30 September 2008, which provides guidance for the stipulation of fair values in an illiquid market. The value adjustment of PE and Management Buyout Funds in the fourth quarter is estimated at 70 per cent of the decline in value of a broadly composed equity index after discounting the effect of the reduction in share values in the financial industry, which is not considered to be representative for the mentioned investments. Based on this evaluation, values have been adjusted downwards by NOK 64 million. The banking group also has other investments in shares with limited trading. The largest investments are shown in the table below.

Share investments in inactive markets	**DnB NOR Bank Group**
	31 Dec.
Amounts in NOK million	2008
Private Equity and Management Buyout Funds	325
Oslo Børs VPS Holding ASA [1)]	618
IT Fornebu Eiendom AS [1)]	154
Share investments in inactive markets, DnB NOR Bank Group	1 096

1) *The value of the investment in Oslo Børs VPS Holding ASA has been reduced by NOK 576 million from end-December 2007, while the value of IT Fornebu Eiendom AS remains unchanged.*

Note 16 Intangible assets

DnB NOR Bank ASA 31 Dec. 2007	31 Dec. 2008	*Amounts in NOK million*	DnB NOR Bank Group 31 Dec. 2008	31 Dec. 2007
1 653	1 657	Goodwill	4 548	3 850
51	51	Postbanken brand name	51	51
362	448	Systems development	860	464
22	18	Other intangible assets	645	367
2 087	**2 173**	**Total intangible assets**	**6 105**	**4 733**

Svensk Fastighetsförmedling AB was acquired with effect from 30 June 2007. Goodwill from the acquisition represented the value of greater distribution power in the Swedish market for the sale of housing loans and other products from the DnB NOR Bank Group. In consequence of the financial crisis, housing sales are expected to be reduced, coupled with more sluggish demand for housing loans, which will influence income from these operations. Future income from the sale of housing loans in Sweden has been conservatively estimated. A required rate of return of 10 per cent after tax has been used. The test identified an impairment loss of SEK 116 million, which is the equivalent of NOK 104 million.

Major parts of DnB NORD's operations take place through subsidiaries in the Baltic region and Poland, and goodwill recognised in the balance sheet of DnB NORD is attributable to these companies. The region has been through a long period of brisk economic growth, but the Baltic states in particular experienced a sharp downturn during 2008, and it is expected that the negative trend will continue in 2009. The cash flows underlying the valuation reflect expectations of sluggish growth and relatively high write-downs on loans. The cash flows are based on financial plans approved by DnB NORD's Board of Directors, but also reflect the possibility of more negative developments and a deeper recession than assumed in the financial plans. The test identified an impairment loss of EUR 15 million for operations in Lithuania in 2008, which is the equivalent of NOK 133 million. A required rate of return of 16 per cent after tax has been used in the valuation of Lithuania. No basis for impairment losses has been identified for other DnB NORD units based on the situation at year-end 2008. However, it cannot be excluded that developments will be more negative than expected, which could require impairment losses on a later date.

With respect to the banking group's other cash-generating units, the value of discounted future cash flows exceeds the value of recorded goodwill with a good margin, and no reason has been found to record other impairment losses. See note 2 Estimates and discretionary assessments for further information on intangible assets.

Note 17 Securities issued and subordinated loan capital

As an element in liquidity management, the DnB NOR Bank Group issues and redeems own securities.

Securities issued

Amounts in NOK million	DnB NOR Bank ASA 31 Dec. 2008	31 Dec. 2007
Commercial paper issued, nominal amount	194 700	97 711
Bond debt, nominal amount	305 356	236 890
Adjustments	7 623	1 171
Total securities issued	**507 680**	**335 772**

Changes in securities issued

DnB NOR Bank ASA

Amounts in NOK million	Balance sheet 31 Dec. 2008	Issued 2008	Matured/ redeemed 2008	Exchange rate movements 2008	Other adjustments 2008	Balance sheet 31 Dec. 2007
Commercial paper issued, nominal amount	194 700	408 210	319 763	8 543	0	97 711
Bond debt, nominal amount	305 356	89 771	73 365	52 060	0	236 890
Adjustments	7 623	0	0	0	6 452	1 171
Total securities issued	**507 680**	**497 981**	**393 129**	**60 603**	**6 452**	**335 772**

