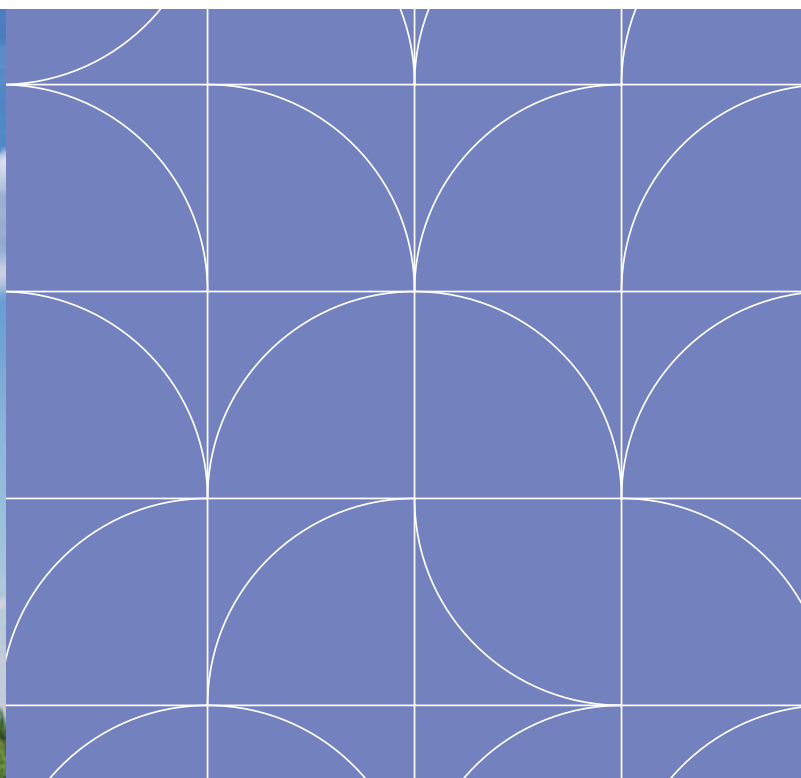


Storebrand Bank Group

4th Quarter 2010



Storebrand Bank Group

- Interim report for 4Q 2010

(Figures for the corresponding period in 2009 shown in brackets)

- Continued improvement in profitability
- Growth in net interest income
- Cost program delivers according to plan

RESULT

The bank group's operating profit before losses and write-downs on investment properties amounted to NOK 44 million (NOK 35 million) for the quarter and NOK 158 million (NOK 115 million) for the full year. The result for 2010 shows an improvement of NOK 64 million compared with 2009, primarily due to improved net interest income and the implemented costs program.

Net interest income amounted to NOK 113 million (NOK 104 million) for 4Q and NOK 457 million (NOK 423 million) for the full year. The bank group's performance was characterised by improved deposit margins and reduced borrowing costs compared with the same period in 2009. Net interest income as a percentage of average total assets was 1.14 per cent (0.92 per cent) for the quarter and 1.10 per cent (0.95 per cent) for the full year.

Net fee and commission income was on a par with last year and amounted to NOK 19 million (NOK 20 million) for 4Q and NOK 74 million (NOK 76 million) for the full year.

Other income amounted to NOK 36 million (NOK 57 million) for the quarter and NOK 102 million (NOK 148 million) for the full year. The reduction in other income compared with last year was primarily a result of general spread widening, which reduces the value of the bank group's liquidity portfolio, as well as the redemption of Euro bonds in the subsidiary Storebrand Boligkreditt AS in 2Q 2010. Value creation in the liquidity portfolio amounted to minus NOK 2 million (NOK 2 million) for 4Q and minus NOK 6 million (NOK 22 million) for the full year.

Ring Eiendomsmegling's income amounted to NOK 20 million (NOK 22 million) for 4Q and NOK 89 million (NOK 85 million) for the full year. The growth in income in the year was due to an increase in sales of new housing projects and increased average sales commission. The result also developed positively and the pre-tax result in Ring Eiendomsmegling for 4Q and the full year was minus NOK 5 million (minus NOK 22 million) and minus NOK 5 million (minus NOK 38 million), respectively. Ring Eiendomsmegling's result for 2010 was affected by continued restructuring, the company has booked costs of NOK 4 million in the quarter related to concept development and system development.

The banking operations operating costs¹⁾ were NOK 87 million (NOK 92 million) for the quarter and NOK 351 million for the full year, compared to NOK 391 million for the full year 2009. The positive development reflects the result of the bank's cost program, which has delivered expected cost reductions. The cost/income ratio in bank operations was 70 per cent for 3Q and 68 per cent for the year-to-date. The increase in 4Q was due in part to costs associated with the continued implementation of the bank's costs program.

A NOK 15 million (NOK 13 million) of net lending write-downs were recognised as costs in the quarter, and NOK 15 million (NOK 46 million) for the full year. There was a net change during the quarter of NOK 2 million in write-downs on investment properties linked to repossessed collateral. Total write-downs in investment properties (presented on a separate line under operating costs) for the full year amounted to NOK 14 million, compared with NOK 35 million for the full year 2009.

¹⁾ Banking operations consist of Storebrand Bank ASA, Storebrand Boligkreditt AS and Storebrand Eiendomskreditt AS.

Portfolio performance and credit risk

Gross lending to customers amounted to NOK 34 billion at year-end 2010. This was unchanged in the quarter and represents a reduction of NOK 2 billion since year-end 2009. The retail portfolio accounted for NOK 0.9 billion of the reduction in the last quarter and NOK 2.5 billion for the full year. This development was primarily due to a reduction in loan portfolios linked to the winding up of external distribution. Gross lending in Storebrand Eiendomskreditt amounted to NOK 2.3 billion, and gross lending in Storebrand Boligkreditt amounted to NOK 13.8 billion.

The bank's retail market portfolio represents 65 per cent of the bank's total lending and primarily comprises low risk mortgages. The average weighted loan-to-collateral value ratio is around 54 per cent for mortgages. Corporate market lending accounts for 35 per cent of the portfolio and at year-end 2010 the portfolio consisted of approximately 80 per cent lending to income generating property and 20 per cent lending to development projects. Lending to income generating property is secured by lease properties, which at a portfolio level are characterised by a well diversified tenant profile and long-term leases. Few customers' commitments are non-performing or loss-exposed, and the level of losses in the portfolio is low.

