Storebrand Bank
Annual Report 2007

storebrand

COMPANY INFORMATION

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Storebrand Bank ASA
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Norway

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Call centre (within Norway):	08880
Website:	www.storebrand.no
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Company registration number: 953 299 216

Senior Management:

Klaus-Anders Nysteen	Managing Director
Trond Fladvad	Finance Director
Robert Fjelli	Head of Markets
Monica Kristoffersen	Head of Retail Banking
Mikkel Andreas Vogt	Head of Corporate Banking
Anne Grete T. Wardeberg	Head of Staff Functions

Board of Directors:

Idar Kreutzer	Chairman
Stein Wessel-Aas	Deputy Chairman
Kristine Schei	Board Member
Ida Helliesen	Board Member
Roar Thoresen	Board Member
Maalfrid Brath	Board Member
Heidi Storruste	Board Member

Contact persons:
Klaus-Anders Nysteen. Managing Director. Tel: + 47 - 992 65 691.
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Content

Key figures Storebrand Bank Group

1 January - 31 December

NOK MILLION	2007	2006	2005
Net interest income as % of average total assets 3)	1,07 %	1,32 %	1,59 %
Total other operating income as % of average total assets 4)	0,27 %	0,25 %	0,33 %
Costs as % of operating income	69,68 %	71,25 %	61,81 %
Loan losses and provisions as % of average total lending	-0,23 %	-0,17 %	-0,13 %
Loan losses and provisions as % of gross defaulted and loss-exposed loans 5)	83,14 %	81,35 %	63,51 %
Deposits from and due to custormers as % of gross lending	47,09 %	43,40 %	41,80 %
Return on equity after tax 2)	9,05 %	8,39 %	9,76 %
Main balance sheet figures:			
Total assets	41 887,4	34 155,5	29 430,0
Average total assets 1)	38 658,0	31 691,8	28 114,5
Total lending to customers	37 095,8	31 181,1	26 764,9
Equity	2 039,8	1 659,6	1 747,0
Capital adequacy:			
Net primary capital	2 736,7	2 409,7	1 958,5
Capital ratio	10,5 %	11,0 %	10,5 %
Core capital ratio	7,9 %	8,8 %	8,2 %

Definitions:

1) Average total assets is calculated on the basis of quarterly total assets for the year.

2) Profit after tax as % of average equity.

3) Net interest income adjusted for one-off effects.

4) Other operating income includes net fee and commission income.

5) Gross defaulted loans with identified loss of value.

REPORT OF THE BOARD OF DIRECTORS 2007

(Comparable figures for 2006 shown in brackets)

MAIN FEATURES
Storebrand Bank ASA is a wholly owned subsidiary of Storebrand ASA, and is one of the five business units of Storebrand. Storebrand Bank is a commercial bank and is authorised pursuant to the Securities Trading Act.

Storebrand Bank ASA's objective is to be the 'smart choice for the modern customer'. The bank shall be easy to relate to, with popular products at competitive prices.

2007 was a year of progress for Storebrand Bank, both in terms of its competitive position and its profitability. The bank further developed its position as a 'no-fees' bank, while maintaining its competitive position for residential mortgage lending. This resulted in significant growth in both business volumes and customer numbers. The lending portfolio increased from NOK 31.2 billion in 2006 to NOK 37.1 billion in 2007. The upward trend in customer numbers that started with the launch of free everyday banking in 2005 continued in 2007. At the close of 2007, Storebrand Bank had 70,710 active retail customers and total assets of NOK 41.9 billion. The quality of the overall lending portfolio at year-end was good.

The head office of Storebrand Bank ASA is at Filipstad Brygge 1 in Oslo.

In its corporate banking activities, the bank has a particularly strong position with professional real estate customers, principally property developers and landlords. It further strengthened its position in 2007, and developed a new strategy for this area with particular emphasis on expanding the range of services it offers for corporate customers. Storebrand Bank's objective is to offer a complete range of financial services for real estate companies in the central area of Norway around Oslo.

A new business area, Storebrand Markets, was established in 2007 with the objective of reinforcing the bank's focus on real estate and expanding its product range in order to increase non-interest income from this segment. The business area includes the product areas of foreign exchange, stockbroking and structured products, and extends to commercial real estate broking services through Hadrian Eiendom AS. The bank intends to add corporate finance activities with a focus on commercial real estate. With effect from February 2008, Storebrand Bank ASA offers an Internet-based share dealing service.

As part of its commitment to developing attractive products, Storebrand Bank launched the Storebrand Eiendomsfond (Real Estate Fund) in 2005 and Storebrand Optimèr in 2006. These real estate funds performed well throughout 2007.

Storebrand Bank ASA experienced weakness in lending margins throughout 2007. This reflected higher market interest rates combined with turbulent international credit markets and continuing strong competition. Lending margins were weaker for both residential mortgage lending and corporate lending.

Storebrand Bank ASA experienced an improvement in its loan to deposit ratio in 2007. The bank has good access to funding in both the Norwegian and international markets. In addition, the bank has established Storebrand Kredittforetak AS as a wholly-owned subsidiary, and expects to start issuing covered bonds during the course of 2008.

SUBSIDIARIES AND RELATIONSHIP WITH THE STOREBRAND GROUP
Storebrand ASA owned all the 64,037,183 shares in Storebrand Bank ASA at 31 December 2007.

In Q4, Storebrand Bank acquired 90.9% of the real estate broking firm Hadrian Eiendom AS, and has an option to acquire the remaining shares. The firm operates as a commercial real estate broker from its offices at Olav V's gt. 1, Oslo. Storebrand Bank ASA subsequently agreed to acquire an 80% interest in Trajan AS, a sister company to Hadrian Eiendom AS, and this acquisition is due to complete on 15 February 2008.

The bank's ownership interest in Ring Eiendomsmegling AS remained unchanged in 2007 at 70%. The company operates from Christian Frederiks plass 4, Oslo. Ring Eiendomsmegling AS has resolved to acquire 14 real estate broking offices in the Ring chain, and this will be carried out over the course of 2008.

In Spring 2007, Storebrand Bank ASA established Evoco Financial Production Services UAB in Lithuania in collaboration with Lindorff Accounting AS. This company's activities are now integrated with the rest of the Storebrand Bank organisation for administration and customer service.

FINANCIAL RESULTS
The Storebrand Bank Group reported a profit before loan losses in 2007 of NOK 156.8 million as compared to

NOK 143.0 million in 2006. Loan and guarantee losses and write-downs represented a net write-back of NOK 78.2 million for 2007 (net write-back of NOK 47.0 million). Storebrand Bank's consolidated post-tax profit for 2007 was NOK 169.6 million, as compared to NOK 147.3 million in 2006.

Storebrand Bank ASA reported post-tax profit of NOK 167.0 million in 2007 as compared to NOK 149.1 million in 2006.

Net interest income amounted to NOK 413.2 million (NOK 418.8 million). This represents a net interest margin calculated on average total assets of 1.07% (1.32%). Net interest income again showed a falling trend in 2007, mainly due to pressure on margins, turbulent conditions in the credit markets and increased competition in the lending market.

Net fee and commission income amounted to NOK 57.9 million in 2007 as compared to NOK 31.9 million in 2006. The increase results from the successful launch of new savings products.

Other operating income amounted to NOK 45.9 million for the year as compared to NOK 46.8 million in 2006.

Operating expenses totalled NOK 360.2 million in 2007 (NOK 354.5 million), equivalent to 69.7% of operating income compared to 71.3% in 2006. The underlying cost ratio shows improving trend, driven by the measures taken by the bank to improve efficiency and increase revenue.

The bank is committed to a continuous program of measures to reduce operating expenses. As part of this, the bank has implemented a number of measures to ensure continuous improvement and greater efficiency for its internal processes.

NON-PERFORMING AND LOSS-EXPOSED LOANS

The total volume of non-performing and loss-exposed loans continued to decline in 2007, falling from NOK 533 million to NOK 448 million. The volume of non-performing and loss-exposed loans with identified impairment amounted to NOK 297.2 million at the end of 2007 (NOK 423.7 million). This represents a reduction of NOK 126.5 million from 31 December 2006. The decline in non-performing and loss-exposed loans with identified impairment between 31 December 2005 and 31 December 2007 totals NOK 343.9 million. The level of non-performing and loss-exposed loans with identified impairment is normal. The volume of non-performing loans without identified impairment showed an increase largely because the entire customer exposure is classified as non-performing even if the overdue amount is very small. At the close of the fourth quarter, non-performing loans without identified impairment totalled NOK 151.2 million, of which customers with outstanding amounts under NOK 1,000 accounted for NOK 44 million. Net non-performing and loss-exposed loans (after individual write-downs) totalled NOK 201.3 million at the close of 2007 (NOK 172.7 million). Gross non-performing and loss-exposed loans represented 1.2% of gross lending at the close of the year (1.7%). The reduction reflects the reduced level of risk in the lending portfolio.

Losses and write-downs on loans and guarantees represented a net write-back of NOK 78.2 million in 2007. By the close of the year, write-downs of individual loans in the balance sheet totalled NOK 247.1 million, a reduction of NOK 112.9 million from 31 December 2006. Grouped write-downs totalled NOK 58.1 million at 31 December 2007 (NOK 73.3 million), equivalent to 0.16% of gross lending (0.24%). During the course of 2007, the bank implemented an updated model for calculating grouped write-downs. The current model is based on the bank's own risk classification, but now gives greater weight to general macroeconomic conditions.

BALANCE SHEET AND CAPITAL ADEQUACY

The Storebrand Bank Group’s total assets increased in pace with the growth in its lending portfolio in 2007 to stand at NOK 41.9 billion at 31 December 2007. The bank's deposit-to-loan ratio was 47.1% at the close of 2007 as compared to 43.4% at the close of 2006. The bank has a balanced and appropriate funding structure, and bases its funding on ordinary customer deposits, issuing securities and borrowing from the Norwegian and international capital markets. At the close of 2007, the bank had available unused committed credit facilities equivalent to EUR 400 million

Storebrand Bank ASA had total assets of NOK 42.2 billion at the close of 2007 as compared to NOK 34.4 billion at 31 December 2006.

Storebrand Bank ASA had sound capital adequacy and liquidity at the close of 2007.

The Storebrand Bank Group had net primary capital of NOK 2.7 billion at the close of 2007. This is equivalent to a capital ratio of 10.5% and a core capital ratio of 7.9%. The Storebrand group has elected to apply the transitional rules in connection with the new capital adequacy regulatory framework, and has therefore adopted the Basle II standard method with effect from 1 January 2008.

The Board is of the view that the bank's equity is satisfactory and prudent in relation to its activities.

BUSINESS AREAS

Retail banking

The bank generated very good growth in its retail market business in 2007 thanks to its competitive terms, stronger presence in the market and more effective distribution. The bank's total lending to the retail market increased by all of 27% in 2007. The number of retail customers and accounts again increased in 2007. Major improvements were made in 2007 to internal efficiency and productivity, and some elements of banking production were transferred to a low-cost country.

Market research carried out by Norsk Finansbarometer and reported in the first quarter of 2007 shows a very high level of customer satisfaction and loyalty among the bank's retail customers.

Corporate banking

The bank's corporate banking department principally lends to real estate developers and commercial real estate investors, and its customers are mainly in the central area of Norway around Oslo. Conditions in the real estate market were again good in 2007 with high levels of activity, many transactions and increasing prices.

Competition between banks increased further in 2007. Storebrand Bank ASA's competitive advantages are its expertise, flexibility, service commitment and short decision processes.

Storebrand Markets

Storebrand Markets was established as a separate business area in 2007. The business area includes foreign exchange, stockbroking and structured products. In addition, Storeband Markets offers corporate finance services and commercial real estate broking through Hadrian Eiendom.

Stockbroking activities focus on carrying out large transactions at low cost both on the Oslo stock exchange and a number of major international stock exchanges. The stockbroking activity does not include investment analysis services. With effect from February 2008, the stockbroking activities also offer an internet-based share dealing service.

Storebrand Markets also acts as a manager for a number of the Storebrand group's savings products such as Storebrand Eiendomsfond and Storebrand Optimèr, and provides administration services for these products.

Ring Eiendomsmegling AS

Ring Eiendomsmegling AS is a franchise-based chain, comprising 32 real estate broking offices at the close of 2007. Over the course of 2007 the chain handled sales of around 4,400 residential properties. Ring Eiendomsmegling AS established its own settlement and accounting department in 2007. In addition, Ring Eiendomsmegling has developed the 'Ring Kompetanse' training program to meet the new requirements for expertise in the new Estate Agency Act that came into force on 1 January 2008.

DISPUTES

The Storebrand Bank Group is involved in a number of disputes as a result of its normal business activities. The financial implications of these disputes are kept under continual review. The Board does not believe that the disputes, either individually or in total, were of material significance either commercially or operationally at the close of 2007.

GUARANTEES AND COLLATERAL PLEDGED

At the end of 2007, the Storebrand Bank Group's guarantee portfolio amounted to NOK 378.6 million, of which payment guarantees amounted to NOK 175.9 million. Most of the guarantees have been issued on behalf of customers in respect of real estate operations and property development in the Oslo and Akershus region.

At year-end, the bank had deposited securities with fair value totalling NOK 2.5 billion as collateral for access to Norges Bank's intra-day loan facility.

Neither Storebrand Bank ASA nor the Storebrand Bank Group had pledged any other collateral at 31 December 2007.

FINANCIAL RISK

Storebrand Bank ASA's financial risk consists mainly of exposure to credit risk, liquidity risk, interest rate risk and foreign exchange risk. Credit risk is considered to be the most significant of these. The Board places great importance on the bank maintaining low financial risk.

Storebrand has adapted its routines and procedures to comply with the new capital adequacy requirements that came into force from 1 January 2007. The changes made by the bank in preparation for the new requirements involve changes to internal systems and processes for the management of credit risk, market risk and operational risk. The bank has elected to use the transition rules for the new capital adequacy requirements, and will use the Basle II standard method for capital adequacy calculations from 1 January 2008.

Credit risk

Storebrand Bank ASA places great importance on maintaining close relationships with its corporate customers and routinely monitoring credit risk. The bank has standard rules for regular reviews of its exposure to corporate customers. A significant proportion of Storebrand Bank's corporate lending is linked to real estate in the greater Oslo area. Storebrand follows economic conditions and the real estate market in this region closely.

Lending to corporate customers over a certain limit requires the approval of a credit committee chaired by the bank's managing director, or by the bank's board of directors. Credit risk is monitored through a risk classification system that ranks each customer by ability to pay, financial condition and collateral.

The risk classification system estimates the likelihood of a borrower defaulting (ability to pay/financial condition) and the likely loss in the event of default (collateral). All loans on the bank's watch list are reviewed at least quarterly in respect of the condition of the borrower and collateral, and of the steps being taken, in order to protect the bank's position.

Storebrand Bank has significantly upgraded its lending policies and credit approval procedures over recent years. Separate credit approval processes are now used for retail lending. Loans to personal customers are approved on the basis of credit scoring, combined with case-by-case evaluation of the borrower's ability to repay. Approximately 70% of lending to retail customers is secured by mortgages with loan to value ratios not exceeding 60%. The bank decided in January 2008 that it would no longer offer lending to retail customers secured against investments in structured products.

The bank manages its exposure to counterparty risk when placing its liquidity or through other exposure on the basis of the counterparty's credit rating and size. The bank places great importance on the quality of its counterparties, and it limits its exposure to any one counterparty in order to avoid loss and ensure high liquidity in its holdings of securities.

Liquidity risk
Liquidity risk refers to the risk that the bank is not able to meet all its financial liabilities as they fall due for payment. The bank maintains sufficient liquidity to support balance sheet growth and to repay funding and deposits as they mature. The bank manages its liquidity position on the basis of a rolling liquidity gap that shows the mismatch between expected inward and outward cash flows at the balance sheet date, the proportion of long-term funding and liquidity reserves.

The bank has established good liquidity buffers, and continuously monitors liquidity reserves against internal limits. Committed credit lines from other banks are also available to the bank if necessary. Storebrand Bank ASA is rated by S&P and Moody's, and pays close attention to maintaining relationships with a number of international banks. This ensures access to the international capital market and provides greater diversity in the group's funding. Storebrand Bank's credit rating was upgraded by Moody's in 2007 from Baa2 to A2 ('stable outlook'). The Standard & Poor's rating of Storebrand Bank in 2007 was BBB+ ('positive outlook').

Interest rate risk
Storebrand Bank ASA's policy is to manage its exposure to interest rate risk to have the lowest possible sensitivity to change in interest rates. Hedging is carried out in such a way that it has minimal accounting impact. This means that the bank's profit and loss does not change in response to changes in the market value of derivative contracts in isolation, but follows changes in the market value of the underlying asset and liability items since these items are also recognised in the accounts at fair value in respect of interest rate risk.

Currency risk
Storebrand Bank ASA's policy is to fully hedge currency exposure. The policy's objective is to minimise the currency risk associated with investments, lending and funding in foreign currency. Hedging is principally carried out by rolling short-term forward foreign exchange contracts.

Financial hedging
All instruments and products with an interest fixing period in excess of six months are subject to a separate hedging policy. The policy's objective is to optimise the balance between risk and return and to ensure that the derivative contracts entered into by the bank are appropriate and properly documented in order to satisfy the accounting requirements for hedge accounting, where appropriate at fair value. This means that the bank's profit and loss does not change in response to changes in the market value of derivative contracts in isolation, but also reflects changes in the market value of the underlying asset and liability items since these items are also recognised in the accounts at fair value in respect of interest rate risk.

Interest rate hedging is arranged for the fair value of the object to be hedged, and the exposure hedged is the basic interest rate risk and not the credit spread. When calculating the effectiveness of hedging, the credit spread is held constant.

Operational risk
Storebrand Bank ASA's structure for corporate governance (internal control) stipulates that operational risk management is an integral part of management responsibility, with reporting of risk exposure playing an integral role in the bank's ability to achieve the objectives set in its value-based management model. The bank applies the principles of the group policy for risk evaluation and management (introduced in 2005).

The objective of the group policy on risk evaluation is to achieve a common understanding of the overall risk exposure for the group's activities in order to help to provide a better basis for decision-making on important prioritisation. Risk evaluation is therefore an important part of the basis for determining the group's strategy and approving the level of risk in the group's business plan.

Risk evaluation starts from the current situation and how the owners of risk exposure experience the risk based on existing internal control procedures. This is followed by an evaluation of the expected risk exposure following the implementation of recommended planned measures. This assumes that the owners of risk exposure implicitly confirm the function of internal control (cf. the internal control regulations). Risk evaluation is integrated in the group's value-based management system by linking risk evaluation to each unit's ability to achieve its commercial targets and comply with regulatory requirements as well as considering the extent to which the level of risk involved might affect Storebrand's reputation.

The bank's internal controls and procedures for evaluating, monitoring and reporting risk exposure satisfy the requirements of the Norwegian authorities in this respect.

IMPLEMENTATION OF BASLE II

With effect from 1 January 2008, Storebrand Bank ASA reports in accordance with the standard method of the new capital adequacy framework (Basle II). The bank's ambition is to use internally developed credit models to calculate capital adequacy pursuant to Basle II, and it is currently working on developing models for its retail banking and corporate banking businesses with a view to applying to Kredittilsynet (the Financial Supervisory Authority of Norway) for IRB status at a later date.

The transition to Basle II requires major investments in systems and procedures as well as changes to the bank's organisation and main business processes, but will also create significant commercial benefits.

The preparations for Basle II support the bank's strategy and improves the competitive position. Increased automation, improved decision support and use of customer data in market modelling pave the way for rapid but controlled growth. The systems developments driven by the Basle II regulations are of general commercial benefit for pricing, financial management and marketing. Making proper use of the migration to the new regime will ensure that the bank retains a competitive position relative to its competitors.

EMPLOYMENT, ORGANISATION, CORPORATE BODIES AND ENVIRONMENTAL ISSUES

Storebrand Bank ASA adheres to the Storebrand group's environmental standards in respect of seeking to reduce the environmental impact of its business activities.

Organisational issues

2007 was a year of strategic change, and this again caused some degree of reorganisation for the bank. These changes, combined with growth in volumes and measures to improve efficiency, have made considerable demands on the commitment and flexibility of the bank's employees. Systematic focus on the bank's corporate culture and Storebrand's core values, as well as on management principles, have played an important part in meeting these challenges.

The bank again participated in the regular employee satisfaction surveys carried out by the Storebrand group in 2007. The survey results showed an improvement from the previous two years.

Storebrand Bank ASA also participates in the Storebrand group's "Inclusive workplace" agreement with the Norwegian Labour and Welfare Organisation. Absence due to illness at Storebrand Bank ASA was 5.2% in 2007. This represents a decrease from 6.1% in 2006. The decrease is principally due to a reduction in long-term absence due to illness, and the line managers and the Storebrand company health service are carefully monitoring the employees affected.

Gender equality

Storebrand Bank ASA had 158 employees at 31 December 2007, of which 93 are women and 65 are men. The average age of employees is 43, and the average period of service is 9 years. The proportion of women on the bank's Board is 50%, while women account for 33% of the bank's executive management team. Women account for 58% of management positions with staff responsibility. The Storebrand Bank Group had 215 employees at 31 December 2007.

The Board and management continue to work actively to promote employment equality. The statistics provided above demonstrate the progress made in this respect.

Changes in the composition of the board of directors

As a result of changes in legislation, the Managing Director ceased to be a member of the board with effect from 22 May 2007. Other than this, there were no changes to the membership of the board.

External Environment

The Storebrand group is committed to reducing its impact on the environment. This includes measuring the group's consumption of water, reducing energy consumption and paper usage, sorting waste and recycling all electronic equipment.

Corporate responsibility
Storebrand has established quantitative targets in the areas of: HR (proportion of female managers, diversity, employee satisfaction, ethical guidelines etc.); customers (complaints procedures, service availability and customer satisfaction); suppliers (environmental and social responsibility standards for purchasing); and the environment (e.g. waste sorting). A number of campaigns and projects have been launched on a group-wide basis to cover all areas and all employees.

The bank participates in the group's work on corporate responsibility, but has also established a separate action plan. This action plan addresses specialist areas such as measures to prevent money laundering and financial crime, as well as fostering core values and developing a value-based corporate culture. The bank has also stipulated criteria for entering into contracts and the training of financial advisers, as well as ensuring that its commercial operations and credit evaluation take place within the framework of Storebrand's action plan for value creation, social responsibility and the environment.
The bank has a stated policy that it will not take on customers where the purpose of the financing or the borrower must be assumed to be ethically dubious or damaging to society.

The jointly-controlled company Evoco Financial Production Services UAB operates with the same principles as the Storebrand group.

STATEMENT OF GOING CONCERN COMPLIANCE FOR THE ANNUAL ACCOUNTS

The Board confirms that the company meets the requirements for the accounts to be prepared on a going concern basis, and the annual accounts have therefore been prepared on this basis.

POST-BALANCE SHEET DATE EVENTS

The Board is not aware of any matters that have arisen since the accounts were prepared that have a significant effect on the 2007 accounting year.

STRATEGY AND PROSPECTS FOR 2008

Storebrand Bank ASA will continue to focus on building its competitive position through growth, continual improvement, high levels of customer satisfaction and increased cross selling. The bank will continue to pursue and develop its position as the "smart choice for the modern customer" through product development and improving its customer processes.

Storebrand Bank ASA has been granted authorisation to establish Storebrand Kredittforetak AS to issue covered bonds. This represents an important step in terms of both the bank's competitive position and its liquidity management.

ALLOCATION OF THE RESULT FOR THE YEAR

Storebrand Bank ASA (parent bank) reported a post-tax profit of NOK 167.0 million for 2007.

The Board judges the group's capital adequacy to be sound in relation to its risk profile, and proposes the following allocation of the result for the year to the bank's Board of Representatives and the Annual General Meeting:

NOK million:

Allocated to group contribution with tax deduction	200.3
Transferred from other equity	- 33,3
Total allocated	167,0

The company's free reserves amounted to NOK 675.2 million at 31 December 2007, which is equivalent to the surplus of primary capital relative to the capital adequacy rules.

Oslo, 12 February 2008

Translation - not to be signed

The Board of Directors of Storebrand Bank ASA

Idar Kreutzer Chairman	Stein Wessel-Aas Deputy Chairman	Kristine Schei Board Member
Ida Helliesen Board Member	Maalfrid Brath Board Member	Roar Thoresen Board Member
Heidi Storruste Board Member	Klaus-Anders Nysteen Managing Director	

PROFIT AND LOSS ACCOUNT STOREBRAND BANK GROUP

1 January - 31 December

NOK MILLION	NOTE	2007	2006	2005
Interest income		1 992.3	1 220.0	1 027.1
Interest expense		-1 579.1	-801.2	-579.9
Net interest income	5	**413.2**	**418.8**	**447.2**
Fee and commission income from banking services		139.8	112.3	44.5
Fee and commission expense for banking services		-81.9	-80.3	-26.9
Net fee and commission income	**6**	**57.9**	**31.9**	**17.6**
Net gains on financial instruments at fair value	5	16.4	22.9	32.5
Net income and gains from associated companies	18	-0.8	10.6	6.4
Other income	8	30.2	13.3	37.3
Total other operating income		**45.9**	**46.8**	**76.3**
Staff expenses	9, 10	-142.0	-148.6	-144.9
General administration expenses	10	-88.3	-70.3	-67.0
Ohter operating costs	10, 26, 27	-129.9	-135.6	-122.5
Total non-interest expenses		**-360.2**	**-354.5**	**-334.5**
Operating profit before losses and other items		**156.8**	**143.0**	**206.6**
Net write-back in loan losses	7	78.2	47.0	34.4
Profit before tax		**234.9**	**190.0**	**241.1**
Tax	11	-65.3	-42.7	-47.0
Profit for the year		**169.6**	**147.3**	**194.1**
Allocated to:				
Parent company		169.3	147.1	194.1
Minority interests		0.3	0.2	0.0

BALANCE SHEET STOREBRAND BANK GROUP

31 December

NOK MILLION	NOTE	2007	2006	2005
Assets				
Cash and deposits with central banks	13, 14	1 062.0	394.4	423.9
Loans to and deposits with credit institutions	13, 16	374.1	114.9	41.7
Financial assets designated at fair value thorugh profit or loss:				
Equity instruments	13, 17	2.0	8.2	8.8
Bonds and other fixed-income securities	13, 21	2 491.6	1 698.6	1 703.1
Derivatives	13, 22	527.9	642.9	515.0
Other current assets	15, 29	311.5	293.4	165.7
Gross lending	23	37 095.8	31 181.1	26 764.9
Write-down of loans	24	-305.2	-433.3	-478.9
Net lending to customers	13, 39	36 790.7	30 747.8	26 286.0
Investment in associated companies	18	28.7	29.5	38.3
Tangible assets	27	10.5	7.2	10.1
Intangible assets	26	114.4	46.1	26.0
Deferred tax assets	11	173.9	172.5	211.4
Total assets		**41 887.4**	**34 155.5**	**29 430.0**

NOK MILLION	NOTE	2007	2006	2005
Liabilities and equity				
Liabilities to credit institutions	13, 31	3 064.5	2 786.0	1 464.6
Deposits from and due to customers	13, 32	17 469.6	13 533.7	11 187.0
Other financial liabilities:				
Derivatives	13, 22	586.6	607.2	452.3
Commercial paper and bonds issued	13, 33	17 159.5	14 396.7	13 657.2
Other liabilities	13, 35	470.8	339.0	204.8
Provision for accrued expenses and liabilities		13.4	4.0	4.9
Pension liabilities	9	69.5	70.1	53.4
Subordinated loan capital	13, 34	1 013.8	759.3	658.9
Total liabilities		**39 847.6**	**32 495.9**	**27 683.0**
Share capital		916.6	916.6	916.6
Other paid-in share capital		200.0	0.0	0.0
Retained earnings		916.1	739.6	827.4
Minority interests	12	7.1	3.5	3.0
Total equity		**2 039.8**	**1 659.6**	**1 747.0**
Total liabilities and equity		**41 887.4**	**34 155.5**	**29 430.0**

Oslo, 12 February 2008

Translation – not to be signed

The Board of Directors of Storebrand Bank ASA

Idar Kreutzer
Chairman

Stein Wessel-Aas
Deputy Chairman

Kristine Schei
Board Member

Ida Helliesen
Board Member

Roar Thoresen
Board Member

Maalfrid Brath
Board Member

Heidi Storrukste
Board Member

Klaus-Anders Nysteen
Managing Director

CASH FLOW STATEMENT STOREBRAND BANK GROUP

1 January - 31 December

NOK MILLION	2007	2006	2005
Cash flow from operating activities:			
Interest, commissions and fees received from customers	2 065.4	1 281.6	1 112.7
Interest, commissions and fees paid to customers	-1 607.7	-850.5	-578.6
Net receipts/payments - lending to customers	-5 972.3	-4 414.8	-2 724.4
Net receipts/payments - loans to and claims on other financial institutions	-259.3	-73.2	123.8
Net receipts/payments - deposits from banking customers	3 962.9	2 346.7	-276.0
Net receipts/payments - deposits from central bank and other financiel institutions	278.5	1 321.4	-687.2
Net receipts/payments -securities in the trading portfolio:			
Shares and other equity investments	9.1	10.6	54.8
Bonds and other fixed-income securities	-791.4	4.4	332.3
Financial derivatives and other financial instruments	86.9	26.9	11.9
Payments to third parties for goods and services	-84.9	-101.6	-141.2
Payments to employees, pensioners, employment taxes etc.	-137.8	-131.8	-145.1
Receipts of dividend from associated companies	0.0	0.0	6.0
Net cash flow from operating activities	**-2 450.6**	**-580.2**	**-2 911.0**
Cash flow from investments activities:			
Net receipts from sale of subsidiaries and associated companies	4.3	14.7	250.1
Net receipts/payments on sales/purchases of fixed assets etc.	-38.9	-35.6	-21.8
Net cash flow from investment activities	**-34.6**	**-20.9**	**228.3**
Cash flow from financing activities:			
Net receipts/payments from issue of commercial paper/short-term loans	743.8	-737.4	182.2
Net receipts/payments from subordinated loan capital	256.0	100.3	4.1
Interest payments on subordinated loans	-53.3	-31.1	-22.3
Net receipts/payments from issue of bond loans and other long term funding	2 006.2	1 462.3	2 872.2
Payments on redemption of share capital			-399.3
Group contribution received	200.0	0.0	0.0
Dividend/group contribution payments		-222.4	-61.7
Net cash flow from financing activities	**3 152.8**	**571.7**	**2 575.3**
Net cash flow for the period	**667.5**	**-29.4**	**-107.4**
Net movement in cash and bank deposits	667.5	-29.4	-107.4
Cash and bank deposits at the start of the period	394.4	423.9	531.3
Cash and bank deposits at the end of the period	**1 062.0**	**394.4**	**423.9**

CHANGES IN EQUITY STOREBRAND BANK GROUP

NOK MILLION	PAID-IN CAPITAL SHARE CAPITAL	OTHER PAID-IN CAPITAL	OTHER EQUITY IREVENUE & COSTS APPLIED TO EQUITY	OTHER EQUITY	TOTAL OTHER EQUITY	MINORITY INTERESTS 1)	TOTAL EQUITY
2007 – MAJORITY'S SHARE OF EQUITY							
Equity at 1.1.	**916.6**		**22.0**	**717.6**	**739.6**	**3.5**	**1 659.6**
The year's change in estimate regarding new accounting principle for pensions, including deferred tax			7.1		7.1		7.1
Profit for the year				169.3	169.3	0.3	169.6
Acquisition of company					0.0	3.2	3.2
Equity transactions with the owner:							
Group contributuin received		200.0			0.0		200.0
Other changes				0.1	0.1		0.1
Equity at 31.12.	**916.6**	**200.0**	**29.1**	**887.0**	**916.1**	**7.1**	**2 039.8**

1) See note 12 Minority interests and note 20 Acquisition.

NOK MILLION	PAID-IN CAPITAL SHARE CAPITAL	OTHER PAID-IN CAPITAL	OTHER EQUITY REVENUE & COSTS APPLIED TO EQUITY	OTHER EQUITY	TOTAL OTHER EQUITY	MINORITY INTERESTS 1)	TOTAL EQUITY
2006 – MAJORITY'S SHARE OF EQUITY							
Equity at 31.12.05	916.6			792.9	792.9	3.0	1 712.4
New accounting principle for pensions			34.5		34.5		34.5
Equity at 1.1.	**916.6**	**0.0**	**34.5**	**792.9**	**827.4**	**3.0**	**1 746.9**
The year's change in estimate regarding new accounting principle for pensions, including deferred tax			-12.5		-12.5		-12.5
Profit for the year				147.1	147.1	0.2	147.3
Equity transactions with the owner:							
Dividend paid				-222.4	-222.4		-222.4
Other changes / changes in minority interests					0.0	0.4	0.4
Equity at 31.12.	**916.6**	**0.0**	**22.0**	**717.6**	**739.6**	**3.5**	**1 659.6**

1) See note 12 - Minority interests.

Storebrand Bank ASA distributed a dividend of NOK 3.47 per share in 2006 in respect of the 2005 financial year.
The dividend amounts to NOK 222.4 million and has been deducted from consolidated equity when the dividend was paid.
Storebrand Bank ASA is 100% owned by Storbrand ASA.

NOK MILLION	SHARE CAPITAL (PAID-IN CAPITAL)	OTHER PAID-IN CAPITAL (PAID-IN CAPITAL)	REVENUE & COSTS APPLIED TO EQUITY (OTHER EQUITY)	OTHER EQUITY (OTHER EQUITY)	TOTAL OTHER EQUITY	MINORITY INTERESTS [1]	TOTAL EQUITY
	2005 MAJORITY'S SHARE OF EQUITY						
Equity at 31.12.04	1 315.9			664.7	664.7	0.8	1 981.3
New accounting principle for pensions			30.4		30.4		30.4
Changed equity at 31.12.04	**1 315.9**	**0.0**	**30.4**	**664.7**	**695.1**	**0.8**	**2 011.7**
Effects of IAS 39:							
Shares				17.5	17.5		17.5
Bonds and commercial paper				7.5	7.5		7.5
Loan loss provisions				37.2	37.2		37.2
Hedging				11.7	11.7		11.7
Derivatives				4.5	4.5		4.5
Bond loans				-3.9	-3.9		-3.9
Structured products				-88.7	-88.7		-88.7
Deferred tax				8.9	8.9		8.9
Equity at 1.1.	**1 315.9**	**0.0**	**30.4**	**659.4**	**689.8**	**0.8**	**2 006.4**
The year's change in estimate regarding new accounting principle pensions			4.1		4.1		4.1
Profit for the year				194.1	194.1		194.1
Equity transactions with the owner:							
Dividend paid				-61.7	-61.7		-61.7
Reduction in equity	-399.3						-399.3
Other changes / changes in minority interests				1.2	1.2	2.2	3.4
Equity at 31.12.	**916.6**	**0.0**	**34.5**	**792.9**	**827.4**	**3.0**	**1 747.0**

[1]) See note 12 Minority interests.

NOTES TO THE ACCOUNTS FOR STOREBRAND BANK GROUP

Note 0: Accounting principles

The accounting principles used for the preparation of the consolidated accounts are described below. The principles are applied consistently to similar transactions and to other events under similar circumstances.

Basic principles
The consolidated accounts of Storebrand Bank ASA are prepared in accordance with the EU approved accounting rules - International Financial Reporting Standards (IFRS). The accounts are prepared in accordance with the historic cost principle, with the exception of certain financial instruments that are valued at fair value.

Changes to accounting principles
There were no changes to the accounting principles applied in 2007.

Storebrand has elected to use the following standard
IFRS 7 introduces new additional information in respect of financial instruments. The standard does not affect the valuation or classification of financial instruments. (IFRS 7 is obligatory from the 2007 accounting year). The standard was implemented with effect from the 2006 annual accounts.

