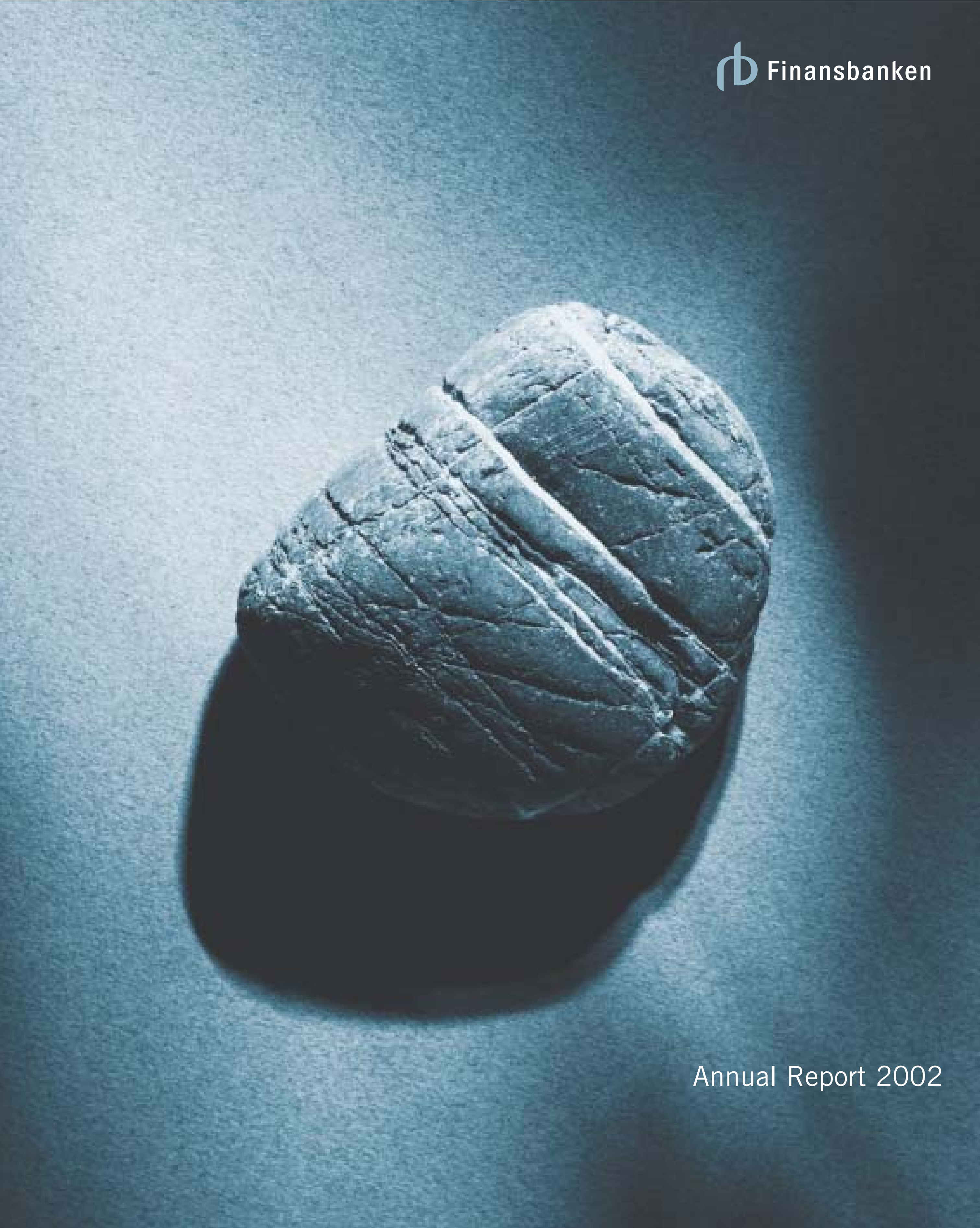
Finansbanken



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finansbanken

Per Kumle
Managing Director

2002 was a demanding year for Finansbanken, marked by work to improve the lending portfolio, reorganisation of the organisational structure and reductions in headcount. The bank has focused more closely on its lending activities and reduced the scale of its investment management activities in response to difficult market conditions.

Despite the weak earnings reported for 2002, I am cautiously optimistic for the bank's future prospects. Finansbanken has strong liquidity and capital adequacy, and its underlying operational performance is satisfactory. A systematic and targeted program of work is underway to improve the bank's risk management and so reduce its overall exposure to credit risk. The shipping portfolio was cut back from NOK 3.2 billion to NOK 1.4 billion in 2002, and the total lending portfolio was reduced by around NOK 3 billion.

The task of trimming the bank's cost base and focusing on its core activities is well advanced. The branch offices in Bergen and Sandefjord have been closed, and investment management has been scaled down. These changes represent significant cost savings, which will be realised in part in 2003 and will have full effect from 2004.

The most important event in 2002 was the decision to merge Finansbanken with its fellow subsidiary Storebrand Bank AS. The merged bank will be called Storebrand Bank ASA, and the Finansbanken name will continue as a separate brand for some aspects of the new bank's products and customer segments. With total assets of almost NOK 30 billion, the merged bank will be a more powerful player in the Norwegian banking market and will provide strong support for the Storebrand group's overall goals and strategy. The bank will build on the best features of Finansbanken and Storebrand Bank, and will focus on the Norwegian retail banking market and Storebrand's corporate customers. Finansbanken's strong position with selected corporate customers and wealthy private individuals in the central area of eastern Norway around Oslo will be fully supported by the merged bank.

I therefore look forward to the further development of the Storebrand group's banking activities through Storebrand Bank ASA, and to a close relationship with both existing and new customers in 2003.

Oslo, 12 March 2003

Per Kumle

Managing Director

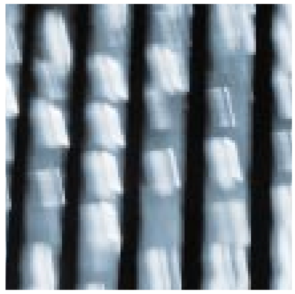
Storebrand has until now carried out its banking activities through two separate banks, Finansbanken and Storebrand Bank. It was decided in November 2002 that the two banks should be merged. Legal completion of the merger took place on 17 March 2003, but for accounting purposes the two banks were merged with effect from 1 January 2003. The merger will realise significant cost savings, both by integrating some functions and reducing staff numbers.

The merger brings Storebrand's strategy for its banking activities more closely into line with the group's overall strategic direction. Storebrand Bank ASA will build upon the expertise and customer base of the two banks and the products and services they offer. The bank will develop, produce, market and sell financial products to the Norwegian retail market and to corporate customers of the Storebrand group. In addition the new bank will target selected corporate customers and high net worth individuals in the central area of eastern Norway around Oslo, where close relationships with customers and the market combined with core expertise will create significant value added for the bank and its customers.

Finansbanken is to continue as a brand name, and will as before represent a distinct service concept for selected corporate customers and high net worth individuals. We will also continue to offer specialist expertise in lending and project financing, principally in respect of real estate development and wealth management. The merger will offer our customers a better and more broadly based banking service with a wider range of products while retaining a personal style of service and financial advice. Our relationships with customers will continue to be characterised by a high level of service, a flexible approach and rapid decision-making firmly based on a prudent credit approval process.

KEY FIGURES FOR STOREBRAND'S BANKING ACTIVITIES:

No. of employees (total for both banks)	641
No. of customers:	
Storebrand Bank	61,191
Finansbanken*	13,763
*Of which 4,539 are corporate customers	
Total assets:	
Storebrand Bank (NOK million)	12,919
Finansbanken (NOK million)	15,641



(NOK million and percentage)	Group 31.12.02		Group 31.12.01		Parent bank 31.12.02		Parent bank 31.12.01	
Profit and Loss account: (as % of average total assets)								
Interest and credit commission income	**1 500,1**	**8,29 %**	1 612,6	7,96 %	**1 453,2**	**8,38 %**	1 552,5	8,00 %
Interest and related expense	**-1 111,8**	**-6,14 %**	-1 165,4	-5,75 %	**-1 094,4**	**-6,31 %**	-1 138,5	-5,87 %
Net interest and commission income	**388,3**	**2,14 %**	447,2	2,21 %	**358,8**	**2,07 %**	414,0	2,13 %
Income on securities with variable yield	**-4,3**	**-0,02 %**	-11,9	-0,06 %	**2,9**	**0,02 %**	17,3	0,09 %
Commission and other income from banking services	**51,4**	**0,28 %**	117,0	0,58 %	**23,1**	**0,13 %**	28,0	0,14 %
Commission and other expense for banking services	**-6,1**	**-0,03 %**	-17,2	-0,09 %	**-5,2**	**-0,03 %**	-6,1	-0,03 %
Net gain/loss on securities and foreign exchange	**-1,2**	**-0,01 %**	36,8	0,18 %	**-5,2**	**-0,03 %**	29,5	0,15 %
Other operating income	**2,0**	**0,01 %**	14,4	0,07 %	**3,9**	**0,02 %**	5,6	0,03 %
Total non-interest income	**41,8**	**0,23 %**	139,1	0,69 %	**19,5**	**0,11 %**	74,3	0,38 %
Salaries and general administration expenses	**-238,8**	**-1,32 %**	-237,6	-1,17 %	**-146,8**	**-0,85 %**	-147,4	-0,76 %
Depreciation of fixed and intangible assets	**-85,7**	**-0,47 %**	-49,8	-0,25 %	**-42,5**	**-0,25 %**	-19,0	-0,10 %
Other operating expenses	**-62,2**	**-0,34 %**	-70,5	-0,35 %	**-44,4**	**-0,26 %**	-48,7	-0,25 %
Total operating expenses	**-386,6**	**-2,14 %**	-357,9	-1,77 %	**-233,8**	**-1,35 %**	-215,1	-1,11 %
Operating profit before losses and write-downs	**43,5**	**0,24 %**	228,3	1,13 %	**144,5**	**0,83 %**	273,2	1,41 %
Loan losses and provisions	**-401,3**	**-2,22 %**	-302,1	-1,49 %	**-397,7**	**-2,29 %**	-297,1	-1,53 %
Profit/losses from long term shares	**-50,8**	**-0,28 %**	0,1	0,00 %	**-205,5**	**-1,19 %**	1,8	0,01 %
Ordinary profit before tax	**-408,5**	**-2,26 %**	-73,7	-0,36 %	**-458,7**	**-2,65 %**	-22,0	-0,11 %
Tax on ordinary profit	**85,4**	**0,47 %**	7,6	0,04 %	**126,6**	**0,73 %**	4,2	0,02 %
Ordinary profit after tax	**-323,2**	**-1,78 %**	-66,1	-0,33 %	**-332,1**	**-1,92 %**	-17,8	-0,09 %

Main balance sheet figures	Group 31.12.02	Group 31.12.01	Parent bank 31.12.02	Parent bank 31.12.01
Total assets	**15 641,3**	19 702,7	**14 944,3**	18 587,8
Average total assets	**18 106,5**	20 256,7	**17 335,2**	19 406,5
Gross loans to customers	**14 326,0**	17 317,3	**13 639,3**	16 779,3
Equity	**1 277,4**	1 365,6	**1 333,4**	1 430,5

Capital adequacy	Group 31.12.02	Group 31.12.01	Parent bank 31.12.02	Parent bank 31.12.01
Capital adequacy	**1 647,4**	1 777,7	**1 705,7**	1 956,2
Capital ratio	**12,16 %**	10,70 %	**13,13 %**	12,12 %
Core capital ratio	**8,29 %**	7,42 %	**9,09 %**	8,75 %

Other key figures	Group 31.12.02	Group 31.12.01	Parent bank 31.12.02	Parent bank 31.12.01
Costs as a percentage of operating income	**89,88 %**	61,05 %	**61,79 %**	44,05 %
Return on equity after tax	**-24,71%**	-4,84%	**-32,45%**	-1,28%

REPORT OF THE BOARD OF DIRECTORS FOR 2002
(Comparable prior year figures are shown in brackets)

MAIN FEATURES

Finansbanken ASA is one of four main business areas of the Storebrand group. The bank, which is a specialist bank for selected segments of the corporate and retail banking markets, offers specialist expertise for lending and project financing as well as investment management.

The board and management paid particular attention in 2002 to the bank's lending portfolio, especially in the areas of shipping and securities financing. The credit area has been reorganised and strengthened, while the resources devoted to investment management have been significantly reduced. The bank's offices in Bergen and Sandefjord have been closed and all activities are now concentrated to Oslo. The work involved in improving the quality of the loan portfolio, restructuring the bank's activities and reducing headcount have had a significant adverse effect on the bank's earnings, and earnings were also depressed by difficult market conditions. Measures taken to tackle the uncertainty attached to the loan portfolio have included increased loan loss provisions and transfers to reserves.

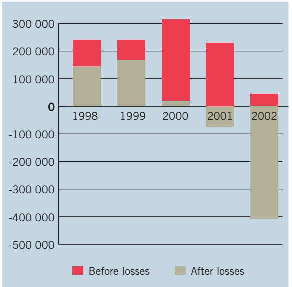
The group achieved a profit for the first quarter in isolation, but reports a loss for the year as a whole after loan loss provisions, non-recurring costs for restructuring, losses on business disposals and write-downs of goodwill in subsequent quarters. The group’s results for the year were also adversely affected to a significant degree by the weak conditions seen in capital markets throughout 2002.

The Board very much regrets that the bank's operations and earnings are still burdened by the need for sizeable loan loss provisions. However the task of re-focusing and selectively reducing the lending portfolio has now reached a relatively advanced stage. The shipping portfolio was cut back from NOK 3.2 billion to NOK 1.4 billion in 2002. This means that shipping’s share of total gross lending fell from 18.7% to 10.3% at the end of 2002. Moreover the total lending portfolio was reduced by NOK 3.0 billion over the course of 2002 from NOK 17.3 billion to NOK 14.3 billion. This represents a reduction of 17.3%.

The Board's objective is to ensure that focus on the credit quality of the lending portfolio, together with measures to improve efficiency with greater focus on the bank's operations, will help to create a sound foundation for the bank's future profitability.

The Board resolved on 12 Nov 2002, with the approval of its sole shareholder Storebrand ASA, to merge the bank with its fellow subsidiary Storebrand Bank AS. Finansbanken ASA will be the acquiring

DIRECTORS' REPORT
(Comparable figures for 2001 are shown in brackets)



Group operating profit (NOK 1,000)

company in this merger. The merger was approved by extraordinary general meetings of the two banks on 12 December 2002, and formal completion is expected to take place in March 2003 with accounting effect from 1 January 2003. The new bank will be known as Storebrand Bank ASA. The Finansbanken brand will continue to be used for some customer segments. The merger will realise significant cost savings, both by integrating some functions and reducing staff numbers.

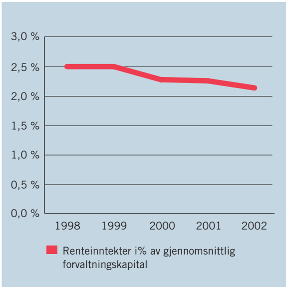
The merged bank will build upon the expertise and customer base of the two banks and the products and services they offer. The bank will focus on the Norwegian retail market and corporate customers of the Storebrand group, and will develop and sell financial solutions to private individuals and selected corporate customers. For customers the merger will create a larger and better banking connection that offers a wider range of products while maintaining a personal style of service and financial advice.

PROFIT AND LOSS ACCOUNT

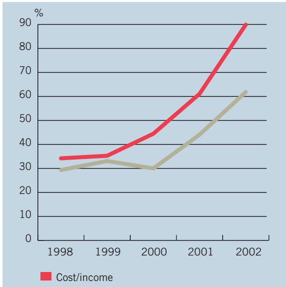
The Finansbanken ASA group reported a profit for 2002 of NOK 114.5 million before restructuring costs, write-downs and losses on loans and securities. This is equivalent to 0.63% of average total assets. Costs and provisions for restructuring amounted to NOK 25.9 million, while write-downs of goodwill and fixed assets in connection with restructuring amounted to NOK 45.1 million. The net increase in loan loss provisions amounted to NOK 401.3 million for the year. The bank also recognised a loss of NOK 50.8 million on shares classified as financial fixed assets, including a loss of NOK 31.3 million in connection with the sale of E*Trade Norge. The pre-tax loss for 2002 was therefore NOK 408.5 million, with a net loss for the year after a tax write-back of NOK 85.4 million of NOK 323.2 million, equivalent to a negative return on equity of 24.7%.

The parent bank reports a pre-tax loss for 2002 of NOK 458.7 million (loss of NOK 22.0 million) of which NOK 186.4 million relates to writing down the value of shares in subsidiaries. The group accounts consolidate all subsidiaries, and the write-down of share values is therefore eliminated. The consolidated accounts include the results reported by subsidiaries together with goodwill depreciation and write-offs.

The group's payroll costs totalled NOK 173.4 million (NOK 167.1 million) in 2002. The increase from 2001 was principally due to non-recurring items incurred by closing the bank's offices in Bergen and Sandefjord, as well as re-organisation of the Oslo based activities.



Net interest and commision income as % of average total assets.



Cost/income.