The volume of non-performing and loss-exposed commitments in the bank group amounted to NOK 698 million, equivalent to 2.0 per cent of gross lending, at the close of the quarter. The increase in 4Q was primarily related to one commitment, which went into compulsory liquidation in January 2011. This is an improvement since year-end 2009 when the volume of non-performing and loss-exposed loans amounted to 2.5 per cent of gross lending.

Losses developed positively compared with 2009 and total losses for the full year amounted to 0.07 per cent (0.19 per cent) of total assets, including write-downs on investment properties (taken over commitments).

Liquidity risk and funding

The volume of deposits amounted to NOK 19 billion at the close of the quarter. The deposit-to-loan ratio was 55 per cent. This is an increase from 51 per cent at year-end 2009.

The bank established new and longer term credit facilities totalling NOK 1,250 million in October 2010 and thus redeemed its existing credit facility. The higher proportion of deposits during 2010 and good access to funding, especially through covered bonds, are providing the bank with a solid funding platform.

Covered bonds issued by Storebrand Eiendomskreditt AS were redeemed early in December 2010. During the quarter, Storebrand Bank ASA received approval from the Ministry of Finance to substitute collateral linked to the Norwegian Government's swap arrangement.

Capital adequacy

The bank group's capital adequacy was 13.0 per cent and its core (tier 1) capital ratio was 10.6 per cent at the close of the quarter.

MARKET

The competition for mortgages remained tough throughout the quarter. The bank has implemented a series of measures aimed at retaining existing customers, as well as recruiting new customer and cross sales measures.

House prices fell by an average of 1.1 per cent in 4Q, but rose by 6.5 per cent for the year as a whole. Nonetheless, housing sales were very good in the quarter with more than 11,000 homes sold, which is an increase on 2009. Ring Eiendomsmegling sustained its housing sales from 2009 during the quarter, despite having fewer offices.

The market for commercial properties has to date weathered the financial crisis well with low vacancy levels. Rents has bottomed out and are increasing again, albeit moderately. The market is more focused on eco buildings and the largest tenants are willing to pay a higher rent to attain a high environmental classification. The bank's lending volume in the corporate market grew in 4Q, and quality remained unchanged.

STOREBRAND BANK ASA'S PERFORMANCE

Storebrand Bank ASA's net interest income amounted to NOK 79 million (NOK 73 million) for 4Q and NOK 303

million (NOK 314 million) for the full year. The reduction in 2010 was primarily a result of the reduced lending volume due to the transfer of lending to the mortgage companies.

The development in other income was largely affected by the bank's own holdings of covered bonds issued by Storebrand Boligkreditt AS and used in the swap scheme. The parent bank's other income was positive in the quarter and amounted to NOK 15 million (NOK 97 million) and negative for the full year in the amount of minus NOK 29 million (NOK 129 million).

4Q saw lending write-downs of NOK 19 million (NOK 23 million). At the end of the quarter, non-performing and loss-exposed loans without impairment amounted to NOK 227 million and non-performing and loss-exposed loans with impairment amounted to NOK 408 million, which gives a total volume of non-performing and loss-exposed loans of NOK 635 million.

The deposit-to-loan ratio in the parent bank was 102 per cent at the close of the quarter compared to 86 per cent at year-end 2009. The development of the deposit-to-loan ratio in the parent company was affected by

both the increased volume of deposits and the reduced lending volume in connection with sales of loans from the parent company to the mortgage companies.

GENERAL

The launch of a new price and product structure in the retail market, increasing lending volumes, cross sales, and implementing cost measures will be prioritised in the first half of 2011. A decision has also been made to wind up the subsidiary Storebrand Eiendomskreditt AS and the loans were sold back to Storebrand Bank ASA in January 2011. Developments in the capital market, interest rate levels, unemployment and the property market, together with changes to the regulatory conditions, are considered the most significant risk factors that could affect the bank group's accounting figures over the next six months.

The Board of Directors is unaware of any events that have occurred since the balance sheet date that would be material to the interim financial statements as presented.

Lysaker, 15 February 2011
The Board of Directors of Storebrand Bank ASA

Storebrand Bank ASA

PROFIT AND LOSS ACCOUNT

NOK MILLION	NOTE	Q4		FULL YEAR	
		2010	2009	2010	2009
Interest income		316.8	299.4	1 249.0	1 529.4
Interest expense		-238.2	-226.7	-946.2	-1 215.4
Net interest income	4	78.5	72.7	302.8	314.0
Fee and commission income from banking services		26.3	30.9	104.5	104.3
Fee and commission expenses for banking services		-4.4	-7.6	-17.8	-17.9
Net fee and commission income		21.9	23.3	86.7	86.4
Net income and gains from associated companies		-0.4	0.3	-1.3	-1.2
Net gains on financial instruments at fair value	5	26.5	23.5	-18.8	56.3
Other income		76.9	73.0	78.8	74.3
Total other operating income		103.0	96.8	58.8	129.4
Staff expenses		-37.1	-33.7	-141.4	-151.9
General administration expenses		-24.2	-22.9	-86.7	-96.9
Other operating costs		-24.8	-32.6	-104.9	-159.6
Total operating costs		-86.1	-89.1	-332.9	-408.4
Operating profit before losses and other items		117.3	103.7	115.4	121.5
Write-downs for the period	10	-19.1	-22.8	-35.3	-80.1
Profit before tax		98.2	80.8	80.0	41.3
Tax	6	-33.8	-22.0	-45.7	-10.9
Profit for the year		64.4	58.9	34.3	30.5

STATEMENT OF COMPREHENSIVE INCOME

NOK MILLION	NOTE	Q4		FULL YEAR	
		2010	2009	2010	2009
Pension experience adjustments		-13.6	5.5	-13.6	5.5
Profit for the period		64.4	58.9	34.3	30.5
Total comprehensive income for the period		50.8	64.3	20.7	35.9