Standards and interpretations of existing standards, and standards where Storebrand has not elected early implementation
The Storebrand Bank Group has not applied the following standards and interpretations of standards, which are approved by the EU but are not obligatory for annual accounts as of 31 December 2007; IFRS 8 Operating segments, Revised IAS 23 Borrowing costs, new IAS 1 Presentation of financial statements and IFRIC 11, 12, 13 and 14. Based on the evaluations carried out so far, these standards and statements of interpretation would not have a material effect on the figures reported, save that IFRS 8 might cause some changes to the segments applied.

Use of estimates in preparing the consolidated accounts
See Note 1 for a more detailed description.

Consolidation
The consolidated financial statements combine Storebrand Bank ASA and companies where Storebrand Bank ASA has the power to exercise a controlling influence. A controlling influence is normally achieved where the group owns, directly or indirectly, more than 50% of the shares in a company and the group has the power to exercise control over the company. Minority interests are included in the group's equity capital.

The acquisition method of accounting is used to account for the purchase of subsidiaries. When an acquisition is carried out, an excess value analysis is carried out and excess value is allocated to assets, liabilities and contingent liabilities as appropriate. See Note 20 for an analysis of excess value identified in connection with acquisitions made in 2007. Consideration was given in respect of each acquisition to whether the acquisition was so material that a pro forma profit and loss account should be produced in accordance with IFRS 3. Over the course of 2007, Storebrand Bank ASA purchased 90.9% of the share capital of Hadrian Eiendom AS and 100% of the share capital of Start Up 102 AS, Start Up 103 AS and Start Up 104 AS, all of which are classified as subsidiaries. The subsidiary Ring Eiendomsmegling AS purchased 100% of the share capital of Skansen Eiendomsmegling AS in 2007. See Note 20 for purchase analyses.

Investments in associated companies (normally investments of between 20% and 50% of the associated company's equity capital) where the group exercises significant influence are consolidated in accordance with the equity method. Each investment is reviewed on a case-by-case basis to determine whether the group exercises significant influence.

Interests in jointly controlled businesses are consolidated in accordance with the proportional consolidation method in the unconsolidated accounts, and the accounts of the business are consolidated item by item based on the bank's proportion of ownership. A jointly controlled business is a business where the bank exercises contractual control jointly with some other party. Storebrand Bank ASA and Lindorff Accounting AS established the company Evoco Financial Production Services UAB in Lithuania in 2007 as a jointly controlled business.

The book value of associated companies and jointly controlled businesses is evaluated for impairment routinely.

Presentation currency, currency translation of foreign companies and currency translation of assets and liabilities
The group's presentation currency and functional currency is the Norwegian krone (NOK). Foreign companies included in the group that use a different functional currency are translated to NOK by translating the profit and loss account at the average exchange rate for the accounting year and translating the balance sheet at the exchange rate at close of the accounting year. Any translation differences are booked directly to equity.

All receivables and liabilities denominated in foreign currency are translated to NOK at the mid-market exchange rate on the balance sheet date. Income and costs denominated in foreign currency are translated to NOK using the exchange rate at the time of the transaction.

Elimination of internal transactions
Internal receivables and payables, internal profits and losses, interest and dividends, etc. between group companies are eliminated in the consolidated accounts.

Segment reporting
The banking group was reorganised in 2007 from five to four business areas: Corporate Banking, Retail Banking, Markets and Real Estate Broking. The former savings products and stockbroking segments are included in Markets from 2007. The Markets area was established in 2007. Business areas are the company's primary reporting segments. The risk structure and return is judged to be uniform within each segment. Segment information for 2006 and 2005 has been restated to correspond with the current segments. Financial information in respect of the segments is presented in Note 2 to the consolidated annual accounts.

Tangible fixed assets
The company's tangible fixed assets comprise equipment, fixtures and fittings, vehicles, holiday cabins, and IT systems used by the company for its own activities.

Equipment, fixtures and fittings, vehicles, holiday cabins and IT systems are valued at acquisition cost reduced by

accumulated depreciation and any write-downs.
Straight-line depreciation is applied over the following periods:

Equipment, fixtures and fittings	up to 4 years
Vehicles	6 years
Holiday cabins	15 years
IT equipment	3-4 years

The depreciation period and the method of depreciation are reviewed annually to ensure that the method and period used correspond with the commercial reality for the asset in question. This also applies to the disposal value.

Consideration is given to writing down the value of an asset if there are indications of a fall in its value.

Intangible assets
The company's intangible assets other than goodwill and brands largely relate to customised software developed in-house and software purchased. Such intangible assets are valued at acquisition cost reduced by accumulated depreciation and any write-downs. The depreciation period and the method of depreciation are reviewed annually. New intangible assets are only capitalised if it can be demonstrated that it is likely that the group will gain future commercial benefit that is directly applicable to the asset in question. In addition, it must be possible to estimate the cost price of the asset reliably and the asset must be ready for use. The value of an intangible asset is tested for impairment if there are indications of a fall in its value, otherwise intangible assets are subject to write-downs and reversals of write-downs in the manner described for tangible fixed assets. The depreciation period for intangible assets varies from 3 to 8 years, with the expected commercial life determined on the basis of the asset's expected life, including the term of the relevant contract (applies to licences for various units in the banking system). Brand names are not subject to depreciation, but are tested annually for impairment. Intangible assets are capitalised as they are acquired, but are not depreciated until they are complete and ready for use.

Goodwill
Goodwill is not subject to depreciation, but is tested annually for impairment. Goodwill in the consolidated accounts relates to acquisitions made in the fourth quarter of 2007. See Note 20 for the purchase analysis. There were no indications of impairment at year-end. No test for impairment was carried out. Goodwill will in future be tested annually for impairment. The recoverable value will be calculated using discounted cash flows based on the group's rolling budget process approved by the board of directors, which covers a period of three years. In addition, the calculations will include the expected cash flows in years 4-9 based on an annual rate of growth varying between 2.5% and 3%. The discount factor applied will be determined annually based on the risk-free rate of interest at the time. The calculations assume that no tax will be payable.

Pension liabilities for own employees
Storebrand's pension scheme for its own employees is a defined benefit pension scheme. Pension costs and pension liabilities for defined benefit pension schemes are calculated using a linear accrual of entitlement to pension and expected final salary, based on assumptions for discount rate, future salary increases, pensions and benefits from the national insurance fund, the future return on pension assets and actuarial assumptions on mortality, disability and early leavers. The discount rate is equivalent to the risk-free interest rate taking into account the average remaining period for accrual of pension entitlement. The net pension cost for the period is made up of the sum of pension entitlement accrued in the period, interest cost on the calculated pension liability, the expected return on pension assets, and accrued employer's social security contributions. Accrued employer's social security contributions include contributions on the pension liability, contributions on premiums paid for pension insurance during the course of the year and contributions paid on pensions paid out directly from the company.

The effect of differences between assumptions and actual experience (experience adjustments) and changes in assumptions are applied directly to equity. The effect of changes to the pension scheme are recognised to profit and loss as they are incurred, unless the change is conditional on future accrual of pension entitlement. In such a case, the effect is amortised linearly over the time until the entitlement is fully earned. Employer's social security contributions are included in pension liability and in experience adjustments shown in equity.

Storebrand has both insured and uninsured pension arrangements. The insured scheme is insured with Storebrand Livsforsikring AS (Storebrand Life Insurance), a company in the Storebrand group.

The subsidiary companies Ring Eiendomsmegling AS and Hadrian Eiendom AS operate defined contribution pension schemes, and the premiums paid plus employer's social security contributions on these payments is recognized to profit and loss as pension cost. These pension schemes satisfy the statutory requirements for mandatory occupational pension schemes.

Tax
The tax charge in the profit and loss account consists of tax payable for the accounting year and changes in deferred tax. Deferred tax and deferred tax assets are calculated on the basis of timing differences between accounting and tax values of assets and liabilities. Deferred tax assets are recorded in the balance sheet to the extent it is considered likely that the companies in the group will have sufficient taxable profit in the future to make use of the tax asset.

Provision for dividend
Proposed dividend or group contribution payments are classified as equity until such time as the general meeting approves the payment.

RECOGNITION AND DERECOGNITION

Interest income and interest expense
Interest income and interest expense are shown in the profit and loss account at amortised cost using the effective interest method. The effective interest method includes set-up fees. Changes in fair value in respect of hedge accounting of the underlying object and the related derivative are also included in interest income and interest expense.

Fees and commissions
Set-up fees charged on new loan agreements are included in the measurement of lending at amortised cost, and are included in the calculation of amortised value using the effective interest method.

Commission income and costs related to sales of real estate fund products, shares in Storebrand Optimèr ASA and structured products are recognized when the income is earned, i.e. when the sale is completed. The cost of commission payments to distributors of these products is recognized when the cost is incurred.

Dealing commission in respect of stockbroking is recognised when the trade giving rise to the commission is completed.

FINANCIAL INSTRUMENTS

General principles and definitions

Recognition and derecognition

Financial assets and liabilities are included in the balance sheet from such time as Storebrand Bank becomes party to the instrument's contractual terms and conditions. Normal purchases and sales of financial instruments are booked on the transaction date. When a financial asset or a financial liability is first recognised in the accounts, it is valued at fair value plus, in the case of a financial asset or a financial liability that is not a financial asset or a financial liability at fair value through profit and loss, transaction costs directly related to the acquisition or issue of the financial asset or the financial liability.

Financial assets are derecognised when the contractual right to the cash flow from the financial asset expires, or when the company transfers the financial asset to another party in a transaction by which all, or virtually all, the risk and reward associated with ownership of the asset is transferred.

Definition of amortised cost

Subsequent to inception, loans and receivables as well as financial liabilities not at fair value through profit and loss, are valued at amortised cost using the effective interest method. The calculation of the effective interest rate involves estimating all cash flows and all contractual terms of the financial instruments (for example early repayment, call options and equivalent options). The calculation includes all fees and margins paid or received between the parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts that are an integral part of the effective interest rate.

Definition of fair value

"Fair value" is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. For financial assets that are listed on a stock exchange or another regulated market place, fair value is determined as the bid price on the last trading day up to and including the balance sheet date, and in the case of an asset that is to be acquired or a liability that is held, the offer price.

If a market for a financial instrument is not active, fair value is determined by using valuation techniques. Such valuation techniques make use of recent arm's length market transactions between knowledgeable and willing parties where available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis, and options pricing models. If a valuation technique is in common use by participants in the market and this method has proved to provide reliable estimates of prices actually achieved in market transactions, this method is used.

The discount rate used takes into account the market interest rates at the end of the accounting period for placements/deposits considered to be equivalent to the item for which fair value is calculated.

The fair value of lending, adjusted for credit risk, is estimated on the basis of the current market rate of interest on similar lending. When estimating the fair value of a loan, consideration is also given to the development of the associated credit risk in general.

Impairment of financial assets

In the case of financial assets that are not recognised at fair value, consideration is given on each balance sheet date to whether there are objective signs that the value of a financial asset or a group of financial assets is impaired.

If there is objective evidence that impairment has occurred, the amount of the loss is measured as the difference between the asset's book value and the present value of estimated cash flows (excluding future credit losses that have not occurred) discounted at the financial asset's original effective interest rate. (i.e. the effective interest rate calculated at the time of inception). The amount of the loss is recognised to profit and loss. If the reason for the impairment ceases to apply in a subsequent period, and the reason for the impairment ceasing can be attributed objectively to an event that has taken place after the impairment has been recognized, the impairment adjustment is reversed. The amount of the reversal cannot be so large as to cause the book value of the asset to exceed what would have been the asset's amortised cost if the impairment had not been recognized at the time the impairment adjustment is reversed. The reversal of previous impairment adjustments is presented in the profit and loss account as a change in write-down. Storebrand Bank makes use of both individual loan write-downs and write-downs of groups of loans.

Losses that are expected to occur as a result of future events are not included in the accounts, regardless of how likely it is that the loss will occur.

An impaired lending commitment is recognised as a realised loss in the case of bankruptcy, a legally binding composition with creditors, failure to receive a court order for attachment of property, a legally binding judgement, or if the bank has terminated legal collection procedures or has otherwise renounced the commitment or its share of the commitment. Realised losses are deducted from gross lending in the balance sheet.

The bank judges a lending commitment to be in default if a contractual payment is not received and 90 days have elapsed from the due date, or where an account is overdrawn without authorisation and the situation is not rectified within 90 days. Commitments where bankruptcy/insolvency or debt settlement proceedings have started are also considered to be in default.

Classification and measurement of financial assets and liabilities

Financial assets are classified into one of the following categories:

- available for sale,
- at fair value through profit or loss in accordance with the fair value option,
- loans and receivables.

Available for sale

A financial asset is classified as available for sale if it is:

- acquired or incurred principally for the purpose of selling or repurchasing it in the near term, is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking,
- is a derivative (except for a derivative that is designated as an effective hedging instrument).

With the exception of derivatives, no part of the group's financial assets fall into this category.

Available for sale financial assets are measured at fair value at the balance sheet date. Changes in fair value are recognised to profit and loss.

At fair value through profit and loss in accordance with the fair value option
At inception, any financial asset or liability can be classified at fair value through profit and loss if it is the case that:
- such a classification reduces a mismatch that would otherwise have occurred in measurement or recognition as a result of different rules for measurement of assets and liabilities
- the financial assets form part of a portfolio that is managed and evaluated on a fair value basis.

In 2007, the group's holdings of bonds, shares, a minor portfolio of fixed-rate loans and commercial paper issued for which an interest rate swap has been entered into to reduce the commercial risk, are classified in this group.

The accounting treatment is equivalent to that for available for sale instruments.

Loans and receivables
"Loans and receivables" are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, with the exception of such assets that the company intends to sell immediately or in the short term that are classified as available for sale and such assets that the company designates at inception as assets at fair value through profit and loss.

Loans and receivables are valued at amortised cost using the effective interest method. Assets in this group relate principally to loans to customers.

Loans and receivables that are designated as hedged items are subject to measurement in accordance with the requirements of hedge accounting.

Derivatives
Derivatives are defined as follows
A derivative is a financial instrument or other contract within the scope of IAS 39 with all three of the following characteristics:
- its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable (sometimes called the 'underlying'),
- it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors
- it is settled at a future date.

Accounting treatment of derivatives that are not for hedging
Derivatives that do not meet the criteria for hedge accounting are treated as available for sale financial instruments. The fair value of such derivatives is classified as either an asset or a liability with changes in fair value through profit and loss.

Accounting treatment of derivatives for hedging
Before a hedging transaction is carried out, the group's Treasury Department evaluates whether a derivative should be used to hedge the fair value of a booked asset or liability, or a certain liability.

The group uses only fair value hedging, where the items hedged are financial assets and financial liabilities measured at amortised cost. Derivatives that fall within this category are recognised at fair value through profit and loss, while changes in the value of the hedged item that relate to the risk hedged are applied to the book value of the item and are recognised through profit and loss. The value of hedging instruments is classified in the balance sheet together with the item hedged.

Fair value hedging is used to hedge fixed-rate lending, bonds issued with fixed interest rates and structured funding transactions. Hedge accounting is principally relevant to the interest rate hedging of fixed rate funding and lending. The majority of the bank's interest rate derivatives fall into this category.

The group's criteria for classifying a derivative or other financial instrument as a hedging instrument are as follows:
(1) the hedging must be expected to be highly effective in that it will offset changes in the fair value or cash flow of an identified object – hedging effectiveness must be expected to be in the range 80% to 125%,
(2) it must be possible to measure the effectiveness of the hedging reliably,
(3) there must be satisfactory documentation when entering into the hedging transaction that demonstrates inter alia the hedging effectiveness,
(4) the hedging is regularly evaluated and has proved to be effective.

If the calculated hedging effectiveness, either prospective effectiveness or retrospective effectiveness, falls outside the range 80%-125%, it is considered that the conditions for hedge accounting are no longer satisfied. Hedge accounting ceases to be applied at this time. Hedge accounting also ceases if a hedging instrument matures, is cancelled, is exercised or sold.

When hedge accounting ceases, if the hedging instrument is a financial instrument that is recognized in accordance with the effective interest method, the changes to value applied to the book value of the object hedged are amortised over the object's remaining life using the effective interest method.

Financial liabilities
Subsequent to inception, financial liabilities are measured mainly at amortised cost using the effective interest method. Liabilities in this category include deposits from customers and subordinated loans as well as liabilities created by the issue of commercial paper and bonds. Commercial paper issued with one year's maturity is measured at fair value through profit and loss using the fair value option.

Structured products – synthetic financial instruments
Storebrand Bank has issued equity index linked bonds. These products principally comprise the issue of a bond and the sale of an equity index option. At the time of issue, the equity index option is measured at fair value since the option is a derivative that is not closely related to the bond issued. The bonds issued are simultaneously measured at amortised cost. No gain is recognised in respect of structured products at the time of issue ("day 1 gains").

Financial liabilities that are classified as hedged items are measured in accordance with hedge accounting - see the description above.

Note 1: Significant accounting principles and use of estimates

The preparation of the accounts in accordance with IFRS involves the use of estimates and assumptions made by management. The estimates used in preparing the accounts are based on historic experience and assumptions that management believes are prudent and reasonable and are based on factual evidence. The estimates have an effect on assets, liabilities, revenue, costs, the notes to the accounts and information on potential liabilities. Estimates and judgements are continually evaluated. In the future, actual experience may deviate from these accounting estimates. The estimates and judgements that have a significant risk of causing a material adjustment to the balance sheet values of assets and liabilities are discussed below:

- Fixed assets and intangible assets
- Actuarial calculations of pension liability
- Lending at amortised cost
- Write-downs of loans
- Capitalisation of deferred tax assets
- Calculation of fair value of derivatives and other securities
- Earn-out in respect of acquisitions
- Allocation of excess value arising from acquisitions

Fixed assets and intangible assets
Fixed assets and intangible assets, of which intangible assets mainly relate to IT systems, are reviewed annually to ensure that the depreciation period and method of depreciation used correspond with commercial reality for the asset in question. This also applies to the disposal value. The value of an asset is written down if there are indications of a fall in its value. Intangible assets in respect of IT systems were written down by NOK 7.6 million in 2007. See Note 26. The periods of future commercial life of specific intangible assets are tested, and some changes were made in 2007. In connection with an acquisition carried out in the fourth quarter of 2007, the group has capitalised intangible assets of NOK 30.7 million in respect of a brand name. The brand name is not subject to depreciation since it is expected to have an unlimited life. The value of the brand name will be tested for impairment annually. The cost of developing or maintaining software is charged to profit and loss as it is incurred.

Goodwill is tested annually for impairment. Goodwill in the consolidated accounts relates to acquisitions made in the fourth quarter of 2007 and has book value of NOK 20.6 million at 31.12.2007. See Note 20 for the purchase analysis. There were no indications of impairment at year-end. No test for impairment was carried out. Goodwill will in future be tested annually for impairment. The recoverable value will be calculated using discounted cash flows based on the group's rolling budget process approved by the board of directors, which covers a period of three years. In addition, the calculations will include the expected cash flows in years 4-9 based on an annual rate of growth varying between 2.5% and 3%. The discount factor applied will be determined annually based on the risk-free rate of interest at the time. The calculations assume that no tax will be payable.

Pensions
The discounted current value of pension liabilities depends on the economic and demographic assumptions used in the calculation. The assumptions used must be realistic, mutually consistent and kept up to date in that they should be based on uniform expectations of future economic conditions.

The rate of discount applied represents a major assumption for the calculation of pension liabilities. Norwegian insurance companies must base their calculation of discount rate on the return on Norwegian government bonds. With the exception of pensioners of the holding company Storebrand ASA, the payment horizon for pensions paid by Storebrand is estimated to be around 25 years, and there are no Norwegian government bonds with such a long maturity. The discount rate and other commercial and demographic assumptions used to calculate pension liabilities at 31 December 2007 are based on guidance issued by the Norwegian Accounting Standards Board. The discount rate applied of 4.70% was virtually identical to the yield on 10-year government bonds. When estimating expected salary inflation, growth in income not eligible for pension benefits was also taken into account.

The calculation of pension liabilities at 31 December 2007 was carried out by an actuary. The calculation includes 172 active members and 17 pensioners. Risk Table K-2005 was applied. The following table shows an extract of the standard table for specific age groups showing the probability of mortality within one year and average life expectancy:

AGE	MORTALITY %		LIFE EXPECTANCY - YEARS	
	Men	*Women*	*Men*	*Women*
20	0.015	0.015	59.50	63.84
40	0.083	0.046	39.85	44.10
60	0.716	0.386	21.44	25.07
80	6.55	4.142	7.54	9.47

Storebrand changed its accounting principles for the accounting recognition of actuarial gains and losses (experience adjustments) in 2006, and such adjustments are now applied directly to equity. Prior to this change, experience adjustments were amortised over the average remaining period for accrual of pensions entitlement to the extent that the effect exceeded 10%. Storebrand is of the view that this change in accounting principle will produce more reliable and relevant information. For further information, see Note 9.

Lending at amortised cost

Lending is measured at amortised cost using the effective interest method. Management has reviewed the assumptions used in this respect, including the expected rate of turnover and the period to which fees charged and direct costs paid can be directly attributed. If these assumptions are changed, the effect of the change will be recognized as income or cost through profit and loss. Amortisation is carried out over the expected average life, estimated on the background of the historic rate of turnover of lending. The estimate is updated at least once a year. For the 2007 financial year, the rate of turnover for lending to the retail market was estimated to be four years. There have been no changes between the year-end and the approval of the 2007 accounts that give reason for any change to this estimate in 2008.

Write-downs of loans

The group considers at each balance sheet date whether there are objective signs that the value of a loan or group of loans is impaired. Loans or groups of loans are considered to be impaired if, and only if, there are objective signs of a fall in value that will reduce the future cash flow available for debt service. The fall in value must be the result of one or more events that have occurred since inception, and it must be possible to measure the impact of such events reliably.

Objective signs that the value of a loan or group of loans is impaired relates to observable data of which the group becomes aware in respect of one of the following events:

- the issuer or borrower has material financial difficulties
- default of the terms and conditions of a loan agreement, with failure to pay interest or instalments of principal as they fall due
- the group grants the borrower special terms as a result of the borrower's financial situation
- it is likely that the borrower will enter into negotiations for a composition with creditors or become insolvent or be subject to some other form of financial reorganisation
- the active market for a financial asset disappears as a result of financial difficulties
- observable information indicates that there has been a measurable deterioration in the estimated future cash flows of a group of financial assets since the inception of these assets.

Lending write-downs are divided into two categories:

a) Individual write-downs

Write-downs of individual loans are based on a case-by-case evaluation if there is objective evidence of impairment. In the case of corporate and retail lending, the objective criteria for impairment are judged to be correlated with default status. In addition all lending commitments are loss evaluated when it exists other information that indicates the commitment to be loss-exposed. The need for a write-down is determined on the basis of a specific evaluation of the most likely future cash flow that will be received from the borrower in connection with the loan. In making this judgement, management takes into account both previous experience with the borrower and other information considered relevant.
See also Notes 24, 25 and 39.

b) Write-downs of groups of loans

Grouped write-downs are calculated separately for Corporate Lending and Retail Lending. (i.e. loans to commercial customers and loans to private individuals). In the case of groups of loans in Corporate Lending, the objective criteria for write-downs are considered to be closely correlated with changes in the risk classification of lending relationships. The classification model for Corporate Lending considers three factors: quality of the borrower/financial condition (debt service capacity), quality of the collateral (loan to value ratio) and commercial factors (internal/external risk). The risk classification model shows the classification against a background of the information recorded in the accounting module at the time the calculation of group write-downs is undertaken, the realisable value recorded for collateral and an evaluation of commercial factors. Consideration is also given to changes in macroeconomic factors that may have a significant impact on commercial lending, including changes in interest rates and expectations of future changes in interest rates. The objective criteria for write-downs of the groups of loans making up Retail Lending are considered to be correlated to the default status of the loans making up the group and the historic repayment record. Default status is divided into 30-90 days and over 90 days on loans that are not subject to individual write-downs because there is objective evidence of impairment. The repayment record is updated quarterly in line with the overall performance of the portfolio.

Capitalisation of deferred tax assets
The capitalised value of deferred tax assets is reviewed regularly. The reviews take into account Storebrand Bank's likely future capacity to make use of tax reducing temporary differences, and the criteria that must be satisfied for these to be used. Storebrand Bank's tax position at the end of 2007 favours making group contributions since the company no longer has tax losses available to carry forward.

Calculation of fair value of derivatives and other securities
The fair value of financial instruments that are not traded in an active market (for example OTC derivatives and unlisted shares) is determined by using valuation techniques. These valuation techniques are largely based on market conditions at the balance sheet date. Fair value excludes accrued interest (clean value). The bank's asset items are measured at observable market value where such prices are available. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. Fair value of other assets is calculated as an amount equivalent to the discounted current value of the investment. The discount factor used takes into account the market interest rate at 31 December 2007 for investments judged to be equivalent to the investment being valued. Fair value of liabilities is calculated as the discounted present value of the funding transaction. As with investments, the discount factor used takes into account the bank's actual funding costs for an equivalent deposit at 31 December 2007. The fair value of lending is calculated as the discounted present value of loans considered not to be impaired. In the case of loans considered to be impaired, fair value is estimated for each individual loan or group. All financial assets and liabilities included in hedge accounting are shown at amortised cost in the notes to the accounts.

Earn-out payments in respect of acquisitions
In some cases, acquisitions of companies include provision for deferred settlement in the form of earn-out payments. IFRS requires that the discounted value of earn-out payments is added to the acquisition cost of the investment. The discounted value of earn-out therefore affects the size of excess value/undervalue that is allocated. The calculation of the value of earn-out is normally based on forecasts of future earnings of the business acquired. Subsequent changes in these forecasts affect the acquisition cost and therefore also the excess value/undervalue that has been allocated. A pre-tax annual discount rate of 12% was applied when calculating the discounted value of earn-out payments in the 2007 accounts. See Note 20 for further information.

Allocation of excess value arising from acquisitions
The allocation of excess value arising from acquisitions involves the exercise of judgement to allocate excess value between various intangible assets. The allocation of excess value is based on excess value/undervalue identified in connection with each acquisition. Any unallocated residual is treated as goodwill, and in accordance with IFRS such goodwill is not depreciated. See Note 20 for an analysis of excess value identified in connection with acquisitions.

Note 2: Segment information

Analysis of profit and loss account and balance sheet items by activity:

NOK MILLION	CORPORATE 2007	CORPORATE 2006	CORPORATE 2005	RETAIL 2007	RETAIL 2006	RETAIL 2005	MARKETS 2007	MARKETS 2006	MARKETS 2005	REAL ESTATE BROKING 2007	REAL ESTATE BROKING 2006	REAL ESTATE BROKING 2005	TOTAL 2007	TOTAL 2006	TOTAL 2005
Profit and loss items:															
Net external interest income	199.8	189.6	227.2	195.0	206.2	194.9	18.1	22.8	25.0	0.2	0.2	0.0	413.2	418.8	447.2
Net internal interest income													0.0	0.0	0.0
Net interest income	**199.8**	**189.6**	**227.2**	**195.0**	**206.2**	**194.9**	**18.1**	**22.8**	**25.0**	**0.2**	**0.2**	**0.0**	**413.2**	**418.8**	**447.2**
Net external fee and commis. income	6.4	8.0	-7.0	7.0	5.5	14.9	44.5	18.4	9.7	0.0	0.0	0.0	57.9	31.9	17.6
Net internal fee and commis. income													0.0	0.0	0.0
Net fee and commission income	**6.4**	**8.0**	**-7.0**	**7.0**	**5.5**	**14.9**	**44.5**	**18.4**	**9.7**	**0.0**	**0.0**	**0.0**	**57.9**	**31.9**	**17.6**
Other external operating income	15.8	11.0	40.9	16.2	21.7	24.9	0.9	0.0	1.3	12.9	14.2	9.3	45.8	46.8	76.3
Other internal operating income													0.0	0.0	0.0
Total operating income	**15.8**	**11.0**	**40.9**	**16.2**	**21.7**	**24.9**	**0.9**	**0.0**	**1.3**	**12.9**	**14.2**	**9.3**	**45.8**	**46.8**	**76.3**
Staff expenses and general administration expenses	-114.3	-75.8	-92.8	-197.8	-106.9	-97.9	-32.2	-24.6	-11.7	-15.8	-11.6	-9.5	-360.1	-218.9	-212.0
Depreciation of tangible and intangible fixed assets		-7.1	-6.2		-11.5	-9.6							0.0	-18.6	-15.9
Other operating costs		-40.6	-28.2		-62.0	-62.8		-12.3	-14.3		-2.1	-1.4	0.0	-117.0	-106.6
Total operating costs	**-114.3**	**-123.5**	**-127.2**	**-197.8**	**-180.3**	**-170.3**	**-32.2**	**-36.9**	**-26.0**	**-15.8**	**-13.8**	**-11.0**	**-360.1**	**-354.5**	**-334.5**
Operating profit before loan losses	107.7	85.0	134.0	20.4	53.1	64.4	31.4	4.3	9.9	-2.7	0.6	-1.6	156.7	143.1	206.6
Loan losses and write-downs	84.0	54.6	20.2	-5.8	-7.7	14.2							78.2	47.0	34.4
Ordinary profit from continuing operations	**191.7**	**139.7**	**154.2**	**14.5**	**45.4**	**78.6**	**31.4**	**4.3**	**9.9**	**-2.7**	**0.6**	**-1.6**	**234.9**	**190.0**	**241.1**
Ordinary profit from businesses discontinued [1])	**0.0**	**0.2**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.2**	**0.0**
Balance sheet items:															
Gross lending	12 159.5	11 603.6	10 476.0	24 936.4	19 577.6	16 288.9							37 095.8	31 181.1	26 764.9
Lending write-downs	-241.2	-372.7	-422.0	-64.0	-60.6	-56.9							-305.2	-433.3	-478.9
Net customer lending	**11 918.3**	**11 230.8**	**10 054.0**	**24 872.4**	**19 517.0**	**16 232.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**36 790.7**	**30 747.8**	**26 286.0**
Investments in associated companies	28.7	29.2	30.0										28.7	29.2	30.0
Tangible fixed assets	4.5	3.0	4.3	4.4	4.0	5.6	1.3			0.3	0.1	0.2	10.5	7.2	10.1
Intangible fixed assets	27.1	21.5	10.5	26.7	24.6	15.5	58.5			2.1			114.4	46.1	26.0
Assets, activities held for sale													0.0	0.0	0.0
Other assets	2 083.6	1 583.6	1 443.1	2 547.5	1 178.0	1 205.5	301.1	550.6	417.4	10.9	12.9	11.9	4 943.1	3 325.1	3 077.9
Total assets	**14 062.2**	**12 868.2**	**11 541.9**	**27 451.0**	**20 723.6**	**17 458.6**	**360.9**	**550.6**	**417.4**	**13.3**	**13.0**	**12.1**	**41 887.4**	**34 155.5**	**29 430.0**
Deposits from and due to customers	7 773.8	5 357.3	4 360.7	9 695.8	8 176.4	6 826.4							17 469.6	13 533.7	11 187.0
Liabilities, activities held for sale													0.0	0.0	0.0
Other liabilities	5 259.8	6 526.2	6 081.8	16 760.3	11 886.8	9 995.7	355.9	547.6	417.4	2.0	1.5	1.2	22 378.0	18 962.2	16 496.1
Equity	1 028.6	984.7	1 099.4	994.9	660.4	636.6	5.0	3.0		11.3	11.5	10.9	2 039.8	1 659.6	1 747.0
Total equity and liabilities	**14 062.2**	**12 868.2**	**11 541.9**	**27 451.0**	**20 723.6**	**17 458.6**	**360.9**	**550.6**	**417.4**	**13.3**	**13.0**	**12.1**	**41 887.4**	**34 155.5**	**29 430.0**
Key figures:															
Costs as % of income	52%	59%	49%	91%	77%	73%	51%	90%	72%	120%	96 %	118%	70%	71%	62%
Deposits from and due to customers as % of gross lending	64%	46%	42%	39%	42%	42%							47%	43%	42%

[1]) Profit relates to the discontinued subsidiaries Storebrand Finans AS and Skipsinvest I AS.

Description of the segments:

Commercial Banking: This segment comprises deposits from and lending to commercial customers, principally real estate investors/developers.
The associated company Seilduksgaten 25/31 AS is included in the Commercial Banking segment. The bank has a 50% ownership interest, and the company reported a loss of NOK 0.5 million for 2007.
Retail Banking: Deposits from and lending to retail customers, including credit cards. Lending is principally mortgage lending secured against residential real estate.
The bank has a 50% ownership interest in Evoco Financial Production UAB in Lithuania which is included in the Retail Banking segment.
The ownership interest is recognised in the accounts as a jointly controlled business. The company reported a loss of NOK 0.2 million for 2007.
Markets: This is a new business area with effect from Q3 2007, and will also include newly-started business activities pursuant to the bank's authorisation in respect of the Securities Trading Act.
This business area includes all the bank's activities in structured products, real estate funds, Storebrand Optimér ASA as a product and stockbroking activities.
Hadrian Eiendom AS is also included in this area, and the bank had a 90.9% ownership interest in this company at the close of 2007.
Real Estate Broking: This segment solely comprises Ring Eiendomsmegling AS in which the bank had a 70% ownership interest at the close of 2007.

Income and costs that cannot be directly attributed to a segment are allocated on the basis of assumed consumption of resources.

Geographical segments:

No company in the group carried out any independent business activities outside Norway in 2007. Customers with foreign domicile are classified as part of the Norwegian activities. Operating revenue and profit are therefore derived solely from activities in Norway.

Note 3: Close associates

Transactions with group companies:

	2007 OTHER GROUP COMPANIES 1)	2006 OTHER GROUP COMPANIES 1)
Interest income	0.0	0.0
Interest expense	2.4	0.0
Services sold	3.7	2.3
Services purchased	54.7	46.1
Due from	0.0	0.0
Liabilities to	32.4	20.1

Transactions with group companies are based on the principle of transactions at arm's length.

1) Other group companies are companies in other sub-groups within Storebrand group.

Transactions with related parties:
Storebrand Bank ASA defines Storebrand Optimér ASA as a related party since the general manager of Storebrand Optimér ASA is an employee of Storebrand Bank ASA and the company's objective is to offer alternative savings products to the bank's customers. Storebrand Optimér ASA has no employees and the company has entered into an agreement with Storeband Bank ASA to carry out the day-to-day operation of the company.
The bank also acts as a Manager for issues of shares carried out by Storebrand Optimér ASA. The bank recognized NOK 13.6 million to profit and loss in 2007, of which NOK 5.2 million was paid out to distributors of shares in Storebrand Optimér ASA. The bank has a receivable due from the company of NOK 1.1 million as of 31.12.07. The fees paid to the bank are based on the arm's length principle.

Loans to employees:

NOK MILLION	2007	2006	2005
Loans to employees of Storebrand Bank ASA	169.1	156.6	162.4
Loans to employees of the Storebrand group	1 575.5	1 236.7	1 327.2

Loans to employees are granted in part on the normal terms and conditions for loans to employees, i.e. loan to an individual of up to NOK 1.7 million at 80% of normal market interest rate. Loans in excess of NOK 1.7 million are granted on normal commercial terms and conditions. The bank has not provided guarantees or security for borrowing by employees.

Headcount and personnel information:

	2007	2006	2005
Number of employees at 31 December 1)	215	183	178
Number of employees expressed as full-time equivalent positions 1)	198	180	175

1) Includes employees and FTEs for Storebrand Bank ASA, Ring Eiendomsmegling AS, Hadrian Eiendom AS and Evoco Financial Production Services UAB.

