



Annual Report 2000



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## MANAGING DIRECTOR 2000



Geir Andersen  
Managing Director

2000 was an exciting year for Finansbanken, and we took a number of steps to strengthen our position as a leading bank for wealthy private individuals and selected areas of corporate business.

The year saw much activity and strong earnings across the bank's business areas, but the results achieved were overshadowed by the need for significant loan loss provisions on some older shipping loans. A closer examination of the bank's results before loan losses and provisions reveals that income from other business areas such as asset management and structured products grew strongly. This reflects a conscious effort to increase income from financial advice and sales of savings products in order to reduce the group's dependence on interest income.

Finansbanken Index represented a very successful area of activity for the group in 2000. The company enjoyed strong growth in business volume in the Norwegian market and was the first company in Norway to launch an equity index bond linked to the performance of a range of hedge funds.

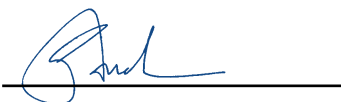
Our strategy is reflected in a decision to focus on activities in the three areas of Project Financing, Capital Markets and Private Banking. In addition the acquisition of Den Københavnske Bank is the first step towards becoming one of the leading private banking operations in the Nordic countries. Finansbanken intends to be seen as a different bank.

The main factors for success as a private bank are expertise and skill, as well as the ability to build strong, long-term relationships with customers. This will continue to be our highest priority, but good personal relationships are only part of the picture. We have developed an Internet portal as part of our comprehensive customer service concept. The portal is based on each customer's particular savings and investment profile, and is continuously updated to give an accessible and straightforward overview of the customer's complete relationship with the bank.

As part of our new focus we have also chosen to change our corporate logo and graphic profile. This not only gives the bank a more modern look, but also symbolises our progress and internal development. It also supports our new approach and helps to make us more visible in the market.

We intend to remain a small bank with a limited number of customers. However we have established a focused strategy and have expanded the bank's activities in certain areas. All of this is intended to ensure that our customers recognise Finansbanken as an even better bank.

Oslo, 30 March 2001



Geir Andersen  
Managing Director



Gunnar Henriksen,  
Deputy Managing Director

- Launch of a new **digital platform** offering excellent information and reporting for key customers
  - New **brand image** adopted, with launch of a new **corporate profile** on 15 March
  - Launch of a new "high-end" card product **Finansbanken Platinum**
  - **Morningstar Norge** and **E\*Trade** became fully operational
  - Extensive **recruitment**, especially for Private Banking
  - **Two of Delphi's funds** were ranked amongst the **five best** Norwegian equity funds
  - Focused **strategy** for real estate financing and personal lending.
  - Strategy for balanced growth with a focus on **strategic customers**
- Major **changes** at Den Københavnske Bank
    - New managing director
    - Re-branding program launched with change of name to Finansbanken in second quarter of 2001
    - Portfolio of non-strategic customer business sold
    - Move to new premises in second quarter of 2001

## STRATEGY



### FINANSBANKEN ASA

Finansbanken ASA is a wholly owned subsidiary in the Storebrand group, and is a specialist bank for the corporate market and high net worth individuals. The bank operates from a head office in Oslo and a branch office in Bergen, and has established a presence in Copenhagen by acquiring a local bank. The Finansbanken group has 200 employees and total assets of NOK 20 billion.

### OUR VISION

**Finansbanken will develop and sell financial products and services to wealthy private individuals and selected corporate customers in such a way that personal customers achieve growth in their wealth and increased economic freedom of manoeuvre and corporate customers develop a competitive and profitable business.**

### STRATEGY

Following its acquisition by Storebrand in 1999, Finansbanken has developed its activities as a private bank with expertise in a number of specialist areas. New areas of business focus such as Private Banking and Capital Markets are growing strongly, whilst traditional activities such as real estate project financing and securities financing continue to provide a strong business platform.

Finansbanken's objective is to become a leading player in the Nordic market for its areas of speciality. The acquisition of Den Københavnske Bank represents an important step towards this ambition, and the bank's Danish activities will focus on the same three business areas as in Norway. The integration and development of Den Københavnske Bank is well advanced and the newly acquired bank is moving in the right direction.

The acquisitions of Delphi Forvaltning AS and Den Københavnske Bank, together with the recruitment of experienced financial advisers for our Norwegian business, mean that we are making strong progress towards becoming one of the leading private banks in the Nordic countries. To ensure the success of our new approach, Finansbanken now focuses on the three areas of activity of **Project Financing, Private Banking and Capital Markets.**



Jørn Aleksandersen  
General Manager  
Project Financing



Per Olav Langaker  
Managing Director, Delphi Forvaltning AS  
Capital Markets

**Finansbanken Project Financing** mainly focuses on sectors that are dependent on short lines of communication and rapid decision-making for the financing of large or medium-sized projects. Project financing focuses principally on real estate development and shipping, as well as securities financing.

**Private Banking** represents a service for private customers who have wealth and investments of a scale or complexity that makes it advantageous for them to co-operate closely with a specialist bank. Finansbanken can offer an extensive range of financial services, and attaches particular importance to providing each customer with tailor-made advice and solutions.

**Finansbanken Capital Markets** develops and manages savings products for affluent private customers. This takes the form of both discretionary asset management and mutual funds in addition to capital market and structured products. Asset management is based on an absolute yield approach, and the bank's fund managers actively manage positions in the market.

## FINANSBANKEN'S CUSTOMERS

Finansbanken's customers are demanding in their choice of bank and expect a high level of expertise. The bank's ambition is to ensure that it has satisfied customers by offering them an exclusive and personal service as well as generating a superior return on their investments. This provides the basis for all our contacts with customers, and implies that we strive to deliver a better service. Finansbanken values its customers for the demanding and attractive challenge they represent for the bank.

## EMPLOYEES AND EXPERTISE

Any bank that bases much of its customer contact on maintaining close personal relationships must have high expectations of its employees and the expertise they represent, and this is certainly the case for Finansbanken. We place great importance on recruiting and retaining skilled staff, and we provide ongoing training to ensure that they can serve our customers with skill, careful attention and respect.

The format of the service we offer in each case is as unique as our customers, and the common feature is that our employees must have extensive expertise, be prompt and flexible in their response and build strong relationships with the customers for whom they are responsible.





#### FINANSBANKEN - NEW GRAPHIC PROFILE

Finansbanken's new graphic profile is intended to create a new visual image for the bank. Our new style is simple, elegant and discreet, and we believe that it signals relationships, expertise and relevance as well as our Scandinavian identity.

The bank's graphic profile will help to ensure that we are seen as a unified visible and consistent presence. We believe that the new profile will serve as an effective reminder of our customer promise: unique solutions for unique customers.

Finansbanken - a far from common bank.

We are very aware of what has made us into the bank we are today. We fully appreciate that our tradition of individual and personal service is important for our customers.

Our ambition is to ensure that the Finansbanken of the future will also be characterised by the individual service it offers to every customer on the basis of the customer's particular requirements, objectives and financial situation.

Finansbanken's customer promise can be summed up by the three characteristics our customers perceive: **the Experience of being valued, the Experience of a better financial return and the Experience of exclusivity.**





**Finansbanken**  
Private Banking | Prosjektfinansiering | Kapitalmarked | Rekruttering | Om oss | Kontakt oss | English

Hjelp

**Logg inn** | Informasjon

**Private Banking**

☒ Private Banking  
☐ NettBank privat  
☐ NettBank bedrift

**Søk i Finansbanken**

**Søk**

**5 siste markedsrapporter**

Fredag 25.01.2001  
 Torsdag 27.01.2001  
 Onsdag 26.01.2001  
 Tirsdag 25.01.2001  
 Mandag 24.01.2001

**Til arkiv**

**Fin liten overskrift**

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**Fondenes 6 på topp**

Fond	Rating	3 år% 3 m% 1 m%	Vis mer
1 Merrill Lynch Global S...	★★★★★	215,7	-4,6 5,3 24/1
2 Fidelity American Growth	★★★★★	218,3	-14,3 7,4 23/1
3 Skagen Global	★★★★★	217,5	-2,3 10,0 23/1
4 AQR International Tech...	★★★★★	206,9	-18,6 13,3 23/1
5 Østman IT- Fond	★★★★	199,1	-22,7 15,3 24/1
6 SSB Teknologi LU	★★★★	179,0	-27,4 15,3 24/1

**6 siste**

**Oslo Børs: Telener-salg på gode priser**  
(30.01.2001 07:30)

**Portsett kjøp på Temna fra ABC Securities**  
(30.01.2001 13:24)

**Gjende lekseberg på Fargoyene**  
(30.01.2001 13:14)

**Tandberg-Inverte godt over forventet**  
(30.01.2001 13:07)

**Customer-sjefen: Fokaserte for sterke**  
(30.01.2001 13:24)

**Portsett kjøp på Temna fra ABC Securities**  
(30.01.2001 13:24)

**Til arkiv**

**Børsen i dag**

SNB	SNOS	SOF	SOT	SNB	SNOS	SOF	SOT	SNB	SNOS	SOF	SOT
179,00	-5,00	243,00	-3,00	43,00	0,00	38,00	0,00	170,00	-5,00	243,00	-3,00

**Via i eget vindu >>**

Personal service is of great importance, but service alone does not create a complete service concept. The need for greater accessibility to the bank and its services and a more comprehensive flow of information means that electronic systems must also play a central role in our ongoing relationship with customers. We have developed a personalised Internet portal that helps to complete our service concept. The portal is built around your individual savings and investment profile, and is updated continuously to give a straightforward and simple overview of all your business with Finansbanken.

**Finansbanken**  
Private Banking | Prosjektfinansiering | Kapitalmarked | Rekruttering | Om oss | Kontakt oss | English

Hjelp Private Banking» Min portefølje

**Logg inn** | Informasjon

**Private Banking**

☒ Private Banking  
☐ NettBank privat  
☐ NettBank bedrift

**Via grafisk fremstilling**

☐ Innskudd  
☐ Fond  
☒ Aktiv forvaltning

**77%**

**17%**

**6%**

**Totalt**  
Aktiva 3 258 258  
Lån 2 325 258

**Min portefølje**

**+ Bank**

Vandpapir	ISIN	Kostpris	Markedsvard	Realisert
9681 17 12345		340 000,00	340 000,00	-
9681 15 67891		200 216 200,00	200 216 200,00	-
9681 19 23456		56 023,00	56 023,00	-
<b>Sum Bank</b>			<b>290 452 223,00</b>	<b>-</b>

**+ Konfond**

Vandpapir	ISIN	Kostpris	Markedsvard	Realisert
Standard Knyttete	12225487852	168 600,00	2 216 216,00	2 256 200,00
Industriens Oljefond	29487856585	200 000,00	56 023,00	56 023,00
<b>Sum Konfond</b>		<b>368 600,00</b>		<b>2 452 223,00</b>

**+ Aksjefond**

**+ Aksjer**

Vandpapir	ISIN	Kostpris	Markedsvard	Realisert
Oslo gjeve		800 000,00	2 400 000,00	1 600 000,00
<b>Sum Aksjer</b>		<b>800 000,00</b>	<b>2 400 000,00</b>	<b>1 600 000,00</b>

**Børsen i dag**

SNB	SNOS	SOF	SOT	SNB	SNOS	SOF	SOT	SNB	SNOS	SOF	SOT
170,00	-5,00	243,00	-3,00	43,00	0,00	38,00	0,00	170,00	-5,00	243,00	-3,00

**Via i eget vindu >>**

## PRIVATE BANKING



Hallgeir Isdahl  
Private Banking



Bjørn Erik Madsen  
Private Banking



Stein Olav Haug  
Private Banking



Knut Eikre Larsen  
Private Banking

### FINANSBANKEN PRIVATE BANKING

Private Banking is a service concept, developed for customers with personal wealth, which places particular emphasis on managing this wealth. The service concept is based on developing an extensive understanding of the customer's situation through a close individual relationship. The market for private banking services in Norway is growing very quickly, and it attracts a continuous inflow of both Norwegian and international players. However no player has yet emerged as the leading name for total wealth management in Norway, and it is Finansbanken Private Banking's ambition to win this position.

### PRIVATE BANKING- MANAGEMENT AND ORGANISATION

In order to focus on Private Banking as a primary business area, Finansbanken Private Banking is now organised as a separate legal unit. The company will form part of the Finansbanken group.

A separate management team has been established for the new company. The members of the management team reflect the importance attached to the disciplines of wealth management, financial advice and customer service.

The management team is made up of:

- Bjørn Erik Madsen
- Knut Eikre Larsen
- Stein Ola Haug
- Hallgeir Isdahl

### PRIVATE BANKING-CUSTOMERS

Finansbanken Private Banking intends to offer services to wealthy private individuals including company executives and business owners. Particular attention will be paid to the founders and partners of professional practices. Trusts and foundations above a certain size will also form part of the customer basis for these activities.



#### PRIVATE BANKING- SERVICE CONCEPT

The Private Banking service concept is based on giving every customer a nominated adviser who is fully updated at all times on the customer's total relationship with the bank. Each adviser forms part of a team, and at least one of the other team members will also be familiar with the customer's portfolio and will provide a fully informed backup in the absence of the primary adviser. The service concept is based on a recognition that every customer is unique. Each customer's financial situation, preferences, activities, investments and objectives determine the solutions that the bank will offer, and Private Banking is a tailor-made service.

#### PRIVATE BANKING-FINANCIAL ADVICE AND PRODUCT DELIVERY

Financial advice for total wealth management is the core activity of Private Banking. This covers an extensive range and includes establishing overall strategies for wealth management, tax issues and inheritance planning.

Good advice needs the support of relevant and sound products, and Finansbanken Private Banking will operate in this respect as an independent supplier. We have already entered into co-operation agreements with reputable external suppliers, and we intend to continuously develop this network so that we are always able to offer leading products. In addition we will focus strongly on developing our own products and services. The integrity of the financial advice we offer is essential for good solutions. Customers expect to be offered the best solutions for their requirements, and Finansbanken Private Banking intends to meet their expectations.

We offer unified and readily accessible reporting through electronic systems. These systems provide a total overview of a customer's portfolio with detailed information available on each specific component. The availability of online connection offers the reassurance of accessing this information whenever necessary.

