Storebrand Bank ASA

Quarterly Report
4th Quarter of 2005

Headquarters:
Filipstad Brygge 1, Postboks 1693 Vika, 0120 Oslo
Tlf.: 22 31 50 50
Fax: 23 23 51 08
E-mail: bank@storebrand.no
Internet: www.storebrand.no

storebrand

Storebrand Bank Group

- results for Q4 2005 in accordance with IFRS

(Figures for the corresponding period in 2004 shown in brackets)

- **Storebrand Bank Group reported a pre-tax profit of NOK 59 million for Q4**
- **Net income from loan loss provisions of NOK 15 million in Q4**
- **Gross lending increased by NOK 1,175 million in the quarter**
- **Reduction in defaulted and loss-exposed loans**
- **For the year as a hole, the bank reported a pre-tax profit of NOK 241 million**

Storebrand Bank ASA's consolidated accounts for the fourth quarter of 2005 are presented in accordance with the International Financial Reporting Standards (IFRS) approved by the European Union. The quarterly accounts are in accordance with the requirements of IAS 34 for interim accounts. The effects of the transition to IFRS are described in the notes to the accounts below.

Storebrand Bank Group reported ordinary operating profit for Q4 of NOK 43 million (NOK 22 million) before loan loss provisions and gains/losses on other financial items. After a net credit of NOK 15 million for write-backs of loan loss provisions and write-downs of financial assets, pre-tax profit for Q4 was NOK 59 million (NOK 54 million).

For the year as a whole, the bank reported a pre-tax profit of NOK 241 million (NOK 121 million).

Net interest income amounted to NOK 113 million in Q4 (NOK 114 million). This represents an interest margin calculated on average total assets of 1.55% (1.71%). The improvement in interest margin from Q3 to Q4 reflects increased income on a particular lending case. In more general terms, increased market competition created accelerating pressure on the bank's interest margin over the course of 2005. This effect is expected to continue in 2006, and the bank intends to maintain competitive pricing on its products and further increase its total assets.

Operating expenses amounted to NOK 97 million in Q4 (NOK 80 million). The cost level is acceptable, but the bank intends to further reduce costs relative to its total assets.

Changes in loan loss provisions in Q4 resulted in a net write-back of NOK 15 million. This is due to a number of changes in the volume and value of loans with identified losses. Gross non-performing and loss-exposed loans totalled NOK 754 million at 31 December 2005, a reduction of NOK 96 million from the previous quarter. The bank's loan loss provisions totalled NOK 479 million at the end of the year, of which grouped provisions accounted for NOK 89 million. This represents a level of provisioning relative to non-performing and loss-exposed loans of 61%, which is slightly higher than at the close of Q3.

The bank's assets totalled NOK 29 billion at the close of the year. Gross lending increased by NOK 1,175 million in Q4, of which lending to retail clients represented NOK 740 million and commercial lending NOK 435 million. The deposit-to-loan ratio fell slightly in Q4 to 42% at 31 December 2005. Following its launch of free banking in May, Storebrand Bank has seen a very satisfactory increase in the number of accounts opened. The bank's net primary capital amounted to NOK 2.0 billion at 31 December 2005. At the end of the year the bank's capital ratio was 10.4% and its core capital ratio was 8.2%.

Transition to IFRS

With effect from 1 January 2005 all stock exchange listed companies in the European Union are required to publish quarterly and annual accounts in accordance with the International Financial Reporting Standards (IFRS). For Storebrand Bank ASA, which only has bonds listed on the Oslo Stock Exchange, the IFRS requirement does not take effect until 2007. However the bank can opt to prepare group accounts in accordance with IFRS from 2005. As yet banks and financial institutions are not allowed to fully apply IFRS to company accounts. Storebrand Bank has decided to prepare and publish group and parent bank accounts in accordance with IFRS from 1 January 2005. Additionally, separate quarterly accounts have been prepared in accordance with Norwegian GAAP for the parent bank.

