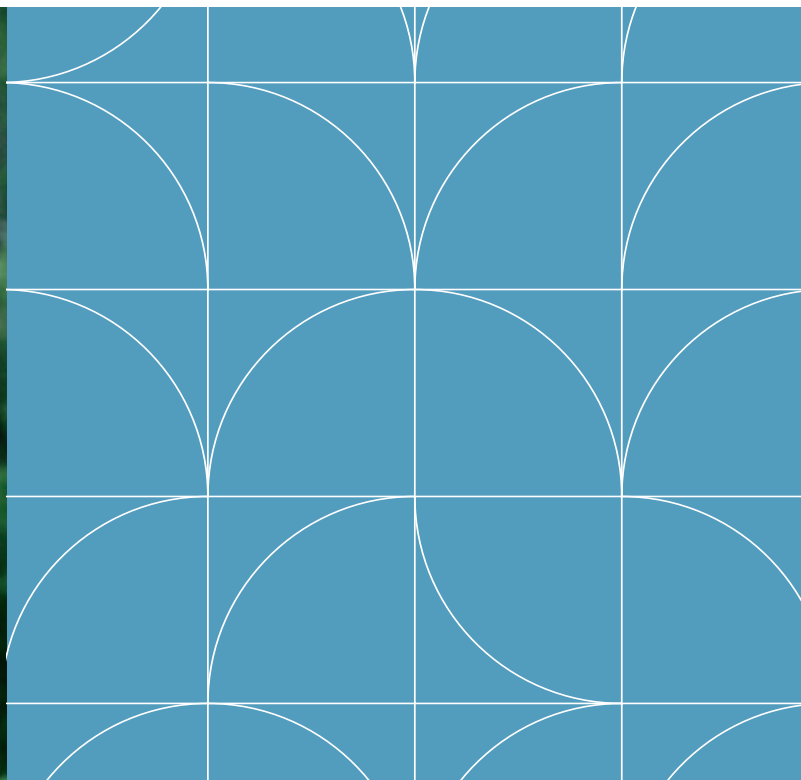


# Storebrand Bank Group

2nd Quarter 2007

 storebrand



# Storebrand Bank Group

## - interim results for Q2 2007

(Figures for the corresponding period in 2006 shown in brackets)

- Storebrand Bank reported consolidated pre-tax profit of NOK 55 million for Q2
- Continuing strong growth in lending – lending to the retail market up by over 15% for the first six months
- Net fee and commission income of NOK 17 million for Q2 – reflecting good sales for real estate investment funds
- Reduction in cost ratio – 62% in Q2
- Q2 net interest margin calculated on average total assets of 1.05% on an annualised basis

Storebrand Bank group reported ordinary operating profit before write-downs for loan losses of NOK 51 million (NOK 44 million) for Q2 2007 and NOK 85 million (NOK 78 million) in the first six months. After a net write-back of earlier loan loss write-downs of NOK 4 million, pre-tax profit for Q2 was NOK 55 million (NOK 59 million). Consolidated operating profit for the first six months was NOK 134 million (NOK 107 million).

Net interest income amounted to NOK 102 million (NOK 102 million) in Q2. Net interest income for the first six months totalled NOK 194 million (NOK 209 million), representing a net interest margin calculated on average total assets of 1.06% (1.36%). Net interest margin is affected by competitive pricing and sound growth in the bank's lending, and is also affected in the short term by Norges Bank's increases in interest rates. Net interest margin was also affected by a temporary surplus in the bank's liquidity. Measures implemented to strengthen net interest margin are expected to produce positive effects in the second half of 2007.

Net fee and commission income amounted to NOK 17 million in Q2 (NOK 5 million) and NOK 28 million for the first six months (NOK 9 million). This included net commission income on sales of Storebrand Optimér and real estate investment fund products. The positive trend seen for alternative types of saving in the form of real estate investment funds and Storebrand Optimér is helping to increase fee and commission income.

Other operating income amounted to NOK 14 million in Q2 (NOK 9 million). The bank recorded a gain of NOK 7 million on the sale of a subsidiary in Q2.