Subordinated loan capital and perpetual subordinated loan capital securities

DnB NOR Bank ASA

Amounts in NOK million	Balance sheet 31 Dec. 2008	Issued 2008	Matured/ redeemed 2008	Exchange rate movements 2008	Other adjustments 2008	Balance sheet 31 Dec. 2007
Term subordinated loan capital, nominal amount	23 843	8 030	3 196	2 142	0	16 868
Perpetual subordinated loan capital, nominal amount	8 007	0	0	1 260	0	6 747
Perpetual subordinated loan capital securities, nominal amount [2]	9 742	0	0	992	3	8 746
Adjustments	2 019	0	0	0	1 889	131
Total subordinated loan capital and perpetual subordinated loan capital securities	**43 612**	**8 030**	**3 196**	**4 395**	**1 892**	**32 491**

Note 17 Securities issued and subordinated loan capital (continued)

Securities issued

DnB NOR Bank Group

Amounts in NOK million	31 Dec. 2008	31 Dec. 2007
Commercial paper issued, nominal amount	194 852	97 806
Bond debt, nominal amount 1)	405 040	272 432
Adjustments	14 291	1 546
Total securities issued	**614 183**	**371 784**

Changes in securities issued

DnB NOR Bank Group

Amounts in NOK million	Balance sheet 31 Dec. 2008	Issued 2008	Matured/ redeemed 2008	Exchange rate movements 2008	Other adjustments 2008	Balance sheet 31 Dec. 2007
Commercial paper issued, nominal amount	194 852	408 367	319 862	8 542	0	97 806
Bond debt, nominal amount 1)	405 040	139 056	75 929	69 421	59	272 432
Adjustments	14 291	0	0	0	12 745	1 546
Total securities issued	**614 183**	**547 423**	**395 791**	**77 963**	**12 803**	**371 784**

Subordinated loan capital and perpetual subordinated loan capital securities

DnB NOR Bank Group

Amounts in NOK million	Balance sheet 31 Dec. 2008	Issued 2008	Matured/ redeemed 2008	Exchange rate movements 2008	Other adjustments 2008	Balance sheet 31 Dec. 2007
Term subordinated loan capital, nominal amount	25 432	8 747	3 196	2 304	0	17 578
Perpetual subordinated loan capital, nominal amount	8 007	0	0	1 260	0	6 747
Perpetual subordinated loan capital securities, nominal amount 2)	9 742	0	0	992	3	8 746
Adjustments	2 044	0	0	0	1 888	155
Total subordinated loan capital and perpetual subordinated loan capital securities	**45 225**	**8 747**	**3 196**	**4 557**	**1 892**	**33 226**

1) *Outstanding covered bonds totalled NOK 126.8 billion as at 31 December 2008. The cover pool represented NOK 181.9 billion.*

2) *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 ratio 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 18 Capital adequacy

The DnB NOR Bank Group follows the Basel II regulations for capital adequacy calculations. Valuation rules used in the statutory accounts form the basis for the consolidation, which is subject to special consolidation rules governed by the Consolidation Regulations.