Restating the opening balance as at 1 January 2004 in accordance with IFRS has reduced the group's reported equity by NOK 61.4 million. Restating the balance sheet at 31 December 2004 in accordance with IFRS reduced the group's equity by NOK 8.3 million. Restated profit after tax is reduced by NOK 3.3 million for 2004. Restating the opening balance as at 1 January 2005 in accordance with the international accounting standard for financial instruments (IAS 39) has reduced the group's equity by NOK 5.0 million and is primarily related to loan loss provisions and structured products (synthetic financial instruments).

PROFIT AND LOSS ACCOUNT

NOK million	GROUP 01.01.05 - 31.12.05	GROUP 01.01.04 - 31.12.04	PARENT BANK 01.01.05 - 31.12.05	PARENT BANK 01.01.04 - 31.12.04
Interest income	1 036,4	1 184,2	1 036,4	1 076,7
Interest expense	-585,8	-740,4	-586,4	-665,1
Net interest income	**450,6**	**443,8**	**450,0**	**411,6**
Total dividends and other income from securities with a variable return	6,5	7,7	6,5	5,5
Commission income	43,8	62,2	43,8	45,5
Commission expenses	-15,1	-20,1	-15,1	-16,0
Net gain/loss on foreign exchange and securities held as current assets	29,2	17,9	29,2	10,4
Other operating income	37,9	174,6	55,0	172,6
Total other operating income	**102,4**	**242,3**	**119,4**	**218,0**
Staff costs and general administration expenses	-164,8	-401,4	-155,1	-358,2
Depreciation of fixed and intangible assets	-15,9	-16,8	-15,8	-15,7
Other operating expenses	-165,6	-154,7	-164,2	-143,1
Total non-interest expenses	**-346,3**	**-572,9**	**-335,1**	**-517,0**
Operating profit before losses and other items	**206,6**	**113,2**	**234,3**	**112,6**
Loan losses and provisions	34,4	7,4	34,0	3,7
Profit before tax	**241,1**	**120,7**	**268,2**	**116,3**
Tax	-47,0	-48,7	-46,0	-58,2
Minority interest	0,0	0,0	0,0	0,0
Profit after tax	**194,1**	**72,0**	**222,2**	**58,1**

BALANCE SHEET

NOK million	GROUP 31.12.05	GROUP 31.12.04	PARENT BANK 31.12.05	PARENT BANK 31.12.04
Cash and deposits with central banks	423,9	531,3	423,9	490,7
Loans to and receivables from credit institutions	41,7	179,2	41,7	164,8
Gross loans to customers	26 757,7	24 046,8	26 814,3	23 255,6
- individual impairment loan loss provisions	-389,6	-379,0	-424,2	-407,2
- collective impairment loan loss provisions	-89,2	-194,3	-89,2	-194,3
Net loans to customers	**26 278,8**	**23 473,5**	**26 300,9**	**22 654,2**
Commercial paper, bonds and fixed-income securities	1 703,1	2 032,6	1 703,1	1 982,1
Shares, other equity inv. and other securities with a variable return	8,8	52,5	8,8	12,5
Shareholdings in associated companies	38,3	37,9	38,3	37,9
Shareholdings in group companies	0,0	0,0	35,3	241,7
Intangible assets	250,8	302,6	250,8	279,1
Fixed assets	10,1	15,7	9,9	12,7
Other assets	557,4	544,0	530,8	468,2
Prepaid expenses and accrued income	143,0	131,0	143,0	124,2
Total Assets	**29 455,9**	**27 300,4**	**29 486,6**	**26 468,1**
Debt to credit institutions	1 464,6	2 151,8	1 464,6	2 102,0
Deposits from and due to customers	11 187,0	11 463,0	11 220,5	10 735,1
Securities issued	13 657,2	10 233,6	13 657,2	10 233,6
Other debt	550,0	539,7	548,7	496,3
Accrued expenses and prepaid income	119,6	177,5	119,4	176,3
Provisions for accrued commitments and expenses	106,2	100,8	105,3	98,6
Subordinated loan capital	658,9	652,7	658,9	652,7
Total Liabilities	**27 743,4**	**25 319,1**	**27 774,5**	**24 494,6**
Paid-in share capital	916,6	1 315,9	916,6	1 315,9
Accrued reserves	792,9	664,6	795,5	657,6
Minority interests	3,0	0,8	0,0	0,0
Total Equity	**1 712,5**	**1 981,3**	**1 712,1**	**1 973,5**
Total Liabilities and Equity	**29 455,9**	**27 300,4**	**29 486,6**	**26 468,1**