NON-PERFORMING LOANS, LOSSES AND PROVISIONS AND ASSETS REPOSSESSED

Losses on loans and guarantees are based on an individual review of customers in the loan and guarantee portfolios. All non-performing loans, doubtful loans and large commitments are reviewed on a case-by-case basis. The necessary loss provisions are made in accordance with regulations issued by the Banking, Insurance and Securities Commission. Risk classification and assessment of the loan and guarantee portfolios is carried out on a continuous basis throughout the year.

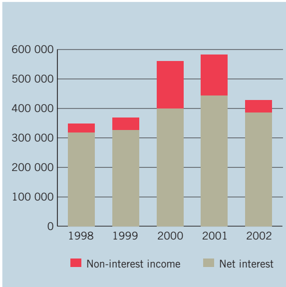
The Finansbanken group's gross non-performing and doubtful loans totalled NOK 2,242 million (NOK 1,977 million) at year-end, of which NOK 1,019 million (NOK 398 million) related to loans on which interest is no longer accrued. After specific loss provisions of NOK 492 million, net non-performing and doubtful loans amounted to NOK 1,750 million (NOK 1,655 million), equivalent to 12.2% (9.6%) of the group's gross lending. Net specific loan loss provisions amounted to NOK 492 million (NOK 321.7 million) at the close of 2002. Including the general loss provision of NOK 297 million, this brings total provisions for loan losses to NOK 789 million, equivalent to 5.5% of the group's gross lending.

The group held repossessed assets of NOK 12.6 million (NOK 58.9 million) at year-end.

The average annual level of loan losses is expected to stabilise over time in the range of 0.4% to 0.6% of total gross lending. However given the composition of the lending portfolio, with a number of relatively large customer relationships, the actual performance will still deviate from the expected level from time to time.

BALANCE SHEET AND TOTAL ASSETS

The group's capital base strengthened over the year to NOK 1,647.4 million at 31 December 2002. The equivalent figure for the parent bank was NOK 1,705.7 million. This represents a capital ratio of 12.16% for the group and 13.13% for the parent bank, with core capital ratios for the group and parent bank of 8.29% and 9.09% respectively. Finansbanken ASA carried out a private placement of shares with Storebrand ASA in the third quarter of 2002 of NOK 225 million.



Net interrest income and
non-interest income for the group (1,000)

The Finansbanken group had total assets of NOK 15.6 billion at 31 December 2002 as compared to NOK 19.7 billion at the close of 2001.

LOANS TO AND RECEIVABLES FROM CUSTOMERS

The group's gross lending to customers fell over the course of the year by almost NOK 3.0 billion, equivalent to 17.3%. This reduction was due in part to the bank's earlier decision to build down its shipping portfolio. This portfolio was reduced by NOK 1,836 million to stand at NOK 1,403 million at 31 December 2002. The bank has also reduced its exposure to securities financing and, to a lesser extent, to the real estate sector. Gross lending to customers amounted to NOK 14,326 million at 31 December 2002.

A geographic analysis of lending demonstrates that the bank's lending is concentrated on Oslo and other central areas in the Østland region (72.8%). Foreign borrowers account for 13.9% of total lending, and the remaining 13.3% is evenly distributed across the Norwegian market in general. Some 32.3% of total lending is denominated in foreign currency, principally USD. The bulk of the group's currency lending is hedged against changes in exchange rates either by matching currency funding or by using financial instruments. Real estate financing consists mainly of loans secured against commercial property in good locations let on long-term leases, together with financing for residential developments. The bank again maintained a restrictive credit policy for real estate lending to reflect the trends seen for real estate prices in 2002.

The shipping portfolio is split between the tanker, dry cargo and special purpose segments such as gas carriers, chemical carriers, refrigerated vessels and offshore. The vessels financed are employed on time charter and in the spot market.

Loans for securities financing are secured mainly against Norwegian shares listed on Oslo Børs, Norwegian bonds, and investments in Norwegian and foreign managed funds. The bank pursues a policy of selective activity in this area of business, and adopts a particularly prudent approach to the regular review of its security when lending to company owners against the security of shares in their own company.

DEPOSITS, FUNDING AND SUBORDINATED LOAN CAPITAL

Customer deposits fell by 22% over the course of the year, bringing the total to NOK 5.8 billion (NOK 7.4 billion). As a result of this decline, the deposit/lending ratio was 40.4% at 31 December

2002 as compared to 43% at the end of 2001. The bank continues to work systematically to maintain a high level of customer deposits.

The group's funding is based on ordinary deposits, securities issued and funds raised in both the Norwegian money market and the international bank market. The bank's co-operation with its parent company Storebrand ASA had a positive effect in 2002. The bank's liquidity situation is satisfactory.

There was a small reduction in subordinated loan capital outstanding over the course of the year. Subordinated borrowings totalled NOK 524 million at 31 December 2002.

GROUP INFORMATION, SUBSIDIARIES AND BUSINESS AREAS

Storebrand ASA held the entire share capital of 59,544,845 shares in Finansbanken ASA at 31 December 2002.

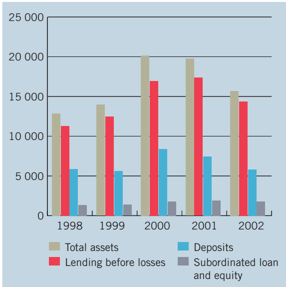
The operational subsidiaries of Finansbanken ASA are Finansbanken Formuesforvaltning ASA (100%), Finansbanken Index ASA (100%) and Finansbanken A/S, Denmark (100%). In addition the bank has an interest in the associated company Morningstar Norge AS (49%).

FINANSBANKEN FORVALTNING AS

Finansbanken Forvaltning AS (formerly Delphi Forvaltning AS) holds the entire share capital of the subsidiary companies Finansbanken Formuesforvaltning ASA and Finansbanken Plasserings-rådgivning ASA.

The Finansbanken Forvaltning group reported operating revenue for 2002 of NOK 15 million (NOK 38 million). The drop in revenue was caused by weaker conditions in the financial markets and the bank's focus on internal restructuring and reorganisation in 2002. In addition Delphi Fondsforvaltning ASA, a wholly-owned subsidiary of Finansbanken Forvaltning, was sold to Storebrand Fondene with accounting effect from 1 January 2002, and this also contributed to the lower revenue reported for the year. Lower operating revenue and non-recurring reorganisation costs caused the group to report a loss for the year of NOK 37.1 million (loss of NOK 10.7 million).

The group's investment management activities were reorganised and reduced in scale over the course of 2002, principally in response to the weak market conditions that characterised the year.



Group balance sheet (NOK million)

FINANSBANKEN INDEX ASA

Finansbanken Index ASA markets and sells structured products, with particular emphasis on sales of equity index linked bonds.

Continuing uncertain economic prospects in general and the repricing of the technology sector in particular again had an adverse effect on Norwegian and international stock markets in 2002. This caused inflows to savings products in the Norwegian market to remain at low levels in 2002, affecting both traditional mutual funds products and structured products.

In view of the merger with Storebrand Bank AS, the company will in future be more closely linked for operational purposes with Storebrand Investments.

Finansbanken Index ASA achieved gross operating income of NOK 6,3 million in 2002, with a pre-tax profit of NOK 2.1 million.

FINANSBANKEN A/S, DENMARK

Finansbanken A/S, Denmark reported a loss for 2002 of NOK 27.3 million (loss of NOK 10.7 million) after loan losses and provisions. Steps have therefore been taken to restructure the company's activities with a view to restoring profitability over the course of 2003.

RESULT FOR THE YEAR, CAPITAL ADEQUACY AND EQUITY

Finansbanken ASA (the parent bank) reported a post-tax loss from ordinary operations of NOK 332.1 million for 2002 after loan losses and provisions. The Board proposes that the loss be met in full from other equity.

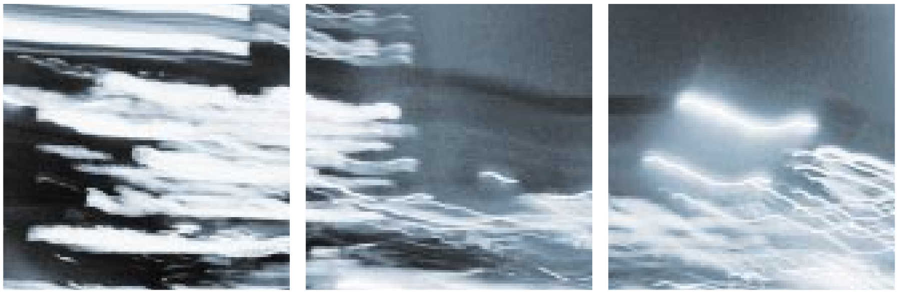
The annual accounts for the parent company and group have been prepared on the going concern assumption. The Board regards the group's capital base and the core capital ratio as satisfactory in relation to the present level of activity. The Board is not aware of any material uncertainty attached to the annual accounts or of any matters of significance that have arisen since the accounts for 2002 were prepared.

DISPUTES

The Finansbanken group is not involved in any disputes that are of material commercial or operational significance.

GUARANTEES AND COLLATERAL PLEDGED

At the end of 2002 the guarantee portfolio amounted to NOK 868.0 million (NOK 1,285.0 million), of which payment guarantees accounted for NOK 322.8 million, and loan guarantees amounted to NOK 238.2 million. Most of the guarantees have been issued on behalf of



customers in the Oslo and Akershus region in respect of real estate operations. At year-end, the bank had deposited government securities of NOK 846.1 million as security for access to Norges Bank's overnight loan facility.

The bank had not pledged any other collateral at year-end.

MANAGEMENT OF FINANCIAL RISK

The group's financial risk consists mainly of exposure to credit risk, liquidity risk, interest rate risk, foreign exchange risk and share price risk. Credit risk is considered to be the most significant of these. The Board places great importance on ensuring that the bank's financial expo-sure is at a low level.

In order to manage its exposure to credit risk, the bank has continually developed and improved a system of delegated authority for credit approval over a number of years. A system has also been established to monitor and classify the credit risks associated with the loan portfolio. Lending is well diversified in terms of both customers and the sectors in which they operate.

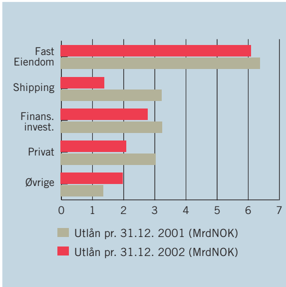
The separate management committee for the shipping portfolio was disbanded in 2002. The committee focused on monitoring the credit risk associated with the shipping portfolio and building down this exposure. The portfolio was reduced over the course of 2002 by a further NOK 1,836 million from NOK 3,239 million to NOK 1,403 million. Work continues to reduce this portfolio.

A substantial proportion of Finansbanken ASA's lending is denominated in foreign currency. The loan principal is hedged by corresponding foreign currency funding, or through funding in NOK which is converted into foreign currency through swap agreements. Future interest income and expense related to funding and lending of this kind are hedged through forward foreign exchange contracts.

The Board carries out an annual review of the bank's risk policy and exposure. Reporting routines are operated in accordance with the requirements set down by the Norwegian authorities for internal control.

ENVIRONMENT

The Board is not aware that any aspects of the bank's activities pollute the external environment to any appreciable extent or are capable of causing pollution.



Analysis of lending at 31.12.01
(NOK billion)

BOARD OF DIRECTORS AND THE GROUP'S ORGANISATION.

Per Kumle took up his position as Managing Director of Finansbanken ASA on 1 February 2002

A number of organisational changes were made in 2002, as a result of reorganisation and decisions to build down certain activities, particularly in the investment management area. These changes, combined with a considerable workload, have represented major challenges to both the capacity of the group's employees and their willingness to adapt to change. In the Board's view the organisation has responded to these challenges extremely well, and has succeeded in maintaining a good working environment throughout the organisation. Absence due to sickness was equivalent to 2.6% as compared to 2.9% in 2001. There were no material accidents or damage reported in 2002.

The Finansbanken group had a total of 181 employees at the close of 2002 as compared to 223 employees at the close of 2001. Hours worked represented the equivalent of 168 full-time equivalent positions as compared to 209 in 2001.

Finansbanken ASA made a provision of NOK 6.0 million in 2002 (including holiday pay and employer's social security contributions) in respect of guaranteed bonuses and other individual performance-related bonuses. The subsidiary companies Finansbanken Forvaltning AS, Finansbanken Index ASA and Finansbanken A/S, Denmark, made in aggregate provisions of NOK 0.9 million including employer's social security contributions in respect of individual performance-related salaries and bonuses.

STRATEGY AND PROSPECTS FOR 2003

Finansbanken ASA's stated objective, which is to develop, market and sell financial products and services to wealthy private individuals and selected corporate customers, will in future be promoted and developed through the merged Storebrand Bank ASA.

The Board will continue to focus its attention on the bank's lending portfolio. The Board has a clear objective to ensure that the bank's future development and growth takes place within an acceptable risk and profitability profile.

The Board will also pay close attention to the continuing development of the Private Banking concept. The Board is of the view that the bank is well placed to win a significant position in this market, particularly since the bank already enjoys a strong position in the market for wealthy individuals in Norway. This position has been built

up over a number of years, and is characterised by the strong customer focus, close customer relationships and high level of service that are essential for a successful private banking operation.

The Board would in closing like to take the opportunity to thank the group's customers and other business partners, as well as all the group's employees, for their support and assistance in 2002.

Oslo, 19 February 2003

The Board of Directors of Finansbanken ASA

Idar Kreutzer
- Chairman -

Finn Strøm-Gundersen
- Deputy Chairman -

Allan Åkerstedt
- Board Member -

Jan Oscar Frøshaug
- Board Member -

Stein Wessel-Aas
- Board Member -

Per Kumle
- Member/Managing Director -

Lennart Lorentzen
- Member/
Employee representative -

John Ouren
- Deputy member/
Employee representative -

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(NOK 1,000)	Note	GROUP 2002	GROUP 2001	PARENT BANK 2002	PARENT BANK 2001
Interest and other income on loans to and deposits with credit institutions		**69 317**	41 263	**70 135**	34 099
Interest and other income on loans to and due from customers		**1 363 872**	1 456 593	**1 322 007**	1 424 469
Interest on commercial paper, bonds and other interest-bearing securities		**67 028**	109 738	**61 078**	93 947
Other interest income and similar income		**-86**	4 962	**-**	-
Total interest income and similar income	9	**1 500 131**	1 612 556	**1 453 219**	1 552 515
Interest and other expenses on debt to credit institutions		**-150 354**	-147 828	**-151 174**	-148 312
Interest and other expenses on deposits from and due to customers		**-575 510**	-527 904	**-557 228**	-502 054
Interest and other expenses on securities issued		**-330 592**	-434 755	**-330 592**	-434 755
Interest and other expenses on subordinated loan capital		**-38 689**	-42 798	**-38 689**	-41 268
Other interest and related expenses		**-16 701**	-12 113	**-16 701**	-12 112
Total interest expenses and related expenses		**-1 111 846**	-1 165 399	**-1 094 384**	-1 138 502
NET INTEREST AND CREDIT COMMISSION INCOME		**388 284**	447 156	**358 835**	414 013
Income from shares and other securities with a variable return	17	**466**	324	**100**	200
Income from shareholdings in associated companies	13,21,35	**-4 776**	-12 235	**2 820**	17 110
Total dividends and other income from securities with a variable return		**-4 310**	-11 912	**2 920**	17 310
Guarantee commissions receivable		**12 106**	16 982	**11 576**	15 386
Other fees and commissions receivable		**39 279**	100 022	**11 490**	12 614
Total commissions receivable and income from banking service	2,3	**51 384**	117 004	**23 066**	27 999
Guarantee commissions payable		**-781**	-51	**-651**	-
Other fees and commissions payable		**-5 307**	-17 182	**-4 520**	-6 144
Total commissions payable and cost of banking services		**-6 088**	-17 233	**-5 170**	-6 144
Net gain/-loss on commercial paper, bonds and other interest-earning securities		**5 910**	2 529	**4 205**	4 530
Net gain/-loss on shares and other securities with a variable return		**-2 257**	-3 224	**93**	-4 089
Net gain/-loss on foreign exchange and financial derivatives		**-4 839**	37 500	**-9 547**	29 060
Total net gain/-loss on foreign exchangeand securities held as current assets	25	**-1 186**	36 805	**-5 249**	29 500
Real estate operating income		**0**	-97	**0**	-97
Other operating income		**2 031**	14 491	**3 893**	5 735
Total other operating income	4	**2 031**	14 394	**3 893**	5 638
Salaries		**-146 681**	-140 422	**-80 961**	-72 758
Pensions	7	**-8 100**	-8 425	**-5 947**	-4 898
Social security expenses		**-18 623**	-18 219	**-15 605**	-15 055
Total payroll expenses	6	**-173 404**	-167 066	**-102 513**	-92 711
Administration expenses		**-65 358**	-70 501	**-44 330**	-54 727
Total payroll and general administration expenses		**-238 762**	-237 567	**-146 843**	-147 439
Ordinary depreciation		**-40 538**	-49 822	**-26 272**	-18 957
Write-downs		**-45 155**	-	**-16 218**	-
Total depreciation and intangible assets	19	**-85 692**	-49 822	**-42 490**	-18 957
Real estate operating expenses		**-2**	-	**-2**	-
Other operating expenses		**-62 150**	-70 479	**-44 416**	-48 716
Total other operating expenses	5,8	**-62 152**	-70 479	**-44 418**	-48 716
Losses and provisions on loans and guarantees etc.		**-401 618**	-302 891	**-397 738**	-297 762
Write-back of losses realised in previous years		**326**	803	**0**	666
Total losses and provisions on loans and guarantees etc.	9,10,11	**-401 292**	-302 088	**-397 738**	-297 096
Write-downs/reversals of earlier write-downs	12,17	**-19 473**	-	**-205 479**	-
Gains/losses	13	**-31 282**	72	**0**	1 841
Total write-downs/reversals of write-downs and gains/losses on securities held as fixed assets		**-50 755**	72	**-205 479**	1 841
PRE-TAX OPERATING PROFIT		**-408 537**	**-73 669**	**-458 674**	**-22 049**
Tax on ordinary profit	35	**85 374**	7 597	**126 574**	4 206
ORDINARY PROFIT AFTER TAX	**34**	**-323 163**	**-66 072**	**-332 100**	**-17 843**
Transfer to other equity		323 163	66 072	332 100	17 843
TOTAL TRANSFERS AND ALLOCATIONS	**32**	**323 163**	**66 072**	**332 100**	**17 843**