Note 4: Remuneration of the auditor

Remuneration excluding value added tax:

NOK 1000	2007	2006	2005
Statutory audit	1 041	1 156	1 044
Other reporting duties	83	8	61
Taxation advice	28	0	0
Other non-audit services	13	157	28
Total	**1 165**	**1 321**	**1 133**

Note 5: Net income from financial instruments

NOK MILLION	2007	2006	2005
Net interest income			
Interest and other income on loans to and deposits with credit institutions	46.5	15.8	12.0
Interest and other income on loans to and due from customers	1 825.3	1 138.8	938.6
Interest on commercial paper, bonds and other interest-bearing securities	112.9	64.9	61.9
Other interest income and related income	7.6	0.5	14.7
Total interest income 1)	**1 992.3**	**1 220.0**	**1 027.1**
Interest and other expenses on debt to credit institutions	-118.5	-59.0	-41.6
Interest and other expenss on deposits from and due to customers	-588.7	-311.7	-200.8
Interest and other expenses on securities issued	-788.5	-399.5	-305.9
Interest and expenses on subordinated loan capital	-53.3	-31.1	-31.6
Other interest expenses and related expenses	-30.0	0.0	0.0
Total interest expenses 2)	**-1 579.1**	**-801.2**	**-579.9**
Total net interest income	**413.2**	**418.8**	**447.2**
1) *Of which total interest income on financial assets that are not at fair value through profit or loss*	*1 861.3*	*1 141.5*	*949.9*
2) *Of which total interest expenses on financial liabilities that are not at fair value through profit or loss*	*-1 506.4*	*-780.3*	*-579.9*

Net income and gains from financial assets and liabilities at fair value:

	2007	2006	2005
Equity instruments			
Dividends received from equity investments	0.1	1.0	0.0
Net gains/losses on realisation of equity investments	5.4	0.0	0.0
Net change in fair value of equity investments	-2.3	2.7	0.0
Total equity investments	**3.3**	**3.7**	**0.0**
Bonds, commercial paper and other interest-bearing securities			
Commercial paper and bonds issued by the public sector	0.3	-2.4	0.5
Total securities issued by the public sector	**0.3**	**-2.4**	**0.5**
Commercial paper and bonds issued by others	-2.6	-1.2	8.6
Total securities issued others	**-2.6**	**-1.2**	**8.6**
Total bonds, commercial papper and other interest-bearing securities	**-2.3**	**-3.6**	**9.0**
Financial derivatives			
Financial derivatives, held for trading	15.5	22.7	23.5
Total financial derivatives	**15.5**	**22.7**	**23.5**
Net income and gains from financial assets and liabilities at fair value	**16.4**	**22.9**	**32.5**
Net gain/loss on financial assets at fair value through profit or loss:			
Financial assets designated at fair value upon initial recognition	-3.1	1.6	7.7
Financial assets classified as held for trading	19.6	21.2	23.5
Net gain/loss on financial liabilities at fair value through profit or loss:			
Financial liabilities designated at fair value upon initial recognition	0.0	1.7	1.5
Financial liabilities classified as held for trading	0.0	0.0	0.0

Note 6: Net commission income

NOK MILLION	2007	2006	2005
Money transfer fees	12.6	15.0	14.0
Service charges on deposit accounts	19.8	15.9	15.2
Guarantee commissions receivable	4.0	3.5	3.6
Commissions from real estat fund	70.0	60.1	5.2
Commissions from structured products	2.4	4.3	4.5
Commissions from stockbroking	10.0	5.6	0.0
Commissions from Storebrand Optimér ASA	13.6	4.4	0.0
Fees from loans	0.8	0.9	0.0
Management of loan portfolios	3.8	2.3	0.7
Other commission income	2.9	0.4	1.4
Total fees and commissions receivable 1)	**139.8**	**112.3**	**44.5**
Money transfer fees	-5.6	-10.9	-13.6
Fee on securities to Norwegian Registry of Securities	-1.7	-1.3	-1.3
Commissions real estate fund	-44.6	-47.6	0.0
Commissions structured products	0.0	-1.3	0.0
Commissions stockbroking	-3.2	-1.4	0.0
Commissions Storebrand Optimér ASA	-8.1	-3.4	0.0
Commission for distribution of the bank's products	-17.7	-13.7	-11.8
Other commission expenses	-1.0	-0.7	-0.1
Total fees and commissions payable 2)	**-81.9**	**-80.3**	**-26.9**
Net fee and commission income	**57.9**	**31.9**	**17.6**
1) *Of which total fees and commission income on book value of financial assets and liabilities that are not at fair value through profit or loass*	*39.4*	*38.3*	*34.3*
2) *Of which total fees and commission expense on book value of financial assets and liabilities that are not at fair value through profit or loass*	*-23.3*	*-25.9*	*-25.4*

Other fee and commission income and fee and commission expense are related to charges on services bought and sold.

Note 7: Losses on loans and guarantees

NOK MILLION	2007	2006	2005
Write-downs of loans and guarantees for the period			
Change in individual write-downs for the period	113.0	29.6	107.5
Change in grouped write-downs for the period	15.2	15.9	26.5
Other corrections to write-downs 1)	-0.9	22.4	-19.3
Change in individual write-downs on guarantees for the period 2)	4.0	0.0	0.0
Realised losses in period on commitments specifically provided for previously	-59.6	-17.2	-81.9
Realised losses on commitments not specifically provided for previously	-1.0	-6.2	-0.9
Recoveries on previously realised losses	7.5	2.4	2.5
Write-downs of loans and guarantees for the period	**78.2**	**47.0**	**34.4**
1) Other corrections to write-downs:			
Interest recognised to profit in accordance with the effective interest rate method	-4.0	-4.7	-23.5
Deviation caused by changes in expected cash flow	4.7	17.5	0.0
Correction to volume and write-down of debt recovery portfolio	0.0	9.3	22.7
Sale of Finansbanken AS (Denmark)	0.0	0.0	-12.5
Other changes	-1.6	0.3	-6.0
Total other corrections to write-downs	-0.9	22.4	-19.3

2) Individual write-downs on guarantees are included in the item 'Provision for accrued expenses and liabilities' until such time as they are written back.

Interest recognised to profit on loans subject to write-downs	4.0	7.5	15.3

Note 8: Other income

NOK MILLION	2007	2006	2005
Net gain/loss on sale/close down of subsidiaries	7.2	-0.9	16.6
Income from real estate broking	14.2	14.2	9.3
Gain on sale of property	5.8	0.0	0.0
Other income	3.0	0.1	11.5
Total other income	**30.2**	**13.3**	**37.3**

Note 9: Pensions

Employees of Storebrand Bank ASA are assured a retirement pension equivalent to 70% of pensionable salary at the time of retirement. The ordinary retirement age is 65. Staff pensions are provided by a group pension scheme, primarily with Storebrand Livsforsikring AS, in accordance with the rules on private occupational pension schemes. Pension payments from the this scheme come into effect fromthe pension age, which is 67. Pension payments between 65 and 67 and pensions in excess of 12G are paid directly by the company.
Pension rights are part of the group's collective employment agreement. The company has a duty to operate an occupational pension schemepursuant to the Act on mandatory occupational pensions. The company's pension scheme satisfies the requirements of the Act. The subsidiaries Hadrian Eiendom AS and Ring Eiendomsmegling AS operate defined contribution pension schemes.

Reconciliation of pension assets and liabilities in the balance sheet:

NOK MILLION	2007	2006	2005
Present value of insured pension liability including employer's social security contributions	107.5	112.1	75.8
Pension assets at fair value	-78.1	-76.0	-58.3
Net pension liability/surplus for the insured schemes	29.3	36.0	17.5
Present value of uninsured pension liability including employer's social security contributions	40.1	34.1	35.9
Net pension liabilities in the balance sheet	**69.5**	**70.1**	**53.4**

Reconciliation to show the change in net defined benefit pension liability in the period:

NOK MILLION	2007	2006	2005
Net pension liability at 1.1 including provision for employment taxes	145.0	110.0	107.6
Net pension cost recognised in the period including provision for employment taxes	15.6	15.2	12.8
Interest on pension liabilities	5.9	4.9	4.4
Experience adjustments	-14.1	17.9	-6.1
Pensions paid	-4.8	-1.8	-1.0
Changes to the pension scheme			-6.1
Net pension liability at 31.12.	**147.6**	**146.1**	**111.7**

Reconciliation to show the change in fair value of pension assets in the period:

NOK MILLION	2007	2006	2005
Fair value of pension assets at 1.1	76.0	58.3	51.3
Expected return	3.5	3.5	3.5
Experience adjustments	-5.8	2.6	
Premiums paid in	5.6	12.4	9.0
Changes to the pension scheme			-5.0
Pensions paid	-1.2	-0.8	-0.5
Net pension assets at 31.12.	**78.1**	**76.0**	**58.3**

Net pension liability at 31.12.:

NOK MILLION	2007	2006	2005	2004
Discounted present value of defined benefit pension liability	147.6	146.1	111.7	107.6
Fair value of pension assets	78.1	76.0	58.3	51.3
Deficit/(surplus)	69.5	70.1	53.4	56.3

Experience adjustments applied to equity:

NOK MILLION	2007	2006	2005
Experience adjustments applied to equity	7.1	-12.5	4.1
Accumulated experience adjustments applied to equity	29.1	22.0	34.5

Net pension cost in the profit and loss account, specified as follows:

NOK MILLION	2007	2006	2005
Current service cost including employment taxes	14.6	11.3	13.6
Interest on pension liabilities	5.5	4.9	4.4
Expected return on pension assets	-3.5	-3.5	-3.0
Experience adjustments		0.0	-1.5
Changes to the pension scheme			-1.1
Accrued employer's social security contributions 2)	2.3	1.6	1.7
Net pension cost booked to profit and loss in the period 1)	**18.9**	**14.3**	**14.0**

1) 1) Net pension cost reported in the accounts is reduced by NOK 1.7 million due to the transfer of employees from the bank to other companies in the group. This reduction is not included in the figures shown in this note. Subsidiaries with defined contribution pension schemes have recognized NOK 0.2 million of pension cost. These pension schemes are not included in this note. Net pension cost is included in the item "Staff and general administration expenses". See note 10.

2) With effect from 2007, employer's social security contributions on pension premiums paid and pensions paid from operations are included in net pension cost, whereas previously only employer's social security contributions on the actual pension liability were included. The figures for 2006 and 2005 have been reclassified in the same way.

Book (realised) investment return on assets managed by Storebrand Livsforsikring	8,90 %	7,01 %	6,90 %

Main assumptions used when calculating net pension liability:	31.12.07	31.12.06	31.12.05
Financial assumptions:			
Discount rate	4.7 %	4.3 %	4.7 %
Expected return on pension fund assets in the period	5.8 %	5.6 %	6.0 %
Expected earnings growth	4.3 %	4.3 %	3.0 %
Expected annual increase in social security pensions	4.3 %	4.3 %	3.0 %
Expected annual increase in pensions in payment	1.9 %	1.7 %	2.0 %

Actuarial assumptions:
Standardised assumptions on mortality/disability and other demographic factors as produced by the Norwegian Financial Services Association. Average employee turnover rate of 2-3% of entire workforce.

Demographical assumptions:	31.12.07	31.12.06	31.12.05
Life expectancy	K-2005	K-63	K-63
Disability	KU	K-63	K-63

Note 10: Operating expenses

NOK MILLION	2007	2006	2005
Ordinary wages and salaries	102.5	109.6	105.7
Employer's social security contributions 1)	12.9	14.5	16.3
Other staff expenses	9.2	10.1	8.8
Pension cost (see note 9) 1) 2)	17.4	14.3	14.0
Total staff expenses	**142.0**	**148.6**	**144.9**
IT costs	68.1	53.9	52.0
Printing, postage etc.	10.6	5.6	5.1
Travel, entertainment, courses, meetings	4.4	5.7	4.0
Other sales and publicity costs	5.1	5.1	5.8
Total general administration expenses	**88.3**	**70.3**	**67.0**
Depreciation (see note 26 og 27)	21.3	18.6	15.9
Contract personnel	22.8	27.6	22.7
Operating expenses on rented premises	13.9	20.2	18.7
Inter-company charges for services	54.8	46.1	48.0
Other operating expenses	17.1	23.1	17.2
Total other operating expenses	**129.9**	**135.6**	**122.5**
Total operating expenses	**360.2**	**354.5**	**334.5**

1) With effect from 2007, employer's social security contributions on pension premiums paid and pensions paid from operations are included in pension costs. The figures for 2006 and 2005 have been reclassified in the same way.
2) Pension costs include NOK 0.2 million recognized by subsidiaries that operate defined contribution pension schemes.

Note 11: Tax

TAX CHARGE FOR THE YEAR

NOK MILLION	2007	2006	2005
Tax payable for the period	77.3	0.0	0.0
Total tax charge	**77.3**	**0.0**	**0.0**
Changes in deferred tax/deferred taz asset			
Deferred tax caused by temporary differences/reversals of temporary differences	-12.0	42.7	47.0
Total changes in deferred tax/deferred tax asset	**-12.0**	**42.7**	**47.0**
Total tax cost	**65.3**	**42.7**	**47.0**

Reconciliation of expected and actual tax charge

NOK MILLION	2007	2006	2005
Ordinary pre-tax profit	234.9	190.0	241.1
Expected tax on income at nominal rate	65.8	53.2	67.5
Skatteeffekten av:			
Realised shares	-3.8	-7.5	-4.6
Realised options related to equity index linked bonds	-1.1		
Associated companies	0.1	-0.3	-1.8
Permanent differences	4.4	1.7	-14.1
Corrections for previous years		-4.4	-1.1
Write-downs of deferred tax assets	-0.1		1.2
Tax charge	**65.3**	**42.7**	**47.0**
Tax payable	77.3	0.0	0.0
- tax effect of group contribution paid	0.0	0.0	0.0
Tax payable in the balance sheet (note 35)	**77.3**	**0.0**	**0.0**

ANALYSIS OF THE TAX EFFECT OF TEMPORARY DIFFERENCES AND TAX LOSSES CARRIED FORWARD

NOK MILLION	2007	2006	2005
Tax increasing timing differences			
Securities			2.9
Lending		1.2	9.7
Derivatives		26.1	12.1
Bonds issued	64.8		
Commercial paper issued	1.0		
Effect of pensions and experience adjustments applied to equity	30.6		
Other	42.1	29.8	
Total tax increasing timing differences	**138.5**	**57.1**	**24.7**
Tax reducing timing differences			
Pensions	-107.1	-70.1	-53.5
Securities	-1.0		
Operating assets	-12.8	-23.5	-22.2
Derivatives	-162.6		
Provisions	-5.6		
Fees and commissions	-17.6	-20.1	-20.3
Equity index bonds	-479.3	-404.8	-359.5
Deposits linked to stock exchange index (BMA)	-1.0		
Bonds issued		-48.7	-8.5
Other	-7.4		-9.5
Total tax reducing timing differences	**-794.5**	**-567.1**	**-473.5**
Losses/allowances carried forward	-3.3	-106.0	-310.5
Net base for deferred tax/tax assets	-659.2	-616.0	-759.3
Write-down of deferred tax asset	0.4		0.1
Tax asset not capitalised to the balance sheet			4.3
Net base for deferred tax and deferred tax asset	-658.8	-616.0	-754.9
Net deferred asset/liability	**184.5**	**172.5**	**211.4**
Change in deferred tax, not applied to profit and loss	-2.0		
Deferred tax in connection with acquisition of Hadrian Eiendom AS	-8.6		
Net deferred asset/liability in the balance sheet	**173.9**		

Analysis of tax payable and deferred tax applied directly to equity:

	2007	2006	2005[1])
Pension experience adjustments	-2.0	-8.6	-13.4
Bonds and commercial paper			-2.1
Loan write-downs			-10.4
Hedging			-3.3
Derivatives			-1.3
Bonds issued			1.1
Structured products			24.8
Total	**-2.0**	**-8.6**	**-4.5**

[1]) The change is result of the introduction of new accounting principles from 1.1.2005.

Deferred tax assets not capitalised to the balance sheet:

	2007	2006	2005
Ring Eiendomsmegling AS	0.0	0.9	1.2
Total deferred tax assets not capitalised to the balance sheet:	**0.0**	**0.9**	**1.2**

Deferred tax assets principally relate to tax reducing temporary differences on fixed assets, pension liabilities and financial instruments. The bank produces an annual profit, and this is expected to continue in future years.
Deferred tax assets in respect of Storebrand Bank ASA are capitalised to the extent that it is considered likely that it will be possible to make use of the assets.

Note 12: Minority interests

NOK MILLION	2007	2006	2005
Minority interests at 1.1.	3.5	3.0	0.8
Share of profits due to minority interests	0.3	0.2	0.0
Minority share of equity at acquisition	1.2		
Change in minority interests during the period		0.4	2.2
Minority interests share of intangible assets on acquisition of Hadrian Eiendom AS	2.0	0.0	0.0
Minority interests at 31.12.	**7.1**	**3.5**	**3.0**

Relates to minority interests in Ring Eiendomsmegling AS, Hadrian Eiendom AS and
Sørlandsbygg Holding AS where Storebrand Bank ASA held 70%, 90.9% and 70% respectively at 31.12.2007.

Note 13: Classification of financial instruments

Classification of financial assets		2007		2006		2005	
NOK MILLION	NOTE	BOOK VALUE	FAIR VALUE	BOOK VALUE	FAIR VALUE	BOOK VALUE	FAIR VALUE
Cash and deposits with central banks	14						
Cash and deposits with central banks at amortised cost, loans and receivables		1 062.0	1 062.0	394.4	394.4	423.9	423.9
Total cash and deposits with central banks		1 062.0	1 062.0	394.4	394.4	423.9	423.9
Net loans to and deposits with credit institutions	16						
Loans to and deposits with credit institutions at amortised cost, loans and receivables		374.1	374.1	114.9	114.9	41.7	41.7
Total loans to and deposits with credit institutions		374.1	374.1	114.9	114.9	41.7	41.7
Equity instruments	17						
Financial assets at fair value, FVO [1])		2.0	2.0	8.2	8.2	8.8	8.8
Total equity instruments		2.0	2.0	8.2	8.2	8.8	8.8
Bonds and other fixed income securities	21						
Commercial paper and bonds at fair value, FVO [1])		2 491.6	2 491.6	1 698.6	1 698.6	1 703.1	1 703.1
Total bonds and other fixed income securities		2 491.6	2 491.6	1 698.6	1 698.6	1 703.1	1 703.1
Derivatives	22						
Financial derivatives at fair value, held for trading		527.9	527.9	642.9	642.9	515.0	515.0
Total derivatives		527.9	527.9	642.9	642.9	515.0	515.0
Net lending to customers							
Lending to customers at fair value, FVO [1])	23	316.5	316.5	258.5	258.5	252.8	252.8
Lending to customers at amortised cost, loans and receivab.	23	36 779.3	36 778.2	30 922.6	30 917.7	26 512.0	26 512.0
Total lending before individual write-downs and write-downs of groups of loans		37 095.8	37 094.8	31 181.1	31 176.3	26 764.9	26 764.9
- Write-downs on individual loans	24	-247.1	-247.1	-360.0	-360.0	-389.6	-389.6
- Write-downs on groups of loans	24	-58.1	-58.1	-73.3	-73.3	-89.2	-89.2
Total net lending to customers		*36 790.7*	*36 789.6*	*30 747.8*	*30 743.0*	*26 286.0*	*26 286.0*
Total financial asset		**41 248.3**	**41.247.2**	**33.606.8**	**33.602.0**	**28.978.5**	**28.978.5**
Financial assets summarised by classification							
Financial assets at fair value, FVO [1]) [2])		2 810.2	2 810.2	1 965.3	1 965.3	1 964.7	1 964.7
Financial assets at fair value, held for trading		527.9	527.9	642.9	642.9	515.0	515.0
Financial assets at amortised cost, loans and recievables		37 910.2	37 909.2	30 998.6	30 993.7	26 498.7	26 498.7
Total financial assets		**41 248.3**	**41 247.2**	**33 606.8**	**33 602.0**	**28 978.5**	**28 978.5**

Classification of financial liabilities

NOK MILLION	NOTE	2007 BOOK VALUE	2007 FAIR VALUE	2006 BOOK VALUE	2006 FAIR VALUE	2005 BOOK VALUE	2005 FAIR VALUE
Liabilities to credit institutions	31						
Deposits from and due to credit institutions at amortised cost		3 064.5	3 034.7	2 786.0	2 786.0	1 464.6	1 464.4
Total liabilities to credit institutions		3 064.5	3 034.7	2 786.0	2 786.0	1 464.6	1 464.4
Deposits from and due to customers	32						
Deposits from and due to customers at fair value, FVO 1)		137.4	137.4	0.0	0.0	0.0	0.0
Deposits from and due to customers at amortised cost		17 332.2	17 332.2	13 533.7	13 532.8	11 187.0	11 187.0
Total deposits from and due to customers		17 469.6	17 469.6	13 533.7	13 532.8	11 187.0	11 187.0
Other financial liabilities							
Derivatitves, held for trading	22	586.6	586.6	607.2	607.2	452.3	452.3
Commercial paper and bonds issued at fair value, FVO 1)	33	1 118.9	1 118.9	1 196.0	1 196.0		
Commercial paper and bonds issued at amortised cost	33	16 040.6	15 902.4	13 200.7	13 144.4	13 657.2	13 625.2
Other liabilities, amortised cost	35	470.8	470.8	339.0	339.0	204.8	204.8
Total other financial liabilities		18 216.9	18 078.7	15 342.9	15 286.6	14 314.3	14 282.3
Subordinated loan capital	34						
Subordinated loan capital at amortised cost		1 013.8	992.7	759.3	799.5	658.9	683.5
Total subordinated loan capital		*1 013.8*	*992.7*	*759.3*	*799.5*	*658.9*	*683.5*
Total financial liabilities		**39 764.8**	**39 575.7**	**32 421.8**	**32 404.8**	**27 624.8**	**27 617.3**
Financial liabilities summarised by classification							
Financial liabilities at fair value, FVO 1) 3)		1 256.3	1 256.3	1 196.0	1 196.0	0.0	0.0
Financial liabilities at fair value, held for trading		586.6	586.6	607.2	607.2	452.3	452.3
Financial liabilities at amortised cost, Loans and receivables		37 921.8	37 732.8	30 618.6	30 601.6	27 172.5	27 165.0
Total financial liabilities		**39 764.8**	**39 575.7**	**32 421.8**	**32 404.8**	**27 624.8**	**27 617.3**

1) FVO = Fair Value Option

2) Of which financial assets designated at fair value upon initial recognition	2 810.2	2 810.2	1 965.3	1 965.3	1 964.7	1 964.7
Of which financial assets classified as held for tranding	0.0	0.0	0.0	0.0	0.0	0.0
3) Of which financial liabilities designated at fair value upon initial recognition	1 256.3	1 256.3	1 196.0	1 196.0	0.0	0.0
Of which financial liabilities classified as held for tranding	0.0	0.0	0.0	0.0	0.0	0.0

Note 14: Cash and deposits with central banks

NOK MILLION	2007	2006	2005
Cash 1)	4.8	2.4	2.0
Deposits with central banks at amortised cost, loans and receivables	1 057.2	392.0	421.9
Total cash and deposits with central banks	**1 062.0**	**394.4**	**423.9**

1) Storebrand Bank ASA discontinued its cashier service in 2007, replacing it with minibank terminals.

Note 15: Balances held for customers and liability to customers

NOK MILLION	2007	2006	2005
Balances held for customers	33.1	0.0	0.0
Liability to customers	31.7	0.0	0.0
Over/under cover	**1.4**	**0.0**	**0.0**

Balances held for customers and liability to customers arise in respect of the activities of Ring Eiendomsmegling AS and Hadrian Eiendom AS, which are authorised to operate as real estate brokers. Over/under cover is included in the item 'Other current assets'.

Note 16: Loans to and deposits with credit institutions

NOK MILLION	2007	2006	2005
Total loans to and deposits with credit institutions without fixed maturity at amortised cost [1])	374.1	107.7	33.7
Total loans to and deposits with credit institutions with fixed maturity at amortised cost	0.0	7.1	8.0
Total loans to and deposits with creditinstitutions at amortised cost	**374.1**	**114.9**	**41.7**

[1]) Relates to current accounts held with other banks, principally in foreign currencies.

Note 17: Shares and other equity instruments

NOK MILLION	OWNERSHIP INTEREST	2007 FAIR VALUE	2006 FAIR VALUE	2005 FAIR VALUE
IMAREX ASA	0.00%	0.0	4.6	2.1
Storebrand Institusjonelle Investor ASA	5.15%	1.4	1.3	1.0
Kragerø Golfpark AS	0.00%	0.0	1.9	1.9
Virtual Garden AS	0.00%	0.0	0.0	3.3
Others		0.5	0.5	0.5
Total		**2.0**	**8.2**	**8.8**
Of which				
Listed shares		0.0	4.6	2.1
Unlisted shares		2.0	3.7	6.7

Shares and other equity instruments are classified as financial assets at fair value through profit and loss.

Note 18: Investments in associated companies and joint ventures

Associated companies

Main accounting figures for associated companies - figures shown are for 100% of the company.

NOK MILLION	2007	2006	2005
Revenue:			
Bertel O. Steen Finans AS			52.4
Seilduksgaten 25/31 AS	2.6	2.8	3.1
Utenlands megleren AS	3.4	3.9	
Profit & Loss:			
Bertel O. Steen Finans AS			35.3
Seilduksgaten 25/31 AS	-1.2	-1.2	-0.3
Utenlands megleren AS	-0.2	-0.6	
Assets:			
Bertel O. Steen Finans AS			52.8
Seilduksgaten 25/31 AS	24.0	24.2	24.9
Utenlands megleren AS	2.5	3.1	
Liabilities:			
Bertel O. Steen Finans AS			9.4
Seilduksgaten 25/31 AS	24.0	23.2	22.7
Utenlands megleren AS	3.1	3.4	

Investments in associated companies are accounted for on the equity method.
Storebrand Bank ASA sold its 50% interest in Bertel O. Steen Finans AS in 2006.

Ownership interests in associated companies

NOK MILLION	OWNERSHIP INTEREST	ACQUISITION COST	BALANCE SHEET VALUE AT 1.1.	ADDITIONS/ DISPOSALS	SHARE IN PROFIT	BALANCE SHEET VALUE AT 31.12.
Seilduksgaten 25/31 AS	50 %	30.0	29.2	0.0	-0.5	28.7
Utenlands megleren AS	34 %	0.3	0.3		-0.3	0.0
Total		**30.3**	**29.5**	**0.0**	**-0.8**	**28.7**

Joint ventures
Overview of companies included in the accounts - figures shown are for 100% of the company:

NOK MILLION	2007	2006	2005
Revenue:			
Evoco Financial Production Services UAB	3.0	0.0	0.0
Profit & Loss:			
Evoco Financial Production Services UAB	-0.9	0.0	0.0
Assets:			
Evoco Financial Production Services UAB	1.7	0.0	0.0
Liabilities:			
Evoco Financial Production Services UAB	1.6	0.0	0.0

Joint ventures are businesses the group operates together with external parts.
Evoco Financial Production Services UAB was established in 2007. See Note 19.

Ownership interests in joint ventures

NOK MILLION	OWNERSHIP INTEREST	ACQUISITION COST	BOOK VALUE AS AT 31.12.07	PROFIT 2007
Evoco Financial Production Services UAB	50 %	0.4	0.5	-0.2
Total		**0.4**	**0.5**	**-0.2**

The figures shown relates to the proportion owned by Storebrand Bank ASA

Note 19: Changes in the composition of the group

New companies / acquisitions
Storebrand Bank ASA, acting in collaboration with Lindorff Accounting AS, has established a company in Lithuania known as Evoco Financial Production Services UAB. Evoco Financial Production Services UAB will provide back office services for Storebrand Bank, principally in respect of processing loan applications. The two parties each own 50% of the company, and it is classified as a jointly controlled company in the Storebrand Bank consolidated accounts. Evoco Financial Production Services UAB's accounts will be consolidated on an item by item basis proportionate to the bank's shareholding interest.

Storebrand Bank ASA has purchased 90.9% of the share capital of Hadrian Eiendom AS, which provides advice and broking services for commercial real estate (see note 20). The acquisition took place on 30.11.07. The company is consolidated from 1.12.07
The bank has also acquired the companies Start Up 102 AS, Start Up 103 AS and Start Up 104 AS, all of which were dormant in 2007. Ring Eiendomsmegling AS has purchased 100% of the share capital of Skansen Eiendomsmegling AS which was previously a franchisee of Ring Eiendomsmegling AS (see note 20).

Companies sold
The subsidiary Neskollen Eiendom AS was sold in 2007. The consolidated accounts include a gain of NOK 6.5 million from the sale.
The balance of the consideration for the sale of Finansbanken AS (Denmark) of NOK 0.7 million was received in 2007.
The subsidiary Storebrand III AS was sold in 2007.

Other changes
The subsidiary Storebrand II AS has changed its name to Storebrand Kredittforetak AS, and was granted a licence in January 2008 to issue covered bonds. The company was dormant at 31.12.07.

The following companies are subsidiaries of Storebrand Bank ASA:

NOK MILLION	OWNERSHIP INTEREST	STEMMERETT	SHARE CAPITAL	ACQUISITION COST	BOOK VALUE 31.12.07	BOOK VALUE 31.12.06	BOOK VALUE 31.12.05
Storebrand Kredittforetak AS	100%	100%	0.2	80.1	80.1	0.2	0.0
Ring Eiendomsmegling AS	70%	70%	15.0	10.7	10.7	10.7	11.1
Hadrian Eiendom AS 2)	91%	91%	0.1	40.7	40.7	0.0	0.0
Filipstad Eiendom AS	100%	100%	0.5	0.5	0.5	0.5	0.0
Filipstad Tomteselskap	100%	100%	0.1	0.1	0.1	0.1	0.1
Storebrand I AS	100%	100%	0.2	0.2	0.2	0.2	0.0
Start Up 102 AS	100%	100%	0.1	0.1	0.1	0.2	0.0
Start Up 103 AS	100%	100%	0.1	0.1	0.1	0.0	0.0
Start Up 104 AS	100%	100%	0.1	0.1	0.1	0.0	0.0
Sørlandsbygg Holding AS	70%	70%	0.3	1.5	1.5	0.0	0.0
Skipsinvest I AS 1)				0.0	0.0	0.0	0.1
Storebrand Finans AS 1)				0.0	0.0	0.0	23.5
Neskollen Eiendom AS 1)				0.0	0.0	7.0	0.5
Storebrand III AS 1)				0.0	0.0	0.2	0.0
Total				**134.1**	**134.1**	**18.8**	**35.3**

1) Companies sold in 2006 and 2007.
2) Storebrand Bank ASA received group contribution of NOK 8.5 million from Hadrian Eiendom AS as at 31.12.07. The group contribution, less 28% tax, has been applied to reduce the cost price of the shares.

Note 20: Acquisition

Effect of the acquisition of Hadrian Eiendom AS on assets and liabilities at the time of purchase.

The excess value analysis is based on book values at the date of takeover, i.e. 30.11.07.

NOK MILLION	NOTE	BOOK VALUE BEFORE TAKEOVER	FAIR VALUE ADJUSTMENTS	RECOGNIZED VALUE AT TAKEOVER
Tangible fixed assets	27	0.1		0.1
Intangible assets	26		30.7	30.7
Bank deposits		8.2		8.2
Deferred tax	11		-8.6	-8.6
Other receivables		4.8		4.8
Other short-term liabilities		-5.7		-5.7
Net identifiable assets and liabilities		7.4	22.1	29.5
Minority interests' share of equity at time of acquisition				-0.7
Goodwill on takeover				20.1
Minority interests' share of intangible assets				-2.0
Liability in respect of earn-out shares				-13.4
Cash consideration paid				33.5
Cash taken over				8.2
Net outgoing cash flow				**25.3**

Book value before takeover is based on IFRS accounting principles. Assets and liabilities werevalued at fair value at takeover.
A discount rate of 12% before tax was used to calculate the discounted current value of the earn-out liability. Intangible assets linked to the brand name Hadrian Eiendom AS. Intangible assets are not depreciated, but are tested for impairment annually.

Goodwill principally relates to the company's market position.

Effect of the acquisition of Skansen Eiendomsmegling AS on assets and liabilities at the time of purchase.

The excess value analysis is based on book values at the date of takeover, i.e. 30.11.07.

NOK MILLION	NOTE	BOOK VALUE BEFORE TAKEOVER	FAIR VALUE ADJUSTMENTS	RECOGNIZED VALUE AT TAKEOVER
Intangible assets	26	0.0	1.0	1.0
Tangible fixed assets	27	0.0		0.0
Bank deposits		0.1		0.1
Other receivables		1.4		1.4
Accrued expenses and pre-paid income		-0.3		-0.3
Other short-term liabilities		-2.4	-0.3	-2.7
Net identifiable assets and liabilities		-1.2	0.7	-0.5
Goodwill on takeover				0.5
Cash consideration paid				0.0
Cash taken over				0.1
Net outgoing cash flow				**-0.1**

Book value before takeover is based on IFRS accounting principles. Assets and liabilities were valued at fair value at takeover. A discount rate of 12% before tax was used to calculate the discounted current value of the earn-out liability.

Goodwill principally relates to identified order backlog.

The company has not prepared comparable pro forma accounting figures since the acquisitions are deemed not to be material.

Analysis of goodwill by business acquisition

NOK MILLION	ACQUISITION COST 1.1.	ACCUMULATED DEPRECIATION. 1.1.	BOOK VALUE 1.1.	ADDITIONS / DISPOSALS	WRITE-DOWN	BOOK VALUE 31.12.
Hadrian Eiendom AS	0.0	0.0	0.0	20.1	0.0	20.1
Skansen Eiendomsmegling AS	0.0	0.0	0.0	0.5	0.0	0.5
Total	**0.0**	**0.0**	**0.0**	**20.6**	**0.0**	**20.6**

Note 21: Bonds and other fixed income securities at fair value through profit and loss

NOK MILLION	COMMERCIAL PAPER	BONDS	2007 TOTAL	2006 TOTAL	2005 TOTAL
Commercial paper and bonds, book value	452.4	2 039.2	2 491.6	1 698.6	1 703.1
Of which listed	452.4	2 039.2	2 491.6	1 698.6	1 703.1
Nominal value	460.0	2 040.5	2 500.5	1 712.5	1 707.7
Analysis by sector of issuer:					
Public sector	452.4	450.6	903.0	900.2	978.2
Financial institutions		1 588.6	1 588.6	798.5	724.9
Total	**452.4**	**2 039.2**	**2 491.6**	**1 698.6**	**1 703.1**
Modified duration	0.32	0.14	0.17	0.29	0.27
Average effective yield per 31.12.	4.93 %	5.79 %	5.64 %	3.70 %	2.48 %

All securities are denominated in NOK.
The effective yield for each security is calculated using the observed market price. Calculated effective yields are weighted to give an average effective yield on the basis of each security's share of the total interest rate sensitivity.

Note 22: Financial derivatives

Nominal volum
Financial derivative contracts are related to underlying amounts which are not capitalised in the balance sheet. In order to quantify a derivative position, reference is made to underlying amounts such as nominal principal, nominal volume, etc. Nominal volume is calculated differently for different classes of derivative, and gives an indication of the size of the position and risk the derivative creates. Gross nominal volume principally indicates the size of the exposure, whilst net nominal volume gives an indication of the risk exposure. However nominal volume is not a measure which necessarily provides a comparison of the risk represented by different types of derivative.
In contrast to gross nominal volume, net nominal volume also takes into account the direction of the instruments'market risk exposure by differentiating between long (asset) positions and short (liability) positions.
A long position in an equity derivative produces a gain in value if the share price increases. For interest rate derivatives, a long position produces a gain if interest rates fall, as is the case for bonds. A long position in a currency derivative produces a gain if the currency strengthens against the NOK.
Average gross nominal volume is based on monthly calculations of gross nominal volume.

