

Managing Director's statement

The member companies can look back with satisfaction on a well consistent working year with a historically good sale within most product areas and a profitability which surpass well over other financial institutions. The bank total assets grew further to NOK 140 billion and our members have a strong position as a financial source within a range of business sectors.

A substantial part of new trade investments in means of transportation, machines and equipment was leased through the member companies in 2006. Within car financing, the member companies have traditionally had a strong position which was further strengthened through the year. The growth within factoring implies that more people have opened their eyes for the product as an active part of the company's financial strategy. The international credit cards are increasing in both numbers and use, either it being on journeys abroad, purchases of goods and services in Norway or in connection with the constantly increasing Internet shopping.

Norway is without a doubt in a high business activity, and the member companies have been good at taking advantage of the increasing demand and get out the products' attractiveness in competition with traditional banking products. It is natural to ask questions about if the growth will persist. Will the increased interest level reduce the investment lust and the optimism? Will the workforce scarcity and increased wage demands weaken the company's competitiveness towards foreign countries and contribute to Norway running on a lower gear in the time coming?

After seven lucrative years with volume growth and steady profit performance, there are no strong signals on the membership companies being at the start of seven scanty ones. The admission pace into 2007 is good with continued sales growth and low losses. The rise in interest and the strong competition in the market contributes, however, to forced margins and increases the significance of the off-balance incomes. The nearness to the customers gives the basis for development of effective and user-friendly services and contributes to continued profitability and market attractiveness.

The work within the EU with creating a European financial market will be completed within few years. Norway will with their EEA agreement be a part of this inner market, and the transboundary competition in the finance industry will be more direct and noticeable. Increasingly more of the member companies get owners outside of Scandinavia, and it will be important that the authorities carry the European perspective in the shaping of the Norwegian framework conditions. The Association of Norwegian Finance Houses will through different channels work actively with securing equal conditions of competition and secure the member companies' opportunities to offer the clients competitive solutions in the years to come.

Back home, it will be important to continue the work on securing good framework conditions for the member companies and contribute to businesses and households getting benefits from the member companies' services.

SINTEF (The Foundation for Scientific and Industrial Research) recently went through with a member survey on a mission from the association to secure that the association's strategy is in accordance with the member companies' wishes. The survey shows satisfaction among the members and supports the plan of action which is the basis for the association's activity.

2007 will be an exciting year where our member companies will continue to take active part in the businesses' and the household's weekday and strengthen their position as financing partner. We want to thank the member companies for a well consistent working year, in certainty of them being well-equipped for making the most of what the New Year will bring.



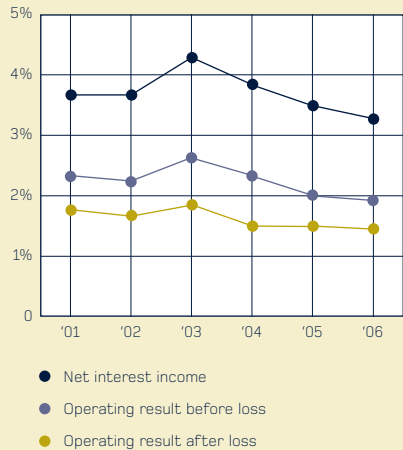
A handwritten signature in black ink that reads "Anne-Lise Løfsgaard". The signature is fluid and cursive, with a long, sweeping tail on the final letter.

Anne-Lise Løfsgaard
Managing Director

Member companies' activity 2006

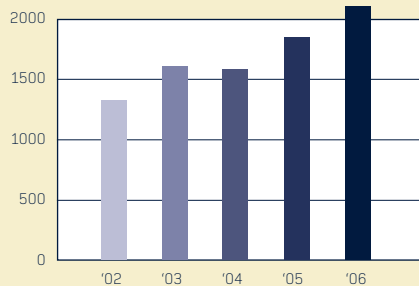
Net interest income and operating result