BALANCE SHEET - ASSETS

(NOK 1,000)	Note	GROUP 31.12.02	GROUP 31.12.01	PARENT BANK 31.12.02	PARENT BANK 31.12.01
Cash and deposits with central banks		**362 030**	438 365	**276 774**	92 479
Loans and call deposits with credit institutions		**293 149**	71 534	**270 204**	50 820
Loans and term deposits with credit institutions		**16 281**	266 756	**-**	206 990
Total loans to and receivables from credit institutions		**309 430**	338 290	**270 204**	257 810
Overdraft and current accounts		**1 492 322**	2 106 698	**1 337 004**	1 930 725
Real estate loans		**1 040 820**	975 883	**1 040 820**	975 883
Instalment loans		**11 792 880**	13 764 024	**11 261 457**	13 872 690
Instalment loans – other		**-**	470 716	**-**	-
Total lending before specific and general loss provisions	6,18	**14 326 022**	17 317 320	**13 639 281**	16 779 297
- Specific loss provisions	9	**-492 149**	-321 659	**-469 668**	-301 142
- General loss provisions	9	**-296 798**	-304 646	**-296 798**	-304 646
Total net lending and due from customers	1,10,11	**13 537 075**	16 691 016	**12 872 814**	16 173 509
Assets repossessed	16	**12 646**	58 895	**12 646**	58 895
Commercial paper and bonds issued by public authorities		**174 433**	621 979	**171 067**	617 505
Total securities issued by public authorities		**174 433**	621 979	**171 067**	617 505
Commercial paper and bonds issued by others		**720 192**	675 075	**678 612**	355 919
Total securities issued by others		**720 192**	675 075	**678 612**	355 919
Total commercial paper, bonds and other int. bearing fixed-return sec.	14	**894 625**	1 297 054	**849 679**	973 424
Shares, other equity investments and primary capital certificates		**31 673**	66 791	**11 771**	36 112
Participations in partnerships etc.		**-**	-	**-**	-
Other securities		**532**	754	**-**	-
Total shares, other equity inv. and other sec. with a variable return	17	**32 205**	67 545	**11 771**	36 112
Shareholdings in associated companies		**2 974**	37 298	**3 294**	3 294
Total shareholdings in associated companies	12,13	**2 974**	37 298	**3 294**	3 294
Shareholdings in financial companies		**-**	-	**97 044**	156 568
Shareholdings in other group companies		**-**	-	**108 748**	232 180
Total shareholdings in group companies	12,21,22	**-**	-	**205 792**	388 748
Goodwill	19	**39 291**	104 252	**4 400**	-
Deferred tax assets	35	**105 331**	20 152	**137 981**	11 406
Other intangible assets	19	**3 726**	3 993	**2 884**	3 453
Total intangible assets		**148 348**	128 397	**145 264**	14 859
Machinery, equipment and vehicles		**44 167**	74 121	**37 747**	62 166
Buildings and other real estate		**336**	297	**336**	297
Total fixed assets	19	**44 503**	74 418	**38 083**	62 463
Other assets		**67 681**	164 466	**28 912**	138 414
Total other assets		**67 681**	164 466	**28 912**	138 414
Accrued income		**215 780**	398 115	**215 020**	380 241
Overfunding of pension commitments	7	**7 795**	5 289	**8 884**	5 289
Other prepaid expenses		**6 206**	3 577	**5 169**	2 280
Total prepaid expenses and accrued income		**14 000**	8 866	**14 054**	7 568
Total prepaid expenses and accrued income		**229 780**	406 980	**229 074**	387 810
TOTAL ASSETS	24,29,30	**15 641 297**	19 702 724	**14 944 307**	18 587 818

		GROUP		PARENT BANK	
(NOK 1,000)	Note	**31.12.02**	31.12.01	**31.12.02**	31.12.01
Loans and call deposits from credit institutions		**7 518**	6 096	**6 877**	4 606
Loans and term deposits from credit institutions		**3 695 600**	4 044 583	**3 695 600**	3 883 496
Total debt to credit institutions		**3 703 119**	4 050 679	**3 702 478**	3 888 102
Loans and call deposits from customers		**4 615 023**	5 436 796	**4 045 117**	4 946 605
Loans and term deposits from customers		**1 167 222**	1 983 872	**1 001 089**	1 722 441
Total deposits from and due to customers	20	**5 782 245**	7 420 668	**5 046 206**	6 669 045
Commercial paper and other short-term funding		**1 668 000**	2 802 945	**1 668 000**	2 802 945
- Own unamortised commercial paper		**-536 328**	-80 000	**-536 328**	-80 000
Bond debt		**3 021 165**	3 259 857	**3 021 165**	3 259 857
- Own unamortised bonds		**-123 569**	-394 615	**-123 569**	-394 615
Total securities issued	15	**4 029 267**	5 588 187	**4 029 267**	5 588 187
Financial derivatives		**15 207**	11 503	**-**	-
Other debt		**88 312**	410 658	**97 871**	174 925
Total other debt		**103 518**	422 162	**97 871**	174 925
Total accrued expenses and prepaid income	2	**206 849**	275 528	**206 849**	274 063
Pension commitments etc.	7	**2 635**	6 384	**2 635**	2 934
General loss provisions for guarantee liability	9	**1 600**	1 600	**1 600**	1 600
Other provisions for accrued commitments and expenses		**10 671**	27 501	**-**	14 000
Total provisions for accrued expenses and commitments		**14 906**	35 485	**4 235**	18 534
Subordinated loan capital with conversion rights		**9 323**	9 323	**9 323**	9 323
Other subordinated loan capital		**514 657**	535 116	**514 657**	535 116
Total subordinated loan capital	33	**523 980**	544 439	**523 980**	544 439
TOTAL LIABILITIES		**14 363 884**	18 337 148	**13 610 885**	17 157 296
Share capital	34	**1 190 897**	1 073 397	**1 190 897**	1 073 397
Share premium reserve		**244 768**	127 268	**244 768**	127 268
Total paid-in share capital		**1 435 665**	1 200 665	**1 435 665**	1 200 665
Other reserves		**164 911**	230 983	**229 857**	247 700
Profit for the year		**-323 163**	-66 072	**-332 100**	-17 843
Total accrued reserves		**-158 252**	164 911	**-102 243**	229 857
TOTAL EQUITY	31,32	**1 277 413**	1 365 576	**1 333 422**	1 430 522
TOTAL LIABILITIES AND EQUITY	24,29,30	**15 641 297**	19 702 724	**14 944 307**	18 587 818
OFF-BALANCE SHEET ITEMS					
Total contingent liabilities		**1 744 812**	1 939 934	**1 632 149**	1 517 630
Total other commitments		**6 355 266**	5 284 657	**5 435 612**	4 255 993

ANALYSIS OF CASH FLOW

(NOK 1,000)	GROUP 2002	GROUP 2001	PARENT BANK 2002	PARENT BANK 2001
Interest and credit commission income	**1 500 131**	1 612 556	**1 453 219**	1 552 515
Interest expenses	**-1 111 846**	-1 165 399	**-1 094 384**	-1 138 502
Non-interest income	**49 105**	168 599	**29 879**	82 288
Operating expenses	**-308 188**	-325 279	**-201 681**	-202 298
Gain on disposal of fixed assets	**-25**	-149	**-18**	-50
Amounts recovered on receivables previously written off	**326**	803	**-**	666
Tax paid	**-141**	-13 957	**-**	-6 491
Net cash flow from operations (A)	**129 362**	277 173	**187 014**	288 128
Decrease/(increase) in receivables from credit institutions	**18 645**	234 590	**-12 394**	31 907
Decrease/(increase) in loans to and due from customers	**2 989 383**	-524 027	**3 140 017**	-319 433
Decrease/(increase) in assets repossessed	**46 249**	-16 079	**46 249**	-16 079
Decrease/(increase) in commercial paper, bonds and other securities	**154 938**	122 267	**-123 745**	56 602
Decrease/(increase) in shareholdings	**35 115**	10 032	**24 342**	-2 461
Investment in subsidiaries and associated companies	**-11 473**	-6 140	**-9 049**	2 390
Investment in fixed assets	**-28 130**	-55 910	**-22 265**	-50 259
Sale of fixed assets	**6 158**	750	**325**	540
Decrease/(increase) in other assets	**96 785**	-161 696	**109 502**	-138 414
Decrease /(increase) in prepaid expenses and accrued income	**177 200**	191 577	**158 736**	201 697
Net cash flow from financial activities (B)	**3 484 869**	-204 636	**3 311 717**	-233 510
Increase/(decrease) in deposits from financial institutions	**-347 920**	155	**-185 624**	-155 381
Increase/(decrease) in deposits from customers	**-1 614 727**	-960 564	**-1 622 839**	-924 135
Increase/(decrease) in issues of own securities	**-1 558 920**	378 395	**-1 558 920**	378 395
Increase/(decrease) in other liabilities	**-294 282**	131 158	**-80 081**	-84 676
Increase/(decrease) in accrued expenses and prepaid income	**-68 679**	-61 647	**-67 215**	-60 355
Increase/(decrease) in provisions for commitments and expenses	**-20 579**	-5 504	**-14 299**	4 551
Increase/(decrease) in subordinated loan capital	**-20 459**	1 631	**-20 459**	1 631
Increase in share capital and paid-in share premium	**235 000**	200 000	**235 000**	200 000
Issue costs charged to equity	**-**			
Group contribution paid	**-**	-	**-**	-
Dividend				-
Net cash flow from financing activities (C)	**-3 690 566**	-316 376	**-3 314 437**	-639 970
Net change in liquid funds (A+B+C)	**-76 336**	-243 839	**184 295**	-585 351
Liquid funds at 1 January	**438 365**	682 204	**92 479**	677 830
Liquid funds at 31 December 1)	**362 029**	438 365	**276 774**	92 479

Idar Kreutzer
- Chairman -

Finn Strøm-Gundersen
- Deputy Chairman -

Allan Åkerstedt
- Board member -

Jan Oscar Frøshaug
- Board member -

Per Kumle
- Managing Director -
representative

Lennart Lorentzen
- Employee representative-

Stein Wessel-Aas
- Board member-

John Ouren
- Deputy representative-

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ACCOUNTING AND VALUATION PRINCIPLES

ACCOUNTING POLICIES AND PRINCIPLES OF VALUATION

The accounts of Finansbanken have been prepared in accordance with relevant laws, regulations and provisions, and comply with generally accepted accounting principles in Norway. When applying the accounting principles and presenting transactions and other matters, due consideration is taken of commercial reality in addition to the legal form. The same accounting principles are applied to both the parent bank and the group.

CONSOLIDATION

The consolidated accounts relate to the parent bank, Finansbanken ASA, and its subsidiaries. Subsidiaries are defined as companies in which the parent bank is a long-term shareholder with more than 50% of the voting share capital. On consolidation, all inter-company balances are netted. If the parent bank owns less than 100% of the share capital, this is reflected by showing minority interests in the profit and loss account and balance sheet.

Companies acquired are consolidated in accordance with the past equity method from the date of acquisition. The difference between cost price and the net book value of assets at the time of acquisition, corrected for any values in excess of or less than book values, is classified as goodwill and amortised on a straight-line basis over a stipulated period. The profit and loss account of foreign subsidiaries is translated into Norwegian kroner at the average exchange rate for the year, whilst the balance sheet is translated at the exchange rate on the date of the balance sheet.

Where the group's ownership interest in a company is between 20% and 50% of the voting capital and the group exercises significant influence the investment is treated as an associated company. Associated companies are accounted for on the equity method of accounting in the consolidated accounts and on the cost method in the parent company accounts. Companies acquired by way of repossession as security for lending are not consolidated since they are not intended to be long term investments.

The parent company accounts recognise shareholdings in subsidiaries on the cost method of accounting.

RECORDING OF INCOME AND ACCRUALS

Prepaid income is accrued and entered as a liability in the balance sheet. Accrued income receivable is taken to income and recorded under accounts receivable.

Loan arrangement fees, commissions etc. payable by the customer when a loan is first made available that do not form part of the normal repayment schedule of the loan, are recognised as income over the loan period to the extent that such income exceeds the direct costs of establishing the loan commitment. Dividends are recognised as income when received. Dividends and group contributions from subsidiaries are taken to income in the year in which they are provided for in the accounts of the paying company to the extent that this represents a return on the investment.

In calculating gains or losses on the sale of securities, the cost price is defined as the average purchase cost.

FOREIGN EXCHANGE

All accounts receivable or payable in foreign currency are converted into Norwegian kroner (NOK) at the mid-market rate at year-end. Income and expenses denominated in foreign currency are converted into NOK at the prevailing rates at the time of each transaction.

FINANCIAL DERIVATIVES

Financial derivatives are contracts entered into with either customers or banks in respect of future interest rates or foreign exchange rates. These agreements include forward foreign exchange transactions, foreign exchange options, future rate agreements (FRAs), financial futures and interest rate swaps. A distinction is made between agreements which are part of the bank's own trading activities entered into in order to make a profit on price and interest rate movements, and agreements which are entered into as part of the bank's other activities. The first of these categories forms part of the bank's trading portfolio, while the second category forms part of banking operations (the banking portfolio). Foreign exchange and interest rate related agreements are classified when they are entered into either as trading portfolio transactions or as belonging to the banking portfolio. The purpose of hedging agreements is to neutralise existing or expected interest rate and/or foreign exchange exposure. To be classified as a hedging agreement, there must be a close connection between the price and value of the contract and the item hedged. Interest rate and foreign exchange contracts used to hedge the bank's balance sheet items or other financial instruments are valued in connection with the item hedged. Income from and expenses related to these contracts are recognised to the profit and loss account together with the items hedged.

Financial derivatives in the trading portfolio are valued on the basis of market value at year-end. Net change in market value is recognised in the profit and loss account as a gain or loss on foreign exchange and financial derivatives.

SHARES AND INVESTMENTS

Shares classified as current assets are valued at the lower of the portfolio's aggregate acquisition cost and market value at year-end. Shares classified as long-term shareholdings are accounted for on the cost method of accounting. Long-term shareholdings are written down if the actual value is substantially lower than acquisition cost and the reduction in value is not considered to be temporary.

BONDS AND COMMERCIAL PAPER

The bank's holdings of commercial paper and bearer bonds are split into two portfolios.

Securities used to hedge corresponding items on the other side of the balance sheet are stated at cost. Premiums/discounts are recognised to profit and loss over the bond's residual period to maturity.

Securities that are not part of the hedging portfolio are valued at the lower of the portfolio's aggregate market value and cost. This also applies to forward purchases of securities.

EQUITY INDEX BONDS

The bank issues index bonds which comprise three elements: the issue of a bond loan, the issue of a call option related to a stock exchange index and the purchase of an option to fully hedge the option element of the index bond. The bond loan and the option agreements are entered into simultaneously and are treated as a single transaction.

The discount on the bond loan element is amortised up to nominal value in the period to maturity as an interest expense. The option premium received on the option issued and the option premium paid on the option bought are recorded gross.The difference between premium paid and received and the amount of commission paid is recognised to profit and loss at the date of issue.

LONG-TERM FUNDING TRANSACTIONS

Direct expenses related to long-term issues are capitalised in the balance sheet and depreciated over the period until the next interest fixing date/maturity. Any premium /discount arising on the issue of securities is recorded in the profit and loss account over the period until the next interest fixing date/maturity as an adjustment to interest expenses. Holdings of bonds issued by the bank are netted against bond debt in the balance sheet. Gains or losses on the purchase and sale of own bonds in the secondary market are treated as premiums/ discounts on issue.

FIXED ASSETS

Fixed assets are stated in the balance sheet at cost less ordinary depreciation. Fixed assets are written down if there is a difference between the actual value and the book value that is not considered to be temporary. Fixed assets are depreciated on a straight-line basis over the economic life of the assets. Ordinary depreciation is recorded as an operating expense.

