



2001

ANNUAL REPORT

Directors' report

In 2001, the Fokus Bank Group recorded a loss of NOK 125.5 million against a loss of NOK 176.1 million the previous year. The pre-tax operating result before loan losses amounted to NOK 330.4 million against NOK 254.5 million the previous year. Income was somewhat higher and operating expenses were lower. However, the result was strongly affected by one-off expenses incurred in the process of converting the Bank's IT systems to the Group's central IT platform and by increased provisions for losses.

During the year, assets under management rose by NOK 4.2 billion, or 8.4 %, to NOK 54.4 billion. Ordinary deposits declined by 2.8 % during the year, while gross lending rose 1.8 %. The growth in lending was affected by a re-classification of particular loans in the balance sheet. Adjusted for this re-classification, gross lending increased by 6.1 %.

The Bank in 2001

The year was characterised by large investments and organisational restructuring. IT systems were converted to the Group's central IT platform. Fokus Bank now concentrates on its core business and on customer related activities. Overall, this will lead to better products and services for the Bank's customers and to enhanced efficiency. The measures are designed to help the Bank becoming an important player in the Norwegian market.

The result for the year was affected by the IT conversion. The scale of it made the conversion the largest data transfer in Norway in 2001. The conversion provided Fokus Bank with access to the central IT platform of the Group, and this will enhance the efficiency of operations and provide new solutions to the Bank's customers and access to considerable development capacity. The integration did not have any adverse effects on customers.

At the end of 2000, Fokus Bank started a critical and thorough review of the Bank's lending portfolio, which resulted in provisions for losses on a number of the loan facilities in the portfolio. The negative development of some of these loan facilities and the continued critical assessment of the entire lending portfolio resulted in a need to make large provisions for losses also in 2001. At the same time, the Bank has upgraded its credit assessment systems and routines to ensure satisfactory risk levels for new lending facilities.

During the year, the Bank implemented a new divisionalised organisation. The organisation now concentrates on three market divisions (Retail Market, Corporate Market, Capital Markets) and Operations. The divisionalisation defines customer responsibility and facilitates the specialisation of advisers. This breakdown into divisions also enables the Bank to benefit from strong centralised operations, management and control, and at the same time, it strengthens local advisory services and decisions and hence the individual servicing of customers.

In 2001, Fokus Bank increased focus on the capital market area, particularly customer-related activities, equity trading and fixed income trading, and on the development and sale of structured savings products.

In future, Fokus Bank will concentrate on differentiating and tailoring its products and advisory services to individual customer requirements. The Bank's customer programmes are now all based on individualised advisory services. Consequently, the Bank launched its own customer concept for affluent retail customers, Fokus Merchant Bank, in the second half of the year. This concept will be followed by new offers to other customer groups in 2002.

For several years, Fokus Bank has been at the forefront of the launch of new electronic service solutions. This work continued in 2001 by the introduction of a new net-banking service, extended opportunities for Internet equity trading and opportunities for corporate customers to trade foreign exchange on the Internet.

The Bank regularly assesses and adjusts its regional structure, and therefore, three branches in Bø, Vinje and Moi, were sold in 2001. The four largest Norwegian towns have been selected as the Bank's growth area. Consequently, the Bank will open new branches in Lillestrøm and Oslo in the course of the first half of 2002. New branches in Rogaland and Trondheim will also be opened.

The subsidiary, Danske Securities ASA, was sold to Danske Securities AB with July 1, 2001, as the book value date.

In line with the Bank's ambitions to intensify its activities in large towns and to become a strong national player, the Bank will increase its efforts to promote the brand name of Fokus Bank by launching comprehensive marketing campaigns in 2002.

While 2001 in many ways was a year characterised by development and strengthening of the organisation and development of new customer concepts, 2002 will be the year for customers to meet the new Fokus Bank. Therefore, the Bank will devote even more resources to customer relations.

Profit and loss account

The Fokus Bank Group recorded a loss on ordinary operations after tax of NOK 125.5 million in 2001, against NOK 176.1 million the previous year. Income was somewhat higher than in 2000. Expenses were somewhat lower; despite considerable expenses incurred as a result of conversion to the central IT platform of the Group. Provisions for loan losses were somewhat higher than the previous year.

Income

Net interest income amounted to NOK 1,117.4 million, down by NOK 7.2 million on 2000. However, in 2000, previous provisions of NOK 32.2 million were booked as income, increasing the underlying net interest by NOK 25.0 million.

Other net operating income amounted to NOK 532.8 million, an increase of NOK 29.9 million on 2000. The increase was, to a large extent, due to a higher return on the Bank's equity portfolio. Income from fees and commission declined by NOK 30.1 million to NOK 385.4 million, primarily because the subsidiary, Danske Securities ASA, was sold off to Danske Securities AB with July 1, 2001, as book value date. Net gains on foreign exchange and financial derivatives went down by NOK 7.8 million from 2000 to 2001. Net gains on securities amounted to a negative NOK 16.1 million, NOK 25.8 million lower than gains generated in 2000. As part of its strategy of focusing on core business, the Bank sold off its short-term shareholdings.

Other operating income amounted to NOK 98.6 million, an increase of NOK 47.1 million on 2000. NOK 32.0 million was booked as income from the sale of three branches. In the course of 2001, the Bank sold off 15 buildings. The sale of the buildings provided a profit of NOK 16.1 million.

Expenses

Total operating expenses amounted to NOK 1,319.8 million after deduction of expenses associated with the IT conversion of NOK 174.0 million, NOK 53.2 million lower than the previous year.

Staff costs were NOK 13.5 million lower in 2001 than in 2000. Pension costs increased during 2001, among other things, as a result of a higher number of contractual early retirement schemes. A reduction of 92 in the number of full-time employees also contributed to cutting total salary expenses.

Expenses amounting to NOK 174 million are attributable to the conversion to the Danske Bank Group's central IT platform. In 2000, conversion expenses amounted to NOK 79.0 million, to which should be added the writing down of goodwill in the subsidiary, Danske Securities ASA, in the amount of NOK 26.8 million at the sale of the company.

Write-downs on fixed assets went down by NOK 137.0 million, primarily because of write-downs made in 2000 of buildings and other real estate amounting to NOK 130.0 million. In 2001, buildings and other real estate were written down by NOK 4.5 million.

The cost/income ratio, defined as total operating expenses in relation to total operating income, stood at 0.80, against 0.84 in 2000. Excluding IT integration expenses, this ratio was 0.69 in 2001, against 0.80 in 2000.

Losses on loans and guarantees

As a result of the developments of the year, the Bank made a more critical assessment of its loan portfolio in 2000. It was necessary to make loan loss provisions on a number of facilities. This work continued in 2001 and the negative performance of some of these facilities led to a substantial increase in loan loss provisions. The improvement of the Bank's credit quality on existing loan facilities as well as on new facilities continued, among other things in the form of continued development of routines and systems.

In 2001, the Bank made provisions for new losses and loan losses totalling NOK 694 million, against NOK 600 million in 2000. At the same time, NOK 108 million was reversed, against NOK 85 million the previous year. Net loan losses thus totalled NOK 586 million, against NOK 515 million in 2000. Confirmed loan losses amounted to 3.0% of gross loan losses.

Loan loss provisions on retail customers accounted for 9% of total loan loss provision, while corporate customers accounted for 91%.

General loan loss provisions remained almost unchanged compared with provisions at the end of 2000. General loan loss provisions of NOK 171.7 million and specific loan loss provisions are considered sufficient to cover the portfolio risk at year-end.

As regards expected losses in the years ahead, we refer to the relevant note below.

Tax

A judicial decision has been drawn about the banks' right to deduct write-downs of preference share capital received from the State during the Norwegian banking crisis. The Norwegian tax authorities agreed with Fokus Bank that losses being carried forward shall not be reduced by write-downs of the preference share capital.

Loss distribution

The result for the year was a loss of NOK 125.5 million. The Bank proposes that the loss be covered by a transfer of funds from other equity capital.

Balance sheet

Assets under management

In 2001, total assets under management by the Group increased by NOK 4.2 billion, or 8.4%, and amounted to NOK 54.5 billion at the end of the year.

Gross lending totalled NOK 45.4 billion, which is an increase of 1.8% on the previous year. The growth in lending was affected by a re-classification of particular loans in the balance sheet. Adjusted for this re-classification, gross lending increased by 6.1%. Corporate customers accounted for a negative 6.2% and retail customers for 11.8% of this increase. Customer deposits stood at NOK 26.9 billion at year-end - NOK 0.8 billion, or 2.8% below the level at the end of 2000.

The Bank's deposit coverage ratio - defined as customer deposits as a percentage of gross lending - stood at 59% at the end of the year. This figure is 3.0 percentage points lower than the ratio at the end of 2000.

At the end of 2001, Fokus Bank had liabilities of NOK 9.7 billion deriving from the issue of securities. This is NOK 0.5 billion lower than at the end of 2000. Fokus Bank takes advantage of the competitive edge provided by Danske Bank's ownership and position in the market to reduce the expenses associated with short-term funding and the issue of certificates and bonds.

Capital adequacy ratio and equity capital

At the end of the year 2001, the core capital ratios of Fokus Bank ASA stood at 8.2% (parent company) and 7.0% (Group). The corresponding figures at the end of 2000 were 6.7% and 6.2%, respectively. At the end of 2001, the capital adequacy ratios of Fokus Bank stood at 13.3% (parent company) and 11.5% (Group).

The annual accounts were prepared on the basis of the going-concern concept.

Risk management

Fokus Bank's risk management concentrates on credit risk, market risk, operational risk and liquidity risk. Credit risk represents the largest single risk of the Bank, and it therefore warrants special attention.

Fokus Bank's credit control system combines the advantages of local expertise with the Group's uniform guidelines and central monitoring of the loan portfolio. The granting of credit is governed by a general lending policy and by general authorisation structures. All credit facilities are risk-classified on the basis of a predetermined set of factors. On the basis of the Bank's sector expertise, limits have been determined for exposure to certain businesses. In parallel with the upgrading of credit assessment systems and routines and to ensure satisfactory risk levels for new loan facilities, the Bank is engaged in the termination of the weakest credit facilities to strengthen the credit quality of the entire portfolio.

Operational risk is defined as losses caused by failure of internal processes or systems and losses caused by fraud or other external factors. Considerable focus on higher quality achieved through the implementation of core values and internal control and conversion to the Group's central IT systems will contribute to the reduction of the Bank's operational risk.

The Bank's market risk - identified as potential future movements in interest rates, equity prices and exchange rates - is small relative to the Bank's equity capital. During 2001, the risk was reduced because the Bank no longer trades in short-term shareholdings for its own account. The remaining part of the risk is kept at a low level by using limit structures and stop-loss rules. Positions are regularly monitored to ensure that the risk is kept within the prescribed limits. All financial risk is concentrated in the Bank's Capital Markets division. Position-taking limits are determined in consultation with Danske Bank, and risk management at Fokus Bank is incorporated in the total risk management of Danske Bank.

The Danske Bank Group is the most important source of deposits besides customer deposits. Limits have been determined for the amount of loans that may be financed on a short term. The liquidity risk is assessed in the same manner as in other Norwegian banks, before considering Fokus Bank's affiliation with Danske Bank.