In percent of average bank total assets for the member companies

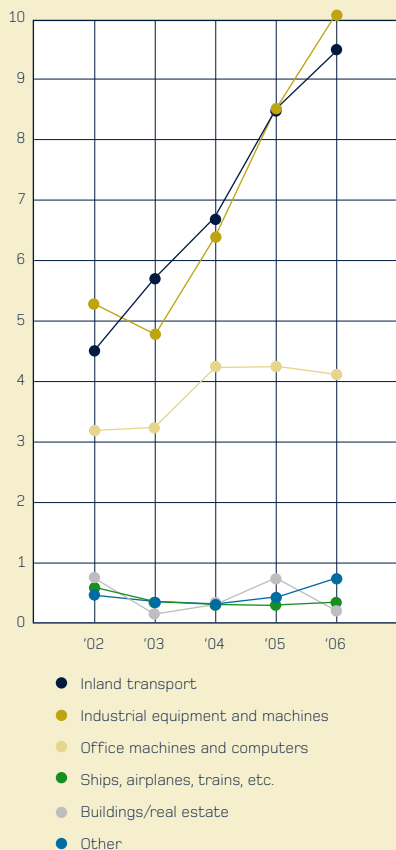


Turnover from ordinary activities

Operating result after loss (million NOK)



New leasing investments Billion NOK



The membership companies achieved very good sales volumes within all product areas in 2006 as well. With a calculated growth in the bank total assets of 18 per cent, for another year, the companies were able to utilize the propensity to invest in the industry in a greater degree than other financial institution. The funding situation and strong competition over the clients led to a somewhat weak interest margin, but the member companies were able to maintain satisfactory profitability in 2006 through low losses.

Main features

Satisfactory profitability

With a collected trading result before taxes on NOK 2.2 billion, 2006 became another good year for the member companies. The turnover amounted to 1.63 per cent of average bank total assets (GFK) compared to 1.69 per cent the year before.

The market for finance companies is complex, and it is therefore great variations between single companies both when it comes to turnover and valance. The member countries got collectively relatively seen the best earning of all groups of financial institutions in 2006.

Lower losses

Recorded losses on loans showed a clear decline from last year, and amounted to 0.26 per cent of GFK for 2006. The loss size is considered to be on a reasonable level for the member companies. Gross breached loans amounted to, as per The Financial Supervisory Authority, 1.8 per cent of gross loans for finance companies, compared to 2.1 per cent by the end of 2005.

Increased bank total assets and reasuring solidity

The member companies grew by 18 per cent through 2006 compared to 21 per cent the year before. Collected bank total assets amounted to NOK 140 billion by the end of the year. In spite of the strong growth, the member companies have maintained their solidity measured by liable capital. The average capital cover for member companies were 10.2 per cent by the end of 2006 compared to 9.5 the year before. The authorities' minimum requirement is 8 per cent.

Leasing

Investment lust and historically high level

Leasing of new business assets grew by 12 per cent and ended up at NOK 31.8 billion compared to NOK 28.3 billion the year before. The growth is primarily due to investment lust in great parts of the trade and the member companies' active promotion of leasing as a source of finance.

The greatest growth came within leasing of industrial equipment and machines, in addition to private cars, while leasing of office machines and computers showed a mild decline - mainly as a consequence of the introduction of new tax rules for home computers. After years of consolidation and absent renewal of business assets, the companies' optimism and investment lust has come back the last few years. The turnover reached a historically high level for leasing investments in 2006.

Industry and service dominates

The member companies' leasing portfolio increased by 17 per cent during 2006 to NOK 65.8 billion and thus carried on the high growth pace from the year before. Industrial equipment and machines amount to 34 per cent of the portfolio, while inland transport and private cars then follow with respectively 28 per cent and 20 per cent. The industry and service trade are the businesses which to the highest extent utilize leasing for financing of business assets.

Great share on leasing

Business investments in means of transport, machines and equipment in Norway amounted to, according to Statistics Norway, NOK 97.6 billion together in 2006 (temporary figures) compared to NOK 88.3 billion the year before.

The member companies leased a total of 31 per cent of these investments, and have therefore a solid position as a source of finance for the business. Traditionally, this form of financing has internationally had a stronger position than in Norway, but the development in the past few years show that leasing is chosen as a type of financing to an increasingly great degree among small and large companies.

Car financing

Solid position in the car market

The car sales in 2006 were collectively seen about the same as last year after a hectic end of the year. The tax restructuring from the start of the year led to abnormally many four-wheeled private cars with petrol engines being registered, in addition to big four-wheeled cars in higher price ranges the last weeks of the year.

There were sold 109,164 new private cars in 2006, compared to 109,907 the year before, while the sales of used cars ended up at 238,009 units in 2006, compared to 364,214 the year before. The amount of imported used cars carried on the moderate growth from the year before and ended up at 32,990 cars for 2006.

The member companies financed 45,759 (32 per cent) new and imported used cars and 69,672 used cars (19 per cent) in 2006. The member companies had car administrative solutions for companies at 33,119 cars by the end of 2006, compared to 29,624 cars the year before.