DnB NOR Bank ASA		Primary capital	DnB NOR Bank Group	
31 Dec. 2007	31 Dec. 2008	*Amounts in NOK million*	31 Dec. 2008	31 Dec. 2007
17 514	17 514	Share capital	17 514	17 514
43 659	51 913	Other equity	60 284	48 553
61 173	69 427	Total equity	77 798	66 068
		Deductions		
(14)	0	Pension funds above pension commitments	(1)	(19)
(1 653)	(1 657)	Goodwill	(4 737)	(3 880)
(8)	(10)	Deferred tax assets	(306)	(208)
(435)	(516)	Other intangible assets	(1 584)	(893)
0	0	Unrealised gains on fixed assets	(30)	(30)
(1 045)	(1 070)	50 per cent of investments in other financial institutions	(1 070)	(1 045)
(394)	(288)	50 per cent of expected losses exceeding actual losses, IRB portfolios	(339)	(399)
(22)	(323)	Adjustments for unrealised losses/(gains) on liabilites recorded at fair value	(2 284)	(164)
		Additions		
1 109	555	Portion of unrecognised actuarial gains/losses, pension costs 1)	594	1 186
58 713	66 118	Equity Tier 1 capital	68 041	60 617
8 746	9 742	Perpetual subordinated loan capital securities 2) 3)	9 945	8 962
67 459	75 859	Core capital	77 986	69 579
6 747	8 007	Perpetual subordinated loan capital	8 007	6 747
16 755	23 843	Term subordinated loan capital 3)	26 083	17 917
		Deductions		
(1 045)	(1 070)	50 per cent of investments in other financial institutions	(1 070)	(1 045)
(394)	(288)	50 per cent of expected losses exceeding actual losses, IRB portfolios	(339)	(399)
		Additions		
0	0	45 per cent of unrealised gains on fixed assets	18	18
22 063	30 492	Supplementary capital	32 700	23 238
89 522	106 351	Total eligible primary capital 4)	110 686	92 816
750 206	964 122	Risk-weighted volume	1 119 490	886 099
60 016	77 130	Minimum capital requirement	89 559	70 888
7.8	6.9	Equity Tier 1 ratio (%)	6.1	6.8
9.0	7.9	Core capital ratio (%)	7.0	7.9
11.9	11.0	Capital ratio (%)	9.9	10.5

1) *Upon implementation of NRS 6A (IAS 19) in 2005, unrecognised actuarial gains/losses for pension commitments were charged to equity in the accounts. The Ministry of Finance has established a transitional rule whereby one-fifth of the amount recorded against equity can be included in capital adequacy calculations in 2008.*

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

3) *As at 31 December 2008, calculations of capital adequacy included a total of NOK 853 million in subordinated loan capital in associated companies, in addition to subordinated loan capital in the banking group's balance sheet.*

4) *Primary capital and nominal amounts used in calculating risk-weighted volume deviate from figures in the DnB NOR Bank Group's accounts since a different consolidation method is used. Associated companies are consolidated gross in the capital adequacy calculations while the equity method is used in the accounts.*

Due to transitional rules, the minimum capital adequacy requirements for 2007, 2008 and 2009 cannot be reduced below 95, 90 and 80 per cent respectively relative to the Basel I requirements.

Note 18 Capital adequacy (continued)

Basel II implementation

Further progress

A major reduction in risk-weighted assets is expected upon full implementation of the IRB system. Below is a time schedule for the implementation of the different reporting methods used for the banking group's portfolios.

	2008			2009			2010		
	Approaches			Approaches			Approaches		
Portfolios	Stand-ardised	Founda-tion IRB	Ad-vanced IRB	Stand-ardised	Founda-tion IRB	Ad-vanced IRB	Stand-ardised	Founda-tion IRB	Ad-vanced IRB
Loans to retail customers in DnB NOR Bank including Postbanken and loans in DnB NOR Boligkreditt secured by residential property			X			X			X
Small and medium-sized corporate customers in Regional Division East and Regional Division Coast		X				X			X
Card credit to retail customers in DnB NOR Kort	X					X			X
Leasing and loans in Norway in DnB NOR Finans excluding the portfolio from SkandiaBanken Bilfinans [1)]	X					X			X
Factoring and large customers in Norway in DnB NOR Finans plus the car portfolio in Sweden	X			X					X
Large corporate customers in Norway	X			X					X
International branches/offices excluding DnB NORD	X			X					X
Customers within banking and finance	X			X					X
Nordlandsbanken	X			X					X
Other retail exposures in DnB NOR Bank	X			X			X		
DnB NORD	X			X			X		

1) Will at the earliest be implemented in the fourth quarter 2009.

Note 19 Liquidity risk

Liquidity risk is the risk that the banking group will be unable to meet its payment obligations. Liquidity management in the DnB NOR Bank Group is organised whereby DnB NOR Bank ASA is responsible for funding subsidiaries such as Nordlandsbanken and DnB NOR Finans, as well as international branches and subsidiaries. DnB NORD is funded with a share corresponding to the banking group's holding in the bank. Liquidity risk is managed and measured by means of various measurement techniques.

The Board of Directors has established internal limits which restrict the short-term maturity of the bank's liabilities during various time periods. In addition, limits have been approved for structural liquidity risk, which implies that lending to the general public should largely be financed through customer deposits, subordinated capital and long-term funding. The ratio of deposits to lending was 50.1 per cent at end-December 2008, down from 52.6 per cent at end- September 2008.

