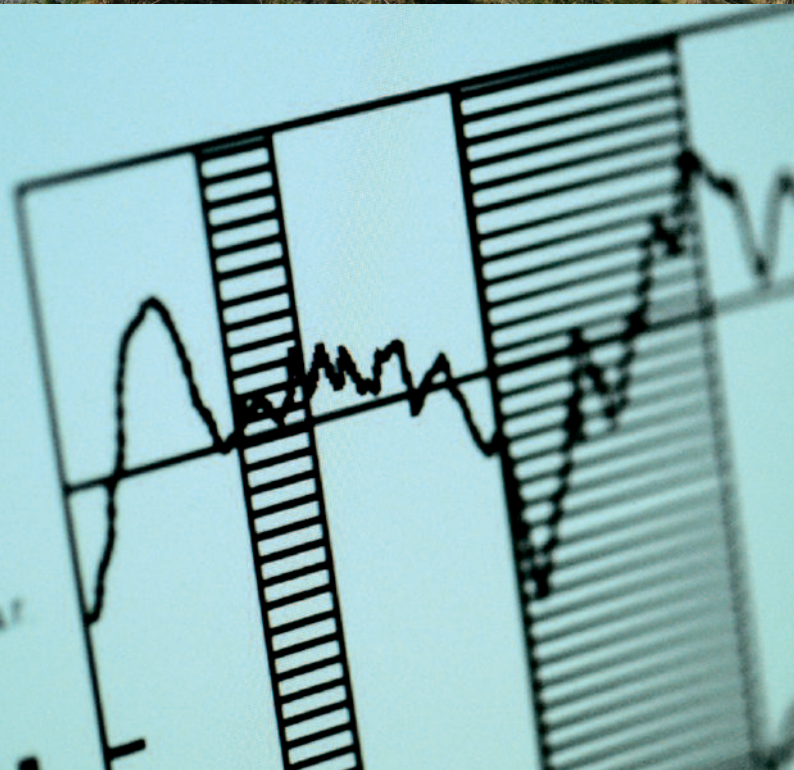
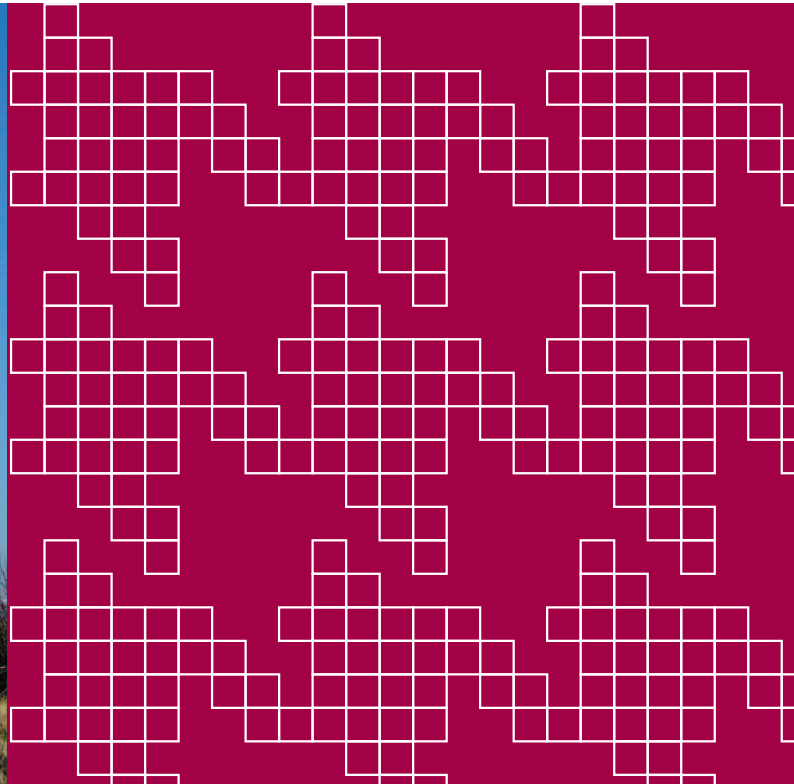


# Interim Report

2nd Quarter 2006

 storebrand

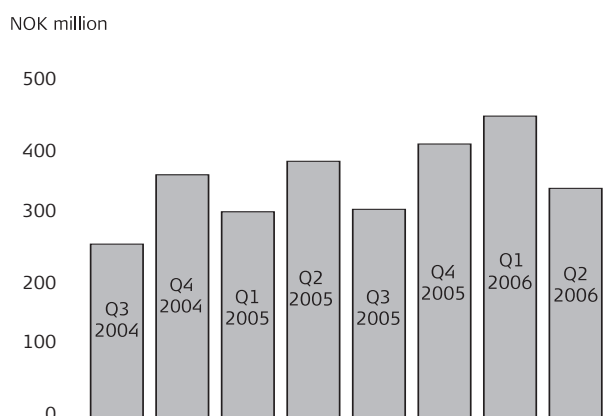


# Interim results for the Storebrand group - second quarter 2006

## MAIN FEATURES

- Storebrand reports group profit of NOK 811 million for the first six months as compared to NOK 706 million for the same period in 2005.
- Good book investment return gives a solid result for the life company's customers and owners.
- The downturn in Norwegian and international equity markets in Q2 has affected the life company's value adjusted return and the market value adjustment reserves.
- High level of activity and good sales for mandatory occupational pensions.
- Strong inflow of banking customers and growth in lending. Intense competition is causing downward pressure on margins in the lending market.
- Satisfactory performance from Storebrand Investments.

## Group profit by quarter:



The group result, which represents the owner's share of operating profit, showed a profit of NOK 350 million in Q2 (NOK 392 million) and NOK 811 million for the first six months (NOK 706 million). Operating profit for Q2 was NOK 1,596 million (NOK 1,193 million) and NOK 2,785 million (NOK 1,967 million) for the first six months. Figures for the corresponding period in 2005 are shown in brackets.