Storebrand Bank ASA

STATEMENT OF FINANCIAL POSITION

NOK MILLION	NOTE	31.12.2010	31.12.2009
Cash and deposits with central banks		164.7	368.4
Loans to and deposits with credit institutions		3 842.0	2 320.0
Financial assets designated at fair value through profit and loss:			
Equity instruments		1.6	1.0
Bonds and other fixed-income securities	9	10 260.6	11 402.8
Derivatives		470.0	390.2
Other assets		1 922.9	2 223.6
Gross lending		18 482.3	21 301.1
- Write-downs of individual loans	10	-187.6	-229.9
- Write-downs of groups of loans		-82.0	-106.1
Net lending to customers		18 212.6	20 965.1
Investments in associated companies		25.1	26.4
Tangible assets	11	15.5	15.7
Intangible assets	11	42.2	48.1
Deferred tax assets		83.6	175.7
Total assets		35 040.9	37 937.0
Liabilities to credit institutions	12	8 320.2	10 355.5
Deposits from and due to customers		18 817.5	18 344.7
Other financial liabilities:			
Derivatives		371.5	289.0
Commercial paper and bonds issued	13	4 022.8	4 853.5
Other liabilities		323.6	730.4
Provision for accrued expenses and liabilities		3.7	14.1
Pension liabilities		102.0	79.5
Subordinated loan capital	13	790.1	960.4
Total liabilities		32 751.4	35 627.2
Paid in capital		1 635.2	1 635.2
Retained earnings		654.3	674.6
Total equity		2 289.6	2 309.8
Total equity and liabilities		35 040.9	37 937.0

Storebrand Bank Group

PROFIT AND LOSS ACCOUNT

NOK MILLION	NOTE	Q4		FULL YEAR	
		2010	2009	2010	2009
Interest income		381.9	366.6	1 522.3	1 817.7
Interest expense		-268.9	-262.5	-1 065.4	-1 394.4
Net interest income	4	112.9	104.2	456.9	423.3
Fee and commission income from banking services		23.1	27.6	91.5	94.0
Fee and commission expenses for banking services		-4.4	-7.6	-17.8	-17.9
Net fee and commission income		18.6	19.9	73.7	76.1
Net income and gains from associated companies		-0.4	0.3	-1.3	-1.2
Net gains on financial instruments at fair value	5	3.3	16.2	-11.2	34.9
Other income		31.8	40.6	113.3	114.0
Total other operating income		34.7	57.2	100.9	147.8
Staff expenses		-53.1	-57.2	-204.7	-220.9
General administration expenses		-31.6	-26.8	-103.1	-110.2
Other operating costs		-37.7	-62.1	-165.7	-201.0
Unrealised loss real estate at fair value, assets repossessed	11	-2.1	-10.0	-14.1	-34.9
Total operating costs		-124.6	-156.1	-487.6	-567.0
Operating profit before losses and other items		41.7	25.1	143.8	80.2
Write-downs for the period	10	-15.3	-12.5	-14.5	-45.6
Profit before tax		26.4	12.5	129.3	34.5
Tax	6	-38.9	-7.4	-91.1	-15.4
Profit for the year		-12.5	5.2	38.2	19.1
Allocated to:					
Shareholders		-12.6	6.0	38.1	20.4
Minority interests		0.1	-0.9	0.1	-1.3

STATEMENT OF COMPREHENSIVE INCOME

NOK MILLION	NOTE	Q4		FULL YEAR	
		2010	2009	2010	2009
Pension experience adjustments		-13.6	5.5	-13.6	5.5
Profit for the period		-12.5	5.2	38.2	19.1
Total comprehensive income for the period		-26.1	10.7	24.6	24.6
Allocated to:					
Shareholders		-26.2	11.5	24.5	25.9
Minority interests		0.1	-0.9	0.1	-1.3
Total		-26.1	10.7	24.6	24.6

Storebrand Bank Group

STATEMENT OF FINANCIAL POSITION

NOK MILLION	NOTE	31.12.2010	31.12.2009
Cash and deposits with central banks		164.7	368.4
Loans to and deposits with credit institutions		699.4	424.3
Financial assets designated at fair value through profit and loss:			
Equity instruments	17	5.1	1.1
Bonds and other fixed-income securities	9, 17	3 036.2	4 484.7
Derivatives	17	710.2	807.4
Other assets		262.0	544.8
Gross lending	17	34 460.1	36 123.3
- Write-downs of individual loans	10	-173.6	-182.0
- Write-downs of groups of loans		-83.9	-107.2
Net lending to customers		34 202.6	35 834.2
Investments in associated companies		24.6	25.9
Tangible assets	11	18.7	19.4
Real estate at fair value	11	43.3	165.2
Intangible assets and goodwill	11	119.8	129.7
Deferred tax assets		84.2	180.6
Total assets		39 370.9	42 985.6
Liabilities to credit institutions	12, 17	8 052.7	10 211.8
Deposits from and due to customers	17	18 807.6	18 319.8
Other financial liabilities:			
Derivatives	17	371.5	379.7
Commercial paper and bonds issued	13, 17	8 725.3	10 151.4
Other liabilities		257.4	587.0
Provision for accrued expenses and liabilities		3.7	14.1
Pension liabilities		102.0	79.5
Subordinated loan capital	13	790.1	960.4
Total liabilities		37 110.3	40 703.8
Paid in capital		1 516.8	1 516.8
Retained earnings		740.4	761.6
Minority interests		3.3	3.4
Total equity		2 260.6	2 281.9
Total equity and liabilities		39 370.9	42 985.6

Key figures

STOREBRAND BANK ASA

NOK MILLION AND PERCENTAGE	Q4		FULL YEAR	
	2010	2009	2010	2009
Profit and Loss account: (as % of avg. total assets)				
Net interest income ³⁾ ⁴⁾	0.88 %	0.74 %	0.82 %	0.80 %
Other operating income ⁴⁾	1.40 %	1.24 %	0.39 %	0.55 %
Main balance sheet figures:				
Total assets			35 040.9	37 937.0
Average total assets ¹⁾	35 438.3	38 880.9	37 016.3	39 321.0
Total lending to customers			18 482.3	21 301.1
Deposits from and due to customers			18 817.5	18 344.7
Deposits from and due to customers as % of gross lending			101.8 %	86.1 %
Equity			2 289.6	2 309.8
Other key figures:				
Total non-interest income as % of total income	61.39 %	62.29 %	32.46 %	40.74 %
Loan losses and provisions as % of average total lending	0.42 %	0.41 %	0.18 %	0.32 %
Non-performing and loss-exposed loans as% of total lending			3.44 %	4.72 %
Costs as % of operating income	42.32 %	46.23 %	74.26 %	77.08 %
Return on equity after tax ²⁾	11.30 %	0.92 %	1.51 %	1.94 %
Core capital ratio			14.2 %	13.1 %

