

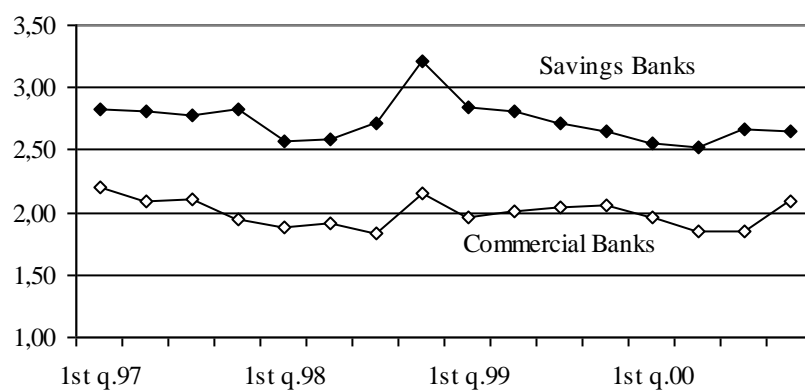
FINANCIAL INSTITUTIONS IN NORWAY

MAIN FIGURES

2000

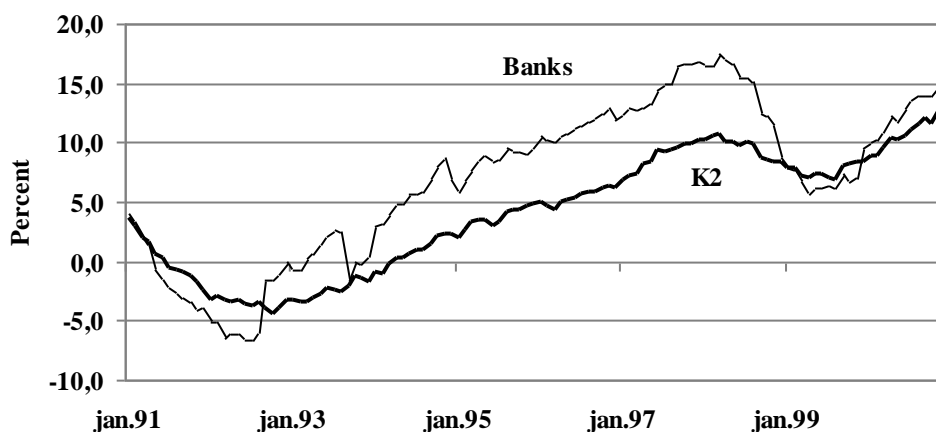
Preliminary figures

Net interest income as a percentage of average total assets, quarterly *
Commercial Banks and 30 largest Savings Banks



* annualized percentage

Growth in domestic credit, total (K2) and from banks



Source: Norges Bank

NORWEGIAN FINANCIAL INSTITUTIONS

MAIN FIGURES – 2000

Strong performance in banking in 2000

Both savings and commercial banks showed high profits in 2000. A major contributor to the savings banks' good results was the sales of their shares in Fellesdata AS (an IT-solutions provider). Downward pressure on the interest margin reduced net interest income relative to average total assets. There was, however, a slight improvement toward the end of the year. Other income (excl. net gains on foreign exchange and financial instruments) rose, especially in the commercial banks, while the operating costs (relative to assets and income) were reduced. Lending growth is still high, although the rate of growth slowed somewhat in the last three months. High growth has led to a deterioration in the Tier 1 capital ratio for both groups of banks.

*** Commercial Banks**

The twelve commercial banks showed a pre-tax operating profit of NOK 8.0 billion in 2000. This was an improvement of 11 percent compared to the year before. Relative to average total assets (ATA) profits were almost unchanged; 1.12 percent against 1.11 percent in 1999. Net interest income rose by 5 percent to NOK 13.8 billion. Relative to ATA this implied a decline from 2.03 percent in 1999 to 1.93 percent in 2000. The quarterly development in net interest income (relative to ATA) showed a certain improvement in the last quarter.