Parent bank's numbers in the profit and loss account, balance sheet, cash flow analysis and notes are pro forma IFRS numbers. Commercial banks are not permitted to apply IFRS in their company accounts, but pro forma IFRS numbers have been prepared for the sake of comparison. Comparable numbers for earlier periods have been restated in accordance with IFRS with the exception of items relating to IAS 39 which are exempted from the requirement of comparable figures for 1 year.
IAS 39 principally applies to items connected with lending/loan losses, securities and other financial instruments. Separate interim accounts in accordance with Norwegian GAAP have been prepared for the parent company Storebrand Bank ASA.

ANALYSIS OF CASH FLOW

	GROUP		PARENT BANK	
NOK million	31.12.05	31.12.04	31.12.05	31.12.04
Cash flow from operations				
Net receipts/payments of interest, commission and fees from customers	534,1	841,9	543,8	788,9
Net disbursement/payments on customer loans	-2 600,6	-1 508,4	-3 442,6	-1 708,6
Net receipts/payments of deposits from banking customers	-963,2	-1 957,4	-152,1	-1 896,6
Net receipts/payments on other operational activities	84,3	-576,2	149,1	-521,1
Net cash flow from operational activities	**-2 945,4**	**-3 200,1**	**-2 901,8**	**-3 337,4**
Cash flow from investment activities				
Net receipts from sale of subsidiaries	250,1	0,0	250,1	-4,4
Net payments on purchase/sale of fixed assets etc.	12,6	64,4	9,7	19,4
Net cash flow from investment activities	**262,7**	**64,4**	**259,8**	**15,0**
Cash flow from financing activities				
Net receipts/payment from borrowing	3 036,3	3 612,0	3 036,2	3 788,7
Dividend/group contribution payments	-61,7	0,0	-61,7	0,0
Paid back share capital	-399,3	0,0	-399,3	0,0
Net cash flow from financing activities	**2 575,3**	**3 612,0**	**2 575,2**	**3 788,7**
Net cash flow in period	**-107,4**	**476,3**	**-66,8**	**466,3**
Cash and cash equivalent assets at the start of the period	531,3	55,0	490,7	24,4
Cash and cash equivalent assets at the end of the period	**423,9**	**531,3**	**423,9**	**490,7**

Notes to the accounts

Note 1 Interim accounts in accordance with EU approved IFRS standards.

Storebrand Bank ASA's consolidated interim accounts for 2005 are presented in accordance with the International Financial Reporting Standards (IFRS) approved by the European Union. The quarterly accounts are in accordance with the requirements of IAS 34 for interim accounts.

In preparing the quarterly accounts, Storebrand Bank has used assumptions and estimates that affect reported figures related to assets, liabilities, revenues and costs, as well as the information on contingent liabilities. Future events may cause the estimates to change.

Note 2 Changes to comparable historic figures and changes to accounting principles

Comparable figures for 2004 have been restated in accordance with IFRS with the exception of items accounted for in accordance with IAS 39 on accounting for financial instruments. IAS 39 has been applied for the period 1 January 2005 to 31 December 2005. This is in accordance with the IFRS transition rules.

The transition to IFRS has caused changes from the accounting standards and principles on which the official annual accounts for 2004 were based. The following sections provide information on the most significant changes caused by IFRS.

Interest income and expense

Interest income and expense are recognised in the income statement measured at amortised cost using the effective interest method.

Loan loss provisions

Where there is objective evidence that the value of an individual loan has fallen, IAS 39 requires that the loan is valued at the discounted value of future cash flows. This discounting effect has not previously been applied. The reduction in the discounting effect on a loan as the cash flow moves closer in time will be recognised as interest income, and will have a positive effect on future net interest income.

The bank will not be permitted to maintain general loan loss provisions in the way they have been calculated up to and including 2004. However, groups of loans can be valued together for the calculation of loan loss provisions if certain criteria are satisfied. The valuation of groups of loans must also be based on objective evidence.