Staff

At the end of 2001, the Group had a staff of 1,026. In terms of full-time employees, the number was 992, of whom 951 were employed by Fokus Bank ASA. In the course of 2001, the number of full-time employees was reduced by 92.

The Bank has set up a local agreement with staff which governs the agreements between staff and management on salary policies, working hours, the development of professional skills and recruitment.

The Bank has an occupational health service to ensure health and safety at work. The service focuses on preventive measures. No occupational injury or accidents were registered at Fokus Bank during the year. Absence due to illness was 3.6% in 2001, against 3.8% in 2000.

Fokus Bank puts a great effort into providing competent, individual advisory services to its customers. In addition to the transfer of professional skills within the Danske Bank Group, agreements have been concluded with external partners with a view both to professional instruction and training and to personal development to ensure the expertise of advisers. Explicit management requirements and opportunities for leadership development shall enable managers to live up to the Bank's core values in their daily management.

By the nature of its business, Fokus Bank does little to pollute the environment.

Outlook

The conversion to a central IT platform imposed considerable costs in 2001. The continuation of the critical review of the loan portfolio imposed considerable losses also in 2001. High quality in new credit facilities, in combination with an active effort in 2001 and 2002 to cut the volume of loss-making facilities in the portfolio, is expected to reduce losses in 2002. The Bank has also taken a number of measures to increase income and curb expense (See the presentation of the Group's business in 2002). The business activities in Danske Bank's branch in Oslo will form part of Fokus Bank as from the second quarter. To complete the acquisition, the board of directors recommends to the annual general meeting that Fokus Bank increase its share capital by NOK 300 million.

Against this background, we expect improved results in 2002 compared with the performance of the year under review.

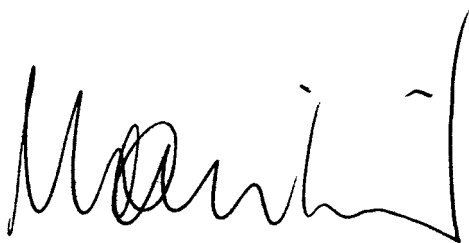
Board of Directors

The Board of Directors of Fokus Bank ASA consists of:

Søren Møller Nielsen, Chairman
Peter Straarup, Deputy Chairman
John Giverholt
Mette Cecilie Greve
Anton Jenssen jr.
Steinar Sivertsen
Torbjørn R. Skjerve
Vibeke Ulvin (elected by the staff)
Thomas F. Borgen, Managing Director of Fokus Bank

Deputy Directors

Bjørn Arnestad
Kjell Jacobsen
Terje Svendsen
Margunn Kleveland (elected by the staff)
Finn Roy Orholm (elected by the staff)



Søren Møller Nielsen



Peter Straarup



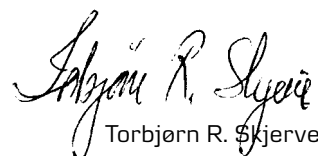
John Giverholt



Mette Cecilie Greve



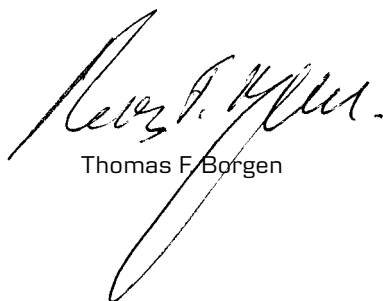
Anton Jenssen jr.



Torbjørn R. Skjerve



Bjørn Arnestad



Thomas F. Borgen



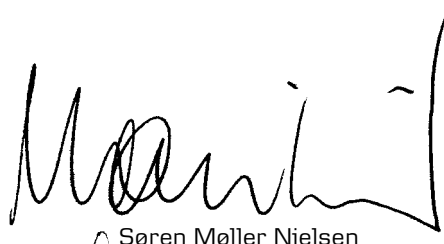
Vibeke Ulvin

Parent Bank		Profit and Loss Account		Group	
2000	2001	NOK million	Note	2001	2000
4,009.3	4,184.5	Interest income and related income	31, 38	4,565.4	4,038.4
2,946.2	3,215.1	Interest expenses and related expenses	31, 38	3,448.0	2,913.8
1,063.1	969.4	Net interest and credit commission income		1,117.4	1,124.6
75.7	157.0	Dividends and other income from securities		77.5	31.7
294.9	350.9	Commission income and other income from banking services		385.4	415.5
(64.1)	(63.9)	Commissions paid and other expenses for banking services		(64.1)	(64.8)
20.2	(21.0)	Net gains/(losses) on securities		(16.1)	9.7
52.6	51.5	Net gains/(losses) on foreign exchange and financial derivatives		51.5	59.3
56.5	110.6	Other operating income		98.6	51.5
435.8	585.1	Other operating income, net	32	532.8	502.9
1,498.9	1,554.5	Total operating income		1,650.2	1,627.5
489.9	515.8	Salaries, pensions and other staff costs	28, 29	561.5	575.0
359.5	443.3	Administrative expenses	28	475.3	400.2
217.2	54.6	Depreciation and write-downs of fixed assets	24	93.3	230.3
164.6	180.9	Other operating expenses	32	189.7	167.5
1,231.2	1,194.6	Total operating expenses		1,319.8	1,373.0
		Operating profit before loan losses and net profit on long-term investments in securities		330.4	254.5
267.7	359.9				
498.0	577.2	Losses/(reversals) on loans and guarantees	4, 5	586.3	514.7
(12.2)	(0.8)	Losses/(gains) on financial fixed assets		(45.8)	(12.2)
(218.1)	(216.5)	Pre-tax result of ordinary operations		(210.1)	(248.0)
(70.4)	(84.1)	Tax on result of ordinary operations	36	(84.6)	(71.9)
(147.7)	(132.4)	Result of ordinary operations after tax		(125.5)	(176.1)
0.0	0.0	Extraordinary expenses		0.0	0.0
0.0	0.0	Tax on extraordinary result		0.0	0.0
(147.7)	(132.4)	Result for the year		(125.5)	(176.1)
		Allocations and transfers			
0.0	0.0	Group contributions		0.0	0.0
147.7	132.4	Transferred from other equity capital	16	125.5	176.1
147.7	132.4	Total transfers		125.5	176.1
0.0	0.0	Dividends		0.0	0.0
0.0	0.0	Transferred to reserve for valuation differences		0.0	0.0
0.0	0.0	Transferred to retained profits		0.0	0.0
0.0	0.0	Total allocations		0.0	0.0

Parent Bank		Balance sheet		Group	
2000	2001	NOK million	Note	2001	2000
Assets					
257.2	1,148.4	Cash and deposits with central banks		1,148.4	257.2
748.1	7,416.2	Loans to and deposits with credit institutions		5,626.2	822.9
1,005.3	8,564.6	Loans to credit institutions	1, 10	6,774.6	1,080.1
42,260.1	34,672.2	Gross lending to customers	2, 5, 6, 7, 8, 30, 38	45,442.8	44,621.2
1,177.2	1,527.2	- Specific loan loss provisions	3	1,545.2	1,193.1
169.0	169.0	- General loan loss provisions	3	171.7	171.9
40,913.9	32,976.0	Net lending to customers		43,725.9	43,256.2
2.3	1.7	Repossessed assets	26	1.7	2.3
3,265.7	1,507.4	Commercial paper and bonds	19	1,510.5	3,277.8
706.8	304.6	Shares and other securities	22	304.7	724.4
47.6	54.1	Holdings in associated companies	20	54.1	47.6
1,129.0	1,007.2	Holdings in consolidated companies	21, 23, 38	0.0	0.0
786.8	865.7	Intangible assets	24, 36	874.3	858.3
374.2	283.1	Fixed assets	24, 25, 26, 27	283.4	380.5
34.5	369.8	Other assets		372.8	33.8
453.6	593.2	Prepayments and accrued income	29	535.2	580.3
48,719.7	46,527.4	Total assets		54,437.2	50,241.3
Liabilities and equity capital					
3,702.8	2,782.9	Amounts due to credit institutions	12	10,571.9	5,152.3
27,724.9	26,943.6	Deposits from and amounts due to customers	13	26,848.0	27,622.4
10,269.1	9,744.6	Commercial paper and bonds issued	14	9,744.6	10,269.1
701.2	670.8	Other liabilities		671.9	850.8
599.6	375.2	Accrued expenses and prepaid income		584.4	626.3
233.5	209.2	Provisions for obligations and expenses	29, 36, 39	217.2	239.2
1,996.3	2,029.3	Subordinated debt	15	2,029.3	1,996.3
45,227.4	42,755.6	Total liabilities		50,667.3	46,756.4
1,130.2	1,543.4	Paid-in capital *)	18	1,543.4	1,130.2
2,362.1	2,228.4	Retained profit		2,226.5	2,354.7
3,492.3	3,771.8	Total equity capital	16, 17	3,769.9	3,484.9
48,719.7	46,527.4	Total liabilities and equity capital		54,437.2	50,241.3

ff-balance-sheet items: See Notes 34, 35, 37, 40

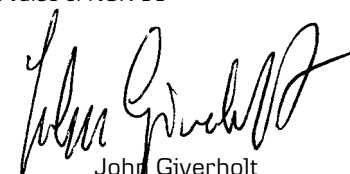
Share capital: Total 109,051,540 shares with a nominal value of NOK 11



Søren Møller Nielsen



Peter Straarup



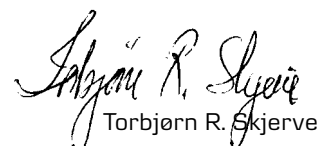
John Giverholt




Mette Cecilie Greve



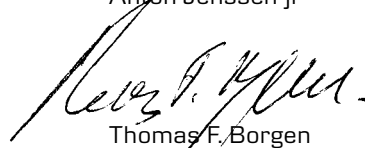
Anton Jenssen jr



Torbjørn R. Skjerve



Bjørn Arnestad



Thomas F. Borgen



Vibeke Ulvin

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Note 1. Accounting Policies

General

The annual accounts have been prepared in compliance with accounting standards laid down by laws and regulations for commercial banks, as well as generally accepted practices. Shares in subsidiaries are included in the Parent Bank accounts according to the cost method.

Consolidation

The Group Accounts include Fokus Bank and companies in which the Bank alone or with subsidiaries has a shareholding in excess of 50% of the share capital. These companies are presented in Note 21. Furthermore, associated companies (20-50% ownership) where the ownership gives an influence and is considered a long-term investment for the Group have been included in the consolidated accounts. These companies are listed in Note 20.

Associated companies are carried in the Group Accounts according to the equity method. Inter-company accounts, interest, commissions and internal profits between companies in the Group have been eliminated.

Accounting for loan losses

Loans are recorded at nominal value less loan loss provisions. Loan loss provisions are made on the basis of an evaluation of the individual facilities. When performing this evaluation, emphasis is placed on the customer's financial position as well as the realisation value of existing collateral.

When a credit facility is defined as non-performing, interest will as a general rule no longer be recognised. Likewise, previously capitalised, unpaid interest on the same facility will, as a general rule, be reversed in the current year's Profit and Loss Account.

Confirmed losses are all losses resulting from bankruptcies, compulsory composition, debt renegotiation or other similar proceedings.

Specific loan loss provisions are provisions made to cover probable losses on facilities having been identified as non-performing or doubtful on the balance sheet date. Calculated loan losses represent the difference between the facility's nominal value and the value of the collateral, if any. In performing this evaluation, account will be taken of the customer's overall financial situation and any steps which may have been taken to improve this.