Other income (excl. net gains on foreign exchange and financial securities) increased by 22 percent from the year before to NOK 6.4 billion. Relative to ATA the increase was 0.09 percentage points to 0.90 percent. The group of commercial banks had net losses on their holdings of interest bearing securities last year, while gains on shares also were lower than the previous year. The banks had a more positive development on their net gains on foreign exchange and financial derivatives. In total, net gains on securities and foreign exchange amounted to 0.32 percent of ATA, down 0.02 percentage points from 1999. Operating costs were reduced, relative to ATA, from 2.02 percent to 1.91 percent. The cost/income-ratio (excl. net gains on financial items) was also reduced for the banks collectively, due to reductions in the largest banks. The group of smaller banks saw an increase in their cost/income-ratio.

The commercial banks recorded net losses on loans and guarantees of close to NOK 1.0 billion in 2000, an increase of NOK 0.6 billion. Losses amounted to 0.13 percent of ATA.

Growth in gross lending was 10.6 percent in 2000. Adjusted for portfolio transfers the growth was 13.8 percent. Adjusted 12-month growth at the end of the third quarter was 15.0 percent. The medium sized and smallest banks have the highest growth rate. Deposits from customers increased by 8 percent last year (adjusted).

Continued high growth in lending has lead to a deterioration of the banks' solvency. The commercial banks' total Tier 1 capital ratio was 7.7 percent at the end of the year, down from 8.0 percent one year earlier.

*** Savings Banks**

The **30 largest savings banks** (constitutes 85 percent of the savings banks' total assets) showed a pre-tax operating profit of NOK 8.1 billion last year, an increase of 35 percent from 1999. Profits relative to ATA rose from 1.59 percent to 1.81 percent. The sale of the shares in Fellesdata, with net gains around NOK 1.9 billion, explains most of the improvement in profits. Without the gains stemming from this transaction pre-tax profits (relative to ATA) would have decreased by 0.21 percentage points from the previous year.

Net interest income was NOK 11.6 billion, after an increase of almost 13 percent last year. Relative to ATA net interest income was reduced from 2.75 percent to 2.60 percent. This was a higher reduction than for the group of commercial banks.

Other income (excl. net gains on financial items) rose by 12 percent in 2000, but showed a decline relative to ATA from 0.79 percent to 0.74 percent. Net gains on securities and foreign exchange was more than halved from the year before. Gains on both interest bearing securities and shares were lower than in 1999, while gains on foreign exchange and derivatives increased. In total net gains on financial items amounted to 0.09 percent of ATA, down from 0.23 percent.

Operating costs increased by 10 percent last year, but were reduced relative to ATA by 0.17 percentage points to 1.90 percent. The banks also saw a slight improvement of their cost/income ratio (excl. net gains on financial items).

Net losses on loans and guarantees totalled NOK 952 million in 2000, an increase of 20 percent from the year before. Losses were unchanged relative to ATA at 0.21 percent.

Growth in gross lending was 14.4 percent in 2000, while growth adjusted for portfolio transfers was 12.2 percent. This was a slower growth rate than at the end of the third quarter, when adjusted growth was 14.5 percent.. Deposits from customers increased by 10.5 percent (adj.).

The Tier 1 capital ratio for the 30 largest savings banks was 9.7 percent at the end of the year, down from 9.9 percent one year earlier.

*** Mortgage companies**

The mortgage companies had a pre-tax operating profit of NOK 1.1 billion in 2000, virtually unchanged from the year before. Profits were down relative to ATA though, from 0.70 to 0.65 percent.

A reduction in net interest income and lower net gains on financial items are the main factors causing the reduction in profits. Net loan losses were *negative* in 2000.

Gross lending growth was 9.5 percent last year, and had increased somewhat in the fourth quarter. The Tier 1 capital ratio was 13.0 percent, down 0.4 percentage points from one year earlier.

*** Finance companies**

The finance companies (31 companies) showed a pre-tax operating profit of NOK 1.1 billion in 2000, an increase of 12 percent from the previous year. Relative to ATA, however, profit fell from 2.54 to 2.13 percent in the same period. An increase in other income and lower operating costs could not offset a marked reduction in net interest income. A higher money-market interest rate and increased competition have contributed to lower interest rate margins

for the finance companies. Net interest income, relative to ATA, was down from 4.67 percent in 1999 to 3.89 percent in 2000.

Gross lending growth was 9.8 percent last year, compared to 12 percent at the end of the third quarter. The finance companies had a combined Tier 1 capital ratio of 9.9 percent at the end of the year, down from 11.0 percent one year earlier.