Operating expenses amounted to NOK 83 million in Q2 (NOK 72 million) and NOK 164 million (NOK 166 million) for the first six months, representing a cost ratio (costs as percentage of income) of 65.8% for the first six months (68.1%). The cost ratio for full-year 2006 was 71.3%. The improvement in cost ratio reflects the measures implemented by the bank in 2006 and 2007 to increase efficiency and continuously improve its internal processes.

Changes in realised loan losses and loan loss write-downs in Q2 resulted in a net write-back of NOK 4 million (NOK 15 million). Gross non-performing and loss-exposed loans totalled NOK 567 million at the close of Q2, representing a reduction of NOK 30 million in the quarter. The bank's loan loss write-downs totalled NOK 371 million at the end of Q2, of which grouped write-downs accounted for NOK 74 million.

The bank's assets totalled NOK 40 billion at the close of Q2. Gross lending has increased by NOK 3.7 billion since the start of the year, representing growth of almost 12%. The increase in Q2 was made up of just over NOK 1.7 billion of lending to the retail market and NOK 0.6 billion to the corporate market. Lending by Storebrand Life Insurance managed by Storebrand Bank ASA decreased with NOK 0.4 billion in the quarter. The bank's deposit-to-loan ratio was 44.1% at the end of Q2, representing a marginal increase since the start of the year.

In May 2007, Storebrand Bank ASA issued a NOK 450 million bond loan, listed on the stock exchange in Luxembourg. This issue contributed to the bank holding higher than normal liquidity for the period to the repayment of the current bond loan that matures in August 2007. The bank's liquidity is considered satisfactory, and provides scope to finance further balance sheet growth.

The bank's capital ratio at the end of Q2 was 10.5% and its core capital ratio was 7.9%. Net primary capital amounted to NOK 2.4 billion at the close of Q2. The bank issued a new subordinated loan in the quarter, and net primary capital amounted to NOK 2.6 billion at the close of Q2.

The marketing activities and pricing implemented by Storebrand Bank have played a major role in making the bank very competitive in the market. This is reflected in continuing strong growth in lending and in customer numbers. Lending to the retail market has increased by over 15% for the year to date. Over 6,500 new accounts were opened in Q2, bringing the total for the first six months to over 12,400.

Oslo, 7 August 2007

The Board of Directors of Storebrand Bank ASA

# Storebrand Bank Group

## PROFIT AND LOSS ACCOUNT 1)

NOK MILLION	NOTE	Q2		01.01. - 30.06.		YEAR
		2007	2006	2007	2006	2006
Interest income		460.6	291.2	847.1	570.0	1 220.0
Interest expense		-358.7	-188.8	-652.7	-361.2	-801.2
<b>Net interest income</b>		<b>101.8</b>	<b>102.4</b>	<b>194.4</b>	<b>208.8</b>	<b>418.8</b>
Fee and commission income from banking services		38.3	22.2	78.7	42.0	112.3
Fee and commission expenses for banking services		-21.3	-17.2	-50.8	-33.3	-80.3
<b>Net fee and commission income</b>		<b>17.0</b>	<b>5.0</b>	<b>27.9</b>	<b>8.7</b>	<b>31.9</b>
Net income and gains from associated companies		0.0	0.4	0.0	14.2	10.6
Net gains on financial instruments at fair value		3.5	13.2	6.3	5.1	22.9
Other income		10.9	-5.1	19.9	6.5	13.3
<b>Total other operating income</b>		<b>14.4</b>	<b>8.5</b>	<b>26.2</b>	<b>25.8</b>	<b>46.8</b>
Staff expenses and general administration expenses		-54.6	-48.5	-110.5	-88.9	-218.9
Other operating costs		-28.1	-23.4	-53.1	-76.8	-135.6
<b>Total operating costs</b>		<b>-82.7</b>	<b>-71.9</b>	<b>-163.5</b>	<b>-165.7</b>	<b>-354.5</b>
<b>Operating profit before losses and other items</b>		<b>50.5</b>	<b>43.9</b>	<b>85.1</b>	<b>77.6</b>	<b>143.0</b>
Net write-back in loan losses	9	4.2	15.1	49.1	29.7	47.0
<b>Profit before tax</b>		<b>54.7</b>	<b>59.1</b>	<b>134.1</b>	<b>107.4</b>	<b>190.0</b>
Tax	4	-12.9	-13.1	-33.8	-26.0	-42.7
<b>Profit for the year</b>		<b>41.8</b>	<b>46.0</b>	<b>100.4</b>	<b>81.4</b>	<b>147.3</b>
Allocated to:						
Shareholders		41.4	46.1	100.3	81.4	147.1
Minority interests		0.4	-0.1	0.1	-0.1	0.2