In spite of the significant turmoil in international financial markets throughout 2008, long-term funding corresponding to NOK 171 billion was raised during the year, mainly in foreign currencies. Included in this figure are subordinated loans for NOK 8 billion. After the Lehman Brothers bankruptcy on 15 September, the financial turmoil intensified, and at times, the money and capital markets ceased to function. After coordinated, extensive government measures in a number of countries, including guarantees for interbank loans in the euro zone, capital injections in European and US banks, reductions in central bank interest rates and special schemes securing banks access to long-term liquidity, there was a gradual recovery in money markets towards the end of the year. Another important measure implemented in late 2008 was the establishment of the Money Market Investor Funding Facility, MMIFF, by the US authorities. The facility was set up by the Federal Reserve Bank of New York, to improve the liquidity situation in the money market by giving US money market funds greater options for selling their investments. DnB NOR Bank ASA was included on the list of eligible securities under this scheme.

During the fourth quarter of 2008, the Norwegian authorities introduced a scheme for long-term funding whereby government securities are exchanged for covered bonds issued by banks and secured by residential mortgages. In addition to liquidity injections in Norwegian kroner and foreign currencies, the scheme included 2-year F-loans (fixed-rate lending facility) aimed at small banks and an easing of banks' collateral requirements for lending in Norges Bank.

Due to the extensive raising of capital and measures initiated by the authorities, DnB NOR Bank's liquidity situation at year-end 2008 can be characterised as sound. In consequence of wider credit margins in financial markets, however, costs relating to capital market funding have increased. At end-December 2008, the average remaining term to maturity for the portfolio of senior bond debt was 2.75 years, an increase from 2.4 years a year earlier. The DnB NOR Bank Group aims to achieve a sound and stable maturity structure for funding over the next five years.

Note 20 Information on related parties

Major transactions with related parties in 2008:

Eksportfinans

DnB NOR Bank ASA has a 40 per cent ownership interest in Eksportfinans. Financial market turbulence resulted in sizeable unrealised losses in Eksportfinans' liquidity portfolio in the first quarter of 2008. In order to ensure an adequate capital base for the company, its Board of Directors implemented three measures:

- A share issue of NOK 1.2 billion aimed at the company's owners was implemented, and all owners participated based on their proportional shares.
- A portfolio hedge agreement was entered into, and the owners were invited to participate. As at 30 June 2008, shareholders representing 99.5 per cent of the shares had agreed to participate, including the Norwegian government, which has a 15 per cent holding. At end-December 2008, DnB NOR Bank ASA's share of the agreement corresponded to 40.43 per cent. The agreement secures Eksportfinans against further decreases in portfolio values of up to NOK 5 billion effective from 29 February 2008. Any recovery of values relative to nominal values will accrue to the participants in the portfolio hedge agreement as payment for their hedging commitment. Eksportfinans expects no losses in the portfolio in question and expects the bonds to be repaid at maturity.
- During the first quarter of 2008, Eksportfinans' largest owner banks, DnB NOR Bank ASA, Nordea Bank AB and Danske Bank A/S approved a committed credit line giving the company access to a liquidity reserve of up to USD 4 billion. DnB NOR Bank ASA's share of this agreement represents approximately USD 2.2 billion. At end-December 2008, Eksportfinans had not availed itself of this credit line.

The transactions with Eksportfinans have been entered into on ordinary market terms as if they had taken place between independent parties.

DnB NOR Boligkreditt

DnB NOR Boligkreditt AS is 100 per cent owned by DnB NOR Bank ASA. As part of ordinary business transactions, a large number of banking transactions are entered into between DnB NOR Boligkreditt AS (Boligkreditt) and DnB NOR Bank ASA (the bank), including loans, deposits and financial derivatives used in currency and interest rate risk management. Transactions are carried out on market terms and are regulated in the ”Agreement relating to transfer of loan portfolio between DnB NOR Bank ASA and DnB NOR Boligkreditt AS” (the transfer agreement) and the ”Contract concerning purchase of management services” (the management agreement).