A weak year for insurance companies

The development in the securities markets lead to weak results for the insurance companies in 2000. During the year the life insurance companies' solvency was considerably impaired.

Value adjusted profits were negative, while increased realization of shares kept profits for the financial year at the same level as the previous year.

Claims incurred in non-life insurance were still high in relation to premiums, while the lower return on financial assets contributed to very weak profits.

*** Life insurance**

Profits in the life insurance companies were strongly influenced by the weak development in the stock markets in 2000. Profits (before taxes, transfer of profit to policyholders and new additional statutory allocations) were NOK 12.5 billion, equal to 3.4 percent of the companies' average total assets. This was up somewhat from 1999, when the companies recorded profits of NOK 11.4 billion, or 3.4 percent of ATA. The companies' value adjusted profits includes changes in the reserve for unrealized gains, and showed a *loss* of NOK 6.7 billion in the last year, or -1.8 percent of ATA. This was a marked reduction from 1999, when value adjusted profits were NOK 32.6 billion, or 9.8 percent of ATA.

Total assets in the life insurance companies were NOK 368 billion at the end of 2000, after a moderate growth last year of only 2 percent. The companies' holding of shares were reduced both in absolute terms and relative to total assets last year, due to the weak performance in the securities markets. Shares held for short-term investment were reduced by one percentage point to 30 percent of total assets. Foreign securities' share of total short-term securities continued to rise last year. In equities the foreign share was up from 64 percent to 69 percent, while the foreign share of interest bearing securities was up from 39 percent to 52 percent. The holding of bonds held to maturity increased by 3 percentage points to 18 percent of total assets, while bonds held for short term were reduced correspondingly, to 26 percent.

All life insurance companies were in compliance with the capital adequacy requirements at the end of 2000. Total buffer capital, defined as surplus liable capital, additional statutory allocations and reserve for unrealized gains, was reduced by NOK 18.9 billion last year, to NOK 26.6 billion. The buffer capital now amounted to 8.2 percent of technical provisions, down from 15 percent at the end of 1999.

The **six unit-linked** companies showed aggregate premiums of NOK 5.2 billion last year. This was an increase of NOK 2 billion from 1999. The companies recorded a total loss of NOK 9 million, an improvement of NOK 6 million. Total assets at the end of the year were NOK 10.3 billion, an increase of NOK 4.2 billion in the last 12 months. Investments in shares and units of equity funds accounted for 75 percent of total assets.

*** Non-life insurance**

The non-life insurance companies recorded pre-tax operating profits of NOK 0.4 billion in 2000, down from NOK 3.5 billion the previous year. The main cause of the strong reduction in profits was lower returns on financial assets, due to the weak development in the securities markets. Earned premiums (net of reinsurance) rose by 7.1 percent while the corresponding growth in claims incurred was 7.8 percent. Operating costs were 2.3 percent lower than in the year before, contributing to a reduction in the combined ratio (the sum of the claims- and cost-ratios) from 118.1 in 1999 to 116.0 in 2000.

The *three largest non-life groups* reduced their pre-tax operating profits from NOK 1.5 billion in 1999, to a *loss* of NOK 0.5 billion in 2000. The claims-ratio was virtually unchanged at 89, while the cost-ratio was reduced from 30.3 to 26.4, due to a combination of higher earned premiums and lower operating costs. The combined ratio fell 4.1 percentage points to 115.4. The technical results showed a deficit of NOK 0.4 billion, an improvement of NOK 1.1 billion from 1999. Net gains on financial items fell by 63 percent from 1999 to 2000, and were a major cause of the strong reduction in pre-tax profits. In the fourth quarter alone the claims-ratio was 91.8. The higher claims stem from damages caused by heavy rains in the south of Norway. Overall the technical results were very weak, but the companies expect a marked improvement in 2001 when the effect of increased premiums will be noticed.

The three largest non-life insurance groups' total assets increased by 2 percent last year to NOK 37.6 billion. Investments in equities (short-term) accounted for 18 percent of total assets, down from 22 percent at the end of 1999. Investments in debt securities were slightly reduced, from 33 to 32 percent of total assets. The three groups' total own funds were reduced by 2 percent last year, to NOK 8.2 billion. All three groups were in compliance with the requirements for own funds and technical provisions.