## Group profit:

NOK million	Q2		01.01 - 30.06		Full year 2005
	2006	2005	2006	2005	
Life insurance	277	307	575	562	1 217
Asset management	32	14	52	22	24
Storebrand Bank	59	69	107	141	241
Other activities	-18	1	76	-19	-41
<b>Group profit</b>	<b>350</b>	<b>392</b>	<b>811</b>	<b>706</b>	<b>1 442</b>

Storebrand Life Insurance has booked a net inflow of pension reserves of NOK 0.7 billion in Q2 and NOK 3,5 billion for the year to date. The positive market trend has continued. The market for mandatory occupational pensions is characterised by a high level of activity and intense competition. Storebrand is achieving good sales of occupational pensions to the corporate market through its agreements with the Confederation of Norwegian Enterprise and major companies such as Manpower and Norgesgruppen. Around 100,000 employees are now members of mandatory occupational pension schemes arranged through Storebrand.

Storebrand Life Insurance recorded a value-adjusted investment return of minus 0.4% in Q2 due to the downturn in Norwegian and international equity markets. Value adjusted return for the first six months was 2.4%. The booked investment return for Q2 was 1.8%, and 3.4% for the first six months. The life company's risk capital is at a satisfactory level and amounted to NOK 11.4 billion at the close of Q2, representing a reduction of NOK 1.9 billion in the quarter. The life company's overall exposure to equities was reduced by 2 percentage points in Q2 to 23%.

Asset management activities reported improved profitability in the second quarter due to lower costs and higher performance related fees.

The marketing activities and price changes implemented by Storebrand Bank in 2005 and so far in 2006 have maintained the positive trend seen for the bank's lending portfolio. The number of new accounts opened continues to grow in 2006. So far this year, the bank has opened over 9,000 new accounts for retail customers. Strong competition in the lending market has caused downward pressure on margins for participants in the banking market in general.

## LIFE INSURANCE

### Profit and loss - Storebrand Life Insurance and other life insurance activities:

NOK million	Q2		01.01 - 30.06		Full year
	2006	2005	2006	2005	2005
Interest result	1 568	1 158	2 614	1 877	4 359
Risk result	103	69	190	99	363
Administration result	-91	-102	-182	-131	-330
Changes in security and premium reserves	-3	-4	-12	-4	-11
<b>Operating profit</b>	<b>1 577</b>	<b>1 121</b>	<b>2 610</b>	<b>1 841</b>	<b>4 381</b>
Profit allocated to policyholders	-1 259	-807	-1 990	-1 273	-3 215
Of which allocated to additional statutory reserves	0	0	0	0	-950
<b>Profit to owner - Storebrand</b>					
Livsforsikring AS	318	314	620	568	1 167
<b>Profit to owner - Storebrand</b>					
Livsforsikring Group	319	315	622	570	1 167
Other life insurance activities	-36	-5	-38	-2	-4
IFRS effects	-7	-3	-9	-6	54
<b>Total for life insurance activities</b>	<b>277</b>	<b>307</b>	<b>575</b>	<b>562</b>	<b>1 217</b>

Profit to the owner for life insurance activities in total in accordance with IFRS was NOK 277 million (NOK 307 million) in Q2, and NOK 575 million (NOK 562 million) for the first six months.

### Storebrand Livsforsikring (Storebrand Life Insurance)

Storebrand Livsforsikring AS reported an operating profit of NOK 1,577 million for Q2 and NOK 2,610 million for the first six months. Operating profit for the Storebrand Life Insurance group was NOK 1,578 million (NOK 1,122 million) for Q2 and NOK 2,613 million (NOK 1,843 million) for the first six months.

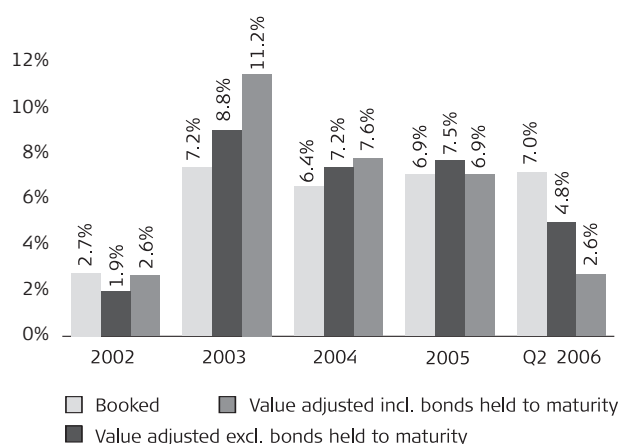
The risk result improved in Q2, increasing by NOK 34 million to NOK 103 million. This represents an increase from Q2 2005 for all lines of business except group life insurance and industrial injuries. The risk result for the first six months shows an improvement of NOK 91 million to NOK 190 million. The administration result showed a loss of NOK 91 million in Q2 (loss of NOK 102 million) and a loss of NOK 182 million (loss of NOK 131 million) for the first six months. Storebrand Life Insurance has worked to become a leading supplier of mandatory occupational pensions and has also opened a branch in Sweden. These initiatives affect cost levels in 2006. Costs in Q2 were equivalent to 1.05% of average policyholders' funds as compared to 1.06% at the close of Q1 and at year-end 2005. The interest result for the first six months was NOK 2,614 million (NOK 1,877 million) of which Q2 accounted for NOK 1,568 million (NOK 1,158 million). Net realised gains totalled NOK 1,824 million (NOK 1,312 million) for the first six months, of which Q2 contributed NOK 1,111 million (NOK 649 million). The market value adjustment reserve declined by NOK 3,352 million in Q2 to stand at NOK 2,354 million.

The Storebrand Life Insurance group reports pre-tax profit for the owner of NOK 622 million (NOK 570 million) of which Q2 represented NOK 319 million (NOK 315 million). Earnings from products not subject to profit sharing with policyholders contributed NOK 62 million (NOK 61 million) of the profit for the owner, of which Q2 represented NOK 25 million (NOK 27 million).