The transfer agreement regulates the transfer of loan portfolios qualifying as collateral for the issue of covered bonds. In the second and third quarter of 2008, portfolios representing NOK 27.8 billion and NOK 32.1 billion respectively were transferred from the bank to Boligkreditt, while a total of NOK 33.7 billion was transferred in the fourth quarter. The transfers are based on market terms.

Pursuant to the management agreement, Boligkreditt purchases services from the bank, including administration, bank production, distribution, customer contact, IT operations, financial and liquidity management. Boligkreditt pays an annual management fee for these services based on the lending volume under management. For new loans approved through the bank's channels, a sales commission for each loan is also paid. The fee paid for the period January-December of 2008 totalled NOK 351 million.

DnB NOR Bank ASA has invested NOK 30.6 billion in covered bonds issued by DnB NOR Boligkreditt. The NOK 28.9 billion increase from the third quarter is attributable to the fact that the bank uses bonds issued by Boligkreditt as security for Treasury bills purchased from Norges Bank as part of the stimulus package for the Norwegian financial services industry.

Vital Forsikring

As part of the company's ordinary investment activity, Vital Forsikring ASA (Vital) has subscribed for covered bonds issued by Boligkreditt. Vital's investments in Boligkreditt are limited to listed covered bonds. Vital's holding of Boligkreditt bonds was valued at NOK 8.0 billion at end-December 2008.

DnB NOR Bank ASA has sold foreign currency loans guaranteed by GIEK, the Norwegian Guarantee Institute for Export Credits, to Vital for an amount equivalent to NOK 2.6 billion in 2008. In connection with the sale, interest rate and currency swaps were entered into, protecting Vital against currency risk and providing a total return based on Norwegian interest rates. DnB NOR Bank ASA still carries interest rate, settlement and credit risk associated with the relevant loans. According to the IFRS regulations, the loans have therefore not been removed from the balance sheet. The set-offs to the loans are recorded as deposits from customers.

The transactions with Vital have been entered into on ordinary market terms as if they had taken place between independent parties.

Note 20 Information on related parties (forts.)

Stimulus packages

On 24 October 2008, the Norwegian parliament authorised the Ministry of Finance to launch a scheme whereby the government and the banks exchange Treasury bill for covered bonds for an agreed period. Norges Bank administers the scheme on commission from the Ministry of Finance.

Under the swap scheme, the government sells Treasury bills to the banks in a time-limited swap for covered bonds. The banks have free disposal over the Treasury bills they acquire and may sell them in the market if they so wish. Treasury bill maturities will be between three and six months. The swap agreements lasts for periods of up to three years, and the banks undertake to purchase new Treasury bills with six-month maturities when the agreement period expires. The Treasury bills are priced at NIBOR plus a premium corresponding to the margin at the time the agreement was concluded. Upon expiry of the agreements, the banks are under an obligation to repurchase the covered bonds from the government at the original selling price. Payments related to the covered bonds are credited to the banks on the same day as the payments are made, unless default occurs during the duration of the swap agreement.

DnB NOR Bank ASA has purchased bonds from DnB NOR Boligkreditt which have been used as collateral for swap agreements with Norges Bank. The bank is required to repurchase the covered bonds at the original selling price. The Group receives yield from the covered bonds as if they never had been sold. The accounting treatment of sales of financial instruments where the seller retains substantially all the risks and returns associated with the instrument, is described in IAS 39 Financial Instruments – Recognition and Measurement, Section 20. DnB NOR is of the opinion that the requirement for transfer of risk and returns associated with the bonds in accordance with this standard have not been fulfilled, and that the bonds thus cannot be derecognised from the balance sheet of DnB NOR Bank ASA. On a consolidated basis, the bonds will be treated as own bonds and netted against liabilities in DnB NOR Boligkreditt.

In practice, the swap agreements imply that the bank purchases Treasury bills from Norges Bank. These are initially recorded as investments in Treasury bills. The obligation to repurchase the bonds at a price corresponding to the value of the Treasury bills, is recorded as funding from Norges Bank. At end-December 2008, this funding represented NOK 29 billion. DnB NOR Bank ASA's investment in Treasury Bills amounted to NOK 12 billion at 31 December 2008.

Group contributions and dividends

During the fourth quarter of 2008, DnB NOR Bank ASA received group contributions and dividends from a number of wholly owned subsidiaries for a total of NOK 109 million. The group contributions represent settlement of ordinary year-end adjustments for the 2007 accounting year.