A facility is defined as non-performing when payment is not effected as agreed and 90 days have lapsed after the due date.

In situations where the loan conditions are changed, leading to the value of the loan being substantially less than what the value would have been under normal interest conditions, the difference will be treated as a confirmed loss. The difference between the face value and the written-down value of the loan will be taken to income over the remaining time to maturity.

In certain situations, the Bank will assume title to assets which have been pledged as security for a credit facility. When these assets are taken over for quick disposal, they will be valued at their fair value and included in a separate entry under other current assets in the Balance Sheet.

If the Bank takes over such assets for its own use or considers the assets long-term investments, they will be valued at their fair value at the time of taking over and classified as fixed assets.

General provisions for loan losses

General provisions for loan losses cover provisions for probable losses on credit facilities not identified or assessed according to the rules governing specific provisions. General loan loss provisions include provisions for three groups of borrowers:

- retail customers
- major corporates
- other business customers

At the year-end, the Bank had not identified specific industries or geographic areas requiring general loan loss provisions. Provisions are based on experience and relevant statistics.

Valuation of real estate

The valuation of bank buildings and other real estate is based on the accounting regulations laid down by the Norwegian Banking, Insurance and Securities Commission as well as the requirements of the Norwegian Companies Act applicable to fixed assets.

Reposessed assets are valued on the basis of the accounting regulations laid down by the Norwegian Banking, Insurance and Securities Commission as well as the requirements of the Norwegian Companies Act applicable to current assets, see also Note 27.

Securities

The Bank's holding of bonds and commercial paper constitutes its trading portfolio. The trading portfolio consists of readily marketable securities available for sale. The trading portfolio is valued at market value.

The Bank's holding of shares consists of shares in subsidiaries and other long-term shares. Shares to be held for a long term and shares in subsidiaries are defined as long-term shares.

Shares held as long-term investments are recorded at cost. If the value of a company is lower than the book value of the shares and the decrease is not temporary, the shares will be written down to their fair value.

Major participations in partnerships are included in the accounts using the net method, while minor participations are included in the accounts using the cost method. These participations are shown in Note 23.

Bonds issued

Bonds issued are recorded in the Balance Sheet at market value at the date of issue. Premiums and discounts on bonds issued are accrued according to the straight-line method over the remaining time to maturity. See Note 14.

Leasing

Lease contracts where the Group acts as the lessor are mainly finance leases. Finance leasing is classified as lending in the Balance Sheet. The interest portion of the rent is taken to income while the repayment portion is recorded as repayments on loans. The Group's lease contracts are entered into by the Bank's subsidiary Fokus Finans AS and mainly concern leasing of vehicles and machinery.

Foreign exchange

Assets and liabilities in foreign currency are converted into Norwegian kroner on the basis of the mid-market rates at 31 December 2001. Net profit or loss is booked as net gains or losses on foreign exchange. Assets and liabilities in foreign currency are hedged either by similar items on the opposite side of the Balance Sheet or by off-balance-sheet hedging transactions. Unrealised gains and losses on assets and liabilities in foreign currency are netted against the related gains and losses on the hedging transactions. Income and expenses in foreign currencies are converted into Norwegian kroner at the current rate at the time of booking, see Notes 34 and 40.

Financial derivatives

Financial derivatives are classified in two portfolios, the banking portfolio and the trading portfolio. The banking portfolio includes derivatives traded for the purpose of hedging specific balance-sheet items. All other derivatives are included in the trading portfolio.

Hedging contracts

Contracts made to secure a future interest or foreign exchange rate applicable to items in the Bank's Balance Sheet are defined as hedging contracts. Hedging contracts are normally defined by a 1:1 relationship against an underlying balance-sheet item. Any items too small to be hedged 1:1 are hedged by contracts with almost identical maturity and principal. The balance-sheet item and the corresponding hedging are identified either by own portfolio or by the relationship being established and reported together. This is the case in particular for interest rate derivatives.

Trading contracts

All transactions not hedging balance-sheet items are defined as trading contracts.

Foreign exchange derivatives are marked to market and recorded as net gains or losses on foreign exchange and financial derivatives.

The result from interest rate derivatives is marked to market and booked as gains or losses on foreign exchange and financial derivatives.

Market valuations are based on actual values in the markets, possibly market values based on yield curves or the like. The value of the portfolio is calculated as if liquidated at the balance-sheet date. The value does not necessarily correspond to the value the company might achieve in the market.

Portfolio and other risk management

The Bank has a portfolio management system registering all lending commitments. All customers have been classified by risk category with attached risk marking. This tool provides for better management and monitoring of the Bank's credit risk, see also the entry describing loan losses and loan loss provisions.

The Bank uses derivatives to hedge price, interest and foreign exchange risks. For interest rate risk management purposes and to manage risk limits, sensitivity limits are used. Calculation of positions and their sensitivity follows the structure imposed by these limits, see Note 35.

Accrual of interest, fees and commissions

Interest, fees and commissions are recorded as income or expenses, as the case may be, as they occur. Fees which constitute direct income for services rendered are recorded when received. Fees exceeding the costs of establishing an individual loan are accrued.

Provisions for restructuring measures

In case of restructuring of the business, an evaluation will be made as to the need to make provisions for restructuring measures. If expenses for measures implemented will not contribute to generating income in future accounting periods and if these future obligations represent actual obligations on the balance-sheet date, the expenses will be charged against income in the current accounting period and provisions will be made in the Balance Sheet. Provisions will be reversed as expenses are incurred.

Depreciation

Fixed assets are booked at cost with the addition of revaluations and after deduction of accumulated ordinary depreciation and write-downs. The depreciation rates used are based on estimated economic life. Depreciation is made according to the straight-line method. The following depreciation rates are used: machinery and equipment 10%, vehicles 20%, staff PCs 30% and buildings 2%. IT equipment is charged to income in full in the year of acquisition. Capitalised development costs are amortised over four years. Revaluations are amortised at the same rates as ordinary depreciation. Fixed assets are written down if the real value is substantially lower than the book value and the fall in value is considered to be of a permanent nature. Lease assets are normally depreciated according to the annuity method.

Pensions

Pension costs are treated in accordance with the Norwegian accounting standards regarding pension costs. Net pension costs are recorded in the Profit and Loss Account under salaries, pensions and other staff costs. Net pension funds are included under excess pension commitments in the Balance Sheet, while net pension commitments are included under other liabilities and provisions".

Tax

Deferred tax and deferred tax benefits are treated in accordance with the preliminary accounting standard for tax on profit. Payable tax and changes in deferred tax and deferred tax benefit are shown as tax for the year in the Profit and Loss Account. Deferred tax is calculated on the basis of timing differences between the booking of income / charges for tax and for accounting purposes, as the case may be, at the end of the accounting year. Positive and negative differences within the same period are eliminated against each other. Certain items are evaluated separately, including pension commitments and revaluations. Deferred tax benefits stem from timing differences which result in tax deductions in future. Deferred tax benefits are posted on the Balance Sheet as intangible assets, when it is likely that the tax reducing items can be realised.

Note 2. Loans and loan losses by customer segment and industry

Parent Bank NOK million	Gross lending		Guarantees		Overdraft facilities	
	31.12.01	31.12.00	31.12.01	31.12.00	31.12.01	31.12.00
Segment/industry sector						
Retail market	13,556	18,044	77	38	355	179
Corporate market	19,556	20,591	1,790	1,845	4,604	6,194
Of which:						
Agriculture/forestry	804	814	3	6	139	140
Fishing/fish farming	989	1,289	11	7	119	149
Industry, mining, oil, gas, shipping	4,911	5,216	711	740	1,442	1,597
Building and construction, power, water supply	906	1,621	318	401	236	396
Trade/hotels/restaurants	3,366	3,429	170	204	1,648	2,224
Real estate and services	6,207	6,282	512	383	783	1,290
Transport, storage	2,373	1,940	65	104	237	398
Public sector	313	573	1	1	823	1,256
International finance	1,247	3,053	889	1,201	313	1,168
Total Parent Bank (gross)	34,672	42,261	2,757	3,085	6,095	8,797

NOK million	Non-performing loans		Doubtful loans		Specific loan loss provisions	
	31.12.01	31.12.00	31.12.01	31.12.00	31.12.01	31.12.00
Segment/industry sector						
Retail market	448	490	35	53	325	376
Corporate market	827	661	1,250	1,521	1,136	767
Of which:						
Agriculture/forestry	25	32	15	16	21	18
Fishing/fish farming	78	2	27	26	34	9
Industry, mining, oil, gas, shipping	165	121	556	542	342	200
Building and construction, power, water supply	131	143	48	68	110	165
Trade/hotels/restaurants	241	177	132	234	209	147
Real estate and services	164	119	354	508	318	151
Transport, storage	23	67	118	127	102	77
Public sector			0	0	0	0
International finance	12	9	98	87	66	34
Total Parent Bank (gross)	1,287	1,160	1,383	1,661	1,527	1,177

Note 2. Loans and loan losses by customer segment and industry

Group NOK million	Gross lending		Guarantees		Overdraft facilities	
	31.12.01	31.12.00	31.12.01	31.12.00	31.12.01	31.12.00
Segment/industry sector						
Retail market	22,293	19,937	77	38	355	179
Corporate market	21,572	21,235	1,790	1,845	4,604	6,194
Of which:						
Agriculture/forestry	874	846	3	6	139	140
Fishing/fish farming	999	1,290	11	7	119	149
Industry, mining, oil, gas, shipping	4,969	5,267	711	740	1,442	1,597
Building and construction, power, water supply	940	1,649	318	401	236	396
Trade/hotels/restaurants	3,443	3,490	170	204	1,648	2,224
Real estate and services	7,899	6,712	512	383	783	1,290
Transport, storage	2,448	1,981	65	104	237	398
Public sector	319	581	1	1	823	1,256
International finance	1,259	2,868	889	1,201	313	1,168
Total Group (gross)	45,443	44,621	2,757	3,085	6,095	8,797

NOK million	Non-performing loans		Doubtful loans		Specific loan loss provisions	
	31.12.01	31.12.00	31.12.01	31.12.00	31.12.01	31.12.00
Segment/industry sector						
Retail market	448	490	35	53	325	376
Corporate market	827	661	1,250	1,521	1,154	783
Of which:						
Agriculture/forestry	25	32	15	16	21	18
Fishing/fish farming	78	2	27	26	34	9
Industry, mining, oil, gas, shipping	165	121	556	542	342	200
Building and construction, power, water supply	131	143	48	68	110	165
Trade/hotels/restaurants	241	177	132	234	227	163
Real estate and services	164	119	354	508	318	151
Transport, storage	23	67	118	127	102	77
Public sector			0	0	0	0
International finance	12	9	98	87	66	34
Total Group (gross)	1,287	1,160	1,383	1,661	1,545	1,193

Note 3. Changes in specific and general provisions for losses

Parent Bank			Group	
2000	2001	NOK million	2001	2000
807.2	1,177.2	Specific provisions for losses on loans, guarantees, etc. at 01.01.	1,193.1	811.4
		- Confirmed losses in the period on loans, guarantees, etc. previously provided for by specific provisions	(189.3)	(119.5)
(119.5)	(189.3)			
130.7	220.1	+ Increased specific provisions for losses	220.1	130.7
425.6	409.9	+ New specific provisions for losses	421.0	437.3
(66.8)	(90.7)	- Reversals of specific provisions for losses	(99.7)	(66.8)
1,177.2	1,527.2	Specific provisions for losses on loans, guarantees etc., at 31.12.	1,545.2	1,193.1

Parent Bank			Group	
2000	2001	NOK million	2001	2000
169.0	169.0	General provisions for losses on loans, guarantees, etc. at 01.01.	177.0	177.0
0.0	0.0	+ General provisions in the period for losses on loans, guarantees, etc.	-0.1	0.0
169.0	169.0	General provisions for losses on loans, guarantees, etc. at 31.12.	176.9	177.0
169.0	169.0	Of which general provisions for loan losses at 31.12.	171.7	171.9
0.0	0.0	Of which general provisions for losses on guarantees at 31.12.	5.2	5.1

Note 4. Losses on loans and guarantees

Parent Bank			Group	
2000	2001	NOK million	2001	2000
370.0	350.0	Changes in specific loan loss provisions in the period	352.1	381.6
0.0	0.0	+ Changes in general loan loss provisions in the period	(0.1)	0.2
119.5	189.3	+ Confirmed losses in the period previously provided for by specific provisions	189.3	119.5
26.6	46.1	+ Confirmed losses in the period not previously provided for by specific provisions	53.2	31.5
(18.1)	(8.2)	- Recoveries of losses confirmed in prior periods	(8.2)	(18.1)
0.0	0.0	+ Debt remission, subsidiaries	0.0	0.0
498.0	577.2	Losses on loans, guarantees, etc. in the period	586.3	514.7

Net provisions for losses on loans and guarantees, etc.