2007

NOK MILLION	GROSS NOM. VALUE 1)	AVERAGE NOM. VALUE 2)	NET NOM. VALUE 1)	FAIR VALUE 1) ASSET	LIABILITY	FAIR VALUE - HEDGING 3) ASSETS	LIABILITY
Equity options	3 051.8	3 636.7	18.2	261.1	257.9	0.0	0.0
Interest rate swaps	16 236.4	16 908.6	3 023.5	249.3	233.1	0.0	91.2
Forward foreign exchange contracts	5 621.0	5 665.5	5 493.4	17.5	95.5	0.0	0.0
Total derivatives	**24 909.2**	**26 210.8**	**8 535.1**	**527.9**	**586.6**	**0.0**	**91.2**

2006

NOK MILLION	GROSS NOM. VALUE 1)	AVERAGE NOM. VALUE 2)	NET NOM. VALUE 1)	FAIR VALUE 1) ASSET	LIABILITY	FAIR VALUE - HEDGING 3) ASSETS	LIABILITY
Equity options	4 186.9	4 939.0	33.2	478.9	469.9	0.0	0.0
Interest rate swaps	16 141.6	11 640.4	4 787.6	149.3	132.6	0.3	79.5
Forward foreign exchange contracts	3 490.3	3 636.9	3 225.2	14.6	4.7	0.0	0.0
Total derivatives	**23 818.8**	**20 216.3**	**8 046.0**	**642.9**	**607.2**	**0.3**	**79.5**

2005

NOK MILLION	GROSS NOM. VALUE 1)	AVERAGE NOM. VALUE 2)	NET NOM. VALUE 1)	FAIR VALUE 1) ASSET	LIABILITY	FAIR VALUE - HEDGING 3) ASSETS	LIABILITY
Equity options	5 336.0	5 610.0	176.6	417.4	404.9	0.0	0.0
Interest rate swaps	8 836.0	6 917.0	6 881.0	35.5	29.2	17.1	4.3
Forward foreign exchange contracts	4 294.0	6 644.0	2 410.0	62.1	18.1	0.0	0.0
Total derivatives	**18 466.0**	**19 171.0**	**9 467.6**	**515.0**	**452.3**	**17.1**	**4.3**

1) Value at 31.12.
2) Average for the year.
3) Market value of derivatives included in hedge accounting are classified together with the underlying item hedged. See note 30.

Note 23: Analysis of loan portfolio and guarantees

NOK MILLION	2007	2006	2005
Lending to customers at amortised cost	36 779.3	30 922.6	26 512.0
Lending to customers at fair value	316.5	258.5	252.8
Total gross lending to customers	**37 095.8**	**31 181.1**	**26 764.9**
Write-downs on individual loans (see note 24)	-247.1	-360.0	-389.6
Write-downs on groups of loans (see note 24)	-58.1	-73.3	-89.2
Net lending to customers	**36 790.7**	**30 747.8**	**26 286.0**

NOK MILLION	LENDING TO CUSTOMERS 2007	2006	2005	GUARANTEES 2007	2006	2005
Sector and industry classification:						
Financial aid agencies	0.3	0.3	0.0	0.0	0.0	0.0
Agriculture, forestry, fishing etc.	0.0	0.0	0.0	0.0	0.0	0.0
Oil and gas	0.0	0.1	0.2	0.0	0.0	0.0
Industry and mining	22.1	32.5	42.5	0.4	0.0	0.7
Water and power supply, building and construction	46.8	31.0	82.3	3.1	4.9	8.1
Wholesale/retail trade, hotels and restaurants	28.5	31.0	64.2	1.2	1.1	1.4
International shipping and pipelines	81.1	103.3	130.4	0.2	0.0	0.5
Other transportation and communications	64.7	53.0	15.3	1.2	1.1	1.1
Services and real estate operations	10 780.9	10 011.7	8 490.0	361.2	270.0	193.3
Other service industries	58.5	58.2	53.7	2.0	0.3	1.9
Retail customers	25 738.0	20 578.5	17 511.7	9.1	12.7	30.0
Other	1.6	0.7	11.7	0.4	0.0	0.0
Foreign	273.3	280.6	362.9	0.0	0.0	0.0
Total	**37 095.8**	**31 181.1**	**26 764.9**	**378.6**	**290.2**	**237.1**
Geographic distribution:						
Eastern Norway	29 347.9	25 034.5	22 373.1	376.7	288.3	224.9
Western Norway	4 753.4	3 142.6	2 102.5	0.7	0.1	0.1
Southern Norway	534.2	571.3	479.9	0.0	0.1	0.0
Mid-Norway	1 406.7	1 646.2	997.2	1.2	1.6	12.1
Northern Norway	780.4	506.0	449.3	0.0	0.0	0.0
Foreign	273.3	280.6	362.9	0.0	0.0	0.0
Total	**37 095.8**	**31 181.1**	**26 764.9**	**378.6**	**290.2**	**237.1**
Analysis of guarantee liabilities:						
Loan guarantees				0.0	0.0	0.0
Payment guarantees				175.9	125.5	115.8
Performance guarantees				190.4	153.8	108.4
Commercial Bank's Guarantee Fund				0.0	0.0	0.0
Other guarantee liability				12.4	10.9	12.9
Total (see note 36)				**378.6**	**290.2**	**237.1**

Note 24: Write-downs of loans and guarantees

NOK MILLION	2007	2006	2005
Write-downs of individual loans NGAAP 31.12.04			379.0
IAS 39 effect on opening balance of individual loans			122.0
Write downs of individual loans 1.1.	360.0	389.6	501.0
Losses realised in the period on individual loans previously written down	-59.6	-17.2	-81.9
Write-downs of individual loans for the period	12.0	43.1	66.8
Reversals of write-downs of individual loans for the period	-66.1	-59.6	-103.4
Other corrections to write-downs 1)	0.7	4.0	7.1
Write-downs of individual loans at 31.12.	**247.1**	**360.0**	**389.6**
Write-downs of groups of loans and guarantees NGAAP 31.12.04			194.3
IAS 39 efffect on opening balance of grouped write-downs			-78.6
Write-downs of groups of loans and guarantees 1.1.	73.3	89.2	115.7
Grouped write-downs for the period	-15.2	-15.9	-26.5
Write-downs of groups of loans and guarantees etc. 31.12.	**58.1**	**73.3**	**89.2**
Total write-downs	**305.2**	**433.3**	**478.9**
1) Of corrections to write-downs:			
Corrections to holding of / write-downs to debt recovery portfolio	0.0	4.0	22.7
Sale of Finansbanken AS (Denmark)	0.0	0.0	-12.5
Other corrections	0.7	0.0	-3.1
Total other corrections	0.7	4.0	7.1

The bank has no provision for guarantees as at 31.12.07. The provision for guarantees of NOK 4.0 million as at 31.12.06 is now included in the item "Provision for accrued expenses and liabilities".

Note 25: Fair value of non-performing loans and past-due loans

NOK MILLION	PAST-DUE LOANS WITHOUT IMPAIRMENT, OVERDUE BY 30 - 90 DAYS	NON-PERFORMING LOANS WITHOUT IDENTIFIED IMPAIRMENT, OVERDUE BY OVER 90 DAYS	LOANS WITH IDENTIFIED IMPAIRMENT OVERDUE BY OVER 90 DAYS	GROSS TOTAL OF NON-PERFORMING LOANS AND PAST-DUE LOANS BEFORE WRITE-DOWNS	INDIVIDUALS WRITE-DOWNS	FAIR VALUE OF NON-PERFORMING LOANS AND PAST-DUE LOANS 2007	FAIR VALUE OF NON-PERFORMING LOANS AND PAST-DUE LOANS 2006	FAIR VALUE OF NON-PERFORMING LOANS AND PAST-DUE LOANS 2005
Retail customers	281.5	140.0	165.7	587.2	-136.1	451.1	353.7	325.0
Commercial companies - services and real estate operations	79.1	10.3	55.0	144.5	-26.2	118.2	153.7	130.5
Other	9.9	0.9	76.4	87.2	-84.8	2.4	21.4	30.8
Total	**370.5**	**151.2**	**297.2**	**818.8**	**-247.1**	**571.8**	**528.8**	**486.4**

Fair value is defined as the current value of discounted future cash flows.

Note 26: Intangible assets and goodwill

NOK MILLION	INTANGIBLE ASSETS CURRENT PROJECTS	BRAND NAME	IT-SYSTEMS	GOOD-WILL	TOTAL 2007	TOTAL 2006	TOTAL 2005
Acquisition cost at 1.1.	0.0	0.0	76.2	0.0	76.2	53.2	36.8
Additions in the period:					0.0	0.0	0.0
Purchased separately			39.2		39.2	36.2	21.8
Purchased through merger, acquisition or similar	1.0	30.7		20.6	52.3	0.0	-0.4
Disposals in the period			-2.8		-2.8	0.0	0.0
Acquisition cost at 31.12.	**1.0**	**30.7**	**112.6**	**20.6**	**164.9**	**89.5**	**58.1**
Accumulated depreciation and write-downs at 1.1.	0.0		30.1	0.0	30.1	27.2	19.7
Depreciation in the period	0.3		12.6	0.0	12.8	16.1	12.4
Write-downs in the period	0.0		7.6		7.6	0.0	0.0
Accumulated depreciation and write-downs at 31.12.	**0.3**	**0.0**	**50.2**	**0.0**	**50.5**	**43.4**	**32.1**
Book value at 31.12.	**0.8**	**30.7**	**62.3**	**20.6**	**114.4**	**46.1**	**26.0**

For each class of intangible assets:		
Depreciation method	Linear method	Linear method
Economic life	4 months	3 - 8 years
Rate of depreciation	25 %	12.5% -33.33%

Intangible assets are depreciated on a linear basis over periods from four months to eight years. The brand name identified on the acquisition of Hadrian Eiendom AS is not subject to depreciation, see Note 20. Goodwill is not depreciated.

Depreciation and write-downs of intangible assets are included in the line "Other operating costs" in the profit and loss account.

IT systems in this note refers to the development of systems, user licenses to systems, etc. All capitalised expenses in respect of systems development relate to work carried out by external resources. In 2007, costs of NOK 2.8 million in respect of systems development that did not meet the criteria for capitalisation in accordance with IAS 38 were charged to profit and loss. A write-down of NOK 7.6 million was made in 2007 in respect of work on IT systems in connection with the development of the Basle II, IRB method. The periods assumed for economic life are reviewed annually.

Note 27: Fixed assets

NOK MILLION	VEHICLES, FIXTURES AND FITTINGS	IT	REAL ESTATE 1)	TOTAL 2007	TOTAL 2006	TOTAL 2005
Book value at 1.1.	2.4	0.0	4.7	7.2	10.1	12.9
Additions	1.6	2.6	0.0	4.2	0.7	0.6
Disposals	0.0	0.0	0.0	0.0	-1.3	-0.2
Depreciation	-0.4	-0.1	-0.4	-0.9	-2.4	-3.2
Book value at 31.12.	**3.7**	**2.5**	**4.3**	**10.5**	**7.2**	**10.1**
Opening acquisition cost	7.4	0.0	6.8	14.2	19.8	61.2
Closing acquisition cost	9.0	2.6	6.8	18.3	14.1	19.9
Opening accumulated depreciation and write-downs	4.9	0.0	2.1	7.0	9.8	-87.7
Closing accumulated depreciation and write-downs	5.3	0.1	2.5	7.9	7.0	9.7

For each class of fixed assets:			
Method for measuring cost price	Acquisition cost	Acquisition cost	Acquisition cost
Depreciation method	linear	linear	linear
Depreciation period and economic life	3 - 10 years	4 - 6 years	15 years

1) Holiday cabins valued on the cost method.

Depreciation of fixed assets is included in the line "Other operating costs" in the profit and loss account.
There are no restrictions on rights to fixed assets. No fixed assets have been pledged as collateral for liabilities.

Note 28: Operational leasing

Payments due under irrevocable operational leasing agreements fall due for payment as follows:

NOK MILLION	2007	2006
Under one year	16.7	18.7
Between one and five years	11.8	11.0
Over five years	0.0	0.0
Total	**28.5**	**29.7**

NOK MILLION	2007	2006	2005
Calculated cost in the profit and loss account for operational leasing contracts	15.1	19.0	17.4

Costs are included in the lines "General administration expenses" and "Other operating costs".

Lease contracts relate to copying machines and motor cars with a normal lease period of 36 months,
as well as a lease of office premises with an third party external to the group that runs to 31.7.2011.

Note 29: Other current assets

NOK MILLION	2007	2006	2005
Interest accrued on lending	167.8	120.2	80.6
Interest accrued on bonds and commercial paper	16.7	5.0	4.1
Interest accrued on interest rate swaps	77.5	39.5	36.8
Commissions accrued on real estate funds and Storebrand Optimèr ASA	14.3	22.6	0.0
Other accrued income	9.5	1.0	1.7
Due from stockbrokers	6.5	12.6	0.0
Due from customers stockbrokerage	2.3	56.8	0.0
Balances held for customers and liability to customers, real estate broking (note 15)	1.4	0.0	0.0
Other assets	15.5	35.8	42.4
Total other current assets	**311.5**	**293.4**	**165.7**

Note 30: Hedge accounting

The bank uses fair value hedging to hedge interest rate risk. Hedging effectiveness is monitored at the individual item level except for structured bond loans where hedging effectiveness is monitored at the portfolio level. Each portfolio comprises swaps and hedged items with maturity within the same half year period.

NOK MILLION	2007 CONTRACT/ NOMINAL VALUE	2007 FAIR VALUE 1) 3) ASSETS	2007 FAIR VALUE 1) 3) LIABILITIES	2006 CONTRACT/ NOMINAL VALUE	2006 FAIR VALUE 1) 3) ASSETS	2006 FAIR VALUE 1) 3) LIABILITIES	2005 CONTRAKC/ NOMINELL VALUE	2005 FAIR VALUE 1) 3) ASSETS	2005 FAIR VALUE 1) 3) LIABILITIES
Interest-rate swaps	3 257.0	0.0	99.1	3 802.0	0.3	79.5	3 166.0	17.1	4.3
Total interest rate derivatives	3 257.0	0.0	99.1	3 802.0	0.3	79.5	3 166.0	17.1	4.3
Total derivatives	3 257.0	0.0	99.1	3 802.0	0.3	79.5	3 166.0	17.1	4.3

NOK MILLION	2007 CONTRACT/ NOMINAL VALUE	2007 FAIR VALUE 1) 3) ASSETS	2007 FAIR VALUE 1) 3) LIABILITIES	2006 CONTRACT/ NOMINAL VALUE	2006 FAIR VALUE 1) 3) ASSETS	2006 FAIR VALUE 1) 3) LIABILITIES	2005 CONTRAKC/ NOMINELL VALUE	2005 FAIR VALUE 1) 3) ASSETS	2005 FAIR VALUE 1) 3) LIABILITIES
Underlying items	3 232.7	0.0	3 089.5	3 695.1	132.8	3 418.0	3 159.1	142.9	2 964.0
Hedging effectiveness - prospective			94 %		111 %	96 %		81 %	91 %
Hedging effectiveness - retrospective			108 %		116 %	101 %		87 %	95 %

Gain/loss on fair value hedging: 2)

NOK MILLION	2007 GAIN / LOSS	2006 GAIN / LOSS	2005 GAIN / LOSS
On hedging instruments	-24.1	-85.1	-57.9
On items hedged	19.2	83.3	61.1

1) Book value at 31.12.
2) Amounts included in the line "Net interest income".
3) Fair value for hedge accounting is calculated on the basis of the original spread, which takes into account amortisation of commission income and costs, as well as option costs in connection with structured products.

Hedging effectiveness when the hedge is created measures the relationship between changes in the hedged value of the interest rate hedging instrument and the item hedged in the event of a 2-percentage point interest rate shock.
Subsequently, hedging effectiveness is measured on the basis of the simple Dollar Offset method for both prospective and retrospective calculations. Hedging it is expected to be highly efficient in the period.

Note 31: Liabilities to credit institutions

NOK MILLION	2007	2006	2005
Total liabilities to credit institutions without fixed maturity	**2,9**	**8,9**	**76,5**
NOK 500 million, maturity 04.01.2008, interest rate 5,49%	500.0		
NOK 150 million, maturity 11.01.2008, interest rate 5,70%	150.0		
NOK 100 million, maturity 18.02.2008, interest rate 5,75%	100.0		
NOK 200 million, maturity 02.01.2007, interest rate 4,25%		200.0	
NOK 350 million, maturity 22.12.2012, 3 month NIBOR + 0,10, interest rate 5,99%	350.0	350.0	350.0
NOK 250 million, maturity 22.11.2013, 3 month NIBOR + 0,12, interest rate 5,84%	250.0	250.0	
EUR 30 million, maturity 22.12.2010, 3 month EURIBOR + 0,20, interest rate 4,94%	238.8	247.1	239.6
EUR 10 million, maturity 24.11.2011, 3 month EURIBOR + 0,15, interest rate 4,87%	79.6	82.4	
EUR 75 million, maturity 01.03.2010, 3 month EURIBOR + 0,23, interest rate 5,01%	597.1	823.8	
EUR 100 million, maturity 14.04.2010, 3 month EURIBOR + 0,25, interest rate 4,96%	796.1	823.8	798.5
Total liabilites to credit institutions with fixed maturity	**3 061.6**	**2 777.1**	**1 388.1**
Total liabilites to credit institutions	**3 064.5**	**2 786.0**	**1 464.6**

Un-drawn credit facilities totalled EUR 400 million at 31.12.07.

Note 32: Deposits from customers

NOK MILLION	2007	2006	2005
Call loans and deposits from customers	14 452.1	13 037.7	10 857.4
Term loans and deposits from customers	3 017.5	496.0	329.6
Total deposits from customers	**17 469.6**	**13 533.7**	**11 187.0**

Deposits with agreed maturity relate to deposits for a contractually agreed period. Deposits without agreed maturity relates to deposits with no fixed period where the customer has unrestricted access to the deposit.

Note 33: Securities issued

NOK MILLION	2007	2006	2005
Commercial paper issued	4 474,6	3 727,8	4 465,2
Bonds issued	12 684,8	10 668,9	9 192,0
Total securities issued	**17 159,5**	**14 396,7**	**13 657,2**

Liabilities at amortised cost:

	2007		2006		2005	
NOK MILLION	NOMINAL VALUE	BOOK VALUE	NOMINAL VALUE	BOOK VALUE	NOMINAL VALUE	BOOK VALUE
2006	0.0	0.0	0.0	0.0	5 619.3	5 615.7
2007	0.0	0.0	4 235.2	4 234.6	2 035.0	2 032.4
2008	8 918.5	8 915.8	2 598.1	2 592.7	1 837.9	1 839.7
2009	2 065.5	2 065.2	620.0	619.6		
2010 and later	1 517.0	1 516.2	1 500.0	1 497.6	435.0	430.2
Total securities issued at amortised cost	**12 501.0**	**12 497.2**	**8 953.3**	**8 944.6**	**9 927.3**	**9 917.9**

Liabilities at amortised cost (hedge accounting):

	2007		2006		2005	
NOK MILLION	NOMINAL VALUE	BOOK VALUE	NOMINAL VALUE	BOOK VALUE	NOMINAL VALUE	BOOK VALUE
2006	0.0	0.0	0.0	0.0	926.9	910.5
2007	0.0	0.0	1 441.3	1 431.0	1 737.0	1 710.6
2008	103.0	96.9	176.6	169.1	181.7	169.7
2009	1 613.3	1 596.2	1 422.1	1 375.2	709.4	648.4
2010 and later	1 900.5	1 850.3	1 321.1	1 280.9	300.0	300.0
Total securities issued at amortised cost (hedge accounting)	**3 616.8**	**3 543.4**	**4 361.1**	**4 256.2**	**3 855.0**	**3 739.2**

Liabilites at fair value (FVO) [1]:

	2007		2006		2005	
NOK MILLION	NOMINAL VALUE	BOOK VALUE	NOMINAL VALUE	BOOK VALUE	NOMINAL VALUE	BOOK VALUE
2007			1 200.0	1 196.0	0.0	0.0
2008	1 120.0	1 118.9				
Total securities issued at fair value	**1 120.0**	**1 118.9**	**1 200.0**	**1 196.0**	**0.0**	**0.0**
Total securities issued	**17 237.8**	**17 159.5**	**14 514.4**	**14 396.7**	**13 782.3**	**13 657.2**

1) VO = Fair Value Option.

Average interest rate on bonds is 4.93%. Average interest rate on commercial paper is 5.47%, whilst average duration is 9.2 months. Calculated effective yields are weighted to give an average effective yield on the basis of each security's share of the total interest rate sensitivity.

See note 26 in the accounts for Storebrand Bank ASA for further details.

Note 34: Subordinated loan capital

NOK MILLION	2007	2006	2005
Ordinary subordinated loan capital	728.9	474.8	375.0
Perpetual subordinated bonds with conversion rights	9.3	9.3	9.3
Perpetual subordinated bonds	275.6	275.1	274.6
Total subordinated loan capital	**1 013.8**	**759.3**	**658.9**

Subordinated loan capital at amortised cost:

	2007		2006		2005	
NOK MILLION	NOMINAL VALUE	BOOK VALUE	NOMINAL VALUE	BOOK VALUE	NOMINAL VALUE	BOOK VALUE
Perpetual subordinated bonds						
Subordinated perpetual bond 2004, 3 month NIBOR + 1.50%, call 2014	168.0	166.8	168.0	166.6	168.0	166.4
Subordinated loan capital with conversion rights						
Subordinated perpetual bond 1995, 8.5% coupon	9.3	9.3	9.3	9.3	9.3	9.3
Other subordinated loan capital						
Subordinated loan 2007-2017, 3 month NIBOR +0,58%, call 2012	250.0	249.6				
Subordinated loan 2007-2017, 3 month NIBOR +1,65%, call 2012	150.0	150.0				
Subordinated loan 2002-2012, 3 month NIBOR +2.00%, call 2007			100.0	100.0	100.0	100.0
Subordinated loan 2003-2013, 3 month NIBOR +2.25 %, call 2008	54.5	54.5	100.0	100.0	100.0	100.0
Subordinated loan 2005-2015, 3 month NIBOR +0.70 %, call 2010	175.0	175.0	175.0	175.0	175.0	175.0
Subordinated loan 2006-2016, 3 month NIBOR +0.57%, call 2011	100.0	99.8	100.0	99.8	0.0	0.0
Total subordinated loan capital at amortised cost	**906.8**	**905.0**	**652.3**	**650.8**	**552.3**	**550.7**

Subordinated loan capital at amortised cost (hedge accounting):

	2007		2006		2005	
NOK MILLION	NOMINAL VALUE	BOOK VALUE	NOMINAL VALUE	BOOK VALUE	NOMINAL VALUE	BOOK VALUE
Perpetual subordinated bonds						
Subordinated perpetual bond 2004, 3 month NIBOR, 5,90%, call 2014	107.0	108.8	107.0	108.5	107.0	108.1
Total subordinated loan capital at amortised cost (hedge acc.)	**107.0**	**108.8**	**107.0**	**108.5**	**107.0**	**108.1**
Total subordinated loan capital	**1 013.8**	**1 013.8**	**759.3**	**759.3**	**659.3**	**658.9**

NOK MILLION	2007	2006	2005
Subordinated loan capital included in capital adequacy calculation	959.3	759.3	658.9
Interest expense			
Interest expense booked in respect of subordinated loan capital	53.3	31.1	30.4

All subordinated loans are denominated in NOK.

Note 35: Other debt

NOK MILLION	2007	2006	2005
Payable to Storebrand group companies	14.2	20.1	19.2
Money transfers	31.8	71.0	63.3
Accrued interest expenses securities issued	219.5	97.5	65.1
Other accrued expenses and prepaid income	98.1	64.6	42.0
Payable to stockbrokers	0.0	68.3	0.0
Payable to customers stockbrokerage	9.0	0.5	0.0
Tax payable [1])	77.3	0.0	0.0
Other debt	20.9	17.1	15.2
Total other debt	**470.8**	**339.0**	**204.8**

1) See also note 11.

Note 36: Off balance sheet liabilities and contingent liabilities

NOK MILLION	2007	2006	2005
Guarantees	378.6	290.2	237.1
Undrawn credit limits	2 241.9	1 687.4	1 285.7
Other contingent liabilities	46.0	0.0	0.0
Total contingent liabilities	**2 666.5**	**1 977.6**	**1 522.8**

Guarantees are mainly payment guarantees and contract guarantees. See also note 21.
Undrawn credit limits relate to the unused portion of credit limits approved on overdraft accounts and credit cards, as well as the unused portion of lending limits on residential mortgage loans.

Collateral and security pledged:

NOK MILLION	2007	2006	2005
Book value of bonds pledged as security for the bank's D-loan facility and F-loan facility with Norges Bank	2 461.1	1 698.6	1 703.1
Total	**2 461.1**	**1 698.6**	**1 703.1**

Collateral pledged as security relates to the bank's loan facility with Norges Bank (the Norwegian central bank). It is a statutory requirement that such borrowing is fully secured by interest-bearing securities and/or is matched by the bank's deposits with Norges Bank. Storebrand Bank ASA had a F-loan facility of NOK 550 million with Norges Bank at 31.12.07.

Note 37: Capital adequacy

NOK MILLION	2007	2006	2005
Share capital	916.6	916.6	916.6
Other equity	1 123.2	914.0	581.0
Total equity	2 039.8	1 830.6	1 497.6
Tier 1 hybrid capital	275.6	275.1	229.2
Intangible assets	-288.3	-219.1	-250.8
Proportion of pension experience adjustments not amortised	25.9	38.9	51.9
Core capital	2 053.0	1 925.5	1 528.0
Subordinated loan capital less own holdings	683.7	484.1	430.5
Net capital base (A)	**2 736.7**	**2 409.7**	**1 958.5**
Asset base for calculation (B)	26 096.6	21 917.7	18 741.5
Capital ratio (A/B)	**10.5 %**	**11.0 %**	**10.4 %**
Excess primary capital NOK million	649.0	656.3	459.1
Core capital ratio	**7.9 %**	**8.8 %**	**8.2 %**

SPECIFICATION OF ASSET BASE OF CALCULATION

NOK MILLION	2007	2006	2005
Total risk-weighted assets	25 552.6	21 868.3	18 858.8
Total off-balance sheet items	847.5	482.8	355.6
Foreign exchange risk	1.6	4.0	9.9
Deductions for loss provisions	-305.2	-437.3	-482.8
Base of calculation	**26 096.6**	**21 917.7**	**18 741.5**

Storebrand group has elected to apply the transitional rules which allow capital adequacy to reported in accordance with the existing Basel I regulations in 2007. The capital requirement is 8.0%.

Note 38: Risk management

Risk management in Storebrand Bank addresses the areas of credit risk, market risk, liquidity risk and operational risk. Specific risk management policies have been approved by the Board of Directors of Storebrand Bank for the areas of credit risk, market risk and liquidity risk, and the policies are subject to annual review. The bank has established an Asset and Liability Committee that is responsible for providing efficient and rational decision-making support for the bank's management in respect of asset and liability management. The Asset and Liability Committee is an advisory organ for the bank's executive management, and meets monthly.

Credit risk/counterparty risk
Storebrand Bank is exposed to credit risk through its lending, and is exposed to counterparty risk in connection with transactions in financial instruments.

Storebrand Bank pays particular attention to maintaining close relationships with its corporate customers and routinely monitoring credit risk. The bank has standard rules for regular reviews of its exposure to corporate customers. These reviews, together with close monitoring of conditions in the real estate market in Eastern Norway, ensure that credit risk is constrained to an acceptable level. Credit approvals for corporate customers over a certain amount require the approval of either the Credit Committee chaired by the Managing Director or the Board.

Lending to retail customers is subject to a different credit approval process. Loans to private individuals are granted on the basis of credit scoring combined with case-by-case evaluation of debt service capacity. Loans are principally granted against security in real estate or structured products. The bank decided in January 2008 that it would no longer offer loans to private individuals secured against structured products.

The bank's counterparty risk (i.e. its credit exposure to other financial institutions) is regulated on the basis of the counterparties' credit ratings and the amounts involved.

Market risk
Market risk is the risk that the bank suffers a loss as a result of unexpected unfavourable market movements in interest rates and exchange rates. Storebrand Bank manages its exposure to interest rate risk so that the net interest rate exposure of both assets and liabilities is as small as possible. Interest rate hedging is structured so that it has moderate accounting impact.

All instruments with an interest rate fixing period in excess of six months are subject to a hedging policy for economic hedging.

The bank's total economic interest rate risk is calculated on the basis of a stress test that exposes all balance sheet items to a 2 percentage point adverse shift in the yield curve. A combination of interest rate stress tests and VaR is used to manage interest rate risk in respect of sub-portfolios, investment portfolio, commercial paper funding and fixed-rate bonds (over six months) as well lending to customers. Risk measurement of the portfolios includes the effect of hedging.

Storebrand's policy is to fully hedge currency exposure.

Derivatives
Derivatives are only used for hedging purposes. The bank accordingly does not have any trading portfolio of derivatives. The derivative contracts used for hedging are interest rate swaps, interest and exchange rate swaps, exchange rate swaps, and options linked to structured products. Storebrand Bank's exposure to market risk is therefore marginal in relation to the bank's total activities.

Market risk exposure is reported on a monthly basis to the Asset and Liability Committee and the Board.

Liquidity
Liquidity risk is the risk that the bank is not able to meet all financial commitments as they fall due for payment without this requiring any significant deviation from its normal commercial and capital budgets. It is the bank's policy to always have sufficient liquidity to support balance sheet growth as well as to repay loans and deposits as they fall due. Liquidity management is designed to ensure that sufficient funding is available to avoid liquidity problems in situations such as:

- Uncertainty among investors over the bank's customer lending and/or financial condition
- Uncertainty in respect of the bank's owner/other group companies
- Unplanned reductions in deposits
- Moderate growth in lending in excess of budgeted/forecast growth
- Uncertainty among investors regarding the banking sector in general, including concerns over losses or financial crime

The bank pays particular attention to maintaining a diversified funding structure in terms of both sources of funding and maturities, maintaining committed and uncommitted credit lines to meet its liquidity requirements and holding liquid assets in excess of the minimum levels.

The liquidity position is managed with the help of a number of indicators: minimum liquidity level, 90-day liquidity gap and the proportion of long-term funding.

Liquidity gap measures the surplus of liquidity over the next 90 days relative to the necessary minimum level of liquidity taking into account all funding maturities. In addition, customer deposit withdrawals are calculated on the basis of an abnormally high withdrawal rate of 25% annually. The long-term funding ratio is calculated in accordance with the liquidity risk indicators stipulated by the Norwegian FSA (Kredittilsynet).

The liquidity position, including the 90-day liquidity gap and the proportion of long-term funding, is reported monthly to the Asset and Liability Committee and the Board.

The banking group's treasury department carries out daily management of liquidity.
A separate risk management system known as Quantitative Asset Management is used for the management and measurement of liquidity risk.

Operational risk
Storebrand Bank's structure for corporate governance (internal control) stipulates that operational risk management is an integral part of management responsibility, with reporting of risk exposure playing an integral role in the bank's ability to achieve the objectives set in its value-based management model. The bank applies the principles of the group policy for risk evaluation and management (introduced in 2005). The objective of the group policy on risk evaluation is to achieve a common understanding of the overall risk exposure for the group's activities in order to help to provide a better basis for decision-making on important prioritisation. Risk evaluation is therefore an important part of the basis for determining the group's strategy and approving the level of risk in the group's business plan. Risk evaluation starts from the current situation and how the owners of risk exposure experience the risk based on existing internal control procedures. This is followed by an evaluation of the expected risk exposure following the implementation of recommended planned measures. This assumes that the owners of risk exposure implicitly confirm the function of internal control (cf. the internal control regulations). Risk evaluation is integrated in the group's value-based management system by linking risk evaluation to each unit's ability to achieve its commercial targets and comply with regulatory requirements as well as considering the extent to which the level of risk involved might affect Storebrand's reputation.

The bank's internal controls and procedures for evaluating, monitoring and reporting risk exposure satisfy the requirements of the Norwegian authorities in this respect.

Note 39: Credit risk

Analysis of credit risk by type of financial instrument

NOK MILLION	2007	2006	2005
Investment portfolio	2 491.6	1 698.6	1 703.1
Net loans and due to customers 1)	39 420.6	32 721.4	27 797.6
Equity options	261.1	478.9	417.4
Interest-rate swaps	249.3	149.6	60.5
Forward foreign exchange contracts	17.5	14.6	62.2
Total	**42 440.1**	**35 063.1**	**30 040.8**
1) Of which net loans to and amounts due from customers measured at fair value:	316.5	258.5	252.8

Investment portfolio credit risk

Interest-bearing securities at fair value through profit and loss

	2007							
	AAA		AA		A		BBB	
ISSUER CATEGORY	ACQUISITION COST	FAIR VALUE	ACQUISITION COST	FAIR VALUE	ACQUISITION COST	FAIR VALUE	ACQUISITION COST	FAIR VALUE
Public sector	893.3	903.0						
Financial institutions	400.0	399.4	502.0	501.5	538.7	538.0	150.0	149.6
Total	**1 293.3**	**1 302.5**	**502.0**	**501.5**	**538.7**	**538.0**	**150.0**	**149.6**

	2007		2006		2005	
ISSUER CATEGORY	ACQUISITION COST	FAIR VALUEI	ACQUISITION COST	FAIR VALUE	ACQUISITION COST	FAIR VALUE
Public sector	893.3	903.0	895.4	900.2	977.0	978.2
Financial institutions	1 590.7	1 588.6	798.2	798.5	724.3	724.9
Total	**2 484.0**	**2 491.6**	**1 693.6**	**1 698.6**	**1 701.3**	**1 703.1**

Rating categories are based on Standard & Poor's.

Credit exposure for lending activities
In order to identify the credit risk in its lending portfolio, Storebrand Bank classifies all corporate customers and selected retail customers (including private investors etc). Classification is carried out both when first establishing a credit relationship and whenever changes are made. In addition, corporate customer classifications are reviewed annually and/or whenever circumstances indicate the need for such review. Customer classification thus provides a picture of the credit risk at any time. Retail customers are subject to the overall limits for loan to value and debt service (as defined by the bank's credit policy for the segment) that apply to this portfolio. The loan to value ratio is almost entirely below 80%, with a significant proportion of the portfolio below 60%. This portfolio is deemed to have low credit risk.

Security for the lending portfolio takes the form, on the whole, of charges over investment/commercial property for the commercial lending portfolio and residential mortgages for the retail portfolio.

A classification model is used for borrowers in the real estate sector in order to determine their debt service capacity. The model comprises both qualitative and quantitative elements. The qualitative element systematically evaluates the qualitative factors of the project and the borrower that are considered important. The factors evaluated include management, structure, board of directors, history, market, political risk and tenants. These are the factors mentioned as internal/external factors in the bank's former/existing system. This provides a qualitative classification.

The quantitative element is evaluated differently in respect of real estate project lending and debt instrument loans. Project lending is evaluated on the basis of the contingency reserve for unexpected costs, sales buffer, off-plan sales and the quality of project management.

Debt instrument loans are evaluated quantitatively by means of cash flow analysis and various key ratios. Cash flow is calculated over the lifetime of the project.

Risk classification for lending to corporate customers takes the form of credit scores, each from 1 to 5, where 1 represents the best score. The first score is for the borrower’s ability to service the borrowing (debt service capacity). The second score is for the quality of the collateral (loan to value ratio). The analysis shown below is based on the scores for debt service capacity and collateral, giving a matrix of 25 risk groups. In addition, some credit relationships are still awaiting classification. The analysis shown here is somewhat simplified, with a breakdown into 4 risk levels.

Loans to and due from customers

RISK GROUP	LENDING	UNDRAWN CREDIT FACILITIES	GUARANTEES	TOTAL COMMITMENT	WRITE-DOWNS OF IND. LOANS	WRITE-DOWNS OF GUARANTEES	WRITE-DOWNS OF GROUPS OF LOANS
Low risk	34 972.4	2 238.1	373.0	37 583.5			18.1
Moderate risk	1 246.6	10.8	2.0	1 259.5			0.3
High risk	188.7	1.1	3.2	193.0			0.6
Unclassified	239.7	1.3	0.4	241.4			
Undivide	-	-	-	-			34.7
Non-performing/loss-exposed	448.3	-	-	448.3	247.1	0.0	4.4
Total	**37 095.8**	**2 251.3**	**378.6**	**39 725.7**	**247.1**	**0.0**	**58.1**

RISK GROUP	TOTAL NET CREDIT EXPOSURE 2007	TOTAL NET CREDIT EXPOSURE 2006	TOTAL NET CREDIT EXPOSURE 2005
Low risk	37 565.4	31 417.3	25 822.4
Moderate risk	1 259.2	516.2	1 087.1
High risk	192.4	14.3	195.9
Unclassified	241.4	599.9	335.2
Undivide	(34.7)	0.0	0.0
Non-performing/loss-exposed	196.9	173.8	357.0
Total	**39 420.6**	**32 721.4**	**27 797.6**

Total commitments and credit exposure analysed by segment are shown below.