Note 21 Off-balance sheet transactions and contingencies

Off-balance sheet transactions and additional information

DnB NOR Bank ASA 31 Dec. 2007	DnB NOR Bank ASA 31 Dec. 2008	Amounts in NOK million		DnB NOR Bank Group 31 Dec. 2008	DnB NOR Bank Group 31 Dec. 2007
282 169	299 210	Unutilised ordinary credit lines		337 818	307 303
19 391	24 627	Documentary credit commitments		24 896	19 693
963	496	Other commitments		540	1 082
302 523	324 333	Total commitments		363 254	328 078
22 135	32 575	Performance guarantees		34 367	23 304
21 139	22 553	Payment guarantees		24 582	21 753
11 460	14 871	Loan guarantees [1)]		16 202	13 044
4 921	4 759	Guarantees for taxes etc.		4 801	4 948
4 451	4 764	Other guarantee commitments		5 448	4 799
64 105	79 522	Total guarantee commitments [2)]		85 399	67 848
0	0	Support agreements		4 499	1 933
64 105	79 522	Total guarantee commitments etc. [*)]		89 899	69 781
		*) Of which:			
1 292	360	Counter-guaranteed by financial institutions		566	1 300
92 668	202 611	Securities		202 611	92 668
92 556	202 464	are pledged as security for:	Loans [3)]	202 464	92 556
112	147		Other activities	147	112

1) *DnB NOR Bank carries loans in its balance sheet that subject to legal agreement have been transferred to Eksportfinans and for which DnB NOR Bank has issued guarantees. According to the agreement, DnB NOR Bank still carries interest rate risk and credit risk for the transferred portfolio. Customer loans in the portfolio totalling NOK 9 999 million were recorded in the balance sheet as at 31 December 2008.*

2) *Liabilities included in issued financial guarantees are measured at fair value and recorded in the balance sheet.*

3) *As at 31 December 2008, NOK 72 390 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.*

Contingencies

Due to its extensive operations in Norway and abroad, the DnB 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 Group's financial position.

In 2004, DnB NOR Bank issued a writ against the Norwegian government, represented by the Central Tax Office for Large Enterprises, requiring that the tax assessment for 2002 be invalidated. The bank claimed that the tax authorities made incorrect use of the realisation principle with respect to currency and interest rate swaps, as no tax credit was awarded for net losses in the tax assessment in line with the bank's view. The bank lost the case in the District Court in 2006 and in the Court of Appeal in April 2008. In January 2009, the Supreme Court delivered a judgment in the matter whereby the court found in favour of the bank with respect to interest rate swaps, while the judgments reached in the lower courts with respect to currency swaps were upheld. The Supreme Court sentence has no material effect on the Group's accounts.

Bovista ApS in Copenhagen, which is a wholly-owned subsidiary of RC Real Estate, has sued Bank DnB NORD for up to DKK 180 million plus interest, claiming that the bank has wrongfully used proceeds from the sale of properties as loan repayments without consulting the company. The bank contests the claim.

DnB NOR Markets Inc. in New York has been sued for up to USD 25 million plus interest and charges in connection with the underwriting of a bond issue. The company contests the claim.

Note 22 Profit and balance sheet trends

Income statement

DnB NOR Bank ASA

Amounts in NOK million	4th quarter 2008	3rd quarter 2008	2nd quarter 2008	1st quarter 2008	4th quarter 2007
Total interest income	19 038	18 343	16 782	16 315	16 070
Total interest expenses	14 515	13 736	12 795	12 328	11 885
Net interest income	**4 523**	**4 607**	**3 988**	**3 987**	**4 185**
Commissions and fees receivable etc.	1 199	1 289	1 416	1 370	1 520
Commissions and fees payable etc.	471	463	499	445	504
Net gains on financial instruments at fair value	660	1 064	1 306	(1 112)	618
Profit from companies accounted for by the equity method	0	0	0	0	0
Other income	907	279	250	258	1 882
Net other operating income	**2 295**	**2 169**	**2 473**	**72**	**3 516**
Total income	**6 818**	**6 776**	**6 461**	**4 059**	**7 701**
Salaries and other personnel expenses	1 657	1 633	1 532	1 484	1 970
Other expenses	1 292	1 211	1 297	1 212	1 167
Depreciation and write-downs of fixed and intangible assets	219	79	84	83	94
Total operating expenses	**3 168**	**2 924**	**2 914**	**2 779**	**3 231**
Net gains on fixed and intangible assets	3	5	0	40	862
Write-downs on loans and guarantees	910	370	167	138	(124)
Pre-tax operating profit	**2 742**	**3 486**	**3 380**	**1 182**	**5 456**
Taxes	844	976	946	204	1 076
Profit from discontinuing operations after taxes	0	0	0	0	0
Profit for the period	**1 898**	**2 510**	**2 434**	**978**	**4 380**