The following depreciation rates are used:

Category:	Depreciation rate:
- Real estate	2-5%
- Vehicles	20%
- Machinery/equipment	20%
- Computer equipment	30%

DEFAULTS AND LOSSES ON LOANS AND GUARANTEES

Losses on loans and guarantees are based on a review of the loan and guarantee portfolios at year-end, applying the valuation rules issued by the Banking, Insurance and Securities Commission (the 'Commission'). Non-performing and doubtful commitments are monitored and assessed continuously. At the end of each quarter the bank carries out a specific appraisal of losses on loans and guarantees.

Defaults: In accordance with the Commission's regulations, a commitment is considered to be in default if a contractual payment is not received and 90 days have elapsed from the due date, or where an account is overdrawn without authorisation and the situation is not rectified within 90 days.

Commitments where bankruptcy/insolvency or debt settlement proceedings have started are also considered as being in default.

Specific loan loss provisions: When a commitment is identified as doubtful because of bankruptcy/ insolvency or debt settlement proceedings, legal collection, attachment of property, distraint or other non-performance, a specific loss provision is made.

In the event of bankruptcy/insolvency, a composition with creditors or debt settlement proceedings, the value of the loan security forms the basis of the loss assessment. In the event of default, the loss assessment also takes account of the debtor's financial position and debt-servicing ability. When the borrower is not in default but the commitment is affected by other circumstances such as the level of liquid funds, solvency, the ability to generate earnings or the value of the loan security, the commitment is regarded as a doubtful debt and the necessary specific loss provision is made.

Specific loan loss provisions are recorded separately in the balance sheet and deducted from gross lending.
General loan loss provisions: In addition to recording realised losses and specific loss provisions, general loss provisions are also made. These provisions are intended to cover conditions existing at year-end which may lead to losses on commitments have not been identified and assessed as requiring specific loss provisions in accordance with the rules for such evaluation. General loss provisions are intended to cover debtor groups which represent a clear risk of loss because of factors existing at year-end (e.g. industry-related risk, risk categories, geographical areas etc.).
Realised loan losses: Realised losses are recognised in the accounts in the case of bankruptcy, a legally binding composition with creditors, failure to receive a court order for attachment of property, a legally binding judgement, or if the bank has terminated legal collection procedures or has otherwise renounced the commitment or its share of the commitment. Realised losses are deducted from gross lending in the balance sheet.

Non-accrual of interest: Where the evaluation of a loan in default leads to a specific loss provision being made and the security available is insufficient to cover interest and commission due, the recognition to profit and loss account of interest, commissions and fees related to the commitment in question ceases. At the same time, a reversing entry is made for interest, commissions and fees accrued but not received in the current year. Where a specific loss provision has been made but the loan is not in default, consideration is given to ceasing accrual of interest, commissions and fees on a case-by-case basis.

REINSTATEMENT OF LOANS AND GUARANTEES

When remedial action has been taken and a previous doubtful debt is no longer considered to be a doubtful, the commitment is reinstated. Accrued interest due is then taken to income as interest income and a reversing entry is made for the specific loss provisions made for the commitment.

ASSETS REPOSSESSED

As part of the bank's loss management procedures, assets given as loan security are in some cases repossessed by the bank. Repossessed assets are valued at estimated realisable value at the date of repossession, and are stated separately in the balance sheet at the lower of estimated realisable value or the principal and interest outstanding secured on the assets in question. Repossessed assets are shown as a separate item in the balance sheet. Any loss/gain on realisation or write-down due to a fall in value in respect of assets repossessed is debited or credited to loan losses.

DEFERRED TAX / TAX CHARGE

The tax charge in the profit and loss account reflects the tax on income arising from the accounting profit and consists of the tax payable for the period and the change in deferred tax.
In the balance sheet, deferred tax/deferred tax assets are calculated at a rate of 28% on the temporary differences between balance sheet values for accounting and taxation purposes after setting off any tax loss carried forward at the balance sheet date. Tax increasing and tax reducing timing differences are netted against each other if they occur within the same period. Deferred tax assets are capitalised in the balance sheet if it is considered likely that the benefit can be applied in respect of future earnings.

PENSION COSTS AND PENSION COMMITMENTS

In accordance with the Norwegian Accounting Standard, actuarial calculations are made of the company's gross pension commitments in respect of defined benefit pension plans (both unfunded and those covered by insurance schemes).

The aggregate effect of deviations in estimates and changes in assumptions for pension commitments and pension fund assets is only recognised to the profit and loss account if it exceeds 10% of the higher of the gross pension commitment and the pension fund assets. Changes in pension commitments due to changes in the pension plans are amortised over the remaining service period.

Pension commitments less pension funds assessed at fair market value are stated as a liability in the balance sheet, or as an asset in the event of utilisable overfunding. Overfunded and underfunded schemes are stated gross in the balance sheet.

In accordance with the year-end accounting regulations, pension costs for the year are shown separately in the profit and loss account.

LEASING

Operational leasing obligations are recorded as leasing expenses in the profit and loss account.

EXTRAORDINARY ITEMS

Income or expenses are classified as extraordinary items if they are substantial, of an unusual nature and not expected to arise regularly. All three criteria must be met before an item can be treated as extraordinary. Substantial changes arising from changes of accounting principles are posted as extraordinary items in the profit and loss account.

NOTES TO THE ACCOUNTS

Where there are no significant differences between the accounts of the parent bank and those of the group, notes have only been prepared for the parent bank.

All amounts are stated in NOK thousand, unless specifically stated otherwise.

NOTE 1 : CREDIT EXPOSURE

In order to identify the credit risk in its lending portfolio, Finansbanken classifies all corporate and retail customers both when first establishing a credit relationship and whenever changes are made. In addition all customer classifications are reviewed at least annually, as well as whenever circumstances indicate the need for such a review. The analysis of the lending portfolio by customer classification therefore provides a picture of the credit risk at any time.

All new credit facilities are priced individually, and must meet pre-defined minimum criteria for credit approval. Pricing reflects the level of credit risk involved.

Finansbanken converted its banking applications/systems platform to EDB Fellesdata in April 2002. As part of this conversion the bank reviewed the principles used in its risk classification procedures. Risk classification takes the form of three scores, each from 1 to 5, where 1 represents the best score. The first score is for the quality of the borrower/financial condition (debt service capacity). The second score is for the quality of the security (security/loan to value ratio). The third score is for commercial factors (internal/external risk). In the period since the systems conversion the bank has committed considerable resources to scoring the portfolio in terms of these three categories. The analysis shown below is based on the scores for financial condition and security, giving a matrix of 25 risk groups. In addition some credit relationships are still awaiting classification. The analysis shown here is somewhat simplified, with a breakdown into four levels of risk. In addition figures are provided for the bank's portfolio of loans in default and problem loans.

The bank's model for determining the level of provisions for risks not specifically identified (general loan loss provisions) is based on a matrix of financial condition and security as indicated above. General loan loss provisions are evaluated using the risk classification of individual loans based on the likelihood of non-payment (financial condition) and the likelihood of security proving insufficient in the event of default (security). This model is used to calculate the necessary level of general loan loss provisions on a quarterly basis. The model's calculations at 31 December 2002 indicated a need for general loan loss provisions of NOK 152.3 million. The bank's actual general loan loss provisions were NOK 297.8 million at that date. This included additional amounts of NOK 56 million for lending to real estate and other commercial customers and NOK 39 million for the shipping portfolio to take into account the level of uncertainty attaching to these segments of the portfolio.

Group classification matrix

(NOK mill.)	**Loans**	**Guarantees**	**Commitments**	**Exposure**	**Provisions**	**Provisions *)**	**Exposure**
Little risk	3 530 337	256 276	217 677	4 004 289		-1 764	4 002 525
Moderate risk	5 282 122	222 286	283 025	5 787 433		-37 248	5 750 185
Great risk	2 703 431	155 797	107 045	2 966 272		-105 540	2 860 731
Very great risk	621 585	32 699	54 127	708 411		-146 114	562 297
Non-performing/doubtful	1 241 129			1 241 129	-469 668		771 461
Unclassified	260 678	119 037	6 827	386 542		-7 731	378 811
Total	13 639 281	786 095	668 700	15 094 076	-469 668	-298 398	14 326 010

The following table provides an analysis of the bank's exposure to specific business categories/market segments. The figures reported differ from the breakdown of lending by sector and industry since they relate to the purpose of the loans/guarantees. The bank significantly reduced its total portfolio exposure over the course of 2002 from NOK 20,173 million to NOK 15,094 million. The largest reduction was seen for the shipping segment, where exposure was reduced by 55% from NOK 3,371.6 million to NOK 1,516.4 million. This reflects the bank's strategy to reduce its exposure to this segment.

Breakdown of exposure by segment – parent bank (NOK mill.)	**Real estate**	**Shipping**	**Other commercial**	**Retail market**	**Total**
Total exposure					
Loans	6 076 929	1 403 786	3 393 865	2 764 702	13 639 281
Guarantees	181 311	107 316	480 849	16 619	786 095
Un-drawn commitments	250 506	5 286	358 058	54 850	668 700
Total exposure	6 508 745	1 516 388	4 232 772	2 836 171	15 094 076
Specific provisions	-138 365	-103 304	-105 818	-122 181	-469 668
General provisions by industry/segment*	-156 774	-62 980	-47 275	-31 370	-298 398
Net exposure by industry	6 213 607	1 350 104	4 079 679	2 682 620	14 326 010
Of which loans in default/problem loans	523 347	309 040	232 379	176 364	1 241 129
Loans in default/problem loans as % of total exposure	8,04 %	20,38 %	5,49 %	6,22 %	**8,22 %**

* Includes 1,6 MNOK of general provisions for guarantees

NOTE 2 : ACCRUAL OF COMMISSIONS AND ARRANGEMENT FEES

	Group		**Parent Bank**	
(NOK 1,000)	**2002**	**20001**	**2002**	**2001**
Accrued fees and commissions at 01.01	**27 545**	33 808	**27 545**	33 808
Fees and commissions received	**75 358**	147 126	**47 040**	58 121
Fees and commissions recognised to P&L	**-76 737**	-153 389	**-48 419**	-64 384
Accrued fees and commissions at 31.12	**26 166**	27 545	**26 166**	27 545

NOTE 3 : OTHER FEE AND COMMISSION INCOME

	Konsern		**Morbank**	
(NOK 1,000)	**2002**	**2001**	**2002**	**2001**
Guarantee fees	**12 105**	16 983	**11 576**	15 386
Securities trading and management	**27 223**	86 935	**23**	476
Payment services	**10 403**	10 150	**10 186**	9 831
Other commissions and fees	**1 653**	2 936	**1 281**	2 306
Total fee and commission income	**51 384**	117 004	**23 066**	27 999

NOTE 4 : OTHER OPERATING INCOME

	Konsern		**Morbank**	
(NOK 1,000)	**2002**	**2001**	**2002**	**2001**
Gain on disposal of machinery, equipment and vehicles	**25**	149	**18**	50
Other income from subsidiaries	**0**	-	**2 915**	3 796
Other operating income	**2 007**	14 245	**960**	1 792
Total other operating income	**2 032**	14 394	**3 893**	5 638

NOTE 5 : OPERATING EXPENSES

	Konsern		Morbank	
(NOK 1,000)	2002	2001	2002	2001
Office rental and other office expenses	20 525	19 538	14 167	14 999
Audit fee to external auditor				
Fee to external auditor for advisory services	2 817	2 632	1 662	1 504
Consultancy fees	1 163	848	552	160
Other consultancy fees	23 961	22 873	22 997	20 239
Cheque losses	-77	884	-77	884
Work-out Bergen	-	5 000	-	5 000
Other operating expenses	13 764	18 704	5 118	5 930
Total operating expenses	62 152	70 479	44 418	48 716

NOTE 6: LOANS AND GUARANTEES TO OFFICERS AND EMPLOYEES

	No. of shares owned in Storebrand ASA	No. of bonusunits in Storebrand ASA	Loans (NOK 1,000)	nterest rate pr. 31.12.02	Type of loan	Etter-lønn
Senior Executives						
Per Kumle Managing Director	10 000		5 420	7,35 %	SE 2027/2017	24 mnd
Knut Hundhammer dep. Managing Director	165	-	753	7,35 %	SE 2027	15 mnd
Jørn Aleksandersen General Manager	165	-	375	6,73 %	SE 2028	
Arild Barreth General Manager	165	-	1 029	7,35 %	SE 2016/2015	18 mnd
Jan Erik Slørstad General Manager	340	-	-			
Per Kjetil Lilleskare General Manager/Lawyer	-		1 201	7,35 %	AN 2027	9 mnd
Per Øyvind Schiong Lawyer	-		2 449	7,35 %	SE 2017	
Inge Andersen Human Resource Director	340		1 105	7,35 %	AN 2023	9 mnd
Bodil Simensen Scheie General Manager Kreditt Privat	-					
Knut Eikre Larsen General Manager Forvaltning	-		2 066	7,35 %	AN 2027	6 mnd
Board of Directors						
Idar Kreutzer, Chairman	1 600					
Finn Strøm Gundersen, Dep. Chairman	-					
Allan Åkerstedt, member	475					
Stein Wessel Aas, member	-					
Jan Oscar Frøshaug, member	-					
Per Kumle, member	10 000					
Lennart Lorentzen, member elected by the employees	340		1 969	7,35/6,73%	SE2026/2030/2009	
John Ouren, dep. member elect. by the employees	-		2 430	7,35 %	SE 2010	

Total loans to other employees of Finansbanken ASA as at 31.12.02 totalled NOK 142,8 million.

	No. of shares owned in Storebrand ASA
Supervisory Board	
Finn Myhre, Chairman of the Supervisory Board	64
Svein Garberg, member of the Supervisory Board	1 361
Eva Konttorp, member of the Supervisory Board elected by the empl.	165
Synnøve Tvedt, member of the Supervisory Board elected by the empl.	175
Ellen A. Hjall, dep. member elected by the employees	175

Control Committee		
Mads Krohn, member		17 503
SALARY AND OTHER REMUNERATION PAID TO OFFICERS	**2002**	2001
Supervisory Board	**225**	198
Control Committee	**295**	295
Board of Directors	**962**	636

SALARY AND OTHER REMUNERATION PAID TO SENIOR EMPLOYEES ETC.

Managing director Per Kumle received total salary and other remuneration amounting to NOK 3.886.070 from Finansbanken ASA in 2002. NOK 1.551.000 of the amount received is settlement for loss of bonus with former employer, paid in 2002.Per Kumle is included in the ordinary agreement for retirement pension in Finansbanken ASA.

Former acting m. dir. Gunnar Henriksen recieved total salary and other remuneration amounting to NOK 2.745.865 from Finansbanken ASA in 2002. This includes bonus for 2001 and 2002 as well as pension contributions and company car for 2002.

As a senior employee of Storebrand ASA, Per Kumle is also contractually entitled to a performance-related bonus related to the group's value-based management system. In the event of termination of employment in certain defined circumstances, such as receiving notice from the company, senior employees are entitled to guaranteed income/salary for periods that vary from 18-24 months after the normal notice period.
Finansbanken ASA operated a bonus scheme for its permanent employees in 2002. Individual entitlement to bonus payments was linked to the bank's return on equity and to individual performance relative to personal targets. The bank did not make any bonus payments in 2002 in respect of this scheme.

The bank operated a similar scheme in 2002 for senior management with a higher basis for bonus payments. No payments were made under the terms of this scheme in 2002.

In addition to the above bonus schemes, certain key senior employees participated in a bonus scheme in 2002 that took the form of a synthetic option whereby bonus payments would be determined as the difference between the actual share price when exercised and the share price when allocated. Each individual entitled to participate in this scheme was allocated 50,000 units with an allocation price of NOK 60. The earliest exercise date is 1 July 2002 and the latest exercise date is 1 July 2008. Any bonus payments that arise as a result of this scheme are taxed as salary income. No senior employees were entitled to payments under this scheme at 31 December 2002.

A provision of NOK 6m including employer's national insurance contributions was made by the parent bank in 2002 in respect of guaranted bonuses and other individual performance-related bonuses. The subsidiary companies Finansbanken AS (Denmark), Finansbanken Index ASA and Finansbanken Forvaltning As group made in aggregate provisions of NOK 0.9m including employer’s national insurance contributions in respect of individual performance-related bonuses

STAFFING AND PERSONNEL

	Group		**Parent Bank**	
	31.12.02	**31.12.01**	**31.12.02**	**31.12.01**
Average number of employees	**202,0**	209,5	**130,5**	119,5
Number of employees at 31.12	**181,0**	223,0	**129,0**	132,0
Full time equivalent positions	**167,8**	208,8	**118,4**	123,0

NOTE 7 : PENSION COMMITMENTS

The bank operates a group pension scheme (insured pensions) for its employees which provides specific retirement benefits (a defined benefit plan). Pension costs are based on the number of years of accrued pension rights and the salary level on retirement.

Finansbanken AS (Denmark) operates a defined contribution pension plan for its employees.