CREDIT EXPOSURE	REAL ESTATE AND OTHER COMMERCIAL SERVICES	OTHER COMMERCIAL LENDING	RETAIL LENDING	2007	2006	2005
Lending	10 513.2	423.0	25 711.3	36 647.5	30 648.8	26 006.5
Undrawn credit facilities	699.4	13.5	1 538.4	2 251.3	1 687.0	1 282.7
Guarantees	363.5	6.4	8.7	378.6	290.2	228.8
Non-performing/loss-exposed	65.3	77.3	305.7	448.3	532.7	762.4
Total commitments	11 641.4	520.3	27 564.1	39 725.7	33 158.7	28 280.4
Write-downs of individual loans	26.2	84.8	136.1	247.1	359.99	389.6
Write-downs of individual guarantees	0,0	0,0	0,0	0,0	4.0	4.0
Grouped write-downs	39.2	1.1	17.8	58.1	73.34	89.2
Net credit exposure	**11 576.0**	**434.4**	**27 410.2**	**39 420.6**	**32 721.4**	**27 797.6**

Loss subject to individual write-downs

NOK MILLION	2007 GROSS NON-PERFORMING LOANS	2007 INDIVIDUAL WRITE-DOWNS	2007 NET NON-PERFORMING LOANS	2006 GROSS NON-PERFORMING LOANS	2006 INDIVIDUAL WRITE-DOWNS	2006 NET NON-PERFORMING LOANS	2005 GROSS NON-PERFORMING LOANS	2005 INDIVIDUAL WRITE-DOWNS	2005 NET NON-PERFORMING LOANS
Customer groups:									
Retail customers	305.7	136.1	169.6	236.8	121.9	114.9	411.7	177.8	233.9
Real estate and other commercial services	65.3	26.2	39.1	131.7	94.5	37.2	204.0	92.0	112.0
Other	77.3	84.8	-7.5	164.2	143.6	20.6	138.3	119.8	18.5
Total	**448.3**	**247.1**	**201.3**	**532.7**	**360.0**	**172.7**	**754.0**	**389.6**	**364.4**

Non-performing loans

NOK MILLION	2007	2006	2005	2004	2003
Non-performing loans without identified impairment	151.2	109.0	112.9	55.7	364.4
Non-performing loans and loss-exposed loans with identified impairment	297.2	423.7	641.1	853.8	1 352.6
Gross non-performing loans	**448.3**	**532.7**	**754.0**	**909.5**	**1 717.0**
Individual write-downs	247.1	360.0	389.6	378.9	527.9
Net non-performing loans	**201.3**	**172.7**	**364.4**	**530.6**	**1 189.1**

Group write-downs totalled NOK 58.1 million in 2007 compared to NOK 73.3 million in 2006.
The bank has no provision for guarantees as at 31 December 2007. The provision for guarantees of NOK 4.0 million as at 31 December 2006 is now included in the item "Provision for accrued expenses and liabilities".

The category non-performing loans without identified impairment includes commitments with missed payments/defaults over 90 days.

Loans at fair value through profit and loss (FVO)

NOK MILLION	2007	2006	2005
Book value	316.5	258.5	252.8
Maximum exposure to credit risk	316.5	258.5	252.8
Book value of related credit derivatives that reduce credit risk	0.0	0.0	0.0
This year's change in fair value of loans to and receivables due from customers due to change in credit risk	0.0	0.0	0.0
Accumulated change in fair value of loans to and receivables due from customers due to change in credit risk	0.0	0.0	0.0
This year's change in their value of related credit derivatives	0.0	0.0	0.0
Accumulated change in their value of related credit derivatives	0.0	0.0	0.0

Fair value is determined on the background of a theoretical calculation where contractual cash flow is discounted to present value using the interest rate offered on new loans of equivalent interest duration and credit risk. The bank experienced an increase in spread on new funding in autumn 2007, causing an increase in the difference between the bank's lending rates and money market rates. This is taken into account in the valuation of loans. The discount rate is not increased as a result of any increase in credit risk on the loans.

Liabilities at fair value through profit and loss (FVO)

NOK MILLION	2007	2006	2005
Change in fair value of liabilities due to changes in credit risk	0.0	0.0	0.0
Difference between book value of liabilities and contractual amount due at maturity	-6.3	4.0	0.0

Stock options. interest rate swaps, foreign exchange interest rate swaps and forward contracts

Derivative transactions are entered into with counterparties rated at least "investment grade".

Note 40: Liquidity risk

ANALYSIS OF FINANCIAL ASSETS BY REMAINING MATURITY

NOK MILLION	< 1 MONTH	> 1 MONTH < 3 MONTHS	> 3 MONTHS < 1 YEAR	> 1 YEAR < 5 YEARS	> 5 YEARS	NO FIXED MATURITY 2)	TOTAL
Loans to and receivables from credit institutions	374.1						374.1
Loans to and receivables from customers 3)	2 268.0	198.2	1 413.4	2 581.1	30 388.1	-58.1	36 790.7
Bonds and commercial paper	240.5	247.5	505.2	1 498.4			2 491.6
Derivatives 1)	5.7	-93.6	2.2	8.0	18.9		-58.7
Total 2007	**2 888.3**	**352.1**	**1 920.8**	**4 087.5**	**30 407.0**	**-58.1**	**39 597.7**
Total 2006	1 739.2	558.6	1 745.8	3 616.3	25 370.4	-433.3	32 597.0
Total 2005	1 762.8	722.1	2 405.7	3 608.6	20 067.1	-480.4	28 085.9

ANALYSIS OF FINANCIAL LIABILITIES BY REMAINING MATURITY

NOK MILLION	< 1 MONTH	> 1 MONTH < 3 MONTHS	> 3 MONTHS < 1 YEAR	> 1 YEAR < 5 YEARS	> 5 YEARS	NO FIXED MATURITY	TOTAL
Debt to credit institutions	653.0	100.0		318.4	1 993.2		3 064.5
Deposits from and debt to customers	15 544.0	1 471.9	268.8	182.6	2.3		17 469.6
Securities issued	650.0	3 715.7	5 767.8	7 026.1			17 159.5
Subordinated loan capital	54.5				959.3		1 013.8
Total 2007	**16 901.5**	**5 287.6**	**6 036.6**	**7 527.0**	**2 954.8**	**0.0**	**38 707.4**
Total 2006	14 504.2	974.1	4 521.6	10 105.6	1 370.2	0.0	31 475.7
Total 2005	11 208.5	1 398.7	5 153.2	8 197.2	1 018.4	-8.2	26 967.7

1) Derivatives are shown net in this note. The figures reported are market value.
2) The figures reported in the "No fixed maturity" column relate entirely to write-downs of groups of loans to customers.
3) The analysis is based on contractual maturity. The average maturity of retail lending at 31.12.07 is estimated to be 4 years, see also Note 1 for otherinformation on loan turnover.

Cash and deposits with the centralbank are due within 1 month. Other current assets and other liabilities have no fixed maturity.

Note 41: Market risk

Interest rate risk

Interest fixing periods for financial assets

NOK MILLION	< 1 MONTH	> 1 MONTH < 3 MONTHS	> 3 MONTHS < 1 YEAR	> 1 YEAR < 5 YEARS	> 5 YEARS	NO FIXED INTERST RATE PERIOD 2)	TOTAL
Loans to and receivables from credit institutions	374.1						374.1
Loans to and receivables from customers			262.2	410.7	115.1	36 002.7	36 790.7
Bonds and commercial paper	240.5	2 045.9	205.2				2 491.6
Derivatives 1)	77.6	92.6	-165.5	46.5	-110.0		-58.7
Total 2007	**692.2**	**2 138.5**	**301.9**	**457.2**	**5.1**	**36 002.7**	**39 597.7**
Total 2006	-147.9	-3 173.3	3 079.1	2 863.4	133.5	29 842.2	32 597.0
Total 2005	-849.8	-2 637.3	3 631.1	2 704.8	119.0	25 118.1	28 085.9

Interest fixing periods for financial liabilities

NOK MILLION	< 1 MONTH	> 1 MONTH < 3 MONTHS	> 3 MONTHS < 1 YEAR	> 1 YEAR < 5 YEARS	> 5 YEARS	NO FIXED INTERST RATE PERIOD 2)	TOTAL
Debt to credit institutions	652.9	2 411.6					3 064.5
Deposits from and debt to customers	831.5	1 543.5	173.6	182.6		14 738.4	17 469.6
Securities issued	2 997.2	9 568.7	3 654.4	939.3			17 159.5
Subordinated loan capital	397.5	500.0	107.0		9.3		1 013.8
Total 2007	**4 879.1**	**14 023.8**	**3 935.0**	**1 121.9**	**9.3**	**14 738.4**	**38 707.4**
Total 2006	3 454.9	8 113.2	3 586.6	3 002.7	116.1	13 202.1	31 475.7
Total 2005	1 648.3	7 758.7	5 010.9	1 516.7	9.3	11 023.7	26 967.7
Net assets and liabilities 2007	**-4 186.9**	**-11 885.3**	**-3 633.1**	**-664.7**	**-4.2**	**21 264.3**	**890.2**
Net assets and liabilities 2006	-3 602.8	-11 286.5	-507.5	-139.3	17.3	16 640.1	1 121.4
Net assets and liabilities 2005	-2 498.1	-10 396.0	-1 379.8	1 188.1	109.7	14 094.4	1 118.2

1) Derivatives are shown net in this note.
2) Deposits and loans without agreed interest fixing period are included in this column in accordance with the guidelines for reporting banking statistics to the Norwegian authorities. The Financial Agreements Act requires that customers are given a minimum of six weeks notice of a change in interest rate.

Cash and deposits with the centralbank have fixed interest rates that expire within 1 month. Other current assets and other liabilities have no fixed interest rate period.

Interest rate sensitivity

NOK MILLION	< 1 MONTH	> 1 MONTH < 3 MONTHS	> 3 MONTHS < 1 YEAR	> 1 YEAR < 5 YEARS	> 5 YEARS	TOTAL
CHF		-0.1				-0.1
EUR		0.2	5.6	3.0		8.8
NOK	0.4	-27.4	12.3	8.0	-0.9	-7.6
SEK		-0.1		0.6		0.5
USD		0.5				0.5
Total quantified interest rate sensitivity 2007	**0.4**	**-26.8**	**17.9**	**11.6**	**-0.9**	**2.2**
Total quantified interest rate sensitivity 2006	-1.1	12.1	-7.7	-2.6	-1.0	-0.3
Total quantified interest rate sensitivity 2005						0.0

All amounts are reported in NOK.
The table shows how the value of financial assets and liabilities would be affected by a one percentage point increase in all interest rates.

Foreign exchange risk
Financial assets and liabilities in foreign currency

	BALANCE SHEET ITMES		FORWARDS	NET POSITION	
BELØP I MILLIONER	ASSETS	LIABILITIES	NET SALES	IN CURRENCY	IN NOK
CHF	8.0	0.1	-8.0	0.0	-0.1
DKK		0.1		-0.1	-0.1
EUR	1.9	679.2	677.3	0.0	-0.4
GBP		0.0		0.0	-0.1
JPY	200.2	0.0	-200.0	0.2	0.0
SEK	52.5	1 023.5	971.0	0.0	0.0
USD	9.1	54.7	45.5	-0.1	-0.6
Other					0.9
Total 2007					**-0.3**
Total 2006					3.1
Total 2005					-0.1

Storebrand Bank ASA hedges the net currency position in its balance sheet with forward contracts,
accordingly forward sales and forward purchases are not shown separately in respect of assets and liabilities.

PROFIT AND LOSS ACCOUNT STOREBRAND BANK ASA

1 January - 31 December

NOK MILLION	NOTE	2007	2006	2005
Interest and other income on loans to and deposits with credit institutions		46.4	15.8	12.0
Interest and other income on loans to and due from customers		1 825.3	1 138.8	938.6
Interest on short-term debt instruments, bonds and other interest-bearing securities		112.9	64.9	61.9
Other interest income		7.5	0.5	14.7
Total interest income		**1 992.2**	**1 220.0**	**1 027.1**
Interest and other expenses on debt to credit institutions		-118.5	-59.0	-41.6
Interest and other expenses on deposits from and due to customers		-589.6	-312.4	-201.4
Interest and other expenses on securities issued		-788.5	-399.5	-305.9
Interest and other expenses on subordinated loan capital		-53.3	-31.1	-31.6
Other interest expenses		-30.0	0.0	0.0
Total interest expenses		**-1 579.9**	**-801.9**	**-580.5**
Net interest income		**412.3**	**418.2**	**446.6**
Income from shares and other securities with a variable return		0.0	1.0	0.0
Income from shareholdings in subsidiaries		3.2	0.8	0.3
Income from shareholdings in associated companies	19	-0.5	1.1	6.4
Total dividends and other income from securities with a variable return		**2.7**	**2.9**	**6.8**
Guarantee commissions receivable		4.0	3.5	3.6
Other fees and commissions receivable		135.9	108.7	40.9
Total commissions receivable and income from banking services	5	**139.8**	**112.3**	**44.5**
Guarantee commissions payable		0.0	-0.2	0.0
Other fees and commissions payable		-81.9	-80.1	-26.9
Total commissions payable and expenses from banking services	5	**-81.9**	**-80.3**	**-26.9**
Net gain/loss on short-term debt instruments, bonds and other interest-bearing securities		-2.3	-3.6	9.2
Net gain/loss on shares and other securities with a variable return		3.2	0.0	0.0
Net gain/loss on foreign exchange and financial derivatives		15.5	22.7	23.5
Total net gain/loss on foreign exchange and securities held as current assets		**16.3**	**19.2**	**32.7**
Other operating income		10.7	0.1	54.3
Total other operating income	7	**10.7**	**0.1**	**54.3**
Salaries		-93.2	-105.4	-102.9
Pensions	8	-17.2	-12.4	-14.0
Social security expenses		-20.8	-23.4	-24.4
Total staff costs		-131.2	-141.3	-141.4
Administration expenses		-83.5	-64.1	-60.8
Total staff costs and general administration expenses	9	**-214.7**	**-205.3**	**-202.2**
Ordinary depreciation		-13.3	-18.6	-15.6
Write -downs		-7.6	0.0	-0.2
Total depreciation and write-downs of fixed and intangible assets	9. 20 .21	**-20.9**	**-18.6**	**-15.8**

NOK MILLION	NOTE	2007	2006	2005
Real estate operating expenses		-0.1	-0.7	-0.3
Other operating expenses		-109.5	-114.0	-104.9
Total other operating expenses	8, 9	**-109.6**	**-114.6**	**-105.2**
Losses and provisions on loans		74.2	47.0	37.9
Losses and provisions on guarantees		4.0	0.0	-4.0
Total losses and provisions on loans and guarantees	6	**78.2**	**47.0**	**34.0**
Write-downs		0.0	2.7	-0.2
Gains/losses		0.1	8.8	0.0
Total write-downs and gain/losses on securities held as fixed assets		**0.1**	**11.6**	**-0.2**
Pre-tax operating profit		**233.0**	**192.2**	**268.6**
Tax on ordinary profit	10	-66.0	-43.1	-46.1
Profit for the year		**167.0**	**149.1**	**222.4**
Transfers and allocations:				
Other equity		33.3	-149.1	
Provision for group contribution		-200.3		
Provision for dividend payment				-222.4
Total transfers and allocations		**-167.0**	**-149.1**	**-222.4**
Payment of group contribution booked as equity transaction		0.9		

BALANCE SHEET STOREBRAND BANK ASA

31 December

NOK MILLION	NOTE	2007	2006	2005
ASSETS				
Cash and deposits with central banks	11	1 062.0	394.4	423.9
Call loans to and deposits with credit institutions		358.4	107.7	41.7
Term loans to and deposits with credit institutions		0.0	7.1	0.0
Total loans to and receivables from credit institutions	12	**358.4**	**114.9**	**41.7**
Overdraft and current accounts		1 963.5	726.9	683.7
Real estate development loans		910.0	661.4	1 282.9
Instalment loans		34 222.6	29 805.7	24 854.9
Total lending before write-downs of individual and groups of loans	16	37 096.1	31 194.0	26 821.5
- Write-downs of individual loans	17	-247.1	-362.4	-424.2
- Write-downs of groups of loans	17	-58.1	-73.3	-89.2
Total net lending to and due from customers		**36 790.9**	**30 758.3**	**26 308.1**
Assets repossessed		0.0	0.0	0.0
Short-term debt instruments and bonds issued by public authorities		452.4	900.2	978.2
Total securities issued by public authorities		452.4	900.2	978.2
Short-term debt instruments and bonds issued by others		2 039.2	798.5	724.9
Total securities issued by others		2 039.2	798.5	724.9
Total short-term debt instruments, bonds and interest-bearing fixed return securities	14	**2 491.6**	**1 698.6**	**1 703.1**
Shares, other equity investments and primary capital certificates		1.9	8.2	8.8
Total shares, other equity inv. and other sec. with a variable return	13	**1.9**	**8.2**	**8.8**
Shareholdings in associated companies and joint ventures		29.2	29.2	38.3
Total shareholdings in associated companies and joint ventures	13, 19	**29.2**	**29.2**	**38.3**
Shareholdings in financial companies		0.0	0.0	23.6
Shareholdings in other group companies		134.1	18.8	11.7
Total shareholdings in group companies	13	**134.1**	**18.8**	**35.3**
Deferred tax assets	10	179.4	171.9	211.4
Other intangible assets	20	62.3	46.1	26.0
Total intangible assets		**241.7**	**218.0**	**237.4**
Machinery, equipment and vehicles		5.7	2.3	4.8
Buildings and other real estate		4.3	4.7	5.2
Total fixed assets	21	**10.0**	**7.0**	**9.9**
Financial derivatives	15	527.9	642.9	515.0
Other assets	22	232.8	285.6	15.9
Total ohter assets		**760.7**	**928.5**	**530.8**
Accrued income		278.4	188.3	123.3
Other prepaid expenses		0.0	0.0	0.0
Total prepaid expenses		0.0	0.0	0.0
Total prepaid expenses and accrued income		**278.4**	**188.3**	**123.3**
Total assets		**42 159.1**	**34 364.4**	**29 460.7**

NOK MILLION	NOTE	2007	2006	2005
LIABILITIES AND EQUITY				
Call loans and deposits from credit institutions		2.9	8.9	76.5
Term loans and deposits from credit institutions		3 061.6	2 777.1	1 388.1
Total debt to credit institutions	24	**3 064.5**	**2 786.0**	**1 464.6**
Call loans and deposits from customers		14 544.6	13 050.8	10 890.9
Term loans and deposits from customers		3 017.5	496.0	329.6
Total deposits from and due to customers	25	**17 562.1**	**13 546.8**	**11 220.5**
Commercial paper and other short-term funding		4 944.5	3 926.7	4 520.2
- own unamortised commercial paper		-469.9	-198.8	-55.0
Bond debt		13 932.0	11 722.9	11 046.5
- Own unamortised bonds		-1 247.2	-1 054.0	-1 854.5
Total securities issued	26	**17 159.5**	**14 396.7**	**13 657.2**
Financial derivatives	15	586.6	607.2	452.3
Other debt	27	343.1	173.2	318.6
Total other debt		**929.7**	**780.4**	**770.9**
Total accrued expenses and prepaid income		314.3	162.0	106.9
Pension commitments		69.5	68.2	53.4
Write-downs of individual guarantees	17	0.0	4.0	4.0
Provision for accrued expenses and liabilities		13.4	0.0	0.0
Total provision for accrued commitments and expenses		**82.9**	**72.1**	**57.3**
Perpetual subordinated loan capital		284.9	284.4	283.9
Other subordinated loan capital		728.9	474.8	375.0
Total subordinated loan capital	26	**1 013.8**	**759.3**	**658.9**
Total liabilities		**40 126.8**	**32 503.3**	**27 936.2**
Share capital		916.6	916.6	916.6
Other paid-in share capital		400.3	200.0	0.0
Total paid-in share capital		**1 316.8**	**1 116.6**	**916.6**
Other reserves		715.4	744.5	607.8
Total accrued reserves		**715.4**	**744.5**	**607.8**
Total equity	28	**2 032.3**	**1 861.1**	**1 524.4**
Total liabilities and equity		**42 159.1**	**34 364.4**	**29 460.7**

Contingent liabilities, see note 29.

Oslo, 12 February 2008

Translation - not to be signed

The Board of Directors of Storebrand Bank ASA

Idar Kreutzer
Chairman

Stein Wessel-Aas
Deputy chairman

Kristine Schei
Board member

Ida Helliesen
Board member

Roar Thoresen
Board member

Maalfrid Brath
Board member

Heidi Storrukste
Board member

Klaus-Anders Nysteen
Managing Director

CASH FLOW STATEMENT STOREBRAND BANK ASA

1 January - 31 December

NOK MILLION	2007	2006	2005
Cash flow from operating activities			
Interest, commissions and fees received from customers	2052.7	1 267.4	1 073.5
Interest, commissions and fees paid to customers	-1608.5	-851.1	-579.2
Net receipts/payments - lending to customers	-5962.1	-4 413.7	-3 592.3
Net receipts/payments - loans to and claims on other financial institutions	-243.6	-66.0	125.3
Net receipts/payments - deposits from banking customers	4042.3	2 326.3	485.4
Net receipts/payments - deposits from Norges Bank and other financial institutions	278.5	1 321.4	-637.5
Net receipts/payments - securities in the trading portfolio:			
Shares and other equity investments	14.1	32.3	198.4
Bonds and other fixed-income securities	-791.4	4.4	282.9
Financial derivatives and other financial instruments	86.9	26.9	45.7
Payments to third parties for goods and services	-52.1	-343.4	-79.8
Payments to employees, pensioners, employment taxes etc.	-155.7	-106.9	-110.1
Receipts of dividend from associated companies	0.0	0.0	6.0
Net cash flow from operating activities	**-2 338.9**	**-802.2**	**-2 781.7**
Cash flow from investment activities			
Net receipts from sales of subsidiaries	4.3	14.7	250.1
Payments on purchase and establish of subsidiaries	-114.3	-0.5	0.0
Net receipts/payments on sales/purchases of fixed assets etc.	-37.0	-35.6	-21.8
Net cash flow from investment activities	**-147.0**	**-21.4**	**228.3**
Cash flow from financing activities			
Net receipts from issue of commercial paper/short-term loans	743.8	-515.0	182.2
Net receipts from subordinated loan capital	256.0	100.3	4.1
Interest payments on subordinated loans	-53.3	-31.1	-22.3
Net receipts from issue of bond loans and other long term funding	2006.2	1 462.2	2 783.6
Payments on redemption of share capital		0.0	-399.3
Group contribution received	200.7	0.0	0.0
Dividend/group contribution payments		-222.4	-61.7
Net cash flow from financing activities	**3 153.5**	**794.1**	**2 486.6**
Net cash flow for the period	**667.6**	**-29.5**	**-66.8**
Net movement in cash and bank deposits	667.6	-29.5	-66.8
Cash and bank deposits at the start of the period	394.4	423.9	490.7
Cash and bank deposits at the end of the period	**1 062.0**	**394.4**	**423.9**

NOTES TO THE ACCOUNTS FOR STOREBRAND BANK ASA

Note 0: Accounting principles

The accounting principles used for the preparation of the unconsolidated accounts are described below. The principles are applied consistently to similar transactions and to other events under similar circumstances.

Basic principles
The unconsolidated accounts of Storebrand Bank ASA are prepared in accordance with the Accounting Act, Norwegian generally accepted accounting practice, and the Norwegian regulations for the annual accounts of banks and finance companies. in 2007, the company changed to preparing its unconsolidated accounts in accordance with the EU approved accounting rules - International Financial Reporting Standards (simplified IFRS). The accounts are prepared in accordance with the historic cost principle, with the exception of certain financial instruments that are valued at fair value.

Changes to accounting principles
Storebrand Bank changed in 2007 to preparing its unconsolidated accounts in accordance with simplified IFRS. The consolidated accounts of Storebrand Bank ASA are already prepared in accordance with IFRS, and the accounting principles used in the consolidated accounts have been applied to the unconsolidated accounts of Storebrand Bank ASA for 2007, with the exception of identified differences between IFRS and simplified IFRS. Comparable figures have been restated in accordance with the introduction of simplified IFRS. Note 1 provides an overview of the effect of the transition on equity. The introduction of simplified IFRS has caused experience adjustments in respect of pension liabilities to be applied directly to equity in the same way as in the consolidated accounts. Previously, experience adjustments were recognized over the average remaining period for the accrual of pension rights to the extent that the experience adjustments exceeded the higher of 10% of pension assets or 10% of pension liabilities. The change to simplified IFRS has also caused the reclassification of assets acquired into shares and subsidiaries, associated companies and other shares as appropriate.

Storebrand has elected to use the following standard
IFRS 7 introduces new additional information in respect of financial instruments. The standard does not affect the valuation or classification of financial instruments. (IFRS 7 is obligatory from the 2007 accounting year). The standard was implemented with effect from the 2006 annual accounts.

Standards and interpretations of existing standards, and standards where Storebrand has not elected early implementation
Storebrand Bank has not applied the following standards and interpretations of standards, which are approved by the EU but are not obligatory for annual accounts as of 31 December 2007; IFRS 8 Operating segments, Revised IAS 23 Borrowing costs, new IAS 1 Presentation of financial statements and IFRIC 11, 12, 13 and 14. Based on the evaluations carried out so far, these standards and statements of interpretation would not have a material effect on the figures reported, save that IFRS 8 might cause some changes to the segments applied.

Use of estimates in preparing the annual accounts
The preparation of the accounts in accordance with IFRS involves the use of estimates and assumptions made by management. The estimates used in preparing the accounts are based on historic experience and assumptions that management believes are prudent and reasonable and are based on factual evidence. The estimates have an effect on assets, liabilities, revenue, costs, the notes to the accounts and information on potential liabilities. Estimates and judgements are continually evaluated based on historical experience and expectations of future events. In the future, actual experience may deviate from these accounting estimates. The estimates and judgements that have a significant risk of causing a material adjustment to the balance sheet values of assets and liabilities are discussed below:

- Fixed assets and intangible assets
- Actuarial calculations of pension liability
- Lending at amortised cost
- Write-downs of loans
- Capitalisation of deferred tax assets
- Calculation of fair value of derivatives and other securities
- Uncertainty in respect of the frequency of turnover of lending when determining amortisation
- Earn-out in respect of acquisitions

Fixed assets and intangible assets
Fixed assets and intangible assets, of which intangible assets mainly relate to IT systems, are reviewed annually to ensure that the depreciation period and method of depreciation used correspond with commercial reality for the asset in question. This also applies to the disposal value. The value of an asset is written down if there are indications of a fall in its value. Intangible assets in respect of IT systems were written down by NOK 7.6 million in 2007. See Note 20. The periods of future commercial life of specific intangible assets are tested, and some changes were made in 2007. The cost of developing or maintaining software is charged to profit and loss as it is incurred.

Pension liabilities
The discounted current value of pension liabilities depends on the economic and demographic assumptions used in the calculation. The assumptions used must be realistic, mutually consistent and kept up to date in that they should be based on uniform expectations of future economic conditions.

The rate of discount applied represents a major assumption for the calculation of pension liabilities. Norwegian insurance companies must base their calculation of discount rate on the return on Norwegian government bonds. With the exception of pensioners of the holding company Storebrand ASA, the payment horizon for pensions paid by Storebrand is estimated to be around 25 years, and there are no Norwegian government bonds with such a long maturity.

The discount rate and other commercial and demographic assumptions used to calculate pension liabilities at 31 December 2007 are based on guidance issued by the Norwegian Accounting Standards Board. The discount rate applied of 4.70% was virtually identical to the yield on 10-year government bonds. When estimating expected salary inflation, growth in income not eligible for pension benefits was also taken into account.

The calculation of pension liabilities at 31 December 2007 was carried out by an actuary. The calculation includes 172 active members and 17 pensioners. Risk Table K-2005 was applied. The following table shows an extract of the standard table for specific age groups showing the probability of mortality within one year and average life expectancy.

Age	*Mortality %*		*Life expectancy - years*	
	Men	*Women*	*Men*	*Women*
20	0.015	0.015	59.50	63.84
40	0.083	0.046	39.85	44.10
60	0.716	0.386	21.44	25.07
80	6.55	4.142	7.54	9.47

Storebrand changed its accounting principles for the accounting recognition of actuarial gains and losses (experience adjustments) in 2006, and such adjustments are now applied directly to equity. Prior to this change, experience adjustments were amortised over the average remaining period for accrual of pensions entitlement to the extent that the effect exceeded 10%. Storebrand is of the view that this change in accounting principle will produce more reliable and relevant information. For further information, see Note 8.

Lending at amortised cost
Lending is measured at amortised cost using the effective interest method. Management has reviewed the assumptions used in this respect, including the expected rate of turnover and the period to which fees charged and direct costs paid can be directly attributed. If these assumptions are changed, the effect of the change will be recognized as income or cost through profit and loss. Amortisation is carried out over the expected average life, estimated on the background of the historic rate of turnover of lending. The estimate is updated at least once a year. For the 2007 financial year, the rate of turnover for lending to the retail market was estimated to be four years. There have been no changes between the year-end and the approval of the 2007 accounts that give reason for any change to this estimate in 2008.

Write-downs of loans
The company considers at each balance sheet date whether there are objective signs that the value of a loan or group of loans is impaired. Loans or groups of loans are considered to be impaired if, and only if, there are objective signs of a fall in value that will reduce the future cash flow available for debt service. The fall in value must be the result of one or more events that have occurred since inception, and it must be possible to measure the impact of such events reliably.

Objective signs that the value of a loan or group of loans is impaired relates to observable data of which the company becomes aware in respect of one of the following events:
- the issuer or borrower has material financial difficulties
- default of the terms and conditions of a loan agreement, with failure to pay interest or instalments of principal as they fall due
- the company grants the borrower special terms as a result of the borrower's financial situation
- it is likely that the borrower will enter into negotiations for a composition with creditors or become insolvent or be subject to some other form of financial reorganisation
- the active market for a financial asset disappears as a result of financial difficulties
- observable information indicates that there has been a measurable deterioration in the estimated future cash flows of a group of financial assets since the inception of these assets.

Lending impairment is divided into two categories:

a) Individual write-downs
Write-downs of individual loans are based on a case-by-case evaluation if there is objective evidence of impairment. In the case of corporate and retail lending, the objective criteria for impairment are judged to be correlated with default status. In addition all lending commitments are loss evaluated when it exists other information that indicates the commitment to be loss-exposed. The need for a write-down is determined on the basis of a specific evaluation of the most likely future cash flow that will be received from the borrower in connection with the loan. In making this judgement, management takes into account both previous experience with the borrower and other information considered relevant.
See also Notes 17,18 and 32.

b) Write-downs of groups of loans
Grouped write-downs are calculated separately for Corporate Lending and Retail Lending. (i.e. loans to commercial customers and loans to private indi¬viduals). In the case of groups of loans in Corporate Lending, the objective criteria for write-downs are considered to be closely correlated with changes in the risk classification of lending relationships. The classification model for Corporate Lending considers three factors: quality of the borrower/financial condition (debt service capacity), quality of the collateral (loan to value ratio) and commercial factors (internal/external risk). The risk classification model shows the classification against a background of the information recorded in the accounting module at the time the calculation of group write-downs is undertaken, the realisable value recorded for collateral and an evaluation of commercial factors. Consideration is also given to changes in macroeconomic factors that may have a significant impact on commercial lending, including changes in interest rates and expectations of future changes in interest rates.

The objective criteria for write-downs of the groups of loans making up Retail Lending are considered to be correlated to the default status of the loans making up the group and the historic repayment record. Default status is divided into 30-90 days and over 90 days on loans that are not subject to individual write-downs because there is objective evidence of impairment. The repayment record is updated quarterly in line with the overall performance of the portfolio.

Capitalisation of deferred tax assets
The capitalised value of deferred tax assets is reviewed regularly. The reviews take into account Storebrand Bank's likely future capacity to make use of tax reducing temporary differences, and the criteria that must be satisfied for these to be used. Storebrand Bank's tax position at the end of 2007 favours making group contributions since the company no longer has tax losses available to carry forward.

Calculation of fair value of derivatives and other securities
The fair value of financial instruments that are not traded in an active market (for example OTC derivatives and unlisted shares) is determined by using valuation techniques. These valuation techniques are largely based on market conditions at the balance sheet date. Fair value excludes accrued interest (clean value). The bank's asset items are measured at observable market value where such prices are available. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. Fair value of other assets is calculated as an amount equivalent to the discounted current value of the investment. The discount factor used takes into account the market interest rate at 31 December 2007 for investments judged to be equivalent to the investment being valued. Fair value of liabilities is calculated as the discounted

present value of the funding transaction. As with investments, the discount factor used takes into account the bank's actual funding costs for an equivalent deposit at 31 December 2007. The fair value of lending is calculated as the discounted present value of loans considered not to be impaired. In the case of loans considered to be impaired, fair value is estimated for each individual loan or group. All financial assets and liabilities included in hedge accounting are shown at amortised cost in the notes to the accounts.

Earn-out payments in respect of acquisitions
In some cases, acquisitions of companies include provision for deferred settlement in the form of earn-out payments. IFRS requires that the discounted value of earn-out payments is added to the acquisition cost of the investment. The discounted value of earn-out therefore affects the size of excess value/undervalue that is allocated. The calculation of the value of earn-out is normally based on forecasts of future earnings of the business acquired. Subsequent changes in these forecasts affect the acquisition cost and therefore also the excess value/undervalue that has been allocated. A pre-tax annual discount rate of 12% was applied when calculating the discounted value of earn-out payments in the 2007 accounts.

Investments in subsidiary companies, associate companies and jointly controlled businesses
Over the course of 2007, Storebrand Bank ASA purchased 90.9% of the share capital of Hadrian Eiendom AS and 100% of the share capital of Start Up 102 AS, Start Up 103 AS and Start Up 104 AS, all of which are classified as subsidiaries. Investments in subsidiaries are recognized in the parent company accounts in accordance with the cost method.

Investments in associated companies (normally investments of between 20% and 50% of the associated company's equity capital) where the company exercises significant influence are consolidated in accordance with the equity method. Each investment is reviewed on a case-by-case basis to determine whether the company exercises significant influence.

Interests in jointly controlled businesses are consolidated in accordance with the proportional consolidation method in the unconsolidated accounts. A jointly controlled business is a business where the bank exercises contractual control jointly with some other party. Storebrand Bank ASA and Lindorff Accounting AS established the company Evoco Financial Production Services UAB in Lithuania in 2007 as a jointly controlled business

The book value of associated companies and jointly controlled businesses is evaluated for impairment routinely.

Segment reporting
The bank was reorganised in 2007 from four to three business areas: Corporate Banking, Retail Banking, and Markets. The former savings products and stockbroking segments are included in Markets from 2007. The Markets area was established in 2007. Business areas are the company's primary reporting segments. The risk structure and return is judged to be uniform within each segment. Segment information for 2006 and 2005 has been restated to correspond with the current segments. Financial information in respect of the segments is presented in Note 1 to the annual accounts.

Tangible fixed assets
The company's tangible fixed assets comprise equipment, fixtures and fittings, vehicles, holiday cabins, and IT systems used by the company for its own activities.

Equipment, fixtures and fittings, vehicles, holiday cabins and IT systems are valued at acquisition cost reduced by accumulated depreciation and any write-downs.

Straight-line depreciation is applied over the following periods:

Equipment, fixtures and fittings	up to 4 years
Vehicles	6 years
Holiday cabins	15 years
IT equipment	3-4 years

The depreciation period and the method of depreciation are reviewed annually to ensure that the method and period used correspond with the commercial reality for the asset in question. This also applies to the disposal value.