More people lease cars privately

The leasing of private cars carried on the pronounced growth from the year before and ended up at historically high NOK 6.8 billion. Almost every fifth leasing of private cars had in 2006 a private individual as a customer. In 2006, the association activated the work on preparing an own standard agreement which regulates private rental of cars through the member companies (read further under «Relevant problems»).

Car financing grows further

Both companies and private individuals choose to finance cars by loans through the member companies, and the car finances are secured in high degree through security for unpaid purchase. In 2006, the private market amounted to 71 per cent of the loan volume for cars.

The growth in new car finances through member companies continued in 2006 and ended up on 17 per cent for the year. With a collected car financing volume at NOK 21.8 billion, the member companies consolidate their dominating position as lender in the car market.

The increase in car financing through member companies came to a high degree as a consequence of continued optimism and investment lust among the households, as well as the companies were able to utilize their distribution channels more effectively.

Factoring

The trend continues

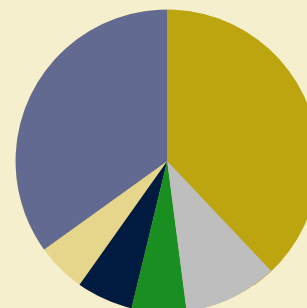
Factoring kept on the good development from the last few years with an increase in turnover at 19 per cent to NOK 91.7 billion compared to NOK 76.8 billion the year before. The amount of invoices increased in the same period by 4 per cent, while the lenders increased by a whole 62 per cent and amounted to NOK 7.6 billion by the end of the year. The strong growth of loans is due to increased focus on bloc factoring with leading actors, but also new companies' choice of factoring as their source of finance, in addition to increased turnover and credit requirement with existing customers.

Inside several business sectors

Companies within several business sectors choose factoring, and the knowledge about the product increases among finance managers and general managers. What companies who choose factoring have in common is that they sell their goods and services on credit and mainly to others in trade. Many of the companies operate in their own

New leasing investments

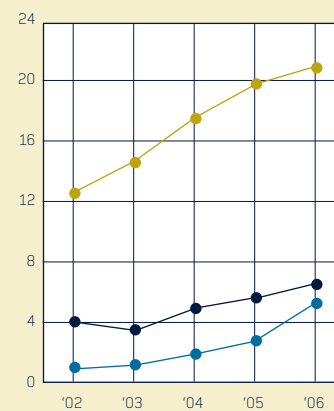
Divided after business



- Industry
- Service industry
- Other
- Consumers
- Primary industry
- State and local government

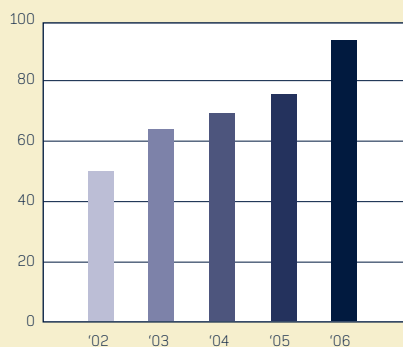
Car financing

New investments billion NOK

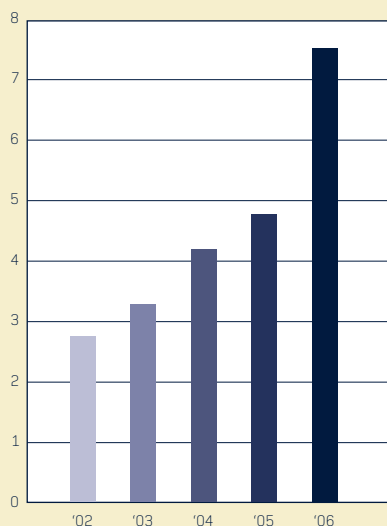


- Leasing of private cars
- Car financing
- Remaining loans

Factoring sales Billion NOK

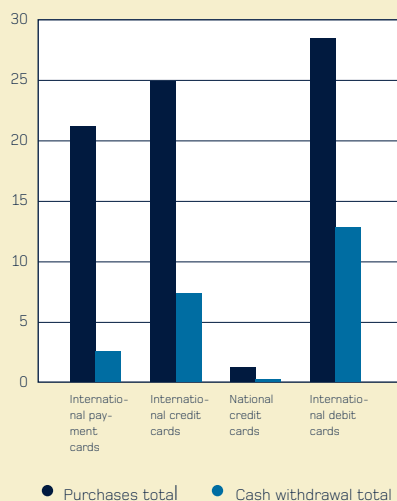


Factoring loan Billion NOK



Cards, distribution turnover

Purchases/cash withdrawal 2006 (Billion NOK)



country, but also import and export companies choose to use the factoring companies' services.