STOREBRAND BANK GROUP

NOK MILLION AND PERCENTAGE	Q4		FULL YEAR	
	2010	2009	2010	2009
Profit and Loss account: (as % of avg. total assets)				
Net interest income ³⁾ ⁴⁾	1.14 %	0.92 %	1.10 %	0.95 %
Other operating income ⁵⁾	0.53 %	0.70 %	0.42 %	0.50 %
Main balance sheet figures:				
Total assets			39 370.9	42 985.6
Average total assets ¹⁾	39 886.1	43 946.1	41 577.7	44 665.8
Total lending to customers			34 460.1	36 123.3
Deposits from and due to customers			18 807.6	18 319.8
Deposits from and due to customers as % of gross lending			54.6 %	50.7 %
Equity			2 260.6	2 281.9
Other key figures:				
Total non-interest income as % of total income	32.09 %	42.53 %	27.65 %	34.59 %
Loan losses and provisions as % of average total lending	0.18 %	0.14 %	0.04 %	0.12 %
Non-performing and loss-exposed loans as% of total lending			2.02 %	2.45 %
Costs as % of operating income banking activities ⁶⁾	69.65 %	58.39 %	67.98 %	70.53 %
Return on equity after tax ²⁾	-1.89 %	0.37 %	1.67 %	0.90 %
Core capital ratio			10.6 %	10.4 %

Definitions:

- 1) Average total assets is calculated on the basis of monthly total assets for the quarter and for the year to date respectively.
- 2) Annualised profit after tax adjusted for hedging ineffectiveness as % of average equity.
- 3) Annualised net interest income adjusted for hedging ineffectiveness.
- 4) The method for calculating the "net interest income as a percentage of average assets under management" key figure has been changed from and including Q1 2010 and is now calculated on the basis of actual/365. The change has no consequences for net interest income as a percentage of average assets under management on an annual basis and provides a more correct picture of the development over the year.
- 5) Other operating income includes net fee and commission income.
- 6) Banking activities consists of Storebrand Bank ASA, Storebrand Boligkreditt AS and Storebrand Eiendomskreditt AS.

Reconciliation of changes in equity

STOREBRAND BANK ASA

NOK MILLION	SHARE CAPITAL	SHARE PREMIUM RESERVE	OTHER PAID-IN EQUITY	TOTAL PAID-IN EQUITY	REVENUE & COSTS APPLIED TO EQUITY	OTHER EQUITY	TOTAL OTHER EQUITY	TOTAL EQUITY
Equity at 31.12.2008	916.6	0.0	400.3	1 316.8	23.8	733.3	757.0	2 073.9
Profit for the period						30.5	30.5	30.5
Pension experience adjustments					5.5		5.5	5.5
Total other comprehensive income	0.0	0.0	0.0	0.0	5.5	0.0	5.5	5.5
Total comprehensive income for the period	0.0	0.0	0.0	0.0	5.5	30.5	35.9	35.9
Equity transactions with owners:								
Capital increase paid in	44.0	156.0	0.0	200.0				200.0
Group contribution received			118.4	118.4				118.4
Provisions for group contribution						-118.4	-118.4	-118.4
Equity at 31.12.2009	960.6	156.0	518.7	1 635.2	29.3	645.3	674.6	2 309.8
Profit for the period						34.3	34.3	34.3
Pension experience adjustments					-13.6		-13.6	-13.6
Total other comprehensive income	0.0	0.0	0.0	0.0	-13.6	0.0	-13.6	-13.6
Total comprehensive income for the period	0.0	0.0	0.0	0.0	-13.6	34.3	20.7	20.7
Provision for group contribution								-50.0
Change in group contribution received 2009								55.1
Change in provision for group contribution 2009						-46.0	-46.0	-46.0
Equity at 31.12.2010	960.6	156.0	518.7	1 635.2	15.6	633.6	649.2	2 289.6

The share capital is made up of 64,037,183 shares of nominal value NOK 15.

Reconciliation of changes in equity

STOREBRAND BANK GROUP

NOK MILLION	MAJORITY'S SHARE OF EQUITY								TOTAL EQUITY
	SHARE CAPITAL	SHARE PREMIUM RESERVE	OTHER PAID-IN EQUITY	TOTAL PAID-IN EQUITY	OTHER EQUITY		TOTAL OTHER INTERESTS	MINORITY INTEREST	
					REVENUE & COSTS APPLIED TO EQUITY	OTHER EQUITY			
Equity at 31.12.2008	916.6	0.0	400.3	1 316.8	25.7	711.9	737.6	6.1	2 060.5
Profit for the period						20.4	20.4	-1.3	19.1
Pension experience adjustments					5.5		5.5		5.5
Total other comprehensive income	0.0	0.0	0.0	0.0	5.5	0.0	5.5	0.0	5.5
Total comprehensive income for the period	0.0	0.0	0.0	0.0	5.5	20.4	25.9	-1.3	24.6
Equity transactions with owners:									
Capital increase paid in	44.0	156.0	0.0	200.0			0.0		200.0
Acquisitions						-1.0	-1.0		-1.0
Purchase of minority interests							0.0	-1.5	-1.5
Other changes						-0.7	-0.7		-0.7
Equity at 31.12.2009	960.6	156.0	400.3	1 516.8	31.2	730.5	761.7	3.4	2 281.9
Profit for the period						38.1	38.1	0.1	38.2
Pension experience adjustments					-13.6		-13.6		-13.6
Total other comprehensive income	0.0	0.0	0.0	0.0	-13.6	0.0	-13.6	0.0	-13.6
Total comprehensive income for the period	0.0	0.0	0.0	0.0	-13.6	38.1	24.5	0.1	24.6
Equity transactions with owners:									
Group contribution received						118.4	118.4		118.4
Provision for group contribution						-164.4	-164.4	0.0	-164.4
Other changes						0.3	0.3	-0.2	0.1
Equity at 31.12.2010	960.6	156.0	400.3	1 516.8	17.6	722.9	740.5	3.3	2 260.6

The equity changes with the result for the individual period, equity transactions with the owners and items that are entered directly on the balance sheet. Share capital, the share premium fund and other equity is evaluated and managed together. The share premium fund may be used to cover a loss, and other equity may be used in accordance with the provisions of the Public Limited Liabilities Company Act.