1) Comparable figures for 1st half of 2006 have been reclassified.

# Storebrand Bank Group

## BALANCE SHEET

NOK MILLION	NOTE	30.06.2007	30.06.2006	31.12.2006
Cash and deposits with central banks		886.2	341.5	394.4
Loans to and deposits with credit institutions		96.5	137.4	114.9
Financial assets designated at fair value through profit and loss:				
Equity instruments		9.7	11.4	8.2
Bonds and other fixed-income securities	8	2 989.1	2 052.8	1 698.6
Derivatives		936.7	581.4	642.9
Other current assets		330.7	425.0	293.7
Gross lending		34 883.0	27 933.2	31 181.1
- Write-downs of individual loans	9	-297.1	-359.9	-360.0
- Write-downs of groups of loans		-74.0	-83.1	-73.3
Net lending to customers		34 511.9	27 490.3	30 747.9
Investments in associated companies		29.2	30.0	29.2
Tangible assets	10	7.4	9.1	7.2
Intangible assets	10	63.4	35.3	46.1
Deferred tax assets		138.2	184.3	172.5
<b>TOTAL ASSETS</b>		<b>39 999.1</b>	<b>31 298.4</b>	<b>34 155.5</b>
Liabilities to credit institutions	11	2 319.1	1 539.7	2 786.0
Deposits from and due to customers		15 386.4	13 476.7	13 533.7
Other financial liabilities:				
Derivatives		1 054.1	509.9	607.2
Commercial paper and bonds issued	11	17 806.9	13 129.6	14 396.7
Other liabilities		489.2	318.7	339.0
Provision for accrued expenses and liabilities		4.0	4.0	4.0
Pension liabilities		70.1	53.4	70.1
Subordinated loan capital	11	909.2	659.8	759.3
<b>TOTAL LIABILITIES</b>		<b>38 039.0</b>	<b>29 691.8</b>	<b>32 495.9</b>
Paid in capital		1 116.6	916.6	916.6
Retained earnings		840.0	687.1	739.6
Minority interests		3.5	2.9	3.5
<b>TOTAL EQUITY</b>		<b>1 960.0</b>	<b>1 606.6</b>	<b>1 659.6</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>39 999.1</b>	<b>31 298.4</b>	<b>34 155.5</b>

Oslo, 7 August 2007

The Board of Directors of Storebrand Bank ASA

# Storebrand Bank Group

## CHANGES IN EQUITY

NOK MILLION	30.06.07				30.06.06			
	MAJORITY'S SHARE OF EQUITY			TOTAL EQUITY	MAJORITY'S SHARE OF EQUITY			TOTAL EQUITY
	PAID IN CAPITAL	RETAINED EARNINGS	MINORITY INTEREST		PAID IN CAPITAL	RETAINED EARNINGS	MINORITY INTEREST	
Equity as at 31.12.06 / 31.12.05	916.6	739.6	3.4	1 659.6	916.5	793.0	3.0	1 712.5
New accounting principle for pensions		0.0		0.0		30.4		30.4
<b>Equity at the beginning of the period</b>	<b>916.6</b>	<b>739.6</b>	<b>3.4</b>	<b>1 659.6</b>	<b>916.5</b>	<b>823.4</b>	<b>3.0</b>	<b>1 742.9</b>
The year's change in estimate regarding new accounting principle for pensions		0.0		0.0		4.1		4.1
Profit for the period		100.3	0.1	100.4		81.4	-0.1	81.4
Equity transactions with the owner:								
Dividend paid				0.0		-222.4		-222.4
Group contribution	200.0			200.0	0.0	0.0	0.0	0.0
Other changes				0.0		0.6	0.0	0.6
<b>Equity at the end of the period</b>	<b>1 116.6</b>	<b>839.9</b>	<b>3.5</b>	<b>1 960.0</b>	<b>916.5</b>	<b>687.1</b>	<b>2.9</b>	<b>1 606.6</b>