Intangible assets
The company's intangible assets other than deferred tax asset are largely related to customised software developed in-house and software purchased. Such intangible assets are valued at acquisition cost reduced by accumulated depreciation and any write-downs. The depreciation period and the method of depreciation are reviewed annually. New intangible assets are only capitalised if it can be demonstrated that it is likely that the company will gain future commercial benefit that is directly applicable to the asset in question. In addition, it must be possible to estimate the cost price of the asset reliably and the asset must be ready for use. The value of an intangible asset is tested for impairment if there are indications of a fall in its value, otherwise intangible assets are subject to write-downs and reversals of write-downs in the manner described for tangible fixed assets. The depreciation period for intangible assets varies from 3 to 8 years, with the expected commercial life determined on the basis of the asset's expected life, including the term of the relevant contract (applies to licences for various units in the banking system). Intangible assets are capitalised as they are acquired, but are not depreciated until they are complete and ready for use.

Consideration is given to writing down the value of an asset if there are indications of a fall in its value.

Pension liabilities for own employees
Storebrand's pension scheme for its own employees is a defined benefit pension scheme. Pension costs and pension liabilities for defined benefit pension schemes are calculated using a linear accrual of entitlement to pension and expected final salary, based on assumptions for discount rate, future salary increases, pensions and benefits from the national insurance fund, the future return on pension assets and actuarial assumptions on mortality, disability and early leavers. The discount rate is equivalent to the risk-free interest rate taking into account the average remaining period for accrual of pension entitlement. The net pension cost for the period is made up of the sum of pension entitlement accrued in the period, interest cost on the calculated pension liability, the expected return on pension assets, and accrued employer's social security contributions. Accrued employer's social security contributions include contributions on the pension liability, contributions on premiums paid for pension insurance during the course of the year and contributions paid on pensions paid out directly from the company. The effect of differences between assumptions and actual experience (experience adjustments) and changes in assumptions are applied directly to equity. The effect of

changes to the pension scheme are recognised to profit and loss as they are incurred, unless the change is conditional on future accrual of pension entitlement. In such a case, the effect is amortised linearly over the time until the entitlement is fully earned. Employer's social security contributions are included in pension liability and in experience adjustments shown in equity.

Storebrand has both insured and uninsured pension arrangements. The insured scheme is insured with Storebrand Livsforsikring AS (Storebrand Life Insurance), a company in the Storebrand group.

Tax

The tax charge in the profit and loss account consists of tax payable for the accounting year and changes in deferred tax. Deferred tax and deferred tax assets are calculated on the basis of timing differences between accounting and tax values of assets and liabilities. Deferred tax assets are recorded in the balance sheet to the extent it is considered likely that the companies in the group will have sufficient taxable profit in the future to make use of the tax asset.

Group contributions and dividend

Group contributions and dividends received are recognized as financial income in the unconsolidated accounts. Group contributions and dividends from subsidiaries that are proposed and approved are recognized in the unconsolidated accounts of Storebrand in the accounting year. Such income can only be recognized if it accrued in the subsidiaries during the period of ownership by Storebrand Bank. Where this is not the case, the receipt is recognized as an equity capital transaction, causing the ownership interest in the subsidiary company to be reduced by the amount of dividend or group contribution received.

Proposed dividends and group contributions

Proposed dividends and group contributions are treated as an allocation of annual result in the unconsolidated accounts, and are provided for as a liability at year-end.

RECOGNITION AND DERECOGNITION

Interest income and interest expense

Interest income and interest expense are shown in the profit and loss account at amortised cost using the effective interest method. The effective interest method includes set-up fees. Changes in fair value in respect of hedge accounting of the underlying object and the related derivative are also included in interest income and interest expense.

Fees and commissions

Set-up fees charged on new loan agreements are included in the measurement of lending at amortised cost, and are included in the calculation of amortised value using the effective interest method.

Commission income and costs related to sales of real estate fund products, shares in Storebrand Optimèr ASA and structured products are recognized when the income is earned, i.e. when the sale is completed. The cost of commission payments to distributors of these products is recognized when the cost is incurred.

Dealing commission in respect of stockbroking is recognised when the trade giving rise to the commission is completed.

FINANCIAL INSTRUMENTS

General principles and definitions

Recognition and derecognition

Financial assets and liabilities are included in the balance sheet from such time as Storebrand Bank becomes party to the instrument's contractual terms and conditions. Normal purchases and sales of financial instruments are booked on the transaction date. When a financial asset or a financial liability is first recognised in the accounts, it is valued at fair value plus, in the case of a financial asset or a financial liability that is not a financial asset or a financial liability at fair value through profit and loss, transaction costs directly related to the acquisition or issue of the financial asset or the financial liability.

Financial assets are derecognised when the contractual right to the cash flow from the financial asset expires, or when the company transfers the financial asset to another party in a transaction by which all, or virtually all, the risk and reward associated with ownership of the asset is transferred.

Definition of amortised cost

Subsequent to inception, loans and receivables as well as financial liabilities not at fair value through profit and loss, are valued at amortised cost using the effective interest method. The calculation of the effective interest rate involves estimating all cash flows and all contractual terms of the financial instruments (for example early repayment, call options and equivalent options). The calculation includes all fees and margins paid or received between the parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts that are an integral part of the effective interest rate.

Definition of fair value

"Fair value" is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. For financial assets that are listed on a stock exchange or another regulated market place, fair value is determined as the bid price on the last trading day up to and including the balance sheet date, and in the case of an asset that is to be acquired or a liability that is held, the offer price.

If a market for a financial instrument is not active, fair value is determined by using valuation techniques. Such valuation techniques make use of recent arm's length market transactions between knowledgeable and willing parties where available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis, and options pricing models. If a valuation technique is in common use by participants in the market and this method has proved to provide reliable estimates of prices actually achieved in market transactions, this method is used.

The discount rate used takes into account the market interest rates at the end of the accounting period for placements/deposits considered to be equivalent to the item for which fair value is calculated.

The fair value of lending, adjusted for credit risk, is estimated on the basis of the current market rate of interest on similar lending. When estimating the fair value of a loan, consideration is also given to the development of the associated credit risk in general.

Impairment of financial assets
In the case of financial assets that are not recognised at fair value, consideration is given on each balance sheet date to whether there are objective signs that the value of a financial asset or a group of financial assets is impaired.

If there is objective evidence that impairment has occurred, the amount of the loss is measured as the difference between the asset's book value and the present value of estimated cash flows (excluding future credit losses that have not occurred) discounted at the financial asset's original effective interest rate. (i.e. the effective interest rate calculated at the time of inception). The amount of the loss is recognised to profit and loss. If the reason for the impairment ceases to apply in a subsequent period, and the reason for the impairment ceasing can be attributed objectively to an event that has taken place after the impairment has been recognized, the impairment adjustment is reversed. The amount of the reversal cannot be so large as to cause the book value of the asset to exceed what would have been the asset's amortised cost if the impairment had not been recognized at the time the impairment adjustment is reversed. The reversal of previous impairment adjustments is presented in the profit and loss account as a change in write-down. Storebrand Bank makes use of both individual loan write-downs and write-downs of groups of loans.

Losses that are expected to occur as a result of future events are not included in the accounts, regardless of how likely it is that the loss will occur.

An impaired lending commitment is recognised as a realised loss in the case of bankruptcy, a legally binding composition with creditors, failure to receive a court order for attachment of property, a legally binding judgement, or if the bank has terminated legal collection procedures or has otherwise renounced the commitment or its share of the commitment. Realised losses are deducted from gross lending in the balance sheet.

The bank judges a lending commitment to be in default if a contractual payment is not received and 90 days have elapsed from the due date, or where an account is overdrawn without authorisation and the situation is not rectified within 90 days. Commitments where bankruptcy/insolvency or debt settlement proceedings have started are also considered to be in default.

Classification and measurement of financial assets and liabilities
Financial assets are classified into one of the following categories:
- available for sale,
- at fair value through profit or loss in accordance with the fair value option,,
- loans and receivables

Available for sale
A financial asset is classified as available for sale if it is:
- acquired or incurred principally for the purpose of selling or repurchasing it in the near term, is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking,
- is a derivative (except for a derivative that is designated as an effective hedging instrument).

With the exception of derivatives, only a limited proportion of the company's financial assets fall into this category.

Available for sale financial assets are measured at fair value at the balance sheet date. Changes in fair value are recognised to profit and loss.

At fair value through profit and loss in accordance with the fair value option
At inception, any financial asset or liability can be classified at fair value through profit and loss if it is the case that:
- such a classification reduces a mismatch that would otherwise have occurred in measurement or recognition as a result of different rules for measurement of assets and liabilities
- the financial assets form part of a portfolio that is managed and evaluated on a fair value basis.

In 2007, the company's holdings of bonds, shares, a minor portfolio of fixed-rate loans and commercial paper issued for which an interest rate swap has been entered into to reduce the commercial risk, are classified in this group.

The accounting treatment is equivalent to that for hold to maturity instruments.

Loans and receivables
"Loans and receivables" are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, with the exception of such assets that the company intends to sell immediately or in the short term that are classified as available for sale and such assets that the company designates at inception as assets at fair value through profit and loss.

Loans and receivables are valued at amortised cost using the effective interest method. Assets in this group relate principally to loans to customers.

Loans and receivables that are designated as hedged items are subject to measurement in accordance with the requirements of hedge accounting.

Derivatives
Derivatives are defined as follows:
A derivative is a financial instrument or other contract within the scope of IAS 39 with all three of the following characteristics:
- its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable (sometimes called the 'underlying'),
- it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors
- it is settled at a future date.

Accounting treatment of derivatives that are not for hedging
Derivatives that do not meet the criteria for hedge accounting are treated as available for sale financial instruments. The fair value of such derivatives is classified as either an asset or a liability with changes in fair value through profit and loss.

Accounting treatment of derivatives for hedging
Before a hedging transaction is carried out, the company's Treasury Department evaluates whether a derivative should be used to hedge the fair value of a booked asset or liability, or a certain liability.

The company uses only fair value hedging, where the items hedged are financial assets and financial liabilities measured at amortised cost. Derivatives that fall within this category are recognised at fair value through profit and loss, while changes in the value of the hedged item that relate to the risk hedged are applied to the book value of the item and are recognised through profit and loss. The value of hedging instruments is classified in the balance sheet together with the item hedged.

Fair value hedging is used to hedge fixed-rate lending, bonds issued with fixed interest rates and structured funding transactions. Hedge accounting is principally relevant to the interest rate hedging of fixed rate funding and lending. The majority of the bank's interest rate derivatives fall into this category.

The company's criteria for classifying a derivative or other financial instrument as a hedging instrument are as follows:
(1) the hedging must be expected to be highly effective in that it will offset changes in the fair value or cash flow of an identified object – hedging effectiveness must be expected to be in the range 80% to 125%,
(2) it must be possible to measure the effectiveness of the hedging reliably,
(3) there must be satisfactory documentation when entering into the hedging transaction that demonstrates inter alia the hedging effectiveness,
(4) the hedging is regularly evaluated and has proved to be effective.

If the calculated hedging effectiveness, either prospective effectiveness or retrospective effectiveness, falls outside the range 80%-125%, it is considered that the conditions for hedge accounting are no longer satisfied. Hedge accounting ceases to be applied at this time. Hedge accounting also ceases if a hedging instrument matures, is cancelled, is exercised or sold.

When hedge accounting ceases, if the hedging instrument is a financial instrument that is recognized in accordance with the effective interest method, the changes to value applied to the book value of the object hedged are amortised over the object's remaining life using the effective interest method.

Financial liabilities
Subsequent to inception, financial liabilities are measured mainly at amortised cost using the effective interest method. Liabilities in this category include deposits from customers and subordinated loans as well as liabilities created by the issue of commercial paper and bonds. Commercial paper issued with one year's maturity is measured at fair value through profit and loss using the fair value option.

Structured products – synthetic financial instruments
Storebrand Bank has issued equity index linked bonds. These products principally comprise the issue of a bond and the sale of an equity index option. At the time of issue, the equity index option is measured at fair value since the option is a derivative that is not closely related to the bond issued. The bonds issued are simultaneously measured at amortised cost. No gain is recognised in respect of structured products at the time of issue ("day 1 gains").

Financial liabilities that are classified as hedged items are measured in accordance with hedge accounting- see the description above.

Note 1: Effect of the transition to simplified IFRS

Reconciliation of equity capital under NGAAP as compared to simplified IFRS:

NOK MILLION	2006	2005
Equity capital 31.12. (NGAAP)	1 837.3	1 489.9
Shares	2.7	
Deferred tax/deferred tax asset	-0.2	
Share of profit in associated companies	-0.8	
Pension experience adjustments	30.6	48.0
Deferred tax on pension experience adjustments	-8.6	-13.4
Equity capital 1.1. / 31.12. (simplified IFRS)	**1 861.1**	**1 524.4**

The unconsolidated accounts for 2007 have been prepared in accordance with simplified IFRS, including the requirements imposed by the Norwegian accounting regulations. The consolidated accounts of Storebrand Bank ASAwere already prepared in accordance with IFRS, and the accounting principles used for the consolidated accountswill therefore be applied to the unconsolidated accounts of Storebrand Bank ASA with effect from 2007, with the exception of identified differences between IFRS and simplified IFRS.

Comparable figures have been restated in accordance with simplified IFRS.

See Note 28 for changes in equity.

Note 2: Segment information

Analysis of profit and loss account and balance sheet items by activity:

NOK MILLION	CORPORATE 2007	2006	2005	RETAIL 2007	2006	2005	MARKETS 2007	2006	2005	REAL ESTATE BROKING 2007	2006	2005
Profit and loss items:												
Net external interest income	199.8	189.2	226.7	194.5	206.2	194.9	18.0	22.8	25.0	412.3	418.2	446.6
Net internal interest income										0.0	0.0	0.0
Net interest income	**199.8**	**189.2**	**226.7**	**194.5**	**206.2**	**194.9**	**18.0**	**22.8**	**25.0**	**412.3**	**418.2**	**446.6**
Net external fee and commission income	6.4	8.0	-7.0	7.0	5.5	14.9	44.5	18.4	9.7	57.9	32.0	17.6
Net internal fee and commission income										0.0	0.0	0.0
Net fee and commission income	**6.4**	**8.0**	**-7.0**	**7.0**	**5.5**	**14.9**	**44.5**	**18.4**	**9.7**	**57.9**	**32.0**	**17.6**
Other external operating income	13.6	12.0	67.4	16.5	21.7	25.0	-0.1		1.3	29.9	33.6	93.6
Other internal operating income										0.0	0.0	0.0
Total operating income	**13.6**	**12.0**	**67.4**	**16.5**	**21.7**	**25.0**	**-0.1**	**0.0**	**1.3**	**29.9**	**33.6**	**93.6**
Staff exp. and general administration exp.	-78.0	-73.9	-92.6	-121.4	-106.9	-97.9	-15.3	-24.6	-11.7	-214.7	-205.3	-202.2
Depreciation of tangible and intangible fixed assets	-7.6	-7.1	-6.3	-12.0	-11.5	-9.6	-1.3			-20.9	-18.6	-15.9
Other operating costs	-31.8	-40.3	-27.9	-63.5	-62.0	-62.8	-14.4	-12.3	-14.3	-109.7	-114.6	-104.9
Total operating costs	**-117.5**	**-121.3**	**-126.8**	**-196.8**	**-180.3**	**-170.3**	**-31.0**	**-36.9**	**-26.0**	**-345.3**	**-338.5**	**-323.2**
Operating profit before loan losses	102.3	87.9	160.3	21.2	53.1	64.5	31.4	4.3	9.9	154.8	145.3	234.6
Loan losses and write-downs	84.0	54.6	19.8	-5.8	-7.7	14.2	0.0			78.2	47.0	34.0
Ordinary profit from continuing oper.	**186.3**	**142.5**	**180.1**	**15.3**	**45.5**	**78.7**	**31.4**	**4.3**	**9.9**	**233.0**	**192.2**	**268.6**
Ordinary profit from businesses discont.	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Balance sheet items:												
Gross lending	12 159.4	11 603.9	10 477.5	24 936.7	19 577.6	16 288.9				37 096.1	31 181.5	26 766.4
Lending write-downs	-241.2	-372.7	-422.0	-64.0	-60.6	-56.9				-305.2	-433.3	-478.9
Net customer lending	**11 918.2**	**11 231.2**	**10 055.5**	**24 872.7**	**19 517.0**	**16 232.0**	**0.0**		**0.0**	**36 790.9**	**30 748.1**	**26 287.5**
Investments in associated companies	28.7	0.0	8.3	0.5						29.2	0.0	8.3
Tangible fixed assets	4.4	2.9	4.3	4.4	4.0	5.6	1.2			10.0	7.0	9.9
Intangible fixed assets	27.1	21.5	10.5	27.5	24.6	15.5	7.8			62.4	46.1	26.0
Assets, activities held for sale										0.0	0.0	0.0
Other assets	2 142.4	1 841.2	1 519.7	2 701.6	1 178.0	1 205.5	422.6	550.6	417.4	5 266.6	3 569.8	3 142.5
Total assets	**14 120.8**	**13 096.8**	**11 598.3**	**27 606.7**	**20 723.6**	**17 458.6**	**431.6**	**550.6**	**417.4**	**42 159.1**	**34 371.1**	**29 474.3**
Deposits from and due to customers	7 866.3	5 370.4	4 394.2	9 695.8	8 176.4	6 826.4				17 562.1	13 546.8	11 220.5
Liabilities, activities held for sale										0.0	0.0	0.0
Other liabilities	5 223.2	6 552.5	6 350.8	16 915.0	11 886.8	9 995.7	426.6	547.6	417.4	22 564.7	18 987.0	16 763.9
Equity	1 031.4	1 173.9	853.3	995.9	660.4	636.6	5.0	3.0		2 032.3	1 837.3	1 489.9
Total equity and liabilities	**14 120.7**	**13 096.8**	**11 598.3**	**27 606.7**	**20 723.6**	**17 458.6**	**431.6**	**550.6**	**417.4**	**42 159.1**	**34 371.1**	**29 474.3**
Key figures:												
Costs as % of income	53 %	58 %	44 %	90 %	77 %	73 %	50 %	90 %	72 %	69 %	70 %	58 %
Deposits from and due to customers as % of gross lending	65 %	46 %	42 %	39 %	42 %	42 %				47 %	43 %	42 %

Description of the segments:

Commercial Banking: This segment comprises deposits from and lending to commercial customers, principally real estate investors/developers. The associated company Seilduksgaten 25/31 AS is included in the Commercial Banking segment. The bank has a 50% ownership interest, and the company reported a loss of NOK 0.5 million for 2007.

Retail Banking: Deposits from and lending to retail customers, including credit cards. Lending is principally mortgage lending secured against residential real estate.

Markets: This is a new business area with effect from Q3 2007, and will also include newly-started business activities pursuant to the bank's authorisation in respect of the Securities Trading Act. This business area includes all the bank's activities in structured products, real estate funds, Storebrand Optimér ASA as a product and stockbroking activities.

Income and costs that cannot be directly attributed to a segment are allocated on the basis of assumed consumption of resources.

Geographical segments:

No company in the group carried out any independent business activities outside Norway in 2007. Customers with foreign domicile are classified as part of the Norwegian activities. Operating revenue and profit are therefore derived solely from activities in Norway.

Note 3: Remuneration and close associates

NOK 1000	REMUNE-RATION [9]	BONUS-BANK [1]	POST-TER-MINATION SALARY (MONTHS)	PENSION ACCRUED FOR THE YEAR	DISCOUNTED PRESENT VALUE OF PENSION	NO OF SHARES OWNED [2]	LOAN [3]	INTEREST RATE AT 31.12.07	REPAYMENT PERIOD [4]	OUT-STANDING AMOUNT [5]
Senior employees										
Klaus-Anders Nysteen (man.dir.)	2 246	-3	18	769	984	1 813	3 446	4.75%/5.55 %	2026/2017	0
Monica Kristoffersen	1 026			168	1 236	0	2 733	5.55 %	2017/2036	0
Anne Grete T. Wardeberg	1 149	131		192	1 074	2 590				0
Mikkel Andreas Vogt [10]	682			237	227	1 037				
Trond Fladvad [10]	1 104			200	195	924	5 940	4.76%/5.3%/5.9%	2032/2017/2017	0
Robert Fjelli [10]	621			210	196	0				
Kristian Krogenæs [11]	1 134	188		142	1 007	310	2 396	4.76%/5.90%	2027/2017	0
Sigmund Sletvold [9]	720					160	4 200	5.69 %	2029/2031	0
Ivar Qvist [11]	3 365			309	1 946	181	2 151	4.76%/5.69 %	2037/2019	0
Geir Larsen [11]	1 026			197	661	924	1 198	4.76 %	2032	0
Board of Directors [6]										
Idar Kreutzer [7]	6 101	4 308	24	675	10 342	54 160	10 800	4.76%/5.59%/5.69%	2037/2017/2025	0
Roar Thoresen [8]	4 358	1 309	18	801	4 599	2 796	1 694	4.75 %	2032	0
Heidi Storruste	145					1 228	2 892	4.76%/5.55%	2037/2017	0
Steinar Wessel-Aas	145						1 400	6.1_%	2019	0
Kristine Schei	73									0
Maalfrid Brath [8]	3 644	1 122	18	508	6 132	4 831	4 895	4.76%/5.54%	2035/2017	0
Ida Helliesen	145					0				
Controll Committee										
Finn Myhre	125						1 418	5.69 %	2014/2025	0
Maria Borch Helsengreen	43					50				
Benedicte Fasmer	14									0
Jan Ljone	85									0

1) *Amount outstanding at 31.12.2007 before the distribution for 2007. Certain senior employees are entitled to a performance-related bonus related to the group's value-based management system, payable in three instalments. The group's value creation finances the overall amount of the bonus, but individual performance determines allocation. Bonus entitlements are credited to bonus accounts, and 1/3 of the balance on an individual's bonus account is paid each year.*

2) *The summary shows the number of shares owned in Storebrand ASA by the individual, as well as his or her close family and companies where the individual exercises significant influence (cf. Accounting Act 7-26).*

3) *Loans to senior employees and members of the Board of Directors are granted in part on the normal terms and conditions for loans to employees, i.e. loan to an individual of up to NOK 1.7 million at 80% of normal market interest rate. Loans in excess of NOK 1.7 million are granted on normal commercial terms and conditions.*

4) *The years shown are the years in which the loans are contractually due to be repaid.*

5) *Loan payment due but not yet paid.*

6) *Remuneration paid represents remuneration paid in connection with the individual's appointment to the Board of Directors of Storebrand Bank ASA.*

7) *Idar Kreutzer, the Chairman of the Board, does not receive any remuneration from Storebrand Bank ASA for this appointment, and the company has no liability towards the Chairman of the Board in the event of termination of or change to this appointment. Idar Kreutzer is the Chief Executive Officer of Storebrand ASA and the Managing Director of Storebrand Livsforsikring AS. He is entitled to salary for 24 months after the expiry of the normal notice period. Such payments will be reduced by all work-related income during this period, including consultancy assignments. He is entitled to a performance-related bonus based on Storebrand's ordinary bonus scheme, payable in three instalments. The group's value creation finances the overall amount of the bonus, but individual performance determines allocation. Bonus entitlement is credited to a bonus account, and 1/3 of the balance on the bonus account is paid each year.*

8) *Neither Roar Thoresen nor Maalfrid Brath receives any remuneration from Storebrand Bank ASA for their appointments as members of the Board. The remuneration shown in the note relates to salary and benefits paid by Storebrand Livsforsikring AS in respect of their employment by the company.*

9) *Left the employment of Storebrand Bank ASA on 30 April 2007.*

10) *Mikkel Andreas Vogt joined Storebrand Bank ASA on 18 June 2007, Trond Fladvad joined on 5 February 2007 and Robert Fjelli joined on 6 August 2007. They are all members of the bonus bank scheme, but had no balances on their bonus bank accounts at 31 December 2007 that are available for distribution for the year.*

11) *Following reorganisations carried out in 2007, these individuals were no longer members of the bank's executive management team at 31 December 2007.*

[12]) Specification of remuneration

NOK 1000	SALARY FEE	BONUS	ADDITIONAL REMUNERATION	OTHER TAXABLE BENEFITS [1])	TERMINATION PAYMENT	TOTAL REMUNERATION
Senior employees						
Klaus-Anders Nysteen (man.dir.)	1 905	187		154		2 246
Monica Kristoffersen	815	106		105		1 026
Anne Grete T. Wardeberg	823	221		105		1 149
Mikkel Andreas Vogt	622			60		682
Trond Fladvad	1 003			101		1 104
Robert Fjelli	580			42		621
Kristian Krogenæs	842	205		87		1 134
Sigmund Sletvold	457	234		29		720
Ivar Qvist	558	2 762		45		3 365
Geir Larsen	808	83		136		1 026

[1]) Comprises company car, telephone, insurance, concressionary interest rate oand other contractual benefits.

Remuneration of senior employees and non-executive officers at 31.12.06:

NOK 1000	REMUNE-RATION [9])	BONUS-BANK [2])	POST-TER-MINATION SALARY (MONTHS)	PENSION ACCRUED FOR THE YEAR	DISCOUNTED PRESENT VALUE OF PENSION	NO OF SHARES OWNED [3])	LOAN [4])	INTEREST RATE AT 31.12.07	REPAYMENT PERIOD [5])	OUT-STANDING AMOUNT [6])
Senior employees										
Klaus-Anders Nysteen (man.dir.) [1])	764		18	331	332	200	3 528	3.00%/3.45 %	2026/2020	0
Per Kumle (former man.dir.) [1])	12 509			965	3 777	628		-	-	0
Nina Juel Arstal [1])	1 618	363	12	184	902	610	1 122	3.00 %	2028	0
Per Kjetil Lilleskare	1 799	234	15	491	2 661		1 277	3.00%/3.55%	2033/2010	0
Kristian Krogenæs	1 126	158		116	628	310	2 264	3.00%/3.60%	2023/2017	0
Sigmund Sletvold	1 178			101	254	688	1 559	3.00%/3.55%	2029/2007	0
Ivar Qvist	2 225			158	724	100	2 202	3.00%/3.45 %	2041/2014	0
Geir Larsen	755			124	186					0
Monica Kristoffersen	811			67	378		2 733	3.35%/3.60%	2023/2019	0
Anne Grete T. Wardeberg	1 078	162		184	706	410				0
Board of Directors *[7])*										
Idar Kreutzer [8])	5 593	4 516	24	726	10 077	29 288	9 210	3.00%/3.60%	2031/2021/2022	0
Roar Thoresen	4 179	1 819	18	754	3 004	1 038	989	3.00 %	2022	0
Heidi Storruste	145					378	927	3.00 %	2029	0
Steinar Wessel-Aas	145									0
Kristine Schei	145									0
Maalfrid Brath	3 409	1 240	18	401	4 249	2 113	5 056	3.00%/3.45%	2035/2028	0
Controll Committee										
Finn Myhre	125						1 538	3.44 %	2023/2025	0
Benedicte Fasmer	85									0
Jan Ljone	85									0

1) *Per Kumle resigned as Managing Director with effect from 30.04.06. Nina Juel Arstal was acting Managing Director from 1.5.06 to 31.8.06. Klaus-Anders Nysteen was appointed as Managing Director and joined the bank on 1.9.06. The bank has no liability to its former managing director at 31.12.06.*

2) *Amount outstanding at 31.12.2006 before the distribution for 2006. Certain senior employees are entitled to a performance-related bonus based on Storebrand's ordinary bonus scheme, payable in three instalments. The group's value creation finances the overall amount of the bonus, but individual performance determines allocation. Bonus entitlements are credited to bonus accounts, and 1/3 of the balance on an individual's bonus account is paid each year.*

3) *The summary shows the number of shares owned in Storebrand ASA by the individual, as well as his or her close family and companies where the individual exercises significant influence (cf. Accounting Act 7-26).*

4) *Loans to senior employees and members of the Board of Directors are granted in part on the normal terms and conditions for loans to employees, i.e. loan to an individual of up to NOK 1.2 million at 80% of normal market interest rate. Loans in excess of NOK 1.2 million are granted on normal commercial terms and conditions.*

5) *The years shown are the years in which the loans are contractually due to be repaid.*

6) *Final loan payment due but not paid.*

7) *Remuneration paid represents remuneration paid in connection with the individual's appointment to the Board of Directors of Storebrand Bank ASA.*

8) *Idar Kreutzer, the Chairman of the Board, does not receive any remuneration from Storebrand Bank ASA for this appointment, and the company has no liability towards the Chairman of the Board in the event of termination of or change to this appointment. Idar Kreutzer is the Chief Executive Officer of Storebrand ASA and the Managing Director of Storebrand Livsforsikring AS. He is entitled to salary for 24 months after the expiry of the normal notice period. Such payments will be reduced by all work-related income during this period, including consultancy assignments. He is entitled to a performance-related bonus based on Storebrand's ordinary bonus scheme, payable in three instalments. The group's value creation finances the overall amount of the bonus, but individual performance determines allocation. Bonus entitlements are credited to bonus accounts, and 1/3 of the balance on an individual's bonus account is paid each year.*

9) *Specification of remuneration*

NOK 1000	SALARY FEE	BONUS	ADDITIONAL REMUNERATION 1)	OTHER TAXABLE BENEFITS 2)	TERMINATION PAYMENT	TOTAL REMUNERATION
Senior employees						
Klaus-Anders Nysteen (man.dir.) 1)	720	0		44		764
Per Kumle (former man.dir.) 1)	2 862	5 835		100	3 713	12 509
Nina Juel Arstal 1)	683	208	612	115		1 618
Per Kjetil Lilleskare	1 425	216		157		1 799
Kristian Krogenæs	870	145		110		1 126
Sigmund Sletvold	847	225		106		1 178
Ivar Qvist	938	1 200		87		2 225
Geir Larsen	618	85		52		755
Monica Kristoffersen	605	110		95		811
Anne Grete T. Wardeberg	789	187		102		1 078

1) *Per Kumle resigned as Managing Director with effect from 30.04.06. Nina Juel Arstal was acting Managing Director from 1.5.06 to 31.8.06. Klaus-Anders Nysteen was appointed as Managing Director and joined the bank on 1.9.06. Nina Juel Arstal received NOK 0.6 million of additional remuneration for the period she was appointed as acting Managing Director.*

2) *Comprises company car, telephone, insurance, concessionary interest rate and other contractual benefits.*

The Board of Directors' statement on the salary and other remuneration of senior executives is quoted below:

Statement by the Board
The Board of Storebrand Bank ASA will place the following statement on the salary and other remuneration of senior executives before the 2008 Annual General Meeting in accordance with the Public Limited Liability Companies Act § 6-16a, based on the guidelines previously approved for the remuneration of Storebrand's senior executives.

The Board's Remuneration Committee
The Board of Storebrand ASA has operated with a separate Remuneration Committee since 2000. The Remuneration Committee is responsible for advising the Board on all matters that relate to the remuneration of the company's Chief Executive Officer. The Committee is also required to monitor the remuneration of the group's senior executives and propose guidelines in this respect. In addition, the Committee acts as an advisory body for the Chief Executive Officer in respect of remuneration arrangements that affect all employees to a material extent, including Storebrand's bonus scheme and pension arrangements.

Guidelines for determining the salary and other remuneration of Storebrand's senior executives
Storebrand applies competitive and motivating remuneration principles that help to attract, develop and retain highly qualified employees. The company intends to manage the balance of remuneration over time so that fixed salary represents a smaller proportion of total remuneration and bonus represents a higher proportion. The salaries paid to senior executives are determined on the basis of the responsibility and complexity of the appointment in question. The company carries out regular comparisons of remuneration for similar positions elsewhere in order to adapt to the level of salaries in the market. Storebrand does not intend to lead the level of fixed salaries in its industry.

In addition to fixed salary, senior executives at Storebrand may receive other remuneration in the form of annual bonuses, participation in the group's pension scheme, benefits in kind in the form of newspapers, telephone, and company car, and other employee benefits. Senior executives are also entitled to salary payments for a period following termination of employment, whereby they receive their normal salary, less any other income, for an individually agreed period following the termination of their employment. The periods agreed in this respect are up to 24 months.

Further information on the bonus scheme
The Storebrand group's bonus scheme, which is a supplement to basic salary, is a performance related bonus scheme related to the group's value-based management system. The group's value creation finances the overall amount of the bonus, but individual performance determines what proportion of the bonus is allocated. The bonus allocated to an individual is credited to a bonus account. The amount is divided into two parts, one of which earns interest and one of which is linked to the performance of the Storebrand share. 1/3 of the balance on the bonus account is paid each year.

Share purchase scheme for employees
Senior employees are entitled, in the same way as all other Storebrand employees, to purchase up to 1,000 Storebrand ASA shares each year at a discount. The amount of the discount that exceeds NOK 1,500 is treated as taxable salary. Storebrand does not impose any minimum holding period for shares purchased through this scheme.

Policy on the salary and other remuneration of senior executives practised in 2007
The salaries of senior executives of Storebrand in 2007 were determined in accordance with the guidelines described above. The fixed salaries of members of the executive management team were not subject to the normal annual salary increase. On average, the expected level of bonuses for members of the executive management is less than 25% of their fixed salaries.

Transactions with group companies:

	2007		2006	
NOK MILLION	SUBSIDIARIES	OTHER GROUP COMPANIES	SUBSIDIARIES	OTHER GROUP COMPANIES
Interest income	0.1	0.0	1.8	0.0
Interest expense	1.0	2.4	0.3	0.0
Services sold	0.8	3.7	0.0	2.3
Services purchased	1.5	54.7	0.0	46.1
Due from	0.5	0.0	12.9	0.0
Liabilities to	0.0	32.4	13.1	20.1

Transactions with group companies are based on the principle of transactions at arm's length.

Transactions with related parties:
Storebrand Bank ASA defines Storebrand Optimér ASA as a related party since the general manager of Storebrand Optimér ASA is an employee of Storebrand Bank ASA and the company's objective is to offer alternative savings products to the bank's customers. Storebrand Optimér ASA has no employees and the company has entered into an agreement with Storeband Bank ASA to carry out the day-to-day operation of the company. The bank also acts as a Manager for issues of shares carried out by Storebrand Optimér ASA. The bank recognized NOK 13.6 million to profit and loss in 2007, of which NOK 5.2 million was paid out to distributors of shares in Storebrand Optimér ASA. The bank has a receivable due from the company of NOK 1.1 million as of 31.12.07. The fees paid to the bank are based on the arm's length principle.

Loans to employees:

NOK MILLION	2007	2006	2005
Loans to employees of Storebrand Bank ASA	169.1	156.6	162.4
Loans to employees of the Storebrand group	1 575.5	1 236.7	1 327.2

Loans to employees are granted in part on the normal terms and conditions for loans to employees, i.e. loan to an individual of up to NOK 1.7 million at 80% of normal market interest rate. Loans in excess of NOK 1.7 million are granted on normal commercial terms and conditions. The bank has not provided guarantees or security for borrowing by employees.

