

Third quarter report 2009

Unaudited



DnB NOR Bank ASA

DnB NOR

Financial highlights

Third quarter 2009

- Pre-tax operating profits before write-downs were NOK 4.9 billion (4.6)
- Profit for the period was NOK 1.5 billion (2.8)
- Profit after minority interests was NOK 2.0 billion (2.8)
- Return on equity was 10.0 per cent (16.4)
- The cost/income ratio, excluding impairment losses for goodwill, was 41.6 per cent (46.1)
- The core capital ratio, including 50 per cent of interim profits, was 8.0 per cent (7.1)

January through September 2009

- Pre-tax operating profits before write-downs were NOK 14.2 billion (10.6)
- Profit for the period was NOK 5.3 billion (7.0)
- Profit after minority interests was NOK 6.4 billion (6.9)
- Return on equity was 11.2 per cent (13.9)
- The cost/income ratio, excluding impairment losses for goodwill, was 45.8 per cent (52.0)

Comparable figures for 2008 in parentheses.

There has been no full or partial audit of the quarterly report and accounts, though the report has been reviewed by the banking group's Audit. The report has also been reviewed by the Audit Committee.

Report for the third quarter of 2009

- Sound underlying rise in income
- Rise in profits in Retail Banking
- Positive effects of cost programme
- Continued high write-downs on loans in the Baltic region, while Norwegian and other international operations performed better than expected

Introduction

The DnB NOR Bank Group ¹⁾ recorded profits of NOK 1 548 million in the third quarter of 2009, down from NOK 2 814 million in the year-earlier period. Compared with the second quarter of 2009, profits were up NOK 921 million, reflecting a healthy underlying rise in income in a still uncertain financial market situation.

Lending volumes contracted during the third quarter, which was due to a reduction in the value of currency loans converted to Norwegian kroner. Adjusted for exchange rate effects, lending volumes were virtually unchanged from end-December 2008. Lending spreads for large corporates rose by 0.14 percentage points from the previous quarter following an adjustment in spreads to absorb higher funding costs and increased risk.

Other operating income increased by NOK 1 296 million from the second quarter of 2009 and by NOK 554 million from the third quarter of 2008. DnB NOR Markets recorded sound profits. Income

from payment services also showed a positive trend, while the upturn in the housing market gave a boost in income from real estate broking.

There was a positive cost trend during the quarter. Adjusted for the effects of a new unit outside core operations and impairment losses for goodwill, costs declined by NOK 35 million from the second quarter and rose by NOK 104 million from the third quarter of 2008. The cost programme and initiatives to create a more integrated banking group had significant effects on Norwegian-related operations, while market adjustments reduced costs both in and outside Norway.

The effect of write-downs on loans in the income statement was NOK 2 277 million, a slight decline from the second quarter and within estimated write-downs of NOK 8-10 billion for the whole of 2009. There was a decline in write-downs in DnB NOR compared with the second quarter. There was a stable level of write-downs in other operations, with a certain increase in group write-downs and a reduction in individual write-downs. Over the past year, the banking group has stepped up its efforts considerably to ensure the value of problem commitments.

The situation in international financial markets improved during the third quarter, and the banking group experienced a sound liquidity situation during the third quarter. The ratio of deposits to lending was 52.6 per cent at end-September, up from 50.3 per cent at year-end 2008.

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

The positive profit performance, along with a decline in lending volume, helped raise the core capital ratio from 10.3 per cent at end-June to 10.7 per cent at end-September, subject to full effect of the new capital adequacy regulations. The formal core capital ratio, including 50 per cent of interim profits, increased from 7.7 per cent at end-June to 8.0 per cent at end-September.

On 24 September 2009, the parent company of DnB NOR Bank ASA, DnB NOR ASA, proposed to strengthen equity by NOK 14 billion through an issue of ordinary shares with pre-emptive subscription rights for existing shareholders. The rights issue is supported by DnB NOR's largest shareholders and underwritten by the arrangers. The Norwegian parliament will make a final decision regarding the government's participation in the share capital issue during the fourth quarter. The capital increase will make the DnB NOR Group and the banking group better positioned for stricter capital adequacy requirements. Moreover, the transaction will enhance the banking group's ability to meet customers' future financing needs and to pursue profitable business opportunities as part of its future growth strategy.

Like most other large Nordic banks, DnB NOR experienced a ratings downgrade by Moody's during the third quarter and is now rated Aa3 with a stable outlook. The rating from Standard and Poor's is unchanged at AA-. DnB NOR has thus retained its position as one of the best rated banks.

During the third quarter of 2009, DnB NOR qualified for inclusion in the Dow Jones World Sustainability Index, which means that it is regarded as being among the top 10 per cent within its industry worldwide in terms of sustainability with respect to economic, environmental and social factors.

Income statement for the third quarter

Net interest income

<i>Amounts in NOK million</i>	3rd quarter 2009	Change	3rd quarter 2008
Net interest income	5 854	(3)	5 857
Lending and deposit spreads		471	
Lending and deposit volumes		164	
Equity and non-interest-bearing items		(664)	
Long-term funding costs		(218)	
Guarantee fund levy		(107)	
Exchange rate effects		230	
Other net interest income		121	

Net interest income was NOK 5 854 million in the third quarter of 2009, a NOK 3 million reduction from the year-earlier period. There was a NOK 61 million increase in net interest income compared with the second quarter of 2009.

The average lending volume was up NOK 68.4 billion or 6.3 per cent from the third quarter of 2008. There was brisk lending growth in the second half of 2008, which levelled off towards the end of the year. Thus far in 2009, there has been a decline in lending volume. Adjusted for exchange rate effects, lending has shown a stable trend through 2009.

Relative to the 3-month money market rate, average lending spreads increased from 0.96 per cent in the third quarter of 2008 to 1.61 per cent in the third quarter of 2009. The rise in lending spreads will, among other things, cover higher funding costs and higher risk. During 2009, there has been extensive repricing of corporate loans.

Deposit growth averaged NOK 48.6 billion or 8.5 per cent from the third quarter of 2008. The competition for deposits remained strong during the quarter. In addition, the low interest rate level provided less scope for maintaining deposit spreads. Average deposit spreads declined from 1.14 per cent in the third quarter of 2008 to 0.29 per cent.

The lower interest rate levels caused a NOK 768 million decline in interest income on the banking group's equity compared with the third quarter of 2008. Due to widening credit risk margins in financial

markets, long-term funding costs were NOK 218 million higher for the same period.

Net other operating income

<i>Amounts in NOK million</i>	3rd quarter 2009	Change	3rd quarter 2008
Net other operating income	3 172	555	2 618
Stock market-related income including financial instruments		492	
Profits from associated companies		92	
Real estate broking		39	
Net other commissions and fees including guarantees		8	
Net gains on foreign exchange and interest rate instruments ¹⁾		(64)	
Other operating income		(12)	

1) *Excluding guarantees.*

Net other operating income amounted to NOK 3 172 million, up 21.2 per cent from the third quarter of 2008.

The improved situation in financial markets ensured healthy income from customer activities and own-account trading in DnB NOR Markets. Income from payment services rose from the third quarter of 2008 due to a high level of activity and the introduction of new products. Real estate broking also generated sound income during the quarter and a rise in commission income.

Operating expenses

The banking group's total expenses increased by NOK 242 million from the third quarter of 2008, to NOK 4 151 million. However, total expenses include impairment losses for goodwill of NOK 100 million and costs relating to a new unit outside core operations of NOK 39 million. The table below shows costs for the DnB NOR Bank Group's ordinary operations.

<i>Amounts in NOK million</i>	3rd quarter 2009	Change	3rd quarter 2008
Ordinary operating expenses	4 012	104	3 909
Cost programme		(108)	
Restructuring expenses, cost programme		39	
Marketing etc.		(33)	
Pension expenses		(28)	
Wage and price inflation		110	
Write-downs on IT investments in DnB NORD		66	
Operational leasing		57	
IT expenses		34	
Performance-based pay		11	
Other operating expenses, including market adjustments		(44)	
Of which international units		38	

There was a minor increase in the banking group's ordinary operating expenses of NOK 104 million from the third quarter of 2008, while there was a NOK 35 million reduction in expenses from the second quarter of 2009. The number of full-time positions was reduced from 12 854 to 12 363 during the period.

Estimated price and wage inflation from the third quarter of 2008 represented NOK 110 million. Total IT-related expenses rose by NOK 100 million, of which NOK 66 million was write-downs on IT investments in DnB NORD in connection with the downscaling of operations. The transition to operational leasing gave a NOK 57 million increase in costs.

The net effect of the cost programme, excluding restructuring expenses, was NOK 69 million from the third quarter of 2008. Adaptations to the sluggish market situation also brought down costs

during the period due to reductions in the number of branch offices and full-time positions.

Impairment losses for goodwill

At end-September 2009, recorded goodwill and intangible assets in the banking group's balance sheet were reviewed with respect to a possible decline in value. Impairment losses for goodwill of NOK 100 million relating to retail operations in Sweden were recorded in consequence of a new strategic direction for these operations.

Write-downs on commitments

Excluding DnB NORD, individual write-downs totalled NOK 756 million in the third quarter of 2009, up NOK 47 million from the second quarter of 2009 and NOK 358 million from the third quarter of 2008. There was a reduction in individual write-downs in most segments during the third quarter. Due to write-downs on a small number of individual commitments within shipping and in certain regions in Norway, there was nevertheless a slight increase in total write-downs.

Individual write-downs in DnB NORD came to NOK 948 million for the quarter, a reduction of NOK 195 million from the second quarter. DnB NORD's markets continued to experience problems during the quarter, though certain indicators suggest a modest recovery.

Annualised write-downs in Norwegian-related operations in the third quarter of 2009 represented approximately 0.29 per cent of the loan portfolio, while write-downs came to 4.62 per cent for DnB NORD. Normalised losses for the entire banking group were 0.42 per cent at end-September 2009.

Due to the serious international economic downturn, there was a rise in group write-downs in the third quarter. The effect of write-downs on loans in the income statement was NOK 572 million for the quarter, an increase from NOK 466 million in the second quarter, which partly reflected reduced shipping freight rates.

Commitments which are subject to individual write-downs, net impaired commitments, totalled NOK 15.9 billion at end-September 2009, up NOK 3.1 billion during the third quarter and NOK 9.9 billion from the third quarter of 2008. Net impaired commitments represented 1.4 per cent of lending volume as at 30 September 2009, an increase from 1.1 per cent at end-June 2009 and 0.54 per cent at end-September 2008. Non-performing commitments not subject to write-downs represented NOK 6.8 billion as at 30 September 2009, up NOK 6.0 billion from end-September 2008. Net non-performing commitments not subject to write-downs increased by NOK 1.4 billion from end-June to end-September 2009. Non-performing commitments not subject to write-downs represented 0.59 per cent of lending volume at end-September 2009, compared with 0.08 per cent a year earlier.

Taxes

The DnB NOR Bank Group's tax charge for the third quarter of 2009 was NOK 1 047 million. The relatively high tax charge for 2009 reflects the fact that losses carried forward in DnB NORD cannot be expected to be used within a reasonable time span. Impairment losses for goodwill are not tax-deductible and are not included in the tax calculation. The tax charge for the third quarter of 2009 represented 40.3 per cent of pre-tax operating profits.

Balance sheet and liquidity

Total assets in the banking group's balance sheet were NOK 1 645 billion at end-September 2009, an increase from NOK 1 456 billion a year earlier. Net lending to customers rose by NOK 14.2 billion or 1.3 per cent from end-September 2008. Customer deposits were up NOK 6.2 billion or 1.0 per cent during the same period.

The short-term financial markets are currently stable and sound. Access to funding has practically returned to normalised levels, and the pricing of short-term funding is only marginally higher than before the start of the financial turmoil. Nevertheless, investors in general still show little risk willingness, and strong emphasis continues to be placed on ratings. Due to the more normalised money

market situation, the level of money market rates is now closer to central bank rates, though there is still a larger differential than prior to the financial crisis. This reflects a generally low level of activity in the traditional, unsecured interbank markets and the fact that this activity has largely been replaced by funding backed by securities portfolios.

Long-term funding costs declined during the summer, but are still considerably higher than before the financial turmoil. During the third quarter, the DnB NOR Bank Group ensured long-term funding by availing itself of the Norwegian authorities' measures to stabilise the liquidity situation and by raising small-size loans in the private market to cover parts of next year's funding requirement.

In order to keep the DnB NOR Bank Group's liquidity risk at a low level, the banking group has decided that minimum 90 per cent of loans to customers should be financed through customer deposits, long-term securities, subordinated loan capital and equity. With respect to short-term funding, conservative limits have been set for refunding requirements. The banking group's ratio of deposits to net customer lending was 52.6 per cent at end-September 2009 and 52.7 per cent a year earlier. The ratio of deposits to lending in DnB NOR Bank ASA was 85.6 per cent as at 30 September 2009. In light of the financial crisis, the banking group aims to increase the ratio of deposits to lending in future.

Securities issued by the banking group increased by NOK 37.3 billion or 7.6 per cent from end-September 2008, totalling NOK 528.1 billion as at 30 September 2009. The average residual maturity of the portfolio of senior bonds was 3.0 years at end-September 2009, compared with 2.8 years a year earlier.

Risk and capital adequacy

The risk situation in the third quarter of 2009 showed some positive signs compared with preceding quarters. Due to the weak trend in the international economy, there were still large write-downs on loans. This was particularly the case in the Baltic States, where the banking group is exposed through DnB NORD. However, there were relatively large write-downs within shipping and acquisition financing. There were moderate losses in the portfolio of Norwegian-related loans, and the portfolio appears to be robust. Losses remained very low in the Norwegian retail market due to the low interest rate levels and the continued low level of unemployment in Norway. This can be partly explained by the extensive stimulus measures implemented by the Norwegian authorities.

The liquidity situation improved further during the third quarter, and the banking group had ample access to capital market funding. The capital markets are in the process of normalising.

The DnB NOR Bank Group quantifies risk by measuring risk-adjusted capital requirements. The net risk-adjusted capital requirement declined by NOK 3.6 billion during the third quarter, to NOK 60.0 billion. The table below shows developments in the risk-adjusted capital requirement:

	30 Sept. 2009	30 June 2009	31 Dec. 2008	30 Sept. 2008
<i>Amounts in NOK billion</i>				
Credit risk	55.7	57.6	59.2	50.7
Market risk	3.5	4.4	4.2	5.1
Operational risk	5.4	4.9	4.9	4.9
Business risk	3.4	3.3	2.8	2.8
Gross risk-adjusted capital requirement	68.0	70.2	71.1	63.4
Diversification effect ¹⁾	(8.0)	(6.6)	(6.9)	(7.9)
Net risk-adjusted capital requirement	60.0	63.6	64.1	55.5
Diversification effect in per cent of gross risk-adjusted capital requirement ¹⁾	11.8	9.4	9.8	12.5

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.