Factoring online

The web based solutions that the factoring companies offer has had good reception with the companies and gives increased efficiency. It is expected that active sales work and increased knowledge about the factoring product will increase the demand further and contribute to continued growth in the time coming.

Credit cards and payment cards

Continued growth for international credit cards

By the end of 2006 there were 4.1 million international and national payment cards and credit cards in Norway, compared to 3.5 million the year before. The international credit cards stand for the greatest growth this time as well, while national credit cards has dropped further after last year's decline. Over 4 million international debit cards (direct deduction from account) are also in Norwegian hands and there are new cards issued all the time.

The international payment cards and credit cards represented 39 per cent of the amount of cards issued by the end of 2006. With a turnover at NOK 56.6 billion they stood for 57 per cent of the total turnover.

The international credit cards had an increase in turnover at 30 per cent compared to the year before and an increase of 29 per cent in the amount of transactions. The strong growth is, among others, due to increasing online shopping and increased introductory sales of international credit cards as a part of the banks' customer programs. Besides, a number of national credit cards have been reversed to international credit cards.

The average transaction for international credit cards and payment cards are approximately unaltered from the year before. Among the international payment

cards, 35 per cent of the turnover was linked to companies.

The corporate market stood for 16 per cent of the turnover from international and domestic payment cards and credit cards, in addition to international debit cards. Many of the international payment cards in retail banking still seem to be used in work relation to a substantial degree.

National credit cards

The national credit cards showed decrease in turnover as well as in amount of transactions in 2006 compared to the year before. The customers' wishes for flexible cards with international payment carriers seem to be one of the reasons for the development. The average transaction increased by 6 per cent to NOK 1,905 and is with that almost the double as for international payment cards and credit cards.

The national credit cards have traditionally seen had an even spread between cash withdrawals and purchases compared to the international payment cards and credit cards where the share of cash withdrawals is modest. Meanwhile, the turnover tied to cash withdrawals were further reduced from the year before and amounted to only 21 per cent of the turnover from 2006. The share of cash withdrawals for the international debit cards kept in line with the year before and ended up at 32 per cent.

Loans flatten

More cards and more transactions led collectively to outstanding loan volume for payment cards and credit cards increasing by 4 per cent compared to the year before and amounted to NOK 20.5 billion for 2006. The moderate growth is mainly due to customers paying their loans faster than before; at the same time as the banks' frame loans in an increasing degree are an alternative to card loans and blanco loans.

Other loans without security ended up at NOK 7.2 billion for 2006. The member companies had a relatively great discount percentage on unsecured credit through the year. The share of breached and non-performing, short-based loans amounted to

5.2 per cent of the loan volume at the end of the year. The association has expressed the necessity of having a general debt register to secure a reasonable loss level in the years to come as well.

Possibilities through technology

The payment system in Norway and internationally is going in the direction of increased use of card-based, electronic transactions. The technological development also gives the possibilities for card-based services. The interface towards actors outside the traditional financial area will therefore be an important problem to be addressed in the future and gives expectations of good prospects for the card-business in the time coming.

Future prospects

Norwegian economy is in a high business activity which is expected to continue through 2007, but with a lower growth pace than in the year before. The interest level is expected to steadily increase through the year and will to a certain degree contribute to lower the optimism and investment will among the households and the companies. The development in Norwegian rate of exchange and the competitiveness of the industry will also indirectly characterize the demand for the member companies' products.

The households' credit growth was kept steadily high through 2006 while the companies increased collectively seen the pace of provision of new money considerably. This development is expected to continue in 2007.

The member companies have been good at financing a substantial part of the investments and delivered solid sales volumes and a collected profitability well over the other financial institutions in 2006. The expected rise in interest will together with increasing competition in the market put pressure on the member companies' profitability. The loss development and the share of non-performing loans is still at a reasonable level, and it is expected that

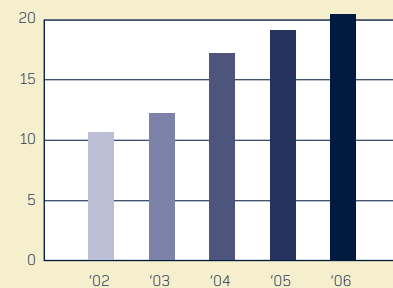
2007 collectively seen will be another good year for the member companies.