Headcount and personnel information:

	2007	2006	2005
Number of employees at 31 December	158	176	173
Number of employees expressed as full-time equivalent positions	154	173	170

Note 4: Remuneration of the auditor

Remuneration of the auditor (excluding value added tax):

NOK 1000	2007	2006	2005
Statutory audit	856	1 057	1 044
Other reporting duties	77	8	61
Other non-audit services	0	157	28
Total	**933**	**1 222**	**1 133**

Note 5: Fees and commission on banking services

NOK MILLION	2007	2006	2005
Other fees and commissions receivable			
Money transfer fees	12.6	15.0	14.0
Service charges on deposit accounts	19.8	15.9	15.2
Guarantee commissions receivable	4.0	3.5	3.6
Commissions from real estate fund	70.0	60.1	5.2
Commissions from structured products	2.4	4.3	4.5
Commissions from stockbroking	10.0	5.6	0.0
Commissions from Storebrand Optimèr ASA	13.6	4.4	0.0
Fees from loans	0.8	0.9	0.0
Management of loan portfolios	3.8	2.3	0.7
Other commission income	2.9	0.4	1.4
Total fees and commissions receivable	**139.8**	**112.3**	**44.5**
Other fees and commissions payable			
Money transfer fees	-5.6	-10.9	-13.6
Fee on securities to Norwegian Registry of Securities	-1.7	-1.3	-1.3
Commissions real estate fund	-44.6	-47.6	0.0
Commissions structured products	0.0	-1.3	0.0
Commissions stockbroking	-3.2	-1.4	0.0
Commissions Storebrand Optimèr ASA	-8.1	-3.4	0.0
Commission for distribution of the bank's products	-17.7	-13.7	-11.8
Other commission expenses	-1.0	-0.7	-0.1
Total fees and commissions payable	**-81.9**	**-80.3**	**-26.9**

Note 6: Losses on loans and guarantees

NOK MILLION	2007	2006	2005
Write-downs of loans and guarantees for the period			
Change in individual write-downs for the period	113.0	29.6	95.0
Change in grouped write-downs for the period	15.2	15.9	26.5
Other corrections to write-downs 1)	-0.9	22.4	-6.8
Change in individual write-downs on guarantees for the period 2)	4.0	0.0	0.0
Realised losses in period on commitments specifically provided for previously	-59.6	-17.2	-81.9
Realised losses on commitments not specifically provided for previously	-1.0	-6.2	-0.9
Recoveries on previously realised losses	7.5	2.4	2.1
Write-downs of loans and guarantees for the period	**78.2**	**47.0**	**34.0**
1) Other corrections to write-downs:			
Interest recognised to profit in accordance with the effective interest rate method	-4.0	-4.7	-23.5
Deviation caused by changes in expected cash flow	4.7	17.5	0.0
Correction to volume and write-down of debt recovery portfolio	0.0	9.3	22.7
Other changes	-1.6	0.3	-6.0
Total other corrections to write-downs	-0.9	22.4	-6.8

2) Individual write-downs on guarantees are included in the item 'Write-downs of individual guarantees' until such time as they are written back.

Interest recognised to profit on loans subject to write-downs	4.0	7.5	15.3

Note 7: Other operating income

NOK MILLION	2007	2006	2005
Net gain/loss on sale/close down of subsidiaries	7.2	0.0	42.9
Charges on services sold to Evoco Financial Production Services UAB	0.8	0.0	0.0
Other operating income	2.8	0.1	11.4
Total other operating income	**10.7**	**0.1**	**54.3**

Note 8: Pensions

Employees of Storebrand Bank ASA are assured a retirement pension equivalent to 70% of pensionable salary at the time of retirement. The ordinary retirement age is 65. Staff pensions are provided by a group pension scheme, primarily with Storebrand Livsforsikring AS, in accordance with the rules on private occupational pension schemes. Pension payments from the this scheme come into effect from the pension age, which is 67. Pension payments between 65 and 67 and pensions in excess of 12G are paid directly by the company. Pension rights are part of the group's collective employment agreement.
The company has a duty to operate an occupational pension scheme pursuant to the Act on mandatory occupational pensions. The company's pension scheme satisfies the requirements of the Act.

Reconciliation of pension assets and liabilities in the balance sheet:

NOK MILLION	2007	2006	2005
Present value of insured pension liability including employer's social security contributions	107.5	112.1	75.8
Pension assets at fair value	-78.1	-76.0	-58.3
Net pension liability/surplus for the insured schemes	29.3	36.0	17.5
Present value of uninsured pension liability including employer's social security contributions	40.1	34.1	35.9
Experience adjustments not applied to profit and loss including employer's social security contributions	0.0	-1.9	
Net pension liabilities in the balance sheet	**69.5**	**68.2**	**53.4**

Reconciliation to show the change in net defined benefit pension liability in the period:

NOK MILLION	2007	2006	2005
Net pension liability at 1.1 including provision for employment taxes	145.0	110.0	107.6
Net pension cost recognised in the period including provision for employment taxes	15.6	15.2	12.8
Interest on pension liabilities	5.9	4.9	4.4
Experience adjustments	-14.1	16.0	-6.1
Pensions paid	-4.8	-1.8	-1.0
Changes to the pension scheme			-6.1
Net pension liability at 31.12.	**147.6**	**144.2**	**111.7**

Reconciliation to show the change in fair value of pension assets in the period:

NOK MILLION	2007	2006	2005
Fair value of pension assets at 1.1	76.0	58.3	51.3
Expected return	3.5	3.5	3.5
Experience adjustments	-5.8	2.6	
Premiums paid in	5.6	12.4	9.0
Changes to the pension scheme			-5.0
Pensions paid	-1.2	-0.8	-0.5
Net pension assets at 31.12.	**78.1**	**76.0**	**58.3**

Net pension liability at 31.12.:

NOK MILLION	2007	2006	2005	2004
Discounted present value of defined benefit pension liability	147.6	144.2	111.7	107.6
Fair value of pension assets	78.1	76.0	58.3	51.3
Deficit/(surplus)	69.5	68.2	53.4	56.3

Experience adjustments applied to equity:

NOK MILLION	2007	2006	2005
Experience adjustments applied to equity	5.1	-12.5	4.1
Accumulated experience adjustments applied to equity	27.1	22.0	34.5

Net pension cost in the profit and loss account, specified as follows:

NOK MILLION	2007	2006	2005
Current service cost including employment taxes	14.6	11.1	13.6
Interest on pension liabilities	5.5	4.9	4.4
Expected return on pension assets	-3.5	-3.5	-3.0
Experience adjustments		-1.7	-1.5
Changes to the pension scheme			-1.1
Accrued employer's social security contributions 2)	2.3	1.6	1.7
Net pension cost booked to profit and loss in the period 1)	**18.9**	**12.4**	**14.0**

1) Net pension cost reported in the accounts is reduced by NOK 1.7 million due to the transfer of employees from the bank to other companies in the group. This reduction is not included in the figures shown in this note.
Net pension cost is included in the item "Staff and general administration expenses". See note 9.

2) With effect from 2007, employer's social security contributions on pension premiums paid and pensions paid from operations are included in net pension cost, whereas previously only employer's social security contributions on the actual pension liability were included. The figures for 2006 and 2005 have been reclassified in the same way.

Book (realised) investment return on assets managed by Storebrand Livsforsikring	8.90 %	7.01 %	6.90 %

Main assumptions used when calculating net pension liability:

	31.12.07	31.12.06	31.12.05
Financial assumptions:			
Discount rate	4.7 %	4.3 %	4.7 %
Expected return on pension fund assets in the period	5.8 %	5.6 %	6.0 %
Expected earnings growth	4.3 %	4.3 %	3.0 %
Expected annual increase in social security pensions	4.3 %	4.3 %	3.0 %
Expected annual increase in pensions in payment	1.9 %	1.7 %	2.0 %

Actuarial assumptions:
Standardised assumptions on mortality/disability and other demographic factors as produced by the Norwegian Financial Services Association. Average employee turnover rate of 2-3% of entire workforce.

Demographical assumptions:

	31.12.07	31.12.06	31.12.05
Life expectancy	K-2005	K-63	K-63
Disability	KU	K-63	K-63

Note 9: Operating expenses

NOK MILLION	2007	2006	2005
Ordinary wages and salaries	93.2	105.4	103.0
Employer's social security contributions 1)	11.6	13.8	15.9
Other staff expenses	9.2	9.6	8.5
Pension cost (see note 8) 1)	17.2	12.4	14.0
Total staff expenses	**131.2**	**141.3**	**141.4**
IT costs	67.4	53.3	51.9
Printing, postage etc.	10.2	5.5	4.2
Travel, entertainment, courses, meetings	3.6	3.9	3.8
Other sales and publicity costs	2.4	1.3	0.8
Total general administration expenses	**83.5**	**64.1**	**60.8**
Total staff and general administration expenses	**214.7**	**205.3**	**202.2**
Depreciation and write-downs	**20.9**	**18.6**	**15.8**
Real estate operating expenses	0.1	0.7	0.3
Contract personnel	24.2	27.6	22.2
Operating expenses on rented premises	13.5	19.5	18.1
Inter-company charges for services	54.7	46.1	48.0
Other operating expenses	17.2	20.7	16.5
Total other operating expenses	**109.6**	**114.6**	**105.2**
Total operating expenses	**345.2**	**338.5**	**323.2**

1) With effect from 2007, employer's social security contributions on pension premiums paid and pensions paid from operations are included in pension costs. The figures for 2006 and 2005 have been reclassified in the same way.

Note 10: Tax

TAX CHARGE FOR THE YEAR

NOK MILLION	2007	2006	2005
Tax payable for the period	77.9	0.0	0.0
Total tax charge	**77.9**	**0.0**	**0.0**
Tax payable on group contribution received applied against the cost price of shares	-2.4	0.0	0.0
Total tax cost adjusted to earnings	**-2.4**	**0.0**	**0.0**
Changes in deferred tax/deferred taz asset			
Deferred tax caused by temporary differences/reversals of temporary differences	-9.4	43.1	46.1
Total changes in deferred tax/deferred tax asset	**-9.4**	**43.1**	**46.1**
Total tax cost	**66.0**	**43.1**	**46.1**

Reconciliation of expected and actual tax charge

NOK MILLION	2007	2006	2005
Ordinary pre-tax profit	233.0	190.3	268.6
Expected tax on income at nominal rate	65.2	53.3	75.2
Tax effect of:			
Realised shares	-3.8	-7.5	-12.0
Realised options related to equity index linked bonds	-1.1		
Associated companies	0.1	-0.3	-1.8
Permanent differences	4.7	2.0	-14.1
Group contriubtion received	0.9		
Corrections for previous years		-4.4	-1.1
Tax charge	**66.0**	**43.1**	**46.1**
Tax payable	77.9	0.0	0.0
- tax effect of group contribution paid	77.9	0.0	0.0
Tax payable in the balance sheet	**0.0**	**0.0**	**0.0**

ANALYSIS OF THE TAX EFFECT OF TEMPORARY DIFFERENCES AND TAX LOSSES CARRIED FORWARD

NOK MILLION	2007	2006	2005
Tax increasing timing differences			
Securities			2.9
Lending		1.2	9.7
Derivatives		26.1	12.1
Bonds issued	64.8		
Commercial paper issued	1.0		
Effect of pensions and experience adjustments applied to equity	30.6	31.4	47.5
Other	42.8	29.8	
Total tax increasing timing differences	**139.3**	**88.5**	**72.2**
Tax reducing timing differences			
Pensions	-107.1	-98.7	-101.3
Securities	-1.0		
Operating assets	-12.8	-23.5	-22.2
Derivatives	-162.6		
Provisions	-5.6		
Fees and commissions	-17.6	-20.1	-20.3
Equity index bonds	-479.3	-404.8	-359.5
Deposits linked to stock exchange index (BMA)	-1.0		
Bonds issued		-48.7	-8.5
Other			-9.5
Total tax reducing timing differences	**-787.1**	**-595.8**	**-521.3**

Losses/allowances carried forward	0.0	-106.8	-306.2
Net base for deferred tax/tax assets	-647.8	-614.0	-755.2
Net deferred asset/liability	**181.4**	**171.9**	**211.4**
Change in deferred tax, not applied to profit and loss	-2.0		
Net deferred asset/liability in the balance sheet	**179.4**	**171.9**	**211.4**

Analysis of tax payable and deferred tax applied directly to equity:	2007	2006	2005
Pension experience adjustments	-2.0	-8.6	-13.4
Loan write-downs			-10.4
Total	**-2.0**	**-8.6**	**-23.8**

1) The change is result of the introduction of new accounting principles from 1.1.2005.

Deferred tax assets principally relate to tax reducing temporary differences on fixed assets, pension liabilities and financial instruments. The bank produces an annual profit, and this is expected to continue in future years.
Deferred tax assets in respect of Storebrand Bank ASA are capitalised to the extent that it is considered likely that it will be possible to make use of the assets.

Note 11: Cash and deposits with central banks

NOK MILLION	2007	2006	2005 1)
Cash1)	4.8	2.4	2.0
Deposits with central banks at amortised cost, loans and receivables	1 057.2	392	421.9
Total cash and deposits with central banks	**1 062.0**	**394.4**	**423.9**

1) Storebrand Bank ASA discontinued its cashier service in 2007, replacing it with minibank terminals.

Note 12: Loans to and deposits with credit institutions

NOK MILLION	2007	2006	2005
Total loans to and deposits with credit institutions without fixed maturity at amortised cost 1)	358.4	107.7	33.7
Total loans to and deposits with credit institutions with fixed maturity at amortised cost	0	7.1	8.0
Total loans to and deposits with creditinstitutions at amortised cost	**358.4**	**114.9**	**41.7**

1) Relates to current accounts held with other banks, principally in foreign currencies.

Note 13: Shares in subsidiaries and other shares

Shares in subsidiares, associated companies and joint ventures.

NOK MILLION	REGISTERED OFFICE	OWNERSHIP INTEREST	SHARE OF VOTES	SHARE CAPITAL	COST PRICE	BOOK VALUE 31.12.07	BOOK VALUE 31.12.06	BOOK VALUE 31.12.05
Subsidiaries:								
Storebrand Kredittforetak AS	Oslo	100%	100%	0.2	80.1	80.1	0.2	0.0
Ring Eiendomsmegling AS	Oslo	70%	70%	15.0	10.7	10.7	10.7	11.1
Hadrian Eiendom AS 2) 3)	Oslo	91%	91%	0.1	40.7	40.7	0.0	0.0
Filipstad Tomteselskap AS	Oslo	100%	100%	0.1	0.1	0.1	0.1	0.1
Filipstad Eiendom AS	Oslo	100%	100%	0.5	0.5	0.5	0.5	0.0
Storebrand I AS	Oslo	100%	100%	0.2	0.2	0.2	0.2	0.0
Storebrand III AS	Oslo	0%	0%	0.0	0.0	0.0	0.2	0.0
Sørlandsbygg Holding AS	Kristiansand	70%	70%	0.3	1.5	1.5	0.0	0.0
Start Up 102 AS	Oslo	100%	100%	0.1	0.1	0.1	0.0	0.0
Start Up 103 AS	Oslo	100%	100%	0.1	0.1	0.1	0.0	0.0
Start Up 104 AS	Oslo	100%	100%	0.1	0.1	0.1	0.0	0.0
Skipsinvest I AS 1)						0.0	0.0	0.1
Storebrand Finans AS 1)						0.0	0.0	23.5
Neskollen Eiendom AS 1)						0.0	7.0	0.5
Storebrand III AS 1)						0.0	0.2	0.0
Total shares in subsidiaries					**134.1**	**134.1**	**18.8**	**35.3**

1) Companies sold in 2006 and 2007.
2) Storebrand Bank ASA received group contribution of NOK 8.5 million from Hadrian Eiendom AS as at 31.12.07. The group contribution, less 28% tax, has been applied to reduce the cost price of the shares.
3) Storebrand Bank ASA has a call option to acquire the remaining shares in the company that can be exercised from 30.06.2011 to 31.12.2011. The option has no marked value.

NOK MILLION	REGISTERED OFFICE	OWNERSHIP INTEREST	SHARE OF VOTES	SHARE CAPITAL	COST PRICE	BOOK VALUE 31.12.07	BOOK VALUE 31.12.06	BOOK VALUE 31.12.05
Associated companies 1)								
Seilduksgaten 25/31 AS	Oslo	50%	50%	4.5	30.0	28.7	29.2	30.0
Beril O. Steen Finans AS 2)								8.3
Joint ventures:								
Evoco Financial Production Services UAB	Lithuania	50%	50%	0.9	0.4	0.5	0.0	0.0
Total shares in associated companies and joint ventures					**30.4**	**29.2**	**29.2**	**38.3**

1) See also note 19.
2) Sold in 2006.

Other shares

NOK MILLION	SHARE CAPITAL BY CLASS (NOK 1,000)	OWNERSHIP INTEREST	COST PRICE	BOOK VALUE 31.12.07	FAIR VALUE 31.12.07	BOOK VALUE 31.12.06	FAIR VALUE 31.12.06	BOOK VALUE 31.12.05	FAIR VALUE 31.12.05
IMAREX ASA	10 322	0.00%	0.0	0.0	0.0	4.6	4.6	2.1	2.1
Storebrand Institusjonelle Investor ASA	1 943	5.15%	1.0	1.4	1.4	1.3	1.3	1.0	1.0
Others			0.7	0.5	0.5	2.4	2.4	5.7	5.7
Total			**1.7**	**1.9**	**1.9**	**8.2**	**8.2**	**8.8**	**8.8**

Note 14: Bonds and other fixed income securities at fair value through profit and loss

NOK MILLION	COMMERCIAL PAPER	BONDS	2007 TOTAL	2006 TOTAL	2005 TOTAL
Commercial paper and bonds, book value	452.4	2 039.2	2 491.6	1 698.6	1 703.1
Of which listed	452.4	2 039.2	2 491.6	1 698.6	1 703.1
Nominal value	460.0	2 040.5	2 500.5	1 712.5	1 707.7
Analysis by sector of issuer:					
Public sector	452.4	450.6	903.0	900.2	978.2
Financial institutions		1 588.6	1 588.6	798.5	724.9
Total	**452.4**	**2 039.2**	**2 491.6**	**1 698.6**	**1 703.1**
Modified duration	0.32	0.14	0.17	0.29	0.27
Average effective yield per 31.12.	4.93 %	5.79 %	5.64 %	3.70 %	2.48 %

All securities are denominated in NOK.
The effective yield for each security is calculated using the observed market price. Calculated effective yields are weighted to give an average effective yield on the basis of each security's share of the total interest rate sensitivity.

Note 15: Financial derivatives

Nominal volum
Financial derivative contracts are related to underlying amounts which are not capitalised in the balance sheet. In order to quantify a derivative position, reference is made to underlying amounts such as nominal principal, nominal volume, etc. Nominal volume is calculated differently for different classes of derivative, and gives an indication of the size of the position and risk the derivative creates. Gross nominal volume principally indicates the size of the exposure, whilst net nominal volume gives an indication of the risk exposure. However nominal volume is not a measure which necessarily provides a comparison of the risk represented by different types of derivative.
In contrast to gross nominal volume, net nominal volume also takes into account the direction of the instruments' market risk exposure by differentiating between long (asset) positions and short (liability) positions.
A long position in an equity derivative produces a gain in value if the share price increases. For interest rate derivatives, a long position produces a gain if interest rates fall, as is the case for bonds. A long position in a currency derivative produces a gain if the currency strengthens against the NOK.
Average gross nominal volume is based on monthly calculations of gross nominal volume.

2007

NOK MILLION	GROSS NOM. VALUE 1)	AVERAGE NOM. VALUE 2)	NET NOM. VALUE 1)	FAIR VALUE 1) ASSET	FAIR VALUE 1) LIABILITY	FAIR VALUE - HEDGING 3) ASSET	FAIR VALUE - HEDGING 3) LIABILITY
Equity options	3 051.8	3 636.7	18.2	261.1	257.9	0.0	0.0
Interest rate swaps	16 236.4	16 908.6	3 023.5	249.3	233.1	0.0	91.2
Forward foreign exchange contracts	5 621.0	5 665.5	5 493.4	17.5	95.5	0.0	0.0
Total derivatives	**24 909.2**	**26 210.8**	**8 535.1**	**527.9**	**586.6**	**0.0**	**91.2**

2006

NOK MILLION	GROSS NOM. VALUE 1)	AVERAGE NOM. VALUE 2)	NET NOM. VALUE 1)	FAIR VALUE 1) ASSET	FAIR VALUE 1) LIABILITY	FAIR VALUE - HEDGING 3) ASSET	FAIR VALUE - HEDGING 3) LIABILITY
Equity options	4 186.9	4 939.0	33.2	478.9	469.9	0.0	0.0
Interest rate swaps	16 141.6	11 640.4	4 787.6	149.3	132.6	0.3	79.5
Forward foreign exchange contracts	3 490.3	3 636.9	3 225.2	14.6	4.7	0.0	0.0
Total derivatives	**23 818.8**	**20 216.3**	**8 046.0**	**642.9**	**607.2**	**0.3**	**79.5**

2005

NOK MILLION	GROSS NOM. VALUE 1)	AVERAGE NOM. VALUE 2)	NET NOM. VALUE 1)	FAIR VALUE 1) ASSET	FAIR VALUE 1) LIABILITY	FAIR VALUE - HEDGING 3) ASSET	FAIR VALUE - HEDGING 3) LIABILITY
Equity options	5 336.0	5 610.0	176.6	417.4	404.9	0.0	0.0
Interest rate swaps	8 836.0	6 917.0	6 881.0	52.6	33.5	17.1	4.3
Forward foreign exchange contracts	4 294.0	6 644.0	2 410.0	62.1	18.1	0.0	0.0
Total derivatives	**18 466.0**	**19 171.0**	**9 467.6**	**532.1**	**456.6**	**17.1**	**4.3**

Fair value of derivatives for 2005 (assets and liabilities) also include value of hedging derivatives which are booked with the underlying hedging objects in the balance sheet. This represents NOK 17.1 million and NOK 4.3 million respectively. Remaining amounts are booked as derivatives assets and liabilites in the balance sheet.

1) Value at 31.12.
2) Average for the year
3) Market value of derivatives included in hedge accounting are classified together with the underlying item hedged. See note 23.

Note 16: Analysis of loan portfolio and guarantees

NOK MILLION	LENDING TO CUSTOMERS 2007	LENDING TO CUSTOMERS 2006	LENDING TO CUSTOMERS 2005	GUARANTEES 2007	GUARANTEES 2006	GUARANTEES 2005
Sector and industry classification:						
Financial aid agencies	0.3	0.3	0.0	0.0	0.0	0.0
Agriculture, forestry, fishing etc.	0.0	0.0	0.0	0.0	0.0	0.0
Oil and gas	0.0	0.1	0.2	0.0	0.0	0.0
Industry and mining	22.1	32.5	42.5	0.4	0.0	0.7
Water and power supply, building and construction	46.8	31.0	82.3	3.1	4.9	8.1
Wholesale/retail trade, hotels and restaurants	28.5	31.0	64.2	1.2	1.1	1.4
International shipping and pipelines	81.1	103.3	130.4	0.2	0.0	0.5
Other transportation and communications	64.7	53.0	15.3	1.2	1.1	1.1
Services and real estate operations	10 780.9	10 024.5	8 545.1	361.2	270.0	193.3
Other service industries	58.5	58.2	53.7	2.0	0.3	1.9
Retail customers	25 738.1	20 578.5	17 513.2	9.1	12.7	30.0
Other	1.6	0.7	11.7	0.4	0.0	0.0
Foreign	273.5	280.6	362.9	0.0	0.0	0.0
Total	**37 096.1**	**31 194.0**	**26 821.5**	**378.6**	**290.2**	**237.1**
Geographic distribution:						
Eastern Norway	29 348.0	25 047.3	22 429.7	376.7	288.3	224.9
Western Norway	4 753.4	3 142.6	2 102.5	0.7	0.1	0.1
Southern Norway	534.2	571.3	479.9	0.0	0.1	0.0
Mid-Norway	1 406.7	1 646.2	997.2	1.2	1.6	12.1
Northern Norway	780.4	506.0	449.3	0.0	0.0	0.0
Foreign	273.5	280.6	362.9	0.0	0.0	0.0
Total	**37 096.1**	**31 194.0**	**26 821.5**	**378.6**	**290.2**	**237.1**
Analysis of guarantee liabilities:						
Loan guarantees				0.0	0.0	0.0
Payment guarantees				175.9	125.5	115.8
Performance guarantees				190.4	153.8	108.4
Commercial Bank's Guarantee Fund				0.0	0.0	0.0
Other guarantee liability				12.4	10.9	12.9
Total				**378.6**	**290.2**	**237.1**

Note 17: Write-downs of loans and guarantees

NOK MILLION	2007	2006	2005
Write-downs of individual loans NGAAP 31.12.04			366.5
IAS 39 effect on opening balance of individual loans			122.0
Write downs of individual loans 1.1.	362.4	424.2	488.5
Losses realised in the period on individual loans previously written down	-59.6	-17.2	-81.9
Write-downs of individual loans for the period	12.0	43.1	101.4
Reversals of write-downs of individual loans for the period	-68.5	-91.8	-103.4
Other corrections to write-downs [1])	0.7	4.0	19.6
Write-downs of individual loans at 31.12.	**247.1**	**362.4**	**424.2**
Write-downs of groups of loans and guarantees NGAAP 31.12.04			194.3
IAS 39 efffect on opening balance of grouped write-downs			-78.6
Write-downs of groups of loans and guarantees 1.1.	73.3	89.2	115.7
Grouped write-downs for the period	-15.2	-15.9	-26.5
Write-downs of groups of loans and guarantees etc. 31.12.	**58.1**	**73.3**	**89.2**
Total write-downs	**305.2**	**435.7**	**513.5**
[1]) Of corrections to write-downs:			
Corrections to holding of / write-downs to debt recovery portfolio	0.0	4.0	22.7
Other corrections	0.7	0.0	-3.1
Total other corrections	0.7	4.0	19.6

The bank has no provision for guarantees as at 31.12.07. The provision for guarantees of NOK 4.0 million as at 31.12.06 is now included in the item "Write-downs of individual guarantees".

Note 18: Fair value of non-performing loans and past-due loans

NOK MILLION	PAST-DUE LOANS WITHOUT IMPAIRMENT, OVERDUE BY 30 - 90 DAYS	NON-PERFORMING LOANS WITHOUT IDENTIFIED IMPAIRMENT, OVERDUE BY OVER 90 DAYS	LOANS WITH IDENTIFIED IMPAIRMENT, OVERDUE BY OVER 90 DAYS	GROSS TOTAL OF NON-PERFORMING LOANS AND PAST-DUE LOANS BEFORE WRITE-DOWNS	INDIVIDUAL WRITE-DOWNS	FAIR VALUE OF NON-PERFORMING LOANS AND PAST-DUE LOANS 2007	FAIR VALUE OF NON-PERFORMING LOANS AND PAST-DUE LOANS 2006	FAIR VALUE OF NON-PERFORMING LOANS AND PAST-DUE LOANS 2005
Retail customers	281.5	140.0	165.7	587.2	-136.1	451.1	353.7	325.0
Commercial companies - services and real estate operations	79.1	10.3	55.0	144.5	-26.2	118.2	153.7	130.5
Other	9.9	0.9	76.4	87.2	-84.8	2.4	21.4	30.8
Total	**370.5**	**151.2**	**297.2**	**818.8**	**-247.1**	**571.8**	**528.8**	**486.4**

Fair value is defined as the current value of discounted future cash flows.

Note 19: Companies accounted for by the equity method

NOK MILLION	OWNERSHIP	ACQUISITION COST	BOOK VALUE AT 1.1.	ADDITIONS / DISPOSALS	SHARE OF PROFIT	BOOK VALUE AT 31.12.
Seilduksgaten 25/31 AS	50 %	30.0	29.2		-0.5	28.7
Total		**30.0**	**29.2**	**0.0**	**-0.5**	**28.7**

Note 20: Intangible assets

NOK MILLION	IT SYSTEMS	TOTAL 2007	TOTAL 2006	TOTAL 2005
Acquisition cost at 1.1.	76.2	76.2	53.2	36.8
Additions in the period:				
Purchased separately	39.2	39.2	36.2	21.8
Purchased through merger, acquisition or similar		0.0		-0.4
Disposals in the period	-2.8	-2.8		
Acquisition cost at 31.12.	**112.6**	**112.6**	**89.5**	**58.1**
Accumulated depreciation and write-downs at 1.1.	30.1	30.1	27.2	19.7
Depreciation in the period	12.6	12.6	16.1	12.4
Write-downs in the period	7.6	7.6		
Accumulated depreciation and write-downs at 31.12.	**50.2**	**50.2**	**43.4**	**32.1**
Book value at 31.12.	**62.3**	**62.3**	**46.1**	**26.0**

For each class of intangible assets:	
Depreciation method	Linear method
Economic life	3 - 8 years
Rate of depreciation	12.5% -33.33%

IT systems in this note refers to the development of systems, duser licenses to systems, etc. All capitalised expenses in respect of systems developmentrelate to work carried out by external resources. In 2007, costs of NOK 2.8 million in respect of systems development that did not meet the criteria for capitalisation in accordance with IAS 38 were charged to profit and loss. The periods assumed for economic life are reviewed annually.

Note 21: Fixed assets

NOK MILLION	VEHICLES, FIXTURES AND FITTINGS	IT	REAL ESTATE 1)	TOTAL 2007	TOTAL 2006	TOTAL 2005
Book value at 1.1.	2.3		4.7	7.0	10.0	12.9
Additions	1.2	2.6		3.8	0.8	0.6
Disposals				0.0	-1.3	-0.2
Depreciation	-0.3	-0.1	-0.4	-0.8	-2.4	-3.3
Book value at 31.12.	**3.2**	**2.5**	**4.3**	**10.0**	**7.0**	**9.9**
Opening acquisition cost	7.1	0.0	6.8	13.9	19.6	61.2
Closing acquisition cost	8.3	2.6	6.8	17.7	13.9	19.6
Opening accumulated depreciation and write-downs	4.9	0.0	2.1	6.9	9.7	48.3
Closing accumulated depreciation and write-downs	5.1	0.1	2.5	7.7	6.9	9.7

1) Holiday cabins valued on the cost method.

For each class of fixed assets:			
Method for measuring cost price	Acquisition cost	Acquisition cost	Acquisition cost
Depreciation method	linear	linear	linear
Depreciation period and economic life	4-6 years	4 years	15 years

Depreciation of fixed assets is included in the line "Ordinary depreciation" in the profit and loss account.
There are no restrictions on rights to fixed assets. No fixed assets have been pledged as collateral for liabilities.

Note 22: Other current assets

NOK MILLION	2007	2006	2005
Group contribution due from other group companies	212.1	200.7	0.3
Due from stockbrokers	6.5	12.6	0.0
Due from customers stockbrokerage	2.3	56.8	0.0
Other accrued income	0.5	0.0	0.0
Other current assets	11.4	15.6	15.6
Total other current assets	**232.8**	**285.6**	**15.9**

Note 23: Hedge Accounting

The bank uses fair value hedging to hedge interest rate risk. Hedging effectiveness is monitored at the individual item level except for structured bond loans where hedging effectiveness is monitored at the portfolio level. Each portfolio comprises swaps and hedged items with maturity within the same half year period.

	2007			2006			2005		
	CONTRACT/ NOMINAL	FAIR VALUE 1)		CONTRACT/ NOMINAL	FAIR VALUE 1)		CONTRACT/ NOMINAL	FAIR VALUE 1)	
NOK MILLION	VALUE	ASSETS	LIABILITIES	VALUE	ASSETS	LIABILITIES	VALUE	ASSETS	LIABILITIES
Interest-rate swaps	3 257.0	0.0	99.1	3 802.0	0.3	79.5	3 166.0	17.1	4.3
Total interest rate derivatives	3 257.0	0.0	99.1	3 802.0	0.3	79.5	3 166.0	17.1	4.3
Total derivatives	**3 257.0**	**0.0**	**99.1**	**3 802.0**	**0.3**	**79.5**	**3 166.0**	**17.1**	**4.3**

	CONTRACT/ NOMINAL	HEDGE VALUE 1) 3)		CONTRACT/ NOMINAL	HEDGE VALUE 1) 3)		CONTRACT/ NOMINAL	HEDGE VALUE 1) 3)	
NOK MILLION	VALUE	ASSETS	LIABILITIES	VALUE	ASSETS	LIABILITIES	VALUE	ASSETS	LIABILITIES
Underlying items	3 232.7	0.0	3 089.5	3 695.1	132.8	3 418.0	3 159.1	142.9	2 964.0
Hedging effectiveness - prospective			94 %		111 %	96 %		81 %	91 %
Hedging effectiveness - retrospective			108 %		116 %	101 %		87 %	95 %

Gain/loss on fair value hedging: 2)

NOK MILLION	2007 GAIN / LOSS	2006 GAIN / LOSS	2005 GAIN / LOSS
On hedging instruments	-24.1	-85.1	-57.9
On items hedged	19.2	83.3	61.1

1) Book value at 31.12.
2) Amounts included in the line "Net interest income".
3) Fair value for hedge accounting is calculated on the basis of the original spread, which takes into account amortisation of commission income and costs, as well as option costs in connection with structured products.

Hedging effectiveness when the hedge is created measures the relationship between changes in the hedged value of the interest rate hedging instrument and the item hedged in the event of a 2-percentage point interest rate shock.
Subsequently, hedging effectiveness is measured on the basis of the simple Dollar Offset method for both prospective and retrospective calculations. Hedging it is expected to be highly efficient in the period.

Note 24: Liabilities to credit institutions

NOK MILLION	2007	2006	2005
Total liabilities to credit institutions without fixed maturity	**2,9**	**8,9**	**76,5**
NOK 500 million, maturity 04.01.2008, interest rate 5,49%	500.0		
NOK 150 million, maturity 11.01.2008, interest rate 5,70%	150.0		
NOK 100 million, maturity 18.02.2008, interest rate 5,75%	100.0		
NOK 200 million, maturity 02.01.2007, interest rate 4,25%		200.0	
NOK 350 million, maturity 22.12.2012, 3 month NIBOR + 0,10, interest rate 5,99%	350.0	350.0	350.0
NOK 250 million, maturity 22.11.2013, 3 month NIBOR + 0,12, interest rate 5,84%	250.0	250.0	
EUR 30 million, maturity 22.12.2010, 3 month EURIBOR + 0,20, interest rate 4,94%	238.8	247.1	239.6
EUR 10 million, maturity 24.11.2011, 3 month EURIBOR + 0,15, interest rate 4,87%	79.6	82.4	
EUR 75 million, maturity 01.03.2010, 3 month EURIBOR + 0,23, interest rate 5,01%	597.1	823.8	
EUR 100 million, maturity 14.04.2010, 3 month EURIBOR + 0,25, interest rate 4,93%	796.1	823.8	798.5
Total liabilites to credit institutions with fixed maturity	**3 061.6**	**2 777.1**	**1 388.1**
Total liabilites to credit institutions	**3 064.5**	**2 786.0**	**1 464.6**

Un-drawn credit facilities totalled EUR 400 million at 31.12.07.