There was a reduction in the total risk-adjusted capital requirement for credit from the second quarter. Due to the marked strengthening of the Norwegian krone, there was a reduction in credit exposure measured in Norwegian kroner. In addition, the shift to new and more accurate models for calculating exposure at default resulted in a technical reduction. There was also a small decline in corporate lending volumes. On the other hand, macroeconomic developments caused impaired credit quality, especially within shipping and commercial property, which caused a rise in capital requirements. In spite of an increase in freight rates in some segments, the shipping industry is expected to have a high potential loss exposure for some time due to the slow recovery of the global economy. The downward revision in market values increases the risk for commercial property, though prices now seem to have stabilised. The banking group's commercial property loans are primarily granted based on cash flow analyses.

The large majority of Norwegian retail customers have floating-rate loans. The lower interest rate level has thus improved their debt servicing capacity and had a positive effect on housing prices. Housing prices continued to rise during the third quarter and have increased by approximately 16 per cent thus far in 2009.

Operational risk, based on the number of occurred incidents, increased somewhat during the quarter, but remained low. Fraud cases resulting in credit losses caused losses of some NOK 150 million for the quarter. The operational stability of the banking group's IT systems improved compared with previous years.

Risk-weighted volume included in the calculation of the formal capital adequacy requirement declined by NOK 48 billion during the quarter, to NOK 1 003 billion. The banking group's risk-weighted volume cannot be reduced below 80 per cent of the Basel I requirement in 2009. This limitation has had no significance in 2009. Including 50 per cent of interim profits, the core capital ratio was 8.0 per cent, while the capital adequacy ratio was 10.9 per cent.

Calculations have been made of the effect of full future implementation of the Basel II rules for all portfolios in the banking group apart from DnB NORD. The calculations show that the implementation would give a potential core capital ratio of 10.7 per cent at end-September.

Business areas

As of 1 July 2009, operations were restructured, whereby retail customers and small and medium-sized companies in Norway are now organised under the same business area, Retail Banking, while the largest corporate clients in Norway and international clients are served by the business area Large Corporates and International. The other business areas were not directly affected by the changes. Following the reorganisation, the banking group's business areas comprise Retail Banking, Large Corporates and International and DnB NOR Markets. In addition, DnB NORD, in which DnB NOR Bank ASA has a 51 per cent ownership interest, is regarded as a separate profit centre.

Retail Banking

The intention behind the establishment of Retail Banking, which is responsible for serving both private individuals and small and medium-sized businesses in Norway, is to increase interaction across these customer segments. The aim is to capitalise on DnB NOR's wide range of products and expert knowledge by acting in a coordinated manner, thus offering swift, customer-focused service. This will also be a less cost-intensive model than the previous organisational structure.

Retail Banking recorded pre-tax operating profits of NOK 1 765 million in the third quarter of 2009, up NOK 164 million from the corresponding period in 2008. Volumes showed a positive trend, and developments in non-performing commitments and write-downs were satisfactory.

	3rd quarter 2009	3rd quarter 2008	Change
<i>Income statement in NOK million</i>			
Net interest income	3 883	3 425	458
Other operating income	990	904	86
Total income	4 872	4 329	544
Operating expenses	2 648	2 385	264
Pre-tax operating profit before write-downs	2 224	1 944	280
Net gains on fixed assets	0	0	0
Net write-downs on loans	459	343	117
Pre-tax operating profit	1 765	1 601	164
<i>Average balance sheet items in NOK billion</i>			
Net lending to customers	719.1	673.1	46.0
Deposits from customers	371.7	358.5	13.3
<i>Key figures in per cent</i>			
Return on allocated capital ¹⁾	26.0	23.0	
Cost/income ratio	52.3	55.1	
Ratio of deposits to lending	51.7	53.3	

1) Calculated on the basis of allocated risk-adjusted capital.

Low interest rate levels contributed to continued brisk demand for housing loans during the third quarter of 2009. In the segment for small and medium-sized companies, lower activity levels resulted in more sluggish demand for financing, a lower volume of building loans and a reduction in drawdowns on overdraft facilities. The average total lending increased by 6.8 per cent from the third quarter of 2008.

Average deposit volumes showed a favourable trend, up 3.7 per cent from the third quarter of 2008, primarily due to a rise in deposits in the retail market. Covered bonds, based on home mortgages in DnB NOR Boligkreditt, represented an important source of funding, supplementing customer deposits. At end-September 2009, 84 per cent of Retail Banking's lending volume was funded by deposits and covered bonds.

Due to stable money market rates combined with the effect of previously approved interest rate adjustments, there was a rise in margin income. The weighted interest rate spread, defined as total margin income on loans and deposits relative to average loans and deposits, was 1.32 per cent in the third quarter of 2009, up 0.18 percentage points from the third quarter of 2008. The widening spreads helped cover higher funding costs and guarantee fund levies.

There was a rise in net other operating income, reflecting higher income from payment services and real estate broking in Norway.

Impairment losses for goodwill relating to Svensk Fastighetsförmedling of SEK 120 million were recorded, corresponding to NOK 100 million, due to a new strategy in the Swedish retail market. Excluding impairment losses for goodwill, operating expenses increased by NOK 164 million or 6.9 per cent from the third quarter of 2008, reflecting a rise in IT development costs, general wage inflation and the transfer of financial advisers from Norway Post to the banking group with accounting effect from the first quarter of 2009. The establishment of Retail Banking entailed a reduction in staff functions and management levels. In addition, other streamlining measures resulting from the banking group's cost programme will help curb cost growth. Retail Norway's staff numbered 5 228 full-time positions at end-September 2009.

The quality of the loan portfolio remained sound. Net write-downs on loans relative to average net customer lending were at a low level, increasing on an annual basis from 0.20 per cent in the third quarter of 2008 to 0.25 per cent in the third quarter of 2009. Net impaired commitments were NOK 5.0 billion at end-September 2009, declining by NOK 0.8 billion during the third quarter. The corresponding figure at end-September 2008 was NOK 4.0 billion.

The market share of credit to wage earners was 28.4 per cent at end-August 2009, on a level with the figure a year earlier. The market share of total savings from wage earners was 34.7 per cent.

Retail Banking has approximately 500 000 users of SMS services, with account balance and alert services being the most widely used. At the beginning of October, new alert services which have been much in demand among corporate customers were introduced.

Norway has fared better through the economic downturn than most other countries, and the situation is not expected to change markedly through the remainder of the year. Interest rate levels are expected to remain low throughout 2009. Housing loans will account for a rise in lending, while corporate lending is expected to continue to be stable. Sound profit prospects for 2009 are anticipated.

Large Corporates and International

Large Corporates and International is responsible for serving the banking group's largest Norwegian and international customers and continues to focus on strong industry knowledge in selected areas.

The business area showed healthy performance in the third quarter of 2009 under challenging market conditions. Pre-tax operating profits of NOK 1 311 million were recorded, a reduction of NOK 307 million from the year-earlier period.

	3rd quarter 2009	3rd quarter 2008	Change
<i>Income statement in NOK million</i>			
Net interest income	1 509	1 561	(52)
Other operating income	516	581	(65)
Total income	2 025	2 142	(117)
Operating expenses	417	469	(52)
Pre-tax operating profit before write-downs	1 608	1 673	(66)
Net gains on fixed assets	0	0	0
Net write-downs on loans	297	55	241
Pre-tax operating profit	1 311	1 618	(307)

Average balance sheet items in NOK billion

	3rd quarter 2009	3rd quarter 2008	Change
Net lending to customers	367.3	331.9	35.4
Deposits from customers	232.4	193.9	38.5

Key figures in per cent

	3rd quarter 2009	3rd quarter 2008	Change
Return on allocated capital ¹⁾	12.3	18.6	
Cost/income ratio	20.6	21.9	
Ratio of deposits to lending	63.3	58.4	

1) Calculated on the basis of allocated risk-adjusted capital.

Credit demand in the third quarter of 2009 was on a level with the previous quarter. The average lending volume declined by 4.0 per cent from the second to the third quarter, mainly due to the strengthening of the Norwegian krone. Compared with the third quarter of 2008, average lending rose by 10.7 per cent. Adjusted for exchange rate movements, mainly in euro and US dollar, there was a 1.8 per cent rise during the same period.

Average deposits showed a stable trend through the third quarter of 2009, increasing by 19.9 per cent compared with the year-earlier period. The ratio of deposits to lending was up 4.9 percentage points from the third quarter of 2008 and 3.1 percentage points from the second quarter of 2009.

Measured against the money market rate, average lending spreads in the third quarter of 2009 were 1.38 per cent, up 0.39 percentage points from the third quarter of 2008 and 0.14 percentage points from the second quarter of 2009. There was a rise in lending spreads in all segments. The widening spreads helped compensate for the increase in funding costs and higher guarantee fund levies.

A reduction in money market rates and strong competition for deposits resulted in narrowing deposit spreads from the third quarter of 2008 to the corresponding period in 2009. Relative to the money market rate, average deposit spreads were reduced by 0.13 percentage points to 0.14 per cent during the period.

The decline in other operating income from the third quarter of 2008 was partly due to a reduction in income from equities and lower

income from foreign exchange and interest rate products.

There was an 11.0 per cent reduction in operating expenses from the third quarter of 2008, while the decline was 4.1 per cent from the second to the third quarter of 2009. At end-September 2009, staff in the business area represented 1 058 full-time positions, including 588 positions in international units.

The quality of the loan portfolios remained sound, but was somewhat reduced due to the economic downturn. An increasing number of corporate customers experienced a more challenging market situation due to the economic situation, and a higher share of customers are expected to feel the consequences of the cyclical fluctuations.

Annualised write-downs on loans relative to average net customer lending increased by 0.07 per cent from the third quarter of 2008, standing at 0.32 per cent, while there was a reduction from 0.42 per cent in the second quarter of 2009. Net impaired commitments were NOK 5.0 billion at end-September 2009, rising by NOK 0.2 billion during the third quarter. The corresponding figure at end-September 2008 was NOK 0.5 billion.

Large Corporates and International will build on its sound professional skills to find good solutions for its customers, offering close follow-up and strong support. Priority will be given to strong, long-term and profitable customer relations. Credit demand is expected to stay low during the remainder of 2009, coupled with pressure on deposit spreads.

DnB NOR Markets

DnB NOR Markets achieved healthy profits in the July through September period in 2009, with an increase in customer-related income and healthy income from market making and other proprietary trading. Pre-tax operating profits totalled NOK 1 120 million, down from NOK 1 447 million in the year-earlier period.

	3rd quarter 2009	3rd quarter 2008	Change
<i>Income statement in NOK million</i>			
FX, interest rate and commodity derivatives	281	381	(99)
Investment products	218	105	113
Corporate finance	173	144	28
Securities services	43	71	(28)
Total customer revenues	715	702	13
Market making/trading revenues	832	1 092	(260)
Interest income on allocated capital	28	79	(52)
Total income	1 575	1 873	(298)
Operating expenses	455	426	29
Pre-tax operating profit before write-downs	1 120	1 447	(327)
Net gains on fixed assets	0	0	0
Net write-downs on loans	0	0	0
Pre-tax operating profit	1 120	1 447	(327)
<i>Key figures in per cent</i>			
Return on allocated capital ¹⁾	58.2	85.1	
Cost/income ratio	28.9	22.8	

1) Calculated on the basis of allocated risk-adjusted capital.

Customer-related income increased by 1.9 per cent from the third quarter of 2008, from NOK 702 million to NOK 715 million.

Customer-related income from foreign exchange and interest rate and commodity derivatives declined in consequence of a lower level of economic activity. The recession has resulted in less activity within investments, financing, exports and imports and reduced demand for hedging products.

Customer-related income from the sale of securities and other investment products more than doubled compared with the third quarter of 2008. A high level of activity within bond brokerage generated healthy income. Income from trading in equities and equity derivatives remained at a satisfactory level, in spite of lower trading

volumes on Oslo Børs. DnB NOR Markets has been the largest brokerage house on Oslo Børs through 2009, also within equities. During the third quarter, DnB NOR Markets established a separate unit for equities sales in Singapore to complement the existing equity research unit.

A higher level of activity within share issues and mergers and acquisitions boosted customer-related income for Corporate Finance. Among other things, DnB NOR Markets acted as global coordinator and joint bookrunner for the share and bond issue of the Renewable Energy Corporation (REC). In Asia, DnB NOR Markets received the Leasing Deal of the Year Award presented by the Marine Money magazine.

The decline in customer revenues from securities services reflects lower market values and interest rate levels, increased pressure on prices and a lower level of activity within custodial services. The level of activity within securities financing picked up during the July through September period. In the third quarter, the Global Custodian magazine ranked DnB NOR as the best provider of custody services for international clients in the Norwegian market.

Earnings from market making and other proprietary trading totalled NOK 832 million, a NOK 260 million reduction from the year-earlier period. Extraordinary fluctuations in interest rates and exchange rates had an impact on income in 2008, and the decline in 2009 reflects a normalisation of the market situation.

Developments in the equity, credit, commodity, currency and interest rate markets will continue to be decisive for the business area's future performance.

DnB NORD

DnB NORD's performance strongly reflected the economic downturn in the Baltic region, resulting in large write-downs on loans also in the third quarter. DnB NORD recorded a pre-tax operating loss of NOK 951 million in the third quarter of 2009, compared with a loss of NOK 45 million in the year-earlier period.

	3rd quarter 2009	3rd quarter 2008	Change
<i>Income statement in NOK million</i>			
Net interest income	376	433	(57)
Other operating income	156	164	(8)
Total income	532	597	(65)
Operating expenses	439	400	39
Pre-tax operating profit before write-downs	93	197	(104)
Net gains on fixed assets	(4)	9	(12)
Net write-downs on loans	1 041	250	791
Pre-tax operating profit	(951)	(45)	(907)
<i>Average balance sheet items in NOK billion</i>			
Net lending to customers	81.9	78.6	3.3
Deposits from customers	21.5	22.9	(1.3)
<i>Key figures in per cent</i>			
Return on allocated capital ¹⁾	(38.7)	(2.1)	
Cost/income ratio	82.0	67.1	
Ratio of deposits to lending	26.3	29.1	

1) Calculated on the basis of allocated risk-adjusted capital.

There was a rise in average lending compared with the third quarter of 2008, though growth has slowed during 2009. During the first nine months of the year, customer lending was down NOK 20 billion or 20.7 per cent measured in Norwegian kroner, corresponding to an 8.5 per cent reduction in euro.

Falling interest rate levels, rising funding costs and strong competition for deposits caused a reduction in net interest income compared with the third quarter of 2008.