Preliminary figures

COMMERCIAL BANKS

12 banks. Branches of foreign banks are not included (incl. pro forma figures for DnB for the year 1999)

PROFIT AND LOSS ACCOUNT	2000		1999	
	NOK million	% of ATA *	NOK million	% of ATA *
Interest income	50 231	7,04	44 569	6,85
Interest expenses	36 429	5,10	31 382	4,82
Net interest income	13 802	1,93	13 187	2,03
Dividends and similar income	1 333	0,19	1 074	0,17
Commissions and fees receivable on banking services	5 178	0,73	4 566	0,70
Commissions and fees payable on banking services	994	0,14	1 025	0,16
Net gain on foreign exchange and financial instruments	2 292	0,32	2 230	0,34
Other operating income	906	0,13	638	0,10
Personnel and administration expenses	10 497	1,47	9 651	1,48
Other operating expenses	2 187	0,31	2 698	0,41
Depreciation and writedowns	932	0,13	809	0,12
Operating result before provisions and losses	8 900	1,25	7 513	1,15
Loss on loans and guarantees	961	0,13	369	0,06
Net gains on financial fixed assets	49	0,01	54	0,01
Pre-tax operating profit	7 988	1,12	7 198	1,11
Taxes	1 685	0,24	1 139	0,18
Profit for the year	6 303	0,88	6 059	0,93

* ATA = Average Total Assets

BALANCE SHEET	31.12.2000 NOK million	increase (%) (12 months)	31.12.1999 NOK million	increase (%) (12 months)
Total assets	728 612	11,2	655 226	5,5
Gross lending to customers	527 034	10,6	476 667	8,0
<i>Gr. lending to customers, adjusted for portfolio transfers</i>		13,8		12,3
Deposits from customers	364 818	7,3	340 140	8,6
<i>Deposits from customers, adjusted for portfolio transfers</i>		8,0		
Certificates and bonds (debt)	147 917	10,6	133 799	1,0
Loan loss provisions	8 059	-7,6	8 723	-7,3

SAVINGS BANKS

30 largest savings banks

PROFIT AND LOSS ACCOUNT	2000		1999	
	NOK million	% of ATA *	NOK million	% of ATA *
Interest income	33 983	7,61	28 678	7,65
Interest expenses	22 376	5,01	18 371	4,90
Net interest income	11 607	2,60	10 307	2,75
Dividends and similar income	934	0,21	894	0,24
Commissions and fees receivable on banking services	3 143	0,70	2 667	0,71
Commissions and fees payable on banking services	905	0,20	777	0,21
Net gain on foreign exchange and financial instruments	410	0,09	870	0,23
Other operating income	141	0,03	180	0,05
Personnel and administration expenses	6 643	1,49	6 074	1,62
Other operating expenses	1 269	0,28	1 206	0,32
Depreciation and writedowns	581	0,13	471	0,13
Operating result before provisions and losses	6 836	1,53	6 391	1,70
Loss on loans and guarantees	952	0,21	796	0,21
Net gains on financial fixed assets	2 181	0,49	372	0,10
Pre-tax operating profit	8 065	1,81	5 967	1,59
Taxes	2 092	0,47	1 284	0,34
Profit for the year	5 973	1,34	4 683	1,25

* ATA = Average Total Assets

BALANCE SHEET	31.12.2000 NOK million	increase (%) (12 months)	31.12.1999 NOK million	increase (%) (12 months)
Total assets	476 039	14,5	415 691	22,5
Gross lending to customers	389 724	14,4	340 584	17,9
<i>Gr. lending to customers, adjusted for portfolio transfers</i>		12,2		12,4
Deposits from customers	259 097	11,6	232 187	17,2
<i>Deposits from customers, adjusted for portfolio transfers</i>		10,5		
Certificates and bonds (debt)	110 668	39,8	79 162	32,8
Loan loss provisions	5 852	6,1	5 514	11,9