## CASH FLOW STATEMENT

NOK MILLION	01.01. - 30.06.	
	2007	2006
<b>Cash flow from operations</b>		
Net receipts/payments of interest, commissions and fees from customers	176.1	178.4
Net disbursement/payments on customer loans	-3 704.3	-1 277.4
Net receipts/payments of deposits from banking customers	1 385.8	2 364.9
Net receipts/payments on other operating activities	-1 601.1	-567.0
<b>Net cash flow from operating activities</b>	<b>-3 743.5</b>	<b>698.9</b>
<b>Cash flow from investment activities</b>		
Net receipts from sale of subsidiaries and associated companies	0.0	9.5
Net payments on purchase/sale of fixed assets etc.	-21.6	-17.5
<b>Net cash flow from investment activities</b>	<b>-21.6</b>	<b>-8.0</b>
<b>Cash flow from financing activities</b>		
Net receipts/payment from borrowing	4 056.9	-550.9
Dividend/group contribution payments	0.0	-222.4
Paid back share capital	200.0	0.0
<b>Net cash flow from financing activities</b>	<b>4 256.9</b>	<b>-773.3</b>
<b>Net cash flow in period</b>	<b>491.8</b>	<b>-82.4</b>
Cash and cash equivalent assets at the start of the period	394.4	423.9
<b>Cash and cash equivalent assets at the end of the period</b>	<b>886.2</b>	<b>341.5</b>

# Notes to the accounts

## NOTE 1 ACCOUNTING PRINCIPLES

The consolidated interim accounts for the group include Storebrand Bank ASA together with subsidiaries, joint ventures and associated companies. The interim accounts for 1st half 2007 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 Bank ASA for 2006 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 2006 accounts.

## NOTE 2 ESTIMATES

In preparing the quarterly accounts, Storebrand Bank 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 3 CHANGES IN THE COMPOSITION OF THE GROUP

Storebrand Bank ASA, acting in collaboration with Lindorff Accounting AS, has established a company in Lithuania known as Evoco UAB. Evoco 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's accounts will be consolidated on an item by item basis proportionate to the bank's shareholding interest.

The subsidiary company Neskollen Eiendom AS are sold in the second quarter. A gain of NOK 7.2 million was recognized to the consolidated profit and loss account.

## NOTE 4 TAX

Tax cost is based on an expected average tax rate of 28% of group profit before tax adjusted for permanent differences.

## NOTE 5 CLOSE ASSOCIATES

Transactions with group companies as at 30 June 2007:

NOK MILLION	OTHER GROUP COMPANIES *)
Interest income	0.0
Interest expense	1.9
Services sold	1.9
Services purchased	27.5
Due from	0
Liabilities to	20.9

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

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

## NOTE 6 SHARE PURCHASES BY EMPLOYEES

In February 2007, employees of Storebrand Group were offered the opportunity to buy shares in the company at a discounted price. The basis for the purchase price was the weighted market share price from 5 March to 7 March, and employees were offered shares at a 20% discount to the calculated average. A total of 236,300 shares were sold from Storebrand ASA's holdings of its own shares.