DnB NORD is closely monitoring cost developments, and excluding write-downs on IT investments in connection with the downscaling of activities, operating expenses were brought down by

6.8 per cent compared with the third quarter of 2008. The number of full-time positions was reduced by 294 from end-December 2008, to 3 303 at end-September 2009.

Write-downs on loans totalled NOK 1 041 million in the third quarter of 2009, with NOK 949 million representing individual write-downs and NOK 92 million group write-downs. Relative to average lending during the period, the annual level of individual write-downs was 4.62 per cent, while total write-downs represented 5.04 per cent. During the third quarter of 2008, total write-downs represented 1.26 per cent of lending on an annual basis. The majority of the write-downs referred to operations in Lithuania and Latvia at NOK 516 million and NOK 351 million, respectively, for the quarter. There was a rising level of non-performing loans in the Baltic region, representing 19.2 per cent of total lending at end-September, up from 10.5 per cent at end-June 2009. Net impaired commitments were NOK 5.9 billion at end-September 2009, rising by NOK 3.7 billion during the third quarter. The corresponding figure at end-September 2008 was NOK 1.5 billion.

In the future, DnB NORD will focus on its Eastern European core markets Estonia, Latvia, Lithuania and Poland, where the bank has a strong market position and a possible long-term growth potential.

The Baltic States have experienced a serious economic cool-down over the past few quarters. DnB NORD expects a high level of write-downs in the region for some time and will concentrate on consolidating operations, following up high-risk commitments and improving cost efficiency.

Latvia is one of the European countries that has been most seriously affected by the economic downturn, with a 17.3 per cent reduction in GDP in the second quarter of 2009 compared with the year-earlier period. There is still a risk of devaluation. However, after negotiations with the International Monetary Fund, the EU and Sweden, the Latvian government has raised an emergency loan of EUR 7.5 billion to avoid defaulting on its foreign debt.

The economic situation is more favourable in Poland, and DnB NORD will continue to develop products and services for retail customers in this market.

Macroeconomic developments

After the steep downturn towards the end of last year, which continued into the first quarter of 2009, the economic situation in industrialised countries looks brighter. Extensive measures in the financial markets and the significant monetary and fiscal policy stimulus employed to reduce the effects of the financial crisis have contributed to practically halting the fall in GDP. There were several signs of improvement in the third quarter. The international financial markets are functioning better and the future outlook for companies and households is more positive. Companies in many countries now need to increase production after a considerable reduction in stock levels during the winter. There could thus be moderate growth in global manufacturing production over the coming months. For the second time this year, the OECD has adjusted upwards the estimates for economic growth in member countries in 2009, but also draws attention to a number of factors which indicate that it will take some time before economic growth will regain momentum. In certain areas, for example in the Baltic States, there continue to be considerable economic challenges.

In Norway, the decline in investments and exports of traditional goods halted during the third quarter, whereas both households' private consumption and government spending increased. According to the most recent statistics from the second quarter, there was a decline in investment in the oil industry, though there has been a steep rise in total investment over the last few quarters. Activity levels continued to pick up during the third quarter and Norwegian households are more optimistic. The strong growth in private consumption continued in July and the trend in August was also positive. There has been a continuous increase in housing prices since end-December 2008. In addition, exports of traditional goods and manufacturing production have levelled off in recent months after a significant decline in the past year. The outlook for the labour market

is also more positive. Employment levels have remained relatively stable in recent months and the increase in unemployment has significantly slowed down.

Future prospects

There is still great uncertainty surrounding future economic developments, but there are now several signs indicating that the negative trend may be about to reverse. So far, on account of Norway's strong economic position, the Norwegian economy has been better insulated from the financial crisis than many other countries. In DnB NOR's primary market in the Baltic region, the possibility of continued high write-downs cannot be ruled out. In addition, the future outlook for the shipping industry and commercial property remains uncertain. A main challenge for the banking group will be to follow up problem commitments in cooperation with customers.

The planned share capital increase in DnB NOR ASA will better equip the DnB NOR Group to pursue future market opportunities. The transaction will make the the Group and the banking group well positioned to meet future capital requirements in the financial sector while enabling the banking group to meet the future financing needs of its customers. The capital increase will also make it possible to capitalise on new profitable business opportunities within the current strategy.

A prolonged period of low interest rates will put pressure on interest income parallel to a narrowing in deposit spreads due to increasing competition for deposits. Lending spreads are expected to be maintained at minimum current levels.

Anticipated relatively low interest rate levels over several quarters, are likely to result in greater demand for alternative savings products. DnB NOR has a broad range of products to meet such demand, and together with the Group's large customer base and cross-sales opportunities this gives a significant income potential. However, other operating income is still expected to vary a great deal as a result of mark-to-market adjustments in unstable financial markets.

The banking group will seek to reinforce its position as the strongest financial services group in the Norwegian market. Approximately 80 per cent of DnB NOR's activities are currently based in Norway. Continual efforts are being made to enhance the Group's corporate image and customer satisfaction scores. In the short term, international growth ambitions have been toned down.

The implementation of streamlining measures is continuing at full pace. The realisation of the 'One Group' concept, entailing the centralisation and standardisation of a number of group functions, will give cost savings with a total annualised effect of NOK 2 billion for DnB NOR by the end of 2012. Adjusting Group operations to changes in the market situation will also have cost-saving effects.

DnB NOR has a good chance to strengthen profits through selective growth. Together with the capital increase, this will give the DnB NOR Group and the banking group a sound capital base to meet future challenges. The 2010 target of NOK 20 billion in pre-tax operating profits before write-downs remains firm, and previous estimates for write-downs are unchanged.

Oslo, 21 October 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)

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Income statement

DnB NOR Bank ASA						
Amounts in NOK million	Note	3rd quarter 2009	3rd quarter 2008	January-September 2009	January-September 2008	Full year 2008
Total interest income	5	10 084	18 343	35 354	51 440	70 478
Total interest expenses	5	6 108	13 736	23 682	38 859	53 373
Net interest income	5	3 976	4 607	11 672	12 582	17 105
Commissions and fees receivable etc.	6	1 329	1 289	3 769	4 075	5 274
Commissions and fees payable etc.	6	454	463	1 323	1 407	1 878
Net gains on financial instruments at fair value	6, 7	1 892	1 064	6 534	1 258	1 626
Profit from companies accounted for by the equity method	6	0	0	0	0	0
Other income	6	393	279	1 127	787	1 695
Net other operating income	6	3 159	2 169	10 107	4 714	6 716
Total income		7 135	6 776	21 779	17 295	23 821
Salaries and other personnel expenses	8, 9	1 593	1 633	4 908	4 649	6 306
Other expenses	8	1 177	1 211	3 771	3 721	5 013
Depreciation and write-downs of fixed and intangible assets	8	210	79	690	246	465
Total operating expenses	8	2 979	2 924	9 369	8 616	11 784
Net gains on fixed and intangible assets		0	5	3	45	47
Write-downs on loans and guarantees	10	1 145	370	2 667	676	1 586
Pre-tax operating profit		3 011	3 486	9 746	8 049	10 499
Taxes		1 027	976	3 346	2 127	2 889
Profit from discontinuing operations after taxes		0	0	0	0	0
Profit for the period		1 985	2 510	6 400	5 922	7 610

Comprehensive income statement according to IAS 1 ¹⁾

DnB NOR Bank ASA					
Amounts in NOK million	3rd quarter 2009	3rd quarter 2008	January-September 2009	January-September 2008	Full year 2008
Profit for the period	1 985	2 510	6 400	5 922	7 610
Exchange differences arising from the translation of foreign operations	(324)	253	(469)	141	434
Comprehensive income for the period	1 660	2 763	5 930	6 063	8 044

1) The table is adjusted in accordance with the revised IAS 1 as from 1 January 2009. See note 1 Accounting principles.

Balance sheet

		DnB NOR Bank ASA		
Amounts in NOK million	Note	30 Sept. 2009	31 Dec. 2008	30 Sept. 2008
Assets				
Cash and deposits with central banks		26 819	47 705	42 544
Lending to and deposits with credit institutions		250 385	245 652	216 137
Lending to customers	11, 12	666 560	824 223	805 129
Commercial paper and bonds	13	301 214	82 058	33 665
Shareholdings	14	9 994	9 317	10 718
Financial derivatives		85 999	137 751	77 219
Commercial paper and bonds, held to maturity	13	105 569	100 278	88 008
Investment property		0	0	0
Investments in associated companies		1 027	1 069	1 060
Investments in subsidiaries		28 254	19 192	16 512
Intangible assets	15	2 221	2 173	2 091
Deferred tax assets		9	10	9
Fixed assets		814	844	809
Discontinuing operations		0	0	0
Other assets		23 061	5 941	7 623
Total assets		1 501 925	1 476 214	1 301 524
Liabilities and equity				
Loans and deposits from credit institutions		288 132	147 371	132 622
Deposits from customers		570 419	570 312	562 457
Financial derivatives		81 040	119 168	67 920
Securities issued	16	426 059	507 680	404 258
Payable taxes		3 109	215	2 109
Deferred taxes		3 822	3 734	1 079
Other liabilities		11 198	10 608	20 110
Provisions		4 454	4 299	4 438
Subordinated loan capital	16	38 544	43 612	39 296
Total liabilities		1 426 778	1 406 998	1 234 289
Minority interests		0	0	0
Share capital		17 514	17 514	17 514
Share premium reserve		12 695	12 695	12 695
Other equity		44 938	39 007	37 026
Total equity		75 147	69 217	67 236
Total liabilities and equity		1 501 925	1 476 214	1 301 524
Off-balance sheet transactions and contingencies	20			

Income statement

		DnB NOR Bank Group				
		3rd quarter	3rd quarter	January-September		Full year
<i>Amounts in NOK million</i>		2009	2008	2009	2008	2008
	Note					
Total interest income	5	13 427	21 589	46 229	59 825	82 741
Total interest expenses	5	7 573	15 731	28 792	43 790	60 406
Net interest income	5	5 854	5 857	17 437	16 034	22 335
Commissions and fees receivable etc.	6	1 591	1 521	4 508	4 779	6 236
Commissions and fees payable etc.	6	491	502	1 423	1 512	2 021
Net gains on financial instruments at fair value	6, 7	1 957	1 602	5 129	2 244	3 430
Profit from companies accounted for by the equity method	6	(284)	(377)	142	(568)	632
Other income	6	400	373	1 116	1 167	1 569
Net other operating income	6	3 172	2 618	9 472	6 110	9 847
Total income		9 026	8 475	26 909	22 144	32 182
Salaries and other personnel expenses	8, 9	2 137	2 140	6 517	6 160	8 299
Other expenses	8	1 516	1 523	4 778	4 657	6 348
Depreciation and write-downs of fixed and intangible assets	8	497	245	1 416	707	1 296
Total operating expenses	8	4 151	3 909	12 711	11 524	15 942
Net gains on fixed and intangible assets		(4)	13	7	47	52
Write-downs on loans and guarantees	10	2 277	725	6 193	1 195	3 509
Pre-tax operating profit		2 595	3 854	8 012	9 471	12 784
Taxes		1 047	1 041	2 759	2 430	3 568
Profit from discontinuing operations after taxes		0	0	0	0	0
Profit for the period		1 548	2 814	5 252	7 041	9 215
Profit attributable to shareholders		1 955	2 833	6 378	6 932	9 508
Profit attributable to minority interests		(408)	(20)	(1 126)	109	(293)

Comprehensive income statement according to IAS 1 ¹⁾

		DnB NOR Bank Group				
		3rd quarter	3rd quarter	January-September		Full year
<i>Amounts in NOK million</i>		2009	2008	2009	2008	2008
Profit for the period		1 548	2 814	5 252	7 041	9 215
Exchange differences arising from the translation of foreign operations		(491)	344	(1 016)	257	929
Comprehensive income for the period		1 057	3 158	4 237	7 299	10 144
Comprehensive income attributable to shareholders		546	3 071	4 773	7 064	9 885
Comprehensive income attributable to minority interests		511	87	(536)	234	259

1) The table is adjusted in accordance with the revised IAS 1 as from 1 January 2009. See note 1 Accounting principles.

Balance sheet

		DnB NOR Bank Group		
Amounts in NOK million	Note	30 Sept. 2009	31 Dec. 2008	30 Sept. 2008
Assets				
Cash and deposits with central banks		29 899	51 147	45 792
Lending to and deposits with credit institutions		67 382	54 187	44 189
Lending to customers	11, 12	1 146 949	1 206 842	1 132 757
Commercial paper and bonds	13	177 340	58 219	37 288
Shareholdings	14	10 361	9 642	11 056
Financial derivatives		84 662	136 567	75 368
Commercial paper and bonds, held to maturity	13	105 569	100 278	88 008
Investment property		584	167	175
Investments in associated companies		2 599	2 499	1 295
Investments in subsidiaries		-	-	-
Intangible assets	15	6 224	6 105	5 869
Deferred tax assets		239	253	172
Fixed assets		5 588	5 271	4 293
Discontinuing operations		168	246	249
Other assets		7 113	6 781	9 608
Total assets		1 644 677	1 638 205	1 456 119
Liabilities and equity				
Loans and deposits from credit institutions		297 129	178 834	161 641
Deposits from customers		603 422	606 915	597 173
Financial derivatives		67 545	93 207	60 359
Securities issued	16	528 124	614 183	490 871
Payable taxes		2 515	317	2 419
Deferred taxes		5 175	5 054	1 892
Other liabilities		13 599	12 380	22 402
Provisions		4 801	4 607	4 942
Subordinated loan capital	16	39 940	45 225	40 676
Total liabilities		1 562 249	1 560 721	1 382 375
Minority interests		3 265	4 211	3 287
Share capital		17 514	17 514	17 514
Share premium reserve		13 411	13 411	13 411
Other equity		48 237	42 346	39 531
Total equity		82 428	77 483	73 744
Total liabilities and equity		1 644 677	1 638 205	1 456 119
Off-balance sheet transactions and contingencies	20			

Statement of changes in equity

DnB NOR Bank ASA				
Amounts in NOK million	Share capital	Share premium reserve	Other equity	Total equity
Balance sheet as at 31 December 2007	17 514	12 695	30 964	61 173
Comprehensive income for the period			6 063	6 063
Balance sheet as at 30 September 2008	17 514	12 695	37 026	67 236
Balance sheet as at 31 December 2008	17 514	12 695	39 007	69 217
Comprehensive income for the period			5 930	5 930
Balance sheet as at 30 September 2009	17 514	12 695	44 938	75 147
<i>Of which currency translation reserve :</i>				
Balance sheet as at 31 December 2007			(248)	(248)
Comprehensive income for the period			141	141
Balance sheet as at 30 September 2008			(107)	(107)
Balance sheet as at 31 December 2008			185	185
Comprehensive income for the period			(469)	(469)
Balance sheet as at 30 September 2009			(284)	(284)