Premium income (excluding transfers) amounted to NOK 6.2 billion, of which NOK 1.7 billion in Q2. This represents a decline of 44% from the same period last year. It is the sales of savings-related products to the retail market which has now slowed, following a considerable period of very high sales caused by the low level of interest rates in Norway. Storebrand has taken steps to adjust sales of individual savings contracts without a fixed contract period since autumn 2005 due to balance sheet considerations. This has had the desired effect, and is the reason for the fall in premium income. If these savings-related products are excluded, premium income for the first six months was 7% higher than in the same period last year. Group pension business produced a 2% increase in premium income despite the shift towards defined contribution pensions. Premium income for group life business was 13% higher. Transfers of pension business represented a net inflow to Storebrand of NOK 3.5 billion, of which NOK 0.7 billion in Q2.

Storebrand Life Insurance achieved a booked investment return of 1.8% in Q2 and 3.4% for the first six months. The downturn in Norwegian and international equity markets has resulted in a value-adjusted investment return of minus 0.4% in Q2 and 2.4% for the first six months. The value-adjusted return including unrealised gains on bonds held to maturity was minus 0.9% in Q2 and 1.3% for the first six months.

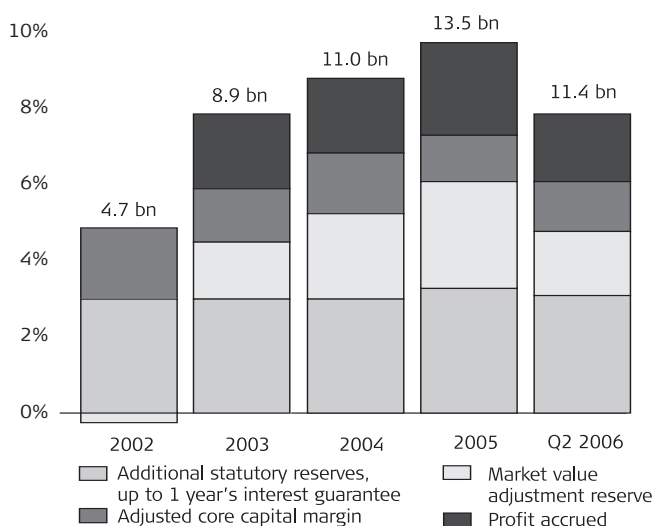
### Development in investment return:



Storebrand Life Insurance's total assets increased by NOK 1.0 billion in Q2 and NOK 8.5 billion in the first six months. The life company's overall exposure to equities, including derivative positions, reduced by 2 percentage points in Q2 to 23%. Net investment in bonds held to maturity has

increased by NOK 2.6 billion in Q2 and NOK 4.5 billion since the start of the year. Bonds and commercial paper held as current assets have dropped by NOK 2.8 billion in Q2, and by NOK 2.4 billion since the start of the year. Other asset classes showed little change in Q2. Unrealised gains on bonds held to maturity fell by NOK 0.9 billion in Q2 to NOK 1.9 billion. Unrealised gains on this portfolio are not shown in the accounts, but ensure a relatively high level of future interest income even if interest rates remain at their current level.

**Risk capital in NOK and % of customers' funds excl. additional statutory reserves:**



Risk capital at the close of Q2 amounted to NOK 11.4 billion. This represents a reduction of NOK 1.9 billion in the quarter and NOK 2.1 billion since the start of the year. The decline in risk capital is due to the final allocation of profit for 2005 and a fall in the market value adjustment reserve in Q2. The company satisfies all capital adequacy requirements by a sound margin. The capital ratio fell from 10.7% to 10.4% in Q2. The reduction in capital ratio was caused by a change in accounting principle on the proportion of accrued profit that can be included in the calculation of capital ratio for interim reports. The company's solvency margin was 170.7% at the close of Q2 as compared to 175.2% at the close of 2005.

**Storebrand Fondsforsikring**

Storebrand Fondsforsikring reported a loss of NOK 37 million in Q2 (loss of NOK 6 million) and a loss of NOK 40 million for the first six months (loss of NOK 3 million). Focus on the mandatory occupational pensions market has increased investment levels in 2006 and results are in line with expectations. Unit linked products showed a year-on-year increase in premiums written by NOK 331 million to NOK 448 million in the first six months, while premiums for defined contribution pension products increased by NOK 126 million to NOK 309 million.

Storebrand arranged approximately 2,850 mandatory occupational pension schemes in Q2, bringing the total for the first seven months to around 5,000. These pension schemes cover some 100,000 employees.

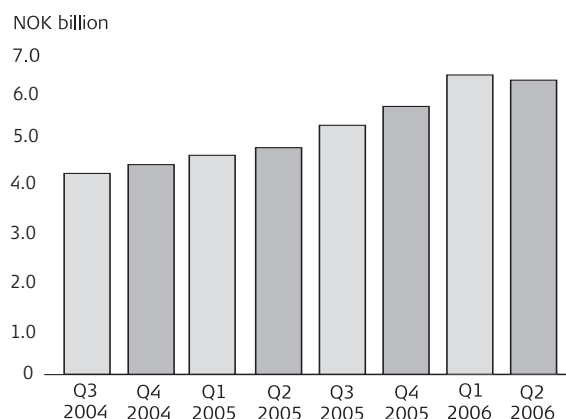
Storebrand has entered into a number of framework agreements as a supplier of occupational pension arrangements, including an agreement with the Confederation of Norwegian Enterprise. Storebrand signed many important mandatory occupational pension contracts in Q2, including schemes for Norgesgruppen and Manpower.

84% of customers' assets managed by Storebrand Fondsforsikring were invested in equity and combination funds as compared to 82% at the close of Q1 and 74% at the start of the year. The returns in Q2 on the investment alternatives recommended for defined contribution pension products were minus 0.2%, minus 1.1% and minus 2.2% respectively for the cautious, balanced and aggressive investment profiles. These returns reflect the weaker stock market conditions in the quarter.