Structured products – synthetic financial instruments

The bank's treatment of equity linked bonds up to and including 2004 has been to recognise net commissions and fees earned at the time of issue. IAS 39 requires that bonds issued should be recognised at amortised cost using the effective yield method, and this means that all cash flows related to the loan are amortised over its life. Relative to the previous accounting treatment, the implementation of this change reduces the income recognised at the time such bonds are issued, but also causes a reduction in interest expense in future periods.

Hedge accounting and use of actual values for derivatives and investment assets

The bank makes extensive use of interest-rate derivatives to hedge most of its net interest rate exposure. Unrealised gains and losses on interest rate derivatives were not shown in the balance sheet up to and including 2004. IAS 39 requires that derivatives are recognised at actual value, and hedge accounting can only be applied if strict conditions on the effectiveness of hedging transactions and their documentation are satisfied. Hedge accounting has been applied from 1 January 2005.

IAS 39 also caused some changes to the bank's previous approach to valuing certain investment in shares, which together with other items must now be valued at actual value.

Pensions

The effect of adopting IAS 19 relates mainly to the accounting treatment of deviations from estimates at 1 January 2004 and the discount rate used.

IAS 19 requires that the discount rate used to calculate pension liabilities is equivalent to the risk-free return over the average remaining period. The discount rates applied in accordance with IFRS and the rate used in the official annual accounts are as follows:

	IFRS	Actual
1 January 2004	5.2 %	7.0 %
31 December 2004	4.7 %	6.5 %

Charging the deviation from estimates directly to equity and the change in the discount rate caused an increase in pension liabilities.

Note 3 Further on IFRS implementation effects

Restating the opening balance as at 1 January 2004 in accordance with IFRS has reduced the group's reported equity by NOK 61.4 million. Restating the balance sheet at 31 December 2004 in accordance with IFRS reduced the group's equity by NOK 8.3 million. Restated profit after tax is reduced by NOK 3.3 million for 2004. Restating the opening balance as at 1 January 2005 in accordance with the international accounting standard for financial instruments (IAS 39) has reduced the group's equity by NOK 5.0 million and is primarily related to loan loss provisions and structured products (synthetic financial instruments).

Loan loss provisions

Where there is objective evidence that the value of an individual loan has fallen, IAS 39 requires that the loan is valued at the discounted value of future cash flows. This discounting effect has not previously been applied, and provides the basis to increase specific loan loss provisions/loan write-downs by just over NOK 30 million at 1 January 2005. The reduction in the discounting effect on a loan as the cash flow moves closer in time will be recognised as interest income, and will have a positive effect on future net interest income.

The bank will not be permitted to maintain general loan loss provisions in the way they have been calculated up to and including 2004. However, groups of loans can be valued together for the calculation of loan loss provisions if certain criteria are satisfied. The valuation of groups of loans must also be based on objective evidence. The change from the current general loan loss provisions to provisions for groups of loans based on the criteria required by IAS 39 increases equity by NOK 78 million before tax at 1 January 2005.

Structured products – synthetic financial instruments

The bank's treatment of equity linked bonds up to and including 2004 has been to recognise net commissions and fees earned at the time of issue. IAS 39 requires that bonds issued should be recognised at amortised cost using the effective yield method, and this means that all cash flows related to the loan are amortised over its life. Relative to the previous accounting treatment, the implementation of this change reduces the income recognised at the time such bonds are issued, but also causes a reduction in interest expense in future periods. The implementation of this has caused the bank's equity as at 1 January 2005 to be reduced by NOK 73 million before tax. The negative effect will give a corresponding reduction in interest expense in future periods.

Hedge accounting and use of actual values for derivatives and investment assets

The bank makes extensive use of interest-rate derivatives to hedge most of its net interest rate exposure. Unrealised gains and losses on interest rate derivatives were not shown in the balance sheet up to and including 2004. IAS 39 requires that derivatives are recognised at actual value, and hedge accounting can only be applied if strict conditions on the effectiveness of hedging transactions and their documentation are satisfied. These conditions were satisfied at 1 January 2005, and hedge accounting has been applied.

Simply put, the principle of hedge accounting is that where the hedging instruments and the item hedged are subject to different valuation rules, the rules applicable to the item hedged can be disregarded in order to permit equivalent treatment to the hedging instrument. The change to recognising derivatives at actual value is expected to have only a minor effect on equity in view of the use of hedge accounting.