Storebrand Bank pays particular attention to the active management of equity in the banking group. This management is tailored to the business-related financial risk and capital requirements in which the composition of its business areas and their growth will be an important driver for the group's capital requirements. The goal of the capital management is to ensure an effective capital structure and reserve an appropriate balance between internal goals in relation to regulatory and the rating companies' requirements. If there is a need for new equity, this must be procured by the holding company Storebrand Bank ASA.

Storebrand Bank is a financial group subject to statutory requirements regarding primary capital under the capital adequacy regulations. Primary capital encompasses both equity and subordinated loan capital. For Storebrand Bank, these legal requirements carry the greatest significance in its capital management.

The banking group's goal is to achieve a core (tier 1) capital ratio of 10% over time. In general, the equity of the banking group can be managed without material restrictions if the capital requirements are met and the respective legal entities have adequate solidity. Capital can be transferred from foreign legal entities with the consent of local supervisory authorities.

For further information on the group's fulfilment of the capital requirements, see note 15.

Cash flow statement

STOREBRAND BANK ASA			STOREBRAND BANK GROUP	
31.12.2009	31.12.2010	NOK MILLION	31.12.2010	31.12.2009
		Cash flow from operations		
1 436.6	988.0	Receipts of interest, commissions and fees from customers	1 682.7	1 966.5
-592.5	-474.0	Payments of interest, commissions and fees to customers	-474.0	-592.5
6 182.1	2 799.4	Net disbursement/payments on customer loans	1 651.1	2 773.1
31.1	453.9	Net receipts/payments of deposits from banking customers	472.7	31.1
-4 468.3	1 557.8	Net receipts/payments - securities at fair value	1 689.0	-925.5
		Net receipts/payments - real estate at fair value	95.7	-94.7
5.7	5.6	Payments - taxes	-5.2	-5.9
-348.5	-324.9	Payments of operating costs	-493.0	-460.5
138.9	-91.3	Net receipts/payments on other operating activities	51.2	192.6
2 385.0	4 914.5	Net cash flow from operating activities	4 670.2	2 884.2
		Cash flow from investment activities		
-823.1	-52.2	Net payments on purchase/capitalisation of subsidiaries		
-21.1	-19.7	Net payments on purchase/sale of fixed assets etc.	-21.7	-22.2
-844.2	-71.9	Net cash flow from investment activities	-21.7	-22.2
		Cash flow from financing activities		
-5 209.6	-1 527.8	Payments - repayments of loans and issuing of bond debt	-3 646.0	-6 607.1
954.0	699.8	Receipts - new loans and issuing of bond debt	2 107.5	269.5
-540.5	-435.6	Payments - interest on loans	-620.2	-694.3
	-175.0	Payments - repayments of subordinated loan capital	-175.0	
-36.9	-34.6	Payments - interest on subordinated loan capital	-34.6	-36.9
3 789.7	-2 039.3	Net receipts/payments of liabilities to credit institutions	-2 162.7	3 789.7
200.0		Receipts - issuing of share capital and other equity		200.0
24.9	200.1	Receipts - group contribution	118.4	
-13.0	-211.9	Payments - group contribution / dividends	-164.4	
-831.4	-3 524.3	Net cash flow from financing activities	-4 577.1	-3 079.1
709.4	1 318.2	Net cash flow in period	71.4	-217.0
1 979.0	2 688.4	Cash and bank deposits at the start of the period	792.7	1 005.8
		Cash and bank deposits at the start of the period for new companies		3.9
2 688.4	4 006.7	Cash and bank deposits at the end of the period	864.1	792.7
368.4	164.7	Cash and deposits with central banks	164.7	368.4
2 320.0	3 842.0	Loans to and deposits with credit institutions	699.4	424.3
2 688.4	4 006.7	Total cash and bank deposits in the balance sheet	864.1	792.7

The cash flow analysis shows the group's cash flows for operational, investment and financial activities pursuant to the direct method. The cash flows show the overall change in means of payment over the year.

Operational activities

A substantial part of the activities in a financial group will be classified as operational.

Investment activities

Includes cash flows for holdings in group companies and tangible fixed assets.

Financing activities

Financing activities include cash flows for equity, subordinated loans and other borrowing that helps fund the group's activities. Payments of interest on borrowing and payments of group contribution are financial activities.

Cash/cash equivalents

Cash/cash equivalents are defined as claims on central banks and lending to and claims on financial institutions. Last year's figures have been restated in accordance with this definition.

Notes to the account

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 Q4 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 all the current IFRS standards.

The interim accounts of Storebrand Bank ASA are prepared in accordance with Section 1-5 of the Norwegian regulations for the annual accounts of banks and finance companies etc. that provides for simplified application of international accounting standards, (hereinafter termed simplified IFRS), and with IAS 34 Interim Financial Reporting. Simplified IFRS permits recognition to profit and loss of provisions for dividend and group contribution, and allows the Board of Director's proposal for dividend and group contribution to be recognized as a liability on the balance sheet date. The full application of IFRS stipulates that dividend and group contribution must remain part of equity until approved by the company's general meeting. Other than this, simplified IFRS requires the use of the same accounting principles as the full application of IFRS.

The annual report and accounts of Storebrand Bank ASA and the Storebrand Bank ASA group for 2009 is available on request from the company's registered office at Professor Kohts vei 9, Lysaker, and is also available at www.storebrand.no. Information on the accounting principles used in the interim accounts can be found in the accounting principles note to the 2009. There have not been any changes of accounting principles in 2010.

Changes in standards

Changes have been made to the following standards and these came into force on 1 January 2010:

- IFRS 3 Business Combinations
- IAS 27 Consolidated and Separate Financial Statements

Changes to accounting standards have not had an effect on the banking group's financial reporting during the quarter.

NOTE 2 ESTIMATES

The preparation of the interim accounts involves the use of estimates and assumptions that have an effect on assets, liabilities, revenue, costs, the notes to the accounts and information on potential liabilities. There will be uncertainty related to estimates and assumptions. In the future, actual experience may deviate from the estimates used. Please refer to note 1 and 2 in the annual report and accounts for 2009. Please refer to the discussions in notes 1 and 2 of the 2009 annual report. Storebrand's pension liabilities associated with its own employees are not affected by changes to the contractual pension scheme since Storebrand's pension scheme does not include the contractual pension scheme.

The bank changed its definition of non-performing and loss-exposed loans in Q4 2009, which resulted in more loans being defined as non-performing and loss-exposed. See the new definition in note 10.