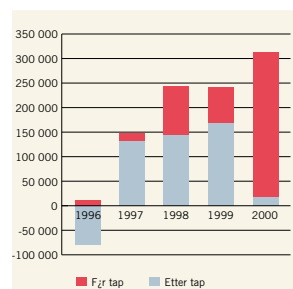


## KEY FIGURES

	Group				Parent			
(NOK million and percentage)	31.12.00		31.12.99		31.12.00		31.12.99	
Profit and Loss account: (as % of average total assets)								
Interest and credit commission income	1 392,9	7,92 %	1 031,7	7,84 %	1 356,8	7,85 %	1 031,7	7,83 %
Interest and related expense	-991,8	-5,64 %	-702,5	-5,34 %	-974,6	-5,64 %	-704,8	-5,35 %
Net interest and commission income	401,1	2,28 %	329,2	2,50 %	382,1	2,21 %	326,9	2,48 %
Dividend and other								
Income on securities with variable yield	-10,3	-0,06 %	0,3	0,00 %	30,9	0,18 %	0,5	0,00 %
Commission and other income from banking services	161,5	0,92 %	29,7	0,23 %	21,7	0,13 %	16,8	0,13 %
Commission and other expense for banking services	-16,3	-0,09 %	-6,8	-0,05 %	-6,0	-0,03 %	-6,8	-0,05 %
Net gain/loss on securities and foreign exchange	24,5	0,14 %	15,4	0,12 %	17,7	0,10 %	15,4	0,12 %
Other operating income	2,2	0,01 %	1,2	0,01 %	2,3	0,01 %	1,6	0,01 %
Total non-interest income	161,7	0,92 %	39,8	0,30 %	66,7	0,39 %	27,6	0,21 %
Salaries and general administration expenses	-167,2	-0,95 %	-104,9	-0,80 %	-97,7	-0,57 %	-98,5	-0,75 %
Depreciation of fixed and intangible assets	-34,7	-0,20 %	-8,8	-0,07 %	-10,1	-0,06 %	-7,1	-0,05 %
Other operating expenses	-48,1	-0,27 %	-15,1	-0,11 %	-26,7	-0,15 %	-15,1	-0,11 %
Total operating expenses	-250,1	-1,42 %	-128,8	-0,98 %	-134,5	-0,78 %	-120,7	-0,92 %
Operating profit before losses and write-downs	312,7	1,78 %	240,1	1,82 %	314,3	1,82 %	233,8	1,77 %
Loan losses and provisions	-294,9	-1,68 %	-72,5	-0,55 %	-293,6	-1,70 %	-72,5	-0,55 %
Operating profit before tax	17,8	0,10 %	167,6	1,27 %	20,7	0,12 %	161,3	1,22 %
Tax on ordinary profit	-13,3	-0,08 %	-48,2	-0,37 %	-5,1	-0,03 %	-46,1	-0,35 %
Ordinary profit after tax	4,5	0,03 %	119,4	0,91 %	15,6	0,09 %	115,2	0,87 %
Main balance sheet figures								
Total assets	20 098,0		13 928,7		19 252,1		13 962,1	
Average total assets	17 588,0		13 158,8		17 273,5		13 181,0	
Gross loans to customers	16 924,8		12 447,0		16 592,2		12 447,0	
Equity	1 232,7		1 034,6		1 248,4		1 032,8	
Capital adequacy								
Capital adequacy	1 628,6		1 374,2		1 782,7		1 370,2	
Capital ratio	9,73 %		11,37 %		10,76 %		11,31 %	
Core capital ratio	6,49 %		8,53 %		7,49 %		8,47 %	
Other key figures								
Costs as a percentage of operating income	44,44 %		35,25 %		29,98 %		34,41 %	
Return on equity after tax	0,37%		12,21%		1,29%		11,78%	

## DIRECTORS' REPORT

(COMPARABLE FIGURES FOR 1999 ARE SHOWN IN BRACKETS)



Group operating profit (NOK 1,000)

### MAIN FEATURES AND ACTIVITIES

2000 was the first full year for Finansbanken ASA as a member of the Storebrand ASA group. The bank is now part of one of the four business areas in the Storebrand Group's new corporate structure, and is the platform for the holding company's ambition to take a leading position in the private banking market.

Finansbanken further strengthened its traditional business areas of real estate project financing and securities financing in 2000. In parallel with this the bank devoted significant resources to developing and implementing strategies for a broadly based commitment to the new business areas of Private Banking and Asset Management. By the end of the year the Finansbanken group's activities were carried out through the four business units of Finansbanken Project Finance, Finansbanken Private Banking, Finansbanken Capital Markets and the wholly-owned Danish subsidiary Den Københavnske Bank A/S.

The most important events in 2000 were the acquisition of the share capital of Den Københavnske Bank A/S, the establishment of the subsidiary Morningstar Norge AS (49% ownership interest), the

launch of E\*Trade Norge AS (32.7% ownership interest), the acquisition of the remaining 11% of the share capital of Delphi Forvaltning AS, the purchase of the remaining 19% of the share capital of Finansbanken Index ASA and the development of a new IT portal.

The group's financial results for 2000 reflect strong growth in volume and earnings before loan losses and provisions as a result of a high level of activity and growth in customer numbers. However during the autumn of 2000 the group's portfolio of shipping loans was subject to a comprehensive review and evaluation, and this identified a need for higher loan loss provisions. In the fourth quarter the bank increased its specific loan loss provisions by NOK 123.8m and allocated a further NOK 25m to its general loan loss provision.

Following these increases, loan losses provisions amounted to NOK 454.9m at the end of the year, made up of specific loan loss provisions of NOK 286.7m and a general provision of NOK 168.1m. The significant scale of additional loan losses and provisions largely offset the strong earnings reported before losses, and ordinary profit after loan losses and provisions and tax was



reduced to NOK 4.5m. Primary capital at year-end accordingly amounted to NOK 1,628.6m, bringing the capital ratio down to 9.73% with a core capital ratio of 6.49%.

Save for the shipping loan portfolio, the Board is satisfied with the group's performance in 2000 and the ordinary profit achieved before loan losses and provisions. However the Board does find the significant deterioration in the shipping portfolio to be a cause for concern.

Increased focus and resources have accordingly been committed to the management of the shipping portfolio, and the Board has also placed the bank's future shipping strategy under review. This reflects a general intention for future ship financing activities to be targeted more on Norwegian investors, and with a particular focus on supporting the bank's Private Banking strategy.

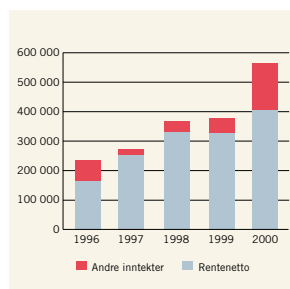
#### PROFIT AND LOSS ACCOUNT

The Finansbanken group generated net interest and credit commission income of NOK 401.1m in 2000, representing an increase of NOK 71.9m from the previous year. The group's total operating costs increased by NOK 121.3m to NOK 250.1m for the year as a whole. Profit from ordinary operations before loan losses and provisions amounted to NOK 312.7m (NOK 240.1m) equivalent to 1.78% of average total assets. Loan losses and provisions for 2000 totalled NOK 294.9m (72.5m), giving an ordinary profit before tax of NOK 17.8m (167.6m). This is equivalent to 0.10% of average total assets and represents a pre-tax return on equity of 1.47%. After allowing for an aggregate tax charge of NOK 13.3m, the group reports a post-tax ordinary profit of NOK 4.5m (119.4m), equivalent to a post-tax return on equity of 0.37%.

The parent bank reported an ordinary post-tax profit of NOK 15.6m (115.2m).



## DIRECTORS' REPORT



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

### NET INTEREST AND COMMISSION INCOME

Net interest and commission income amounted to NOK 401.1m (329.2m), representing an interest margin of 2.28% (2.50%) of average total assets. Higher market interest rates caused some downward pressure on interest margin during the autumn, but net interest income nonetheless showed a strong performance for the year as a result of higher lending and deposit volumes.

The Board expects to see continuing pressure on interest margins, but is confident that a combination of modest growth in lending volumes and more normal interest rate conditions will contribute to an increase in net interest income in 2001.

### OTHER OPERATING INCOME

Non-interest income amounted to NOK 161.7m for the group, representing a four-fold increase from 1999 (39.8m). This strong performance reflects the contribution made to group income by Finansbanken Index ASA and Delphi Forvaltning AS, as well as the contribution that the new focus on Private Banking is already making to consolidated income. This trend is expected to continue and indeed strengthen in the future, and will

help to make the group less dependent on its balance sheet.

### OPERATING EXPENSES

The group's operating expenses totalled NOK 250.1m (128.8m), equivalent to 1.42% (0.98%) of average total assets and 44.4% (35.3%) of aggregate operating income. The higher level of reported costs is almost entirely due to the consolidation of the Delphi group from 1 January 2000, the consolidation of Den Københavnske Bank A/S with effect from 30 June 2000 and the significant activity involved in developing and implementing the Private Banking business area. The Board continues to play close attention to the level of costs throughout the group.

Payroll costs totalled NOK 130.9m (78.4m) in 2000. The marked increase from 1999 can be attributed to the significant increase in staffing that has taken place over this period, both by new recruitment and through the consolidation of the Delphi group and Den Københavnske Bank A/S. The figures also reflect the annual salary increase for employees, but the increase in 2000 was on a modest scale. Other administration costs amounted to NOK 36.3m (26.5m), and other operating costs increased to NOK 48.1m



from NOK 15.1m in the previous year. Ordinary depreciation totalled NOK 34.7m (8.8m). The increase in these categories of expense can all be attributed to the acquisition of the Delphi group and Den Københavnske Bank A/S, as is further demonstrated by the normal increases in costs seen in the equivalent categories for the parent bank in isolation.

#### LOAN DEFAULTS, LOSSES AND PROVISIONS AND ASSETS REPOSSESSED

Losses on loans and guarantees are based on a review of all customers in the loan and guarantee portfolios at year-end. 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.

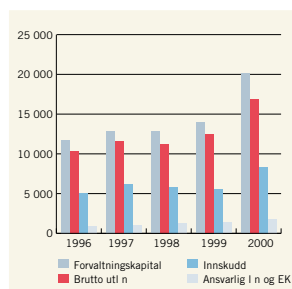
The group's gross loans in default and doubtful loans totalled NOK 1,400.3m (548.5m) at year-end, of which NOK 563.5m (439.9m) related to loans on which interest is no longer accrued. After specific loss provisions of NOK 286.7m, net loans in

default and doubtful loans amounted to NOK 1,113.5m (432.5m), equivalent to 6.58% of the group's gross lending. Net specific loan loss provisions amounted to NOK 286.7m (116.4m) at the close of 2000. The general loss provision was increased by NOK 60m in 2000, bringing the total general provision to NOK 168.1m, equivalent to 0.99% of the group's gross lending.

The bank held repossessed assets of NOK 42.8m (135.3m) at year-end

The negative trend for loan defaults seen for 2000 is concentrated in the shipping and offshore portfolio. As noted above, the Board has initiated a thorough review and evaluation of all shipping and offshore lending. This is intended to ensure that the appropriate action is taken to protect the bank's position and earnings to the greatest extent possible, and is combined with an on-going review of the bank's strategy for shipping lending.

## DIRECTORS' REPORT



Group balance sheet (NOK million)

### BALANCE SHEET ASSETS

The Finansbanken Group had total assets of NOK 20.1bn at 31 December 2000 as compared to NOK 13.9bn at the close of 1999.

### LOANS TO AND RECEIVABLES FROM CUSTOMERS

Gross lending to customers rose to NOK 16.9bn over the course of the year, representing an increase of 36%. The increase related mainly to real estate financing, but securities financing also showed an increase. The Board expects growth in lending to continue at its current pace some way into 2001 and to then level off. The expected outlook is in line with the Board's objective of controlled growth in lending in parallel with active management of the loan portfolio.

A geographic analysis of lending demonstrates that the main components of the bank's exposure are lending to the Oslo and Akershus region (66.2%) and to foreign borrowers (18.8%), whilst the remaining 15.0% is evenly distributed across the Norwegian market in general. Some 32.0% 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 various financial instruments. Real estate financing consists mainly of loans secured against commercial property in good locations let on long-term leases, together with residential mortgage lending. Prices for both residential and commercial property in the Norwegian real estate market have been on a rising trend for a considerable time, with some periods of rapid price inflation. The bank accordingly intends to take a cautious approach in its future lending policy. 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 the Oslo Stock Exchange, Norwegian bonds, and Norwegian and foreign fund investments. The bank pursues a policy of selective growth in this area of business, and where company owners borrow against the security of shares in their own company the bank adopts a particularly prudent approach to the regular review of its security.



#### DEPOSITS, FUNDING AND SUBORDINATED LOAN CAPITAL

The group again enjoyed an increase in deposits from customers in 2000. Customer deposits increased by 50% over the course of the year, bringing the total to NOK 8.4bn (5.6bn). As result of this increase, the deposit/lending ratio was 50% at 31 December 2000 as compared to 45% at the end of 1999.

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 on-going co-operation with its parent company Storebrand ASA on establishing a more long-term funding profile and thereby improving its liquidity situation has had a positive effect, and the bank is now less reliant on funding in the short-term money markets than was previously the case.

Subordinated loan capital increased over the course of the year by NOK 198.4m from NOK 344.3m at the close of 1999 to NOK 542.8m at 31 December 2000.

#### GROUP INFORMATION, SUBSIDIARIES AND BUSINESS AREAS

Storebrand ASA held the entire share capital of 48,669,845 shares in Finansbanken ASA at 31 December 2000.

The operational subsidiaries of Finansbanken ASA are Delphi Forvaltning AS (100%), Finansbanken Index ASA (100%) and Den Københavnske Bank A/S (100%). In addition the bank has interests in the associated companies Morningstar Norge AS (49%) and E\*Trade Norge AS (32.7%).

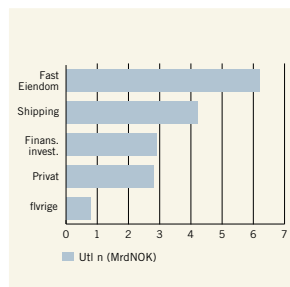
#### DELPHI FORVALTNING AS

Finansbanken purchased 89% of the share capital of Delphi Forvaltning AS in autumn 1999, and went on to acquire the remaining 11% on 15 August 2000.

The initial ownership was consolidated with effect from 1 January 2000, and the company was fully consolidated with effect from 30 June 2000.

The Delphi group, which comprises the subsidiaries Delphi Fondsforvaltning AS, Delphi Aktiv Forvaltning ASA and Delphi Investor Service AS, reported a high level of activity and strong earnings for 2000. Consolidated ordinary pre-tax profit amounted to NOK 21.4m.

## DIRECTORS' REPORT



Analysis of lending at 31.12.00  
(NOK billion)

### FINANSBANKEN INDEX ASA

Finansbanken ASA acquired Finansbanken Index ASA in 1999. The company has been involved in the marketing and sales of structured products since 1993, and its main emphasis is on equity-index bonds for retail and institutional investors in the Norwegian market. The company forms part of Finansbanken ASA's Private Banking activities.

Finansbanken Index ASA enjoyed strong growth in volumes and earnings in 2000. This reflects both increased customer interest in and focus on international investments as well as the contribution made by new products. The company's post-tax ordinary profit amounted to NOK 21.8m.

### DEN KØBENHAVNSKE BANK A/S

Finansbanken ASA acquired the entire share capital of Den Københavnske Bank A/S in 2000, with legal completion on 21 September 2000. The acquisition of this Danish bank is an important step in the group's commitment to pan-Nordic Private Banking. Major changes have been made to the business strategy and organisation of Den Københavnske Bank A/S in the short time since Finansbanken's purchase, and there have also been changes in the Board of Directors and management.

Den Københavnske Bank A/S reported an 18% increase in lending volume in 2000 with a 5% increase in deposits, and generated higher interest margin and net interest income despite a fall of ca. 15% in deposit margin. After allowing for these changes, costs were at the same level as in 1999. Loan losses and provisions were also in line with expectations, with total loan losses and provisions for the year of 0.3% as compared to -2.1% in 1999, and outstanding provisions at 3.2% as compared to 7.3% in 1999. Profit for the year was DKK 4.3m in 2000 as compared to DKK 10.1m in the previous year. The bank's capital ratio remained high at 25.5% as compared to 24.7% in 1999. The total assets of Den Københavnske Bank A/S at the close of the year were just under DKK 1bn.

### PROFIT ALLOCATION, CAPITAL ADEQUACY AND EQUITY

Finansbanken ASA (the parent bank) recorded an ordinary profit after loan losses and provisions and tax of NOK 15.6m for the year to 31 December 2000. The Board does not recommend the payment of any dividend, and proposes that the profit for the year be allocated to the 'other equity' item in the balance sheet.



At year-end the capital base totalled NOK 1,628.6m for the group and NOK 1,782.7m for the parent bank. This represents a capital ratio of 9.73% for the group and 10.76% for the parent bank, while the core capital ratios were 6.49% and 7.49% respectively. The increase in core capital was largely the result of a private placement of shares with the parent company of NOK 200m carried out on 30 June 2000. Core capital was also increased by the allocation of profit for the year to other equity, but was reduced by the goodwill arising from the acquisitions of Delphi and Den Københavnske Bank A/S. The bank took up a subordinated loan equivalent to NOK 200m on 30 September 2000.