Norway's relationship to the EU as a market will also characterize the development for the member companies. Groups of customers' access and competitiveness in this important market will affect investment will and ability. Over half of the member companies measured in loan volume now have foreign owners, and it will be important that the authorities have a European perspective in the shaping of future framework conditions which secure possibilities for offering the customers competitive solutions. The association has an important role in influencing this development.

The technological development continues and has already led to new and easier customer solutions and more rational production processes. It seems that administrative supplementary services within different product areas to an increasing degree appeal to customer groups that wish to concentrate on their core business. Increasing willingness to pay within this area will give better solutions and strong ties between customers and collaborating partners in the years to come.

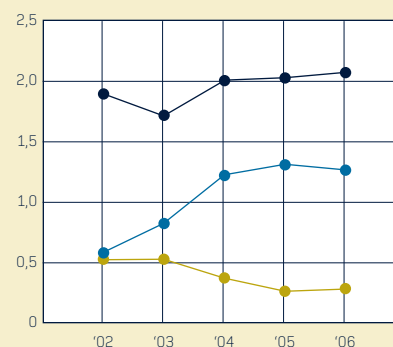
Credit cards and payment cards

Outstanding loan volume (billion NOK)



Profit development in the financial institutions

Result from ordinary activities before taxes in per cent of average bank total assets



- Finance companies
- Commercial banks and savings banks
- Mortgage companies

The statistic basis for the Commercial banks and savings banks are altered by the numbers involving «all Norwegian banks» for 2002 and 2003. The figures for 2006 are temporary and involves for the finance companies both foreign branches and Norwegian companies.

Source: Financial Supervisory Authority of Norway

The year in brief outline

January

The new bookkeeping rules which were introduced in 2005 become obligatory and imply, among other things, an enforcement of rules for the contents of bills of sale and dispatches.

February

Active period of courses in the spring and autumn with more relevant courses in the association's management for new employees and experienced co-workers in the member companies.

March

The member companies' annual reports for 2005 collectively show, once again, good sales and considerably higher earnings than for other groups of financing institutions. FactoNor AS changes its name to Glitnir Factoring AS.

May

The association's annual meeting is held in Bergen. Erik Kongelf, Managing Director of Santander Consumer Bank AS, is re-elected as the chairman of the Board.

July

Basel II is carried out in the EU through two new directives which deals with access to pick up and practice business as credit institution and the demands for investment companies and credit institutions capital base. The set of rules implies, for one thing, that a new capital requirement for operational risk is introduced.

September

The association publishes its own theme newspaper about leasing and factoring as a supplement to Dagens Næringsliv (302 000 readers on a daily basis, 177 000 of these are leaders and decision makers).

Svea Finans NUF is admitted as a member of The Association of Norwegian Finance Houses and The Finance Companies' Service Office. The company is a branch of Svea Ekonomi AB. The association decides to bring about a member survey to secure that the association's strategy is in line with the member companies' wishes.

October

The association activates work with a pattern agreement for private rental for the member companies with basis in the standard agreement for general car leasing and the agreement about conditions which were achieved between Toyota and the consumer ombudsman.

November

The international section among Norwegian finance companies is increasing and amount to around 70 per cent in relation to gross loans.

December

The association's Managing Director is appointed as member of the banking law commission. Norway implements the parts of the Basel II regulations which affect capital backing through a new regulation. The regulation comes into force 1 January 2007 with rules of transition until 31 December 2007. The new bookkeeping rules become adapted to a larger extent to the practical needs for the line of business. 2006 seems to be another good year for the finance companies.

The association in brief

The Association of Norwegian Finance Houses is a trade association for finance companies which do business in Norway. Members can be finance companies or other financial institutions with a license in Norway, doing business within the areas of leasing, factoring, loans with security for unpaid purchase, credit cards, payment cards, charge cards and other consumer financing.

The association is also in the position to

admit branches of foreign finance companies established in Norway or other financial institutions that do business within these areas. If the business is to be admitted as a member, it is a premise that the it is under supervision by The Financial Supervisory Authority or an equivalent authority abroad and is subject to equity capital and public accounts.

The association covers approximately 90 % of the market and had 36 members at the end

of the year - 26 finance companies and 10 branches of foreign credit institutions. The association attends to the members' interests towards the authorities and is the body entitled to comment for bills which affect the companies' business. The members receive assistance in a legal, accounting, administrative and international character. The association is a member of the European organizations Eurofinans and Leaseurope and also The Norwegian Financial Services Association.