MORTGAGE COMPANIES

9 mortgage companies

PROFIT AND LOSS ACCOUNT	2000		1999	
	NOK million	% of ATA *	NOK million	% of ATA *
Interest income	11 455	6,77	9 251	6,12
Interest expenses	10 160	6,00	8 011	5,30
Net interest income	1 295	0,77	1 240	0,82
Dividends and similar income	25	0,01	30	0,02
Commissions and fees receivable on banking services	1	0,00	5	0,00
Commissions and fees payable on banking services	20	0,01	9	0,00
Net gain on foreign exchange and financial instruments	35	0,02	52	0,03
Other operating income	12	0,01	10	0,01
Personnel and administration expenses	227	0,13	225	0,15
Other operating expenses	36	0,02	37	0,02
Depreciation and writedowns	9	0,01	10	0,01
Operating result before provisions and losses	1 076	0,64	1 056	0,70
Loss on loans and guarantees	-15	-0,01	-3	0,00
Pre-tax operating profit	1 091	0,65	1 059	0,70

* ATA = Average Total Assets

BALANCE SHEET	31.12.2000 NOK million	increase (%) (12 months)	31.12.1999 NOK million
Total assets	164 451	15,0	142 949
Gross lending to customers	110 658	9,5	101 075
Certificates and bonds (debt)	144 775	4,6	138 391
Loan loss provisions	219	-2,8	225

FINANCE COMPANIES

31 finance companies

PROFIT AND LOSS ACCOUNT	2000		1999	
	NOK million	% of ATA *	NOK million	% of ATA *
Interest income	4 771	9,23	4 022	10,40
Interest expenses	2 761	5,34	2 217	5,73
Net interest income	2 010	3,89	1 805	4,67
Dividends and similar income	0	0,00	0	0,00
Commissions and fees receivable on banking services	933	1,81	744	1,92
Commissions and fees payable on banking services	204	0,39	137	0,35
Net gain on foreign exchange and financial instruments	30	0,06	3	0,01
Other operating income	209	0,40	177	0,46
Personnel and administration expenses	1 390	2,69	1 015	2,63
Other operating expenses	236	0,46	351	0,91
Depreciation and writedowns	87	0,17	68	0,18
Operating result before provisions and losses	1 266	2,45	1 159	2,99
Loss on loans and guarantees	164	0,32	174	0,45
Pre-tax operating profit	1 102	2,13	985	2,54

* ATA = Average Total Assets

BALANCE SHEET	31.12.2000 NOK million	increase (%) (12 months)	31.12.1999 NOK million
Total assets	52 860	9,7	48 166
Gross lending to customers	52 392	9,8	47 723
Deposits from customers	4 661	14,1	4 085
Certificates and bonds (debt)	114	-79,3	551
Loan loss provisions	1 218	-5,0	1 282

LIFE INSURANCE

Includes eight Norwegian life insurance companies except unit linked companies

PROFIT AND LOSS ACCOUNT	2000		1999	
	NOK mill	% of ATA	NOK mill	% of ATA
Premiums due	29 862	8,19	26 332	7,92
changes due to transfer of provisions to other companies	5 455	1,50	3 510	1,06
Investment income	63 780	17,50	63 857	19,20
gains on the realisation of investments	44 933	12,33	26 110	7,85
Claims incurred	27 076	7,43	21 620	6,50
changes due to transfer of provisions from other companies	8 692	2,38	5 967	1,79
Changes in technical provisions	20 510	5,63	17 689	5,32
Net operating expenses	2 489	0,68	2 357	0,71
Investment charges	52 231	14,33	18 277	5,49
losses on the realisation of investments	30 270	8,30	16 713	5,02
Profit for the financial year*	12 481	3,42	11 444	3,44
Value adjusted profit	-6 704	-1,84	32 646	9,81
Transfer of profit to policyholders	7 898	2,17	7 678	2,31
New additional statutory allocations	2 555		1 215	

*) Before tax, transfer of profit to policyholders and new additional statutory allocations