NOTE 3 CHANGES IN THE COMPOSITION OF THE GROUP

A NOK 7.0 million issue was conducted in Ring Eiendomsmegling AS in October 2010.

A NOK 1.7 million issue was conducted in Hadrian Utvikling AS in December 2010 and at year-end 2010 Storebrand Bank ASA had an ownership interest of 96.09 per cent.

The subsidiaries Ullensaker Boligbygg AS and Ullensaker Boligbygg KS petitioned for winding up in November 2010 and were subject to liquidation proceedings as per 31 December 2010.

Notes to the account

NOTE 4 NET INTEREST INCOME

STOREBRAND BANK ASA				NOK MILLION	STOREBRAND BANK GROUP				
31.12.2009	31.12.2010	2009	Q4 2010		2010	Q4 2009	31.12.2010	31.12.2009	
69.3	79.2	13.5	19.0	Interest and other income on loans to and deposits with credit institutions	5.2	5.1	19.9	28.3	
1 167.2	819.6	219.3	204.2	Interest and other income on loans to and due from customers	353.3	334.9	1 388.3	1 662.1	
281.2	342.2	65.3	92.2	Interest on commercial paper, bonds and other interest-bearing securities	21.8	25.4	106.0	115.6	
11.7	8.1	1.2	1.4	Other interest income and related income	1.4	1.2	8.1	11.7	
1 529.4	1 249.0	299.4	316.8	Total interest income	381.9	366.6	1 522.3	1 817.7	
-274.1	-288.2	-64.8	-68.8	Interest and other expenses on debt to credit institutions	-67.9	-64.0	-284.6	-277.7	
-607.2	-456.2	-108.6	-116.2	Interest and other expenses on deposits from and due, to customers	-115.0	-109.2	-451.5	-606.5	
-234.4	-139.4	-36.9	-39.3	Interest and other expenses on securities issued	-72.2	-72.9	-267.1	-410.4	
-38.9	-31.8	-7.6	-7.7	Interest and expenses on subordinated loan capital	-7.7	-7.6	-31.8	-38.9	
-60.8	-30.5	-8.8	-6.2	Other interest expenses and related expenses	-6.2	-8.8	-30.3	-60.8	
-1 215.4	-946.2	-226.7	-238.2	Total interest expenses	-268.9	-262.5	-1 065.4	-1 394.4	
314.0	302.8	72.7	78.5	Net interest income	112.9	104.2	456.9	423.3	

NOTE 5 NET INCOME AND GAINS FROM FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE

STOREBRAND BANK ASA				NOK MILLION	STOREBRAND BANK GROUP				
31.12.2009	31.12.2010	2009	Q4 2010		2010	Q4 2009	31.12.2010	31.12.2009	
				<i>Equity instruments</i>					
	0.3		0.2	Dividends received from equity investments	0.2		0.3		
2.3	-0.1	2.5		Net gains/losses on realisation of equity investments		2.5	-0.1	2.3	
-0.2	0.1			Net change in fair value of equity investments			0.1	-0.2	
2.1	0.3	2.5	0.1	Total equity investments	0.1	2.5	0.3	2.1	
				<i>Commercial paper and bonds</i>					
3.5	-0.2	1.3	0.2	Realised gain/loss on commercial paper and bonds	0.2	1.4	-0.9	3.6	
42.9	-21.8	9.4	20.8	Unrealised gain/loss on commercial paper and bonds	-2.3	0.7	-4.7	18.9	
46.4	-22.1	10.7	21.1	Total gain/loss on commercial paper and bonds	-2.1	2.0	-5.5	22.5	
				<i>Financial derivatives and foreign exchange</i>					
2.7	-1.7	1.5	-1.6	Realised gain/loss on financial derivatives, held for trading	-1.6	3.5	-10.7	3.8	
5.2	4.7	8.8	6.9	Unrealised gain/loss on financial derivatives, held for trading	6.9	8.1	4.7	6.5	
7.9	3.0	10.3	5.3	Total financial derivatives and foreign exchange	5.3	11.7	-6.0	10.3	
56.3	-18.8	23.5	26.5	Net income and gains from financial assets and liabilities at fair value	3.3	16.2	-11.2	34.9	

Notes to the account

NOTE 6 TAX

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

NOTE 7 CLOSE ASSOCIATES

Covered bonds issued by Storebrand Boligkreditt AS

Storebrand Bank ASA has invested a total of NOK 7.2 billion in covered bonds issued by Storebrand Boligkreditt AS as of 31 December 2010. The investments are included in the liquidity portfolio in the parent company and are classified at fair value option. The investment has been eliminated in the consolidated accounts against bond issued by Storebrand Boligkreditt AS.

Transferred financial assets - Norwegian Government's Swap arrangement

Transferred financial assets consist of swap agreements with the state through the Ministry of Finance concerning the posting of financial collateral. The swap agreements are entered into through auctions that are administrated by Norges Bank. In the swap agreement, the state sells state treasury bills to the bank through a time/restricted swap for covered bonds. The bank can either keep the state treasury bill and receive payment from the state when the swap falls due for repayment, or it may sell the treasury bill in the market. When the bills become due within the term of the swap agreement, the bank must purchase new bills from the state at the price that is determined by the market price for treasury bills. This roll/over will be on-going throughout the entire term of the agreement. Upon expiry of the swap agreement, the bank is obligated to purchase the covered bonds back from the state at the same price that the state purchased them for. Storebrand Bank ASA will receive the returns on the transferred covered bonds. All risk concerning the covered bonds continues to lie with Storebrand Bank ASA.

Lending transferred to Storebrand Boligkreditt AS and Storebrand Eiendoms-kreditt AS

Storebrand Bank ASA shall arrange the transfer and return of loans when changes have to be made, i.e. if there is a need to increase borrowing, change from variable to fixed interest, convert to employee loan or convert to a mortgage loan. The costs form part of the contractual administration fees. The mortgages will be transferred on commercial terms. Non-performing loans in Storebrand Boligkreditt AS and Storebrand Eiendoms-kreditt AS remain in the undertaking. These loans will, pursuant to the service agreement with Storebrand Bank ASA, be treated in the same way as non-performing loans in the bank. Specific non-performance reports are prepared for non-performing loans in Storebrand Boligkreditt AS and Storebrand Eiendoms-kreditt AS. These loans do not form part of the credit undertaking's total collateral.