BALANCE SHEET			Group				Parent bank	
(NOK 1,000)	**31.12.02**			31.12.01	**31.12.02**			31.12.01
	Totalt	Sikrede	Usikrede	Totalt	Totalt	Sikrede	Usikrede	Totalt
Market value of pension funds	35 922	35 922	-	27 434	34 953	34 953	-	26 678
Estimate of accrued pension commitments	-33 856	-31 422	-2 434	-29 747	-32 897	-30 463	-2 434	-27 153
Esti. net pension funds /(net pension commit.)	2 066	4 500	-2 434	-2 313	2 056	4 490	-2 434	-475
Eft. of diff. betw. est. and actual fig. not rec. to P&L	189	221	-32	-1 158	1 155	1 187	-32	26
Eft. of net changes in pension plan not rec. to P&L	2 109	2 109	-	2 344	2 109	2 109	-	2 345
Net pension funds/(net pension commitments)	4 364	6 830	-2 466	-1 127	5 319	7 785	-2 466	1 896
Accrued employer's national insurance contributions	794	963	-169	31	929	1 098	-169	459
Pen. commitm. in bal. sheet inc. emp. nat. ins. Con.	5 158	7 794	-2 635	-1 096	6 248	8 883	-2 635	2 355

BREAKDOWN OF PENSION COSTS FOR THE PERIOD			Group				Parent bank	
(NOK 1,000)	**31.12.02**			31.12.01	**31.12.02**			31.12.01
	Totalt	Sikrede	Usikrede	Totalt	Totalt	Sikrede	Usikrede	Totalt
Present value of accrued pension rights	6 113	6 113	-	6 083	5 465	5 465	-	4 370
Interest expense on accrued pension commitments	1 831	1 674	157	1 480	1 800	1 644	157	1 422
Expected return on pension funds	-2 317	-2 317	-	-1 763	-2 280	-2 280	-	-1 720
Effect of changes in pension plan recognised to P&L	-104	-104	-	441	234	234	-	234
Accrued empl. national ins. contributions for the per.	811	798	13	593	727	714	13	593
Pension costs charged in the accounts	1 767	-	-	1 591	-			-
Net pension cost for the period	8 100	6 164	170	8 425	5 947	5 777	170	4 899

CALCULATION ASSUMPTIONS	Group		Parent bank	
	31.12.02	**31.12.01**	**31.12.02**	**31.12.01**
Discount rate	**7,00 %**	7,00 %	**7,00 %**	7,00 %
Salary growth	**3,00 %**	3,00 %	**3,00 %**	3,00 %
Increase in basic National Insurance pension	**3,00 %**	3,00 %	**3,00 %**	3,00 %
Increase in pension payments	**3,00 %**	2,5-3%	**3,00 %**	2,50 %
Staff turnover	**4,00 %**	8-0%	**4,00 %**	8-0%
Expected rate of return	**8,00 %**	8,00 %	**8,00 %**	8,00 %

NUMBER OF PERSONS COVERED	**31.12.02**	**31.12.01**	**31.12.02**	**31.12.01**
Active members	**180**	155	**119**	125
Pensioners	**7**	3	**6**	3
Total number of persons covered	**187**	158	**125**	128

NOTE 8 : OFFICE RENTAL AND LEASE AGREEMENTS

Group companies were party to the following lease agreements in 2001

(NOK 1,000)	**2002**	2001
Finansbanken ASA, Stortingsgaten 8, 0104 Oslo	**12 493**	9 609
Finansbanken ASA Filial Bergen, Christiesgt. 3A, 5804 Bergen	**1 958**	1 193
Finansbanken AS, Østergade 49 A, 2500 Valby, Danmark	**-**	1 919
Finansbanken AS, Lautrupsgade 7, 2100 København Ø	**5 809**	2 359
Other	**-**	80
Total lease costs	**20 260**	15 161

The bank also has two smaller lease agreements relating to storage premises in Lysaker, Oslo and Trekronergade 49 A, 2500 Valby, Denmark.

NOTE 9 : CHANGE IN SPECIFIC AND GENERAL LOAN LOSS PROVISIONS

CHANGE IN SPECIFIC AND GENERAL LOAN LOSS PROVISIONS	**Group**		**Parent bank**	
(NOK 1 000)	**2002**	2001	**2002**	2001
Specific loss provisions for loans, guarantees etc. at 01.01	**321 659**	286 735	**301 142**	272 232
Realised losses in period on items specifically provided for previously	**-125 208**	-136 001	**-123 270**	-135 800
Increase in existing specific loan loss provisions in period	**37 973**	92 690	**36 761**	92 690
New specific loan loss provisions in period	**304 222**	80 694	**297 220**	72 686
Write-back of specific loan loss provisions in period	**-46 498**	-2 459	**-42 185**	-666
Specific loss provisions for loans, guarantees etc. at 31.12	**492 147**	321 659	**469 668**	301 142
General loss provisions for loans, guarantees etc. at 01.01	**306 246**	169 746	**306 246**	169 746
Change in general loss provisions for loans, guarantees etc. in period	**-7 848**	136 500	**-7 848**	136 500
General loss provisions for loans, guarantees etc. at 31.12	**298 398**	306 246	**298 398**	306 246

SPECIFICATION OF LOSSES AND PROVISIONS ON LOANS AND GUARANTEES IN PERIOD	**Group**		**Parent bank**	
(NOK 1,000)	**2002**	2001	**2002**	2001
Change in specific loan loss provisions	**174 666**	19 283	**172 726**	14 355
Change in general loan loss provisions	**-7 848**	136 500	**-7 848**	136 500
Realised losses on commitments specifically provided for previously	**90 504**	136 001	**88 576**	135 800
Realised losses on commitments not specifically provided for previously	**144 295**	11 107	**144 284**	11 107
Recoveries on previously realised losses	**-326**	-803	**-**	-666
Losses and provisions on loans and guarantees in period	**401 291**	302 088	**397 738**	297 096

SPECIFICATION OF NON-ACCRUED INTEREST IN PERIOD	**Group**		**Parent bank**	
NOK (1,000)	**2002**	2001	**2002**	2001
Unposted accrued income on balance sheet commitments at 01.01	**56 987**	28 815	**56 987**	28 815
Loan interest from previous periods recognised in period	**-13 502**	-10 269	**-13 502**	-10 269
Unposted accrued interest on commitments removed from balance sheet	**-16 651**	-35 509	**-16 651**	-35 509
Unposted accrued interest in period on doubtful debts	**34 040**	73 950	**34 040**	73 950
Unposted accrued interest on balance sheet lending at 31.12	**60 874**	56 987	**60 874**	56 987

NOTE 10 : LOANS IN DEFAULT AND NON-ACCRUING LOANS

Parent bank

(NOK 1,000)	**31.12.02**	31.12.01	31.12.00	31.12.99
Defaulted loans where no interest is accrued	**1 005 490**	397 851	523 272	390 435
Defaulted loans where interest continues to accrue*	**927 262**	919 342	450 361	179 998
Total loans in default	**1 932 752**	1 317 193	973 633	570 433
Specific loan loss provisions	**400 909**	165 610	237 206	116 417
Net loans in default	**1 531 843**	1 151 583	736 427	454 016
Doubtful loans where interest continues to accrue	**235 639**	596 539	581 544	-
Doubtful loans where no interest is accrued	**-**	-	-	-
Specific loan loss provisions	**68 759**	135 533	35 026	-
Net doubtful loans	**166 880**	461 006	546 518	-
Total loans in default/doubtful loans	**1 698 723**	1 612 589	1 282 945	454 016

Group

(NOK 1 000)	**31.12.02**	31.12.01	31.12.00	31.12.99
Defaulted loans where no interest is accrued	**1 019 193**	397 851	523 272	390 435
Defaulted loans where interest continues to accrue*	**987 087**	921 687	474 867	179 998
Total loans in default	**2 006 281**	1 319 538	998 139	570 433
Specific loan loss provisions	**423 390**	165 610	247 591	116 417
Net loans in default	**1 582 891**	1 153 928	750 548	454 016
Doubtful loans where interest continues to accrue	**235 639**	650 593	581 544	-
Doubtful loans where no interest is accrued	**-**	6 436	4 118	-
Specific loan loss provisions	**68 759**	156 049	39 144	-
Net doubtful loans	**166 880**	500 980	546 518	-
Total loans in default/doubtful loans	**1 749 771**	1 654 908	1 297 066	454 016

*) Prior to 31.12.02 loans in default on which interest is no longer accrued were reported at the level of the individual loan account, but subsequent reporting is at the level of the customer relationship. Figures for previous years had been restated to be comparable.

NOTE 11 : ANALYSIS OF LOAN LOSS PROVISIONS BY SECTOR

Parent bank	**Loans in default and doubtful loans**		**Specific loan loss provisions**		**Net loans in default and doubtful loans**	
(NOK 1 000)	**31.12.02**	31.12.01	**31.12.02**	31.12.01	**31.12.02**	31.12.01
Sector and industry classification:						
Agriculture, forestry, fishing etc.	799	-	-	-	799	-
Water and power supply, building and construction	551	3 080	-	-	551	3 080
Oil and gas	788	-	-	-	788	-
Industry and mining	4 307	-	-	-	4 307	-
Wholesale/retail trade, hotels and restaurants	74 146	81 282	18 386	14 472	55 760	66 810
International shipping and pipelines	63 806	189 443	1 508	87 526	62 298	101 916
Other transportation and communications	46 917	1 040	13 900	1 040	33 017	-
Services and real estate operations	1 091 118	711 314	189 496	37 384	901 622	673 930
Other service industries	19 254	1 480	789	1 005	18 465	474
Retail customers	497 523	377 622	134 393	55 621	363 130	322 001
Foreign	369 183	548 472	111 196	104 093	257 987	444 379
Total	2 168 391	1 913 732	469 668	301 142	1 698 723	1 612 590

Group	Loans in default and doubtful loans		Specific loan loss provisions		Net loans in default and doubtful loans	
(NOK 1 000)	**31.12.02**	31.12.01	**31.12.02**	31.12.01	**31.12.02**	31.12.01
Sector and industry classification:						
Agriculture, forestry, fishing etc.	**799**	-	**-**	-	**799**	-
Water and power supply, building and construction	**551**	3 080	**-**	-	**551**	3 080
Oil and gas	**788**	-	**-**	-	**788**	-
Industry and mining	**4 307**	-	**-**	-	**4 307**	-
Wholesale/retail trade, hotels and restaurants	**74 146**	81 282	**18 386**	14 472	**55 760**	66 810
International shipping and pipelines	**63 806**	189 443	**1 508**	87 526	**62 298**	101 916
Other transportation and communications	**46 917**	1 040	**13 900**	1 040	**33 017**	-
Wholesale/retail trade, hotels and restaurants	**1 091 118**	711 314	**189 496**	37 384	**901 622**	673 930
Other service industries	**19 254**	1 480	**789**	1 005	**18 465**	474
Retail customers	**497 523**	377 622	**134 393**	55 621	**363 130**	322 001
Foreign	**442 711**	611 307	**133 676**	124 610	**309 035**	486 697
Total	**2 241 920**	1 976 567	**492 149**	321 659	**1 749 771**	1 654 908

*) Prior to 31.12.02 loans in default on which interest is no longer accrued were reported at the level of the individual loan account, but subsequent reporting is at the level of the customer relationship. Figures for previous years had been restated to be comparable.

NOTE 12 : INVESTMENT IN SUBSIDIARIES AND ASSOCIATED COMPANIES AT 31 DECEMBER 2001

(NOK 1 000) Company	Registered office	Ownership	Voting	Share-capital	Cost price	Book value
Industri & Skipsbanken Fonds AS	Oslo	100,0 %	100,0 %	6 500	10 595	10 595
Skipskredittforeningen AS	Oslo	100,0 %	100,0 %	50	2 929	1 243
Industri & Skipsbanken Invest I AS	Oslo	100,0 %	100,0 %	54	1 363	1 363
Finansbanken AS	Copenhagen	100,0 %	100,0 %	86 933	160 118	97 044
Finansbanken Forvaltning AS	Oslo	100,0 %	100,0 %	908	188 826	76 771
Finansbanken Aktiv Invest ASA	Oslo	100,0 %	100,0 %	10 000	11 881	10 070
Finansbanken Index ASA	Oslo	100,0 %	100,0 %	1 003	16 226	8 467
Skipsinvest II	Oslo	100,0 %	100,0 %	100	120	120
Skipsinvest III	Oslo	100,0 %	100,0 %	100	120	120
Total investments in subs. - held by the par. bank					392 178	205 793
Parent bank						
Associated companies						
Morningstar Norge AS	Oslo	49,0 %	49,0 %	300	3 294	3 294
Total investments in associated companies - held by the parent bank					3 294	3 294
Group						
Delphi SMB II ASA	Oslo	100,0 %	100,0 %	1 020	1 020	1 020
Associated companies						
Morningstar Norge AS	Oslo	49,0 %	49,0 %	300	1 954	1 954
Total investments in associated companies - group					2 974	2 974

NOTE 13 : COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD AT 31 DECEMBER 2002

(NOK 1 000) Company	Acquisition cost	Share of Goodwill	Goodwill 01.01.02	Goodwill depreciation	Share of profit 2002	Book value
E*Trade AS	69 492	33 279	25 456	-1 832	-2 321	-
Morningstar Norge AS	3 294	-	-	-	-623	1 954
Total companies accounted for by the equity method				-1 832	-2 944	1 954

E*Trade has been sold, and the goodwill in the company is written down by 31,- ,3 MNOK.

NOTE 14 :HOLDINGS OF COMMERCIAL PAPER AND BONDS

Parent bank	**2002**				2001			
(NOK 1,000)	**Nominal value**	**Cost price**	**Market value**	**Book value**	Nominal value	Cost price	Market value	Book value
Short term holdings/other portfolio								
+ Other portfolio, risk weight 0 %	**380 000**	**372 065**	**376 943**	**372 065**	934 750	919 987	927 076	919 987
+ Other portfolio, risk weight 10 %	**380 000**	**373 920**	**377 656**	**373 920**	-	-	-	-
+ Other portfolio, risk weight 20 %	**100 000**	**100 163**	**99 820**	**100 163**	50 000	49 902	50 000	49 902
+ Other portfolio, risk weight 100 %	**3 532**	**3 530**	**3 390**	**3 530**	3 537	3 535	3 536	3 535
= Total comm. paper and bonds other	**863 532**	**849 678**	**857 809**	**849 678**	988 287	973 424	980 612	973 424

Group	**2002**				2001			
(NOK 1,000)	**Nominal value**	**Cost price**	**Market value**	**Book value**	Nominal value	Cost price	Market value	Book value
Short term holdings/other portfolio								
+Other portfolio, risk weight 0 %	**383 315**	**375 373**	**380 309**	**375 431**	939 267	924 491	931 550	924 461
+Other portfolio, risk weight 10 %	**380 000**	**373 920**	**377 656**	**373 920**	-	-	-	-
+Other portfolio, risk weight 20 %	**142 160**	**158 245**	**141 340**	**141 683**	375 803	374 623	369 156	369 058
+Other portfolio, risk weight 100 %	**3 604**	**3 595**	**3 450**	**3 590**	3 537	3 535	3 536	3 535
= Total comm. paper and bonds other	**909 079**	**911 133**	**902 755**	**894 624**	1 318 608	1 302 649	1 304 242	1 297 054

ANALYSIS OF COMMERCIAL PAPER AND BONDS HELD BY TYPE OF ISSUER

Parent	**2002**		2001	
(NOK 1,000)	**Government**	**Other**	Government	Other
Total book value of commercial paper & bonds - short term	**-**	**-**	-	-
Total book value of commercial paper & bonds - other	**170 972**	**678 706**	417 744	555 680
Total book value of commercial paper & bonds	**170 972**	**678 706**	417 744	555 680

Group	**2002**		2001	
(NOK 1 000)	**Government**	**Other**	Government	Other
Total book value of commercial paper & bonds - short term	3 366	41 580	4 474	318 939
Total book value of commercial paper & bonds - other	170 972	678 706	417 744	555 897
Total book value of commercial paper & bonds	174 338	720 286	422 218	874 836

Listed securities accounted at 31.12.02 for NOK 846.148. The average effective yield on the bank's holdings of bonds/commercial paper in 2002 was 6.35%.