BALANCE SHEET AND KEY FIGURES	31.12.2000		31.12.1999	
	NOK mill	% of TA	NOK mill	% of TA
Investments in land and buildings	36 515	9,91	32 230	8,93
Long term investments	90 667	24,62	81 731	22,64
shares and units of securities funds	941	0,26	1 890	0,52
bonds held to maturity	65 921	17,90	53 817	14,91
loans	23 904	6,49	25 563	7,08
Other financial investments	228 369	62,01	234 182	64,88
shares and units of securities funds	109 442	29,72	112 222	31,09
bonds	96 962	26,33	104 242	28,88
other debt securities	14 143	3,84	12 409	3,44
Total assets (TA)	368 293	100,00	360 967	100,00
Technical provisions	325 123	88,28	293 267	81,24
Additional statutory allocations	14 249	3,87	13 707	3,80
Own funds	19 003	5,16	17 762	4,92

UNIT LINKED

Includes all six Norwegian unit linked companies

FROM THE PROFIT AND LOSS ACCOUNT	2000		1999	
	NOK mill	% of ATA	NOK mill	% of ATA
Premiums due	5 175	340,3	3 154	369,0
Loss for the financial year	-9	-0,2	-15	-0,6

BALANCE SHEET AND KEY FIGURES	31.12.2000		31.12.1999	
	NOK mill	% of TA	NOK mill	% of TA
Shares and units of equity funds	7 720	75	4 568	75
Bonds and units of bond funds	293	3	271	4
Certificates and units of money market funds	704	7	336	6
Bank deposit and other assets	526	5	234	4
Total assets (TA)	10 324	100	6 055	100
Own funds	372		134	

NON-LIFE INSURANCE

46 non-life insurance companies

The figures are expressed in NOK millions and percentage of earned premiums net of reinsurance

PROFIT AND LOSS ACCOUNT	2000		1999	
	NOK mill	%	NOK mill	%
Earned premiums net of reinsurance	15 189		14 177	
Allocated investment return transferred from the non-technical account	2 523	16,6	2 010	14,2
Other technical income	126	0,8	81	0,6
Claims incurred net of reinsurance	13 394	88,2	12 419	87,6
Net operating expenses, including other technical charges	4 220	27,8	4 320	30,5
Changes in equalisation provisions etc.	-248	-1,6	618	4,4
Balance on the technical account	474	3,1	-1 092	-7,7
Net investment income	2 286	15,0	6 578	46,4
Allocated investment return transferred to the technical account	2 523	16,6	2 010	14,2
Other expenses	121	0,8	27	0,2
Profit on ordinary activities	357	2,4	3 503	24,7

BALANCE SHEET	31.12.2000		31.12.1999	
	NOK mill	% of TA	NOK mill	% of TA
Investments in land and buildings	3 518	6,2	2 968	5,3
Shares and units of securities funds (short-term)	10 574	18,7	12 501	22,3
Debt securities (total)	20 128	35,7	17 894	31,9
Loans	1 325	2,3	990	1,8
Own funds	11 958	21,2	12 194	21,7
Technical provisions including equalisation provisions	35 488	62,9	35 201	62,8
Total assets (TA)	56 443		56 079	

3 largest non-life groups

PROFIT AND LOSS ACCOUNT	2000		1999	
	NOK mill	%	NOK mill	%
Earned premiums net of reinsurance	12 899		12 550	
Allocated investment return transferred from the non-technical account	1 718	13,3	1 358	10,8
Other technical income	23	0,2	20	0,2
Claims incurred net of reinsurance	11 481	89,0	11 199	89,2
Net operating expenses, including other technical charges	3 408	26,4	3 808	30,3
Changes in equalisation provisions etc.	148	1,1	435	3,5
Balance on the technical account	-397	-3,1	-1 514	-12,1
Net investment income	1 613	12,5	4 382	34,9
Allocated investment return transferred to the technical account	1 718	13,3	1 358	10,8
Other expenses	13	0,1	0	0,0
Profit on ordinary activities	-488	-3,8	1 510	12,0

BALANCE SHEET	31.12.2000		31.12.1999	
	NOK mill	% of TA	NOK mill	% of TA
Investments in land and buildings	3 407	9,1	2 855	7,8
Shares and units of securities funds (short-term)	6 769	18,0	8 096	22,0
Debt securities (short-term holdings)	11 996	31,9	11 961	32,6
Loans	1 035	2,8	710	1,9
Own funds	8 170	21,7	8 360	22,8
Technical provisions including equalisation provisions	23 274	61,9	23 313	63,5
Total assets (TA)	37 602		36 741	