Funds under management amounted to NOK 6,281 million at the end of Q2, representing a decline of NOK 110 million in the quarter. The decline is the result of weak stock market conditions.

A resolution has been passed to merge Storebrand Fondsforsikring AS and Storebrand Livsforsikring AS.

**Assets under management - defined contribution pension products and unit linked:**



**Storebrand Helseforsikring**

Storebrand Helseforsikring generated an operating profit of NOK 2 million in Q2 (NOK 3 million) and NOK 3 million (NOK 2 million) in the first six months. Storebrand has a 50% interest in this company, which provides health insurance products for the corporate and retail markets. Premium income for the first six months was 22% higher than in the same quarter of 2005 at NOK 80 million. Q2 premium income was 18% higher than in the same period last year. Sales of new policies to the Norwegian and Swedish markets in the first six months represented annual premiums of NOK 20 million, of which Norway accounted for NOK 9 million.

**ASSET MANAGEMENT ACTIVITIES**

Asset management activities reported a pre-tax profit of NOK 32 million (NOK 14 million) for Q2 bringing the profit

### Profit and loss - Storebrand Investments:

NOK million	Q2		01.01 - 30.06		Full year 2005
	2006	2005	2006	2005	
Total revenue	73	68	147	135	242
Total costs	-59	-59	-117	-120	-232
Net financial income/ other income	19	5	22	7	15
Pre-tax profit	32	14	52	22	24

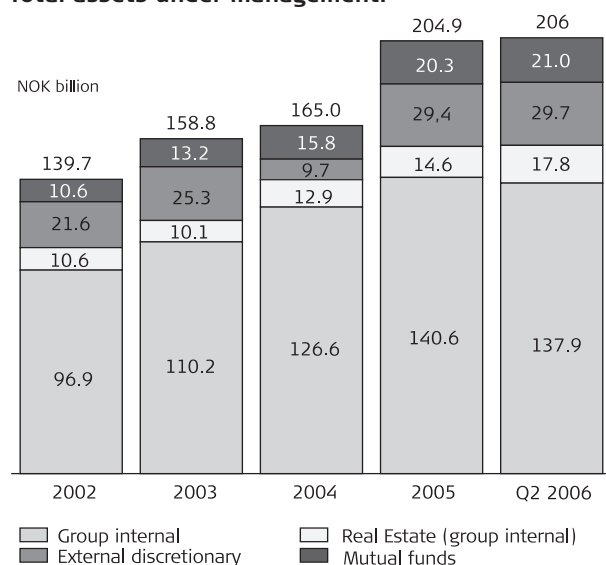
for the first six months to NOK 52 million (NOK 22 million).

Asset management activities reported improved profitability in the second quarter due to lower costs, higher performance related fees and an increase in assets under management.

Total revenue amounted to NOK 73 million in Q2 (NOK 68 million). Operating costs totalled NOK 59 million in Q2 (NOK 60 million).

Storebrand Investments had assets under management of NOK 206 billion at the close of Q2. This represents an increase of NOK 1 billion from the start of the year, but a decline of NOK 3 billion since the close of Q1 due to weaker stock market conditions. Total funds under management were made up of NOK 156 billion of internal funds (including mutual funds) and NOK 50 billion of assets/funds managed for external clients.

### Total assets under management:



Net new asset management sales (discretionary external customers and mutual funds) represented an inflow of NOK 600 million in Q2. The majority of new business was with Norwegian institutional customers.

Storebrand Investments produced a better return than the comparable benchmark indices (before deducting management fees) in Q2 on 64% of the securities funds it manages. The Norwegian equity and bond portfolios were the principal areas of outperformance.

### BANKING ACTIVITIES

Storebrand Bank group reported ordinary operating profit for Q2 of NOK 44 million (NOK 46 million) before write-downs for loan losses. After a net write-back of earlier

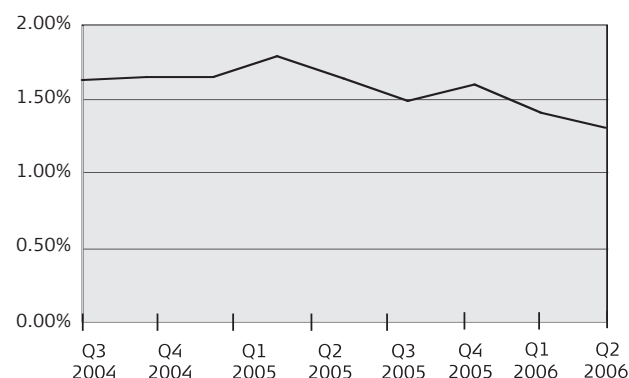
loan loss write-downs of NOK 15 million, pre-tax profit for Q2 was NOK 59 million (NOK 69 million). Ordinary pre-tax profit for the first six months was NOK 107 million (NOK 141 million).

### Profit and loss - Storebrand Bank Group:

NOK million	Q2		01.01 - 30.06		Full year 2005
	2006	2005	2006	2005	
Net interest income	102	112	209	232	451
Other income	36	16	60	57	102
Total income	138	128	269	289	553
Operating costs	-94	-82	-191	-170	-346
Profit before loan losses	44	46	78	119	207
Loan losses	15	23	30	22	34
Pre-tax profit	59	69	107	141	241

Net interest income amounted to NOK 102 million (NOK 112 million) in Q2, bringing net interest income for the first six months to NOK 209 million (NOK 232 million). This represents an interest margin calculated on average total assets of 1.36% (1.69%). The decline in net interest income is due amongst others to reduced risk in the lending portfolio and strong competition in the market.

### Net interest income as a percentage of total assets:



Other income amounted to NOK 36 million in Q2 (NOK 16 million). This includes commission income approaching NOK 11 million on sales of real estate investment funds and an accounting gain of NOK 10 million on the sale of the bank's ownership interest in Bertel O. Steen Finans AS.

Operating expenses amounted to NOK 94 million in Q2 (NOK 82 million). Costs were affected by strong sales of real estate investment funds.