Note 25: Analysis of Customers Deposits

NOK MILLION	2007	2006	2005
Call loans and deposits from customers	14 544.6	13 050.8	10 890.9
Term loans and deposits from customers	3 017.5	496.0	329.6
Total deposits from customers	**17 562.1**	**13 546.8**	**11 220.5**

NOK MILLION	2007	2006	2005
Sector and industry classification:			
Central government	0.0	0.0	0.0
County and municipal authorities	18.5	32.5	6.8
Agriculture, forestry. fishing etc.	11.8	7.1	3.1
Oil and gas	0.4	0.4	0.4
Industry and mining	97.5	99.1	54.1
Water and power supply, building and construction	50.0	55.7	45.7
Wholesale/retail trade, hotels and restaurants	591.6	188.4	206.9
International shipping and pipelines	21.2	31.2	37.8
Other transportation and communications	40.6	40.7	35.6
Services and real estate operations	5 787.8	4 436.5	3 363.6
Other service industries	311.6	293.8	318.3
Retail customers	9 251.4	7 569.8	6 380.8
Other	608.4	405.7	485.2
Foreign	771.2	385.9	282.0
Total	**17 562.1**	**13 546.8**	**11 220.5**
Geographic distribution:			
Eastern Norway	13 903.4	10 787.4	8 952.9
Western Norway	1 786.1	1 320.8	1 140.4
Southern Norway	220.3	220.4	192.2
Mid-Norway	400.2	431.8	337.2
Northern Norway	481.0	400.5	315.8
Foreign	771.2	385.9	282.0
Total	**17 562.1**	**13 546.8**	**11 220.5**

Note 26: Securities issued and subordinated loan capital

Securities issued:

NOK MILLION	2007 NOMINAL VALUE	BOOK VALUE	2006 NOMINAL VALUE	BOOK VALUE	2005 NOMINAL VALUE	BOOK VALUE
Bonds issued:						
SEK FRN April 2007 - October 2009, 3 months STIBOR +0,10	845.5	845.5				
EUR FRN May 2007 - November 2008, 3 months EURIBOR +0,10	3 582.5	3 582.5				
EUR FRN call August 2007, 3 month EURIBOR + 0,25	0.0	0.0	1 647.6	1 647.6	1 597.0	1 597.0
NOK FRN April 2001-April 2006, 3 month NIBOR + 0,15	0.0	0.0	0.0	0.0	138.0	138.0
NOK FRN April 2001- April 2006, 3 month NIBOR + 0,21	0.0	0.0	0.0	0.0	894.0	893.9
NOK FRN June 2003 - June 2006, 3 month NIBOR + 0,45	0.0	0.0	0.0	0.0	510.0	509.8
NOK Fixed rate, September 2003 - September 2006, 4,85%	0.0	0.0	0.0	0.0	565.3	566.3
NOK FRN June 2004 - December 2007, 3 month NIBOR + 0,25	0.0	0.0	488.0	488.0	441.0	440.8
NOK Fixed rate, June 2004 - December 2007, 4,1%	0.0	0.0	1 000.0	1 001.1	1 000.0	1 002.2
NOK FRN June 2005 - June 2008, 3 month NIBOR + 0,12	1 500.0	1 500.2	1 500.0	1 500.1	1 063.0	1 062.3
NOK FRN December 2003 - December 2008, 3 month NIBOR + 0,45	1 000.0	1 001.3	1 000.0	1 002.6	874.0	876.7
NOK FRN January 2005 - January 2010, 3 month NIBOR + 0,19	1 500.0	1 501.7	1 500.0	1 502.6	525.0	525.2
NOK Fixed rate, November 2005 - November 2010, 4,25%	970.0	969.7	970.0	968.5	300.0	300.0
NOK Fixed rate, January 2006 - March 2009, 3,70%	1 053.0	1 047.5	900.0	894.4	0.0	0.0
NOK Fixed rate, January 2007 - June 2010, 5,00%	750.0	750.7				
NOK FRN August 2006 - August 2009, 3 month NIBOR + 0,06	1220.0	1219.7	620.0	619.6	0.0	0.0
Total bonds issued	12 421.0	12 418.7	9 625.6	9 624.5	7 907.3	7 912.2
Other bonds issued (equity index linked bonds + hedge fund linked bonds	1 594.6	1 522.0	2 443.1	2 326.8	3 282.2	3 142.4
Total bonds issued	14 015.6	13 940.7	12 068.7	11 951.3	11 189.5	11 054.5

Bonds repurchased	999.0	999.9	865.9	866.8	1 311.1	1 311.9
Other bonds repurchased (equity index linked bonds + hedge fund linked bonds)	255.8	247.2	419.4	409.6	561.1	542.6
Total bonds repurchased	1 254.8	1 247.1	1 285.3	1 276.4	1 872.2	1 854.5
Amortised costs		-8.7		-6.0		-8.1
Net bonds issued	**12 760.8**	**12 684.9**	**10 783.4**	**10 668.9**	**9 317.3**	**9 192.0**
Commercial paper issued	4 947.0	4 944.5	3 930.0	3 926.7	4 520.0	4 520.2
Commercial paper repurchased	440.0	469.9	199.0	198.9	55.0	55.0
Commercial paper issued	**4 507.0**	**4 474.6**	**3 731.0**	**3 727.8**	**4 465.0**	**4 465.2**
Total bonds and commercial paper issued	**17 267.8**	**17 159.5**	**14 514.4**	**14 396.7**	**13 782.3**	**13 657.2**

Average interest rate on bonds is 4,93%.
Average interest rate on commercial paper is 5,47%, whilst average duration in 9.2 months.

Calculated effective yields are weighted to give an average effective yield on the basis of each security's share of the total interest rate sensitivity.

Subordinated loan capital:

NOK MILLION	2007 NOMINAL VALUE	2007 BOOK VALUE	2006 NOMINAL VALUE	2006 BOOK VALUE	2005 NOMINAL VALUE	2005 BOOK VALUE
Tier 1 hybrid capital						
Subordinated perpetual bond 2004, 3 month NIBOR + 1.50%, call 2014	168.0	166.8	168.0	166.6	168.0	166.4
Subordinated perpetual bond 2004, 5.90%, call 2014	107.0	108.8	107.0	108.5	107.0	108.1
Subordinatede loan capital with conversion rights						
Perpetual subordinated loan 1995, 8.5% coupon	9.3	9.3	9.3	9.3	9.3	9.3
Other subordinated loan capital						
Subordinated loan 2007-2017, 3 month NIBOR + 0,58%, call 2012	250.0	249.6				
Subordinated loan 2007-2017, 3 month NIBOR + 1,65%, call 2012	150.0	150.0				
Subordinated loan 2002-2012, 3 month NIBOR + 2.0%, call 2007			100.0	100.0	100.0	100.0
Subordinated loan 2003-2013, 3 month NIBOR + 2.25 %, call 2008	54.5	54.5	100.0	100.0	100.0	100.0
Subordinated loan 2005-2015, 3 month NIBOR + 0.70 %, call 2010	175.0	175.0	175.0	175.0	175.0	175.0
Subordinated loan 2006-2016, 3 month NIBOR + 0.57%, call 2011	100.0	99.8	100.0	99.8		
Total	**1 013.8**	**1 013.8**	**759.3**	**759.3**	**659.3**	**658.9**

NOK MILLION	2007	2006	2005
Subordinated loan capital included in capital adequacy calculation	959.3	759.3	658.9
Interest expense			
Subordinated loan interest charged in the accounts	53.3	31.1	30.4

All loans are denominated in NOK.

Note 27: Other debt

NOK MILLION	2007	2006	2005
Payable to group companies incl. associated companies	14.2	20.1	19.2
Money transfers	31.8	71.0	63.3
Provisions for divdend	0.0	0.0	222.4
Group contribution payable to group companies	279.1	0.0	0.0
Tax payable (note 10)	0.0	0.0	0.0
Payable to stockbrokers	0.0	68.3	0.0
Payable to customers stockbrokerage	9.0	0.5	0.0
Other debt	9.2	13.4	13.7
Total other debt	**343.1**	**173.2**	**318.6**

Note 28: Changes in equity

	2007			2006			2005		
NOK MILLION	PAID IN EQUITY	OTHER EQUITY	TOTAL EQUITY	PAID IN EQUITY	OTHER EQUITY	TOTAL EQUITY	PAID IN EQUITY	OTHER EQUITY	TOTAL EQUITY
Equity 31.12.	1 116.6	744.5	1 861.0	916.6	607.8	1 524.4	1 315.9	546.5	1 862.4
Change in accounting principle write-downs						0.0		37.2	37.2
Change in accounting principle deferred tax						0.0		-10.4	-10.4
Change in accounting principle for pensions						0.0		30.4	30.4
Equity 1.1. 1)	**1 116.6**	**744.5**	**1 861.0**	**916.6**	**607.8**	**1 524.4**	**1 315.9**	**603.7**	**1 919.6**
The year's change in estimate regarding new accounting principle for pensions		7.1	7.1		-12.5	-12.5		4.1	4.1
Change in deferred tax on pensions		-2.0	-2.0						
Profit for the year		167.0	167.0		149.1	149.1		222.4	222.4
Receipts of group contribution	200.3		200.3	200.0		200.0			
Provision for group contribution 2)		-201.2	-201.2						
Dividend paid			0.0			0.0		-222.4	-222.4
Reduction in equity			0.0			0.0	-399.3		-399.3
Egenkapital 31.12.	**1 316.8**	**715.4**	**2 032.3**	**1 116.6**	**744.5**	**1 861.1**	**916.6**	**607.8**	**1 524.4**

1) Ses note 1 for effect of the transition to simplified IFRS.
2) Provision for group contribtion includes NOK 0,9 million in group contribution from the subsidiary Hadrian Eiendom AS, which is applied to equity.

The entire share capital of NOK 916.6 million made up of 64,037,183 shares (of nominal value 14.313) is owned by Storebrand ASA.

Note 29: Off balance sheet liabilities and contingent liabilities

NOK MILLION	2007	2006	2005
Guarantees	378.6	290.2	237.1
Undrawn credit limits	2 241.9	1 687.4	1 285.7
Other contingent liabilities	46.0		
Total contingent liabilities	**2 666.5**	**1 977.6**	**1 522.8**

Guarantees are mainly payment guarantees and contract guarantees. See also note 16.
Undrawn credit limits relate to the unused portion of credit limits approved on overdraft accounts and credit cards, as well as the unused portion of lending limits on residential mortgage loans.

Collateral and security pledged:

NOK MILLION	2007	2006	2005
Book value of bonds pledged as security for the bank's D-loan facility and F-loans facility with Norges Bank	2 461.1	1 698.6	1 703.1
Total	**2 461.1**	**1 698.6**	**1 703.1**

Collateral pledged as security relates to the bank's loan facility with Norges Bank (the Norwegian central bank). It is a statutory requirement that such borrowing is fully secured by interest-bearing securities and/or is matched by the bank's deposits with Norges Bank. Storebrand Bank ASA had a F-loan facility of NOK 550 million with Norges Bank at 31.12.07.

Note 30: Capital Adequacy

NOK MILLION	2007	2006	2005
Share capital	916.6	916.6	916.564
Other equity	1 115.7	920.7	573.336
Total equity	2 032.3	1 837.3	1 489.9
Tier 1 hybrid capital	275.6	275.1	227.8
Intangible assets	-241.7	-226.8	-198.9
Proportion of pension experience adjustments not amortised	25.9	38.9	0.0
Core capital	2 092.1	1 924.5	1 518.8
Subordinated loan capital less own holding	683.7	484.1	431.9
Net capital base (A)	2 775.8	2 408.6	1 950.7
Asset base for calculation (B)	26 257.7	21 926.4	18 772.1
Capital ratio (A/B)	**10.6 %**	**11.0 %**	**10.4 %**
Excess primary capital NOK million	675.2	448.9	448.9
Core capital ratio	**8.0 %**	**8.8 %**	**8.1 %**

SPECIFICATION OF ASSET BASE FOR CALCULATIONS

NOK MILLION	2007	2006	2005
Total risk-weighted assets	25 713.8	21 876.9	18 889.4
Total off-balance sheet items	847.5	482.8	355.6
Foreign exchange risk	1.6	4.0	9.9
Deduction for loss provisions	-305.2	-437.3	-482.8
Basis of calculation	**26 257.7**	**21 926.4**	**18 772.1**

Storebrand group has elected to apply the transitional rules which allow capital adequacy to reported in accordance with the existing Basel I regulations in 2007. The capital requirement is 8.0%.

Note 31: Risk Management

Risk management in Storebrand Bank addresses the areas of credit risk, market risk, liquidity risk and operational risk. Specific risk management policies have been approved by the Board of Directors of Storebrand Bank for the areas of credit risk, market risk and liquidity risk, and the policies are subject to annual review. The bank has established an Asset and Liability Committee that is responsible for providing efficient and rational decision-making support for the bank's management in respect of asset and liability management. The Asset and Liability Committee is an advisory organ for the bank's executive management, and meets monthly.

Credit risk/counterparty risk
Storebrand Bank is exposed to credit risk through its lending, and is exposed to counterparty risk in connection with transactions in financial instruments.

Storebrand Bank pays particular attention to maintaining close relationships with its corporate customers and routinely monitoring credit risk. The bank has standard rules for regular reviews of its exposure to corporate customers. These reviews, together with close monitoring of conditions in the real estate market in Eastern Norway, ensure that credit risk is constrained to an acceptable level. Credit approvals for corporate customers over a certain amount require the approval of either the Credit Committee chaired by the Managing Director or the Board.

Lending to retail customers is subject to a different credit approval process. Loans to private individuals are granted on the basis of credit scoring combined with case-by-case evaluation of debt service capacity. Loans are principally granted against security in real estate or structured products. The bank decided in January 2008 that it would no longer offer loans to private individuals secured against structured products.

The bank's counterparty risk (i.e. its credit exposure to other financial institutions) is regulated on the basis of the counterparties' credit ratings and the amounts involved.

Market risk
Market risk is the risk that the bank suffers a loss as a result of unexpected unfavourable market movements in interest rates and exchange rates. Storebrand Bank manages its exposure to interest rate risk so that the net interest rate exposure of both assets and liabilities is as small as possible. Interest rate hedging is structured so that it has moderate accounting impact.

All instruments with an interest rate fixing period in excess of six months are subject to a hedging policy for economic hedging.

The bank's total economic interest rate risk is calculated on the basis of a stress test that exposes all balance sheet items to a 2 percentage point adverse shift in the yield curve. A combination of interest rate stress tests and VaR is used to manage interest rate risk in respect of sub-portfolios, investment portfolio, commercial paper funding and fixed-rate bonds (over six months) as well lending to customers. Risk measurement of the portfolios includes the effect of hedging.

Storebrand's policy is to fully hedge currency exposure.

Derivatives
Derivatives are only used for hedging purposes. The bank accordingly does not have any trading portfolio of derivatives. The derivative contracts used for hedging are interest rate swaps, interest and exchange rate swaps, exchange rate swaps, and options linked to structured products. Storebrand Bank's exposure to market risk is therefore marginal in relation to the bank's total activities.

Market risk exposure is reported on a monthly basis to the Asset and Liability Committee and the Board.

Liquidity
Liquidity risk is the risk that the bank is not able to meet all financial commitments as they fall due for payment without this requiring any significant deviation from its normal commercial and capital budgets. It is the bank's policy to always have sufficient liquidity to support balance sheet growth as well as to repay loans and deposits as they fall due. Liquidity management is designed to ensure that sufficient funding is available to avoid liquidity problems in situations such as:

- Uncertainty among investors over the bank's customer lending and/or financial condition
- Uncertainty in respect of the bank's owner/other group companies
- Unplanned reductions in deposits
- Moderate growth in lending in excess of budgeted/forecast growth
- Uncertainty among investors regarding the banking sector in general, including concerns over losses or financial crime

The bank pays particular attention to maintaining a diversified funding structure in terms of both sources of funding and maturities, maintaining committed and uncommitted credit lines to meet its liquidity requirements and holding liquid assets in excess of the minimum levels.

The liquidity position is managed with the help of a number of indicators: minimum liquidity level, 90-day liquidity gap and the proportion of long-term funding. Liquidity gap measures the surplus of liquidity over the next 90 days relative to the necessary minimum level of liquidity taking into account all funding maturities. In addition, customer deposit withdrawals are calculated on the basis of an abnormally high withdrawal rate of 25% annually. The long-term funding ratio is calculated in accordance with the liquidity risk indicators stipulated by the Norwegian FSA (Kredittilsynet).

The liquidity position, including the 90-day liquidity gap and the proportion of long-term funding, is reported monthly to the Asset and Liability Committee and the Board. The banking group's treasury department carries out daily management of liquidity.
A separate risk management system known as Quantitative Asset Management is used for the management and measurement of liquidity risk.

Operational risk
Storebrand Bank's structure for corporate governance (internal control) stipulates that operational risk management is an integral part of management responsibility, with reporting of risk exposure playing an integral role in the bank's ability to achieve the objectives set in its value-based management model. The bank applies the principles of the group policy for risk evaluation and management (introduced in 2005). The objective of the group policy on risk evaluation is to achieve a common understanding of the overall risk exposure for the group's activities in order to help to provide a better basis for decision-making on important prioritisation. Risk evaluation is therefore an important part of the basis for determining the group's strategy and approving the level of risk in the group's business plan. Risk evaluation starts from the current situation and how the owners of risk exposure experience the risk based on existing internal control procedures. This is followed by an evaluation of the expected risk exposure following the implementation of recommended planned measures. This assumes that the owners of risk exposure implicitly confirm the function of internal control (cf. the internal control regulations). Risk evaluation is integrated in the group's value-based management system by linking risk evaluation to each unit's ability to achieve its commercial targets and comply with regulatory requirements as well as considering the extent to which the level of risk involved might affect Storebrand's reputation.

The bank's internal controls and procedures for evaluating, monitoring and reporting risk exposure satisfy the requirements of the Norwegian authorities in this respect.

Note 32: Credit risk

Analysis of credit risk by type of financial instrument

NOK MILLION	MAXIMUM CREDIT EXPOSURE 2007	2006	2005
Investment portfolio	2 491.6	1 698.6	1 703.1
Net loans to and due from customers 1)	39 420.9	32 721.8	27 797.6
Equity options	261.1	478.9	417.4
Interest rate swaps	249.3	149.6	60.5
Forward foreign exchange contracts	17.5	14.6	62.2
Total	**42 440.4**	**35 063.5**	**30 040.8**

1) Of which net loans to and amounts due from customers measured at fair value: 316.5 258.5 252.8

Investment portfolio credit risk

Interest-bearing securities at fair value through profit and loss

2007

	AAA		AA		A		BBB	
ISSUER CATEGORY	ACQUISITION COST	FAIR VALUE	ACQUISITION COST	FAIR VALUE	ACQUISITION COST	FAIR VALUE	ACQUISITION COST	FAIR VALUE
Public sector	893.3	903.0						
Financial institutions	400.0	399.4	502.0	501.5	538.7	538.0	150.0	149.6
Total	**1 293.3**	**1 302.5**	**502.0**	**501.5**	**538.7**	**538.0**	**150.0**	**149.6**

	2007		2006		2005	
ISSUER CATEGORY	ACQUISITION COST	FAIR VALUE	ACQUISITION COST	FAIR VALUE	ACQUISITION COST	FAIR VALUE
Public sector	893.3	903.0	895.4	900.2	977.0	978.2
Financial institutions	1 590.7	1 588.6	798.2	798.5	724.3	724.9
Total	**2 484.0**	**2 491.6**	**1 693.6**	**1 698.6**	**1 701.3**	**1 703.1**

Rating categories are based on Standard & Poor's.

Credit exposure for lending activities

In order to identify the credit risk in its lending portfolio, Storebrand Bank classifies all corporate customers and selected retail customers (including private investors etc). Classification is carried out both when first establishing a credit relationship and whenever changes are made. In addition, corporate customer classifications are reviewed annually and/or whenever circumstances indicate the need for such review. Customer classification thus provides a picture of the credit risk at any time. Retail customers are subject to the overall limits for loan to value and debt service (as defined by the bank's credit policy for the segment) that apply to this portfolio. The loan to value ratio is almost entirely below 80%, with a significant proportion of the portfolio below 60%.
This portfolio is deemed to have low credit risk.

Security for the lending portfolio takes the form, on the whole, of charges over investment/commercial property for the commercial lending portfolio and residential mortgages for the retail portfolio.

A classification model is used for borrowers in the real estate sector in order to determine their debt service capacity. The model comprises both qualitative and quantitative elements. The qualitative element systematically evaluates the qualitative factors of the project and the borrower that are considered important. The factors evaluated include management, structure, board of directors, history, market, political risk and tenants. These are the factors mentioned as internal/external factors in the bank's former/existing system. This provides a qualitative classification.

The quantitative element is evaluated differently in respect of real estate project lending and debt instrument loans. Project lending is evaluated on the basis of the contingency reserve for unexpected costs, sales buffer, off-plan sales and the quality of project management.

Debt instrument loans are evaluated quantitatively by means of cash flow analysis and various key ratios. Cash flow is calculated over the lifetime of the project.

Risk classification for lending to corporate customers takes the form of credit scores, each from 1 to 5, where 1 represents the best score. The first score is for the borrower's ability to service the borrowing (debt service capacity). The second score is for the quality of the collateral (loan to value ratio). The analysis shown below is based on the scores for debt service capacity and collateral, giving a matrix of 25 risk groups. In addition, some credit relationships are still awaiting classification. The analysis shown here is somewhat simplified, with a breakdown into 4 risk levels.

Loans to and due from customers

NOK MILLION RISK GROUP	LENDING	UNDRAWN CREDIT FACILITIES	GUARANTEES	TOTAL COMMITMENT	WRITE-DOWNS OF INDIVIDUAL LOANS	WRITE-DOWNS OF GUARANTEES	WRITE-DOWNS OF GROUPS OF LOANS AND GUARANTEES
Low risk	34 972.7	2 238.1	373.0	37 583.8			18.1
Moderate risk	1 246.6	10.8	2.0	1 259.5			0.3
High risk	188.7	1.1	3.2	193.0			0.6
Unclassified	239.7	1.3	0.4	241.4			
Undivide	-	-	-	-			34.7
Non-performing/loss-exposed	448.3	-	-	448.3	247.1	0.0	4.4
Total	**37 096.1**	**2 251.3**	**378.6**	**39 726.0**	**247.1**	**0.0**	**58.1**

NOK MILLION RISK GROUP	TOTAL NET CREDIT EXPOSURE 2007	TOTAL NET CREDIT EXPOSURE 2006	TOTAL NET CREDIT EXPOSURE 2005
Low risk	37 565.7	31 417.3	25 822.4
Moderate risk	1 259.2	516.2	1 087.1
High risk	192.4	14.3	195.9
Unclassified	241.4	599.9	335.2
Undivide	(34.7)	0.0	0.0
Non-performing/loss-exposed	196.9	173.8	357.0
Total	**39 420.9**	**32 721.4**	**27 797.6**

Total commitments and credit exposure analysed by segment are shown below.

CREDT EXPOSURE	REAL ESTATE AND OTHER COMMERCIAL SERVICES	OTHER COMMERCIAL LENDING	RETAIL LENDING	2007	2006	2005
Lending	10 513.2	423.3	25 711.3	36 647.8	30 649.2	26 006.5
Undrawn credit facilities	699.4	13.5	1 538.4	2 251.3	1 687.0	1 282.7
Guarantees	363.5	6.4	8.7	378.6	290.2	228.8
Non-performing/loss-exposed	65.3	77.3	305.7	448.3	532.7	762.4
Total commitments	11 641.4	520.6	27 564.1	39 726.0	33 159.1	28 280.4
Write-downs of individual loans	26.2	84.8	136.1	247.1	360.0	389.6
Write-downs of individual guarantees	-	-	-	-	4.0	4.0
Grouped write-downs	39.2	1.1	17.8	58.1	73.3	89.2
Net credit exposure	**11 576.0**	**434.7**	**27 410.2**	**39 420.9**	**32 721.8**	**27 797.6**

Loss subject to individual write-downs

	2007			2006			2005		
NOK MILLION	GROSS NON-PERFORMING LOANS	INDIVIDUAL WRITE-DOWNS	NET NON-PERFORMING LOANS	GROSS NON-PERFORMING LOANS	INDIVIDUAL WRITE-DOWNS	NET NON-PERFORMING LOANS	GROSS NON-PERFORMING LOANS	INDIVIDUAL WRITE-DOWNS	NET NON-PERFORMING LOANS
Customer groups:									
Retail customers	305.7	136.1	169.6	236.8	121.9	114.9	411.7	177.8	233.9
Real estate and other commercial services	65.3	26.2	39.1	131.7	94.5	37.2	204.0	92.0	112.0
Other	77.3	84.8	-7.5	164.2	143.6	20.6	138.3	119.8	18.5
Total	**448.3**	**247.1**	**201.3**	**532.7**	**360.0**	**172.7**	**754.0**	**389.6**	**364.4**

Non-performing loans

NOK MILLION	2007	2006	2005	2004	2003
Non-performing loans without identified impairment	151.2	109.0	112.9	52.5	364.4
Non-performing loans and loss-exposed loans with identified impairment	297.2	423.7	641.1	792.6	1 283.8
Gross non-performing loans	**448.3**	**532.7**	**754.0**	**845.1**	**1 648.2**
Individual write-downs	247.1	360.0	389.6	366.5	509.4
Net non-performing loans	**201.3**	**172.7**	**364.4**	**478.6**	**1 138.8**

Group write-downs totalled NOK 58.1 million in 2007 compared to NOK 73.3 million in 2006.
The bank has no provision for guarantees as at 31 December 2007. The provision for guarantees of NOK 4.0 million as at 31 December 2006 is now included in the item "Write-downs of individual guarantees".

The category non-performing loans without identified impairment includes commitments with missed payments/defaults over 90 days.

Loans at fair value through profit and loss (FVO)

NOK MILLION	2007	2006	2005
Book value	316.5	258.5	252.8
Maximum exposure to credit risk	316.5	258.5	252.8
Book value of related credit derivatives that reduce credit risk	0.0	0.0	0.0
This year's change in fair value of loans to and receivables due from customers due to change in credit risk	0.0	0.0	0.0
Accumulated change in fair value of loans to and receivables due from customers due to change in credit risk	0.0	0.0	0.0
This year's change in their value of related credit derivatives	0.0	0.0	0.0
Accumulated change in their value of related credit derivatives	0.0	0.0	0.0

Fair value is determined on the background of a theoretical calculation where contractual cash flow is discounted to present value using the interest rate offered on new loans of equivalent interest duration and credit risk. The bank experienced an increase in spread on new funding in autumn 2007, causing an increase in the difference between the bank's lending rates and money market rates. This is taken into account in the valuation of loans. The discount rate is not increased as a result of any increase in credit risk on the loans.

Liabilities at fair value through profit and loss (FVO)

NOK MILLION	2007	2006	2005
Change in fair value of liabilities due to changes in credit risk	0.0	0.0	0.0
Difference between book value of liabilities and contractual amount due at maturity	-6.3	4.0	0.0

Stock options, interest rate swaps, foreign exchange interest rate swaps and forward contracts

Derivative transactions are entered into with counterparties rated at least "investment grade".

Note 33: Liquidity risk

ANALYSIS OF BALANCE SHEET ITEMS BY REMAINING MATURITY

NOK MILLION		< 1 MONTH	> 1 MONTH < 3 MONTHS	> 3 MONTHS < 1 YEAR	> 1 YEAR < 5 YEARS	> 5 YEARS	NO FIXED MATURITY[2]	TOTAL
Assets								
Cash and deposits with	NOK	1 061.4						1 061.4
central banks	foreign currency	0.6						0.6
Loans to and receivables from	NOK	341.1						341.1
credit institutions	foreign currency	17.3						17.3
Loans to and receivables from customers [3]	NOK	2 127.3	198.2	1 413.4	2 581.1	30 388.3	-58.1	36 650.2
	foreign currency	140.7						140.7
Bonds and commercial paper	NOK	240.5	247.5	505.2	1 498.4			2 491.6
	foreign currency							0.0
Derivatives [1]	NOK	-9.1	-93.6	2.2	8.0	18.9		-73.5
	foreign currency	14.8						14.8
Other assets	NOK						925.8	925.8
	foreign currency							0.0
Total assets 2007		**3 934.6**	**352.1**	**1 920.8**	**4 087.5**	**30 407.2**	**867.7**	**41 570.1**
	NOK	3 770.3	445.7	1 918.6	4 079.5	30 388.3	867.7	41 396.5
	foreign currency	158.6	0.0	0.0	0.0	0.0	0.0	158.6
Total assets 2006		2 131.2	558.6	1 745.8	3 616.4	25 370.7	341.3	33 763.9
Total assets 2005		1 762.9	722.1	2 405.8	3 608.6	20 067.1	467.9	29 034.4

NOK MILLION		< 1 MONTH	> 1 MONTH < 3 MONTHS	> 3 MONTHS < 1 YEAR	> 1 YEAR < 5 YEARS	> 5 YEARS	NO FIXED MATURITY2)	TOTAL
Liabilities and equity								
Debt to credit institutions	NOK	650.7	100.0			600.0		1 350.7
	foreign currency	2.3			318.4	1 393.2		1 713.9
Deposits from and debt to customers	NOK	15 492.9	1 264.1	265.4	182.6	2.3		17 207.3
	foreign currency	143.6	207.8	3.4				354.8
Securities issued	NOK	650.0	3 715.7	2 185.2	6 180.7			12 731.5
	foreign currency			3 582.5	845.5			4 428.0
Other debt	NOK						740.2	740.2
	foreign currency							0.0
Subordinated loan capital	NOK	54.5				959.3		1 013.8
	foreign currency							0.0
Equity	NOK						2 029.9	2 029.9
	foreign currency							0.0
Total liabilities and equity 2007		**16 994.0**	**5 287.6**	**6 036.5**	**7 527.2**	**2 954.8**	**2 770.1**	**41 570.1**
	NOK	16 848.1	5 079.8	2 450.6	6 363.3	1 561.6	2 770.1	35 073.4
	foreign currency	145.9	207.8	3 585.9	1 163.9	1 393.2	0.0	6 496.7
Total liabilities and equity 2006		14 517.2	974.1	4 521.6	10 105.6	1 370.2	2 275.2	33 763.9
Total liabilities and equity 2005		11 241.9	1 621.1	5 153.2	8 197.2	1 018.4	1 802.6	29 034.4

1) Derivatives are shown net in this note. The figures reported are market value.
2) Loans to and receivables from customers with no fixed maturity represent grouped write-downs.
3) The analysis is based on contractual maturity. The average maturity of retail lending at 31.12.07 is estimated to be 4 years, see also Note 1 for other information on loan turnover.

Note 34: Market risk

Interest rate risk

NOK MILLION	< 1 MONTH	< 3 MONTHS	> 1 MONTH < 1 YEAR	> 3 MONTHS < 5 YEARS	> 1 YEAR > 5 YEARS	NO FIXED INTEREST RATE PERIOD 2)	TOTAL
Assets							
Cash and deposits with central banks	1 062.0						1 062.0
Loans to and receivables from credit institutions	358.4						358.4
Loans to and receivables from customers			262.2	410.7	115.1	36 003.0	36 790.9
Bonds and commercial paper	240.5	2 045.9	205.2				2 491.6
Derivatives 1)	77.6	92.6	-165.5	46.5	-110.0		-58.7
Other assets						925.8	925.8
Total assets 2007	**1 738.5**	**2 138.5**	**301.9**	**457.2**	**5.1**	**36 928.8**	**41 570.1**
Total assets 2006	246.5	-3 173.3	3 079.2	2 863.4	133.5	30 614.7	33 764.0
Total assets 2005	-427.9	-2 637.3	3 631.2	2 704.9	119.0	25 644.6	29 034.5
Liabilities and equity							
Debt to credit institutions	652.9	2 411.6					3 064.5
Deposits from and due to customers	831.5	1 543.5	173.6	182.6		14 830.9	17 562.1
Securities issued	2 997.2	9 568.7	3 654.4	939.3			17 159.5
Other debt						740.3	740.3
Subordinated loan capital	397.5	500.0	107.0		9.3		1 013.8
Equtiy						2 029.9	2 029.9
Total liabilities and equity 2007	**4 879.1**	**14 023.8**	**3 935.0**	**1 121.9**	**9.3**	**17 601.1**	**41 570.1**
Total liabilities and equity 2006	3 454.9	8 113.2	3 586.6	3 002.7	116.1	15 490.4	33 764.0
Total liabilities and equity 2005	1 648.3	7 981.1	5 010.9	1 516.7	9.3	12 868.2	29 034.5
Net to next interest rate change on balance sheet items 2007	**-3 140.6**	**-11 885.3**	**-3 633.1**	**-664.7**	**-4.2**	**19 327.7**	**0.1**
Net to next interest rate change on balance sheet items 2006	-3 208.4	-11 286.5	-507.5	-139.3	17.3	15 124.3	0.0
Net to next interest rate change on balance sheet items 2005	-2 076.2	-10 618.4	-1 379.7	1 188.2	109.7	12 776.4	0.0

1) Derivatives are shown net in this note.
2) Deposits and loans without agreed interest fixing period are included in this column in accordance with the guidelines for reporting banking statistics to the Norwegian authorities. The Financial Agreements Act requires that customers are given a minimum of six weeks notice of a change in interest rate.

Interest rate sensitivity

NOK MILLION	‹ 1 MONTH	› 1 MONTH ‹ 3 MONTHS	› 3 MONTHS ‹ 1 YEAR	› 1 YEAR ‹ 5 YEARS	› 5 YEARS	TOTAL
CHF		-0.1				-0.1
EUR		0.2	5.6	3.0		8.8
NOK	0.4	-27.4	12.3	8.0	-0.9	-7.6
SEK		-0.1		0.6		0.5
USD		0.5				0.5
Total quantified interest rate sensitivity 2007	**0.4**	**-26.8**	**17.9**	**11.6**	**-0.9**	**2.2**
Total quantified interest rate sensitivity 2006	-1.1	12.1	-7.7	-2.6	-1.0	-0.3
Total quantified interest rate sensitivity 2005						0.0

Alle figures in NOK.
The table shows how the value of financial assets and financial liabilities would be affected by a one percentage point increase in alle interest rates.

Foreign exchange risk

Financial assets and liabilities in foreign currency

	BALANCE SHEET ITEMS		FORWARD	NET POSITION	
NOK MILLION	ASSETS	LIABILITIES	NET SALES	IN CURRENCY	IN NOK
CHF	8.0	0.1	-8.0	0.0	-0.1
DKK		0.1		-0.1	-0.1
EUR	1.9	679.2	677.3	0.0	-0.4
GBP		0.0		0.0	-0.1
JPY	200.2	0.0	-200.0	0.2	0.0
SEK	52.5	1 023.5	971.0	0.0	0.0
USD	9.1	54.7	45.5	-0.1	-0.6
Other					0.9
Total 2007					**-0.3**
Total 2006					3.1
Total 2005					-0.1

Storebrand Bank ASA hedges the net currency position in its balance sheet with forward contracts, accordingly forward sales and forward purchases are not shown seperately in respect of assets and liabilities.

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Translation from the original Norwegian version

To the Annual Shareholders' Meeting of Storebrand Bank ASA

AUDITOR'S REPORT FOR 2007

We have audited the annual financial statements of Storebrand Bank ASA as of 31 December 2007, showing a profit of NOK 167.0 million for the parent company and a profit of NOK 169.6 million 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 annual financial statements comprise the parent company's financial statements and the group accounts. The parent company's financial statements comprise the balance sheet, the statements of income and cash flows, and the accompanying notes. The group accounts comprise the balance sheet, the statements of income and cash flows, the statement of changes in equity and the accompanying notes. Simplified application in accordance with the Norwegian Accounting Act § 3-9 of International Financial Reporting Standards as adopted by the EU, has been applied to prepare the parent company's financial statements. International Financial Reporting Standards as adopted by the EU have been applied to prepare 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 other information according to the requirements of the Norwegian Act on Auditing and Auditors.

We have conducted our audit in accordance with the Norwegian Act on Auditing and Auditors and generally accepted auditing practice in Norway, including standards on auditing adopted by Den norske Revisorforening. These auditing standards 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 generally accepted 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.

In our opinion,

- the parent company's financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as of 31 December 2007, and the results of its operations and its cash flows for the year then ended, in accordance with simplified application in accordance with the Norwegian Accounting Act § 3-9 of International Financial Reporting Standards as adopted by the EU
- the group accounts are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Group as of 31 December 2007, and the results of its operations and its cash flows and the changes in equity for the year then ended, in accordance with International Financial Reporting Standards as adopted by the EU
- the Company's management has fulfilled its duty to see to proper and well arranged recording and documentation of accounting information in accordance with law and generally accepted bookkeeping practice in Norway
- 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, is consistent with the financial statements and complies with law and regulations.

Oslo, 12 February 2008
Deloitte AS

Ingebret G. Hisdal (signed)
State Authorised Public Accountant (Norway)

CONTROL COMMITTEE'S STATEMENT FOR 2007

At its meeting on 29 February 2008, the Control Committee of Storebrand Bank ASA reviewed the Board of Directors' proposed Annual Report and Accounts for 2007 for Storebrand Bank ASA and the Storebrand Bank Group.

With reference to the auditor's report of 12 February 2008, the Control Committee recommends that the Annual Report and Accounts proposed be adopted as the Annual Report and Accounts of Storebrand Bank ASA and the Storebrand Bank Group for 2007.

Oslo, 29 February 2008

Translation – not to be signed

Finn Myhre
Chairman of the Control Committee

BOARD OF REPRESENTATIVES' STATEMENT 2007

The Board of Directors' proposal for the Annual Report and Accounts, together with the Auditor's report and the Control Committee's statement have, in the manner required by law, been presented to the Board of Representatives. The Board of Representatives recommends that the Annual General Meeting approve the Board of Directors proposed Annual Report and Accounts of Storebrand Bank ASA and Storebrand Bank Group.

The Board of Representatives raises no objections to the Board's proposal regarding the allocation of the profit for the year of Storebrand Bank ASA.

Oslo, 11 March 2008

Translation – not to be signed

Terje Venold
Chairman of the Board of Representatives

storebrand

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