DnB NOR Bank Group					
Amounts in NOK million	Minority interests	Share capital	Share premium reserve	Other equity	Total equity
Balance sheet as at 31 December 2007 ¹⁾	2 662	17 514	13 411	32 480	66 068
Comprehensive income for the period ¹⁾	234			7 064	7 299
Net dividends/group contribution paid for 2007					0
Minority interests DnB NORD ²⁾	406			(13)	393
Other minority interests	(15)				(15)
Balance sheet as at 30 September 2008 ¹⁾	3 287	17 514	13 411	39 531	73 744
Balance sheet as at 31 December 2008 ¹⁾	4 211	17 514	13 411	42 346	77 483
Comprehensive income for the period ¹⁾	(1 662)			5 899	4 237
Minority interests DnB NORD ²⁾	710				710
Other minority interests	6			(8)	(2)
Balance sheet as at 30 September 2009 ¹⁾	3 265	17 514	13 411	48 237	82 428

1) *Of which currency translation reserve :*

Balance sheet as at 31 December 2007	(28)		(206)	(234)
Comprehensive income for the period	125		132	257
Balance sheet as at 30 September 2008	98		(74)	23
Balance sheet as at 31 December 2008	524		170	695
Comprehensive income for the period	(536)		(480)	(1 016)
Balance sheet as at 30 September 2009	(12)		(310)	(321)

2) *Minority interests DnB NORD :*

NORD/LB's share of capital increase in DnB NORD Denmark	408
Other movements	(3)
Movements January-September 2008	406
NORD/LB's share of capital increase in DnB NORD Denmark	832
Purchase of minority shares in Lithuania	(122)
Movements January-September 2009	710

Cash flow statement

DnB NOR Bank ASA				DnB NOR Bank Group		
Full year 2008	January-September 2008 2009			January-September 2009	2008	Full year 2008
			Amounts in NOK million			
			Operations			
(7 482)	(35 579)	107 350	Net receipts/payments on loans to customers	(3 702)	(135 878)	(152 300)
38 198	36 030	13 804	Net receipts on deposits from customers	13 085	38 781	42 427
51 882	38 078	23 075	Interest received from customers	37 977	51 723	71 823
(24 112)	(17 647)	(9 405)	Interest paid to customers	(10 130)	(18 437)	(25 220)
(49 460)	4 942	(238 172)	Net receipts/payments on the sale/aquisition of financial assets for investment or trading	(102 447)	7	(28 759)
3 398	2 638	2 383	Net receipts on commissions and fees	3 022	3 237	4 217
(8 821)	(5 754)	(9 748)	Payments to operations	(12 363)	(8 201)	(12 148)
(386)	(352)	(316)	Taxes paid	(529)	(791)	(927)
1 692	683	1 159	Other receipts	1 149	1 063	1 566
4 909	23 040	(109 870)	Net cash flow relating to operations	(73 939)	(68 495)	(99 322)
			Investment activity			
(462)	(131)	(709)	Net payments on the acquisition of fixed assets	(1 964)	(1 585)	(3 351)
50	65	478	Receipts on the sale of long-term investments in shares	478	133	133
(6 993)	(4 345)	(10 058)	Payments on the acquisition of long-term investments in shares	0	(2 569)	(2 721)
144	126	158	Dividends received on long-term investments in shares	118	129	147
(7 261)	(4 285)	(10 131)	Net cash flow relating to investment activity	(1 369)	(3 892)	(5 792)
			Funding activity			
(46 802)	(30 817)	162 741	Net receipts/payments on loans to/from credit institutions	108 801	18 862	12 969
(198)	9 560	(15 856)	Net receipts/payments on other short-term liabilities	1 115	10 577	10 976
104 901	50 772	(48 938)	Net issue of bonds and commercial paper	(41 681)	100 723	151 691
8 030	8 229	0	Issue of subordinated loan capital	0	8 854	8 747
(3 196)	(3 199)	0	Redemptions of subordinated loan capital	0	(3 199)	(3 196)
(379)	(1 262)	647	Dividend/group contribution payments/ receipts	0	(1 807)	(1 807)
(19 054)	(14 023)	(6 395)	Net interest payments on funding activity	(15 016)	(23 645)	(32 990)
43 302	19 259	92 199	Net cash flow from funding activity	53 220	110 364	146 390
40 950	38 014	(27 802)	Net cash flow	(22 088)	37 977	41 276
23 819	23 819	64 769	Cash as at 1 January	56 795	15 520	15 520
40 950	38 014	(27 802)	Net receipts/payments of cash	(22 088)	37 977	41 276
64 769	61 833	36 968	Cash at end of period ¹⁾	34 708	53 497	56 795
			*) Of which:			
47 705	42 544	26 819	Cash and deposits with central banks	29 899	45 792	51 147
17 064	19 289	10 149	Deposits with credit institutions with no agreed period of notice ¹⁾	4 809	7 704	5 648

1) 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 period. 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.

Note 1 Accounting principles

The second quarter accounts 2009 have been prepared according to IAS 34 Interim Financial Reporting. A description of the accounting principles applied by the banking group is found in the annual report for 2008. The annual and interim accounts are prepared according to IFRS principles as approved by the EU. The banking group's accounting principles and calculation methods are essentially the same as those used in the annual report for 2008. New or amended standards which have an impact on the accounts of the DnB NOR Bank Group as from 1 January 2009 are described below.

IAS 1 – Presentation of Financial Statements (revised)

The banking group has applied the revised IAS 1 with effect from 1 January 2009. The implementation has resulted in changes in the bank and the banking group's statement of changes in equity and income statement. According to the revised standard, the statement of changes in equity shall only show details on transactions with owners. Other transactions recognised directly in equity should be presented on a separate line in the statement of changes in equity. In the income statement, these transactions should be shown in a statement of comprehensive income according to IAS 1 below the income statement.

Note 2 Important accounting estimates and discretionary assessments

When preparing the accounts of the bank and the banking group, management makes estimates and discretionary assessments and prepares assumptions that influence the effect of the accounting principles applied and thus the recorded values of assets and liabilities, income and expenses. A more detailed account of important estimates and assumptions is presented in note 2 Important accounting estimates and discretionary assessments in the annual report for 2008.

When calculating the fair value of margin-based loans in Norwegian kroner, the registered portfolio margin is measured against an estimated margin requirement at the end of the period. The difference between the estimated margin requirement and the registered margin represents a change in fair value, which is calculated by discounting the estimated margin loss. The discount period represents the expected time to the repricing of the portfolio. With effect from the first quarter of 2009, the margin requirement is calculated based on the bank's product profitability system. The margin requirement represents the bank's actual marginal funding costs, estimated operating expenses and risk costs (normalised losses and the cost of capital) based on the banking group's total risk model.

Note 3 Changes in group structure

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. A corresponding assessment in July 2009 resulted in additional payments to former shareholders of SEK 29 million.

Nordisk Tekstil Holding Group

On 26 August 2009, DnB NOR Bank ASA took over the shares in Nordisk Tekstil Holding AS as part of the restructuring of the bank's commitment with the company. Nordisk Tekstil Holding AS owns 100 per cent of Kid Interiør AS and Kid Logistikk AS and 50 per cent of Kid Skeidar AS. The bank will seek to further develop the group, aiming for a future sale of these operations, but expects to retain ownership for several years, which means that a consolidation obligation exists.

As the company's owner, DnB NOR will continue the operations of Kid Interiør, which has 109 outlets and more than 900 employees. Kid Interiør has a dominant position in the Norwegian home textile market and had a total turnover of just over NOK 860 million in 2008.

The Nordisk Tekstil Holding Group was taken over at the price of NOK 1. At the time of the acquisition, the company's recorded equity was negative at NOK 663 million. Prior to the take-over, DnB NOR Bank ASA's exposure to the Nordisk Tekstil Holding Group was written down by NOK 384 million, which is included as an excess value under loans and deposits from credit institutions in the acquisition analysis below. The fair value of interest rate swaps entered into by the group was NOK 21 million lower than book value. Other excess values of NOK 559 million have been allocated to the Kid brand. The value of the brand will be subject to periodic impairment testing. Deferred taxes in the analysis represent taxation of the identified excess values. No excess values have been identified in the group's inventory, supplier contracts or leases. As the take-over took place relatively late in the third quarter, the acquisition analysis is preliminary.

The Nordisk Tekstil Holding Group recorded a NOK 77 million loss for the January through August period, which equalled financial expenses. Other operating income was NOK 296 million, while operating expenses were NOK 297 million.

Note 3 Changes in group structure (continued)

Preliminary acquisition analysis Nordisk Tekstil Holding Group

Amounts in NOK million

DnB NOR Bank Group

26 August 2009

Cost price	
Purchase of shares, 100 per cent	0
Cost price	0
Excess of cost over book value	
Cost price	0
Equity capital	(663)
Excess of cost over book value	663
Allocation of excess values	
Fair value adjustment loans from DnB NOR Bank ASA	384
Fair value adjustment financial derivatives	(21)
Fair value of brand	559
Identified excess values	921
Deferred taxes	258
Excess of cost over book value	663

Balance sheet

	DnB NOR Bank Group	Nordisk Tekstil Holding Group
	Recorded value of Nordisk Tekstil Holding Group on the acquisition date 26 August 2009	(acc. to IFRS) immediately before the acquisition date

Amounts in NOK million

Assets		
Lending to and deposits with credit institutions	40	40
Intangible assets	887	328
Other assets	195	195
Total assets	1 122	563
Liabilities and equity		
Loan and deposits from credit institutions	743	1 127
Deferred taxes	258	0
Other liabilities	121	100
Equity	0	(663)
Total liabilities and equity	1 122	563

DnB NOR Næringskreditt

DnB NOR Næringskreditt is 100 per cent owned by DnB NOR Bank ASA. The mortgage institution was established to issue covered bonds secured by a cover pool comprising commercial property and is instrumental in the bank's asset and liability management as a source of short and long-term funding. The bonds will be used in swap schemes with the Norwegian government, as collateral for central banks loans or sold in the market.

The company started operations in the third quarter of 2009, and loans with a total value of NOK 2.8 billion were thus transferred from DnB NOR Bank ASA to the company. The transfers are made in agreement with the customers. The portfolio will be diversified with respect to property types, sizes and locations. Like DnB NOR Boligkreditt, DnB NOR Næringskreditt will purchase management and administrative services from DnB NOR Bank ASA.

Note 4 Segments

Business areas

The operational structure of the DnB NOR Bank Group includes three 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 Group, as well as the products offered. In the third quarter of 2009, the DnB NOR Bank Group's business areas comprised Retail Banking, Large Corporates and International and DnB NOR Markets. As of 1 July 2009, operations were reorganised, whereby private individuals and small and medium-sized companies in Norway will be served by the same business area, Retail Banking, while the largest corporate clients in Norway and international clients will be served by the business area Large Corporates and International. Figures for previous periods have been restated. The other business areas were not directly affected by the change. In addition, DnB NORD, in which the DnB NOR Bank Group has a 51 per cent ownership interest, is regarded as a separate profit centre.

- | | |
|------------------------------------|---|
| Retail Banking | - offers a broad range of financial products and services through several brands and a wide distribution network. In cooperation with several of the Bank Group's product areas, customers are offered various financing and leasing, deposit and investment alternatives, as well as insurance, real estate broking and financial advisory services. In addition, extensive everyday banking services are provided through the Internet bank, mobile banking, SMS services, branch offices, in-store banking outlets, in-store postal outlets and Norway Post. |
| Large Corporates and International | <p>- offers a broad range of financial products and services to large Norwegian and international corporates in cooperation with several of the Group's product</p> <p>- areas, including various types of financing solutions, deposits and investments, insurance, e-commerce products, commercial property brokerage, foreign currency, interest rate products, trade finance and corporate finance services.</p> |
| DnB NOR Markets | - the key products include foreign exchange, interest rate and commodity products, securities and other investment products, debt and equity financing in capital markets, research and advisory services, as well as custodial and other securities services. |
| DnB NORD | - provides a broad range of products to both the retail and corporate markets. |

The income statement and balance sheet for the 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 Bank Group's management model and the Group's accounting principles. The figures have been restated in accordance with the Group's current principles for allocating costs and capital between business areas and are based on a number of assumptions, estimates and discretionary distribution. Internal transfer rates used between the business areas are determined based on observable market rates, e.g. NIBOR. Additional costs relating to the Bank Group's long-term funding are charged to the business areas. According to the Bank Group's liquidity management policy, 90 per cent of lending is financed through stable deposits and long-term funding. The additional costs thus arising are charged to the business areas.

Income statement, third quarter

	DnB NOR Bank Group											
	Retail Banking		Large Corporates and International		DnB NOR Markets		DnB NORD		Other operations/ eliminations ¹⁾		DnB NOR Bank Group	
	3rd quarter		3rd quarter		3rd quarter		3rd quarter		3rd quarter		3rd quarter	
<i>Amounts in NOK million</i>	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Net interest income - ordinary operations	3 783	3 095	1 355	1 151	291	352	359	347	66	914	5 854	5 858
Interest on allocated capital ²⁾	100	329	154	410	28	79	17	86	(299)	(905)		
Net interest income	3 883	3 425	1 509	1 561	319	431	376	433	(233)	9	5 854	5 858
Net other operating income	990	904	516	581	1 256	1 442	156	164	132	(473)	3 049	2 618
Total income	4 872	4 329	2 025	2 142	1 575	1 873	532	596	(101)	(464)	8 902	8 476
Operating expenses	2 648	2 385	417	469	455	426	439	400	191	229	4 151	3 909
Pre-tax operating profit before write-downs	2 224	1 944	1 608	1 673	1 120	1 447	93	196	(293)	(693)	4 752	4 567
Net gains on fixed and intangible assets	0	0	0	0	0	0	(4)	9	0	5	(4)	13
Write-downs on loans and guarantees ³⁾	459	343	297	55	0	0	1 041	250	480	77	2 277	725
Pre-tax operating profit	1 765	1 601	1 311	1 618	1 120	1 447	(951)	(45)	(773)	(765)	2 471	3 855

Note 4 Segments (continued)

1) Of which elimination of double entries:	3rd quarter	
Amounts in NOK million	2009	2008
Net interest income - ordinary operations		
Interest on allocated capital		
Net interest income		
Net other operating income	(315)	(465)
Total income	(315)	(465)
Operating expenses		
Pre-tax operating profit before write-downs	(315)	(465)
Net gains on fixed and intangible assets		
Write-downs on loans and guarantees		
Pre-tax operating profit	(315)	(465)

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.

- 2) The interest is calculated on the basis of internal measurement of risk-adjusted capital. Figures for previous periods have been restated.
3) See note 10 Write-downs on loans and guarantees.