Changes in loan loss write-downs in Q2 resulted in a net write-back of NOK 15 million. This is due to changes in the volume and value of loans with identified impairment. Gross non-performing and loss-exposed loans totalled NOK 630 million at the close of Q2, a reduction of NOK 51 million from the previous quarter and a reduction of NOK 124 million from the start of the year. The bank's loan loss write-downs (both individual and grouped write-downs) totalled NOK 443 million at the end of Q2, of which grouped write-downs accounted for NOK 83 million. This represents a level of provisioning relative to non-performing and loss-exposed loans of 70% (58%), an increase of 2 percentage points from Q1.

The bank's assets totalled NOK 31 billion at the close of Q2. Gross lending increased by NOK 676 million in Q2 bringing the increase for the first six months to NOK 1.2 billion. The increase in Q2 was seen almost entirely in the retail lending portfolio. Lending by Storebrand Life Insurance managed by Storebrand Bank ASA increased by NOK 267 million in Q2. The bank's deposit-to-loan ratio increased in Q2 to stand at 48% by the end of the quarter.

The bank's net primary capital amounted to NOK 2 billion at the close of Q2. The bank's capital ratio at the end of Q2 was 9.84% and its core capital ratio was 7.61%. The calculation of capital ratio for Q2 does not include a proportion of profit for the year to date. The level of capital ratio is in line with expectations given the growth in the bank's total assets.

The marketing activities and pricing changes implemented by Storebrand Bank in 2005 and so far in 2006 have resulted in a continuing positive trend for the loan portfolio. The number of new accounts opened has accordingly continued to grow in 2006. The bank has opened over 9,000 new accounts for retail customers so far in 2006, of which over 4,000 in Q2.

## OTHER ACTIVITIES

Other activities principally comprise Storebrand ASA (the holding company), and Storebrand Skadeforsikring. Storebrand's ownership interest in Fair Forsikring was transferred to Gjensidige Forsikring with accounting effect from Q1 2006.

### Profit and loss - Other activities:

NOK million	Q2		01.01 - 30.06		Full year
	2006	2005	2006	2005	
Storebrand ASA*)	-14	-14	1 025	584	599
Fair Forsikring	0	8	-1	9	22
Storebrand Skadeforsikring	-5	6	43	0	19
Other companies/eliminations**)	1	0	-991	-612	-681
Pre-tax profit	-18	1	76	-19	-41

\*) Including dividends/group contributions from subsidiaries  
 \*\*) Including elimination of dividend/group contributions from subsidiaries.

### Storebrand Skadeforsikring

Storebrand has decided to start sales of P&C insurance products to the retail market. The P&C business will be established as part of Storebrand Skadeforsikring AS. This will complement the range of products offered by Storebrand, and strengthen its commitment to the retail market. Storebrand will be ready to offer its customers P&C insurance products before the close of 2006, and this business will focus on gradual and profitable growth. Work on re-establishing the P&C activities is proceeding in accordance with the plan to start product distribution in Q4 2006. All the key personnel needed for the areas of products, customer service/claims settlement and projects/-administration have been recruited.

Storebrand Skadeforsikring and Oslo Reinsurance reported an operating loss of NOK 5 million (loss of NOK 6 million) in Q2 with an operating profit for the first six months of NOK 43 million (NOK 0 million). Storebrand Skadeforsikring has booked a refund of NOK 49 million from the guarantee fund for P&C companies relating to the insolvency of Star Forsikring AS and contributions paid to the guarantee fund in 1995 and 1996. Operating costs amounted to NOK 17 million (NOK 17 million) of which NOK 2 million relates to the preparations for the new P&C business.

### Storebrand ASA (holding company)

Storebrand ASA reports a loss of NOK 14 million for Q2 in line with the same period last year. Net financial items represented income of NOK 4 million in Q2 (NOK 12 million). Q2 operating costs were NOK 19 million (NOK 25 million).

### Profit and loss - Storebrand ASA:

NOK million	Q2		01.01 - 30.06		Full year
	2006	2005	2006	2005	
Group contributions and dividends	0	0	1 028	611	611
Interest income	21	11	37	29	58
Interest expense	-18	-4	-35	-26	-53
Gains/losses on securities	-2	116	37	125	213
Other financial items	4	-111	1	-109	-116
Net financial items	4	12	39	19	101
Operating costs	-19	-25	-42	-46	-113
Pre-tax profit	-14	-14	1 025	584	599

Storebrand ASA held liquid assets of almost NOK 2.6 billion at the close of Q2, of which NOK 2.4 billion was invested in short term interest-bearing securities with good credit ratings.

In line with the program of work to adjust the group's capital structure, Storebrand bought back 2,000,000 of its own shares in Q2 at an average price of NOK 64.93. This brings purchases of own shares for the first six months to 5,000,000 at an average price of NOK 70.26. These purchases were booked as a reduction in equity. Storebrand ASA held 4.1% of the company's own shares (10,707,140 shares) at the close of Q2.

The Annual General Meeting of Storebrand held on 3 May 2006 resolved to reduce the company's share capital to NOK 1,249,095,525 made up of 249,819,105 shares. The reduction in share capital involves the cancellation of 8,707,140 shares, equivalent to around 3.4% of total share capital, and will be carried out in Q3.

The Board of Directors holds a mandate granted by Storebrand's Annual General Meeting to buy back up to 10% of the company's share capital in the period to the next Annual General Meeting.