Reclassification of provision for dividend

In accordance with IAS 10, which deals with events after the balance sheet date, proposed dividend shall not be treated as a liability until it has been accepted by the Annual General Meeting. This has caused NOK 61.9 million of debt to be reclassified as equity at 31 December 2004.

Pensions

The effect of adopting IAS 19 relates mainly to the accounting treatment of deviations from estimates at 1 January 2004 and the discount rate used. When calculating the pension liability in accordance with IAS 19, the discount rate is equivalent to the risk-free return over the average remaining period.

Charging the deviation from estimates directly to equity and the change in the discount rate caused an increase in pension liabilities at 1 January 2004 of NOK 84.6 million.

The changes have resulted in an increased pension cost for 2004 of NOK 4.6 million and have increased the restated pension liabilities as at 31 December 2004.

There have also been some changes to the bank's approach to valuing certain investment in shares. Together with other items these must now be valued at actual value. This is the reason for the reduction in the group's profit from the sale of Finansbanken AS (Denmark). The changes to these items, together with the changes to derivatives that do not qualify for hedge accounting, increased equity by some NOK 30 million before tax at 1 January 2005.

Reconciliation of Profit and loss account from NGAAP* to IFRS 01.01.2004 - 31.12.2004

NOK million	Income in accordance with NGAAP	Effects on results of impl. of IFRS	Effects on classification of impl. of IFRS	Income in accordance with IFRS
Interest income	1 171,8		12,4	1 184,2
Interest expenses	-744,7		4,3	-740,4
Net interest	**427,1**	**0,0**	**16,7**	**443,8**
Total dividends and other income from securities with a variable retur	7,7			7,7
Commission income	91,5		-29,3	62,2
Commission expenses	-20,1			-20,1
Net gain/loss on foreign exchange and securities held as current assets	20,6			20,6
Other operating income	174,6			174,6
Total non-interest income	**274,3**	**0,0**	**-29,3**	**245,0**
Staff costs and general administration expenses	-403,5	-4,6	6,7	-401,4
Depreciation of fixed and intangible assets	-16,8			-16,8
Other operating expenses	-160,5		5,9	-154,6
Total non-interest expenses	**-580,8**	**-4,6**	**12,6**	**-572,8**
Operating profit before losses and other items	**120,6**	**-4,6**	**0,0**	**116,0**
Loan losses and provisions	7,4			7,4
Profit/losses from other financial assets	-2,7			-2,7
Profit before tax	**125,3**	**-4,6**	**0,0**	**120,7**
Tax	-50,0	1,3		-48,7
Profit after tax	**75,3**	**-3,3**	**0,0**	**72,0**

* NGAAP here means Norwegian generally accepted accounting principles excluding IFRS.