The organization of the association

Board members

Chairman:	Erik Kongelf	(Managing Director Santander Consumer Bank AS)
Deputy chairman:	Sjur Loen	(Managing Director Nordea Finans Norge AS)
	Stein Ove Steffensen	(Managing Director DnB NOR Finans AS)
	Bjørn Tore Westby	(Managing Director DnB NOR Kort)
	Carsten Thorne	(Managing Director SG Finans AS)
	Heidi Skaaret	(Managing Director IKANO Finans AS)

Deputy board members

Jan Rune Hurlen	(Managing Director Glitnir Factoring AS)
Tore Tajet	(Managing Director Møller BilFinans AS)
Øyvind Thomassen	(Managing Director Skandiabanken Bilfinans AS)

Nominating committee

Olav Hasund	(Director Santander Consumer Bank AS)
Reidun Korsnes	(Director DnB NOR Finans AS)
Tore Haugstvedt	(Director Nordea Finans Norge AS)

Deputy member

Jan Juliussen	(Director SG Finans AS)
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Administration

Anne-Lise Løfsgaard	(Managing Director)
Jan Fr. Haraldsen	(Director)
Torill Alsaker	(Consultant)



Members pr. mars 2007

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BB Finans ASA	P.O.Box 103 – Minde, 5821 BERGEN	+47 55 27 40 00	+47 55 27 40 01	www.bbf.no
Citibank International plc. Norway Branch	P.O.Box 769 Sentrum, 0106 OSLO	+47 23 35 75 00	+47 23 35 75 50	www.citibank.no
De Lage Landen Finans Norge	P.O.Box 184, 1325 LYSAKER	+47 67 11 41 80	+47 67 11 41 81	www.delagelanden.com
DnB NOR Finans AS	P.O.Box 7125, 5020 BERGEN	+47 56 12 85 00	+47 56 12 80 97	www.dnbnorfinans.no
DnB NOR Kort	0021 OSLO	+47 0300	+47 24 07 21 00	www.dnbnor.no
Diners Club Norge AS	P.O.Box 203 Skøyen, 0213 OSLO	+47 21 01 50 00	+47 21 01 50 50	www.diners.no
EnterCard Norge AS	P.O.Box 6783 St. Olavs plass, 0130 OSLO	+47 21 31 66 00	+47 21 31 66 01	www.entercard.no
Europay Norge AS	P.O.Box 382 Skøyen, 0213 OSLO	+47 21 01 55 00	+47 21 01 55 50	www.eurocard.no
FCE Bank NUF	P.O.Box 514, 1411 KOLBOTN	+47 66 99 70 70	+47 66 99 70 50	www.ford.no
Glitnir Factoring AS	P.O.Box 1347 Sentrum, 6001 ÅLESUND	+47 70 11 36 00	+47 70 11 36 80	www.glitnir.no
AS Financiering	P.O.Box 7203 Majorstua, 0307 OSLO	+47 22 59 14 00	+47 22 69 35 40	www.financiering.no
GE Capital Solutions AS	P.O.Box 594 Skøyen, 0214 OSLO	+47 81 55 91 90	+47 21 00 96 01	www.gefin.com
GE Money Bilfinans AS	P.O.Box 8060, 4068 STAVANGER	+47 51 83 64 25	+47 51 83 64 10	www.gebilfinans.no
Handelsbanken Finans	P.O.Box 1342 Vika, 0113 OSLO	+47 22 94 07 00	+47 22 33 24 12	www.handelsbanken.no
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SpareBank 1 SR-Finans AS	P.O.Box 114, 4065 STAVANGER	+47 51 95 65 00	+47 51 44 48 82	www.sr-finans.no
Sparebanken Sogn og Fjordane	P.O.Box 113, 6801 FØRDE	+47 57 82 97 00	+47 57 82 97 05	www.fylkesbanken.no
Svea Finans	P.O.Box 6601 Etterstad, 0607 OSLO	+47 21 54 24 00	+47 21 54 24 01	www.sveafinans.no
Teller AS	P.O.Box 333 Skøyen, 0213 OSLO	+47 815 00 400	+47 815 00 401	www.teller.no
Terra Finans AS	P.O.Box 2349 Solli, 0201 OSLO	+47 22 87 81 00	+47 22 87 80 70	www.terra.no
Toyota Kreditbank GmbH NUF	P.O.Box 704, 3003 DRAMMEN	+47 32 20 84 00	+47 32 20 84 50	www.toyotafinans.no