Oslo, 9. august 2006  
 The Board of Directors of Storebrand ASA

# Storebrand Group

## PROFIT AND LOSS ACCOUNT

NOK million	Q2		01.01 - 30.06		Full year
	2006	2005	2006	2005	2005
Net premium income	2 936.1	4 909.0	11 442.6	13 268.2	19 466.0
Net interest income - banking	102.3	112.2	208.8	232.1	450.6
Net income and gains from financial assets at fair value:					
- shares and other equity participations	-1 863.1	1 204.0	890.6	2 870.8	7 439.9
- bonds and other fixed-income securities	-94.4	-383.3	-259.3	260.6	1 288.5
- financial derivatives	373.4	766.1	1 269.7	-225.7	-1 616.8
- income from financial assets with investment choice	-249.2	121.2	56.8	232.3	721.3
Net income from bonds at amortised cost	603.5	619.7	1 186.7	1 210.9	2 409.9
Income from investment properties	317.8	251.0	642.3	464.8	885.7
Profit from investments in associated companies	0.6	4.2	2.2	4.2	6.8
Other income	154.8	121.3	363.2	298.6	766.7
<b>Total income</b>	<b>2 281.8</b>	<b>7 725.4</b>	<b>15 803.6</b>	<b>18 616.8</b>	<b>31 818.6</b>
Insurance claims for own account	-4 770.0	-2 509.5	-8 193.0	-5 254.9	-10 905.7
Change in insurance reserves	1 288.3	-3 307.6	-4 976.4	-9 807.8	-12 434.6
Interest expense	-45.6	-2.3	-99.3	-76.0	-197.1
Loan losses	15.1	22.7	29.7	22.0	34.4
Operating costs	-626.6	-552.9	-1 244.5	-1 086.9	-2 181.2
Other costs	100.9	77.3	-43.6	-75.5	-255.9
<b>Total costs</b>	<b>-4 037.9</b>	<b>-6 272.3</b>	<b>-14 527.1</b>	<b>-16 279.1</b>	<b>-25 940.1</b>
To/from market value adjustment reserve	3 352.5	-260.6	1 508.1	-370.5	-1 150.1
<b>Operating profit/loss</b>	<b>1 596.4</b>	<b>1 192.5</b>	<b>2 784.6</b>	<b>1 967.2</b>	<b>4 728.4</b>
To/from additional statutory reserves - life insurance					-950.0
Funds allocated to policyholders - life insurance	-1 246.2	-800.9	-1 974.0	-1 261.3	-2 336.8
<b>Group profit/loss</b>	<b>350.2</b>	<b>391.6</b>	<b>810.6</b>	<b>705.9</b>	<b>1 441.6</b>
Changes in security reserves etc. - non life insurance	1.4	-1.4	-0.5	-1.9	3.2
<b>Profit/loss from ordinary activities before tax</b>	<b>351.6</b>	<b>390.2</b>	<b>810.1</b>	<b>704.0</b>	<b>1 444.8</b>
Tax payable	-20.4	-23.2	-52.7	-40.1	-41.1
Minority interests' share of profit	-5.5	-1.5	-6.0	-1.8	-3.6
<b>Profit/loss for the period</b>	<b>325.6</b>	<b>365.5</b>	<b>751.4</b>	<b>662.1</b>	<b>1 400.1</b>
Earnings per ordinary share	1.31	1.42	3.01	2.55	5.41
Average number of shares as basis for calculation (million).			250.0	260.6	258.6

Storebrand has not issued any options or other financial instruments that could cause dilution of its shares.

# Storebrand Group

## BALANCE SHEET

NOK million	30.06.2006	30.06.2005*	31.12.2005*
<b>Assets</b>			
Deferred tax assets	53.6	125.8	100.4
Intangible assets	512.5	492.1	508.2
Pension fund assets	57.0	55.0	57.0
Tangible fixed assets	767.2	839.4	752.0
Investments in associated companies	128.6	73.7	138.3
Bonds held to maturity and bonds at amortised cost	45 132.4	42 543.2	40 671.6
Lending	29 413.1	24 885.3	26 976.6
Reinsurers' share of technical reserves	2 005.2	2 761.7	2 395.5
Real estate at fair value	15 779.2	12 258.9	13 503.6
Other assets	72.8	69.0	150.7
Due from customers and other current receivables	8 073.8	5 344.4	6 306.6
<i>Financial assets at fair value:</i>			
- Shares and other equity participations	39 086.7	29 848.1	39 589.1
- Bonds and other fixed-income securities	54 268.9	56 340.5	57 539.3
- Derivatives	1 528.9	1 189.8	1 481.1
- Life insurance assets with investment choice	6 281.3	4 838.4	5 719.4
Other current assets	205.8	845.3	52.1
Bank deposits	8 063.4	8 212.7	5 768.7
<b>Total assets</b>	<b>211 430.4</b>	<b>190 723.3</b>	<b>201 710.2</b>
<b>Equity and liabilities</b>			
Paid in capital	3 057.7	3 111.2	3 081.8
Retained earnings	5 391.8	5 599.3	5 951.1
Value adjustment fund	18.3	9.8	12.0
Minority interests	10.0	4.7	6.8
<b>Total equity</b>	<b>8 477.8</b>	<b>8 725.0</b>	<b>9 051.7</b>
Subordinated loan capital	3 517.6	3 545.7	3 524.7
Market value adjustment reserve	2 354.3	3 082.8	3 862.5
Insurance reserves - life insurance	140 661.1	131 129.2	134 621.7
Reserve for life insurance with investment choice	6 281.3	4 838.3	5 719.4
Premium and claims reserves - non life insurance	2 485.6	3 432.4	2 992.1
Security reserves etc. - non life insurance	97.9	54.2	97.3
Pension liabilities	713.6	708.3	715.5
<i>Financial liabilities</i>			
- Liabilities to financial institutions	1 539.7	1 029.5	1 464.6
- Deposits from banking customers	13 476.7	11 952.3	11 187.0
- Securities issued	15 126.9	12 900.1	15 653.7
- Derivatives	6 107.3	461.9	5 302.9
Other current liabilities	10 590.6	8 863.7	7 517.2
<b>Total equity and liabilities</b>	<b>211 430.4</b>	<b>190 723.3</b>	<b>201 710.2</b>

\*) Comparable figures for 30.06.05 and 31.12.05 have been restated due to changes in accounting principles, see notes 2 and 3.