Main average balance sheet items

Main average balance sheet items	DnB NOR Bank Group											
									Other operations/ eliminations ¹⁾		DnB NOR Bank Group	
	Retail Banking		Large Corporates and International		DnB NOR Markets		DnB NOR					
	3rd quarter		3rd quarter		3rd quarter		3rd quarter		3rd quarter		3rd quarter	
Amounts in NOK billion	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Net lending to customers ¹⁾	719.1	673.1	367.3	331.9	7.1	19.7	81.9	78.6	(5.0)	13.0	1 170,3	1 116,3
Deposits from customers ¹⁾	371.7	358.5	232.4	193.9	27.5	30.1	21.5	22.9	(7.0)	(7.3)	646,2	598,0
Assets under management	0.1								(0.1)			

Key figures

Key figures	DnB NOR Bank Group													
	Retail Banking				Large Corporates and International		DnB NOR Markets		DnB NOR		Other operations		DnB NOR Bank Group	
	3rd quarter		3rd quarter		3rd quarter		3rd quarter		3rd quarter		3rd quarter			
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008		
Per cent	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008		
Cost/income ratio ²⁾	52.3	55.1	20.6	21.9	28.9	22.8	82.0	67.1			45.5	46.1		
Ratio of deposits to lending ^{1) 3)}	51.7	53.3	63.3	58.4			26.3	29.1			55.2	53.6		
Return on allocated capital, annualised ⁴⁾	26.0	23.0	12.3	18.6	58.2	85.1	(38.7)	(2.1)						
Number of full-time positions as at 30 September ⁵⁾	5 228	5 304	1 058	1 116	661	643	3 303	3 565	2 113	2 227	12 363	12 854		

- 1) Based on nominal values and includes lending to and deposits from credit institutions.
2) Total operating expenses relative to total income. Expenses exclude impairment losses for goodwill.
3) Deposits from customers relative to net lending to customers.
4) The return is calculated on the basis of internal measurement of risk-adjusted capital.
5) 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. Due to changes in the agreement with Norway Post, 162.6 full-time positions were transferred from Norway Post on 1 May 2009. Costs and corresponding head-count figures were included with effect from the first quarter of 2009. In addition, 432.6 full-time positions and 904 employees in new unit outside core operations were taken into the banking group from September.

Comments to the income statement for the third quarter

Retail Banking

Due to stable money market rates combined with the effect of previously approved interest rate adjustments, there was a rise in margin income. The weighted interest rate spread, defined as total margin income on loans and deposits relative to average loans and deposits, was 1.32 per cent in the third quarter of 2009, up 0.18 percentage points from the third quarter of 2008. The widening spreads helped cover higher funding costs and guarantee fund levies. There was a rise in net other operating income, reflecting higher income from payment services and real estate broking in Norway. Impairment losses for goodwill relating to Svensk Fastighetsförmedling of SEK 120 million were recorded, corresponding to NOK 100 million, due to a new strategy in the Swedish retail market. Excluding impairment losses for goodwill, operating expenses increased by NOK 164 million or 6.9 per cent from the third quarter of 2008, reflecting a rise in IT development costs, general wage inflation and the transfer of financial advisers from Norway Post to DnB NOR with accounting effect from the first quarter of 2009. The establishment of Retail Banking entailed a reduction in staff functions and management levels. In addition, other streamlining measures resulting from the Group's cost programme will help curb cost growth. Retail Banking's staff numbered 5 228 full-time positions at end-September 2009.

Note 4 Segments (continued)

Large Corporates and International

Measured against the money market rate, average lending spreads in the third quarter of 2009 were 1.38 per cent, up 0.39 percentage points from the third quarter of 2008 and 0.14 percentage points from the second quarter of 2009. There was a rise in lending spreads in all segments. The widening spreads helped compensate for the increase in funding costs and higher guarantee fund levies. A reduction in money market rates and strong competition for deposits resulted in narrowing deposit spreads from the third quarter of 2008 to the corresponding period in 2009. Relative to the money market rate, average deposit spreads were reduced by 0.13 percentage points to 0.14 per cent during the period. The decline in other operating income from the third quarter of 2008 was partly due to a reduction in income from equities and lower income from foreign exchange and interest rate products. There was an 11.0 per cent reduction in operating expenses from the third quarter of 2008, while the decline was 4.1 per cent from the second to the third quarter of 2009. At end-September 2009, staff in the business area represented 1 058 full-time positions, including 588 positions in international units.

DnB NOR Markets

Customer-related income from the sale of securities and other investment products more than doubled compared with the third quarter of 2008. A high level of activity within bond brokerage generated healthy income. Income from trading in equities and equity derivatives remained at a satisfactory level, in spite of lower trading volumes on Oslo Børs. DnB NOR Markets has been the largest brokerage house on Oslo Børs through 2009, also within equities. During the third quarter, DnB NOR Markets established a separate unit for equities sales in Singapore to complement the existing equity research unit. A higher level of activity within share issues and mergers and acquisitions boosted customer-related income for Corporate Finance. Among other things, DnB NOR Markets acted as global coordinator and joint bookrunner for the share and bond issue of the Renewable Energy Corporation (REC). In Asia, DnB NOR Markets received the Leasing Deal of the Year Award presented by the Marine Money magazine. The decline in customer revenues from securities services reflects lower market values and interest rate levels, increased pressure on prices and a lower level of activity within custodial services. The level of activity within securities financing picked up during the July through September period. In the third quarter, the Global Custodian magazine ranked DnB NOR as the best provider of custody services for international clients in the Norwegian market. Earnings from market making and other proprietary trading totalled NOK 832 million, a NOK 260 million reduction from the year-earlier period. Extraordinary fluctuations in interest rates and exchange rates had an impact on income in 2008, and the decline in 2009 reflects a normalisation of the market situation.

DnB NORD

Falling interest rate levels, rising funding costs and strong competition for deposits caused a reduction in net interest income compared with the third quarter of 2008. DnB NORD is closely monitoring cost developments, and excluding write-downs on IT investments in connection with the downscaling of activities, operating expenses were brought down by 6.8 per cent compared with the third quarter of 2008. The number of full-time positions was reduced by 294 from end-December 2008, to 3 303 at end-September 2009.

Income statement, January-September

	DnB NOR Bank Group											
	Retail Banking		Large Corporates and International		DnB NOR Markets		DnB NORD		Other operations/ eliminations		DnB NOR Bank Group	
	Jan.-Sept.	Jan.-Sept.	Jan.-Sept.	Jan.-Sept.	Jan.-Sept.	Jan.-Sept.	Jan.-Sept.	Jan.-Sept.	Jan.-Sept.	Jan.-Sept.	Jan.-Sept.	Jan.-Sept.
Amounts in NOK million	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Net interest income - ordinary operations	10 980	8 976	4 001	3 097	812	420	1 108	1 017	535	2 524	17 437	16 034
Interest on allocated capital ¹⁾	403	921	640	1 130	116	196	82	217	(1 241)	(2 464)		
Net interest income	11 383	9 896	4 641	4 227	928	616	1 190	1 235	(705)	60	17 437	16 034
Net other operating income	2 793	2 911	1 939	1 647	5 056	2 544	501	478	(817)	(1 471)	9 472	6 110
Total income	14 176	12 808	6 580	5 874	5 984	3 160	1 691	1 712	(1 522)	(1 410)	26 909	22 144
Operating expenses	7 775	7 207	1 313	1 362	1 454	1 223	1 821	1 161	347	571	12 711	11 524
Pre-tax operating profit before write-downs	6 400	5 600	5 266	4 513	4 531	1 937	(130)	551	(1 870)	(1 982)	14 198	10 620
Net gains on fixed and intangible assets	0	1	0	17	0	0	2	16	4	12	7	47
Write-downs on loans and guarantees ²⁾	1 242	635	939	74	0	0	3 084	335	928	151	6 193	1 195
Pre-tax operating profit	5 159	4 966	4 327	4 456	4 531	1 937	(3 211)	232	(2 794)	(2 120)	8 012	9 471

1) The interest is calculated on the basis of internal measurement of risk-adjusted capital. Figures for previous periods have been restated.

2) See note 10 Write-downs on loans and guarantees.

Note 5 Net interest income

<i>Amounts in NOK million</i>	DnB NOR Bank ASA				
	3rd quarter 2009	3rd quarter 2008	January-September 2009	January-September 2008	Full year 2008
Interest on loans to and deposits with credit institutions	1 546	3 166	5 634	8 640	12 045
Interest on loans to customers	6 044	13 332	23 003	38 032	51 814
Interest on impaired commitments	27	2	68	41	61
Interest on commercial paper and bonds	1 898	1 853	5 887	4 726	6 975
Front-end fees etc.	101	136	263	334	431
Other interest income	469	(146)	499	(331)	(848)
Total interest income	10 084	18 343	35 354	51 440	70 478
Interest on loans and deposits from credit institutions	1 029	1 504	3 151	4 501	6 099
Interest on demand deposits from customers	2 293	6 384	9 387	17 617	24 100
Interest on securities issued	1 525	4 072	6 621	12 194	16 912
Interest on subordinated loan capital	213	561	865	1 484	2 084
Other interest expenses ¹⁾	1 046	1 215	3 658	3 063	4 179
Total interest expenses	6 108	13 736	23 682	38 859	53 373
Net interest income	3 976	4 607	11 672	12 582	17 105

<i>Amounts in NOK million</i>	DnB NOR Bank Group				
	3rd quarter 2009	3rd quarter 2008	January-September 2009	January-September 2008	Full year 2008
Interest on loans to and deposits with credit institutions	191	1 019	1 426	3 145	3 991
Interest on loans to customers	10 782	18 611	37 891	51 648	71 734
Interest on impaired commitments	29	16	81	69	82
Interest on commercial paper and bonds	1 925	1 955	6 096	4 945	7 308
Front-end fees etc.	98	154	289	344	440
Other interest income	402	(165)	446	(326)	(815)
Total interest income	13 427	21 589	46 229	59 825	82 741
Interest on loans and deposits from credit institutions	1 064	1 841	3 737	5 440	7 256
Interest on demand deposits from customers	2 506	6 683	10 112	18 407	25 208
Interest on securities issued	2 936	5 369	11 188	15 201	21 583
Interest on subordinated loan capital	223	573	891	1 518	2 125
Other interest expenses ¹⁾	844	1 265	2 863	3 224	4 234
Total interest expenses	7 573	15 731	28 792	43 790	60 406
Net interest income	5 854	5 857	17 437	16 034	22 335

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

<i>Amounts in NOK million</i>	DnB NOR Bank ASA				
	3rd quarter 2009	3rd quarter 2008	January-September 2009	2008	Full year 2008
Money transfer fees receivable	744	706	2 084	2 019	2 678
Fees on asset management services	54	67	145	213	252
Fees on custodial services	61	88	196	288	372
Fees on securities broking	65	66	205	257	333
Corporate finance	93	55	205	257	295
Interbank fees	23	30	74	85	112
Credit broking commissions	98	107	296	284	402
Sales commissions on insurance products	61	67	199	224	287
Sundry commissions and fees receivable on banking services	130	102	364	448	543
Total commissions and fees receivable etc.	1 329	1 289	3 769	4 075	5 274
Money transfer fees payable	249	225	719	658	888
Commissions payable on fund management services	0	21	(16)	46	22
Fees on custodial services payable	24	34	82	105	135
Interbank fees	36	44	110	130	174
Credit broking commissions	26	19	55	83	119
Commissions payable on the sale of insurance products	0	2	0	4	4
Sundry commissions and fees payable on banking services	119	119	372	382	537
Total commissions and fees payable etc.	454	463	1 323	1 407	1 878
Net gains on financial instruments at fair value	1 892	1 064	6 534	1 258	1 626
Income from owned/leased premises	34	28	87	74	101
Miscellaneous operating income	359	250	1 040	713	1 594
Total other income	393	279	1 127	787	1 695
Net other operating income	3 159	2 169	10 107	4 714	6 716

Note 6 Net other operating income (continued)

Amounts in NOK million	DnB NOR Bank Group				
	3rd quarter 2009	3rd quarter 2008	January-September 2009	January-September 2008	Full year 2008
Money transfer fees receivable	812	755	2 272	2 173	2 899
Fees on asset management services	65	77	187	241	293
Fees on custodial services	62	92	201	296	382
Fees on securities broking	65	66	206	258	334
Corporate finance	110	64	263	299	378
Interbank fees	24	31	77	89	117
Credit broking commissions	99	109	299	287	406
Sales commissions on insurance products	97	109	307	350	443
Sundry commissions and fees receivable on banking services	257	218	696	785	985
Total commissions and fees receivable etc.	1 591	1 521	4 508	4 779	6 236
Money transfer fees payable	269	238	770	700	942
Commissions payable on fund management services	0	21	(16)	46	22
Fees on custodial services payable	24	34	83	105	135
Interbank fees	37	46	115	135	180
Credit broking commissions	21	19	36	85	119
Commissions payable on the sale of insurance products	4	4	12	12	27
Sundry commissions and fees payable on banking services	135	141	424	429	597
Total commissions and fees payable etc.	491	502	1 423	1 512	2 021
Net gains on financial instruments at fair value	1 957	1 602	5 129	2 244	3 430
Profit from companies accounted for by the equity method ¹⁾	(284)	(377)	142	(568)	632
Income from owned/leased premises	20	14	58	33	45
Fees on real estate broking	203	164	575	537	658
Net unrealised gains on investment property	1	0	(111)	0	0
Miscellaneous operating income	177	195	593	597	866
Total other income	400	373	1 115	1 167	1 569
Net other operating income	3 172	2 618	9 472	6 110	9 847

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 negative profit contribution of NOK 482 million from the company in the third quarter of 2009. Liabilities in Eksportfinans are largely recorded at fair value, and narrowing credit margins have a negative effect on the company's profits. At end-September 2009, the accumulated effect of widening credit margins raised DnB NOR Bank Group's share of profits in the company by approximately NOK 661 million.