NOTE 15 : BONDS ISSUED AND HOLDINGS OF OWN BONDS

(NOK 1,000)	**31.12.02**	31.12.01
Total nominal value of own bonds issued	**3 799 700**	3 344 527
Nominal value of own bonds repurchased	**887 236**	395 430
Market value of own bonds repurchased	**890 771**	394 615

NOTE 16 : ASSETS REPOSSESSED

(NOK 1,000) **Company**	**Registered office**	**Ownership / voting**	**Share capital**	**Book value 31.12.02**	Book value 31.12.01
FB Invest AS	Oslo	100,0 %	990	**0**	34 209
Grefsenkollen 32 AS	Oslo	100,0 %	100	**8 526**	24 685
Skipsinvest I	Oslo	100,0 %	100	**120**	
Virtual Garden AS	Oslo	12,6 %	119	**3 463**	
Moe Securities ASA	Oslo	4,1 %	5 606	**465**	
Scan-Sense AS	Stokke	0,7 %	20 321	**71**	
Scan-Magsense AS	Stokke	0,7 %	152	**1**	
Total shares - held by parent bank				**12 646**	58 894

NOTE 17 : HOLDINGS OF SECURITIES WITH VARIABLE YIELD AT 31 DECEMBER 2002

Parent bank **Company** (NOK 1,000)	**Share capital**	**Interest**	**No. of shares**	**Nominal value(NOK)**	**Book value**	**Market value**	**Acquisition cost**
Eurofleet ASA	120 000	1,52%	365 040	5,00	**730**	730	1 825
Bergen Industriutvikling	70 680	0,02%	129	100,00	**599**	599	1 334
NOS ASA	15 948	1,39%	222 100	1,00	**2 110**	2 110	1 443
Investra AS	21 374	6,09%	2 604 000	0,50	**7 812**	7 812	29 397
Deconterra AS			1 211 411		**0**	0	1 211
Other	i/a	i/a	i/a	i/a	**520**	520	1 040
Total other investments held as current assets					**11 771**	11 771	36 250
Total other investments held as current assets - parent bank					**11 771**	11 771	36 250
Total other investments held as current assets - Finansbanken AS					**19 902**	19 902	26 782
Other					**532**	532	1 000
Total other investments held as current assets - group					**32 204**	32 204	64 032

NOTE 18 : ANALYSIS OF LENDING

Parent bank	**31.12.02**		31.12.01	
(NOK 1,000)	**NOK**	**in %**	NOK	in %
Sector and industry classification:				
Agriculture, forestry, fishing etc.	**1 424**	**0,01 %**	2 287	0,01 %
Oil and gas	**9 356**	**0,07 %**	153 221	0,91 %
Industry and mining	**61 711**	**0,45 %**	311 212	1,85 %
Water and power supply, building and construction	**58 114**	**0,43 %**	85 048	0,51 %
Wholesale/retail trade, hotels and restaurants	**212 885**	**1,56 %**	261 829	1,56 %
International shipping and pipelinest	**572 636**	**4,20 %**	1 110 307	6,62 %
Other transportation and communications	**332 069**	**2,43 %**	535 089	3,19 %
Services and real estate operations	**7 266 232**	**53,27 %**	7 454 627	44,43 %
Other service industries	**272 448**	**2,00 %**	154 729	0,92 %
Retail customers	**3 528 969**	**25,87 %**	4 070 609	24,26 %
Other	**15 197**	**0,11 %**	20 129	0,12 %
Foreign	**1 308 240**	**9,59 %**	2 620 210	15,62 %
Total	**13 639 281**	**100,00 %**	16 779 297	100,00 %
Geographical distribution				
Eastern Norway	**10 434 451**	**76,50 %**	12 326 776	73,46 %
Western Norway	**964 618**	**7,07 %**	1 379 843	8,22 %
Southern Norway	**684 459**	**5,02 %**	280 073	1,67 %
Mid-Norway	**221 133**	**1,62 %**	140 363	0,84 %
Northern Norway	**26 380**	**0,19 %**	32 032	0,19 %
Foreign	**1 308 240**	**9,59 %**	2 620 210	15,62 %
Total	**13 639 281**	**100,00 %**	16 779 297	100,00 %

Group	**31.12.02**		31.12.01	
(NOK 1 000)	**NOK**	**in %**	NOK	in %
Sector and industry classification:				
Agriculture, forestry, fishing etc.	**1 424**	**0,01 %**	2 287	0,01 %
Oil and gas	**9 356**	**0,07 %**	153 221	0,9%
Industry and mining	**61 711**	**0,43 %**	311 212	1,8%
Water and power supply, building and construction	**58 114**	**0,41 %**	85 048	0,5%
Wholesale/retail trade, hotels and restaurants	**212 885**	**1,49 %**	261 829	1,5%
International shipping and pipelines	**572 636**	**4,00 %**	1 110 307	6,4%
Other transportation and communications	**332 069**	**2,32 %**	535 089	3,1%
Services and real estate operations	**7 266 232**	**50,72 %**	7 454 627	43,0%
Other service industries	**272 448**	**1,90 %**	154 729	0,9%
Retail customers	**3 528 969**	**24,63 %**	4 070 609	23,5%
Other	**15 197**	**0,11 %**	20 129	0,1%
Foreign	**1 994 982**	**13,93 %**	3 158 233	18,2%
Total	**14 326 023**	**100,0%**	17 317 320	100,0%
Geographical distribution				
Eastern Norway	**10 434 451**	**72,8%**	12 326 776	71,2%
Western Norway	**964 618**	**6,7%**	1 379 843	8,0%
Southern Norway	**684 459**	**4,8%**	280 073	1,6%
Mid-Norway	**221 133**	**1,5%**	140 363	0,8%
Northern Norway	**26 380**	**0,2%**	32 032	0,2%
Foreign	**1 994 982**	**13,9%**	3 158 233	18,2%
Total	**14 326 023**	**100,0%**	17 317 320	100,0%

NOTE 19 : FIXED ASSETS

(NOK 1,000)	Group Machinery, equipment etc.	Real estate	Goodwill	Intangible assets	Parent bank Machinery, equipment etc.	Real estate		Intangible assets
Cost at 01.01.01	140 081	938	156 459	5 031	112 405	938		4 425
Businesses acquired/sold	-3 440	-	-	-				
Additions in the year	16 597	110	10 050	1 374	15 749	110	5 500	907
Disposals in the year	-6 158	-	-42 328	-	-325			
Cost at 31.12.01 (A)	147 080	1 048	124 181	6 405	127 829	1 048	5 500	5 332
Ordinary depr. and write-downs at 01.01.	65 959	642	52 207	1 038	50 239	642		972
Businesses acquired/sold	-2 899	-	-	-				
Written-down in the year	16 218	-	28 937	-	16 218			
Ordinary depreciation for the year	27 976	71	10 743	1 640	23 626	71	1 100	1 476
Ordinary depreciation on disposals for the year	-4 339	-	-6 997	-				
Ord. depr. and write-downs at 31.12.02 (B)	102 915	712	84 890	2 678	90 082	712	1 100	2 448
Net book value at 31.12.02 (A) - (B)	44 165	336	39 291	3 727	37 747	336	4 400	2 884

The write-down in goodwill of 28,9 MNOK is due to write-downs in Finansbanken AS of 20,7 MNOK and 8,2 MNOK in Finansbanken Plasseringsrådgivning AS.

NOTE 20 : ANALYSIS OF CUSTOMER DEPOSITS

Parent bank (NOK 1 000)	**31.12.02** **NOK**	**in %**	31.12.01 NOK	in %
Sector and industry classification:				
Central government	**10 000**	**0,2%**	2 100	0,0%
County and municipal authorities	**19 964**	**0,4%**	371 226	5,6%
Agriculture, forestry, fishing etc.	**1 929**	**0,0%**	8 906	0,1%
Oil and gas	**210**	**0,0%**	1 704	0,0%
Industry and mining	**111 644**	**2,2%**	215 119	3,2%
Power and water supply, building and construction	**15 360**	**0,3%**	79 967	1,2%
Wholesale/retail trade, hotels and restaurants	**173 178**	**3,4%**	155 271	2,3%
International shipping and pipe transportation	**223 999**	**4,4%**	266 056	4,0%
Other transportation and communications	**79 303**	**1,6%**	107 145	1,6%
Services and real estate operations	**1 717 074**	**34,0%**	2 476 712	37,1%
Other service industries	**238 903**	**4,7%**	285 073	4,3%
Retail customers	**1 966 685**	**39,0%**	2 169 127	32,5%
Others	**165 306**	**3,3%**	204 875	3,1%
Foreign	**322 651**	**6,4%**	325 764	4,9%
Total	**5 046 206**	**100,0%**	6 669 045	100,0%
Geographical distribution				
Eastern Norway	**3 976 477**	**78,8%**	5 472 395	82,1%
Western Norway	**432 111**	**8,6%**	580 353	8,7%
Southern Norway	**210 000**	**4,2%**	107 975	1,6%
Mid-Norway	**53 604**	**1,1%**	27 166	0,4%
Northern Norway	**51 363**	**1,0%**	155 392	2,3%
Foreign	**322 651**	**6,4%**	325 764	4,9%
Total	**5 046 206**	**100,0%**	6 669 045	100,0%

Group (NOK 1,000)	31.12.02 NOK	31.12.02 in %	31.12.01 NOK	31.12.01 in %
Sector and industry classification:				
Central government	**10 000**	**0,2%**	2 100	0,0%
County and municipal authorities	**19 964**	**0,3%**	371 226	5,0%
Agriculture, forestry, fishing etc.	**1 929**	**0,0%**	8 906	0,1%
Oil and gas	**210**	**0,0%**	1 704	0,0%
Industry and mining	**111 644**	**1,9%**	215 119	2,9%
Power and water supply, building and construction	**15 360**	**0,3%**	79 967	1,1%
Wholesale/retail trade, hotels and restaurants	**173 178**	**3,0%**	155 271	2,1%
International shipping and pipe transportation	**223 999**	**3,9%**	266 056	3,6%
Other transportation and communications	**79 303**	**1,4%**	107 145	1,4%
Services and real estate operations	**1 717 074**	**29,7%**	2 408 656	32,5%
Other service industries	**193 027**	**3,3%**	285 073	3,8%
Retail customers	**1 966 685**	**34,0%**	2 169 127	29,2%
Others	**165 306**	**2,9%**	204 875	2,8%
Foreign	**1 104 566**	**19,1%**	1 145 443	15,4%
Total	**5 782 245**	**100,0%**	7 420 668	100,0%
Geographical distribution				
Eastern Norway	**3 930 601**	**68,0%**	5 404 339	72,8%
Western Norway	**432 111**	**7,5%**	580 353	7,8%
Southern Norway	**210 000**	**3,6%**	107 975	1,5%
Mid-Norway	**53 604**	**0,9%**	27 166	0,4%
Northern Norway	**51 363**	**0,9%**	155 392	2,1%
Foreign	**1 104 566**	**19,1%**	1 145 443	15,4%
Total	**5 782 245**	**100,0%**	7 420 668	100,0%

NOTE 21 : INTRA GROUP TRANSACTIONS AND ACCOUNTS PAYABLE/RECEIVABLE

Balance sheet (NOK 1,000)	Subsidiaries 2002	Subsidiaries 2001	Storebrand ASA 2002	Storebrand ASA 2001
Accrued not received	**2 570**	63		56
Other loans	**108 666**	108 666		3 251
Gross group contribution to be received		17 110		-
Total intra-group accounts receivable	**111 236**	125 839	**0**	3 307
Other liabilities	**32 255**		**500**	
Deposits from and due to customers	**45 876**	68 056		32
Total intra-group accounts payable	**78 131**	68 056	**500**	32

Profit and loss account items (NOK 1,000)	Subsidiaries 2002	Subsidiaries 2001	Storebrand ASA 2002	Storebrand ASA 2001
Interest and related income on loans to and due from credit institutions	**7 253**	4 811	**55**	9 891
Interest and related expense on deposits from and due to customers	**5 229**	4 889	**546**	418
Cost/loss liquidation of subsidiaries		1 841		
Other income		3 796	**42 280**	1 456
Other expenses	**-4 908**	-7 224	**11 200**	
Net group contribution received		12 318		-
Intra-group transactions	**7 574**	20 431	**54 081**	11 766

NOTE 22 : MAIN FINANCIAL FIGURES FOR SUBSIDIARIES

(NOK 1,000)	Finansbanken Index ASA 2002	2001	Finansbanken Forvaltning AS 2002	2001	Finansbanken AS (Danmark) 2002	2001	Industri & Skipsbanken Fonds AS 2002	2001
Pre-tax profit	**2 071**	15 782	**-12 327**	-10 610	**-27 345**	-10 742	**950**	1 075
Assets	**10 809**	29 678	**52 912**	60 568	**1 024 422**	1 460 547	**16 623**	16 390
Liabilities	**3 423**	22 285	**9 036**	13 022	**927 377**	1 338 550	**588**	625
Share capital	**1 003**	1 003	**908**	908	**86 933**	86 933	**6 500**	6 500
Other equity	**6 383**	6 390	**42 968**	46 638	**10 111**	35 064	**9 535**	9 265

(NOK 1,000)	Skipskreditt-foreningen AS 2002	2001	Finansbanken Aktiv Invest ASA 2002	2001	Industri & Skipsbanken Invest I AS 2002	2001	Andre 2002	2001
Pre-tax profit	**71**	86	**-154**	-102	**93**	112	**7**	I/a
Assets	**1 326**	1 334	**10 076**	10 291	**1 704**	1 717	**250**	I/a
Liabilities	**83**	92	**6**	110	**105**	118	**9**	I/a
Share capital	**50**	50	**10 000**	10 000	**54**	54	**200**	I/a
Other equity	**1 193**	1 193	**70**	181	**1 545**	1 545	**41**	I/a

NOTE 23 : OFF-BALANCE SHEET LIABILITIES AND CONTINGENT LIABILITIES

	Group		**Parent bank**	
(NOK 1,000)	**31.12.02**	31.12.01	**31.12.02**	31.12.01
Guarantees	867 950	1 285 027	786 095	865 430
Book value of assets pledged as security	-			
Book value of assets charged as security for mortgage debt etc.	874 492	652 200	846 054	652 200
Other contingent liabilities	2 370	2 707	-	
Total contingent liabilities	1 744 812	1 939 934	1 632 149	1 517 630

NOTE 24 : FOREIGN CURRENCY EXPOSURE

Parent bank (NOK 1,000)	**Assets**	**Liabilities**	**Net**	**Currency options**	**Net position**
CHF	431 958	91 684	340 274	-344 737	-4 463
DKK	412 047	18 509	393 538	-392 760	778
EUR	341 769	1 096 261	-754 492	755 124	632
GBP	122 825	-	122 825	-120 070	2 755
JPY	210 781	42 591	168 190	-169 298	-1 108
NLG	-	-	-	-	-
SEK	532 368	3 988	528 380	-527 492	888
USD	2 011 739	1 868 021	143 718	-142 668	1 050
Others	11 346	-	11 346	-11 836	-490
Total	4 074 833	3 121 054	953 779	-953 737	42

Group (NOK 1 000)	Assets	Liabilities	Net	Currency options	Net position
CHF	852 069	96 185	755 885	-760 071	-4 187
NOK	2 899	50 561	-47 662	47 660	-2
DKK	412 047	18 509	393 538	-392 760	778
DEM	-	-	-	-	-
EUR	425 317	1 266 144	-840 827	845 898	5 071
FRF	-	-	-	-	-
FIM	-	-	-	-	-
GBP	126 670	13 803	112 867	-110 161	2 706
ITL	-	-	-	-	-
JPY	250 591	42 809	207 781	-208 886	- 1 105
NLG	-	-	-	-	-
SEK	533 078	36 349	496 729	-496 712	16
USD	2 016 199	1 969 865	46 334	-45 987	347
CAD	2 555	11 495	-8 940	9 514	574
GRD	-	-	-	-	-
Others	16 215	29 708	-13 493	13 378	-115
Total	4 637 639	3 535 428	1 102 211	-1 098 128	4 083

NOTE 25 : FOREIGN EXCHANGE EXPOSURE

The bank's Foreign Exchange, Treasury and Capital Markets department is responsible for ongoing monitoring of the bank's overall foreign exchange exposure. The bank's foreign exchange exposure is subject to limits set by the Board of Directors and the bank's exposure in relation to these limits is reported to the Board on a monthly basis. The foreign exchange position is calculated for each currency as the total of assets and liabilities denominated in that currency and other foreign exchange receivables and payables (financial derivatives). Long and short positions in the various currencies are totalled separately. The net aggregate foreign currency position is the higher of the total of all long positions and the total of all short positions. The relevant net aggregate foreign currency positions are as follows:

(NOK 1,000)	**31.12.02**	**Average 2002**	31.12.01	Average 2001
Net aggregate foreign exc. position - parent bank	**6 100**	**32 055**	21 824	80 315
Net aggregate foreign exchange position - group	**10 141**	**40 773**	24 146	90 848

The aggregate foreign exchange position is calculated on the basis of daily figures.
The risk of loss arises from changes in exchange rates relative to the bank's foreign exchange positions.
Based on the bank's control procedures the risk of loss is considered to be limited.