Loan to employees can be transferred to Storebrand Boligkreditt AS. The difference between the market interest rate and the subsidised interest rate is covered monthly by the company in which the debtor is employed.

Storebrand Bank AS has not pledged any guarantees in connection with loans to Storebrand Boligkreditt AS and Storebrand Eiendoms-kreditt AS. Storebrand Bank ASA and Storebrand Boligkreditt AS have signed a management agreement pursuant to which Storebrand Boligkreditt AS will purchase administrative services from the bank. Storebrand Boligkreditt AS also purchases administrative services from Storebrand Livsforsikrings AS. Storebrand Bank ASA and Storebrand Eiendoms-kreditt AS have signed a management agreement pursuant to which Storebrand Eiendoms-kreditt AS will purchase administrative services from the bank. Storebrand Eiendoms-kreditt AS also purchases administrative services from Storebrand Livsforsikrings AS.

Transactions with other related parties

Storebrand Bank ASA defines Storebrand Optimér ASA as a related party as 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 Storebrand 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 fees paid to the bank are based on the arm's length principle.

Storebrand Bank ASA also defines Storebrand Infrastruktur ASA as a related party since the general manager of Storebrand Infrastruktur 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 Infrastruktur ASA has no employees and the company has entered into an agreement with Storebrand 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 Infrastruktur ASA. The fees paid to the bank are based on the arm's length principle.

Notes to the account

NOTE 8 SEGMENT INFORMATION

Storebrand Bank group

Analysis of profit and loss account by activity:

NOK MILLION	CORPORATE				RETAIL				MARKETS			
	Q4		FULL YEAR		Q4		FULL YEAR		Q4		ÅRET	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Profit and loss items:												
Net interest income	50.7	42.8	195.9	174.7	72.8	81.0	275.0	307.0	0.6	1.4	3.2	7.4
Net fee and commission income	1.5	3.5	9.5	12.1	9.6	10.5	37.4	34.5	8.0	8.0	29.6	29.4
Other income	8.0	7.0	23.7	13.8	0.9	1.0	2.9	4.6	12.4	12.2	31.6	31.1
Total operating costs	-19.6	-15.6	-82.1	-63.9	-50.3	-50.8	-218.2	-257.2	-18.5	-18.9	-62.8	-68.7
Operating profit before loan losses	40.6	37.7	147.0	136.7	33.0	41.7	97.1	88.9	2.5	2.7	1.6	-0.8
Net write-back in loan losses	-12.9	-17.3	-20.4	-61.6	-2.4	-5.0	-12.2	-18.9				
Ordinary profit from continuing operations	27.7	20.4	126.6	75.1	30.6	36.7	84.9	70.0	2.5	2.7	1.6	-0.8
Ordinary profit from businesses discounted	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 to customers			12 000.2	11 249.0			22 498.8	25 009.0				
Deposits from and due to customers			7 323.5	6 565.0			11 350.8	11 628.0				
Key figures:												
Cost as of % of income	33%	29%	36%	32%	60%	55%	69%	74%	88%	88%	98%	101%
Deposits from and due to customers as % of gross lending			61%	58%			50%	46%				
Total level of provisioning write-downs			53%	38%			28%	22%				

NOK MILLION	REAL ESTATE BROKING				TREASURY / OTHERS				TOTAL			
	Q4		FULL YEAR		Q4		FULL YEAR		Q4		ÅRET	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Profit and loss items:												
Net interest income	-0.1	-2.0	0.0	-3.8	-11.2	-19.0	-17.2	-62.0	112.9	104.2	456.9	423.3
Net fee and commission income					-0.5	-2.1	-2.8	0.1	18.6	19.9	73.7	76.1
Other income	19.9	21.7	88.7	85.2	-6.5	15.3	-46.0	13.1	34.7	57.2	100.9	147.8
Total operating costs	-25.4	-41.8	-94.1	-118.9	-8.6	-19.0	-16.3	-23.4	-122.4	-146.1	-473.5	-532.1
Unrealised loss real estate at fair value assets repossessed					-2.1	-10.0	-14.1	-34.9	-2.1	-10.0	-14.1	-34.9
Operating profit before loan losses	-5.5	-22.2	-5.4	-37.5	-28.9	-34.9	-96.5	-107.2	41.7	25.0	143.8	80.2
Net write-back in loan losses						9.8	18.1	34.9	-15.3	-12.5	-14.5	-45.6
Ordinary profit from continuing operations	-5.5	-22.2	-5.4	-37.5	-28.9	-25.1	-78.4	-72.2	26.4	12.5	129.3	34.5
Ordinary profit from businesses discounted	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 to customers							-38.9	-134.7			34 460.1	36 123.3
Deposits from and due to customers							133.3	126.8			18 807.6	18 319.8
Key figures:												
Cost as of % of income	128%	213%	106%	146%					74%	81%	75%	82%
Deposits from and due to customers as % of gross lending											55%	51%
Total level of provisioning write-downs											37%	32%

Continued next page

Notes to the account

NOTE 8 SEGMENT INFORMATION (continued)

Business segments are the company's primary reporting segments.

Description of the segments:

Commercial Banking: This segment comprises deposits from and lending to commercial customers, principally real estate investors/developers. Changes in value of repossessed assets are presented in the profit and loss account by item. In the note on segment changes are reported under provision of losses in accordance with internal procedure. The reclassification is adjusted for under the segment treasury/other.

Retail Banking: Deposits from and lending to retail customers, including credit cards. Lending is principally mortgage lending secured against residential real estate. The segment include deposits from and lending to retail customers in Storebrand Boligkreditt AS. The segment also includes the bank's share in Storebrand Baltic UAB in Lithuania on 50%. The ownership interest is classified as a jointly venture. Net profit in 2010 is NOK 0,8 million.

Markets: This business area includes all the bank's activities in structured products, real estate funds, Storebrand Optimér ASA, Storebrand Infrastruktur ASA and stockbroking activities. The subsidiaries Hadrian Eiendom AS and Hadrian Utvikling AS are also included in this area, where the bank respectively had a 90.9% ownership interest and 96.09% ownership interest at the close of 2010. Net profit for Hadrian Eiendom AS and Hadrian Utvikling AS are respectively NOK 4.6 million and minus NOK 1.4 million in 2010.

Real estate broking: This segment solely comprises Ring Eiendomsmegling AS with subsidiaries in which the bank owns 100.0% of the company at the close of 2010.