Parent Bank			Group	
2000	2001	NOK million	2001	2000
26.6	46.1	Confirmed losses charged against income	53.2	31.5
130.7	220.1	Increase in specific loss provisions	220.1	130.7
425.6	409.9	New specific loss provisions	421.0	437.2
582.9	676.1	Total new losses	694.3	599.4
(66.8)	(90.7)	Reversal of specific loss provisions	(99.7)	(66.8)
516.1	585.4	Total specific losses	594.6	532.6
(18.1)	(8.2)	Recovered on previously confirmed losses	(8.2)	(18.1)
0.0	0.0	Increase in/(reversal of) general loss provisions	(0.1)	0.2
498.0	577.2	Loss provisions for the period	586.3	514.7

Note 5. Loans and losses by region

NOK million Region	Gross lending 31.12.01				Losses 2001			Accrued, no re- cognised interest*)	
	Retail	Corporate	Total	%	Gross Recoveries	Net	Amount	%	
Region Troms	945	1,722	2,667	8	82	16	66	5	18
Region Nord-Trøndelag	1,628	1,632	3,260	9	18	6	12	2	7
Region Sør-Trøndelag / Møre and Romsdal	3,670	7,653	11,323	33	219	19	200	15	54
Region Hordaland / Sogn and Fjordane	1,569	1,665	3,234	9	105	8	97	2	7
Region Rogaland	1,877	3,267	5,144	15	115	13	102	1	4
Region Telemark	1,323	1,107	2,430	7	65	23	42	1	4
Region Oslo / Østlandet	1,864	3,224	5,088	15	72	14	58	2	6
Not allocated on regions	0	18	18	0	0		0	0	0
Shared capital	680	828	1,508	4	0		0	0	0
Parent Bank	13,556	21,116	34,672	100	676	99	577	28	100
Subsidiary	8,737	2,053	10,790		18	9	9		
Eliminations		-19	-19						
Group	22,293	23,150	45,443		694	108	586		

*) "Accrued, not recognised interest" is interest on credit facilities defined as non-performing or doubtful. According to the regulations of the Norwegian Banking, Insurance and Securities Commission, interest on such facilities shall not be booked as income and will therefore reduce the Parent Bank's net interest. See the definition of non-interest bearing facilities in Note 6.

Note 6. Doubtful, non-performing and non-interest bearing facilities

NOK million	Total Parent Bank 1)				
	31.12.01	31.12.00	31.12.99	31.12.98	31.12.97
Doubtful loans *)2)					
Gross doubtful loans	1,383	1,661	514	244	276
Specific loan loss provisions	556	434	166	93	115
Net doubtful loans	827	1 227	348	151	161
Loan loss provisions in % of gross doubtful loans	40	26	32	38	42
Non-performing loans *)3)					
Gross non-performing loans	1,287	1,160	1,150	1,147	1,100
Specific loan loss provisions	971	743	641	628	626
Net non-performing loans	316	417	509	519	474
Loan loss provisions in % of gross non-performing loans	75	64	56	55	57
Net non-performing loans in % of gross lending	0.9	1.0	1.3	1.4	2.0
*) Of these:					
Non-interest bearing loans 4)					
Gross non-performing loans	1,000	1,035	919	993	955
Specific loan loss provisions	971	743	641	628	626
Net non-performing loans	29	292	278	365	329
Loan loss provisions in % of gross non-performing loans	97	72	70	63	66
Net non-performing loans in % of gross lending	0.1	0.7	0.7	1.0	1.0
Accrued, non-interest bearing interest	28	49	47	37	34
Development in soft loans 5)					
Soft loans	80	113	107	113	100

1) The Parent Bank figures are almost identical to the Group figures.

2) Doubtful loans are loans where an evaluation of the customer's financial situation has led to a specific loan loss provision being made, even though the loan is currently performing.

3) Loans with overdrawn/overdue amount are classified as non-performing, unless the situation is assessed as temporary. If the loan has been overdrawn for more than 90 days it is always classified as non-performing.

4) Non-interest bearing facilities are loans with accrued not recognised interest and commissions.

5) Loans where, owing to the customer's financial position, the customer and the Bank have agreed that an interest rate lower than the market rate shall be applied for a period of time.

Note 7. Leasing agreements by Parent Bank and others

NOK million	Agreements at 31.12.01			Losses on agreements in 2001		
	Retail	Corporate	Total	Gross	Recoveries	Net
Parent Bank	0.0	0.0	0.0	0.0	0.0	0.0
Subsidiaries 1)	5.6	294.2	299.8	9.1	0.0	9.1
Group	5.6	294.2	299.8	9.1	0.0	9.1

1) The leasing agreements are made with the subsidiary Fokus Finans AS.

Note 8. Loans granted as subordinated debt

Loans granted to other companies as subordinated debt consist of:

NOK million	2001	2000
Loans to and amounts due from credit institutions	2.8	2.8
Bonds and other interest-bearing securities	0.0	0.0
Total granted to finance institutions	2.8	2.8
Granted to other institutions	1.2	2.6
Total subordinated debt granted	4.0	5.4

Note 9. Loans to and amounts due from credit institutions

Parent Bank			Group	
2000	2001	NOK million	2001	2000
285.5	299.8	Undated loans to and amounts due from credit institutions	1,348.5	360.2
462.6	7,116.4	Dated loans to and amounts due from credit institutions	4,277.7	462.7
748.1	7,416.2	Total loans to and amounts due from credit institutions	5,626.2	822.9

Note 10. Changes in accrued, not recognised interest on loans

Parent bank			Group	
2000	2001	NOK million	2001	2000
95.7	94.2	Accrued, not recognised interest on loans at 01.01.	94.2	95.7
17.3	10.5	- Earlier periods' interest income on loans, recognised this period	10.5	17.3
33.7	66.2	- Accrued, not recognised interest on loans that are no longer on the Balance Sheet	66.2	33.7
		+ The period's accrued, not recognised interest on loans		
49.5	27.5	identified as doubtful commitments	27.5	49.5
94.2	45.0	Accrued, not recognised interest on Balance Sheet loans at 31.12.	45.0	94.2

Note 11. Loans and guarantees by type of facility

Fokus Bank classifies all loan customers by risk. The risk-category is determined on the basis of a credit analysis of the individual customers.

Fokus Bank Group

Corporate market

Risk	Gross lending		Guarantees		Overdraft facilities, etc.		Specific loan loss provisions	
	2001	2000	2001	2000	2001	2000	2001	2000
Low	9,389	10,883	1,501	1,692	4,191	5,946	29	51
Medium	8,651	8,735	857	1,082	1,083	1,902	270	85
High	4,039	3,897	268	185	426	437	530	207
Doubtful loans	1,071	1,129	54	82	40	45	391	473
Total	23,150	24,644	2,680	3,041	5,740	8,330	1,220	816

Retail market

Risk	Gross lending		Guarantees		Overdraft facilities, etc.		Specific loan loss provisions	
	2001	2000	2001	2000	2001	2000	2001	2000
Low	17,591	17,260	63	36	304	348	5	12
Medium	4,233	2,026	14	8	48	118	7	14
High	166	124			3	1	1	5
Doubtful loans	303	568			-	-	312	346
Total	22,293	19,978	77	44	355	467	325	377
Total	45,443	44,622	2,757	3,085	6,095	8,797	1,545	1,193

General loan loss provisions are not classified.

Expected annual level of loss

On the basis of empirical data on loan provisions made by Norwegian banks over several years in a normal business cycle, it is customary to expect a level of losses of approximately 0.4 %-0.5 % relative to total loans. For Fokus Bank this corresponds to annual loss provisions of approximately NOK 200-220 million. The upgrading of the Bank's credit policy and endeavours to reduce the number of weak facilities make us expect that Fokus Bank will not incur losses higher than what is considered normal for Norwegian banks.

Note 12. Deposits from credit institutions

Parent Bank			Group	
2000	2001	NOK million	2001	2000
161.8	126.7	Undated loans to and deposits from credit institutions	126.7	120.2
3,541.0	2,656.2	Dated loans to and deposits from credit institutions	10,445.2	5,032.1
3,702.8	2,782.9	Total loans and deposits from credit institutions	10,571.9	5,152.3

Specification of debt in main currencies. The amounts are translated into Norwegian kroner at the rate in force on the balance sheet date.

USD	1,352.80
EUR	730.60

The average rate for loans to and deposits from credit institutions is 7.10 %.

The calculation of the average rate is based on real interest expenses in relation to average capital.

No accounts have special rates.

Note 13. Deposits from customers

Parent Bank			Group	
2000	2001	NOK million	2001	2000
26,644.9	25,197.2	Call deposits from and other related liabilities to customers	25,101.6	26,542.4
1,080.0	1,746.4	Time deposits from and other related liabilities to customers	1,746.4	1,080.0
27,724.9	26,943.6	Total deposits from customers	26,848.0	27,622.4

Liabilities by main currency: The amounts are translated into Norwegian kroner at the rate in force on the balance sheet date.

USD	319.2
EUR	171.7
GBP	30.7
SEK	38.4

The average rate for deposits from customers is 6.10 %.

The calculation of the average rate is based on real interest expenses in relation to average capital.

No accounts have special rates.