NOTE 26 : ANALYSIS OF GUARANTEES ISSUED

Parent bank	**31.12.02**		**31.12.01**	
(NOK 1 000)	**NOK**	**in %**	**NOK**	**in %**
Sector and industrial classification:				
Financial support agencies	**107 967**	**13,7%**	118 436	13,7%
Industry and mining	**8 541**	**1,1%**	3 000	0,3%
Power and water supply, building and construction	**2 559**	**0,3%**	5 828	0,7%
Wholesale/retail trade, hotels and restaurants	**10 521**	**1,3%**	6 170	0,7%
International shipping and pipelines	**31 129**	**4,0%**	39 888	4,6%
Other transportation and communications	**5 900**	**0,8%**	4 820	0,6%
Services and real estate operations	**381 579**	**48,5%**	508 201	58,7%
Other service industries	**31 531**	**4,0%**	15 885	1,8%
Retail customers	**19 265**	**2,5%**	16 710	1,9%
Foreign	**187 103**	**23,8%**	146 492	16,9%
Total	**786 095**	**100,0 %**	865 430	100,0 %
Geographical distribution:				
Eastern Norway	**576 053**	**73,3%**	694 149	80,2%
Western Norway	**11 893**	**1,5%**	16 423	1,9%
Mid-Norway	**11 045**	**1,4%**	8 366	1,0%
Foreign	**187 103**	**23,8%**	146 492	16,9%
Total	**786 095**	**100,0%**	865 430	100,0%
Analysis of guarantee liability:				
Loan guarantees	**169 536**	**21,6%**	216 999	25,1%
Payment guarantees	**309 671**	**39,4%**	380 401	44,0%
Performance guarantees	**213 491**	**27,2%**	173 183	20,0%
Commercial Banks' Guarantee Fund	**92 147**	**11,7%**	92 147	10,6%
Other guarantee liability	**1 250**	**0,2%**	2 700	0,3%
Total	**786 095**	**100,0%**	865 430	100,0%

Group	**31.12.02**		**31.12.01**	
(NOK 1,000)	**NOK**	**in %**	**NOK**	**in %**
Sector and industrial classification:				
Financial support agencies	**107 967**	**12,4%**	118 436	9,2%
Industry and mining	**8 541**	**1,0%**	3 000	0,2%
Power and water supply, building and construction	**2 559**	**0,3%**	5 828	0,5%
Wholesale/retail trade, hotels and restaurants	**10 521**	**1,2%**	6 170	0,5%
International shipping and pipelines	**31 129**	**3,6%**	39 888	3,1%
Other transportation and communications	**5 900**	**0,7%**	4 820	0,4%
Services and real estate operations	**381 579**	**44,0%**	508 201	39,5%
Other service industries	**31 531**	**3,6%**	15 885	1,2%
Retail customers	**19 265**	**2,2%**	16 710	1,3%
Foreign	**268 958**	**31,0%**	566 089	44,1%
Total	**867 950**	**100,0 %**	1 285 027	100,0 %
Geographical distribution:				
Eastern Norway	**576 053**	**66,4%**	694 149	54,0%
Western Norway	**11 893**	**1,4%**	16 423	1,3%
Mid-Norway	**11 045**	**1,3%**	8 366	0,7%
Foreign	**268 958**	**31,0%**	566 089	44,1%
Total	**867 950**	**100,0 %**	1 285 027	100,0 %

Fordeling av garantiansvar	**31.12.02**		**31.12.01**	
(NOK 1,000)	**NOK**	**in %**	**NOK**	**in %**
Loan guarantees	**238 206**	**27,4%**	633 063	49,3%
Payment guarantees	**322 855**	**37,2%**	383 935	29,9%
Performance guarantees	**213 491**	**24,6%**	173 183	13,5%
Commercial Banks' Guarantee Fund	**92 147**	**10,6%**	92 147	7,2%
Other guarantee liability	**1 250**	**0,1%**	2 700	0,2%
Total	**867 950**	**100,0%**	1 285 027	100,0%

NOTE 27 : ASSETS PLEDGED AS SECURITY

	Group		**Parent bank**	
(NOK 1,000)	**2002**	2001	**2002**	2001
Assets pledged as security:				
Book value of bonds lodged as collateral for overnight loans from Norges Bank	**846 054**	652 200	**846 054**	652 200
Book value of bonds lodged as collateral to Danmarks Nationalbank	**28 438**	-	**-**	-
Total	**874 492**	652 200	**846 054**	652 200

NOTE 28 : FINANCIAL DERIVATIVES

Finansbanken ASA offers its customers various financial instruments to hedge foreign exchange and interest rate exposure. The same instruments are also used actively by the bank to hedge its own exposure.

The bank's Board of Directors has set limits to the size of the bank's interest rate and foreign exchange positions, and procedures have been established which ensure that these limits are observed. The bank uses only liquid instruments and activities are concentrated on a small number of major currencies. The counterparties are in the main recognised banks.

Off-balance sheet financial instruments can be categorised as follows:

Forward foreign exchange transactions:
These are agreements to buy or sell foreign exchange at an agreed future date and exchange rate with settlement at a predetermined future date.

Interest rate agreements (FRA/Futures):
These are agreements relating to a fixed rate of interest for an agreed amount for a future period. At the commencement of the future period only the difference between interest calculated at the agreed rate of interest and the market rate is exchanged.

Interest rate swaps:
These are agreements to swap interest rate conditions for a future period. At the commencement of the future period only the difference between interest calculated at the agreed rate of interest and the market rate is exchanged.

Interest rate caps:
An interest rate cap is an instrument which places a cap on the interest rate under an agreement with a floating rate of interest. At the commencement of the future period only the difference between interest calculated at the agreed rate of interest and the market rate is exchanged.

Foreign currency option:
This is an agreement which gives the purchaser the right to buy or sell foreign currency at an agreed rate and with settlement at a future date.

Share option:
An agreement which gives the purchaser the right to buy or sell shares at an agreed price and time and with settlement at a future date.

Main risk factors:
Where there is an open position related to a forward foreign exchange transaction or a foreign currency option, the bank runs the risk that both the exchange rate (the foreign exchange risk) and the interest rate differential (interest rate risk) between the currencies involved may change. The bank's activity in this area relates mainly to interest rates. All interest rate swaps are entered into in order to reduce the exposure attached to the bank's balance sheet items. The bank incurs counterparty risk for all types of derivatives except for share options and futures. The liquidity, credit and operational risks related to the various derivatives are considered to be at a reasonable level taking into account the bank's established procedures.

Credit equivalent value:
The credit equivalent value is the credit risk expressed in numerical terms (risk-weighted volume) calculated in accordance with regulations set by the Banking, Insurance and Securities Commission. The credit risk is the risk that the contract counterparty fails to meet its contractual obligations. As can be seen from the table, the bank has a low credit exposure in respect of financial derivatives. The bulk of the bank's credit risk relates to the ordinary loan portfolio.

Nominal values:
The nominal value of forward foreign exchange transactions is based on the agreed settlement amounts in NOK applying exchange rates as at 31 December 2001. The nominal value of other instruments is based on the agreed amount forming the basis of the risk exposure calculation. In the case of share options, the nominal value is reflected in the nominal share price of the contract (strike-price) multiplied by the number of shares and calculated separately for options sold and purchased. The figures in the table are stated gross since no legally binding netting agreements have been entered into.

The averages for 2001 and 2002 are based on month-end figures.

Parent bank				**Nominal amount**					**Credit**	Credit
	31.12.02		31.12.01		**Average 2002**		Average 2001		**equivalent**	equivalent
(NOK MILL.)	**Bought**	**Sold**	Bought	Sold	**Bought**	**Sold**	Bought	Sold	**value**	value
									31.12.02	31.12.01
Forward foreign exchange										
-trading portfolio	**3 012**	**2 854**	1 925	1 136	**2 304**	**1 841**	1 354	986	**93**	45
-other portfolio	**2 458**	**3 570**	2 331	4 195	**2 086**	**3 483**	920	2 818	**101**	86
Foreign currency options										
-trading portfolio	**0**	**-**	10	10	**-**	**-**	452	489	**-**	-
-other portfolio	**-**	**-**	-	-	**-**	**-**		-	**-**	-
Interest rate swaps										
-trading portfolio	**-**	**-**	-	-	**-**	**-**	-	-	**-**	-
-other portfolio	**644**	**1 315**	752	2 403	**699**	**1 677**	755	2 816	**13**	10
Interest rate caps										
-trading portfolio	**-**	**-**	-	-	**-**	**-**	-	-	**-**	-
-other portfolio	**25**	**-**	25	-	**25**	**-**	25	-	**-**	-
Forward rate agreements (FRA/futures)										
-trading portfolio	**-**	**-**	-	-	**-**	**-**	-	-	**-**	-
-other portfolio	**-**	**-**	-	-	**-**	**-**	-	-	**-**	-
Share options										
-trading portfolio	**-**	**-**	-	-	**-**	**-**	-	-	**-**	-
-other portfolio	**-**	**-**	-	-	**-**	**-**	-	-	**-**	-

Group (NOK MILL.)	31.12.02 Bought	31.12.02 Sold	31.12.01 Bought	31.12.01 Sold	Nominal amount Average 2002 Bought	Average 2002 Sold	Average 2001 Bought	Average 2001 Sold	Credit equivalent value 31.12.02	Credit equivalent value 31.12.01
Forward foreign exchange										
-trading portfolio	**3 908**	**3 790**	2 926	1 588	**3 254**	**2 548**	1 684	1 191	**101**	45
-other portfolio	**2 458**	**3 570**	2 331	4 195	**2 086**	**3 483**	920	2 818	**101**	86
Foreign currency options										
-trading portfolio	**-**	**-**	10	10	**-**	**-**	455	492	**-**	-
-other portfolio	**-**	**-**	-	-	**-**	**-**		-	**-**	-
Interest rate swaps										
-trading portfolio	**30**	**-**	-	-	**22**	**-**	-	-	**-**	-
-other portfolio	**644**	**1 315**	752	2 403	**699**	**1 677**	755	2 816	**13**	10
Interest rate caps										
-trading portfolio	**-**	**-**	-	-	**-**	**-**	-	-	**-**	-
-other portfolio	**25**	**-**	25	-	**25**	**-**	25	-	**-**	-
Forward rate agreements (FRA/futures)										
-trading portfolio	**24**	**20**	27	288	**37**	**21**	60	79	**29**	-
-other portfolio	**-**	**-**	-	-	**-**	**-**	-	-	**-**	-
Share options										
-trading portfolio	**-**	**-**	2	2	**-**	**-**	5	54	**-**	-
-other portfolio	**-**	**-**	-	-	**-**	**-**	-	-	**-**	-

NOTE 29 : LIQUIDITY RISK AT 31 DECEMBER 2002

ANALYSIS OF BALANCE SHEET ITEMS BY REMAINING MATURITY *)

(NOK MILL.)	**< 1 month**	**> 1month < 3 months**	**> 3 months < 1 year**	**> 1 år < 5 years**	**> 5 years**	**No fixed maturity**	**Total**
Cash and deposits with central banks	359,3	-	-	-	-	2,8	362,0
Loans to and receivables from credit institutions	309,4	-	-	-	-	-	309,4
Loans to and receivables from customers	2 409,8	824,1	2 340,6	1 983,4	6 745,5	-766,4	13 537,1
Bonds and commercial paper	32,9	250,4	85,0	245,3	280,9	0,1	894,6
Other assets with fixed maturity	229,1	-	-	-	-	-	229,1
Assets without residual maturity	-	-	-	-	-	309,1	309,1
Total assets	3 340,5	1 074,5	2 425,7	2 228,7	7 026,4	-454,4	15 641,3
Debt to credit institutions	142,4	1 194,8	940,9	1 425,1	-	-	3 703,2
Deposits from and debt to customers	5 060,0	429,9	227,6	48,4	16,4	-	5 782,2
Securities issued	-	759,0	1 908,1	1 362,2	-	-	4 029,3
Other debt with fixed maturity	210,3	-	-	-	-	-	210,3
Debt with no residual maturity	-	-	-	-	-	114,9	114,9
Subordinated loan capital	-	-	-	-	524,0	-	524,0
Equity	-	-	-	-	-	1 277,4	1 277,4
Total equity and liabilities	5 412,8	2 383,6	3 076,6	2 835,6	540,4	1 392,3	15 641,3
Net liquidity exposure of balance sheet items	-2 072,2	-1 309,2	-650,9	-607,0	6 486,0	-1 846,8	-
Net total all items	-2 072,2	-1 309,2	-650,9	-607,0	6 486,0	-1 846,8	-

**) Overdraft facilities are included in the category > 1 month < 3 months.*
Instalments due are included on the basis of maturity structure.

ANALYSIS OF BALANCE SHEET ITEMS BY REMAINING MATURITY IN FOREIGN CURRENCY *)

(NOK MILL.)	< 1 month	> 1 month < 3 months	> 3 months < 1 year	> 1 year < 5 years	> 5 years	No fixed maturity	Total
Cash and deposits with central banks	85,3	-	-	-	-	0,3	85,6
Loans to and receivables from credit institutions	309,4	-	-	-	-	-	309,4
Loans to and receivables from customers	202,0	692,4	1 088,4	1 505,2	933,9	-	4 421,9
Bonds and commercial paper	32,9	-	-	10,9	1,1	-	44,9
Other assets with fixed maturity	-	-	-	-	-	-	-
Assets without residual maturity	-	-	-	-	-	337,1	337,1
Total assets	629,6	692,4	1 088,4	1 516,1	935,0	337,4	5 198,9
Debt to credit institutions	7,2	143,5	940,3	925,1	-	15,1	2 031,2
Deposits from and debt to customers	904,2	63,8	40,8	48,4	16,4	-	1 073,7
Securities issued	-	-	-	729,1	-	-	729,1
Other debt with fixed maturity	-	-	-	-	-	-	-
Debt with no residual maturity	-	-	-	-	-	36,2	36,2
Subordinated loan capital	-	-	-	69,7	108,7	-	178,3
Equity	-	-	-	-	-	97,0	97,0
Total equity and liabilities	911,5	207,3	981,2	1 772,2	125,1	148,3	4 145,5
Net liquidity exposure of balance sheet items	-281,9	485,1	107,3	-256,1	809,9	189,1	1 053,4
Net total all items	-281,9	485,1	107,3	-256,1	809,9	189,1	1 053,4

**) Overdraft facilities are included in the category > 1 month < 3 months. Instalments due are included on the basis of maturity structure.*

NOTE 30 : RESIDUAL INTEREST RATE FIXING PERIODS AND INTEREST RATE RISK AT 31 DECEMBER 2002

ANALYSIS OF BALANCE SHEET ITEMS BY PERIOD TO INTEREST RATE FIXING *)

(NOK MILL.)	< 1 month	> 1 month < 3 months	> 3 months < 1 year	> 1 year < 5 years	> 5 years	No interest exposure	Total	Interest exposure p.a.
Cash and deposits with central banks	359,3	-	-	-	-	2,8	362,0	0,14
Loans to and receivables from credit institutions	309,4	-	-	-	-	-	309,4	0,12
Loans to and receivables from customers	3 245,3	10 010,5	980,6	56,9	10,2	-766,5	13 537,1	19,64
Bonds and commercial paper	32,9	724,5	125,1	10,9	1,1	0,1	894,6	1,75
Other assets with fixed maturity	-	-	-	-	-	-	-	-
Assets without residual maturity	-	98,2	-	-	-	439,9	538,1	0,11
Total assets	3 947,0	10 833,2	1 105,7	67,8	11,4	-323,7	15 641,3	21,76
Debt to credit institutions	142,4	2 546,9	1 013,8	-	-	-	3 703,2	9,3
Deposits from and debt to customers	5 060,0	429,9	227,6	48,4	16,4	-	5 782,2	4,5
Securities issued	-	2 234,8	1 382,7	-	-	411,8	4 029,3	-
Other debt with fixed maturity	210,3	-	-	-	-	-	210,3	0,1
Debt with no residual maturity	-	-	-	-	-	114,9	114,9	-
Subordinated loan capital	-	479,7	35,0	-	-	9,3	524,0	1,9
Equity	-	-	-	-	-	1 277,4	1 277,4	-
Total equity and liabilities	5 412,8	5 691,2	2 659,1	48,4	16,4	1 813,5	15 641,3	15,8
Net interest rate exposure of balance sheet items	-1 465,8	5 142,0	-1 553,4	19,4	-5,0	-2 137,2	-	6,0
Financial derivatives affecting interest rate exp.	-	-	-	-	-	-	-	-
Net interest rate exposure	-1 465,8	5 142,0	-1 553,4	19,4	-5,0	-2 137,2	-	6,0
Net interest rate exp. as % of average total assets	-8,1 %	28,4 %	-8,6 %	0,1 %	0,0%	-11,8 %	0,0%	0,0 %

*) Period to interest rate fixing interest rate is the period up to the earliest possible date on which the bank can initiate a change in interest rate.

ANALYSIS OF WHICH BALANCE SHEET ITEMS IN FOREIGN CURRENCY BY PERIOD TO INTEREST RATE FIXING

(NOK MILL.)	< 1 month	> 1 month < 3 months	> 3 months < 1 year	> 1 year < 5 years	> 5 years	No interest exposure	Total	Interest exposure p.a.
Cash and deposits with central banks	85,3	-	-	0,1	-	-	85,3	0,03
Loans to and receivables from credit institutions	309,4	-	-	-	-	-	309,5	0,12
Loans to and receivables from customers	1 540,1	1 834,1	980,5	56,9	10,2	-	4 421,9	9,51
Bonds and commercial paper	33,0	-	-	10,9	1,1	-	45,0	0,1
Other assets with fixed maturity	-	-	-	-	-	-	-	-
Assets without residual maturity	-	98,2	-	-	-	238,9	337,1	0,1
Total assets	1 967,7	1 932,3	980,5	67,9	11,4	238,9	5 198,9	9,9
Debt to credit institutions	7,2	995,6	1 013,2	-	-	15,1	2 031,2	7,5
Deposits from and debt to customers	904,2	63,8	40,8	48,4	16,4	-	1 073,7	1,3
Securities issued	-	729,1	-	-	-	-	729,1	0,8
Other debt with fixed maturity	-	-	-	-	-	-	-	-
Debt with no residual maturity	-	-	-	-	-	36,2	36,2	-
Subordinated loan capital	-	69,7	-	-	108,7	-	178,3	1,2
Equity	-	-	-	-	-	97,0	97,0	-
Total equity and liabilities	911,5	1 858,2	1 054,1	48,4	125,1	148,3	4 145,5	10,8
Net interest rate exposure of balance sheet items	1 056,3	74,2	-73,6	19,5	-113,7	90,6	1 053,3	-0,9
Financial derivatives affecting interest rate exp.	-	-	-	-	-	-	-	-
Net interest rate exposure	1 056,3	74,2	-73,6	19,5	-113,7	90,6	1 053,3	-0,9
Net interest rate exp. as % of average total assets	5,8 %	0,4 %	-0,4 %	0,1 %	-0,6 %	0,5 %	5,8 %	0,0 %

INTEREST RATE RISK

Throughout 2001 Finansbanken ASA endeavoured to maintain a low or neutral interest rate exposure in relation to both Norwegian krone and foreign currencies. The bank's interest rate exposure relates mainly to holdings of securities, securities issued by the bank and financial derivatives. The bank seeks to neutralise its interest rate exposure through active use of hedging transactions to hedge interest rates in both the trading portfolio and other portfolios. The effect that any changes in the yield curve in the various currencies might have on the bank's results is thereby minimised.