Note 7 Net gains on financial instruments at fair value

<i>Amounts in NOK million</i>	DnB NOR Bank ASA				
	3rd quarter 2009	3rd quarter 2008	January-September 2009	January-September 2008	Full year 2008
Dividends	19	(3)	131	135	177
Net gains on commercial paper and bonds	(33)	206	900	(1 466)	(969)
Net gains on shareholdings	122	(278)	75	(624)	(1 161)
Net gains on other financial assets	1 783	1 139	5 429	3 213	3 579
Net gains on financial instruments at fair value	1 892	1 064	6 534	1 258	1 626

<i>Amounts in NOK million</i>	DnB NOR Bank Group				
	3rd quarter 2009	3rd quarter 2008	January-September 2009	January-September 2008	Full year 2008
Dividends	20	(3)	124	117	162
Net gains on commercial paper and bonds	65	167	505	(1 517)	(763)
Net gains on shareholdings	118	(324)	61	(722)	(1 298)
Net gains on other financial assets	1 754	1 761	4 438	4 367	5 331
Net gains on financial instruments at fair value	1 957	1 602	5 129	2 244	3 430

Note 8 Operating expenses

<i>Amounts in NOK million</i>	DnB NOR Bank ASA				
	3rd quarter 2009	3rd quarter 2008	January-September 2009	January-September 2008	Full year 2008
Ordinary salaries	1 154	1 145	3 553	3 265	4 480
Employer's national insurance contributions	156	204	494	492	678
Pension expenses	177	206	533	622	796
Restructuring expenses ¹⁾	25	4	61	45	70
Other personnel expenses	81	74	268	224	283
Total salaries and other personnel expenses	1 593	1 633	4 908	4 649	6 306
Fees	235	161	768	593	945
EDP expenses	279	380	910	1 023	1 241
Postage and telecommunications	70	66	229	206	299
Office supplies	10	13	40	47	62
Marketing and public relations	97	117	311	366	502
Travel expenses	22	32	98	111	168
Reimbursement to Norway Post for transactions executed	51	50	154	161	207
Training expenses	6	11	32	39	53
Operating expenses on properties and premises	260	241	793	735	988
Operating expenses on machinery, vehicles and office equipment	20	18	67	64	87
Other operating expenses ¹⁾	127	122	368	376	460
Other expenses	1 177	1 211	3 771	3 721	5 013
Depreciation and write-downs of fixed and intangible assets ²⁾	210	79	690	246	465
Total operating expenses	2 979	2 924	9 369	8 616	11 784

Note 8 Operating expenses (continued)

Amounts in NOK million	DnB NOR Bank Group				
	3rd quarter 2009	3rd quarter 2008	January-September 2009	January-September 2008	Full year 2008
Ordinary salaries	1 578	1 561	4 800	4 453	6 033
Employer's national insurance contributions	226	243	702	669	920
Pension expenses	209	237	630	706	906
Restructuring expenses ¹⁾	26	4	62	45	70
Other personnel expenses	98	96	323	288	370
Total salaries and other personnel expenses	2 137	2 140	6 517	6 160	8 299
Fees	280	195	877	691	1 092
EDP expenses	352	436	1 117	1 190	1 478
Postage and telecommunications	94	92	295	275	389
Office supplies	20	21	70	72	100
Marketing and public relations	127	157	408	494	670
Travel expenses	34	44	136	151	227
Reimbursement to Norway Post for transactions executed	51	50	154	161	207
Training expenses	10	17	49	61	80
Operating expenses on properties and premises	316	288	954	874	1 188
Operating expenses on machinery, vehicles and office equipment	35	31	110	102	141
Other operating expenses ¹⁾	197	192	608	587	775
Other expenses	1 516	1 523	4 778	4 657	6 348
Depreciation and write-downs of fixed and intangible assets ²⁾	497	245	1 416	707	1 296
Total operating expenses	4 151	3 909	12 711	11 524	15 942

1) Restructuring costs relating to the cost programme were NOK 49 million in the third quarter of 2009 for both the DnB NOR Bank Group and DnB NOR Bank ASA.

2) In consequence of a change of strategy for retail operations in Sweden, impairment losses for goodwill of NOK 100 million relating to Svensk Fastighetsförmedling AB were recorded in the third quarter of 2009. The DnB NOR Bank Group recorded impairment losses for goodwill of NOK 391 million for the January through September period in 2009, including the DnB NOR Bank Group's NOK 291 million share of total impairment losses in DnB NOR's operations in Latvia and Lithuania in the second quarter of 2009.

Note 9 Number of employees / full-time positions

	DnB NOR Bank ASA				
	3rd quarter 2009 ¹⁾	3rd quarter 2008 ²⁾	January-September 2009 ¹⁾	January-September 2008 ²⁾	Full year 2008 ²⁾
Number of employees at end of period	7 266	7 412	7 266	7 412	7 376
of which number of employees abroad	451	435	451	435	429
Number of employees calculated on a full-time basis at end of period	7 033	7 177	7 033	7 177	7 140
of which number of employees calculated on a full-time basis abroad	444	427	444	427	422
Average number of employees	7 324	7 386	7 428	7 421	7 414
Average number of employees calculated on a full-time basis	7 089	7 151	7 185	7 142	7 145

	DnB NOR Bank Group				
	3rd quarter 2009 ¹⁾³⁾	3rd quarter 2008 ²⁾	January-September 2009 ¹⁾³⁾	January-September 2008 ²⁾	Full year 2008 ²⁾
Number of employees at end of period	12 711	13 189	12 711	13 189	13 207
of which number of employees abroad	4 532	4 757	4 532	4 757	4 806
Number of employees calculated on a full-time basis at end of period	12 363	12 854	12 363	12 854	12 848
of which number of employees calculated on a full-time basis abroad	4 447	4 686	4 447	4 686	4 713
Average number of employees	12 780	13 103	13 024	12 883	12 965
Average number of employees calculated on a full-time basis	12 427	12 791	12 669	12 560	12 638

1) Due to changes in the agreement with Norway Post, 162.6 full-time positions were transferred from Norway Post on 1 May 2009. Costs and corresponding head-count figures were included with effect from the first quarter of 2009.

2) 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.

3) In addition, 432.6 full-time positions and 904 employees in new unit outside core operations were taken into the banking group from September.

Note 10 Write-downs on loans and guarantees

DnB NOR Bank ASA					
Amounts in NOK million	3rd quarter 2009	3rd quarter 2008	January-September 2009	January-September 2008	Full year 2008
Write-offs	14	61	137	108	196
New individual write-downs	722	347	2 089	755	1 331
Total new individual write-downs	736	408	2 226	863	1 527
Reassessed individual write-downs	22	17	204	90	127
Total individual write-downs	714	391	2 022	773	1 400
Recoveries on commitments previously written off	56	67	225	213	303
Change in group write-downs on loans	487	46	870	116	489
Write-downs on loans and guarantees ¹⁾	1 145	370	2 667	676	1 586
Write-offs covered by individual write-downs made in previous years	178	107	555	377	617
1) Of which individual write-downs on guarantees	2	(31)	1	(4)	(15)

DnB NOR Bank Group					
Amounts in NOK million	3rd quarter 2009	3rd quarter 2008	January-September 2009	January-September 2008	Full year 2008
Write-offs	68	76	244	129	335
New individual write-downs	1 855	657	5 300	1 268	2 925
Total new individual write-downs	1 923	733	5 544	1 397	3 260
Reassessed individual write-downs	155	63	539	181	246
Total individual write-downs	1 768	670	5 005	1 216	3 014
Recoveries on commitments previously written off	63	71	241	236	335
Change in group write-downs on loans	572	126	1 429	215	830
Write-downs on loans and guarantees ¹⁾	2 277	725	6 193	1 195	3 509
Write-offs covered by individual write-downs made in previous years	767	116	1 512	438	678
Reduction in write-downs due to the consolidation of a new unit outside core operations ²⁾	384		384		
1) Of which individual write-downs on guarantees	4	(29)	16	9	5

2) See note 3 Change in group structure.

The weak trend in the international economy has resulted in higher credit risk due to somewhat reduced credit quality and thus rising write-downs on loans in 2009. The increase in write-downs in DnB NOR Bank Group primarily refers to the Baltic States, where the banking group is exposed through DnB NORD. However, there has also been a certain rise in write-downs within shipping and port terminals. There have been moderate losses in the portfolio of Norwegian-related loans, and the portfolio appears to be robust. Losses remained very low in the Norwegian retail market due to the low interest rate levels and the continued low level of unemployment in Norway. This can be partly explained by the extensive stimulus measures implemented by the Norwegian authorities.

The reduced credit quality affected shipping and commercial property in particular. In spite of an increase in freight rates in some segments, the shipping industry is expected to have a potential high loss exposure for some time due to the slow recovery of the global economy. The downward revision in market values increases the risk for commercial property, though prices now seem to have stabilised. The banking group's commercial property loans are primarily granted based on cash flow analyses.

The effect of write-downs on loans in the income statement was NOK 2 277 million, a slight decline from the second quarter and within estimated write-downs of NOK 8-10 billion for the whole of 2009. There was a decline in write-downs in DnB NORD compared with the second quarter. There was a stable level of write-downs in other operations, with a certain increase in group write-downs and a reduction in individual write-downs. Over the past year, the Group has stepped up its efforts considerably to ensure the value of problem commitments. DnB NORD's markets continued to experience problems during the quarter, though certain indicators suggest a modest recovery.

Note 11 Lending to customers

DnB NOR Bank ASA				DnB NOR Bank Group		
30 Sept. 2008	31 Dec. 2008	30 Sept. 2009		30 Sept. 2009	31 Dec. 2008	30 Sept. 2008
<i>Amounts in NOK million</i>						
625 210	645 492	492 221	Lending to customers, nominal amount	953 987	1 022 108	950 097
1 443	1 758	3 046	Individual write-downs	6 850	4 256	2 678
623 767	643 734	489 175	Lending to customers, after individual write-downs	947 137	1 017 852	947 419
2 707	2 653	1 078	+ Accrued interest and amortisation	1 937	3 762	3 649
435	439	493	- Individual write-downs of accrued interest and amortisation	577	478	456
555	994	1 800	- Group write-downs	2 856	1 625	896
625 484	644 954	487 960	Lending to customers, at amortised cost	945 641	1 019 511	949 716
178 454	176 928	177 717	Lending to customers, nominal amount	199 971	184 639	181 897
1 739	1 882	787	+ Accrued interest	842	1 907	1 752
(548)	460	96	+ Adjustment to fair value	495	785	(608)
179 645	179 269	178 600	Lending to customers, at fair value ¹⁾	201 308	187 331	183 041
805 129	824 223	666 560	Lending to customers	1 146 949	1 206 842	1 132 757

1) The fair value of loans in Norwegian kroner has been reduced by NOK 49 million from 31 December 2008 due to widening credit margins.

Note 12 Net non-performing and impaired commitments for principal sectors ¹⁾

DnB NOR Bank ASA				DnB NOR Bank Group		
30 Sept. 2008	31 Dec. 2008	30 Sept. 2009		30 Sept. 2009	31 Dec. 2008	30 Sept. 2008
<i>Amounts in NOK million</i>						
2 141	1 929	1 634	Private individuals	3 173	2 893	3 323
0	0	1 414	International shipping	1 459	37	43
340	896	685	Real estate	1 930	1 938	854
162	1 491	2 997	Manufacturing	4 680	1 965	408
286	446	294	Services	1 210	677	459
70	75	787	Trade	858	156	165
188	171	0	Oil and gas	0	172	189
88	74	79	Transportation and communication	618	131	173
75	94	345	Building and construction	789	174	151
0	1	0	Power and water supply	23	26	1
1	364	6	Seafood	39	367	60
36	59	45	Hotels and restaurants	77	65	62
87	97	120	Agriculture and forestry	411	141	160
0	0	0	Central and local government	0	0	0
0	1	445	Other sectors	679	63	33
3 475	5 698	8 852	Total customers	15 946	8 807	6 080
0	0	0	Credit institutions	0	0	0
3 475	5 698	8 852	Total impaired loans and guarantees	15 946	8 807	6 080
268	853	1 685	Non-performing loans and guarantees not subject to write-downs	6 872	3 115	867
3 743	6 551	10 537	Total non-performing and impaired commitments	22 818	11 922	6 947

1) Includes loans and guarantees subject to individual write-downs. The breakdown into principal sectors is based on standardised sector and industry categories set up by Statistics Norway. With effect from the second quarter of 2009, a new standard for industry codes has been introduced which corresponds to the new EU standard, NACE Rev. 2. Customers are classified according to their main line of business.

Note 13 Investments in bonds

Information about the portfolios

The DnB NOR Bank Group has investments in bonds through several of the banking group's entities. DnB NOR Bank, DnB NOR 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 30 September 2009, the liquidity portfolio in DnB NOR Markets represented the equivalent of NOK 105.5 billion. 98.1 per cent of the securities had an AAA rating, while 1.8 per cent are rated AA. There were no synthetic securities in the portfolio and no investments in US sub-prime bonds or Collateralised Debt Obligations, CDOs.

	Rating	DnB NOR Bank Group	
		Per cent 30 Sept. 2009	NOK million 30 Sept. 2009
Asset class			
Consumer credit	AAA	3	3 337
Residential mortgages	AAA/AA	58	62 761
Corporate loans	AAA/AA	7	7 643
Government-related	AAA	31	33 803
Insurance	AAA/AA/A/BB	0	108
Total liquidity portfolio DnB NOR Markets, nominal values		100	107 652
Accrued interest, including amortisation effects			(2 185)
Total liquidity portfolio DnB NOR Markets			105 467

In addition, DnB NOR Bank had Norwegian bonds and fixed-income securities equivalent to a balance sheet value of NOK 171.4 billion, mainly used for customer trading and position taking in Norwegian interest rate instruments. The bank had a holding of Treasury bills used in swap agreements with Norges Bank of NOK 110.8 billion at end-September 2009. See further information on swap agreements in note 19 Information on related parties.

Like DnB NOR Bank, DnB NOR 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-September 2009, the value of the DnB NOR portfolio was equivalent to NOK 5.9 billion. Eksportfinans had a liquidity portfolio of NOK 58.4 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. Eksportfinans had a short-term liquidity portfolio of NOK 23.2 billion.

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 - Disclosures. Following the amendments, it is permitted to reclassify 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 could be regarded as rare circumstances. Reclassification in the third quarter of 2008 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 amendments to the Norwegian rules in the accounting standards IAS 39 and IFRS 7.

In the third quarter accounts 2008, the banking 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 resulted in an accumulated rise in profits of NOK 854 million compared with the result if the previous valuation principle had been retained. For the third quarter of 2009, there would have been a NOK 685 million rise in profits if the portfolio had not been reclassified. On the reclassification date, the book value of the portfolio was NOK 88.0 billion, compared with NOK 105.5 billion at end-September 2009.