Note 14. Bonds issued

Loan information

NOK million

Issued	Category	Price	Maturity	Currency Category	Amount in currency	Amount in NOK	Interest terms
22.02.99	Open	99.874	22.02.02	USD	300.0	2,705.8	Floating USD rate
06.02.98	Open	100	06.02.03	NOK		330.0	Floating rate with cap
14.05.98	Open	99.783	14.05.03	USD	300.0	2,705.8	Floating USD rate
12.06.98	Closed	100	12.12.03	NOK		150.0	Stock index
26.02.97	Open	100	26.02.04	NOK		300.0	Floating with interest rate floor
24.08.98	Open	99.26	02.07.04	GBP	12.0	156.8	Fixed 6.5%
19.08.97	Open	100.01	19.08.04	DEM	250.0	1,019.3	Floating DEM rate
01.09.98	Open	99.74	01.09.05	USD	250.0	2,254.8	Floating USD rate
22.12.00	Closed	68.15	22.12.06	NOK		60.2	Stock index
17.12.01	Closed	100	19.12.05	NOK		85.2	Stock index
						9,767.9	

The currency amounts are calculated at mid-rate USD 9.0192, GBP 13.069 and DEM 407.745 as at December 31, 2001.

The bonds issued have been hedged by interest rate swaps at a ratio of 1:1.

NOK million	2001	2000
Amount of USD bonds - in NOK (nominal value)	7,666.4	7,541.7
Amount of DEM bonds - in NOK (nominal value)	1,019.3	1,054.5
Amount of GBP bonds - in NOK (nominal value)	156.8	158.6
Bond issues in NOK - (nominal value)	925.4	1,521.0
Total bonds issued	9,767.9	10,275.8
Booked discount	-23.3	-6.8
Balance Sheet value of bonds issued *)	9,744.6	10,269.0
Certificates of deposit issued	0.0	0.0
Total Balance Sheet value	9,744.6	10,269.0

*) Book value is equal to the nominal value. Discount and proprietary holding are booked separately.

At December 31, 2001, the bonds issued had a total market value of NOK 9,744.6 million.

At 31.12.00, the bonds issued had a total market value of NOK 10,269.0 million.

Special conditions:

Fokus Bank stock index 12.12.03.

Fokus Bank has issued a stock-index linked bond loan with maturity on 12.12.03.

The return on the bond loan will depend on the movements of six different stock indices.

The return on the bond will be paid at maturity.

The bond issue is hedged by an asset swap at 1:1.

Fokus Bank 06.02.03.

Fokus Bank has issued a Norwegian kroner bond loan with maturity on 06.02.03.

The return on the bond loan is linked to an option which caps the investor's return.

The bond issue is hedged by an option and an interest-rate swap at 1:1.

Fokus Bank 22.12.06.

Fokus Bank has issued a stock-index-linked bond loan with maturity 22.12.06.

The return on the bond loan will develop on the movements of six different stock indices.

The return on the bond will be paid at maturity.

The bond issue is hedged by an option and an interest-rate swap at 1:1.

Average rate 6.16 %.

The average yield has been calculated as interest expenses in relation to average annual capital.

Note 15. Subordinated debt

The figures apply to the Parent Bank.

The Bank's subordinated debt of NOK 2,029.3 million is issued in foreign currency.

Issued	Maturity year	Amount in currency	Equivalent in NOK million	Interest rate	Expenses excl. interest for the year	Original value
1999	2009	USD 75.0 m	676.4	2.65000	0	589.6
2001	2011	USD 50.0 m	451.0	2.90375	0	468.6
1997	Perpetual	USD 100.0 m	901.9	4.16000	0	675.5
Total		USD 225.0 m	2,029.3			1,733.7

The currency loans are converted at mid-rate USD 9.0192 as at December 31, 2001.

The outstanding liabilities in foreign currency bear a floating rate of interest, which is adjusted every six months. The rates stated are valid at the end of the year. The currency loans are included in the Bank's overall net currency position and are therefore continuously hedged against exchange rate fluctuations.

Capital adequacy

Subordinated debt is included as supplementary capital in accordance with the regulations concerning Parent Bank capital adequacy, with:

Total subordinated debt	2,029.3
Own subordinated debt	0.0
Reductions during the last 5 years	0.0
Restriction according to the 50 % rule	0.0
Timed subordinated debt included in capital adequacy	2,029.3

The perpetual loan in USD is included as other supplementary capital in the capital adequacy calculation.

Holdings in associated companies are included in the Group's core and supplementary capital.

Note 16. Specification of changes in equity capital

Parent Bank	Share capital	Premium fund	Other invested equity	Reserve for valuation diff.	Other equity	Total
Fokus Bank ASA 01.01.01	799.6	309.4	21.2	126.8	2,235.3	3,492.3
Share issue	400.0					400.0
Group contribution from DDB Fokus Invest			13.4			13.4
Disposal of shares in Eksportfinans				-2.9	2.9	0.0
Re-classification of ANS holding					(1.5)	(1.5)
Allocation of 2001 result					(132.4)	(132.4)
Fokus Bank ASA 31.12.01	1,199.6	309.4	34.6	123.9	2,104.3	3,771.8

Group	Share capital	Premium fund	Other invested equity	Reserve for evaluation diff.	Other equity	Total
Fokus Bank Group 01.01.01	799.6	309.4	21.2	0.0	2,354.7	3,484.9
Share issue	400.0					400.0
Group contribution from DDB Fokus Invest			13.4			13.4
Re-classification of ANS holding					(1.5)	(1.5)
Disposal of Eikeveien					(1.4)	(1.4)
Allocation of 2001 result					(125.5)	(125.5)
Fokus Bank Group 31.12.01	1,199.6	309.4	34.6	0.0	2,226.3	3,769.9

Note 17. Capital adequacy

According to regulations concerning minimum capital requirements in financial institutions, the Parent Bank and the Group are required to have a capital adequacy ratio totalling at least 8% of risk-weighted assets.

At December 31, 2001, Fokus Bank had the following capital adequacy:

Parent Bank			Group	
2000	2001	NOK million	2001	2000
800	1,200	Share capital	1,200	800
1,779	1,579	Other equity capital	1,567	1,686
94	85	- Non-eligible excess pension funds	86	95
2,485	2,694	Total core capital	2,681	2,391
917	1,040	Book value of subordinated debt (ex. perpet. sub. debt)	1,040	917
0	0	- Non-eligible subordinated debt	0	0
917	1,040	Total eligible subordinated debt	1,040	917
676	676	Other supplementary capital	676	676
1,593	1,716	Total supplementary capital	1,716	1,593
4,078	4,410	Gross equity and subordinated capital	4,397	3,984
(10)	(4)	Deduction	(4)	(10)
4,068	4,406	Net equity and subordinated capital	4,393	3,974
37,196	33,024	Risk-weighted assets	38,312	38,554
6.68	8.16	Core capital ratio	7.00	6.20
10.94	13.34	Capital adequacy ratio	11.47	10.31

Specification of risk-weighted assets:

Parent bank			Group	
2000	2001	NOK million	2001	2000
34,485	31,355	Assets not included in the trading portfolio	36,643	35,794
1,503	1,467	Off-balance-sheet items not included in the trading portfolio	1,467	1,503
1,208	202	Items included in the trading portfolio	202	1,258
0	0	Risk-weighted assets, currency risk	0	0
37,196	33,024	Total risk-weighted assets, net	38,312	38,554

Subordinated debt is included as supplementary capital in accordance with the regulations concerning Parent Bank capital adequacy, as follows:

Perpetual subordinated debt	675.5
Subordinated debt (ex. perpet. sub. debt)	1,040.7
Total subordinated debt	1,716.2*)
Subordinated debt (ex. perpet. sub. debt)	1,040.7
Reductions over the last 5 years	0.0
Restriction according to the 50% rule	0.0
Eligible subordinated debt (ex. perpet. sub. debt)	1,040.7
Perpetual subordinated debt (included in other supplementary capital)	675.5
Eligible subordinated debt	1,716.2

*) Total subordinated debt stated in the Balance Sheet at December 31, 2001: NOK 2,029.3 million. The difference is due to correction at a lower rate. The perpetual loan in USD is included as other supplementary capital in the capital adequacy calculation. Group figures for core and supplementary capital include the holding in associated companies.

Specification of difference between core capital and equity capital according to the Balance Sheet:

Parent Bank			Group	
2000	2001	NOK million	2001	2000
2,485	2,694	Core capital	2,681	2,391
3,492	3,772	Balance Sheet equity capital	3,770	3,485
1,007	1,078	Difference	1,089	1,094

The difference is due to the fact that reserve for valuation differences, deferred tax benefit, excess pension funds and other intangible assets have been deducted from the core capital when calculating the capital adequacy.

Note 18. Ownership

Fokus Bank ASA is wholly owned by DDB Fokus Invest AS.

The share capital at December 31, 2001 consists of a total of 109,051,540 shares with a nominal value of NOK 11.

Note 19. Commercial paper and bonds

Parent Bank		Trading portfolio	Group	
31.12.00	31.12.01	NOK million	31.12.01	31.12.00
Bonds				
843.6	58.8	Government and government-guaranteed bonds	58.8	843.6
0.0	0.0	Foreign bonds	0.0	0.0
242.9	503.7	Other bearer bonds	503.5	255.0
1,086.5	562.5	Book value of bearer bonds	565.1	1,098.6
1,074.5	578.4	Market value of bearer bonds	581.0	1,086.6
-12.0	15.9	Surplus value of commercial paper	15.9	-12.0
Commercial paper				
486.0	237.8	Government and government-guaranteed commercial paper	237.8	486.0
1,502.3	522.1	Municipalities and financial institutions	522.6	1,502.3
1,988.3	759.9	Book value of commercial paper	760.4	1,988.3
1,995.7	762.3	Market value of commercial paper	762.8	1,995.7
7.4	2.4	Market value of commercial paper	2.4	7.4

All bonds are quoted on the stock exchange.

In the commercial paper portfolios only the commercial paper issued by the Norwegian Government and BN-Kreditt are listed.

The nominal value of own bonds is NOK 185.0 million (not included in the table above).

Average yield to maturity of the trading portfolio is 7.22 %.

Note 20. Associated companies

Company name	Business office	Ownership, %	Balance sheet valuation 31.12.00, NOK 1,000	Additions/ disposals in 2001	Equity at time of acquisition	Balance sheet goodwill	Share of result, NOK 1,000	Goodwill write-off	Balance sheet valuation 31.12.01, NOK 1,000
Held by Fokus Bank ASA:									
Nordenfjeldske									
Personforsikring AS	Trondheim	39.00	46,409	0	26,084	13,775	7,924	1,740	52,593
Meglerhuset Nylander AS	Trondheim	40.00	1,054	(2,037)	0	0	2,388		1,405
Nylander Næringsmegling									
Holding AS	Trondheim	40.00	40	(40)	0		0		0
Fokus regnskap									
Brekstad AS	Ørlandet	38.70	116				0		116
Shares in associated companies			47,619	(2,077)		13,775	10,312	1,740	54,114

None of the companies are listed.

Note 21. Shares in subsidiaries

	Business-office	Share capital, NOK 1,000	Number of shares	Nominal value, NOK 1,000	Ownership share, %	Equity-capital, NOK 1,000	Result for 2001, NOK 1,000	Book value, NOK 1,000
Credit institutions								
Fokus Kreditt AS	Oslo	800,000	80,000	800,000	100.0	800,000	53,765	800,000
Fokus Finans AS	Trondheim	160,000	160,000	160,000	100.0	163,202	668	159,000
Other companies								
Fokus Eiendomsmegling AS	Skien	500	500	500	100.0	148	266	500
Firstnordic Fondene AS	Trondheim	6,000	6,000	6,000	100.0	8,440	(1,758)	8,200
Fokus Kredittforsikring AS	Trondheim	20,900	209,000	20,900	100.0	30,676	1,770	39,482
Skårersletta Eiendom AS	Oslo	50	50	50	100.0	4,835	(2)	0
Total								1,007,182

Additions/disposals of subsidiaries

Danske Securities ASA and Eikeveien AS were sold during the year.