# Notes to the accounts

## NOTE 7 SEGMENT INFORMATION

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

NOK MILLION	CORPORATE					RETAIL				
	Q2 2007	Q2 2006	01.01. - 2007	01.01. - 2006	YEAR 2006	Q2 2007	Q2 2006	01.01. - 2007	01.01. - 2006	YEAR 2006
<b>Profit and loss items:</b>										
Net interest income	47.4	45.6	93.7	93.1	189.6	49.4	49.3	90.6	100.8	206.2
Net fee and commission income	1.3	0.1	1.5	-2.5	8.0	2.3	8.9	2.3	7.9	5.5
Total operating income	8.7	1.4	15.5	6.8	11.0	3.2	3.5	4.9	10.4	21.7
Total operating costs	-28.6	-24.7	-56.2	-56.5	-123.5	-42.9	-42.7	-87.3	-87.9	-180.3
<b>Operating profit before loan losses</b>	<b>28.9</b>	<b>22.5</b>	<b>54.5</b>	<b>40.9</b>	<b>85.0</b>	<b>12.1</b>	<b>19.1</b>	<b>10.4</b>	<b>31.3</b>	<b>53.1</b>
Loan losses and write-downs	6.7	18.3	55.9	37.1	54.6	-2.5	-3.2	-6.8	-7.0	-7.7
<b>Ordinary profit from continuing operations</b>	<b>35.5</b>	<b>40.8</b>	<b>110.4</b>	<b>78.1</b>	<b>139.7</b>	<b>9.6</b>	<b>15.8</b>	<b>3.7</b>	<b>24.3</b>	<b>45.4</b>
<b>Ordinary profit from businesses discontinued</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Balance sheet items:										
Gross lending to customers	12 238.7	10 210.7	12 238.7	10 210.7	11 545.1	22 644.4	17 722.5	22 644.4	17 722.5	19 636.0
Deposits from and due to customers	6 032.1	5 640.3	6 032.1	5 640.3	5 373.9	9 354.3	7 836.4	9 354.3	7 836.4	8 159.8
Key figures:										
Costs as % of income	50%	52%	51%	58%	59%	78%	69%	89%	74%	77%
Deposits from and due to customers as % of gross lending	49%	55%	49%	55%	47%	41%	44%	41%	44%	42%
NOK MILLION	SAVINGS PRODUCTS					STOCKBROKING				
	Q2 2007	Q2 2006	01.01. - 2007	01.01. - 2006	YEAR 2006	Q2 2007	Q2 2006	01.01. - 2007	01.01. - 2006	YEAR 2006
<b>Profit and loss items:</b>										
Net interest income	5.1	7.3	10.1	14.8	23.0	-0.2	0.0	-0.1	0.0	-0.2
Net fee and commission income	11.0	-4.2	20.9	3.1	14.5	2.3	0.2	3.2	0.2	3.9
Total operating income	-0.3	0.0	0.0	2.1	0.0	0.1	0.0	0.0	0.0	0.0
Total operating costs	-7.7	0.2	-10.8	-10.9	-30.6	-1.8	-1.4	-3.2	-2.6	-6.4
<b>Operating profit before loan losses</b>	<b>8.1</b>	<b>3.3</b>	<b>20.1</b>	<b>9.1</b>	<b>7.0</b>	<b>0.4</b>	<b>-1.2</b>	<b>-0.1</b>	<b>-2.4</b>	<b>-2.7</b>
Loan losses and write-downs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Ordinary profit from continuing operations</b>	<b>8.1</b>	<b>3.3</b>	<b>20.1</b>	<b>9.1</b>	<b>7.0</b>	<b>0.4</b>	<b>-1.2</b>	<b>-0.1</b>	<b>-2.4</b>	<b>-2.7</b>
<b>Ordinary profit from businesses discontinued</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Balance sheet items:										
Gross lending to customers										
Deposits from and due to customers										
Key figures:										
Costs as % of income	49%	6%	35%	55%	81%	82%	697%	104%	1348%	175%
Deposits from and due to customers as % of gross lending										
NOK MILLION	REAL ESTATE BROKING					TOTAL				
	Q2 2007	Q2 2006	01.01. - 2007	01.01. - 2006	YEAR 2006	Q2 2007	Q2 2006	01.01. - 2007	01.01. - 2006	YEAR 2006
<b>Profit and loss items:</b>										
Net interest income	0.1	0.0	0.1	0.1	0.2	101.8	102.4	194.4	208.8	418.8
Net fee and commission income	0.0	0.0	0.0	0.0	0.0	17.0	5.0	27.9	8.7	31.9
Total operating income	2.7	3.6	5.9	6.4	14.2	14.4	8.5	26.2	25.8	46.8
Total operating costs	-1.7	-3.4	-6.0	-7.7	-13.8	-82.7	-71.9	-163.5	-165.7	-354.5
<b>Operating profit before loan losses</b>	<b>1.1</b>	<b>0.3</b>	<b>0.1</b>	<b>-1.2</b>	<b>0.6</b>	<b>50.5</b>	<b>43.9</b>	<b>85.1</b>	<b>77.6</b>	<b>143.0</b>
Loan losses and write-downs	0.0	0.0	0.0	-0.4	0.0	4.2	15.1	49.1	29.7	47.0
<b>Ordinary profit from continuing operations</b>	<b>1.1</b>	<b>0.3</b>	<b>0.1</b>	<b>-1.7</b>	<b>0.6</b>	<b>54.7</b>	<b>59.1</b>	<b>134.1</b>	<b>107.4</b>	<b>190.0</b>
<b>Ordinary profit from businesses discontinued</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Balance sheet items:										
Gross lending to customers						34 883.0	27 933.2	34 883.0	27 933.2	31 181.1
Deposits from and due to customers						15 386.4	13 476.7	15 386.4	13 476.7	13 533.7
Key figures:										
Costs as % of income	61%	93%	99%	119%	96%	62%	62%	66%	68%	71%
Deposits from and due to customers as % of gross lending						44%	48%	44%	48%	43%