Reconciliation of balance sheet from NGAAP to IFRS opening

NOK million	Balance at 31.12.03/01.01.04			Balance at 31.12.04 / 01.01.2005					
	Balance in accordance with NGAAP	**Balance in accordance with IFRS**	**Effects of impl. of IFRS**	**Balance in accordance with NGAAP**	**Effects of impl. of IFRS**	**Balance in accordance with IFRS**	**Effects of impl. of IAS 39**	**Total Effects of impl.**	**Balance in accordance with IFRS/IAS 39**
Cash and deposits with central banks	55,0	55,0		531,3	0,0	531,3		0,0	531,3
Loans to and receivables from credit institutions	284,4	284,4		179,2	0,0	179,2		0,0	179,2
Gross loans to customers	22 697,1	22 682,0	-15,1	24 051,0	-4,2	24 046,8	108,5	104,3	24 155,3
- individually impairment losses on loans provisions	-527,9	-527,9	0,0	-379,0		-379,0	-122,0	-122,0	-501,0
- collectively impairment losses on loans provisions	-313,4	-313,4	0,0	-194,3		-194,3	78,6	78,6	-115,7
Net loans to costumers	**21 855,8**	**21 840,7**	**-15,1**	**23 477,7**	**-4,2**	**23 473,5**	**65,1**	**60,9**	**23 538,6**
Assets repossessed	169,4	0,0	-169,4	88,2	-88,2	0,0		-88,2	0,0
Short-term debt instr., bonds and other fixed-income securities	2 082,5	2 082,5		2 032,6		2 032,6	7,4	7,4	2 040,0
Shares, other equity inv. and other securities with a variable return	24,6	139,3	114,7	43,0	39,5	82,5	17,5	57,0	100,0
Shareholdings in associated companies	7,2	7,2		7,9		7,9		0,0	7,9
Shareholdings in group companies	0,0	0,0		0,0		0,0		0,0	0,0
Intangible assets	310,1	341,8	31,7	259,4	26,5	285,9	8,9	35,4	294,8
Fixed assets	35,8	94,4	58,6	32,4	40,2	72,6		40,2	72,6
Other assets	438,2	441,5	3,3	393,1	0,3	393,4	72,4	72,7	465,8
Prepaid expenses and accrued income	262,3	258,0	-4,3	148,4	-10,8	137,6		-10,8	137,6
Total Assets	**25 525,3**	**25 544,8**	**19,5**	**27 193,2**	**3,3**	**27 196,4**	**171,3**	**174,5**	**27 367,7**
Debt to credit institutions	3 211,3	3 211,3		2 151,8	0,0	2 151,8		0,0	2 151,8
Deposits from and due to customers	12 362,4	12 360,9	-1,5	11 475,6	-12,6	11 463,0		-12,6	11 463,0
Securities issued	6 853,3	6 853,3		10 233,6	0,0	10 233,6	165,4	165,4	10 399,0
Other debt	462,0	462,8	0,8	526,8	-61,5	465,3	-0,1	-61,6	465,2
Accrued expenses and prepaid income	207,4	207,9	0,5	146,8	1,2	148,0		1,2	148,0
Provisions for accrued commitments and expenses	38,5	119,6	81,1	21,6	79,2	100,8		79,2	100,8
Subordinated loan capital	421,1	421,1		652,7	0,0	652,7	11,3	11,3	664,0
Total Liabilities	**23 556,0**	**23 636,9**	**80,9**	**25 208,9**	**6,2**	**25 215,1**	**176,6**	**182,8**	**25 391,7**
Paid-in share capital	2 030,4	2 030,4		1 315,9	0,0	1 315,9			1 315,9
Accrued reserves	-61,1	-122,5	-61,4	668,4	-3,0	665,4	-5,3	-8,3	660,1
Total Equity	**1 969,3**	**1 907,9**	**-61,4**	**1 984,3**	**-3,0**	**1 981,3**	**-5,3**	**-8,3**	**1 976,0**
Total Liabilities and Equity	**25 525,3**	**25 544,8**	**19,5**	**27 193,2**	**3,3**	**27 196,4**	**171,3**	**174,5**	**27 367,7**

The effects of the changes in accounting principles on the bank's equity for comparable figures as at 31 December 2004

Changes in equity in connection with the implementation of IFRS

NOK million	**31.12.04**
Equity according to NGAAP	1 984,3
Pensions	-90,1
Deferred tax	25,2
Write-back of provisions for dividend	61,7
Write-back of provisions for group contribution	0,2
Equity according to IFRS	**1 981,3**

Note 4 KEY FIGURES

NOK million and percentage	GROUP 31.12.05	GROUP 31.12.04	PARENT BANK 31.12.05	PARENT BANK 31.12.04
Profit and Loss account: *(as % of avg. total assets)*				
Net interest income	1,60 %	1,69 %	1,61 %	1,62 %
Total other operating income	0,36 %	0,92 %	0,43 %	0,86 %
Total operating expenses	-1,23 %	-2,18 %	-1,20 %	-2,04 %
Operating profit before other losses and profits	0,74 %	0,43 %	0,84 %	0,44 %
Ordinary profit before tax	0,86 %	0,46 %	0,96 %	0,46 %
Ordinary profit after tax	0,69 %	0,27 %	0,79 %	0,23 %
Main balance sheet figures				
Total assets	29 455,9	27 300,4	29 486,6	26 468,1
Average total assets	28 080,0	26 281,0	27 960,9	25 401,8
Total lending to customers	26 757,7	24 046,8	26 814,3	23 255,6
Equity	1 712,5	1 981,3	1 712,1	1 973,5
Other key figures				
Total non-interest income as % of total income	18,51 %	35,32 %	20,97 %	34,62 %
Loan losses and provision as % of average total lending	-0,14 %	-0,03 %	-0,14 %	-0,02 %
Costs as % of operating income	62,63 %	83,49 %	58,85 %	82,12 %
Return on equity after tax 1)	10,86 %	3,71 %	12,43 %	2,99 %

Definitions:

1) Annualised profit after tax as % of average equity.