Note 22 Profit and balance sheet trends (continued)

Balance sheet **DnB NOR Bank ASA**

Amounts in NOK million	31 Dec. 2008	30 Sept. 2008	30 June 2008	31 March 2008	31 Dec. 2007
Assets					
Cash and deposits with central banks	47 705	42 544	13 409	10 068	6 602
Lending to and deposits with credit institutions	245 652	216 137	207 012	181 294	178 742
Lending to customers	824 515	805 129	793 193	786 153	763 472
Commercial paper and bonds	82 058	33 665	113 743	106 663	112 273
Shareholdings	9 317	10 718	9 617	10 433	8 731
Financial derivatives	137 751	77 219	59 830	107 912	65 135
Commercial paper and bonds, held to maturity	100 278	88 008	0	0	0
Investment property	0	0	0	0	0
Investments in associated companies	1 069	1 060	1 058	1 059	585
Investements in subsidiaries	19 192	16 512	16 274	14 990	12 716
Intangible assets	2 173	2 091	2 089	2 087	2 087
Deferred tax assets	10	9	8	8	8
Fixed assets	844	809	801	845	882
Discontinuing operations	0	0	0	0	0
Other assets	5 941	7 623	8 381	14 175	13 087
Total assets	**1 476 506**	**1 301 524**	**1 225 416**	**1 235 686**	**1 164 320**
Liabilities and equity					
Loans and deposits from credit institutions	147 371	132 622	105 621	128 051	129 162
Deposits from customers	570 312	562 457	539 620	503 330	510 745
Financial derivatives	119 168	67 920	58 354	107 167	63 257
Securities issued	507 680	404 258	390 402	365 208	335 772
Payable taxes	215	2 109	1 212	496	343
Deferred taxes	3 816	1 079	1 090	1 111	1 100
Other liabilities	10 608	20 110	22 692	31 263	25 711
Discontinuing operations	0	0	0	0	0
Provisions	4 299	4 438	4 536	4 422	4 566
Subordinated loan capital	43 612	39 296	37 417	32 597	32 491
Total liabilities	**1 407 079**	**1 234 289**	**1 160 945**	**1 173 645**	**1 103 147**
Minority interests	0	0	0	0	0
Share capital	17 514	17 514	17 514	17 514	17 514
Share premium reserve	12 695	12 695	12 695	12 695	12 695
Other equity	39 217	37 026	34 262	31 831	30 964
Total equity	**69 427**	**67 236**	**64 472**	**62 040**	**61 173**
Total liabilities and equity	**1 476 506**	**1 301 524**	**1 225 416**	**1 235 686**	**1 164 320**

Note 22 Profit and balance sheet trends (continued)