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# Notes to the accounts

## NOTE 7 SEGMENT INFORMATION (continued)

Business segments are the group's primary reporting segments.

### Description of the segments:

Corporate: This segment includes deposits from and loans to corporate customers, principally in the real estate investor/developer sector.

Retail: Deposits from and lending to private individuals, including credit card services. Lending is principally secured against residential property.

Savings products: Includes all structured products (equity index bonds), as well as sales of real estate investment funds etc.

Stockbroking: This activity covers purchases and sales of Norwegian and foreign shares.

Real estate broking: This segment is made up solely of Ring Eiendomsmegling AS, in which the bank had a 70 % interest at the close of 1st half 2007.

Income and costs that cannot be directly attributed to a segment are allocated on the basis of the segments' share of total assets.

## NOTE 8 OFF BALANCE SHEET LIABILITIES AND CONTINGENT LIABILITIES

NOK MILLION	30.06.2007	30.06.2006	31.12.2006
Guarantees	339.4	281.8	290.2
Undrawn credit limits	2 041.3	1 322.7	1 687.4
<b>Total contingent liabilities</b>	<b>2 380.7</b>	<b>1 604.5</b>	<b>1 977.6</b>
Book value of bonds pledged as security for the bank's D-loan facility with the Norwegian central bank	1 927.5	1 737.5	1 698.6
<b>Total book value of off balance sheet liabilities</b>	<b>1 927.5</b>	<b>1 737.5</b>	<b>1 698.6</b>

## NOTE 9 LOSSES AND PROVISIONS FOR NON-PERFORMING AND LOSS-EXPOSED LOANS, GUARANTEES ETC.

NOK MILLION	30.06.2007	30.06.2006	31.12.2006
<b>Non-performing and loss-exposed loans</b>			
Non-performing loans without evidence of impairment	214.5	127.7	109.0
Non-performing and loss-exposed loans with evidence of impairment	352.1	502.1	423.7
<b>Gross defaulted and loss-exposed loans</b>	<b>566.6</b>	<b>629.8</b>	<b>532.7</b>
<b>Provisions for individual impairment losses</b>	<b>-297.1</b>	<b>-359.9</b>	<b>-360.0</b>
<b>Net defaulted and loss-exposed loans</b>	<b>269.5</b>	<b>269.9</b>	<b>172.7</b>

Individual losses in respect of guarantees amount to NOK 4 million and are recognised in the balance sheet under "Provisions for accrued expenses and liabilities"