Note 22. Other long-term shares

	Share capital, NOK 1,000	Number of shares	Total nominal value, NOK 1,000	Ownership share, %	Book value, NOK 1,000
Held by Fokus Bank ASA:					
Credit institutions					
Eksportfinans AS	1,594,000	12,586	132,153	8.29	199,400
Other companies					
Other companies, net					105,200
Total owned by Fokus Bank ASA					304,600

Note 23. Participation in partnerships

The following companies have been included in the Accounts according to the net method:

Company name	Ownership, %	Share of equity capital, NOK 1,000
Bomveien 3 ANS	50.0	(1,664.0)
Roby ANS	100.0	(10,720.0)
Total owned by Fokus Bank Group		(12,384.0)

Note 24. Changes in fixed assets

NOK million	Parent Bank			Group			
	Machinery, fixtures and vehicles	Bank buildings and other real estate	Intangible assets	Machinery, fixtures and vehicles	Bank buildings and other real estate	Intangible assets	Goodwill
Cost 01.01.01	144.0	522.0	0.0	172.8	522.4	4.9	66.7
+ Additions during the year	52.8	1.1	0.0	52.8	1.1	0.9	0.0
- Disposals during the year	(68.3)	(143.8)	0.0	(89.6)	(144.2)	0.0	(29.8)
Cost 31.12.01	128.5	379.3	0.0	136.0	379.3	5.8	36.9
+ Book value revaluations at 01.01.00		65.7			65.7		
- accum. depreciation and write-downs at 01.01.00	(52.1)	(241.5)	0.0	(74.5)	(241.5)	(0.4)	(6.7)
- ordinary depreciation during the year	(31.8)	(5.8)	0.0	(34.9)	(5.8)	(1.4)	(3.3)
- write-down on revaluation during the year		(0.2)			(0.2)		
- other depreciation/write-downs during the year	(15.3)	(1.5)	0.0	(15.3)	(1.5)	(4.0)	(26.9)
+ disposals depreciation/write-down during the year	57.8	0.0		76.1	0.0		
Book value at 31.12.01	87.1	196.0	0.0	87.4	196.0	0.0	0.0
Booked gains on sales/disposals	1.0	16.1	0.0	1.0	16.1	0.0	
Booked losses on sales/disposals	0.3	0.1	0.0	0.3	0.1	0.0	
Rate of ordinary depreciation	10-30 %	2 %	20-30 %	10-30 %	2 %	20-30 %	10 %

Note 25. Investments in and sale of fixed assets 1997-2001

NOK million	Parent Bank				Group			
	Machinery, fixtures and vehicles		Bank buildings and other real estate		Machinery, fixtures and vehicles		Bank buildings and other real estate	
	Invested	Sold	Invested	Sold	Invested	Sold	Invested	Sold
1997	24.5	0.7	5.3	50.7	28.0	1.9	40.2	135.2
1998	27.2	2.4	0.0	190.4	28.3	2.4	0.0	195.0
1999	33.4	0.7	6.0	1.4	34.1	0.9	6.5	1.7
2000	56.5	0.8	37.1	0.0	61.0	0.8	37.1	0.0
2001	52.8	10.1	1.1	34.6	52.8	10.4	1.1	34.6

Note 26. Repossessed assets

Parent Bank			Group	
2000	2001	NOK million	2001	2000
0.0	0.0	Commercial real estate	0.0	0.0
0.1	0.0	Land	0.0	0.1
0.9	0.4	Residential real estate	0.4	0.9
1.3	1.3	Other assets	1.3	1.3
2.3	1.7	Total repossessed assets	1.7	2.3

Note 27. Real estate and tenancy agreements

The Group's real estate portfolio is split into two categories depending on the objective and time perspective applicable to the usage/realisation of the asset.

The following categories are used:

	Book value NOK million	Gross area m ²	Number	Book value per m ² (NOK)
Own buildings for banking operations	189.5	37,954	13	4,992
Staff residences, etc.	5.2	1,072	10	4,851
Bank buildings and other real estate	194.7	39,026	23	9,843
Land	1.0	12,399	4	4

Utilisation of real estate:

	Utilisation of area (m ²)		
	Own use	Rented	Vacant
Own buildings for banking operations	24,964	7,892	5,098
Staff residences, etc.	825	247	0
Total	25,789	8,139	5,098

Own buildings for banking operations

Real estate purchased for banking operations, and from which Fokus Bank runs its main activities in the area, is included in "Own buildings for banking".

Own buildings are assessed as one portfolio and recorded at cost less ordinary depreciation including revaluations and write-downs.

Tenancy agreements

The Bank has entered into tenancy agreements for premises which are used to a varying extent by the Bank or sub-let. The net cost of tenancy agreements for premises not used by the Bank is discounted over the remaining period of the tenancy agreement at an interest rate of 7 %.

Note 28. Salaries and administrative expenses

Parent Bank			Group	
2000	2001	NOK million	2001	2000
386.2	377.7	Salaries	421.0	469.6
29.5	55.1	Pensions	56.0	30.2
74.2	83.0	Other staff costs	84.5	75.2
489.9	515.8	Total staff costs	561.5	575.0
6.7	3.5	Training	3.5	7.0
58.8	72.9	Office costs	82.1	66.2
190.3	268.6	IT rent/operations	270.3	193.4
103.7	98.3	Other administrative expenses	119.4	133.6
359.5	443.3	Total administrative expenses	475.3	400.2

In the 2001 accounting year, the average number of employees of the Parent Bank was 982 (Group 1,020).

For the Parent Bank, total expenses for salaries, pension commitments and other benefits to the Managing Director, Members of the Board of Directors, the Supervisory Board, the Control Committee and other staff representatives amounted to NOK 3,975,000 of which NOK 1,445,000 is salary and other benefits to Thomas F. Borgen, Managing Director.

Fokus Bank ASA has made an agreement with the Managing Director for two years' guaranteed salary in addition to salary granted under a severance agreements.

Apart from this, Fokus Bank ASA has not undertaken any obligations towards the Managing Director or the Chairman of the Board concerning specific compensation if the contract of employment is changed or terminated.

Nor do any special agreements regarding bonuses, options, etc., exist for these persons.

According to the articles of association, the Managing Director must retire at the age of 60.

Note 29. Pensions, Parent Bank

Fokus Bank ASA has its own pension fund covering the standard pension commitments. Pension benefits are based on the number of years of service as well as the salary level at pension age. The assets of the pension fund consist mainly of bonds and shares.

At December 31, 2001, the number of persons included in the company's pension agreement, was:

Working	1,127
Retired	584

In addition, the Bank has charged pension commitments against income. These commitments are early retirement pensions, supplementary pensions and pension commitments to managers who may retire before their ordinary retirement age.

At 31.12.01, the number of persons included in the pension scheme charged against income was:

Working	49
Retired	329

In accordance with the GRS standard for pension costs, future commitments under the contractual Early Retirement Scheme (CERS) for the financial services industry were calculated in 2001. In 1998, the CERS was extended to include 62-year olds. All employees are covered by the scheme, and the Bank has chosen to calculate the costs based on a 50% utilisation. In accordance with the GRS standard for pension costs, the increased commitment as a result of the reduced pension age is treated as a change of plan. Consequently, the Bank may either charge the costs to income immediately or amortise them over the remaining amortisation period. The Bank has chosen the latter alternative.

Pension funds and pension commitments:

Financial assumptions:	2001	2000
Discount rate	6.0 %	6.0 %
Salary adjustments	3.0 %	3.0 %
Adjustment of running pensions	3.0 %	3.0 %
Adjustment of National Insurance basic amount	2.0 %	2.0 %
Adjustment of paid-up policies	2.0 %	2.0 %
Return on pension funds	7.0 %	7.0 %

Pension fund	2001	2000
Accrued pension commitments	880.3	863.7
Pension funds	1,043.7	971.6
Deferred commitments on [loss]/gains	77.0	13.6
Net pension commitments	(86.4)	(94.3)

Pension fund expenses for the year:	2001	2000
Pension entitlements for the year	28.5	25.3
Interest expenses	49.0	48.3
Return on pension funds *)	69.2	64.6
Charged to income	0.4	0.4
Pension expenses for the year	7.9	8.6

*) The return on pension funds constitutes an estimate for 2001. The actual return for 2001 was a negative NOK 5.0 million. The accumulated difference between the estimated [applied] and the actual return was NOK 72.0 million at December 31, 2001.

Pension payments charged to income

NPV of pension payments charged to income	2001	2000
NPV of early retirement pensions, etc.	96.3	85.8
CERS, total commitments	96.8	85.3
- deferred commitments	(22.5)	(25.3)
CERS, commitments charged to income	74.3	60.0
Total booked commitments	170.6	145.8

Pension expenses for the year charged to income	2001	2000
Pension payments charged to income	27.8	31.4
Change in early retirement pensions, etc.	10.5	(15.4)
Ordinary CERS expenses for the year	16.8	10.6
Pension expenses for the year charged to income	55.1	26.6

Note 30. Loans to Employees and staff representatives

As at December 31, 2001, loans to employees amounted to NOK 654.3 million, of which housing loans amounted to NOK 625.3 million. The cost of providing preferential rates of interest on loans to employees amounted to NOK 6.2 million in 2001, based on a compound annual rate of 8.3 %.

Included in the above amounts are representatives, employees, former employees who have a contractual agreement to continue to receive preferential employee interest rates, as well as retired employees. The preferential rate of interest reduces the Bank's net interest income.

The average rate of interest charged on employee loans was 0.31% below the average in 2001.

Loans to the Managing Director, the other members of the Executive Board, members of the Board of Directors, the Advisory Board and the Control Committee:

Terje Svendsen	1,022,000
Steinar Sivertsen	1,021,000

The Managing Director, the other members of the Board of Directors, the Advisory Board and the Control Committee have no loans or guarantees at 31 December 2001.