Note 5 CAPITAL ADEQUACY 2)

NOK million and percentage	GROUP 31.12.05	GROUP 31.12.04	PARENT BANK 31.12.05	PARENT BANK 31.12.04
Core capital	**1 528,0**	1 990,1	**1 518,8**	2 005,0
Supplementary capital	**430,5**	379,8	**431,9**	379,7
Net primary capital	**1 958,5**	**2 369,9**	**1 950,7**	**2 384,7**
Total assets, other portfolio	**18 858,8**	17 167,4	**18 889,4**	16 573,2
Total off-balance sheet items, other portfolio	**355,6**	453,2	**355,6**	344,0
Foreign exchange risk and trading portfolio	**9,9**	124,6	**9,9**	32,7
Deduction for loss provisions, revaluation account	**-482,8**	-573,3	**-482,8**	-560,8
Total risk-weighted assets	**18 741,5**	**17 172,0**	**18 772,1**	**16 389,2**
Capital ratio	10,45 %	13,80 %	10,39 %	14,55 %
Excess capital	459,1	996,1	448,9	1 073,6
Core capital ratio	**8,15 %**	**11,59 %**	**8,09 %**	**12,23 %**

2) Key figures based on NGAAP as IFRS regulations are not finalised.

Note 6 QUARTERLY PROFIT AND LOSS

QUARTERLY PROFIT AND LOSS - GROUP

NOK million	Q4 2005	Q3 2005	Q2 2005	Q1 2005	Q4 2004
Interest income	173,9	244,4	256,5	259,7	258,2
Interest expense	-61,1	-138,6	-144,4	-139,8	-143,8
Net interest income	**112,8**	**105,8**	**112,1**	**119,9**	**114,4**
Total dividends and other income from securities with a variable return	0,5	1,8	4,2	0,0	0,6
Commission income	15,4	10,2	9,7	8,6	15,7
Commission expenses	-3,3	-3,4	-4,0	-4,4	-6,6
Net gain/loss on foreign exchange and securities held as current assets	7,8	7,4	3,1	11,0	6,3
Other operating income	6,8	2,6	2,8	25,8	-0,8
Total other operating income	**27,1**	**18,5**	**15,8**	**40,9**	**15,3**
Staff costs and general administration expenses	-45,7	-37,8	-39,4	-41,9	-107,4
Depreciation of fixed and intangible assets	-4,0	-3,8	-4,1	-3,9	-3,9
Other operating expenses	-46,8	-37,9	-38,3	-42,6	3,7
Total non-interest expenses	**-96,5**	**-79,5**	**-81,8**	**-88,4**	**-107,5**
Operating profit before losses and other items	**43,4**	**44,8**	**46,1**	**72,4**	**22,1**
Loan losses and provisions	15,4	-3,0	22,8	-0,7	32,3
Profit before tax	**58,8**	**41,8**	**68,9**	**71,6**	**54,4**
Tax	0,7	-11,7	-8,6	-27,4	-32,6
Minority interests	-0,1	0,1	0,0	0,0	0,0
Profit after tax	**59,4**	**30,2**	**60,3**	**44,2**	**21,8**