NOK MILLION	2007	Q2 2006	01.01.07 - 30.06.07	01.01.06 - 30.06.06	YEAR 2006
<b>Losses on loans and guarantees etc. during period</b>					
Change in individual impairment loss provisions	20.0	21.4	62.9	29.7	29.6
Change in grouped impairment loss provisions	-4.7	-1.2	-0.7	6.1	15.9
Other write-down effects	-1.1	-4.4	1.2	-5.2	22.4
Realised losses specifically provided for previously	-12.1	0.0	-15.9	0.0	-17.2
Realised losses not specifically provided for previously	-0.2	-0.9	-0.7	-1.3	-6.2
Recoveries on previous realised losses	2.2	0.2	2.2	0.4	2.4
<b>Net write-back in loan losses</b>	<b>4.2</b>	<b>15.1</b>	<b>49.1</b>	<b>29.7</b>	<b>47.0</b>



# Notes to the accounts

## NOTE 10 INTANGIBLE ASSETS AND FIXED ASSETS

Costs of NOK 14.5 million were capitalised in the second quarter as intangible assets and fixed assets. This relates principally to costs incurred on systems development, data warehouse, systems licenses and similar costs.

## NOTE 11 FUNDING

Drawdowns and repayments of funding by type of transaction during the course of the 1st half 2007 were as follows:

NOK MILLION	NOMINAL VALUE	BOOK VALUE
Balance brought forward as at 1.1.2007	15 273.7	17 942.0
<b>Drawdowns:</b>		
Interbank	0.0	15 649.1
Commercial paper	2 190.0	2 186.6
Bond loans <sup>1)</sup>	5 899.3	5 881.0
Structured bond loans	105.4	91.5
<b>Repayments:</b>		
Interbank		-16 107.4
Commercial paper	-2 891.0	-2 890.9
Bond loans	-1 373.3	-1 373.3
Structured bond loans	-321.7	-321.8
Changes in amortisation and in fair value		-21.6
<b>Balance carried forward as at 30.6.2007</b>	<b>18 882.4</b>	<b>21 035.2</b>

1) Includes a bond loan of EUR 450 million listed on the Luxembourg stock exchange that was issued in May 2007.

## Specification of commercial paper and bonds issued at 30 June 2007:

NOK MILLION	NOMINAL VALUE	BOOK VALUE
Commercial paper	3 030.0	3 026.2
Bond loans	13 082.5	13 072.3
Structured bond loans	1 807.4	1 708.4
<b>Total commercial paper and bonds issued</b>	<b>17 919.9</b>	<b>17 806.9</b>

## NOTE 12 RISK

The group's objectives and principles for the management of financial risk are as described in the 2006 annual report.

# Notes to the accounts

## NOTE 13 CAPITAL ADEQUACY <sup>1)</sup>

NOK MILLION	30.06.2007	30.06.2006	31.12.2006
Core capital	1 959.6	1 514.3	1 925.5
Supplementary capital	633.7	444.4	484.1
<b>Net primary capital</b>	<b>2 593.3</b>	<b>1 958.6</b>	<b>2 409.7</b>
Total assets	24 436.4	19 955.9	21 868.3
Total off-balance sheet items	621.3	396.8	482.8
Foreign exchange risk	1.4	1.5	4.0
Deduction for loss provisions	-375.1	-446.9	-437.3
<b>Total risk-weighted assets</b>	<b>24 683.9</b>	<b>19 907.2</b>	<b>21 917.7</b>
Capital ratio	10.5 %	9.8 %	11.0 %
Excess capital	618.5	366.0	656.3
<b>Core capital ratio</b>	<b>7.9 %</b>	<b>7.6 %</b>	<b>8.8 %</b>

1) Key figures are in accordance with the current guidelines from the Financial Supervisory Authority of Norway. Storebrand Bank ASA has elected to apply the transitional rules which allow capital adequacy to be reported in accordance with the existing Basel I regulations in 2007. From 2008, the bank will use the standard method for credit risk and market risk, and the basic method for operational risk in accordance with the new capital adequacy regulations (Basel II). Storebrand Bank ASA aims to implement internal rating-based methods (IRB), and plans to be in a position to apply the IRB approach from Q2 2009. The bank's preparations for Basel II are focusing on the business opportunities the new regulations represent.