Note 31. Interest income and interest expenses

Parent Bank			Group	
2000	2001	NOK million	2001	2000
219.8	397.9	Interest from loans to and amounts due from credit institutions	399.5	227.9
3,586.2	3,594.0	Interest from loans to and amounts due from customers	3,967.6	3,606.6
203.3	192.6	Yield on bonds, CPs and other securities	198.3	203.9
4,009.3	4,184.5	Interest income	4,565.4	4,038.4
454.8	544.0	Interest on amounts due to credit institutions	776.9	418.0
1,584.5	2,145.1	Interest on deposits from and debt to customers	2,145.1	1,584.5
690.4	375.6	Interest on issued securities	375.6	690.4
146.0	112.3	Interest on subordinated debt	112.3	146.0
30.8	0.0	Other interest expenses	0.0	35.2
39.7	38.1	Levy to Commercial Bank Guarantee Fund	38.1	39.7
2,946.2	3,215.1	Interest expenses	3,448.0	2,913.8

Note 32. Other operating income

Parent Bank			Group	
2000	2001	NOK million	2001	2000
31.5	73.1	Income from shares and other securities	68.4	24.2
0.4	8.6	Income from holdings in associated companies	8.6	0.4
43.8	75.3	Income from holdings in group companies	0.5	7.1
75.7	157.0	Dividends and other income from securities	77.5	31.7
27.9	34.8	Guarantee commissions	34.8	27.9
19.7	28.1	Credit broking	28.1	19.7
52.6	44.2	Securities trading and asset management	78.7	173.2
184.7	205.7	Payment transactions	205.7	184.7
6.7	7.8	Insurance services	7.8	6.7
3.3	30.3	Other operations	30.3	3.3
294.9	350.9	Commission and fee income	385.4	415.5
1.4	1.8	Securities trading and asset management	2.1	2.1
62.7	62.1	Payment transactions	62.0	62.7
64.1	63.9	Commissions and fees paid	64.1	64.8
(4.4)	20.5	Net gains/(losses) on CPs, bonds, etc.	22.7	(4.4)
24.6	(41.5)	Net gains/(losses) on shares and other securities	(38.8)	14.1
20.2	(21.0)	Net gains/(losses) on securities	(16.1)	9.7
52.6	51.5	Net gains/(losses) on foreign currency and derivatives	51.5	59.3
72.8	30.5	Net capital gains/(losses)	35.4	69.0
19.4	26.6	Operating income from real estate	25.9	19.4
0.7	3.0	Profit on sale of fixed assets	3.0	0.7
36.4	81.0	Other operating income	69.7	31.4
56.5	110.6	Other operating income	98.6	51.5
435.8	585.1	Total operating income	532.8	502.9

Note 33. Other operating expenses

Parent Bank			Group	
2000	2001	NOK million	2001	2000
52.4	66.2	Rent	66.2	51.2
1.5	1.5	Operating expenses, real estate	1.5	1.5
10.9	19.7	IT maintenance	22.0	10.5
0.0	0.4	Loss from sale of fixed assets	0.4	0.0
99.8	93.1	Other operating assets	99.6	104.3
164.6	180.9	Total	189.7	167.5

In 2001, the Fokus Bank Group paid fees to external auditors relating to the 2001 accounting year amounting to NOK 1,667,000. Of this amount fees for non-auditing services amounted to NOK 508,600.

Note 34. Time to maturity for main items at December 31, 2001

NOK million	Up to 1 month	From 1-3 months	From 3 months to 1 year	From 1 year to 5 years	Over 5 years	Without remaining life	Total
Assets							
Cash and deposits with central banks and loans eligible for refinancing at central banks	1,007.9	0.0	0.0	0.0	0.0	133.2	1,141.1
Loans to and deposits with credit institutions	1,276.1	1,108.7	0.0	22.6	0.0	0.0	2,407.4
Loans to and amounts due from customers	5,051.9	966.0	1,213.2	2,347.3	28,829.9	0.0	38,670.3
Bonds, CPs and other interest-bearing securities	456.3	1,054.2	0.0	0.0	0.0	0.0	1,510.5
Other assets with remaining life	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Assets without remaining life	500.9	0.0	0.0	0.0	865.7	967.1	2,333.7
Total assets	8,464.1	3,128.9	1,213.2	2,369.9	29,524.6	1,100.3	46,063.0
Liabilities and equity capital							
Amounts due to credit institutions	72.8	1,418.3	185.1	0.0	0.0	0.0	1,676.2
Deposits from and debt to customers	25,870.4	388.2	11.8	0.2	0.0	0.0	26,270.6
Debt securities in issue	0.0	0.0	0.0	925.4	0.0	0.0	925.4
Other debt with remaining life	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debt without remaining life	0.0	0.0	0.0	0.0	0.0	1,387.5	1,387.5
Subordinated debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equity capital	0.0	0.0	0.0	0.0	0.0	3,769.9	3,769.9
Total liabilities and equity capital	25,943.2	1,806.5	196.9	925.6	0.0	5,157.4	34,029.6
Assets in foreign currency							
Cash and deposits with central banks and loans eligible for refinancing at central banks	0.0	0.0	0.0	0.0	0.0	7.3	7.3
Loans to and amounts due from credit institutions	1,091.3	2,127.5	0.0	0.0	0.0	0.0	3,218.8
Loans to and amounts due from customers	519.2	1,275.4	459.8	1,696.1	1,105.1	0.0	5,055.6
Bonds, CPs and other interest-bearing securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other assets with remaining life	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Assets without remaining life	92.3	0.0	0.0	0.0	0.0	0.2	92.5
Total assets in foreign currency	1,702.8	3,402.9	459.8	1,696.1	1,105.1	7.5	8,374.2
Liabilities and equity capital in foreign currency							
Amounts due to credit institutions	3,013.3	2,834.2	999.8	275.0	1,773.4	0.0	8,895.7
Deposits from and debt to customers	177.0	361.1	39.3	0.0	0.0	0.0	577.4
Debt securities in issue	0.0	2,705.8	0.0	6,113.4	0.0	0.0	8,819.2
Other debt with remaining life	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debt without remaining life	0.0	0.0	0.0	0.0	0.0	86.0	86.0
Subordinated debt	0.0	0.0	0.0	0.0	2,029.3	0.0	2,029.3
Equity capital	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total liabilities and equity capital in foreign currency	3,190.3	5,901.1	1,039.1	6,388.4	3,802.7	86.0	20,407.6
Net liquidity exposure							
Total balance-sheet items	-18,966.6	-1,175.8	437.0	-3,248.0	26,827.0	-4,135.6	0.0
Incoming/outgoing payments on off-balance-sheet financial derivatives							
Norwegian kroner	-1,107.8	-3,746.2	3,673.3	1,593.0	1,081.7	0.0	1,494.0
Foreign currency	1,921.8	6,695.7	-413.7	3,127.1	849.6	0.0	12,180.5
Net total all items	-18,152.6	-1,773.7	3,696.6	1,472.1	28,758.3	-4,135.6	13,674.5

Note 35. Agreed time for change in interest rate on main items at December 31, 2001

NOK million	Up to 1 month	From 1-3 months	From 3 months to 1 year	From 1 year to 5 years	Over 5 years	Without interest rate exposure	Total
Assets							
Cash and deposits with central banks and loans eligible for refinancing at central banks	1,007.9	0.0	0.0	0.0	0.0	133.2	1,141.1
Loans to and amounts due from credit institutions	1,197.1	315.6	0.0	22.6	872.1	0.0	2,407.4
Loans to and amounts due from customers	661.4	0.0	34,795.1	2,842.8	371.0	0.0	38,670.3
Bonds, CPs and other interest-bearing securities	976.9	533.6	0.0	0.0	0.0	0.0	1,510.5
Other assets with remaining life	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Assets without remaining life	500.9	0.0	0.0	0.0	865.7	967.1	2,333.7
Total assets	4,344.2	849.2	34,795.1	2,865.4	2,108.8	1,100.3	46,063.0
Liabilities and equity capital							
Amounts due to credit institutions	95.8	1,395.3	0.0	0.0	0.0	185.1	1,676.2
Deposits from and debt to customers	0.0	0.0	26,270.3	0.3	0.0	0.0	26,270.6
Debt securities in issue	0.0	630.0	0.0	295.4	0.0	0.0	925.4
Other debt with remaining life	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debt without remaining life	0.0	0.0	0.0	0.0	0.0	1,387.5	1,387.5
Subordinated debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equity capital	0.0	0.0	0.0	0.0	0.0	3,769.9	3,769.9
Total liabilities and equity capital	95.8	2,025.3	26,270.3	295.7	0.0	5,342.5	34,029.6
Assets in foreign currency							
Cash and deposits with central banks and loans eligible for refinancing at central banks	0.0	0.0	0.0	0.0	0.0	7.3	7.3
Loans to and amounts due from credit institutions	293.8	2,925.0	0.0	0.0	0.0	0.0	3,218.8
Loans to and amounts due from customers	5,055.6	0.0	0.0	0.0	0.0	0.0	5,055.6
Bonds, CPs and other interest-bearing securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other assets with remaining life	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Assets without remaining life	92.3	0.0	0.0	0.0	0.0	0.2	92.5
Total assets in foreign currency	5,441.7	2,925.0	0.0	0.0	0.0	7.5	8,374.2
Liabilities and equity capital in foreign currency							
Amounts due to credit institutions	2,642.6	5,153.3	1,099.8	0.0	0.0	0.0	8,895.7
Deposits from and debt to customers	177.0	361.1	39.3	0.0	0.0	0.0	577.4
Debt securities in issue	0.0	8,662.4	156.8	0.0	0.0	0.0	8,819.2
Other debt with remaining life	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debt without remaining life	0.0	0.0	0.0	0.0	0.0	86.0	86.0
Subordinated debt	0.0	2,029.3	0.0	0.0	0.0	0.0	2,029.3
Equity capital	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total liabilities and equity capital in foreign currency	2,819.6	16,206.1	1,295.9	0.0	0.0	86.0	20,407.6
Net interest rate exposure							
Total balance-sheet items	4,248.4	-1,176.1	8,524.8	2,569.7	2,108.8	-4,242.2	12,033.4
Off-balance-sheet financial derivatives affecting interest rate exposure							
Norwegian kroner	0.0	-1,127.8	-6,019.0	413.7	67.6	0.0	-6,665.5
Foreign currency	0.0	1,127.8	6,019.0	-413.7	-67.6	0.0	6,665.5
Net total all items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Information regarding interest rate risk sensitivity at year-end							
Effect on the Profit and Loss Account of an interest rate increase of 1 %			Trading	Bank	Total		
Effect on the Profit and Loss Account of an interest rate increase of 1.0 %			10.0	0.0	10.0		

The figures show the net effect on the Bank's Profit and Loss Account if the rate of interest for all net interest positions in foreign currency increases by 1 %.

Note 36. Taxation, Parent Bank

At the end of the accounting year, there are timing differences between values for accounting and for tax purposes. Deferred tax liabilities/deferred tax benefits are calculated on the basis of these differences.

Tax expense for the year:	31.12.01	31.12.00
Tax payable on the profit for the year	0.0	0.0
Gross change in deferred tax. Norwegian companies	(84.0)	(70.4)
Total tax expense for the year	(84.0)	(70.4)
Of which applicable to extraordinary items	0.0	0.0
Tax expense on profit on ordinary operations	(84.0)	(70.4)

Payable tax expense for the year:		
Profit before tax on ordinary operations	(216.5)	(218.1)
Profit on extraordinary items before tax	0.0	0.0
Permanent differences	+/- 4.0	4.2
Change in timing differences	+/- 212.5	213.9
Basis for payable tax. Norwegian companies	0.0	0.0

Payable tax 1)	Tax rate: 28%	0.0	0.0
Refund on dividend received from Norwegian companies		0.0	0.0
Payable tax on the profit for the year, Norwegian companies		0.0	0.0
Payable tax on the profit for the year, foreign companies		0.0	0.0
Total payable tax on the profit for the year		0.0	0.0

1) Payable tax on the Balance Sheet:

Payable tax on the net profit for the year	0.0	0.0
Taxes payable on contributions from Group companies	0.0	0.0
Total payable tax	0.0	0.0

Specification of the basis for deferred tax/deferred tax benefit:

Differences to be offset:

Fixed assets	+/-	(1,638.5)	(1,642.3)
Current assets	+/-	(528.9)	(358.5)
Debt	+/-	(241.6)	(233.4)
Loss carried forward	-	(701.4)	(604.9)
Total		(3,110.4)	(2,839.1)

Deferred tax (-) / Deferred tax (+) on the Balance Sheet	Tax rate: 28%	(870.9)	(794.9)
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Differences to be offset:

Fixed assets	-	0.0	4.7
Current assets	-	0.0	0.0
Debt	-	0.0	0.0
Loss carried forward	+	0.0	0.0
Total		0.0	4.7

Deferred tax assets	Tax rate: 28%	0.0	1.3
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Deferred tax assets (-) / deferred tax (+) on the Balance Sheet:

Deferred tax assets (-) / deferred tax (+)	(870.9)	(794.9)
Deferred tax benefits on group contributions received	5.2	8.2
Total deferred tax assets (-) / deferred tax (+) on the Balance Sheet	(865.7)	(786.7)

Tax loss carry forwards expire in 2011. See Note 41 for more details about contingent liabilities.