In order to strengthen the bank's capital adequacy, a Board Meeting held on 20 February 2001 resolved to recommend to the Supervisory Board and the Annual General Meeting that the bank's share capital should be increased by up to NOK 100,000,000 by means of a private placement of shares with the parent company Storebrand ASA. The shares placed are of nominal value NOK 20.00 with a subscription price of NOK 40.00. A meeting of the Board of Storebrand ASA held on the same day resolved to subscribe for this issue of shares in full. The shares are to be issued and fully paid-up

in cash by 31 March 2001, and Finansbanken group's capital ratio and core capital ratio will thereafter increase to 10.92% and 7.68% respectively.

The annual accounts 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 2000 were prepared.

## DIRECTORS' REPORT



Doubtful loans and loans provisions at 31.12.00  
(NOK billion)

### DISPUTES

Following the insolvency of NOKA Securities a.s. in spring 1997 it was discovered that customers of Finansbanken ASA had not received a number of shares in the Swedish company International Business System AB. Finansbanken had financed the purchase of these shares. Customers have issued proceedings against Finansbanken ASA alleging that the bank is responsible for the missing shares and claiming compensation for their alleged losses. The total claim does not exceed NOK 50m.

Finansbanken ASA has denied the claims in accordance with the legal advice it has received, and believes it has a strong case to resist such claims. Moreover the bank and the customers involved believe that other proceedings instigated in the wake of the NOKA Securities a.s. insolvency will provide partial reimbursement of the alleged losses.

A provision was made in the bank's accounts for 1996 in respect of possible tax demands following the inspection of the accounts of the former Industri & Skipsbanken ASA and subsidiaries earlier that year.

### GUARANTEES AND COLLATERAL PLEDGED

At the end of 2000 the guarantee portfolio amounted to NOK 746.1m (650.7m), of which payment guarantees accounted for NOK 344.7m, and performance guarantees amounted to NOK 229.3m. 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 832.6m as security for access to Norges Bank's overnight loan facility.

No other loan security had been given by the bank at year-end.

### MANAGEMENT OF FINANCIAL RISK

The group's financial risk consists mainly of exposure to credit, liquidity, interest rates, foreign exchange 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 exposure is at a low level and on monitoring adherence to this policy.

In order to manage its exposure to credit risk, Finansbanken has developed a delegated authority and committee system 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 implementation of the group's Private Banking strategy has been accompanied by changes to credit policies and their practical application.

Finansbanken has increased its focus on monitoring the credit risk associated with the shipping portfolio and the management of this exposure. The normal level of loan losses and provisions likely to be incurred is expected to reduce in future years as a result of changes in the group's strategy. The Board receives regular summarised reports of credit risk.

The bank is active in the interest rate and foreign exchange markets. Activities are mainly customer-based, but the bank also engages in trading for its own account. Finansbanken has established procedures for the daily reporting and monitoring of the bank's interest rates and foreign exchange positions.

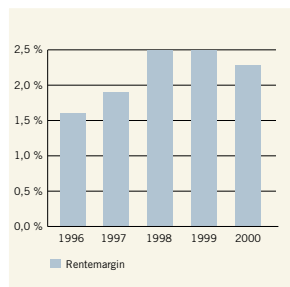
The Board has established strict limits for the size of positions that may be taken and the level of exposure to losses involved. The scale of trading for the bank's own account reduced towards the end 2000 as result of the Board's decision to reduce these limits.

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 bank aims to operate with only limited exposure to interest rate risk. The Board has set a maximum limit for the bank's overall interest-rate exposure to a 1 percentage point change in the yield curve for all currencies.

The bank's interest rate exposure at year-end amounted to approximately NOK 5.7m, or 0.35% of the capital base.

## DIRECTORS' REPORT



Group interest rate margin (%)

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.

### ORGANISATION

There were considerable changes to the organisation of both the bank and the group in 2000. This in turn caused changes in both management and staffing in general, partly through recruitment to replace staff leaving the group and partly as a result of the strengthening of the organisation made necessary by the development of the Private Banking activities.

The organisation underwent change and expansion in 2000 at the same time as managing a high level of business activity, and this has placed considerable demands on all the staff, both in terms of workload and their willingness to adapt to change. The Board believes that the organisation has

coped with these challenges extremely well, and has maintained a sound and inspiring working environment. In order to manage the future development of the bank's organisational resources it has appointed a Human Resources Manager who joined the staff in the fourth quarter of 2000 with responsibilities for the group as a whole. Absence due to sickness represented 3.0% of total available working hours, as compared to 3.2% in 1999. There were no accidents or reported injuries of major importance in 2000.

The Finansbanken group had a total of 196 employees at the close of 2000 as compared to 94 employees at the close of 1999. Hours worked represented the equivalent of 191.7 full-time equivalent positions as compared to 90 in 1999.



The bank has operated an incentive programme for its employees since it was first established. The program is intended to strengthen long-term motivation and encourage greater focus on the bank's operations and performance, and it continued in 2000. In view of the further development and diversification of the group's activities, the Board intends to consider introducing an employee incentive structure more directly related to specific functions.

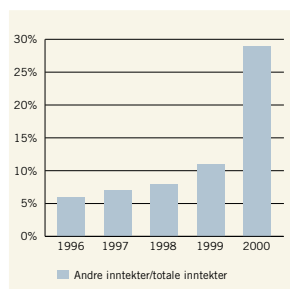
A provision of NOK 6.6m including employer's national insurance contributions was made by the parent bank in 2000 in respect of guaranteed bonuses and other individual performance-related bonuses.

The subsidiary companies Den Københavnske Bank A/S, Finansbanken Index ASA and the Delphi group made in aggregate provisions of NOK 12.6m including employer's national insurance contributions in respect of individual performance-related bonuses.

There were a number of changes to the Board of Directors of Finansbanken ASA over the course of 2000. The former Chairman Åge Korsvold and former members Bjørn Olafsson, Carl Erik Haavaldsen and Christian Wessel resigned from the Board. Idar Kreutzer was elected as new Chairman and Finn Strøm-Gundersen was elected as new Deputy Chairman. In the first quarter of 2001 the Board was further strengthened by the election of Jan Oscar Frøshaug and Stein Wessel-Aas (the latter takes up appointment on 1 July 2001).

The Board would like to thank the members who left the Board in 2000 for the contribution they have made to the work of the bank.

## DIRECTORS' REPORT



Net interest income and total income (%)

### STRATEGY AND PROSPECTS FOR 2001

Finansbanken ASA's stated objective is to develop, market and sell financial products and services to wealthy private individuals and selected corporate customers. This objective is to be achieved by building strong, close relationships with customers and offering a speedy and flexible customer service.

In respect of the bank's credit activities, the Board intends to ensure a focus on further improvement and strengthening of the portfolio rather than on continuing growth. It is a basic requirement for the credit activities that future growth and development shall be carried out on the basis of an acceptable risk and profitability profile. Lending activities will continue to concentrate on real estate project financing and securities financing for customers within the bank's defined target group.

The Board intends to pay particularly active attention to the group's shipping portfolio over the course of 2001. Future lending in this area will be concentrated to a greater degree on transactions that serve to support the development of the group's Private Banking activities.

The growth and development of Private Banking as a new business area will continue in 2001. Private Banking is a service concept characterised by providing financial advice on the basis of close customer relationships and a high level of service where a customer's wealth and investments are of such volume or complexity that this level of relationship is necessary or desirable. We expect to experience increased competition in this market in future. However the Board believes that the Finansbanken group is well placed to take a leading role in this market, initially in Norway and subsequently on a pan-Nordic basis. Finansbanken ASA enjoys a high profile with wealthy private customers in Norway. This position has been built up over a number of years, and is based on essential features for a successful Private Banking activity such as a strong customer focus, close relationships and a high level of customer service. The acquisition and integration of Delphi and Finansbanken Index has given the group access to additional expertise and services for wealth management and investment, and this accordingly markedly strengthens the group's position in the Private Banking market.



The acquisition of Den Københavnske Bank A/S and the restructuring of this operation currently underway represent an important step towards a pan-Nordic private banking concept.

The Board considers the prospects for the Norwegian economy in 2001 to be relatively encouraging, since even though interest rates are higher than at the start of 2000, the oil price remains high and unemployment in Norway is at a low level.

However the Board also recognises the risk of a temporary slowdown in economic growth and a downward correction in general economic conditions both in Norway and internationally. It is accordingly important that the bank makes allowance for such a scenario in all its activities.

In closing its report, the Board would like to thank its customers and other business associates, as well as its staff, for their fine co-operation over the course of 2000.

Oslo, 20 February 2001

The Board of Directors of Finansbanken ASA

Idar Kreutzer  
- Chairman -

Finn Strøm-Gundersen  
- Deputy Chairman -


Allan Åkerstedt  
- Board member -

Geir Andersen  
- Managing Director -  
representative

Jan Erik Slørstad  
- Employee representative -

Per Øyvind Schiong  
- Deputy employee representative -





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## PROFIT AND LOSS ACCOUNT

(NOK 1,000)	Note	GROUP		PARENT BANK	
		2000	1999	2000	1999
Interest and other income on loans to and deposits with credit institutions		59 092	34 127	46 853	34 127
Interest and other income on loans to and due from customers	2	1 237 340	940 249	1 225 254	940 249
Interest on commercial paper, bonds and other interest-bearing securities		95 785	51 321	84 488	51 321
Other interest income and similar income		730	6 000	192	6 000
<b>Total interest income and similar income</b>	9,10	<b>1 392 947</b>	<b>1 031 697</b>	<b>1 356 788</b>	<b>1 031 697</b>
Interest and other expenses on debt to credit institutions		-232 899	-81 255	-233 500	-82 133
Interest and other expenses on deposits from and due to customers		-409 654	-369 965	-392 151	-371 326
Interest and other expenses on securities issued		-308 361	-213 011	-308 361	-213 011
Interest and other expenses on subordinated loan capital		-29 196	-25 328	-29 196	-25 328
Other interest and related expenses		-11 708	-12 986	-11 439	-12 975
<b>Total interest expenses and related expenses</b>		<b>-991 818</b>	<b>-702 546</b>	<b>-974 647</b>	<b>-704 774</b>
<b>NET INTEREST AND CREDIT COMMISSION INCOME</b>		<b>401 129</b>	<b>329 151</b>	<b>382 141</b>	<b>326 923</b>
Income from shares and other securities with a variable return		215	262	200	262
Income from shareholdings in associated companies	13	-10 521	-	-	-
Income from shareholdings in subsidiaries	21,22	-	-	30 743	226
<b>Total dividends and other income from securities with a variable return</b>		<b>-10 306</b>	<b>262</b>	<b>30 942</b>	<b>488</b>
Guarantee commissions receivable		9 863	6 927	9 863	7 052
Other fees and commissions receivable		151 622	22 805	11 840	9 775
<b>Total commissions receivable and income from banking services</b>	3	<b>161 485</b>	<b>29 732</b>	<b>21 703</b>	<b>16 826</b>
Guarantee commissions payable		-91	-153	-93	-153
Other fees and commissions payable		-16 179	-6 599	-5 911	-6 599
<b>Total commissions payable and cost of banking services</b>		<b>-16 270</b>	<b>-6 752</b>	<b>-6 004</b>	<b>-6 752</b>
Net gain/-loss on commercial paper, bonds and other interest-earning securities		6 880	509	2 296	509
Net gain/-loss on shares and other securities with a variable return		7 279	7 833	6 293	7 833
Net gain/-loss on foreign exchange and financial derivatives	25	10 377	7 075	9 153	7 075
<b>Total net gain/-loss on foreign exchange and securities held as current assets</b>		<b>24 536</b>	<b>15 417</b>	<b>17 742</b>	<b>15 417</b>
Other operating income	4	2 208	1 161	2 310	1 611
Salaries		-109 328	-60 040	-51 314	-53 642
Pensions	7	-7 784	-3 479	-5 748	-3 479
Social security expenses		-13 824	-14 883	-12 370	-14 883
<b>Total payroll expenses</b>	6	<b>-130 936</b>	<b>-78 402</b>	<b>-69 432</b>	<b>-72 005</b>
Administration expenses		-36 283	-26 534	-28 235	-26 534
<b>Total payroll and general administration expenses</b>		<b>-167 220</b>	<b>-104 936</b>	<b>-97 667</b>	<b>-98 538</b>
Ordinary depreciation		-34 743	-8 775	-10 137	-7 135
<b>Total depreciation of fixed and intangible assets</b>	19	<b>-34 743</b>	<b>-8 775</b>	<b>-10 137</b>	<b>-7 135</b>
Other operating expenses		-48 140	-15 131	-26 743	-15 071
<b>Total other operating expenses</b>	5,8	<b>-48 140</b>	<b>-15 131</b>	<b>-26 743</b>	<b>-15 071</b>
Losses and provisions on loans and guarantees etc.	9	-294 868	-72 506	-293 604	-72 506
<b>PRE-TAX OPERATING PROFIT</b>		<b>17 810</b>	<b>167 623</b>	<b>20 682</b>	<b>161 263</b>
Tax on ordinary profit	35	-13 301	-48 234	-5 119	-46 078
<b>ORDINARY PROFIT AFTER TAX</b>	34	<b>4 509</b>	<b>119 389</b>	<b>15 563</b>	<b>115 185</b>
Group contribution to parent company (net after tax)	21			-	-86 400
Transfer to other equity				-15 563	-28 785
<b>Total transfers and allocations</b>	32			<b>-15 563</b>	<b>-115 185</b>

## BALANCE SHEET - ASSETS

(NOK 1,000)	Note	GROUP		PARENT BANK	
		31.12.00	31.12.99	31.12.00	31.12.99
Cash and deposits with central banks		682 204	475 965	677 830	475 965
Loans and call deposits with credit institutions		378 286	45 891	289 717	45 891
Loans and term deposits with credit institutions		194 595	-	-	-
Total loans to and receivables from credit institutions		572 881	45 891	289 717	45 891
Overdraft facilities		2 000 811	1 344 291	1 874 517	1 344 291
Real estate loans		1 009 819	1 171 537	1 009 819	1 171 537
Instalment loans		13 914 131	9 931 168	13 707 881	9 931 127
Total lending before specific and general loss provisions	1,18	16 924 761	12 446 996	16 592 217	12 446 955
- Specific loss provisions	9,11	-286 735	-116 417	-272 232	-116 417
- General loss provisions	9	-168 146	-108 146	-168 146	-108 146
Total net lending and due from customers	10,11	16 469 880	12 222 433	16 151 839	12 222 392
Assets repossessed	16	42 815	135 264	42 815	135 264
Commercial paper and bonds issued by public authorities		321 558	737 926	304 736	737 926
Total securities issued by public authorities		321 558	737 926	304 736	737 926
Commercial paper and bonds issued by others		1 097 763	5 712	725 290	5 712
Total securities issued by others		1 097 763	5 712	725 290	5 712
Total commercial paper, bonds and other int. bearing fixed-return sec.	14	1 419 321	743 638	1 030 026	743 638
Shares, other equity investments and primary capital certificates		76 744	34 482	33 652	34 482
Other securities		833	-	-	-
Total shares, other equity inv. and other sec. with a variable return	17	77 577	34 482	33 652	34 482
Shareholdings in associated companies		39 211	-	3 294	-
Total shareholdings in associated companies	12,13	39 211	-	3 294	-
Shareholdings in other group companies		-	-	391 139	34 461
Total shareholdings in group companies	12	-	-	391 139	34 461
Goodwill	19	133 626	2 555	-	-
Deferred tax assets	35	12 028	-	7 200	4 534
Total intangible assets		145 654	2 555	7 200	4 534
Machinery, equipment and vehicles		46 816	24 057	34 710	22 488
Buildings and other real estate		362	428	362	428
Total fixed assets		47 179	24 485	35 073	22 916
Other assets		2 770	39 079	-	39 079
Total other assets		2 770	39 079	-	39 079
Accrued income		232 566	185 190	224 353	183 708
Overfunding of pension commitments		1 487	4 504	1 487	4 504
Other prepaid expenses		364 504	15 248	363 667	15 248
Total prepaid expenses and accrued income		365 992	19 753	365 154	19 753
Total prepaid expenses and accrued income		598 558	204 943	589 507	203 461
<b>TOTAL ASSETS</b>	21,24,28,29,30	<b>20 098 049</b>	<b>13 928 735</b>	<b>19 252 091</b>	<b>13 962 082</b>