# Storebrand Group

## RECONCILIATION OF CHANGES IN EQUITY - STOREBRAND GROUP

NOK million	Majority's share of equity			Minority interests	Equity 30.06.2006	Equity 30.06.2005
	Paid-in capital	Value adjustment fund	Other equity			
<b>Equity at 31.12. in the published accounts</b>	<b>3 081.8</b>	<b>12.0</b>	<b>6 176.5</b>	<b>7.2</b>	<b>9 277.5</b>	<b>10 311.9</b>
New accounting principle for pensions			-225.5	-0.4	-225.9	-176.1
<b>Equity at 31.12. as restated</b>	<b>3 081.8</b>	<b>12.0</b>	<b>5 951.1</b>	<b>6.8</b>	<b>9 051.7</b>	<b>10 135.8</b>
<b>Profit and loss items applied directly to equity</b>						
Revaluation of properties for own use		6.3			6.3	2.6
IAS 39 effects						-1.6
<b>Profit for the period</b>			<b>751.4</b>	<b>6.0</b>	<b>757.4</b>	<b>663.8</b>
<b>Equity transactions with owners:</b>						
Own shares bought	-24.1		-316.4		-340.5	-256.4
Dividend paid			-999.3	-2.9	-1 002.2	-1 825.1
Other			5.0	0.1	5.1	5.9
<b>Equity at 30.06.</b>	<b>3 057.7</b>	<b>18.3</b>	<b>5 391.8</b>	<b>10.0</b>	<b>8 477.8</b>	<b>8 725.0</b>

## CASH FLOW ANALYSIS - STOREBRAND GROUP

NOK million	01.01 - 30.06. 2006	01.01 - 30.06. 2005
<b>Cash flow from operational activities</b>		
Net receipts/payments - insurance	2 961	7 403
Net receipts/payments - interest, commissions and fees	154	2 256
Net receipts/payments - lending	-2 407	-600
Net receipts/payments - deposits from others (banking activities)	2 365	-633
Net receipts/payments - trading portfolio securities	5 962	-5 595
Net receipts/payments - other operational activities	-297	3 883
<b>Net cash flow from operational activities</b>	<b>8 738</b>	<b>6 713</b>
<b>Cash flow from investment activities</b>		
Net receipts/payments - bonds held to maturity	-3 280	-3 192
Net receipts from sales of subsidiaries	257	250
Net receipts/payments on sale/purchase of real estate and operational assets	-1 655	-57
<b>Net cash flow from investment activities</b>	<b>-4 679</b>	<b>-2 998</b>
<b>Cash flow from financing activities</b>		
Net receipts/payments - borrowing	-559	427
Net receipts/payments - share capital	-341	-256
Payments - group contribution/dividend	-861	-1 676
<b>Net cash flow from financing activities</b>	<b>-1 761</b>	<b>-1 506</b>
<b>Net cash flow for the period</b>	<b>2 298</b>	<b>2 209</b>
<b>Net movement in cash and cash equivalent assets</b>		
Cash and cash equivalent assets at start of the period	5 766	6 004
<b>Cash and cash equivalent assets at the end of the period</b>	<b>8 063</b>	<b>8 213</b>

# Notes to the interim accounts

## NOTE 1: ACCOUNTING PRINCIPLES

The consolidated interim accounts for the group include Storebrand ASA together with subsidiaries and associated companies. The interim accounts for the second quarter have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim accounts do not include all the information required for full annual accounts prepared in accordance with IFRS.

The annual report and accounts of Storebrand ASA for 2005 is available on request from the company's registered office at Filipstad Brygge 1, Oslo, and is also available at [www.storebrand.no](http://www.storebrand.no). Information on the accounting principles used in the interim accounts can be found in the accounting principles note to the 2005 accounts, with the exception of the change in accounting principles set out in note 2 below.

In preparing the quarterly accounts, Storebrand has used assumptions and estimates that affect reported amounts of assets, liabilities, revenues, costs and information in the notes to the accounts, as well as the information provided on contingent liabilities. Actual results may differ from these estimates.

## NOTE 2: CHANGE IN ACCOUNTING PRINCIPLES

The Storebrand group changed its accounting principles for the recognition of pension liabilities in the second quarter. The group previously amortised the effect of differences between assumptions and actual experience (experience adjustments) and changes in assumptions over the average remaining period for accrual of pensions entitlement to the extent that the effect exceeded 10% of the higher of either the pension liability or pension assets (corridor approach). With effect from Q2 2006, the effect of such differences is applied directly to equity, and changes will be reported in the reconciliation of changes in equity. Figures for previous periods have been restated to be comparable.

Storebrand is of the view that this change in accounting principles will provide more reliable and relevant information since the effect of experience adjustments and changes in assumptions will now be shown in the balance sheet as part of pension liabilities. The change in accounting principles has caused changes in the following balance sheet items:

NOK million	30.06.2006	30.06.2005	31.12.2005
<b>Assets</b>			
Deferred tax assets	-9.1	-5.6	-9.1
Pension assets	-126.2	-92.3	-126.2
<b>Equity and liabilities</b>			
Retained earnings	-225.8	-176.1	-225.8
Pension liabilities	90.5	78.2	90.5

## NOTE 3: CHANGES TO COMPARABLE FIGURES

Comparable figures as at 30.06.2005 have been restated in accordance with the accounting principles used in the most recent annual accounts for the consolidation of fund investments. In the consolidated accounts, fund investments are consolidated if they are considered to be of particular importance for Storebrand's investment needs, Storebrand holds a high proportion of the fund, and Storebrand is the manager of the fund. This change has caused an increase in total assets of NOK 6.7 billion in the balance sheet as at 30.06.2005.

The profit and loss and balance sheet as at 30.06.2005 have been restated in respect of the reinsurance reserve for P&C insurance, which is classified as part of equity in accordance with the accounting principles used in the most recent annual accounts. Group profit remains unchanged, but the change causes a reduction of NOK 5 million in post-tax profit and an increase in equity of NOK 74 million.