Deferred tax assets in the consolidated financial statements:

A number of the group companies have negative timing differences.

Net deferred tax assets at December 31, 2001 are recognised at NOK 874.3 million.

Note 37. Guarantees, pledged assets

Parent Bank			Group	
2000	2001	NOK million	2001	2000
1,585	1,889	Payment guarantees	1,889	1,585
658	574	Contract guarantees	574	658
800	295	Loan guarantees	295	800
23	45	Guarantees for taxes due, etc.	45	23
14	109	Other guarantee liabilities	109	14
3,080	2,912	Guarantee liabilities	2,912	3,080
		Pledged assets		
1,873	984	Government bonds and CPs at a total book value of:	984	1,873
		Pledged as security for:		
0	0	Group property and stockbroking activities total:	0	0
0	0	Group daily lending from Norges Bank totals:	0	0
10.3	5.3	Total book value of bank buildings and other real estate:	5.3	10.3
0.2	0.1	Pledged as security for loans totalling:	0.1	0.2

Note 38. Subsidiaries

The Parent Bank's Balance Sheet includes the following outstandings with subsidiaries:

NOK million	2001	2000
Loans and other amounts due		
Loans to and amounts due from credit institutions	2,858.2	186.0
Loans to and amounts due from customers	0.0	0.0
CPs, bonds and other fixed-income interest-bearing securities	0.0	0.0
Other amounts due	77.7	36.7
Total loans and other amounts due	2,935.9	222.7
Deposits and other liabilities		
Amounts due to credit institutions	96.1	102.3
Deposits from and amounts due to customers	0.0	0.0
Debt securities in issue	0.0	0.0
Subordinated debt	0.0	0.0
Total deposits and other liabilities	96.1	102.3
Guarantees	0.0	0.0

Note 39. Provisions for obligations and costs

Parent Bank			Group	
2000	2001	NOK million	2001	2000
145.9	170.6	Pension obligations, etc.	171.6	146.3
0.0	0.0	General provisions for guarantee liabilities	0.0	5.2
87.5	38.6	Other provisions for obligations and costs	45.6	87.7
233.4	209.2	Total provisions for obligations and costs	217.2	239.2

Note 40. Financial derivatives and financial risk management

(All amounts in NOK 1,000)

Financial derivatives is the blanket term describing agreements whose value depends on one or more financial products. Fokus Bank enters into such agreements to lock in future foreign exchange and interest rates, both as a service to its customers and to meet its own business needs.

Hedging transactions

Foreign exchange derivatives and interest rate derivatives are used actively to hedge Balance Sheet items and thus reduce foreign exchange and interest rate risk.

Hedging transactions are removed from the Bank's trading portfolio immediately they are entered into, but are included in the Bank's total foreign exchange and interest rate positions. All other financial derivatives are termed trading contracts/transactions.

At December 31, 2001, the Bank had the following outstanding financial derivatives:

	Nominal values 2001		Actual value 2001	
	Hedging	Trading	Hedging	Trading
Foreign exchange derivatives				
Forward exchange contracts	-	9,449,600	-	40,325
Currency options bought -	-	-	-	-
Currency options written -	-	-	-	-
Currency and interest rate swaps	1,022,600	-	(161,585)	-
Interest rate derivatives				
FRA	-	6,346,500	-	2,051
Futures -	-	-	-	-
Interest rate swaps	11,998,680	-	(45,415)	-
Interest rate options bought	-	489,500	-	5,128
Interest rate options written	-	399,500	-	(2,144)

Comments

Inter-company transactions are not included. Only one side of foreign exchange-related contracts is included, that is the part the Bank is to receive. The nominal value is calculated on the basis of the contract amount upon which the interest calculation is based or upon which a possible future foreign currency swap is based. The contract amounts in foreign currency are translated into Norwegian kroner at the year-end foreign exchange rates.

Credit and market risk

The Bank's exposure in foreign exchange and interest rate instruments is credit related. The major transactions are mainly carried out with Danske Bank, the owner. Trading in the instruments is assessed by the Bank's ordinary credit committees. The individual counterparties are assessed and limits established for the credit risk which it is natural for them to incur on these kinds of instrument. The instruments that each can utilise are specified within the limits. Different weightings are attached to the products within the limits subject to the credit risk inherent in each product. The Bank's foreign exchange system is updated with the customers' utilisation of single products as well as groups of products within the established limits. The assigned limits are monitored in order to avoid limit excesses.

Control of credit authorisation is maintained by regular reporting between the Foreign Exchange Department and the credit committees as regards limit utilisation and maintaining the limits.

Netting has been arranged with other banks. The Bank endeavours to establish netting agreements with other customers just as this type of transaction is also comprised by collateral set aside.

Note 40. Financial derivatives and financial risk management

At December 31, 2001, the Bank's credit equivalent values amounted to:

	Credit equivalent values 2001		
	Hedging	Trading	Total
Foreign exchange derivatives			
Forward exchange contracts	-	327,268	327,268
Currency options	-	2,766	2,766
Foreign currency and interest rate swaps	60,656	-	60,656
Interest rate derivatives			
FRA	-	9,920	9,920
Futures	-	-	-
Interest rate swaps	109,580	40,375	149,955
Interest rate options	2,224	11,703	13,927
Total	172,460	392,032	564,492

The credit equivalent value is calculated as the total risk related to contracts which, according to the current market value, will give the Bank a gain and the probability of further gains from future movements in market values. The contract amounts in foreign currency were translated into Norwegian kroner at December 31, 2001.

Market risk is limited by position limits and continuous reporting and monitoring of foreign exchange and interest rate positions. Position limits are defined at section and department levels based on overall limits established by the Bank's Board of Directors and administration. Foreign exchange exposure is based largely on the recommendations and limits laid down by Norges Bank. The limits for interest rate positions have been established at a level which reduces risk while at the same time allowing a reasonable level of daily business to be conducted. All interest rate limits are based on sensitivity limits distributed on gap. The capital markets department conducts ordinary monitoring of operations. In addition, the settlements department carries out an independent monitoring/ supervision of position limits. Positions in equity instruments are controlled by position limits that are monitored by the performing department and the settlements department. The Bank's liquidity risk is controlled by guidelines for the composition of the Bank's funding. The guidelines are followed up daily by the head of the department and monthly by reporting to the Bank's management.

Foreign exchange rate sensitivity at year-end

Effect on the Profit and Loss Account of a negative change in exchange rates

	Trading	Bank	Total
All currencies	6,426	0	3,902
1.0 % change	64	0	39

The figures show the effect on the Profit and Loss Account of a negative change in exchange rates for all our net positions. The total of all absolute values per currency is used to calculate the effect on the Profit and Loss Account.

Lending commitments

The Bank has undertaken commitments that may result in credit exposure.

At December 31, 2001, these commitments amounted to NOK 100 million in addition to the amounts presented in the Bank's Balance Sheet.

Note 41. Contingent liabilities

In consequence of its ordinary operations, the Bank is a party to lawsuits and the processing of disputed claims, including claims for compensation against the Bank. The claims are assessed in accordance with the Norwegian accounting standards for contingent liabilities. The assessment concludes that it is not likely that the advanced claims will lead to any substantial compensations. Hence, no specific provisions for such payments have been made.

Note 42. Cash flow statement

Parent Bank			Group	
2000	2001	NOK million	2001	2000
3,979	4,018	Interest and commission income	4,405	4,002
3,012	3,195	Interest expenses	3,428	2,979
535	614	Other operating income	736	602
667	1,313	Other operating expenses	1,219	769
85	8	Reversals of prior-year provisions	8	85
0	0	Tax paid	0	0
920	132	Net cash flow from operations	502	941
(138)	(7,586)	Decrease/(increase) in loans to and deposits from credit institutions	(5,665)	(237)
(3,608)	7,353	Decrease/(increase) in lending	(1,064)	(5,944)
68	(21)	Decrease/(increase) in other amounts due	(20)	15
274	(920)	Increase/(decrease) in loans and deposits from credit institutions	5,420	1,724
4,366	(781)	Increase/(decrease) in deposits from customers	(831)	4,436
0	0	Increase/(decrease) in CP liabilities	0	0
330	(95)	Increase/(decrease) in other liabilities	(240)	351
1,292	(2,050)	Net cash flow from ordinary financial activities	(2,400)	345
(953)	(389)	Investments in fixed assets	(435)	(124)
39	255	Sale of fixed assets	252	96
(914)	(134)	Net cash flow from investments	(184)	(28)
(557)	(525)	Increase/(decrease) in bonds issued	(525)	(557)
183	33	Increase/(decrease) in subordinated debt	33	183
0	0	Injected share capital/preference capital	0	0
27	412	Change in equity capital	411	70
(347)	(80)	Net cash flow from long-term financing	(81)	(304)
951	(2,132)	Net change in cash and short-term investments	(2,163)	954
41	27	(Decrease)/increase in cash	27	41
(341)	0	Dividend paid for the year before	0	(341)
(652)	2,105	Net purchase/(sale) of short-term securities	2,137	(653)
(952)	2,132	Total change in cash and short-term investments	2,164	(953)



KPMG AS

Fjordgata 68
N-7010 TrondheimTelephone +47 73 80 21 00
Fax +47 73 80 21 20
www.kpmg.no
Enterprise NO 935 174 627 MVA

To the Annual Shareholders' Meeting and the Committee of Shareholders' Representatives of
Fokus Bank ASA

AUDITOR'S REPORT FOR 2001

Respective Responsibilities of Directors and Auditors

We have audited the annual financial statements of the Fokus Bank ASA as of 31 December 2001, showing a loss of NOK 132,4 mill. for the parent company and a loss of NOK 125,5 mill. for the group. We have also audited the information in the Board of 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 flows, the accompanying notes and the group accounts. These financial statements are the responsibility of the Company's Board of Directors and Managing Director. Our responsibility is to express an opinion on these financial statements and 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 good auditing practice in Norway. Good auditing practice require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant 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 Company's financial affairs and its accounting and internal control systems. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion,

- the financial statements are prepared in accordance with the law and regulations and present the financial position of the Company and of the Group as of December 31, 2001, and the results of its operations and its cash flows for the year then ended, in accordance with good accounting practice in Norway
- 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 the law and good accounting practice
- the information in the Board of 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.

Trondheim, 13 February 2002
KPMG AS

Hallvard Strømme
State Authorised Public Accountant

Note: This translation from Norwegian has been prepared for information purposes only