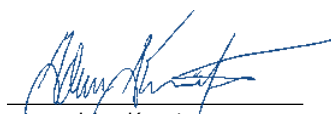
## BALANCE SHEET - LIABILITIES AND EQUITY

(NOK 1,000)	Note	GROUP		PARENT BANK	
		31.12.00	31.12.99	31.12.00	31.12.99
Loans and call deposits from credit institutions		13 758	7 634	6 717	11 553
Loans and term deposits from credit institutions		4 036 766	2 590 410	4 036 766	2 590 410
Total debt to credit institutions		4 050 524	2 598 044	4 043 483	2 601 963
Loans and call deposits from customers		6 066 826	4 170 213	5 551 977	4 198 129
Loans and term deposits from customers		2 314 406	1 431 977	2 041 203	1 431 977
Total deposits from and due to customers	20	8 381 232	5 602 190	7 593 180	5 630 105
Commercial paper and other short-term funding		4 109 001	2 867 963	4 109 001	2 867 963
- Own unamortised commercial paper		-303 000	-409 000	-303 000	-409 000
Bond debt		1 449 791	1 905 385	1 449 791	1 905 385
- Own unamortised bonds		-46 000	-432 000	-46 000	-432 000
Total securities issued	15	5 209 792	3 932 348	5 209 792	3 932 348
Other debt		302 780	195 115	266 062	192 494
Total other debt		302 780	195 115	266 062	192 494
Total accrued expenses and prepaid income		337 175	211 719	334 418	211 650
Pension commitments etc..	7	5 473	1 958	3 295	1 718
Deferred tax		-	615	-	-
General loss provisions for guarantee liability		1 600	1 600	1 600	1 600
Other provisions for accrued commitments and expenses		33 917	6 244	9 088	13 080
Total provisions for accrued expenses and commitments		40 989	10 418	13 983	16 398
Subordinated loan capital with conversion rights		9 323	9 323	9 323	9 323
Other subordinated loan capital		533 485	335 000	533 485	335 000
Total subordinated loan capital	33	542 808	344 323	542 808	344 323
<b>TOTAL LIABILITIES</b>		<b>18 865 300</b>	<b>12 894 155</b>	<b>18 003 726</b>	<b>12 929 280</b>
Share capital	34	973 397	773 397	973 397	773 397
Share premium reserve		27 268	27 268	27 268	27 268
Total paid-in share capital		1 000 665	800 665	1 000 665	800 665
Other reserves		232 084	232 522	247 700	232 137
Total accrued reserves		232 084	232 522	247 700	232 137
Minority interests		-	1 393	-	-
<b>TOTAL EQUITY</b>	31,32	<b>1 232 749</b>	<b>1 034 580</b>	<b>1 248 365</b>	<b>1 032 801</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	21,24,29,30	<b>20 098 049</b>	<b>13 928 735</b>	<b>19 252 091</b>	<b>13 962 082</b>
Off-balance sheet items					
Total contingent liabilities	26	1 581 697	1 168 677	1 313 820	1 168 667
Total other commitments	23,27,31	2 007 105	2 201 000	1 735 000	2 201 000

## ANALYSIS OF CASH FLOW

(NOK 1,000)	GROUP		PARENT BANK	
	2000	1999	2000	1999
Interest and credit commission income	1 393 688	1 031 697	1 356 788	1 031 697
Interest expenses	-992 559	-702 546	-974 647	-704 774
Non-interest income	177 922	46 571	72 698	34 343
Operating expenses	-231 609	-206 679	-130 441	-200 221
Gain on disposal of fixed assets	-689	-740	-689	-740
Amounts recovered on receivables previously written off	15 965	7 354	15 965	7 354
Tax paid	-4 224	-41 491	-2 460	-41 241
Net cash flow from operations (A)	358 494	134 166	337 213	126 418
Decrease/(increase) in receivables from credit institutions	-279 598	200 786	-243 826	200 786
Decrease/(increase) in loans to and due from customers	-4 257 177	-1 170 375	-4 238 989	-1 170 334
Decrease/(increase) in assets repossessed	93 615	118 499	92 449	118 499
Decrease/(increase) in commercial paper, bonds and other securities	-196 275	-57 848	-286 388	-57 848
Decrease/(increase) in shareholdings	63 930	-6 178	830	-6 178
Investment in subsidiaries and associated companies	-372 942	-5 726	-359 188	27 660
Investment in fixed assets	-27 502	-14 237	-23 913	-12 409
Sale of fixed assets	7 787	2 290	2 946	2 290
Decrease/(increase) in other assets	39 587	-	39 079	-
Decrease/(increase) in prepaid expenses and accrued income	-358 894	-44 219	-386 046	-42 736
Net cash flow from financial activities (B)	-5 287 469	-977 008	-5 403 047	-940 271
Increase/(decrease) in deposits from financial institutions	1 451 734	500 526	1 441 520	460 186
Increase/(decrease) in deposits from customers	1 842 742	-249 031	1 963 075	-238 434
Increase/(decrease) in issues of own securities	1 277 444	817 301	1 277 444	817 301
Increase/(decrease) in other liabilities	138 265	16 118	197 678	10 349
Increase/(decrease) in accrued expenses and prepaid income	117 158	-98 846	122 768	-98 915
Increase/(decrease) in provisions for commitments and expenses	29 389	-134	-2 415	6 461
Increase/(decrease) in subordinated loan capital	198 485	-78 265	198 485	-78 265
Increase in share capital and paid-in share premium	200 000	79 265	200 000	79 265
Group contribution paid	-120 000	-	-130 857	-
Net cash flow from financing activities (C)	5 135 217	986 934	5 267 699	957 949
Net change in liquid funds (A+B+C)	206 242	144 093	201 866	144 094
Liquid funds at 1 January	475 962	331 872	475 965	331 871
Liquid funds at 31 December 1)	682 204	475 965	677 830	475 965

1) Liquid funds includes cash, postal giro deposits and deposits with Norges Bank.




Idar Kreutzer  
- Chairman -



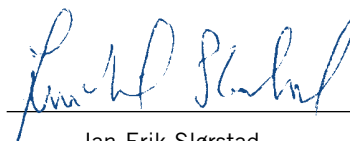
Finn Strøm-Gundersen  
- Deputy Chairman -



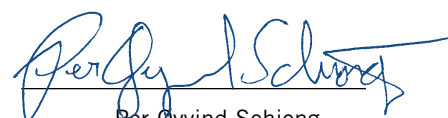
Allan Åkerstedt  
- Board member -



Geir Andersen  
- Managing Director -  
representative



Jan Erik Slørstad  
- Employee representative -



Per Øyvind Schiong  
- Deputy employee representative -



KPMG AS

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Enterprise NO 905 174 627

To the Supervisory Board and the Annual General Meeting of Finansbanken ASA

## AUDIT REPORT FOR 2000

**Respective responsibilities of management and the auditor**

We have audited the annual financial statements of Finansbanken ASA as of 31 December 2000, showing a profit of NOK 15,563,000 for the parent bank and a profit NOK 4,509,000 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 allocation of the profit. The financial statements comprise the balance sheet, the statements of income and cash flow, the accompanying notes and the group accounts. These financial statements are the responsibility of the Bank's Board of Directors and Managing Director. Our responsibility is to express an opinion on these financial statements and on the 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 Norwegian good auditing practice. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. To the extent required by law and good auditing practice an audit also comprises a review of the management of the Bank'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 are prepared in accordance with the law and regulations and present the financial position of the Bank and of the Group as of 31 December 2000 and the results of its operations and its cash flows for the year then ended, in accordance with Norwegian good accounting practice
- the company's management has fulfilled its duty to produce a proper and clearly set out registration and documentation of accounting information in accordance with Norwegian law and good accounting practice
- the information in the Directors' report concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit are consistent with the financial statements and comply with the law and regulations.

Oslo, 20 February 2001  
KPMG AS

Geir Moen

State Authorised Public Accountant (Norway)

KPMG Norway member of KPMG International  
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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.).

## ACCOUNTING AND VALUATION PRINCIPLES

**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**

It is Finansbanken's practice that all commercial and retail customers are classified when a commitment is established or is subject to change. In addition, all customers are reclassified at least once a year, or when other circumstances make this necessary.

For the last 9 years Finansbanken has used a classification system where the two main considerations are the debtor and the loan security. These two items are rated separately on a scale from 1 to 5 where 1 represents a first-class debtor/security and 5 represents a debtor with poor debt-servicing ability or very unsatisfactory security. This gives a matrix consisting of 25 risk groups. In the table below this has been reduced to 6 main risk groups, in addition to unclassified customers which consist mainly of old and smaller loans to retail customers and group companies.

All classifications are entered into a classification system on an ongoing basis and the portfolio is monitored electronically.

**Group classification matrix**  
(NOK million)

	Loans	Guarantees	Unutilised credit lines.	Total exposure	Specific loss provisions	General loss provisions.
No risk	784,7	21,1	129,6	935,4	-	1,4
Little risk	4 944,5	65,1	806,8	5 816,4	-	19,4
Moderate risk	8 436,3	340,1	655,4	9 431,8	-	66,1
Great risk	587,6	51,8	7,1	646,5	-	9,2
Very great risk	6,9	3,7	-	10,6	-	0,7
Non-performing/doubtful	1 400,3	41,9	-	1 442,2	286,7	50,0
Unclassified	764,5	130,2	41,2	935,9	-	21,3
<b>Total</b>	<b>16 924,8</b>	<b>653,9</b>	<b>1 640,1</b>	<b>19 218,8</b>	<b>286,7</b>	<b>168,1</b>

All new loans are individually priced and minimum criteria for overall classification must be met before the credit risk can be accepted. The bank therefore attaches great importance to its knowledge of the borrower's business and the geographical areas where the bank operates. The credit risk is reflected in pricing. This is also apparent from the bank's statistical material taken from the portfolio.

At the end of 2000 the bank carried out an analysis to determine how a downturn in the business cycle would affect the individual portfolio items within the various sectors to which the bank is exposed, as well as the effects of a parallel decline in all areas of activity. This was based on an assessment of each credit commitment and an estimate of the value of the related loan collateral. The bank assumed a drop in the value of mortgaged assets of between 30% and 40%, depending on the type of security. The analysis showed that on this basis the bank has a limited risk on a medium-term view in respect of net interest income. This was a mathematical analysis based on losses resulting from a fall in market values and the assumption that the most exposed debtors became unable to service their debt. No account was taken of, for example, fraud, deception, poor banking practice or other occurrences independent of the trend in the value of the underlying security. Although the conclusion of the analysis is subject to considerable uncertainty, it does demonstrate that the bank's losses in the event of a major downturn in the business climate would be relatively limited.

The bank's classification system is based on a regular review of the classification of each credit commitment. This will be reflected in the portfolio trend, and over time this trend will be in the desired direction. Throughout 2000 the portfolio trend was generally positive. On the whole, Finansbanken has large credit lending relationships and individual borrowers can substantially affect the volume of loans in default and the level of losses.

**Exposure by sector**  
(NOK million)

	Real estate	Shipping	Other corporate	Retail	Total
Lending	6 217,6	4 179,0	3 696,0	2 832,2	16 924,8
Guarantees	360,6	54,9	225,2	13,2	653,9
Unutilised credit lines	756,8	5,0	616,2	262,1	1 640,1
Total credit exposure	7 335,0	4 238,9	4 537,4	3 107,5	19 218,8
Specific loan loss provisions	6,6	214,9	38,9	26,3	286,7
General loan loss provisions.	37,4	65,2	41,0	24,5	168,1
Of which loans in default	190,6	1 061,1	52,5	138,0	1 442,2

## NOTES TO THE ACCOUNTS

### NOTE 2 : ACCRUAL OF COMMISSIONS AND ARRANGEMENT FEES

(NOK 1,000)	Group		Parent bank	
	2000	1999	2000	1999
Accrued fees and commissions at 01.01	<b>28 568</b>	28 602	<b>28 568</b>	28 602
Fees and commissions received	<b>208 734</b>	50 398	<b>68 952</b>	50 398
Fees and commissions recognised to P&L	<b>-203 494</b>	-50 431	<b>-63 712</b>	-50 431
Accrued fees and commissions at 31.12	<b>33 808</b>	28 569	<b>33 808</b>	28 569

### NOTE 3 : OTHER FEE AND COMMISSION INCOME

(NOK 1,000)	Group		Parent bank	
	2000	1999	2000	1999
Guarantee fees	<b>9 863</b>	6 927	<b>9 863</b>	7 052
Securities trading and management	<b>139 112</b>	13 350	<b>399</b>	320
Payment services	<b>8 649</b>	6 274	<b>8 332</b>	6 274
Other commissions and fees	<b>3 861</b>	3 181	<b>3 109</b>	3 181
Total fee and commission income	<b>161 485</b>	29 732	<b>21 703</b>	16 827

### NOTE 4 : OTHER OPERATING INCOME

(NOK 1,000)	Group		Parent bank	
	2000	1999	2000	1999
Gain on disposal of machinery, equipment and vehicles	<b>689</b>	116	<b>689</b>	116
Gain on sale of real estate	-	624	-	624
Other operating income	<b>1 519</b>	421	<b>1 621</b>	871
Total other operating income	<b>2 208</b>	1 161	<b>2 310</b>	1 611

### NOTE 5 : OPERATING EXPENSES

(NOK 1,000)	Group		Parent bank	
	2000	1999	2000	1999
Office rental and other office expenses	<b>14 828</b>	6 350	<b>9 706</b>	6 350
Audit fee to external auditor	<b>1 401</b>	1 638	<b>425</b>	1 638
Fee to external auditor for advisory services	<b>611</b>	1 241	-	1 241
Other consultancy fees	<b>7 625</b>	4 495	<b>7 625</b>	4 495
Cheque losses	<b>273</b>	-567	<b>273</b>	-567
Other operating expenses	<b>23 402</b>	1 975	<b>8 714</b>	1 915
Total operating expenses	<b>48 140</b>	15 131	<b>26 743</b>	15 071

## 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)	Interest rate pr. 31.12.00	Type of Loan
<b>Senior executives</b>					
Geir Andersen, Managing Director	-	70 000	1 574	6,45	AN 2021
Gunnar Henriksen, Deputy Managing Director	-	50 000	584	6,45	SE 2021
Ole Tandberg, General Manager	-	50 000	800	5,89	SE 2021
Per Ketil Lilleskare, General Manager	-	0	716	6,45	SE 2025
Hallgeir Isdahl, General Manager	-	50 000	615	6,45	SE 2010
Per Olav Langaker	-	30 000			
<b>Board of Directors</b>					
Idar Kreutzer (Chairman)	600	-			
Allan Åkerstedt	300	-			
Per Ø. Schiong (Deputy member)	-	-	1 357	6,45	AN 2014

Total loans to other employees of Finansbanken ASA as at 31.12.00 totalled NOK 91.8 million. The bank extends a loan to E. Nistad, a member of the Supervisory Board. The amount outstanding at year-end was NOK 27.5 million.

No. of shares owned in Storebrand ASA	
<b>Supervisory Board</b>	
Finn Myhre	64
Svein Garberg	1 361
<b>Control Committee</b>	
Mads Krohn	17 503

<b>SALARY AND OTHER REMUNERATION PAID TO OFFICERS</b>	<b>2000</b>	<b>1999</b>
Supervisory Board	<b>155</b>	120
Control Committee	<b>295</b>	295
Board of Directors	<b>557</b>	948

**SALARY AND OTHER REMUNERATION PAID TO SENIOR EMPLOYEES ETC.**

Geir Andersen, Managing Director, received total salary and other remuneration amounting to NOK 1,396,044 from Finansbanken ASA in 2000. His terms of employment include an agreed retirement pension on attaining 62 years of age.