Income statement

DnB NOR Bank Group

Amounts in NOK million	4th quarter 2008	3rd quarter 2008	2nd quarter 2008	1st quarter 2008	4th quarter 2007
Total interest income	22 916	21 589	19 618	18 618	17 672
Total interest expenses	16 615	15 731	14 546	13 513	12 637
Net interest income	**6 301**	**5 857**	**5 071**	**5 105**	**5 035**
Commissions and fees receivable etc.	1 458	1 521	1 668	1 590	1 786
Commissions and fees payable etc.	509	502	535	474	527
Net gains on financial instruments at fair value	1 478	1 602	1 426	(784)	699
Profit from companies accounted for by the equity method	1 305	(377)	102	(294)	(10)
Other income	402	373	375	419	415
Net other operating income	**4 134**	**2 618**	**3 036**	**457**	**2 363**
Total income	**10 434**	**8 475**	**8 107**	**5 562**	**7 398**
Salaries and other personnel expenses	2 139	2 140	2 051	1 968	2 518
Other expenses	1 691	1 523	1 621	1 512	1 447
Depreciation and write-downs of fixed and intangible assets	588	245	240	222	244
Total operating expenses	**4 418**	**3 909**	**3 913**	**3 702**	**4 208**
Net gains on fixed and intangible assets	6	13	3	31	1 593
Write-downs on loans and guarantees	2 314	725	275	195	(41)
Pre-tax operating profit	**3 709**	**3 854**	**3 922**	**1 695**	**4 822**
Taxes	1 220	1 041	1 059	331	1 156
Profit from discontinuing operations after taxes	0	0	0	0	0
Profit for the period	**2 489**	**2 814**	**2 863**	**1 365**	**3 666**
Profit attributable to shareholders	2 891	2 833	2 800	1 299	3 607
Profit attributable to minority interests	(402)	(20)	63	66	59

Note 22 Profit and balance sheet trends (continued)

Balance sheet — **DnB NOR Bank Group**

Amounts in NOK million	31 Dec. 2008	30 Sept. 2008	30 June 2008	31 March 2008	31 Dec. 2007
Assets					
Cash and deposits with central banks	51 147	45 792	16 235	13 067	9 816
Lending to and deposits with credit institutions	54 187	44 189	72 526	60 104	52 302
Lending to customers	1 207 134	1 132 757	1 076 266	1 025 653	980 239
Commercial paper and bonds	58 219	37 288	116 356	108 460	114 542
Shareholdings	9 642	11 056	9 924	10 743	9 104
Financial derivatives	136 567	75 368	57 342	107 503	64 445
Commercial paper and bonds, held to maturity	100 278	88 008	0	0	0
Investment property	167	175	168	161	170
Investments in associated companies	2 603	1 295	1 669	1 596	1 416
Investments in subsidiaries	-	-	-	-	-
Intangible assets	6 105	5 869	5 757	5 720	4 733
Deferred tax assets	253	172	146	142	128
Fixed assets	5 271	4 293	3 902	3 788	3 439
Discontinuing operations	246	249	241	232	225
Other assets	6 781	9 608	9 114	9 580	9 067
Total assets	**1 638 601**	**1 456 119**	**1 369 646**	**1 346 750**	**1 249 625**
Liabilities and equity					
Loans and deposits from credit institutions	178 834	161 641	129 770	148 467	144 228
Deposits from customers	606 915	597 173	572 298	533 846	542 307
Financial derivatives	93 207	60 359	55 217	104 517	61 731
Securities issued	614 183	490 871	469 552	421 696	371 784
Payable taxes	317	2 419	1 489	939	767
Deferred taxes	5 136	1 892	1 882	1 599	1 381
Other liabilities	12 380	22 402	25 310	29 349	23 205
Discontinuing operations	0	0	0	0	0
Provisions	4 607	4 942	5 002	4 878	4 930
Subordinated loan capital	45 225	40 676	38 540	33 724	33 226
Total liabilities	**1 560 803**	**1 382 375**	**1 299 061**	**1 279 014**	**1 183 558**
Minority interests	4 253	3 287	3 187	3 137	2 662
Share capital	17 514	17 514	17 514	17 514	17 514
Share premium reserve	13 411	13 411	13 411	13 411	13 411
Other equity	42 619	39 531	36 473	33 673	32 480
Total equity	**77 798**	**73 744**	**70 585**	**67 735**	**66 068**
Total liabilities and equity	**1 638 601**	**1 456 119**	**1 369 646**	**1 346 750**	**1 249 625**

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DnB NOR Bank ASA

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Other sources of information

Annual reports

Annual reports for the DnB NOR Bank Group and DnB NOR Group are available on dnbnor.com.

Quarterly publications

Quarterly reports are available on dnbnor.com. Separate quarterly reports are prepared for the DnB NOR Group and Vital.

The publications can be ordered by sending an e-mail to investor.relations@dnbnor.no.

The quarterly report has been produced by Group Financial Reporting, Corporate Communications and Designteam in DnB NOR.

DnB NOR Design Team – Photo: Stig B. Fiksdal

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