## NOTE 14 QUARTERLY PROFIT AND LOSS

NOK MILLION	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q2 2006
Interest income	460.6	386.5	338.6	311.5	291.2
Interest expense	-358.7	-293.9	-237.3	-202.8	-188.8
<b>Net interest income</b>	<b>101.8</b>	<b>92.6</b>	<b>101.3</b>	<b>108.7</b>	<b>102.4</b>
Fee and commission income from banking services	38.3	40.4	37.6	32.7	22.2
Fee and commission expenses for banking services	-21.3	-29.4	-26.6	-20.5	-17.2
<b>Net fee and commission income</b>	<b>17.0</b>	<b>11.0</b>	<b>11.1</b>	<b>12.2</b>	<b>5.0</b>
Net income and gains from associated companies	0.0	0.0	-0.8	0.0	0.4
Net gains on financial instruments at fair value	3.5	2.8	10.4	4.6	13.2
Other income	10.9	9.0	3.6	3.3	-5.1
<b>Total other operating income</b>	<b>14.4</b>	<b>11.8</b>	<b>13.2</b>	<b>7.9</b>	<b>8.5</b>
Staff expenses and general administration expenses	-54.6	-55.9	-63.9	-53.0	-48.5
Other operating costs	-28.1	-25.0	-31.9	-40.0	-23.4
<b>Total operating costs</b>	<b>-82.7</b>	<b>-80.8</b>	<b>-95.8</b>	<b>-93.0</b>	<b>-71.9</b>
<b>Operating profit before losses and other items</b>	<b>50.5</b>	<b>34.5</b>	<b>29.7</b>	<b>35.7</b>	<b>43.9</b>
Net write-back in loan losses	4.2	44.9	6.3	10.9	15.1
<b>Profit before tax</b>	<b>54.7</b>	<b>79.4</b>	<b>36.0</b>	<b>46.6</b>	<b>59.1</b>
Tax	-12.9	-20.8	-3.0	-13.7	-13.1
<b>Profit for the year</b>	<b>41.8</b>	<b>58.6</b>	<b>33.0</b>	<b>32.9</b>	<b>46.0</b>

# Notes to the accounts

## NOTE 15 KEY FIGURES

NOK MILLION AND PERCENTAGE	Q2				
	2007	2006	30.06.2007	30.06.2006	31.12.2006
<b>Profit and Loss account: (as % of avg. total assets) <sup>1)</sup></b>					
Net interest income <sup>3)</sup>	1.05%	1.31%	1.06%	1.36%	1.32%
Other operating income <sup>4)</sup>	0.33%	0.17%	0.29%	0.23%	0.25%
<b>Main balance sheet figures:</b>					
Total assets			39 999.1	31 298.4	34 155.5
Average total assets	38 558.2	31 174.7	37 090.6	30 593.1	31 691.8
Total lending to customers			34 883.0	27 933.2	31 181.1
Deposits from and due to customers as % of gross lending			44.11%	48.25%	43.40%
Equity			1 960.0	1 606.6	1 659.6
<b>Other key figures:</b>					
Total non-interest income as % of total income	23.53%	11.64%	21.79%	14.17%	15.82%
Loan losses and provisions as % of average total lending	-0.05%	-0.22%	-0.30%	-0.22%	-0.17%
Individual impairment loss as % of gross defaulted loans <sup>5)</sup>			84.38%	71.68%	84.96%
Costs as % of operating income	62.07%	62.08%	65.78%	68.09%	71.25%
Return on equity after tax <sup>2)</sup>	9.00%	11.63%	11.51%	8.78%	8.39%
Capital ratio			10.51%	9.84%	11.00%

### Definitions:

- 1) Average total assets is calculated on the basis of quarterly total assets for the year
- 2) Annualised profit after tax adjusted for one-off effects as % of average equity
- 3) Annualised 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

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Company registration number: 953 299 216

## Senior Management:

Klaus-Anders Nysteen	Managing Director
Trond Fladvad	Head of Business Development
Robert Fjelli	Head of Markets
Monica Kristoffersen	Head of Retail Banking
Geir Larsen	Head of Stockbroking
Mikkel Andreas Vogt	Head of Corporate Banking
Karsten Solberg	Head of Structured Products
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

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