Finansbanken ASA operated a bonus scheme for its permanent employees in 2000 linked to the year's profit. Bonus entitlement is calculated on the basis of profit after loan losses and provisions and after deducting a return on equity equivalent to the risk-free yield plus 6 percentage points. The bank did not reach this target level of profit in 2000. The bank's senior management were subject to a separate bonus agreement based on the same principles but with a somewhat higher yield requirement. The bank did not reach the target level of profit for this scheme in 2000.

In addition members of the senior management are entitled to a bonus scheme whereby the entitlement to bonus is equivalent to the difference between an initial price for the Storebrand ASA share and the actual share price at a future date. Each member of the scheme is allotted 50,000 units (70,000 in the case of the Managing Director) at an initial price of NOK 60. The exercise of these notional options can take place no earlier than 1 July 2002 and no later than 1 July 2008. Any payments in respect of this scheme will be taxed as salary.

A provision of NOK 6.6m including employer's national insurance contributions was made by the parent bank in 2000 in respect of guaranteed bonuses and other individual performance-related bonuses. The subsidiary companies Den Københavnske Bank A/S, Finansbanken Index ASA and the Delphi group made in aggregate provisions of NOK 12.6m including employer's national insurance contributions in respect of individual performance-related bonuses.

Steinar ter Jung retired from his position as Deputy Managing Director on 1 July 2000. In accordance with his terms of employment he received a total payment of NOK 915,000 made up of guaranteed future salary and future pension rights.

## NOTES TO THE ACCOUNTS

### STAFFING AND PERSONNEL

	Group		Parent bank	
	31.12.00	31.12.99	31.12.00	31.12.99
Average number of employees	145,0	85,0	95,0	79,0
Number of employees at 31.12	196,0	94,0	107,0	82,0
Full time equivalent positions	191,7	90,0	104,7	75,3

### 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.

The bank has an uninsured pension commitment to the Managing Director, who is entitled to retire at 62.

Den K benhavnske Bank AS operates a defined contribution pension plan for its employees.

#### BALANCE SHEET

(NOK 1,000)

	Group		Parent bank	
	31.12.00	31.12.99	31.12.00	31.12.99
Market value of pension funds	20 847	20 539	17 650	20 539
Estimate of accrued pension commitments	-29 268	-20 757	-24 804	-20 757
Estimated net pension funds /(net pension commitments)	-8 421	-218	-7 154	-218
Effect of diff. between est. and actual fig. not recognised to P&L	2 177	-326	2 819	-326
Effect of net changes in pension plan not recognised to P&L	2 578	2 813	2 578	2 813
Net pension funds/(net pension commitments)	-3 666	2 269	1 757	2 269
Accrued employer's national insurance contributions	-319	518	-50	518
Pension commitments in balance sheet inc. employer's nat. ins. contr.	-3 985	2 787	-1 807	2 787

#### BREAKDOWN OF PENSION COSTS FOR THE PERIOD

(NOK 1,000)

	2000	1999	2000	1999
Present value of accrued pension rights	4 675	3 111	3 284	3 111
Interest expense on accrued pension commitments	1 652	1 159	1 479	1 159
Expected return on pension funds	-1 488	-1 253	-1 317	-1 253
Effect of changes in pension plan recognised to P&L	-37	234	-	234
Accrued employer's national insurance contributions for the period	1 617	228	1 617	228
Pension costs charged in the accounts	1 365	-	685	-
Net pension cost for the period	7 784	3 479	5 748	3 479

#### CALCULATION ASSUMPTIONS

	Group		Parent bank	
	31.12.00	31.12.99	31.12.00	31.12.99
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 %	2,50 %	3,00 %	2,50 %
Increase in pension payments	3,00 %	2,50 %	3,00 %	2,50 %
Staff turnover	8,00 %	4,00 %	8,00 %	4,00 %
Expected rate of return	8,00 %	8,00 %	8,00 %	8,00 %

#### NUMBER OF PERSONS COVERED

	31.12.00	31.12.99	31.12.00	31.12.99
Active members	115	96	101	96
Pensioners	3	2	3	2
Total number of persons covered	118	98	104	98



**NOTE 8 : OFFICE RENTAL AND LEASE AGREEMENTS**

Group companies were party to the following lease agreements in 2000:

(NOK 1,000)	2000	1999
Finansbanken ASA, Stortingsgaten 8, 0104 Oslo	6 342	3 875
Den Københavnske Bank AS, Østergade 4-6. 1100 Copenhagen	1 504	-
Delphi Forvaltning AS, Munkedamsveien 45A, 0124 Oslo	1 954	-
Total lease costs	9 800	3 875

The lease agreement for Stortingsgt. 8, Oslo runs for a further 3 years, with the right to renew the lease for a further 5 years. The bank also has three smaller lease agreements relating to rented premises in Bergen and storage premises in Lysaker, Oslo and Trekronergade 49 A, 2500 Valby, Denmark. The bank's branch in Bergen will move into new premises in Telegrafbygningen, Christies gate 4, in 2001.

**NOTE 9 : CHANGE IN SPECIFIC AND GENERAL LOAN LOSS PROVISIONS**

CHANGE IN SPECIFIC AND GENERAL LOAN LOSS PROVISIONS (NOK 1,000)	Group		Parent bank	
	2000	1999	2000	1999
Specific loss provisions for loans, guarantees etc. at 01.01	116 417	131 755	116 417	131 755
Addition re. purchase of Den Københavnske bank 30.06.00	19 386	-	-	-
Realised losses in period on items specifically provided for previously	-98 753	-84 922	-92 612	-84 922
Increase in existing specific loan loss provisions in period	94 613	83 538	94 613	83 538
New specific loan loss provisions in period	158 310	14 632	156 603	14 632
Write-back of specific loan loss provisions in period	-3 238	-28 586	-2 789	-28 586
Specific loss provisions for loans, guarantees etc. at 31.12	286 735	116 417	272 232	116 417
General loss provisions for loans, guarantees etc. at 01.01	108 146	98 146	108 146	98 146
Change in general loss provisions for loans, guarantees etc.	60 000	10 000	60 000	10 000
General loss provisions for loans, guarantees etc. at 31.12	168 146	108 146	168 146	108 146

SPECIFICATION OF LOSSES AND PROVISIONS ON LOANS AND GUARANTEES IN PERIOD (NOK 1,000)	Group		Parent bank	
	2000	1999	2000	1999
Change in specific loan loss provisions	150 932	-15 338	155 815	-15 338
Change in general loan loss provisions	60 000	10 000	60 000	10 000
Realised losses on commitments specifically provided for previously	78 716	84 922	72 575	84 922
Realised losses on commitments not specifically provided for previously	21 232	276	21 180	276
Recoveries on previously realised losses	-16 013	-7 354	-15 965	-7 354
Losses and provisions on loans and guarantees in period	294 868	72 506	293 605	72 506

SPECIFICATION OF NON-ACCRUED INTEREST IN PERIOD (NOK 1,000)	Group		Parent bank	
	2000	1999	2000	1999
Unposted accrued income on balance sheet commitments at 01.01	25 374	9 795	25 374	9 795
Loan interest from previous periods recognised in period	-5 299	-7 880	-5 299	-7 880
Unposted accrued interest on commitments removed from balance sheet	-55 538	-18 456	-55 538	-18 456
Unposted accrued interest in period on doubtful debts	64 278	41 915	64 278	41 915
Unposted accrued interest on balance sheet lending at 31.12	28 815	25 374	28 815	25 374

## NOTES TO THE ACCOUNTS

### NOTE 10 : LOANS IN DEFAULT AND NON-ACCRUING LOANS

<b>Parent bank</b>				
(NOK 1,000)	<b>31.12.00</b>	31.12.99	31.12.98	31.12.97
Defaulted loans where no interest is accrued	<b>559 402</b>	439 881	157 759	201 602
Defaulted loans where interest continues to accrue	<b>230 699</b>	109 068	99 075	62 262
Total loans in default	<b>790 101</b>	548 949	256 834	263 864
Specific loan loss provisions	<b>237 206</b>	116 417	84 505	143 938
Net loans in default	<b>552 895</b>	432 532	172 329	119 926
Doubtful loans where interest continues to accrue	<b>581 544</b>	-	-	-
Doubtful loans where no interest is accrued	-	-	243 069	-
Specific loan loss provisions	<b>35 026</b>	-	47 250	-
Net doubtful loans	<b>546 518</b>	-	195 819	-
Total loans in default/doubtful loans	<b>1 099 413</b>	432 532	368 148	119 926
<b>Group</b>				
(NOK 1,000)	<b>31.12.00</b>	31.12.99	31.12.98	31.12.97
Defaulted loans where no interest is accrued	<b>559 402</b>	439 881	157 759	201 602
Defaulted loans where interest continues to accrue	<b>255 205</b>	109 068	99 075	62 262
Total loans in default	<b>814 607</b>	548 949	256 834	263 864
Specific loan loss provisions	<b>247 591</b>	116 417	84 505	143 938
Net loans in default	<b>567 016</b>	432 532	172 329	119 926
Doubtful loans where interest continues to accrue	<b>581 544</b>	-	-	-
Doubtful loans where no interest is accrued	<b>4 118</b>	-	243 069	-
Specific loan loss provisions	<b>39 144</b>	-	47 250	-
Net doubtful loans	<b>546 518</b>	-	195 819	-
Total loans in default/doubtful loans	<b>1 113 535</b>	432 532	368 148	119 926

## 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)	31.12.00	31.12.99	31.12.00	31.12.99	31.12.00	31.12.99
Water and power supply, building and construction	6004	-	-	-	6004	-
Wholesale/retail trade, hotels and restaurants	18 665	1 077	3 000	-	15 665	1 077
International shipping and pipelines	228 348	114 152	67 924	6 211	160 424	107 941
Services and real estate operations	199 606	70 747	19 619	3 600	179 987	67 147
Other service industries	2 058	20 659	1 084	2 089	974	18 570
Retail customers	137 998	126 575	31 321	31 214	106 677	95 361
Foreign	778 966	215 739	149 284	73 303	629 682	142 436
Total	1 371 645	548 949	272 232	116 417	1 099 413	432 532
<b>Group</b>	<b>Loans in default and doubtful loans</b>		<b>Specific loan loss provisions</b>		<b>Net loans in default and doubtful loans</b>	
(NOK 1,000)	31.12.00	31.12.99	31.12.00	31.12.99	31.12.00	31.12.99
Water and power supply, building and construction	6 004	-	-	-	6 004	-
Wholesale/retail trade, hotels and restaurants	18 665	1 077	3 000	-	15 665	1 077
International shipping and pipelines	228 349	114 152	67 924	6 211	160 425	107 941
Services and real estate operations	199 606	70 747	22 619	3 600	176 987	67 147
Other service industries	2 058	20 659	1 084	2 089	974	18 570
Retail customers	137 998	126 575	31 321	31 214	106 677	95 361
Foreign	807 589	215 739	160 787	73 303	646 802	142 436
Total	1 400 269	548 949	286 735	116 417	1 113 534	432 532

## NOTE 12 : INVESTMENT IN SUBSIDIARIES AND ASSOCIATED COMPANIES AT 31 DECEMBER 2000

(NOK 1,000)	Registered office	Ownership	Voting	Share-capital	Book value
<b>Company</b>					
Industri & Skipsbanken Fonds AS	Oslo	100,0 %	100,0 %	6 500	10 595
Skipskreditforeningen AS	Oslo	100,0 %	100,0 %	50	2 929
Industri & Skipsbanken Invest I AS	Oslo	100,0 %	100,0 %	54	1 363
Industri & Skipsbanken Insurance AS	Oslo	100,0 %	100,0 %	1 000	700
Industri & Skipsbanken Brokers AS	Oslo	100,0 %	100,0 %	2 000	2 021
Den Københavnske Bank AS	Copenhagen	100,0 %	100,0 %	86 928	156 568
Delphi Forvaltning AS	Oslo	100,0 %	100,0 %	908	188 826
Finansbanken Formuesforvaltning ASA	Oslo	100,0 %	100,0 %	10 000	11 911
Finansbanken Index ASA	Oslo	100,0 %	100,0 %	1 003	16 226
Total investments in subsidiaries - held by the parent bank					391 139
<b>Parent bank</b>					
Associated companies					
Morningstar Norge AS	Oslo	49,0 %	49,0 %	300	3 294
Total investments in associated companies - held by the parent bank					3 294
<b>Group</b>					
Delphi SMB II ASA	Oslo	100,0 %	100,0 %	1 020	1 020
Associated companies					
E*Trade AS	Oslo	32,7 %	32,7 %	8 716	34 581
Delphi Asset Management Ltd.	Guernsey	50,0 %	50,0 %	147	571
Morningstar Norge AS	Oslo	49,0 %	49,0 %	300	3 038
Total investments in associated companies - group					39 211

## NOTES TO THE ACCOUNTS

### NOTE 13 : COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD AT 31 DECEMBER 2000

(NOK 1,000) Company	Acquisition cost	Share of Goodwill	Goodwill 01.01.00	Goodwill depreciation	Share of profit 2000	Book value
E*Trade AS	41 886	28 767	-	-2 648	-4 657	34 581
Delphi Asset Management Ltd	1 043	-	-	-	-288	571
Morningstar Norge AS	3 294	-	-	-	-256	3 038
Total companies accounted for by the equity method				-2 648	-5 201	<b>38 190</b>

### NOTE 14 : HOLDINGS OF COMMERCIAL PAPER AND BONDS

Parent bank (NOK 1,000)	2000				1999			
	Nominal value	Cost price	Market value	Book value	Nominal value	Cost price	Market value	Book value
<b>Short term holdings/other portfolio</b>								
+ Other portfolio, risk weight 0 %	953 000	947 417	949 646	947 417	735 000	738 405	737 926	737 926
+ Other portfolio, risk weight 20 %	80 000	76 861	76 862	76 862	-	-	-	-
+ Other portfolio, risk weight 100 %	6 000	5 748	5 965	5 747	6 000	8 711	5 712	5 712
Total comm. paper and bonds	<b>1 039 000</b>	<b>1 030 026</b>	<b>1 032 473</b>	<b>1 030 026</b>	<b>741 000</b>	<b>747 116</b>	<b>743 638</b>	<b>743 638</b>

Group (NOK 1,000)	2000				1999			
	Nominal value	Cost price	Market value	Book value	Nominal value	Cost price	Market value	Book value
<b>Short term holdings / other portfolio</b>								
+ Other portfolio, risk weight 0 %	970 161	963 734	966 469	964 240	735 000	738 405	737 926	737 926
+ Other portfolio, risk weight 20 %	364 434	431 013	441 985	441 985	-	-	-	-
+ Other portfolio, risk weight 100 %	10 347	12 897	13 314	13 096	6 000	8 711	5 712	5 712
Total comm. paper and bonds	<b>1 344 942</b>	<b>1 407 645</b>	<b>1 421 768</b>	<b>1 419 321</b>	<b>741 000</b>	<b>747 116</b>	<b>743 638</b>	<b>743 638</b>

#### ANALYSIS OF COMMERCIAL PAPER AND BONDS HELD BY TYPE OF ISSUER

Parent bank (NOK 1,000)	2000		1999	
	Government	Other	Government	Other
Total book value of commercial paper & bonds - other	947 417	82 609	737 926	5 712
Total book value of commercial paper & bonds	<b>947 417</b>	<b>82 609</b>	<b>737 926</b>	<b>5 712</b>

Group (NOK 1,000)	2000		1999	
	Government	Other	Government	Other
Total book value of commercial paper & bonds - short-term	16 822	371 966	-	-
Total book value of commercial paper & bonds - other	947 417	83 116	737 926	5 712
Total book value of commercial paper & bonds	<b>964 239</b>	<b>455 082</b>	<b>737 926</b>	<b>5 712</b>

Listed securities accounted for NOK 1,035. The average effective yield on the bank's holdings of bonds/commercial paper in 2000 was 6.7%. Average effective yield is calculated by dividing the return for the year by the average daily holding.