NOTE 31 : CAPITAL ADEQUACY

SPECIFICATION OF CAPITAL BASE	**Group**		**Parent bank**	
(NOK MILL.)	**31.12.02**	31.12.01	**31.12.02**	31.12.01
Core capital	**1 123,4**	1 233,4	**1 181,7**	1 411,9
Subordinated loan capital less own holdings	**524,0**	544,3	**524,0**	544,3
Net capital base (A)	**1 647,4**	1 777,7	**1 705,7**	1 956,2
Asset base for calculation (B)	**13 549,1**	16 615,6	**12 994,0**	16 141,1
Capital ratio (A/B)	**12,16 %**	10,70 %	**13,13 %**	12,12 %
Excess capital (NOK million)	**563,5**	448,5	**837,7**	665,0
Core capital ratio	**8,29 %**	7,42 %	**9,09 %**	8,75 %

SPECIFICATION OF ASSET BASE FOR CALCULATION	**Group**		**Parent bank**	
(NOK MILL.)	**31.12.02**	31.12.01	**31.12.02**	31.12.01
Total assets, other portfolio	**13 725,9**	16 394,7	**13 219,7**	16 174,1
Total off-balance sheet items, other portfolio	**531,0**	754,3	**479,7**	538,9
Foreign exchange risk and trading portfolio	**82,7**	94,5	**62,6**	35,5
Deduction for loss provisions, revaluation account	**-790,5**	-627,9	**-768,0**	-607,4
Basis of calculation	**13 549,1**	16 615,6	**12 994,0**	16 141,1

There is a difference on 151,7 MNOK between the parent bank's equity capital and core capital. This reflects over-funding of pension commitments by 6,4 MNOK and 145,3 MNOK of goodwill and other intangible assets. At the group level the difference is 154 MNOK reflecting over-funding of pension commitments by 5,6 MNOK and 148,4 MNOK of goodwill and other intangible assets.

NOTE 32 : EQUITY CAPITAL

Parent bank (NOK 1,000)	**Share capital**	**Share premium reserve**	**Other equity**	**Equity**
Opening balance at 01.01.02	1 073 397	127 268	229 857	1 430 522
+ New shares issued	117 500			117 500
+ Increase in share premium reserve		117 500		117 500
+ Provision for transfer to parent company net of any tax				-
+ Profit for the year			-332 100	-332 100
= Total equity 31.12.02	1 190 897	244 768	-102 243	1 333 422

Group (NOK 1,000)	**Share capital**	**Share premium reserve**	**Other equity**	**Equity**
Opening balance at 01.01.02	1 073 397	127 268	164 911	1 365 576
+ New shares issued	117 500			117 500
+ Increase in share premium reserve		117 500		117 500
+ Profit for the year			-323 162	-323 162
= Total equity 31.12.02	1 190 897	244 768	-158 251	1 277 414

The entire share capital of MNOK 1.191 MNOK made up of 59 544 845 shares (of nominal value NOK 20) is owned by Storebrand ASA.

NOTE 33 : SUBORDINATED LOAN CAPITAL

SUBORDINATED LOAN CAPITAL > 10% PRIMARY CAPITAL (NOK 1,000)	**31.12.02** **Book value**	**31.12.02** **Average Interest rate**	31.12.01 Book value	31.12.01 Average Interest rate
Subordinated loan capital with conversion rights				
Perpetual subordinated loan 1995. 8.5% coupon *)	**9 323**	**8,5 %**	9 323	8,5 %
Other subordinated loan capital				
Subordinated loan 2000-2005. USD 10 million, LIBOR + 1.3%	**69 657**	**3,4 %**	90 116	6,0 %
Subordinated loan 2000-2010, NIBOR + 1.3%	**110 000**	**8,2 %**	110 000	8,7 %
Subordinated loan 1997-07, 6 m NIBOR+1,1%			60 000	8,4 %
Subordinated loan 1997-07, 6,30% coupon			40 000	6,3 %
Subordinated loan 1998-08, 6,31% coupon	**100 000**	**9,0 %**		
Subordinated loan 1998-2008, 6,31% coupon	**109 000**	**6,3 %**	109 000	6,3 %
Subordinated loan 1998-08, NIBOR + 1,05%	**91 000**	**8,0 %**	91 000	8,4 %
Subordinated loan 1999-09, 7,75 % coupon	**35 000**	**7,8 %**	35 000	7,8 %
Total	**523 980**		544 439	

The subordinated loans have been established under an agreement with an option to exceed the period of the loans by + 5 years.

(NOK 1,000)	**31.12.02**	31.12.01
Subordinated loan capital included in capital adequacy calculation	**523 980**	544 323
Profit/loss		
Subordinated loan capital in foreign currency	**69 657**	90 116
Subordinated loan capital in foreign currency, book value	**69 657**	90 116
Interest expense		
Subordinated loan interest charged in the accounts	**38 689**	41 267

NOTE 34 : EARNINGS PER SHARE

The accounting profit per share is calculated in order to arrive at a figure for the bank's earnings per share. The calculations are made in accordance with the Provisional Norwegian Accounting Standard for Earnings per Share.

Earnings per share is calculated by dividing the profit for the year by the time-weighted average number of shares. Shares arising from the conversion of subordinated loan capital during the year are included in the calculations with effect from 1 January since interest expense for the whole year lapses on the conversion of subordinated loans.

Similarly, diluted earnings per share is arrived at by taking account of all the potential outstanding shares during the period. The accounting result is adjusted for the post-tax effect of the cessation of interest expense on the convertible share capital.

	Group			Parent bank		
	2002	2001	2000	**2002**	2001	2000
Time-weighted average number of outstanding shares	**55 628 178**	52 419 845	43 669 845	**55 628 178**	52 419 845	43 669 845
No. of shares as yet uncon. on subord. loan cap. at 31.12	**466 155**	466 155	466 155	**466 155**	466 155	466 155
Time-weighted av. numb. of outst. shares on full dilution	**56 094 333**	52 886 000	44 136 000	**56 094 333**	52 886 000	44 136 000
Profit for the year (NOK 1,000)	**-323 163**	-66 072	4 509	**-332 100**	-17 843	15 563
Interest charge on conv. loan (less 28% tax) (NOK 1,000)	**792**	792	571	**792**	792	571
Profit for the year on full dilution (NOK 1,000)	**-322 371**	-65 280	5 080	**-331 308**	-17 051	16 134
Earnings per share	**-5,76**	-1,25	0,10	**-5,92**	-0,34	0,35
Diluted earnings per share	**-5,75**	-1,23	0,12	**-5,91**	-0,32	0,37

NOTE 35 : TAXES

BASIS FOR CALCULATION OF TAX LIABILITY
Parent bank

(NOK 1,000)	**31.12.02**	31.12.01
Pre-tax profit	**-458 674**	-22 049
Permanent differences:		
Non-allowable expenses	**4 489**	7 104
Other permanent differences	**-100**	-78
Change in temporary timing differences:		
Fixed assets and long-term shareholdings	**208 720**	2 894
Acquisition cost in excess of book values	**7 271**	7 271
Pension commitments	**-3 893**	-4 163
Provision in accordance with GRS	**-8 000**	-5 080
Write-down of shareholdings	**19 093**	4 839
Securities accruals	**-4 223**	-1 773
Other temporary timing differences	**3 979**	-625
Group contribution paid	**-**	-
Tax base for the year	**-231 338**	-11 660
Rate of tax	**28 %**	28 %
Tax liability for the year	**-64 775**	-3 265

CALCULATION OF DEFERRED TAX/DEFERRED TAX ASSETS	Parent bank		Group	
(NOK 1,000)	**2002**	2001	**2002**	2001
Tax increasing temporary timing differences:				
Acquisition cost in excess of book values	**1 818**	9 089	**1 818**	9 089
Securities held for hedging	**1 677**	2 138	**1 677**	2 138
Pension commitments	**6 248**	2 355	**5 158**	2 355
Other temporary timing differences	**4 257**	-272	**-14 493**	-272
Total tax increasing temporary timing differences	**14 000**	13 310	**-5 840**	13 310
Tax reducing temporary timing differences:				
Fixed assets and long-term shareholdings	**-237 077**	-28 357	**-32 857**	-25 864
Portfolio of hedging securities	**-24 480**	-5 387	**-24 819**	-5 387
Provision in accordance with GRS	**0**	-8 000	**-1 856**	-8 000
Other temporary timing differences	**-4 467**	-644	**-7 727**	-13 616
Total tax reducing temporary timing differences	**-266 024**	-42 388	**-67 259**	-52 867
Net tax reducing temporary timing differences	**-252 024**	-29 078	**-73 100**	-39 292
Deferred loss	**-240 765**	-11 660	**-299 468**	-29 732
Net temporary differences and tax losses carried forward	**-492 789**	-40 738	**-372 568**	-69 024
Deferred tax assets	**137 981**	11 407	**105 338**	20 152

Deferred tax/deferred tax assets

Tax reducing temporary timing differences are offset against tax increasing temporary timing differences

Group contribution receive/paid

Gross group contributions received by Finansbanken by subsidiaries totalled NOK 2.819.930, and is posted as income from shareholdings in subsidiaries.

TAX CHARGE FOR THE YEAR

	Parent bank		Group	
(NOK 1,000)	**2002**	2001	**2002**	2001
Tax payable on income		-	**6**	555
Under-provision for tax in previous years			**-200**	
Change in deferred tax assets	**-126 574**	-4 206	**-85 180**	-8 152
Tax on group contribution paid				
Tax charge (-tax refund)	**-126 574**	-4 206	**-85 374**	-7 597

ACCRUED, UN-ASSESSED AND DEFERRED TAX

	Parent bank		Group	
(NOK 1,000)	**2002**	2001	**2002**	2001
Tax payable		-	6	555
Deferred tax	**137 981**	11 407	105 332	20 152
Total	**137 981**	11 407	105 338	20 707

ELECTED OFFICERS AND MANAGEMENT

ELECTED REPRESENTATIVES 31.12.2002

BOARD OF DIRECTORS

Name	Residence
Chairman:	
Idar Kreutzer	Oslo
Deputy Chairman:	
Finn Strøm Gundersen	Oslo
Members of the Board:	
Allan Åkerstedt	Oslo/Stockholm
Stein Wessel Aas	Oslo
Jan Oscar Frøshaug	Hellerup, Danmark
Per Kumle, Managing Director/CEO	Asker
Lennart Lorentzen (employee representative)	Oslo
John Ouren (deputy employee representative)	Oppegård

FINANSBANKEN'S MANAGEMENT

Per Kumle, Managing Director/CEO	Asker
Knut Hundhammer, Executive Vice President & CFO	Buskerud
Jan Erik Slørstad, General Manager	Ski
Per Øyvind Schiong, Counsel	Oslo
Jørn Aleksandersen, General Manager	Lørenskog
Arild Barreth, General Manager	Bærum
Per Kjetil Lilleskare, General Manager/Counsel	Bergen
Inge Andersen, Head of Human Resources	Lillehammer
Knut Eikre Larsen, Senior Partner Private Banking	Drammen
Bodil Simensen Scheie, Deputy General Manager	Oslo

CONTROL COMMITTEE

Chairman:	
Kristine Schei, Chair of the Control Committee	Oslo
Members of the Control Committee:	
Mads Krohn	Oslo
Jan Ljone	Oslo

AUDITOR

(Internal audit function)
Einar Westby, State Authorised Public Accountant (Norway)
PriceWaterhouseCoopers DA, Karenslyst Alle 12, 0245 Oslo

(External)
Geir Moen, State Authorised Public Accountant (Norway)
KPMG, Sørkedalsveien 6, 0306 Oslo

SUPERVISORY BOARD

Name	Residence
Chairman:	
Finn Myhre	Oslo
Deputy Chairman:	
Ola Petter Tandstad	Frogn
Members elected by shareholders	
Vidar B. Lund	Bergen
Tor Johan Stuve	Bergen
Jan Olav Steensland	Oslo
Einar Nistad	Bergen
Bente Tvenge	Oslo
Bryn Skaugen	Oslo
Bernt Jacob Pettersen	Bergen
Øivin Brøymer	Bærum
Svein Garberg	Oslo
Bård Snilsberg (deputy member)	Oslo
Members elected by and from among the employees:	
Synnøve Tvedt	Oslo
Terje Skrinde	Frogn
Trude Eidsheim	Lørenskog
Eva Konttorp	Hamar
Ellen A. Hjall (deputy member)	Bærum

STATEMENT FROM THE SUPERVISORY BOARD TO THE ANNUAL GENERAL MEETING CONCERNING THE ANNUAL ACCOUNTS FOR 2002

At a meeting held on 11 March 2003 the Supervisory Board considered the annual report and accounts proposed by the Board of Directors for 2002 for both the parent bank and the group, including the Board's proposal to settle the loss incurred by the parent bank for 2002. The Supervisory Board also considered the auditor's report and the report of the Control Committee for 2002.

The Supervisory Board has resolved to recommend that the profit and loss account and balance sheet as proposed by the Board of Directors, including the proposed consolidated profit and loss account and the consolidated balance sheet, be adopted by the Annual General Meeting as the annual accounts of the parent bank and the group for 2002.

The Supervisory Board also resolved to recommend that the proposal to settle the loss incurred by the parent bank for 2002 as put forward by the Board of Directors be approved by the Annual General Meeting.

Oslo, 11. March 2003

Finn Myhre
Chairman of the Supervisory Board

STATEMENT FROM THE CONTROL COMMITTEE TO THE SUPERVISORY BOARD AND THE ANNUAL GENERAL MEETING OF FINANSBANKEN ASA CONCERNING THE 2002 FINANCIAL YEAR

The Control Committee for Finansbanken ASA has reviewed the annual accounts for 2002 as proposed by the Board of Directors.

Taking into account the auditor's report dated 19 February 2003, the Control Committee recommends that the accounts proposed be adopted as the annual accounts of Finansbanken ASA and the group for 2002.

Oslo, 26. February 2003

Kristine Schei
Chairman of the Control Committee

KPMG AS

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To the Annual Shareholders' Meeting and the Supervisory Board of Finansbanken ASA

AUDITOR'S REPORT FOR 2002

Respective Responsibilities of Directors and Auditors
We have audited the annual financial statements of Finansbanken ASA as of 31 December 2002, showing a loss of NOK 332.100.000 for the parent company and a loss of NOK 323.163.000 for the group. We have also audited the information in the Directors' report concerning the financial statements, the going concern assumption, and the proposal for the coverage of the loss. The financial statements comprise the balance sheet, the statements of income and cash flows, the accompanying notes and the group accounts. These financial statements and the Directors' report are the responsibility of the Company's Board of Directors and Managing Director. Our responsibility is to express an opinion on these financial statements and other information according to the requirements of the Norwegian Act on Auditing and Auditors.

Basis of Opinion
We conducted our audit in accordance with the Norwegian Act on Auditing and Auditors and auditing standards and practices generally accepted in Norway. Those standards and practices require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant accounting estimates made by management, as well as evaluating the overall financial statement presentation. To the extent required by law and auditing standards and practices an audit also comprises a review of the management of the Company's financial affairs and its accounting and internal control systems. We believe that our audit provides a reasonable basis for our opinion.

Opinion
In our opinion,
- the financial statements have been prepared in accordance with law and regulations and present the financial position of the Company and of the Group as of 31 December 2002, and the results of its operations and its cash flows for the year then ended, in accordance with accounting standards, principles and practices generally accepted in Norway
- the Company's management has fulfilled its obligation in respect of registration and documentation of accounting information as required by law and accounting standards, principles and practices generally accepted in Norway
- the information in the Directors' report concerning the financial statements, the going concern assumption, and the proposal for the coverage of the loss is consistent with the financial statements and comply with the law and regulations.

Oslo, 24 February 2002

KPMG AS
Geir Moen
State Authorised Public Accountant

Note: This translation of the Norwegian statutory Audit Report has been prepared for information purposes only

New Deal DDB XPress / Photo: Jo Michael

Finansbanken ASA A company in the Storebrand group

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Annual and interim reports as well as press releases are also made available at www.finansbanken.no