QUARTERLY PROFIT AND LOSS - PARENT BANK

NOK million	Q4 2005	Q3 2005	Q2 2005	Q1 2005	Q4 2004
Interest income	173,9	244,4	256,5	259,7	242,8
Interest expense	-61,3	-138,8	-144,5	-139,9	-139,8
Net interest income	**112,6**	**105,6**	**112,0**	**119,8**	**103,0**
Total dividends and other income from securities with a variable return	0,5	1,8	4,2	0,0	0,5
Commission income	15,4	10,2	9,7	8,6	-17,2
Commission expenses	-3,3	-3,4	-4,0	-4,4	-5,6
Net gain/loss on foreign exchange and securities held as current assets	7,8	7,4	3,1	11,0	-2,2
Other operating income	3,8	0,2	0,2	50,7	-1,3
Total other operating income	**24,2**	**16,2**	**13,2**	**65,9**	**-25,8**
Staff costs and general administration expenses	-43,2	-35,7	-37,5	-38,7	-86,3
Depreciation of fixed and intangible assets	-4,0	-3,8	-4,1	-3,9	-3,6
Other operating expenses	-46,7	-37,6	-37,5	-42,5	14,5
Total non-interest expenses	**-93,9**	**-77,1**	**-79,1**	**-85,1**	**-75,4**
Operating profit before losses and other items	**42,9**	**44,7**	**46,1**	**100,6**	**1,8**
Loan losses and provisions	14,9	-3,0	22,8	-0,7	30,8
Profit before tax	**57,8**	**41,7**	**68,9**	**99,9**	**32,6**
Tax	0,9	-11,7	-19,3	-15,9	-40,6
Minority interests	0,0	0,0	0,0	0,0	0,0
Profit after tax	**58,7**	**30,0**	**49,6**	**83,9**	**-8,0**

Parent bank's numbers in the profit and loss account, balance sheet, cash flow analysis and notes are pro forma IFRS numbers. Commercial banks are not permitted to apply IFRS in their company accounts, but pro forma IFRS numbers have been prepared for the sake of comparison. Comparable numbers for earlier periods have been restated in accordance with IFRS with the exception of items relating to IAS 39 which are exempted from the requirement of comparable figures for 1 year.
IAS 39 principally applies to items connected with lending/loan losses, securities and other financial instruments. Separate interim accounts in accordance with Norwegian GAAP have been prepared for the parent company Storebrand Bank ASA.

Note 7 Losses and provisions for defaulted and doubtful loans, guarantees etc.

NOK million	GROUP 31.12.05	GROUP 01.01.05 *	PARENT BANK 31.12.05	PARENT BANK 01.01.05 *
Defaulted and doubtful loans				
Defaulted loans without evidence of losses	112,9	47,2	112,9	44,1
Defaulted and doubtful loans with evidence of losses	641,1	942,9	697,8	959,3
Gross defaulted and doubtful loans	**754,0**	**990,1**	**810,6**	**1 003,4**
Provisions for individual impairment losses	-389,6	-500,9	-424,2	-529,2
Net defaulted and doubtful loans	**364,4**	**489,2**	**386,4**	**474,3**

NOK million	GROUP 01.01.05 - 31.12.05	GROUP 01.01.04 - 31.12.04	PARENT BANK 01.01.05 - 31.12.05	PARENT BANK 01.01.04 - 31.12.04
Losses on loans and guarantees etc. during period				
Change in individual impairment loss provisions	14,6	-148,8	14,6	-142,8
Change in collective impairment loss provisions	-105,1	-120,7	-105,1	-120,7
Other write-down effects	-24,2	0,0	-24,2	0,0
Realised losses specifically provided for previously	81,9	261,4	81,9	259,1
Realised losses not specifically provided for previously	0,9	3,3	0,9	3,3
Recoveries on previous realised losses	-2,5	-2,6	-2,0	-2,6
Losses on loans and guarantees etc.	**-34,4**	**-7,4**	**-34,0**	**-3,7**
Breakdown of net loan losses by sector				
Wholesale/retail trade, hotels and restaurants	0,0	0,0	0,0	0,0
International shipping and pipelines	15,6	2,3	15,6	2,3
Other transportation and communications	0,0	0,0	0,0	0,0
Services and real estate operations	-3,7	89,5	-3,7	89,5
Retail customers	-18,5	24,5	-18,0	24,5
Foreign/other	-4,4	-3,0	-4,4	0,7
General loss provisions	-23,5	-120,7	-23,5	-120,7
Total loan losses	**-34,4**	**-7,4**	**-34,0**	**-3,7**

* Numbers in accordance with IAS 39 for sake of comparison.