## NOTE 15 : BONDS ISSUED AND HOLDINGS OF OWN BONDS

(NOK 1,000)	<b>31.12.00</b>	31.12.99
Total nominal value of own bonds issued	<b>1 569 790</b>	1 913 360
Nominal value of own bonds repurchased	<b>46 000</b>	432 000
Market value of own bonds repurchased	<b>45 190</b>	431 084

## NOTE 16 : ASSETS REPOSSESSED

(NOK 1,000)	<b>Registered office</b>	<b>Ownership / voting</b>	<b>Share capital</b>	<b>Book value 31.12.00</b>	Book value 31.12.99
<b>Company</b>					
FB Invest AS	Oslo	81,22 %	990	<b>33 307</b>	83 077
Grefsenkollveien 32 AS	Oslo	100,0 %	100	<b>9 508</b>	-
Stortingsgaten Finans AS	Oslo	100,0 %	50	-	45 000
Noral ASA	Oslo	10,7 %	63 752	-	7 187
Total shares - held by parent bank				<b>42 815</b>	135 264

## NOTE 17 : HOLDINGS OF SECURITIES WITH VARIABLE YIELD AT 31 DECEMBER 2000

<b>Parent bank</b>							
<b>Company</b>	<b>Share capital</b>	<b>Interest</b>	<b>No. of shares</b>	<b>Nominal value (NOK.)</b>	<b>Book value</b>	<b>Market value</b>	<b>Acquisition cost</b>
(NOK 1,000)							
Eurofleet ASA	120 000	1,52%	365 040	5,00	<b>1 278</b>	1 278	1 825
Bergen Industriutvikling	70 680	0,02%	129	100,00	<b>1 334</b>	1 334	1 334
Norsk Oppgjørssentral ASA	16 653	1,33%	222 100	1,00	<b>1 443</b>	4 664	1 443
Investra AS	21 374	6,09%	2 604 000	0,50	<b>29 397</b>	27 342	29 397
Other	-	-	-	-	<b>200</b>	190	200
Total other investments held as current assets					<b>33 652</b>	34 808	34 200

## Den Københavnske Bank

<b>Company</b>	<b>Share capital</b>	<b>Interest</b>	<b>No. of shares</b>	<b>Nominal value</b>	<b>Book value</b>	<b>Market value</b>	<b>Acquisition cost</b>
(NOK 1,000)							
Ejendomselskabet Norden	804 812	0,06%	4 600	100	<b>1 862</b>	1 862	1 799
Group 4 falck	412 832	0,01%	1 800	20	<b>2 037</b>	2 037	2 037
East Asiatic Company	1 499 185	0,00%	550	70	<b>1 008</b>	1 008	1 003
Danisco	1 164 436	0,01%	6 500	20	<b>2 300</b>	2 300	2 147
GN Store Nord	879 100	0,00%	6 500	4	<b>992</b>	992	1 082
Novo-Nordisk	646 901	0,00%	1 150	10	<b>1 761</b>	1 761	1 760
Aalborg Portland Holding	224 106	0,03%	3 500	20	<b>1 275</b>	1 275	1 141
L.M. Ericsson B, SEK 1.00	613 035 540	0,00%	10 000	100	<b>987</b>	987	1 196
Siemens AG reg.	443 942 504	0,00%	1 000	100	<b>1 129</b>	1 129	1 021
Other shareholdings. value < NOK 1m.	-	-	-	-	<b>29 740</b>	29 740	33 404
Total other investments held as current assets					<b>43 092</b>	43 092	46 592
Total other investments held as current assets - parent bank					<b>33 652</b>	34 808	34 200
Total other investments held as current assets - DKB					<b>43 092</b>	43 092	46 592
STotal other investments held as current assets - group					<b>76 744</b>	77 900	80 792

## NOTES TO THE ACCOUNTS

### NOTE 18 : ANALYSIS OF LENDING

Parent bank (NOK 1,000)	31.12.00		31.12.99	
	NOK	in %	NOK	in %
<b>Sector and industry classification:</b>				
Agriculture, forestry, fishing etc.	1 724	0,0%	-	0,0%
Oil and gas	489 938	3,0%	261 405	2,1%
Industry and mining	224 089	1,4%	98 305	0,8%
Water and power supply, building and construction	67 815	0,4%	83 891	0,7%
Wholesale/retail trade, hotels and restaurants	218 161	1,3%	181 556	1,5%
International shipping and pipelines	1 181 421	7,1%	1 179 709	9,5%
Other transportation and communications	754 927	4,5%	464 287	3,7%
Services and real estate operations	6 878 312	41,5%	5 256 317	42,2%
Other service industries	140 750	0,8%	110 113	0,9%
Retail customers	3 790 318	22,8%	2 497 193	20,1%
Other	124	0,0%	45	0,0%
Foreign	2 844 638	17,1%	2 314 134	18,6%
<b>Total</b>	<b>16 592 217</b>	<b>100,0%</b>	<b>12 446 955</b>	<b>100,0%</b>

<b>Geographical distribution</b>				
Eastern Norway	11 206 205	67,5%	8 848 602	71,2%
Western Norway	1 611 778	9,7%	708 441	5,7%
Southern Norway	771 914	4,7%	542 803	4,4%
Mid-Norway	123 142	0,7%	119 794	1,0%
Northern Norway	34 538	0,2%	6 037	0,0%
Foreign	2 844 640	17,1%	2 221 278	17,8%
<b>Total</b>	<b>16 592 217</b>	<b>100,0%</b>	<b>12 446 955</b>	<b>100,0%</b>

Group (NOK 1,000)	31.12.00		31.12.99	
	NOK	in %	NOK	in %
<b>Sector and industry classification:</b>				
Agriculture, forestry, fishing etc.	1 724	0,0%	-	0,0%
Oil and gas	489 938	2,9%	261 405	2,1%
Industry and mining	224 089	1,3%	98 305	0,8%
Water and power supply, building and construction	67 815	0,4%	83 891	0,7%
Wholesale/retail trade, hotels and restaurants	218 161	1,3%	181 556	1,5%
International shipping and pipelines	1 181 421	7,0%	1 179 709	9,5%
Other transportation and communications	754 927	4,5%	464 287	3,7%
Services and real estate operations	6 878 312	40,6%	5 256 317	42,2%
Other service industries	140 750	0,8%	110 113	0,9%
Retail customers	3 790 318	22,4%	2 497 193	20,1%
Other	124	0,0%	85	0,0%
Foreign	3 177 182	18,8%	2 314 134	18,6%
<b>Total</b>	<b>16 924 761</b>	<b>100,0%</b>	<b>12 446 995</b>	<b>100,0%</b>

<b>Geographical distribution</b>				
Eastern Norway	11 206 205	66,2%	8 848 642	71,2%
Western Norway	1 611 778	9,5%	708 441	5,7%
Southern Norway	771 914	4,6%	542 803	4,4%
Mid-Norway	123 142	0,7%	119 794	1,0%
Northern Norway	34 538	0,2%	6 037	0,0%
Foreign	3 177 184	18,8%	2 221 278	17,8%
<b>Total</b>	<b>16 924 761</b>	<b>100,0%</b>	<b>12 446 995</b>	<b>100,0%</b>

# NOTE 19 : FIXED ASSETS

	Machinery, equipment etc.	Group Real estate	Intangible assets*)	Machinery, , equipment etc.	Parent bank Real estate
(NOK 1,000)					
Cost at 01.01.00	71 566	2 143	9 162	46 144	938
Additions from companies acquired	-	-	1 569	-	-
Additions in the year	27 440	62	149 823	23 913	-
Disposals in the year	-6 520	-1 267	-	-2 946	-
Cost at 31.12.00 (A)	92 485	938	160 554	67 111	938
Ordinary depreciation and write-downs at 01.01.00	35 503	510	6 607	23 656	510
Ordinary depreciation for the year	14 356	66	20 320	10 071	66
Ordinary depreciation on disposals for the year	-4 190	-	-	-1 326	-
Ordinary depreciation and write-downs at 31.12.00 (B)	45 669	576	26 927	32 401	576
Net book value at 31.12.00 (A) - (B)	46 816	362	133 626	34 710	362

# NOTE 20 : ANALYSIS OF CUSTOMER DEPOSITS

Parent bank (NOK 1,000)	31.12.00 NOK	in %	31.12.99 NOK	in %
<b>Sector and industry classification:</b>				
Central government	19 280	0,3%	-	0,0%
County and municipal authorities	64 026	0,8%	265	0,0%
Agriculture, forestry, fishing etc.	20 689	0,3%	3 987	0,1%
Oil and gas	9 671	0,1%	44 693	0,8%
Industry and mining	243 019	3,2%	195 259	3,5%
Power and water supply, building and construction	31 713	0,4%	57 592	1,0%
Wholesale/retail trade, hotels and restaurants	187 237	2,5%	115 270	2,0%
International shipping and pipe transportation	295 908	3,9%	354 516	6,3%
Other transportation and communications	165 941	2,2%	241 989	4,3%
Services and real estate operations	3 309 896	43,6%	2 364 812	42,0%
Other service industries	142 378	1,9%	263 702	4,7%
Retail customers	2 389 664	31,5%	1 690 379	30,0%
Others	306 002	4,0%	2 357	0,1%
Foreign	407 756	5,4%	295 284	5,2%
Total	7 593 180	100,0%	5 630 105	100,0%
<b>Geographical distribution</b>				
Eastern Norway	6 318 258	83,2%	4 809 669	85,4%
Western Norway	605 209	8,0%	504 978	9,0%
Southern Norway	187 328	2,5%	75 394	1,3%
Mid-Norway	21 032	0,3%	20 742	0,4%
Northern Norway	53 597	0,7%	31 000	0,6%
Foreign	407 756	5,4%	188 322	3,3%
Total	7 593 180	100,0%	5 630 105	100,0%

## NOTES TO THE ACCOUNTS

Group (NOK 1,000)	31.12.00		31.12.99	
	NOK	in %	NOK	in %
<b>Sector and industry classification:</b>				
Central government	19 280	0,2%	-	0,0%
County and municipal authorities	64 026	0,8%	265	0,0%
Agriculture, forestry, fishing etc.	20 689	0,2%	3 987	0,1%
Oil and gas	9 671	0,1%	44 693	0,8%
Industry and mining	243 019	2,9%	195 259	3,5%
Power and water supply, building and construction	31 713	0,4%	57 592	1,0%
Wholesale/retail trade, hotels and restaurants	187 237	2,2%	115 270	2,0%
International shipping and pipe transportation	295 908	3,5%	354 516	6,3%
Other transportation and communications	165 941	2,0%	241 989	4,3%
Services and real estate operations	3 285 645	39,2%	2 336 896	42,0%
Other service industries	142 378	1,7%	263 702	4,7%
Retail customers	2 389 664	28,5%	1 689 115	30,0%
Others	306 002	3,7%	3 622	0,1%
Foreign	1 220 059	14,6%	295 284	5,2%
<b>Total</b>	<b>8 381 232</b>	<b>100,0%</b>	<b>5 602 190</b>	<b>100,0%</b>
<b>Geographical distribution</b>				
Eastern Norway	6 294 007	75,1%	4 783 018	85,4%
Western Norway	605 209	7,2%	503 714	9,0%
Southern Norway	187 328	2,2%	75 394	1,3%
Mid-Norway	21 032	0,3%	20 742	0,4%
Northern Norway	53 597	0,6%	31 000	0,6%
Foreign	1 220 059	14,6%	188 322	3,3%
<b>Total</b>	<b>8 381 232</b>	<b>100,0%</b>	<b>5 602 190</b>	<b>100,0%</b>

## NOTE 21 : INTRA GROUP TRANSACTIONS AND ACCOUNTS PAYABLE/RECEIVABLE

Balance sheet items (NOK 1,000)	Subsidiaries		Storebrand ASA	
	2000	1999	2000	1999
Accrued not received	4 804	-	-	3 000
Loans to and due from credit institutions	27 165	-	-	1 903
Gross group contribution to be received	30 742	314	-	-
<b>Total intra-group accounts receivable</b>	<b>62 711</b>	<b>314</b>	<b>-</b>	<b>4 903</b>
Deposits from and due to customers	39 178	31 835	-	668
Gross group contribution to be paid	1 088	10 857	-	120 000
<b>Total intra-group accounts payable</b>	<b>40 266</b>	<b>42 692</b>	<b>-</b>	<b>120 668</b>
<b>Profit and loss account items</b>				
(NOK 1,000)	Subsidiaries		Storebrand ASA	
	2000	1999	2000	1999
Interest and related income on loans to and due from credit institutions	741	-	5 885	1 528
Interest and related expense on deposits from and due to customers	2 446	2 239	-	-
Net group contribution received	22 134	226	-	-
Net group contribution paid	783	7 817	-	86 400
<b>Intra-group transactions</b>	<b>26 104</b>	<b>10 282</b>	<b>5 885</b>	<b>87 928</b>



## NOTE 22 : MAIN FINANCIAL FIGURES FOR SUBSIDIARIES

(NOK 1,000)

	Industri & Skipsbanken Fonds AS		Industri & Skipsbanken Insurance AS		Industri & Skipsbanken Brokers AS		Finansbanken Index ASA		Delphi forvaltning AS	
	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999
Pre-tax profit	714	1 862	132	127	118	122	30 301	6 951	21 422	
Assets	15 581	15 027	2 485	2 378	2 186	2 191	52 562	13 864	79 901	
Liabilities	144	-	121	22	118	122	45 178	6 530	20 385	
Share capital	6 500	6 500	1 000	1 000	2 000	2 000	1 003	1 003	908	
Other equity	8 937	8 527	1 364	1 356	69	69	6 381	6 331	58 608	
	Skipskredittforeningen AS		Finansbanken Formuesforvaltning ASA		Industri & Skipsbanken Invest I AS		Morningstar Norge AS		Den Københavnske Bank*	
	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999
Pre-tax profit	68	76	-988	-1 369	90	93	-1 433		-1 037	
Assets	1 311	1 319	10 340	10 456	1 689	1 693	7 998		1 028 916	
Liabilities	68	76	27	185	90	93	2 268		898 498	
Share capital	50	50	10 000	10 000	54	54	300		86 928	
Other equity	1 193	1 193	313	271	1 545	1 545	5 430		43 491	

\*Share in profit with effect from consolidation as of 30 June 2000

## NOTE 23 : OFF-BALANCE SHEET LIABILITIES AND CONTINGENT LIABILITIES

	Group		Parent bank	
(NOK 1,000)	31.12.00	31.12.99	31.12.00	31.12.99
Guarantees	746 160	650 582	653 910	650 582
Book value of assets pledged as security	832 573	518 085	659 910	518 085
Other contingent liabilities	2 964	-	-	-
Total contingent liabilities	1 581 697	1 168 667	1 313 820	1 168 667
Forward purchases of bonds and commercial paper	30 642	-	-	-
Forward foreign exchange contracts	2 007 105	2 201 000	1 735 000	2 201 000
Total other commitments	2 007 105	2 201 000	1 735 000	2 201 000

The Directors' report provides details of disputes in which the group is involved.