Note 13 Investments in bonds (continued)

Effects of the reclassification of the liquidity portfolio	DnB NOR Bank Group				
	3rd quarter 2009	3rd quarter 2008	January-September 2009	2008	Full year 2008
<i>Amounts in NOK million</i>					
Amortisation effect	228	282	662	282	487
Net interest income	228	282	662	282	487
Value adjustment	0	0	0	(1 827)	(1 827)
Maturity effects	0	0	0	494	494
Net gains on financial instruments at fair value	0	0	0	(1 333)	(1 333)
Effects of reclassification on profits					
Recorded amortisation effect	228	282	662	282	487
Net gain if valued at fair value	913	(1 199)	2 809	(1 199)	(2 514)
Effects of reclassification on profits	(685)	1 481	(2 147)	1 481	3 001
Effects of reclassification on the balance sheet					
Recorded, unrealised losses at end of period	1 437	2 304	1 437	2 304	2 099
Unrealised losses, if valued at fair value	2 291	3 785	2 291	3 785	5 100
Effects of reclassification on the balance sheet	854	1 481	854	1 481	3 001
Development in the liquidity portfolio after the reclassification					
<i>Beløp i millioner kroner</i>	DnB NOR Bank Group				
	30 Sept. 2009	30 June 2009	31 March 2009	31 Dec. 2008	30 Sept. 2008
Liquidity portfolio, recorded value	105 467	102 892	91 146	99 106	88 008
Liquidity portfolio, if valued at fair value	104 613	101 352	88 369	96 105	86 527
Effects of reclassification on the balance sheet	854	1 539	2 777	3 001	1 481

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 had a commercial paper portfolio valued at NOK 0.2 billion. 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 banking 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.

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 before the reclassification. Due to the financial turmoil, such prices have been virtually non-existent. In order to meet the disclosure requirement at end-September 2009, 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 the model had been applied to the liquidity portfolio in the first nine months of 2009, profits would have risen by NOK 2 147 million. A corresponding model has also been used for valuing part of the bond portfolio in Eksportfinans.

The remaining term to maturity of DnB NOR Markets' liquidity portfolio is estimated at approximately three years, and the value of one basis point was NOK 25 million at end-September 2009.

Note 14 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 2008.

The banking group's investments in Private Equity, PE, and Management Buyout Funds totalled NOK 377 million at end-September, on a level with investments at end-December 2008. When determining the fair value of Private Equity investments, the "International Private Equity and Venture Capital Valuation Guidelines" and similar guidelines are used. The method used is one of several instruments to determine the best estimate of fair values for investments in not very liquid equity instruments and is based on reports on returns from portfolio companies, with a time lag of approximately three months. This could represent a challenge during periods of considerable stock market volatility. On each reporting date, the need to adapt valuations due to lags in information will be considered.

Note 15 Intangible assets

DnB NOR Bank ASA				DnB NOR Bank Group			
30 Sept. 2008	31 Dec. 2008	30 Sept. 2009		30 Sept. 2009	31 Dec. 2008	30 Sept. 2008	
			<i>Amounts in NOK million</i>				
1 653	1 657	1 651	Goodwill	3 957	4 548	4 781	
51	51	51	Postbanken brand name	51	51	51	
369	448	504	Systems development	1 022	860	586	
19	18	14	Other intangible assets	1 193	645	451	
2 091	2 173	2 221	Total intangible assets	6 224	6 105	5 869	

Svensk Fastighetsförmedling AB, SFAB, was acquired with effect from 30 June 2007. Goodwill relating to the acquisition represented the value of greater distribution power in the Swedish market for the sale of housing loans and other products from DnB NOR Group. At year-end 2008, impairment losses for goodwill of SEK 116 million relating to the investment were recorded due to the financial crisis and assumptions of a reduction in housing sales and lower demand for housing loans. DnB NOR has now decided to change its strategy for retail market operations in Sweden, whereby the ambition to establish a full-service bank for Swedish personal customers has been abandoned. Still, the sale of housing loans to Swedish customers buying their homes through SFAB will continue as before. A new impairment test has been carried out based on updated expected cash flows from operations, entailing somewhat lower estimated volumes and an adjustment of anticipated margins to reflect the prevailing market situation. The test identified an impairment loss of SEK 120 million, which is the equivalent of NOK 100 million. The remaining goodwill relating to SFAB, including the portfolio of housing loans, thus totalled SEK 232 million, the equivalent of NOK 193 million.

Developments in the Group's other cash-generating units are in line with expectations, and there have been no events indicating a major reduction in earnings relative to previous plans.

Based on the preliminary acquisition analysis, the take-over of the Nordisk Tekstil Holding Group on 26 August 2009 gave a NOK 559 million increase in intangible assets relating to the Kid brand. See note 3 Changes in group structure.

Note 16 Securities issued and subordinated loan capital

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

Securities issued		DnB NOR Bank ASA		
		30 Sept. 2009	31 Dec. 2008	30 Sept. 2008
<i>Amounts in NOK million</i>				
Commercial paper issued, nominal amount		170 521	194 700	115 650
Bond debt, nominal amount		249 638	305 356	286 952
Adjustments		5 900	7 623	1 655
Total securities issued		426 059	507 680	404 258

Changes in securities issued		DnB NOR Bank ASA				
	Balance sheet 30 Sept. 2009	Issued 2009	Matured/ redeemed 2009	Exchange rate movements 2009	Other adjustments 2009	Balance sheet 31 Dec. 2008
<i>Amounts in NOK million</i>						
Commercial paper issued, nominal amount	170 521	169 483	193 567	(96)		194 700
Bond debt, nominal amount	249 638	35 253	60 107	(30 863)		305 356
Adjustments	5 900				(1 723)	7 623
Total securities issued	426 059	204 736	253 674	(30 959)	(1 723)	507 680

Subordinated loan capital and perpetual subordinated loan capital securities		DnB NOR Bank ASA				
	Balance sheet 30 Sept. 2009	Issued 2009	Matured/ redeemed 2009	Exchange rate movements 2009	Other adjustments 2009	Balance sheet 31 Dec. 2008
<i>Amounts in NOK million</i>						
Term subordinated loan capital, nominal amount	21 267			(2 576)		23 843
Perpetual subordinated loan capital, nominal amount	6 904			(1 103)		8 007
Perpetual subordinated loan capital securities, nominal amount ¹⁾	8 539			(1 203)		9 742
Adjustments	1 835				(185)	2 019
Total subordinated loan capital and perpetual subordinated loan capital securities	38 544	0	0	(4 883)	(185)	43 612

Securities issued		DnB NOR Bank Group		
		30 Sept. 2009	31 Dec. 2008	30 Sept. 2008
<i>Amounts in NOK million</i>				
Commercial paper issued, nominal amount		170 564	194 852	115 838
Bond debt, nominal amount ²⁾		344 249	405 040	372 353
Adjustments		13 311	14 291	2 680
Total securities issued		528 124	614 183	490 871

Changes in securities issued		DnB NOR Bank Group				
	Balance sheet 30 Sept. 2009	Issued 2009	Matured/ redeemed 2009	Exchange rate movements 2009	Other adjustments 2009	Balance sheet 31 Dec. 2008
<i>Amounts in NOK million</i>						
Commercial paper issued, nominal amount	170 564	169 524	193 706	(106)		194 852
Bond debt, nominal amount ²⁾	344 249	44 456	61 954	(43 292)		405 040
Adjustments	13 311				(980)	14 291
Total securities issued	528 124	213 979	255 660	(43 398)	(980)	614 183

Subordinated loan capital and perpetual subordinated loan capital securities		DnB NOR Bank Group				
	Balance sheet 30 Sept. 2009	Issued 2009	Matured/ redeemed 2009	Exchange rate movements 2009	Other adjustments 2009	Balance sheet 31 Dec. 2008
<i>Amounts in NOK million</i>						
Term subordinated loan capital, nominal amount	22 644			(2 789)		25 432
Perpetual subordinated loan capital, nominal amount	6 904			(1 103)		8 007
Perpetual subordinated loan capital securities, nominal amount ¹⁾	8 539			(1 203)		9 742
Adjustments	1 853				(190)	2 044
Total subordinated loan capital and perpetual subordinated loan capital securities	39 940	0	0	(5 095)	(190)	45 225

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

2) Minus own bonds. Outstanding covered bonds in DnB NOR Boligkreditt totalled NOK 229.5 billion as at 30 September 2009. The cover pool represented NOK 291.5 billion.

Note 17 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. 2008	30 Sept. 2009		30 Sept. 2009	31 Dec. 2008
		<i>Amounts in NOK million</i>		
17 514	17 514	Share capital	17 514	17 514
51 702	51 233	Other equity	59 661	59 969
69 217	68 748	Total equity	77 175	77 483
		Deductions		
0	0	Pension funds above pension commitments	(3)	(1)
(1 657)	(1 651)	Goodwill	(4 146)	(4 737)
(10)	(9)	Deferred tax assets	(292)	(306)
(516)	(569)	Other intangible assets	(2 293)	(1 584)
0	0	Unrealised gains on fixed assets	(30)	(30)
(1 070)	(1 030)	50 per cent of investments in other financial institutions	(1 030)	(1 070)
(288)	(16)	50 per cent of expected losses exceeding actual losses, IRB portfolios	(118)	(339)
(323)	397	Adjustments for unrealised losses/(gains) on liabilities recorded at fair value	(371)	(2 284)
		Additions		
555	-	Portion of unrecognised actuarial gains/losses, pension costs ¹⁾	-	594
65 908	65 869	Equity Tier 1 capital	68 893	67 726
9 742	8 539	Perpetual subordinated loan capital securities ^{2) 3)}	8 725	9 945
75 649	74 408	Tier 1 capital	77 618	77 671
8 007	6 904	Perpetual subordinated loan capital	6 904	8 007
23 843	21 267	Term subordinated loan capital ³⁾	23 204	26 083
		Deductions		
(1 070)	(1 030)	50 per cent of investments in other financial institutions	(1 030)	(1 070)
(288)	(16)	50 per cent of expected losses exceeding actual losses, IRB portfolios	(118)	(339)
		Additions		
0	0	45 per cent of unrealised gains on fixed assets	18	18
30 492	27 125	Tier 2 capital	28 980	32 700
106 141	101 533	Total eligible primary capital ⁴⁾	106 598	110 371
965 059	868 975	Risk-weighted volume	1 003 286	1 120 428
77 205	69 518	Minimum capital requirement	80 263	89 634
6.8	7.6	Equity Tier 1 capital ratio (%)	6.9	6.0
7.8	8.6	Tier 1 capital ratio (%)	7.7	6.9
11.0	11.7	Capital ratio (%)	10.6	9.9
-	7.9	Equity Tier 1 capital ratio including 50 per cent of profit for the period (%)	7.1	-
-	8.9	Tier 1 capital ratio including 50 per cent of profit for the period (%)	8.0	-
-	12.1	Capital ratio including 50 per cent of profit for the period (%)	10.9	-

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 established a transitional rule for the years 2005 to 2008 meant to reduce the negative effect when calculating capital adequacy.

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 30 September 2009, calculations of capital adequacy included a total of NOK 747 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 2008 and 2009 cannot be reduced below 90 and 80 per cent respectively relative to the Basel I requirements. Risk-weighted volume for the DnB NOR Bank Group at end-September represented 90.9 per cent of the corresponding volume based on the Basel I rules.

Note 17 Capital adequacy (continued)

Basel II implementation

Further progress

A major reduction in risk-weighted assets is expected upon full implementation of the IRB system. The IRB system is defined as the models, work processes, decision-making processes, control mechanisms, IT systems and internal guidelines and routines used to classify and quantify credit risk. Below is a time schedule for the implementation of the different reporting methods used for the banking group's portfolios.

Portfolios	31 Dec. 2008 Approaches			31 Dec. 2009 Approaches			31 Dec. 2010 Approaches		
	Stand- ardised	Founda- tion IRB	Ad- vanced IRB	Stand- ardised	Founda- tion IRB	Ad- vanced IRB	Stand- ardised	Founda- tion IRB	Ad- vanced IRB
Retail:									
- mortgage loans, DnB NOR Bank and DnB NOR Boligkreditt			X			X			X
- qualifying revolving retail exposure, DnB NOR Kort	X			X					X
- mortgage loans and other portfolios, Nordlandsbanken	X			X					X
Corporates:									
- small and medium-sized corporates, DnB NOR Bank		X				X			X
- leasing and loans in Norway, DnB NOR Finans excluding the portfolio from SkandiaBanken Bilfinans	X					X			X
- large clients in Norway and SkandiaBanken Bilfinans Norway	X			X					X
- large corporate customers in Norway, DnB NOR Bank	X			X					X
- other corporate clients, DnB NOR Bank	X			X					X
- all corporate portfolios, Nordlandsbanken	X			X					X
- factoring and the car portfolio in Sweden	X			X			X		
Institutions:									
- banks and financial institutions	X			X			X		
Exceptions:									
- approved exceptions: government and municipalities, equity positions, commercial papers	X			X			X		
- temporary exceptions: DnB NORD, DnB NOR Luxembourg, Monchebank and various other portfolios	X			X			X		

Note 18 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 DnB NOR Bank 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 net 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 banking group's ratio of deposits to lending was 52.6 per cent at end-September 2009, down from 52.8 per cent at end-June. The ratio of deposits to lending in DnB NOR Bank ASA was 85.6 per cent at end-June 2009.

The short-term financial markets are currently stable and sound. Access to funding has practically returned to normalised levels, and the pricing of short-term funding is only marginally higher than before the start of the financial turmoil. Nevertheless, investors in general still show little risk willingness, and strong emphasis continues to be placed on ratings. Due to the more normalised money market situation, the level of money market rates is now closer to central bank rates, though there is still a larger differential than prior to the financial crisis. This reflects a generally low level of activity in the traditional, unsecured interbank markets and the fact that this activity has largely been replaced by funding backed by securities portfolios.

Long-term funding costs declined during the summer, but are still considerably higher than before the financial turmoil. During the third quarter, DnB NOR Bank Group ensured long-term funding by availing itself of the Norwegian authorities' measures to stabilise the liquidity situation and by raising small-size loans in the private market to cover parts of next year's funding requirement.

Note 18 Liquidity risk (continued)

DnB NOR Bank Group's liquidity situation at end-September 2009 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-September 2009, the average remaining term to maturity for the portfolio of senior bond debt was 3.0 years, compared with 2.8 years a year earlier. The banking group aims to achieve a sound and stable maturity structure for funding over the next five years.

Note 19 Information on related parties

Major transactions and agreements with related parties:

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. 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.
- 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. The agreement was renewed in June 2009. DnB NOR Bank ASA's share of this agreement represents approximately USD 2.2 billion. At end-September 2009, 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 2008, portfolios representing NOK 93.6 billion were transferred from the bank to Boligkreditt. In the first and second quarter of 2009, portfolios representing NOK 21.4 billion and NOK 31.1 billion, respectively, were transferred. Additional transfers of NOK 20.8 billion were made in the third 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 through September 2009 totalled NOK 541 million.

In the first and second quarter of 2009, DnB NOR Bank ASA, invested NOK 54.1 and NOK 10.1 billion, respectively, in covered bonds issued by Boligkreditt. Additional investments of NOK 35 billion were made during the third quarter, bringing total investments to NOK 129.8 billion. 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.