The presentation of profit and loss now shows all financial derivatives, with the exception of hedging derivatives, on a single line, whereas the presentation used at 30.06.2005 and 31.12.2005 showed derivatives on a number of different lines.

## NOTE 4: DIVIDEND PAID

Storebrand ASA distributed a dividend of NOK 4 per share in May 2006 in respect of the 2005 financial year. The dividend amounts to NOK 999 million and has been deducted from consolidated equity in Q2. The dividend does not apply to the company's holdings of its own shares.

# Notes to the interim accounts

## NOTE 5: NET INTEREST INCOME - BANKING ACTIVITIES

NOK million	2006	Q2 2005	2006	01.01 - 30.06 2005	Full year 2005
Total interest income	291	257	570	516	1 036
Total interest expense	-189	-144	-361	-284	-586
<b>Net interest income</b>	<b>102</b>	<b>112</b>	<b>209</b>	<b>232</b>	<b>451</b>

## NOTE 6: SEGMENT INFORMATION - ANALYSIS OF PROFIT AND LOSS BY BUSINESS AREA

NOK million	2006	Q2 2005	2006	01.01 - 30.06 2005	Full year 2005
Life insurance	277	307	575	562	1 217
Asset management	32	14	52	22	24
Storebrand Bank	59	69	107	141	241
Other activities	-18	1	76	-19	-41
<b>Total</b>	<b>350</b>	<b>392</b>	<b>811</b>	<b>706</b>	<b>1 442</b>

## NOTE 7: OPERATING COSTS

NOK million	2006	Q2 2005	2006	01.01 - 30.06 2005	Full year 2005
Personnel costs	-275	-262	-581	-508	-991
Depreciation	-12	-21	-34	-41	-81
Other operating costs	-340	-270	-630	-538	-1 109
<b>Total operating costs</b>	<b>-627</b>	<b>-553</b>	<b>-1 245</b>	<b>-1 087</b>	<b>-2 181</b>

## NOTE 8: PROFIT AND LOSS BY QUARTER

NOK million	Q2 2006	Q1 2006	Q4 2005	Q3 2005	Q2 2005	Q1 2005	Q4 2004	Q3 2004
Total income	2 282	13 522	5 980	7 228	7 725	10 891	9 067	5 677
Total costs	-4 038	-10 489	-4 817	-4 852	-6 272	-10 007	-7 234	-5 015
Operating profit	1 596	1 188	1 634	1 127	1 193	775	1 336	633
Group profit	350	460	418	318	392	314	371	265
Pre-tax profit	352	459	409	325	390	314	347	272
Profit for the period	326	426	423	310	366	297	547	228
<b>Profit by business area</b>								
Life insurance	277	299	364	291	307	255	311	228
Asset management	32	20	4	-2	14	8	8	7
Storebrand Bank	59	48	59	42	69	72	55	32
Other activities	-18	94	-9	-13	1	-20	-3	-2
<b>Group profit</b>	<b>350</b>	<b>460</b>	<b>418</b>	<b>318</b>	<b>392</b>	<b>314</b>	<b>371</b>	<b>265</b>

# Notes to the interim accounts

## NOTE 9: KEY FIGURES BY BUSINESS AREA - CUMULATIVE FIGURES

NOK million	Q2 2006	Q1 2006	Q4 2005	Q3 2005	Q2 2005	Q1 2005	Q4 2004	Q3 2004
<b>Group</b>								
Earnings per ordinary share (NOK)	3.01	1.70	5.41	3.73	2.55	1.13	8.53	6.40
Equity	8 478	9 269	9 052	8 896	8 725	10 191	10 136	9 819
Capital ratio	10.6 %	10.6 %	11.2 %	12.6 %	13.6 %	14.6 %	15.3 %	18.0 %
<b>Life Insurance</b>								
<b>Storebrand Livsforsikring *)</b>								
Premiums for own account **)	10 591	7 986	18 318	15 548	12 791	8 095	17 912	12 552
Policyholders' funds incl. accrued profit	140 563	140 433	134 463	133 157	131 092	127 179	121 066	116 122
Investment yield I ***) annualised	7.0 %	6.6 %	6.9 %	6.5 %	6.4 %	5.7 %	6.4 %	5.7 %
Investment yield II ***) year to date	2.4 %	2.8 %	7.5 %	5.9 %	3.3 %	1.4 %	7.2 %	4.6 %
Capital ratio (Storebrand Life Insurance group)	10.4 %	10.7 %	10.9 %	11.8 %	12.5 %	14.1 %	14.4 %	17.3 %
Operating costs as % of policyholders' funds	1.05 %	1.06 %	1.06 %	0.90 %	1.00 %	0.86 %	0.90 %	0.87 %
<b>Storebrand Fondsforsikring</b>								
Premiums for own account	833	490	992	641	357	203	619	440
Policyholders' funds	6 281	6 392	5 719	5 317	4 838	4 675	4 476	4 287
<b>Storebrand Bank</b>								
Interest margin %	1.36 %	1.41 %	1.60 %	1.62 %	1.69 %	1.78 %	1.63 %	1.63 %
Cost/income %	71 %	74 %	63 %	63 %	59 %	61 %	84 %	84 %
Non-interest income/total income %	22 %	19 %	19 %	15 %	20 %	17 %	39 %	44 %
Net lending	27 490	26 797	26 279	25 077	23 980	22 972	23 474	23 187
Capital ratio	9.8 %	10.3 %	10.5 %	11.9 %	12.2 %	15.1 %	13.8 %	12.4 %
<b>Storebrand Investments (Asset management)</b>								
Total funds under management	206 355	209 276	204 825	177 048	172 001	170 566	165 009	178 605
Funds under mgmt. for external clients	50 707	50 790	49 716	24 688	23 995	25 006	25 389	43 295

\*) Figures prepared in accordance with NGAAP.

\*\*) Including inward transfers of premium reserves.

\*\*\*) Investment yield I: Realised financial income including revaluations (positive or negative) of real estate.

Investment yield II: As Investment yield I but including change in unrealised gains on financial current assets.