## NOTES TO THE ACCOUNTS

### NOTE 24 : FOREIGN CURRENCY EXPOSURE

<b>Parent bank 31.12.00</b> (NOK 1,000)	<b>Assets</b>	<b>Liabilities</b>	<b>Net</b>	<b>Forward FX transactions</b>	<b>Currency options</b>	<b>Net position</b>
CHF	159 593	16 435	143 158	-58 468	-112 837	-28 147
DKK	325 355	9 123	316 232	-318 162	-	-1 930
EUR	351 220	624 335	-273 115	64 289	117 681	-91 145
GBP	32 203	46 088	-13 885	13 432	-	-453
JPY	434 149	8 230	425 919	-404 422	-1 540	19 957
SEK	569 312	62 876	506 436	-508 154	-	-1 718
USD	4 228 088	4 198 718	29 370	47 736	-2 911	74 195
Other	1 480	660	820	-	-	820
<b>Total</b>	<b>6 101 400</b>	<b>4 966 465</b>	<b>1 134 935</b>	<b>-1 163 749</b>	<b>393</b>	<b>-28 421</b>

<b>Group 31.12.00</b> (NOK 1,000)	<b>Assets</b>	<b>Liabilities</b>	<b>Net</b>	<b>Forward FX transactions</b>	<b>Currency options</b>	<b>Net position</b>
CHF	187 889	18 996	168 893	-83 875	-112 837	-27 819
DKK	325 355	9 123	316 232	-318 162	-	-1 930
EUR	470 492	776 595	-306 103	103 150	117 681	-85 272
GBP	57 180	69 042	-11 863	12 613	-	750
JPY	452 849	8 485	444 364	-422 818	-1 540	20 006
SEK	580 466	90 897	489 569	-490 823	-	-1 254
USD	4 376 548	4 357 429	19 119	62 198	-2 911	78 406
CAD	13 007	24 283	-11 277	11 687	-	411
GRD	2 580	2 441	139	-	-	139
Other	34 502	57 388	-22 886	26 543	-	3 657
<b>Total</b>	<b>6 500 867</b>	<b>5 414 680</b>	<b>1 086 187</b>	<b>-1 099 486</b>	<b>393</b>	<b>-12 907</b>

<b>31.12.99</b> (NOK 1,000)		<b>Liabilities</b>	<b>Net</b>	<b>Forward FX transactions</b>	<b>Currency options</b>	<b>Net position</b>
CHF	319 589	56 368	263 221	-256 832	7 350	13 739
DKK	46 011	2 033	43 978	-40 345	-	3 633
EURO	273 320	105 852	167 468	-102 182	-102 182	-36 896
GBP	22 686	3 268	19 418	-31 425	1 365	-10 642
JPY	212 317	20	212 297	-217 123	-15 402	-20 228
SEK	341 444	19 206	322 238	-330 957	11 411	2 692
USD	3 356 246	3 024 788	331 458	-333 519	-9 285	-11 346
Other	1 135	72	1 063	-	-	1 063
<b>Total</b>	<b>4 572 748</b>	<b>3 211 607</b>	<b>1 361 141</b>	<b>-1 312 383</b>	<b>-106 743</b>	<b>-57 985</b>

**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)	31.12.00	Average 2000	31.12.99	Average 1999
Net aggregate foreign exchange position - parent bank	73 268	95 875	79 411	243 435
Net aggregate foreign exchange position - group	73 268	95 875	79 411	243 435

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 (NOK 1,000)	31.12.00		31.12.99	
	NOK	in %	NOK	in %
<b>Sector and industrial classification:</b>				
Financial support agencies	117 981	18,0%	157 498	24,2%
Industry and mining	1 675	0,3%	4 338	0,7%
Power and water supply, building and construction	6 836	1,0%	11 908	1,8%
Wholesale/retail trade, hotels and restaurants	8 015	1,2%	6 181	0,9%
International shipping and pipelines	44 144	6,8%	37 923	5,8%
Other transportation and communications	7 713	1,2%	8 649	1,3%
Services and real estate operations	374 371	57,3%	370 804	57,0%
Other service industries	15 235	2,3%	15 235	2,3%
Retail customers	18 618	2,8%	27 655	4,3%
Foreign	59 323	9,1%	10 487	1,6%
Total	653 911	100,0 %	650 678	100,0%
<b>Geographical distribution:</b>				
Eastern Norway	585 973	89,6%	600 608	92,3%
Western Norway	8 615	1,3%	7 542	1,2%
Southern Norway	-	-	32 041	4,9%
Mid-Norway	59 323	9,1%	10 487	1,6%
Total	653 911	100,0%	650 678	100,0%
<b>Analysis of guarantee liability:</b>				
Loan guarantees	272	0,0%	272	0,0%
Payment guarantees	329 197	50,3%	365 444	56,2%
Performance guarantees	229 345	35,1%	156 872	24,1%
Commercial Banks' Guarantee Fund	92 147	14,1%	126 490	19,4%
Other guarantee liability	2 950	0,5%	1 600	0,2%
Total	653 911	100,0%	650 678	100,0%

## NOTES TO THE ACCOUNTS

Group (NOK 1,000)	31.12.00		31.12.99	
	NOK	in %	NOK	in %
<b>Sector and industrial classification:</b>				
Financial support agencies	117 981	15,8%	157 498	24,2%
Industry and mining	1 675	0,2%	4 338	0,7%
Power and water supply, building and construction	6 836	0,9%	11 908	1,8%
Wholesale/retail trade, hotels and restaurants	8 015	1,1%	6 181	0,9%
International shipping and pipelines	44 144	5,9%	37 923	5,8%
Other transportation and communications	7 713	1,0%	8 649	1,3%
Services and real estate operations	374 371	50,2%	370 804	57,0%
Other service industries	15 235	2,0%	15 235	2,3%
Retail customers	18 618	2,5%	27 655	4,3%
Foreign	151 572	20,3%	10 487	1,6%
<b>Total</b>	<b>746 160</b>	<b>100,0 %</b>	<b>650 678</b>	<b>100,0%</b>
<b>Geographical distribution:</b>				
Eastern Norway	585 973	78,5%	600 608	92,3%
Western Norway	8 615	1,2%	7 542	1,2%
Southern Norway			32 041	4,9%
Foreign	151 572	20,3%	10 487	1,6%
<b>Total</b>	<b>746 160</b>	<b>100,0%</b>	<b>650 678</b>	<b>100,0%</b>
<b>Analysis of guarantee liability:</b>				
Loan guarantees	77 046	10,3%	272	0,0%
Payment guarantees	344 627	46,2%	365 444	56,2%
Performance guarantees	229 345	30,7%	156 872	24,1%
Commercial Banks' Guarantee Fund	92 147	12,3%	126 490	19,4%
Other guarantee liability	2 995	0,4%	1 600	0,2%
<b>Total</b>	<b>746 160</b>	<b>100,0%</b>	<b>650 678</b>	<b>100,0%</b>

## NOTE 27 : ASSETS PLEDGED AS SECURITY

(NOK 1,000)	Group		Parent bank	
	2000	1999	2000	1999
Assets pledged as security:				
Book value of bonds lodged as collateral for overnight loans from Norges Bank	832 573	518 085	659 910	518 085
<b>Total</b>	<b>832 573</b>	<b>518 085</b>	<b>659 910</b>	<b>518 085</b>

## 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 29 December 2000. 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 1999 and 2000 are based on month-end figures.

## NOTES TO THE ACCOUNTS

Parent bank (NOK million)	31.12.00		31.12.99		Nominal amount Average 2000		Average 1999		Credit equivalent value	Credit equivalent value
	Bought	Sold	Bought	Sold	Bought	Sold	Bought	Sold	31.12.00	31.12.99
Forward foreign exchange										
-trading portfolio	1 215	752	1 451	1 591	1 469	1 368	1 716	2 030	16	24
-other portfolio	520	2 147	749	1 922	147	1 434	496	1 895	49	9
Foreign currency options										
-trading portfolio	836	857	1 208	932	1 749	1 574	1 391	1 482	13	1
-other portfolio	-	-	-	-	-	-	-	-	-	-
Interest rate swaps										
-trading portfolio	-	-	-	-	-	-	-	-	-	-
-other portfolio	555	3 424	350	2 233	408	3 701	345	1 460	3	15
Interest rate caps										
-trading portfolio	-	-	-	-	-	-	-	-	-	-
-other portfolio	25	-	25	-	25	-	25	-	1	1
Forward rate agreements (FRA/Futures)										
-trading portfolio	-	-	-	-	-	-	-	-	-	-
-other portfolio	-	-	157	-	113	72	80	-	-	-
Share options										
-trading portfolio	-	-	6	8	9	5	1	2	-	-
-other portfolio	-	-	-	-	-	-	-	-	-	-
Group (NOK million)	31.12.00		31.12.99		Nominal amount Average 2000		Average 1999		Credit equivalent value	Credit equivalent value
	Bought	Sold	Bought	Sold	Kjøp	Salg	Bought	Sold	31.12.00	31.12.99
Forward foreign exchange										
-trading portfolio	1 427	789	1 451	1 591	1 622	1 416	1 716	2 030	17	24
-other portfolio	520	2 147	749	1 922	147	1 434	496	1 895	49	9
Foreign currency options										
-trading portfolio	847	868	1 208	932	1 770	1 594	1 391	1 482	13	1
-other portfolio	-	-	-	-	-	-	-	-	-	-
Interest rate swaps										
-trading portfolio	-	-	-	-	-	-	-	-	-	-
-other portfolio	555	3 424	350	2 233	408	3 701	345	1 460	3	15
Interest rate caps										
-trading portfolio	-	-	-	-	-	-	-	-	-	-
-other portfolio	25	-	25	-	25	-	25	-	1	1
Forward rate agreements (FRA/Futures)										
-trading portfolio	30	-	-	-	8	9	-	-	-	-
-other portfolio	-	-	157	-	113	72	80	-	-	-
Share options										
-trading portfolio	-	-	6	8	9	5	1	2	-	-
-other portfolio	-	-	-	-	-	-	-	-	-	-

## NOTE 29 : LIQUIDITY RISK AT 31 DECEMBER 2000

## ANALYSIS OF BALANCE SHEET ITEMS BY REMAINING MATURITY \*)

(NOK million)	< 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	681,2	-	-	-	-	3,6	684,8
Loans to and receivables from credit institutions	329,5	214,5	28,9	-	-	-	572,9
Loans to and receivables from customers	184,6	3 661,8	1 054,2	4 938,3	6 826,5	259,4	16 924,8
Bonds and commercial paper	152,7	30,0	917,1	304,7	12,8	2,1	1 419,3
Other assets with fixed maturity	-	-	-	-	-	-	-
Assets without residual maturity	-	-	-	-	-	496,2	496,2
<b>Total assets</b>	<b>1 348,0</b>	<b>3 906,3</b>	<b>2 000,2</b>	<b>5 243,0</b>	<b>6 839,3</b>	<b>761,3</b>	<b>20 098,0</b>
Debt to credit institutions	70,6	697,8	1 149,6	2 121,6	-	10,9	4 050,5
Deposits from and debt to customers	501,7	7 316,6	493,9	34,0	35,0	-	8 381,2
Securities issued	380,0	1 985,0	1 944,0	900,8	-	-	5 209,8
Other debt with fixed maturity	-	-	-	-	-	-	-
Debt with no residual maturity	-	-	-	-	-	681,0	681,0
Subordinated loan capital	-	-	-	-	542,8	-	542,8
Equity	-	-	-	-	-	1 232,7	1 232,7
<b>Total equity and liabilities</b>	<b>952,3</b>	<b>9 999,4</b>	<b>3 587,5</b>	<b>3 056,4</b>	<b>577,8</b>	<b>1 924,6</b>	<b>20 098,0</b>
Net liquidity exposure of balance sheet items	395,6	-6 093,1	-1 587,3	2 186,6	6 261,5	-1 163,3	-
<b>Net total all items</b>	<b>395,6</b>	<b>-6 093,1</b>	<b>-1 587,3</b>	<b>2 186,6</b>	<b>6 261,5</b>	<b>-1 163,3</b>	<b>-</b>

\*) 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 \*)

(NOK million)	< 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	3,0	-	-	-	-	1,0	4,0
Loans to and receivables from credit institutions	168,6	194,5	-	-	-	-	363,1
Loans to and receivables from customers	103,9	608,2	461,8	2 399,4	1 848,8	154,9	5 576,9
Bonds and commercial paper	168,4	27,3	124,1	54,7	12,8	2,1	389,3
Other assets with fixed maturity	-	-	-	-	-	-	-
Assets without residual maturity	-	-	-	-	-	167,6	167,6
<b>Total assets</b>	<b>443,9</b>	<b>830,0</b>	<b>585,9</b>	<b>2 454,0</b>	<b>1 861,6</b>	<b>325,6</b>	<b>6 500,9</b>
Debt to credit institutions	25,3	593,8	1 073,6	2 121,6	-	10,9	3 825,2
Deposits from and debt to customers	581,2	453,2	105,4	36,9	38,0	-	1 214,7
Securities issued	-	-	-	-	-	-	-
Other debt with fixed maturity	-	-	-	-	-	-	-
Debt with no residual maturity	-	-	-	-	-	123,3	123,3
Subordinated loan capital	-	-	-	-	115,7	-	115,7
Equity	-	-	-	-	-	135,8	135,8
<b>Total equity and liabilities</b>	<b>606,5</b>	<b>1 047,0</b>	<b>1 179,0</b>	<b>2 158,5</b>	<b>153,7</b>	<b>270,0</b>	<b>5 414,7</b>
Net liquidity exposure of balance sheet items	-162,6	-217,0	-593,1	295,5	1 707,8	55,6	1 086,2
Receipts/payments on off-balance sheet financial inst.	19,8	-674,1	59,4	67,7	-	-	-527,2
<b>Net total all items</b>	<b>-142,8</b>	<b>-891,1</b>	<b>-533,7</b>	<b>363,2</b>	<b>1 707,8</b>	<b>55,6</b>	<b>559,0</b>

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

## NOTES TO THE ACCOUNTS

### NOTE 30 : RESIDUAL INTEREST RATE FIXING PERIODS AND INTEREST RATE RISK AT 31 DEC. 2000

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

(NOK million)	< 1 month	> 1 month	> 3 months	> 1 year	> 5 years	No interest exposure	Total	Interest exposure p.a.**)
	< 3 months	< 3 months	< 1 year	< 5 years				
Cash and deposits with central banks	681,2	-	-	-	-	3,6	684,8	-
Loans to and receivables from credit institutions	329,5	214,5	28,9	-	-	-	572,9	1,8
Loans to and receivables from customers	864,3	11 935,4	1 679,2	1 623,7	262,8	559,4	16 924,8	66,4
Bonds and commercial paper	152,7	30,0	917,1	304,7	12,8	2,1	1 419,3	11,4
Other assets with fixed maturity	-	-	-	-	-	-	-	-
Assets without residual maturity	-	-	-	-	-	496,2	496,2	-
<b>Total assets</b>	<b>2 027,7</b>	<b>12 179,9</b>	<b>2 625,2</b>	<b>1 928,4</b>	<b>275,6</b>	<b>1 061,3</b>	<b>20 098,0</b>	<b>79,6</b>
Debt to credit institutions	70,6	697,8	3 271,2	-	-	10,9	4 050,5	17,2
Deposits from and debt to customers	501,7	7 316,6	493,9	34,0	35,0	-	8 381,2	9,0
Securities issued	380,0	1 985,0	1 944,0	900,8	-	-	5 209,8	46,2
Other debt with fixed maturity	-	-	-	-	-	-	-	-
Debt with no residual maturity	-	-	-	-	-	681,0	681,0	-
Subordinated loan capital	-	-	-	533,5	-	9,3	542,8	4,8
Equity	-	-	-	-	-	1 232,7	1 232,7	-
<b>Total equity and liabilities</b>	<b>952,3</b>	<b>9 999,4</b>	<b>5 709,1</b>	<b>1 468,3</b>	<b>35,0</b>	<b>1 933,9</b>	<b>20 098,0</b>	<b>77,2</b>
Net interest rate exposure of balance sheet items	1 075,3	2 180,5	-3 083,9	460,1	240,6	-872,6	-	2,4
Financial derivatives affecting interest rate exp.	175,0	1 025,9	1 220,0	275,2	-112,6	-	2 583,5	3,3
<b>Net interest rate exposure</b>	<b>1 250,3</b>	<b>3 206,4</b>	<b>-1 863,9</b>	<b>735,3</b>	<b>128,0</b>	<b>-872,6</b>	<b>2 583,5</b>	<b>5,7</b>
<b>Net interest rate exposure as % of aver. total assets</b>	<b>6,9 %</b>	<b>17,8 %</b>	<b>-10,4 %</b>	<b>4,1 %</b>	<b>0,7 %</b>	<b>-4,8 %</b>	<b>14,4 %</b>	<b>0,0 %</b>

\*) 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.