DnB NOR Næringskreditt

DnB NOR Næringskreditt (Næringskreditt) is 100 per cent owned by DnB NOR Bank ASA. The mortgage institution was established to issue covered bonds secured by a cover pool comprising commercial property and is instrumental in the bank's asset and liability management as a source of short and long-term funding. In its stimulus packages, the Norwegian Ministry of Finance has opened up for the use of such bonds in the swap scheme with Treasury bills on a par with covered bonds issued by Boligkreditt. The bonds will be used in swap schemes with the Norwegian government, as collateral for central banks loans or sold in the market.

The company stated operations in the third quarter of 2009, and loans with a total value of NOK 2.8 billion were thus transferred from DnB NOR Bank ASA to the company. The transfers are made in agreement with the customers. The portfolio will be diversified with respect to property types, sizes and locations. Like Boligkreditt, Næringskreditt will purchase management and administrative services from DnB NOR Bank ASA.

Note 19 Information on related parties (continued)

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 7.2 billion at end-September 2009.

DnB NOR Bank ASA has sold foreign currency loans guaranteed by GIEK, the Norwegian Guarantee Institute for Export Credits, to Vital for an accumulated amount equivalent to NOK 2.9 billion. 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.

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 bills 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 last for periods of up to five 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. As an additional requirement, there must be a spread of minimum 40 basis points between the agreed interest rate and the Treasury bill yield. 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 bank 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 39.20 Financial Instruments – Recognition and Measurement. The bank 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 the bank. On a consolidated basis, the bonds will be treated as own bonds and netted against issued bonds 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-September 2009, this funding represented NOK 115.9 billion. The bank's investment in Treasury bills used in the swap agreements amounted to NOK 110.8 billion as at 30 September 2009.

Note 20 Off-balance sheet transactions and contingencies

Off-balance sheet transactions and additional information

DnB NOR Bank ASA				DnB NOR Bank Group		
30 Sept. 2008	31 Dec. 2008	30 Sept. 2009		30 Sept. 2009	31 Dec. 2008	30 Sept. 2008
			<i>Amounts in NOK million</i>			
301 526	299 210	280 408	Unutilised ordinary credit lines	297 118	337 818	337 683
24 911	24 627	14 372	Documentary credit commitments	14 565	24 896	25 206
522	496	416	Other commitments	461	540	595
326 958	324 333	295 196	Total commitments	312 143	363 254	363 484
27 155	32 575	24 179	Performance guarantees	25 988	34 367	29 170
19 992	22 553	19 354	Payment guarantees	20 395	24 582	21 013
14 732	14 871	9 780	Loan guarantees ¹⁾	10 569	16 202	15 441
0	0	939	Guarantee to the Norwegian Banks' Guarantee Fund	939	0	0
5 755	4 759	5 172	Guarantees for taxes etc.	5 211	4 801	5 797
4 291	4 764	3 658	Other guarantee commitments	3 920	5 448	4 831
71 925	79 522	63 082	Total guarantee commitments ²⁾	67 022	85 399	76 253
0	0	0	Support agreements	3 901	4 499	3 219
71 925	79 522	63 082	Total guarantee commitments etc. ¹⁾	70 923	89 899	79 472
			*) Of which:			
429	360	211	Counter-guaranteed by financial institutions	225	566	614
95 521	202 611	123 481	Securities	123 481	202 611	95 521
95 404	202 464	123 345	are pledged as security for: Loans ³⁾	123 345	202 464	95 404
117	147	136	Other activities	136	147	117

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 8 773 million were recorded in the balance sheet as at 30 September 2009. These loans are not included under guarantees in the table.

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

3) As at 30 September 2009, NOK 47 260 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 NOR Banking Group will regularly be party to a number of legal actions. None of the current disputes are expected to have any material impact on the banking group's financial position.

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 (Lehman Brothers). The company contests the claim.

Ivar Petter Røeggen has instituted legal proceedings against DnB NOR Bank ASA, claiming that two investment agreements for structured products be declared null and void and that the bank be ordered to pay costs of NOK 266 000 plus interest on late payments. It is not the size of the amount disputed that is significant, rather whether this will serve as a test case for similar cases. The bank contests the claim.

In addition to the above-mentioned civil action brought against DnB NOR Bank ASA by Ivar Petter Røeggen, two additional actions have been brought against the bank relating to the sale of structured products, of which one is a group action with 19 plaintiffs comprising the same products as the action by Røeggen, while the other is an action brought by Bjarne Voster relating to another structured product, with a claim totalling NOK 500 000. The bank maintains that there is no legal basis for a group action and contests the claims.

DnB NOR Bank ASA has brought an action against seven Norwegian municipalities for the settlement of interest swaps on commercial terms. The municipalities have stopped their payments under the agreements citing that full settlement took place upon payment of the residual value of the investments made. The bank's total claim in the civil action is NOK 968 million plus interest on overdue payments.

Key figures

DnB NOR Bank Group					
	3rd quarter 2009	3rd quarter 2008	January-September 2009	2008	Full year 2008
Interest rate analyses					
1. Combined weighted total average spread for lending and deposits (%)	1.15	1.02	1.14	1.00	1.02
2. Spread for ordinary lending to customers (%)	1.61	0.96	1.59	0.88	1.00
3. Spread for deposits from customers (%)	0.29	1.14	0.20	1.22	1.07
Rate of return / profitability					
4. Net other operating income, per cent of total income	35.1	30.9	35.2	27.6	30.6
5. Cost/income ratio (%)	41.6	46.1	45.8	52.0	48.8
6. Return on equity, annualised (%)	10.0	16.4	11.2	13.9	14.0
Financial strength					
7. Core (Tier 1) capital ratio at end of period (%)	7.7	6.7	7.7	6.7	6.9
8. Core (Tier 1) capital incl. 50 per cent of profit for the period (%)	8.0	7.1	8.0	7.1	-
9. Capital adequacy ratio at end of period (%)	10.6	9.6	10.6	9.6	9.9
10. Capital adequacy ratio incl. 50 per cent of profit for the period (%)	10.9	10.0	10.9	10.0	-
11. Core capital at end of period (NOK million)	77 618	68 686	77 618	68 686	77 671
12. Risk-weighted volume at end of period (NOK million)	1 003 286	1 019 119	1 003 286	1 019 119	1 120 428
Loan portfolio and write-downs					
13. Individual write-downs relative to average net lending to customers, annualised	0.59	0.22	0.54	0.13	0.25
14. Write-downs relative to average net lending to customers, annualised	0.78	0.27	0.70	0.15	0.33
15. Net non-performing and impaired commitments, per cent of net lending	1.97	0.60	1.97	0.60	0.98
16. Net non-performing and impaired commitments at end of period (NOK million)	22 818	6 947	22 818	6 947	11 922
Liquidity					
17. Ratio of customer deposits to net lending to customers at end of period (%)	52.6	52.7	52.6	52.7	50.3
Staff					
18. Number of full-time positions at end of period	12 363	12 854	12 363	12 854	12 848
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 operating expenses relative to total income. Expenses exclude impairment losses for goodwill.				
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.				

Profit and balance sheet trends

Income statement	DnB NOR Bank ASA				
	3rd quarter 2009	2nd quarter 2009	1st quarter 2009	4th quarter 2008	3rd quarter 2008
<i>Amounts in NOK million</i>					
Total interest income	10 084	11 208	14 062	19 038	18 343
Total interest expenses	6 108	7 316	10 258	14 515	13 736
Net interest income	3 976	3 892	3 804	4 523	4 607
Commissions and fees receivable etc.	1 329	1 290	1 150	1 199	1 289
Commissions and fees payable etc.	454	495	375	471	463
Net gains on financial instruments at fair value	1 892	1 749	2 894	368	1 064
Profit from companies accounted for by the equity method	0	0	0	0	0
Other income	393	368	366	907	279
Net other operating income	3 159	2 913	4 035	2 003	2 169
Total income	7 135	6 805	7 839	6 526	6 776
Salaries and other personnel expenses	1 593	1 602	1 714	1 657	1 633
Other expenses	1 177	1 287	1 307	1 292	1 211
Depreciation and write-downs of fixed and intangible assets	210	380	100	219	79
Total operating expenses	2 979	3 269	3 121	3 168	2 924
Net gains on fixed and intangible assets	0	1	2	3	5
Write-downs on loans and guarantees	1 145	682	840	910	370
Pre-tax operating profit	3 011	2 855	3 880	2 450	3 486
Taxes	1 027	1 039	1 280	762	976
Profit from discontinuing operations after taxes	0	0	0	0	0
Profit for the period	1 985	1 816	2 599	1 688	2 510

Profit and balance sheet trends (continued)

Balance sheet	DnB NOR Bank ASA				
	30 Sept. 2009	30 June 2009	31 March 2009	31 Dec. 2008	30 Sept. 2008
<i>Amounts in NOK million</i>					
Assets					
Cash and deposits with central banks	26 819	55 038	55 292	47 705	42 544
Lending to and deposits with credit institutions	250 385	258 015	244 495	245 652	216 137
Lending to customers	666 560	726 382	777 094	824 223	805 129
Commercial paper and bonds	301 214	184 673	136 087	82 058	33 665
Shareholdings	9 994	8 635	9 034	9 317	10 718
Financial derivatives	85 999	87 839	112 441	137 751	77 219
Commercial paper and bonds, held to maturity	105 569	103 105	91 763	100 278	88 008
Investment property	0	0	0	0	0
Investments in associated companies	1 027	1 065	1 064	1 069	1 060
Investments in subsidiaries	28 254	20 942	18 631	19 192	16 512
Intangible assets	2 221	2 173	2 198	2 173	2 091
Deferred tax assets	9	9	9	10	9
Fixed assets	814	814	822	844	809
Discontinuing operations	0	0	0	0	0
Other assets	23 061	6 199	6 466	5 941	7 623
Total assets	1 501 925	1 454 890	1 455 395	1 476 214	1 301 524
Liabilities and equity					
Loans and deposits from credit institutions	288 132	204 373	199 895	147 371	132 622
Deposits from customers	570 419	587 593	571 299	570 312	562 457
Financial derivatives	81 040	83 839	96 768	119 168	67 920
Securities issued	426 059	431 137	456 659	507 680	404 258
Payable taxes	3 109	2 225	1 363	215	2 109
Deferred taxes	3 822	3 805	3 778	3 734	1 079
Other liabilities	11 198	21 917	8 451	10 608	20 110
Provisions	4 454	4 357	4 327	4 299	4 438
Subordinated loan capital	38 544	42 158	41 164	43 612	39 296
Total liabilities	1 426 778	1 381 402	1 383 705	1 406 998	1 234 289
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	44 938	43 278	41 481	39 007	37 026
Total equity	75 147	73 487	71 691	69 217	67 236
Total liabilities and equity	1 501 925	1 454 890	1 455 395	1 476 214	1 301 524

Profit and balance sheet trends (continued)

Income statement	DnB NOR Bank Group				
	3rd quarter 2009	2nd quarter 2009	1st quarter 2009	4th quarter 2008	3rd quarter 2008
<i>Amounts in NOK million</i>					
Total interest income	13 427	14 881	17 921	22 916	21 589
Total interest expenses	7 573	9 088	12 131	16 615	15 731
Net interest income	5 854	5 793	5 790	6 301	5 857
Commissions and fees receivable etc.	1 591	1 533	1 384	1 458	1 521
Commissions and fees payable etc.	491	516	415	509	502
Net gains on financial instruments at fair value	1 957	1 032	2 140	1 186	1 602
Profit from companies accounted for by the equity method	(284)	(471)	897	1 201	(377)
Other income	400	299	417	402	373
Net other operating income	3 172	1 876	4 424	3 737	2 618
Total income	9 026	7 669	10 214	10 038	8 475
Salaries and other personnel expenses	2 137	2 121	2 258	2 139	2 140
Other expenses	1 516	1 610	1 652	1 691	1 523
Depreciation and write-downs of fixed and intangible assets	497	607	312	588	245
Total operating expenses	4 151	4 338	4 223	4 418	3 909
Net gains on fixed and intangible assets	(4)	7	4	6	13
Write-downs on loans and guarantees	2 277	2 318	1 598	2 314	725
Pre-tax operating profit	2 595	1 021	4 396	3 312	3 854
Taxes	1 047	393	1 319	1 138	1 041
Profit from discontinuing operations after taxes	0	0	0	0	0
Profit for the period	1 548	627	3 078	2 174	2 814
Profit attributable to shareholders	1 955	1 185	3 238	2 576	2 833
Profit attributable to minority interests	(408)	(558)	(161)	(402)	(20)

Profit and balance sheet trends (continued)

Balance sheet	DnB NOR Bank Group				
	30 Sept. 2009	30 June 2009	31 March 2009	31 Dec. 2008	30 Sept. 2008
<i>Amounts in NOK million</i>					
Assets					
Cash and deposits with central banks	29 899	58 524	58 185	51 147	45 792
Lending to and deposits with credit institutions	67 382	62 140	73 685	54 187	44 189
Lending to customers	1 146 949	1 178 785	1 188 648	1 206 842	1 132 757
Commercial paper and bonds	177 340	95 310	57 001	58 219	37 288
Shareholdings	10 361	9 061	9 483	9 642	11 056
Financial derivatives	84 662	86 414	111 456	136 567	75 368
Commercial paper and bonds, held to maturity	105 569	103 105	91 763	100 278	88 008
Investment property	584	583	663	167	175
Investments in associated companies	2 599	2 921	3 391	2 499	1 295
Investments in subsidiaries	-	-	-	-	-
Intangible assets	6 224	5 579	5 792	6 105	5 869
Deferred tax assets	239	382	236	253	172
Fixed assets	5 588	5 306	5 133	5 271	4 293
Discontinuing operations	168	164	201	246	249
Other assets	7 113	9 172	8 335	6 781	9 608
Total assets	1 644 677	1 617 447	1 613 973	1 638 205	1 456 119
Liabilities and equity					
Loans and deposits from credit institutions	297 129	234 169	230 242	178 834	161 641
Deposits from customers	603 422	622 522	605 294	606 915	597 173
Financial derivatives	67 545	64 795	77 611	93 207	60 359
Securities issued	528 124	534 481	556 247	614 183	490 871
Payable taxes	2 515	1 786	1 470	317	2 419
Deferred taxes	5 175	5 099	5 059	5 054	1 892
Other liabilities	13 599	24 855	10 903	12 380	22 402
Provisions	4 801	4 690	4 638	4 607	4 942
Subordinated loan capital	39 940	43 629	42 624	45 225	40 676
Total liabilities	1 562 249	1 536 026	1 534 089	1 560 721	1 382 375
Minority interests	3 265	4 010	3 644	4 211	3 287
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	48 237	46 485	45 315	42 346	39 531
Total equity	82 428	81 421	79 885	77 483	73 744
Total liabilities and equity	1 644 677	1 617 447	1 613 973	1 638 205	1 456 119

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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.

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