\*\*) This column shows the change in the value of the bank's portfolio in the event of a simultaneous parallel change in interest rates on all currencies of 1 percentage point.

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

(NOK million)	< 1 month	> 1 month	> 3 months	> 1 year	> 5 years	No interest exposure	Total	Interest exposure p.a.**)
	< 3 months	< 3 months	< 1 year	< 5 years				
Cash and deposits with central banks	-	-	-	-	-	-	-	-
Loans to and receivables from credit institutions	3,0	-	-	-	-	1,0	4,0	-
Loans to and receivables from customers	168,6	194,5	-	-	-	-	363,1	0,5
Bonds and commercial paper	203,4	2 134,9	1 267,8	1 286,2	229,8	454,9	5 576,9	43,7
Other assets with fixed maturity	168,4	27,3	124,1	54,7	12,8	2,1	389,3	3,3
Assets without residual maturity	-	-	-	-	-	-	-	-
Eiendeler uten restl�petid	-	-	-	-	-	167,6	167,6	-
<b>Total assets</b>	<b>543,4</b>	<b>2 356,7</b>	<b>1 391,9</b>	<b>1 340,8</b>	<b>242,6</b>	<b>625,6</b>	<b>6 500,9</b>	<b>47,5</b>
Debt to credit institutions	25,3	593,8	3 195,2	-	-	10,9	3 825,2	2,3
Deposits from and debt to customers	581,2	453,2	105,4	36,9	38,0	-	1 214,7	13,3
Securities issued	-	-	-	-	-	-	-	-
Other debt with fixed maturity	-	-	-	-	-	-	-	-
Debt with no residual maturity	-	-	-	-	-	123,3	123,3	-
Subordinated loan capital	-	-	-	115,7	-	-	115,7	-
Equity	-	-	-	-	-	135,8	135,8	-
<b>Total equity and liabilities</b>	<b>606,5</b>	<b>1 047,0</b>	<b>3 300,6</b>	<b>152,6</b>	<b>38,0</b>	<b>270,0</b>	<b>5 414,7</b>	<b>15,6</b>
Net interest rate exposure of balance sheet items	-63,1	1 309,7	-1 908,7	1 188,2	204,5	355,6	1 086,2	31,9
Financial derivatives affecting interest rate exp.	19,8	-698,2	59,4	-621,3	-112,6	-	-1 352,9	-31,4
<b>Net interest rate exposure</b>	<b>-43,3</b>	<b>611,5</b>	<b>-1 849,3</b>	<b>566,9</b>	<b>91,9</b>	<b>355,6</b>	<b>-266,7</b>	<b>0,5</b>
<b>Net interest rate exposure as % of aver. total assets</b>	<b>-0,2%</b>	<b>3,4%</b>	<b>-10,3%</b>	<b>3,1%</b>	<b>0,5%</b>	<b>2,0%</b>	<b>-1,5%</b>	<b>0,0%</b>



**INTEREST RATE RISK**

Throughout 2000 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.

As shown in the table, the bank has a relatively low interest rate exposure split between NOK and foreign currency which would result in a fall in portfolio values in the event of a decline in interest rates. A simultaneous change in interest rate levels of 1 percentage point would cause the value of the bank's portfolios to change by around NOK 5.7m.

**NOTE 31 : CAPITAL ADEQUACY**

<b>SPECIFICATION OF CAPITAL BASE</b> (NOK million)	<b>Group</b>		<b>Parent bank</b>	
	<b>31.12.00</b>	<b>31.12.99</b>	<b>31.12.00</b>	<b>31.12.99</b>
Core capital	<b>1 085,8</b>	1 029,8	<b>1 239,9</b>	1 025,8
Subordinated loan capital less own holdings	<b>542,8</b>	344,3	<b>542,8</b>	344,3
Net capital base (A)	<b>1 628,6</b>	1 374,1	<b>1 782,7</b>	1 370,1
Asset base for calculation (B)	<b>16 739,5</b>	12 083,3	<b>16 564,2</b>	12 111,0
Capital ratio (A/B)	<b>9,73 %</b>	11,37 %	<b>10,76 %</b>	11,31 %
Excess capital (NOK million)	<b>289,5</b>	407,5	<b>457,6</b>	401,3
Core capital ratio	<b>6,49 %</b>	8,52 %	<b>7,49 %</b>	8,47 %

<b>SPECIFICATION OF ASSET BASE FOR CALCULATION</b> (NOK million)	<b>Group</b>		<b>Parent bank</b>	
	<b>31.12.00</b>	<b>31.12.99</b>	<b>31.12.00</b>	<b>31.12.99</b>
Total assets, other portfolio	<b>16 588,0</b>	11 938,1	<b>16 582,0</b>	11 970,2
Total off-balance sheet items, other portfolio	<b>343,6</b>	297,9	<b>315,2</b>	297,9
Foreign exchange risk and trading portfolio	<b>264,4</b>	73,5	<b>108,9</b>	73,6
Deduction for loss provisions, revaluation account	<b>-456,5</b>	-226,2	<b>-442,0</b>	-230,7
Basis of calculation	<b>16 739,5</b>	12 083,3	<b>16 564,1</b>	12 111,0

**NOTE 32 : EQUITY**

<b>Parent bank</b> (NOK 1,000)	<b>Share premium</b>		<b>Other equity</b>	<b>Equity</b>
	<b>Share capital</b>	<b>reserve</b>		
Opening balance at 01.01.00	773 397	27 268	232 137	1 032 802
New shares issued	200 000	-	-	200 000
Profit for the year	-	-	15 563	15 563
Total equity 31.12.	973 397	27 268	247 700	1 248 365

In addition a group contribution of NOK 783 (net after tax) was made to the subsidiary Finansbanken Formuesforvaltning ASA. In the parent company accounts this group contribution is recognised as an increase in the cost price of the shareholding in the subsidiary.

<b>Group</b> (NOK 1 000)	<b>Share premium</b>		<b>Other equity</b>	<b>Equity</b>
	<b>Share capital</b>	<b>reserve</b>		
Opening balance at 01.01.00	773 397	27 268	233 915	1 034 580
New shares issued	200 000	-	-	200 000
Minority interests on the purchase of Delphi booked directly against equity	-	-	5 632	5 632
Effect of implementing equity method for E*Trade	-	-	-1 899	-1 899
Purchase of minority interests in FB Index	-	-	-2 719	-2 719
Purchase of minority interests; share of profit for 2000 in Delphi	-	-	-1 722	-1 722
Purchase of minority interests in Delphi	-	-	-5 632	-5 632
Profit for the year	-	-	4 509	4 509
Total equity 31.12.	973 397	27 268	232 084	1 232 749

## NOTES TO THE ACCOUNTS

### NOTE 33 : SUBORDINATED LOAN CAPITAL

#### SUBORDINATED LOAN CAPITAL > 10% PRIMARY CAPITAL

(NOK 1,000)	Parent bank			
	31.12.00	Average	31.12.99	Average
	Book value	interest rate	Book value	interest rate
<b>Subordinated loan capital with conversion rights</b>				
Perpetual subordinated loan 1995. 8.5% coupon	9 323	8,5 %	9 323	8,5 %
<b>Other subordinated loan capital</b>				
Subordinated loan 2000-2005. USD 10 million, LIBOR + 1.3%	88 485	8,0 %	-	-
Subordinated loan 2000-2005. NIBOR + 1.3%	110 000	8,8 %	-	-
Subordinated loan 1997-02. 6 month NIBOR + 1.1%	60 000	8,1 %	60 000	7,1 %
Subordinated loan 1997-02. 6.30% coupon	40 000	6,3 %	40 000	6,3 %
Subordinated loan 1998-08. 6.31% coupon	109 000	6,1 %	109 000	6,3 %
Subordinated loan 1998-08. NIBOR + 1.05%	91 000	7,8 %	91 000	7,2 %
Subordinated loan 1999-09. 7.75 % coupon	35 000	7,8 %	35 000	7,8 %
<b>Total</b>	<b>542 808</b>		<b>335 000</b>	
(NOK 1,000)	31.12.00	31.12.99		
Subordinated loan capital included in capital adequacy calculation	542 808	335 000		
Subordinated loan capital in foreign currency	88 485	-		
Subordinated loan capital in foreign currency, book value	88 485	-		
<b>Interest expense</b>				
Subordinated loan interest charged in the accounts	29 196	24 751		

### 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	
	2000	1999	2000	1999
Time-weighted average number of outstanding shares	43 669 845	38 669 845	43 669 845	38 669 845
No. of shares as yet unconverted on subordinated loan capital at 31.12	466 155	466 155	466 155	466 155
Time-weighted average number of outstanding shares on full dilution	44 136 000	39 136 000	44 136 000	39 136 000
Profit for the year (NOK 1,000)	4 509	119 389	15 563	115 185
Interest charge on convertible loan (less 28% tax) (NOK 1,000)	571	571	571	571
Profit for the year on full dilution (NOK 1,000)	5 080	119 960	16 134	115 756
Earnings per share	0,10	3,05	0,35	2,94
Diluted earnings per share	0,12	3,07	0,37	2,96

## NOTE 35 : TAXES

**BASIS FOR CALCULATION OF TAX LIABILITY****Parent bank**

(NOK 1,000)

	31.12.00	31.12.99
Pre-tax profit	20 682	161 263
<b>Permanent differences:</b>		
Non-allowable expenses	3 234	3 587
RISK adjustment for shares sold	-38	-2 492
Other permanent differences	-390	806
Withholding tax deducted - India	-5 207	
Difference between gross/net group contribution received	-	88
<b>Change in temporary timing differences:</b>		
Fixed assets and long-term shareholdings	-241	235
Acquisition cost in excess of book values	7 271	7 271
Pension commitments	4 595	-8 899
Provision in accordance with GRS	-2 000	2 000
Write-down of shareholdings	-48	-7 735
Securities accruals	-1 107	-18 688
Other temporary timing differences	1 053	892
Group contribution paid	-1 088	-130 857
Tax base for the year	26 716	7 471
Rate of tax	28 %	28 %
Tax liability for the year	7 480	2 092

**CALCULATION OF DEFERRED TAX/DEFERRED TAX ASSETS**

(NOK 1,000)

	Parent bank		Group	
	2000	1999	2000	1999
<b>Tax increasing temporary timing differences:</b>				
Acquisition cost in excess of book values	16 360	23 630	16 360	23 630
Pension commitments	-1 808	2 787	-1 808	2 787
Other temporary timing differences	225	543	1 064	543
Total tax increasing temporary timing differences	14 776	26 960	15 616	26 960
<b>Tax reducing temporary timing differences:</b>				
Fixed assets and long-term shareholdings	-25 463	-25 704	-8 859	-7 318
Portfolio of hedging securities	-666	-1 773	-666	-1 773
Portfolio of trading securities	-548	-596	-548	-596
Provision in accordance with GRS	-13 080	-13 080	-13 080	-13 080
Other temporary timing differences	-734	-2 000	-33 246	-2 000
Total tax reducing temporary timing differences	-40 491	-43 153	-56 398	-24 767
Net tax reducing temporary timing differences	-25 715	-16 193	-40 782	2 193
Deferred tax		-		-614
Deferred tax assets	7 200	4 534	12 028	-

**Deferred tax/deferred tax assets**

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

**Group contribution received/paid**

In accordance with changed regulations, group contributions received and paid are stated net after tax. Gross group contributions received by Finansbanken from subsidiaries totalled NOK 30,742 (net 22,135). In the accounts of the parent bank this is posted as income from shareholdings in subsidiaries. Finansbanken ASA paid gross group contributions of NOK 1,088 (net 783) to Finansbanken Formuesforvaltning ASA.

## NOTES TO THE ACCOUNTS

### TAX CHARGE FOR THE YEAR

(NOK 1,000)	Parent bank		Group	
	2000	1999	2000	1999
Tax payable on income	7 480	2 092	15 513	4 224
Under-provision for tax in previous years	-	368	-	368
Change in deferred tax assets	-2 666	6 979	-2 212	10 042
Tax on group contribution paid	304	36 640	-	33 600
Tax charge (-tax refund)	5 118	46 079	13 301	48 234

### ACCRUED, UN-ASSESSED AND DEFERRED TAX

(NOK 1,000)	Parent bank		Group	
	2000	1999	2000	1999
Tax payable	7 480	2 092	15 513	4 224
Deferred tax	-	-	-	615
Total	7 480	2 092	15 513	4 839

## ELECTED OFFICERS AND MANAGEMENT

### ELECTED REPRESENTATIVES 31.12.2000

#### BOARD OF DIRECTORS

Name	Residence
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Chairman: Idar Kreutzer	Oslo
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Deputy Chairman: Finn Strøm-Gundersen	Oslo
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Board members:	
Allan Åkerstedt	Oslo/Stockholm
Geir Andersen (Managing Director)	Drammen
Jan Erik Slørstad (Employee representative)	Ski
Per Øyvind Schiong (Deputy employee representative)	Oslo

#### CONTROL COMMITTEE

Chairman: Kristine Schei	Oslo
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Members of the Control Committee:	
Jan Ljone	Bergen
Mads Krohn	Oslo
Jan Olav Steensland (Deputy member)	Oslo
Einar Westby (Deputy member)	Oslo

#### AUDITOR

(Appointed by Finansbanken)  
Einar Westby, State Authorised Public Accountant (Norway)  
PricewaterhouseCoopers DA, Karenlyst Allè 12. 0245 Oslo.

(External)  
Geir Moen, State Authorised Public Accountant (Norway)  
KPMG, Brynsveien 12. 0611 Oslo.

#### SUPERVISORY BOARD

Name	Residence
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Chairman: Finn Myhre	Oslo
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Deputy Chairman: Vidar B. Lund	Bergen
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Members elected by shareholders:	
Bernt Jacob Pettersen	Bergen
Tor Johan Stuve	Bergen
Bryn Skaugen	Oslo
Einar Nistad	Bergen
Ola Petter Tandstad	Drøbak
Bente Tvenge	Oslo
Jan Olav Steensland	Oslo
Svein Garberg	Oslo
Øyvin A. Brøymer	Haslum
Bård Snilsberg (Deputy member)	Oslo
Erik G. Moe (Deputy member)	Oslo

Members elected by and from among the employees:	
Grete Garmannslund	Blommenholm
Geir Gabrielsen	Oslo
Lars Klever	Oslo
Ellen A. Hjall	Høvik
Lars Gudim (Deputy member)	Oslo
Eva Kontorp (Deputy member)	Ingeberg

#### FINANSBANKEN'S MANAGEMENT

Geir Andersen, Managing Director	Drammen
Gunnar Henriksen, Deputy Managing Director	Bærum
Knut Hundhammer, Chief Financial Officer	Buskerud
Per Kjetil Lilleskare, General Manager/Attorney	Bergen

## SUPERVISORY BOARD / CONTROL COMMITTEE

### STATEMENT FROM THE SUPERVISORY BOARD TO THE ANNUAL GENERAL MEETING CONCERNING THE ANNUAL ACCOUNTS FOR 2000

At a meeting held on 13 March 2001 the Supervisory Board considered the annual report and accounts proposed by the Board of Directors for 2000 for both the parent bank and the group, including the Board's proposed allocation of the parent bank's profit for 2000. The Supervisory Board also considered the auditor's report and the report of the Control Committee for 2000.

The Supervisory Board 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 2000.

The Supervisory Board also resolved to recommend that the allocation of the parent bank's profit for 2000 as proposed by the Board of Directors be approved by the Annual General Meeting.

Oslo, 8 March 2001



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 FINANCIAL YEAR 2000

The Committee has reviewed the annual accounts for 2000 as proposed by the Board of Directors.

Taking into account the auditor's report dated 20 February 2001, the Control Committee recommends that the accounts proposed be adopted as the annual accounts of Finansbanken ASA and the group for 2000.

Oslo, 8 March 2001



Kristine Schei  
Chairman of the Control Committee



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