Indirect income and indirect costs have been allocated on the basis of estimated use of resources.

Elimination of double counting applies principally to customer transactions carried out in collaboration between Markets and the relevant customer segment.

The effects of financial hedging and the investment portfolio are not allocated between business areas and are reported solely as part of the item treasury/others.

NOTE 9 OFF BALANCE SHEET LIABILITIES AND CONTINGENT LIABILITIES

STOREBRAND BANK ASA			STOREBRAND BANK GROUP	
31.12.2009	31.12.2010	NOK MILLION	31.12.2010	31.12.2009
247.7	301.6	Guarantees	301.6	247.7
8 826.1	8 227.4	Undrawn credit limits	4 049.8	3 096.3
467.8	816.6	Lending commitments	816.6	467.8
9 541.6	9 345.6	Total contingent liabilities	5 168.0	3 811.8
3 195.6	3 935.1	Booked value of bonds pledged as security for the bank's D-loan and F-loan facility with the Norwegian central bank	2 926.3	3 143.5
6 841.4	5 855.9	Booked value of securities pledged as collateral for the government securities for covered bonds swap scheme	5 855.9	6 841.4
10 037.0	9 791.0	Total book value of off balance sheet liabilities	8 782.2	9 984.9

Undrawn credit limits reported in Storebrand Bank ASA as of 31.12.10 includes NOK 5.6 billion to the subsidiaries Storebrand Boligkreditt AS and Storebrand Eiendomskreditt AS.

Notes to the account

NOTE 10 LOSSES AND PROVISIONS FOR NON-PERFORMING AND LOSS-EXPOSED LOANS, GUARANTEES ETC.

STOREBRAND BANK ASA			STOREBRAND BANK GROUP	
31.12.2009	31.12.2010	NOK MILLION	31.12.2010	31.12.2009
		Non-performing and loss-exposed loans		
255.7	226.6	Non-performing loans without evidence of impairment	261.6	309.1
749.0	408.3	Non-performing and loss-exposed loans with evidence of impairment	436.0	574.8
1 004.7	635.0	Gross defaulted and loss-exposed loans	697.6	883.9
-229.8	-187.6	Provisions for individual impairment losses	-173.6	-181.9
774.8	447.4	Net defaulted and loss-exposed loans	524.0	702.0

The definition of non-performing and loss-exposed was changed in Q4 2009. Commitments are regarded as non-performing and loss-exposed:

- when a credit facility has been overdrawn for more than 90 days
- when a repayment loan has arrears older than 90 days
- when a credit card has arrears older than 90 days and the credit limit has been overdrawn. If a repayment plan has been agreed with the customer and is being adhered to, the overdraft is not regarded a non-performance.

When one of the three situations described above occurs, the commitment and the rest of the customer's commitments are regarded as non-performing and loss-exposed. The number of days is counted from when the arrears exceed NOK 2,000.

The account is given a clean bill of health when there are no longer any arrears. The amount in arrears at the time of reporting can be less than NOK 2,000.

Key figures

-106.1	-82.0	Write-downs of groups of loans (NOK million)	-83.9	-107.2
-335.9	-269.6	Total write-downs (NOK million)	-257.5	-289.1
31 %	46 %	Level of provisioning individual write-downs ¹⁾	40 %	32 %
33 %	42 %	Total level of provisioning ²⁾	37 %	33 %

1) Provisions for individual impairment losses in percent of non-performing and loss-exposed loans with evidence of impairment.

2) Total write-downs in percent of gross defaulted and loss-exposed loans.

STOREBRAND BANK ASA			STOREBRAND BANK GROUP	
FULL YEAR		NOK MILLION	FULL YEAR	
2009	2010		2010	2009
		Losses on loans and guarantees etc. during period		
32.5	42.3	Change in individual impairment loss provisions	63.9	67.4
-18.4	24.1	Change in grouped impairment loss provisions	23.3	-18.8
-9.9	-2.4	Other write-down effects	-2.4	-9.9
-92.1	-102.9	Realised losses specifically provided for previously	-102.9	-92.1
-0.3	-1.1	Realised losses not specifically provided for previously	-1.1	-0.3
8.0	4.7	Recoveries on previous realised losses	4.7	8.0
-80.1	-35.3	Write-downs for the period	-14.5	-45.6

Lending commitments that are continued after collateral is taken over are classified in the financial statements according to their type. Lending commitments, including individual write-downs against debt in the taken over company are eliminated in the consolidated financial statements. The volume of non-performing and loss-exposed loans is similarly eliminated.

A separate assessment is made in the consolidated financial statements in relation to any write-down/value adjustment of the assets that have been taken over. The value of taken over investment properties was adjusted with a negative amount in the consolidated financial statements as of 31 December 2010 by an amount equal to the individual write-downs associated with the pertinent lending commitment in the parent bank of NOK 14.1 million. Accordingly the negative amount was NOK 34.9 million as of 31 December 2009.

Notes to the account

NOTE 11 INTANGIBLE ASSETS AND FIXED ASSETS

Costs of NOK 18.7 million were capitalised as of 31 December 2010 as intangible assets and fixed assets in Storebrand Bank ASA and Storebrand Bank Group. Accordingly costs of NOK 3.1 million were capitalised in Q4. This relates principally to costs incurred on systems development, data warehouse, systems licenses and similar costs. The value of the building project in Bjørndalen Panorama AS was written down by NOK 14.1 million as of 31 December 2010, accordingly NOK 2.1 million in Q4. This is presented on a separate line in the profit and loss account.

The value of software has been written down by NOK 4.9 million as of 31 December 2010. There are no changes in Q4. Goodwill related to Hadrian Utvikling AS has in its entirety been written down in Q4 and write-downs amount to NOK 5.4 million.

NOTE 12 LIABILITES TO CREDIT INSTITUTIONS

NOK MILLION	31.12.2010	31.12.2009
Total liabilities to credit institutions without fixed maturity at amortised cost	5.4	22.8
F-loan:		
Maturity 2010		527.3
Maturity 2011	500.0	
Maturity 2012	1 012.1	1 009.0
Loan with floating interest rate:		
Maturity 2010		1 128.1
Maturity 2011	78.1	83.2
Maturity 2012	350.0	350.0
Maturity 2013	250.0	250.0
Accrued expenses	1.2	
Total liabilities to credit institutions with fixed maturity at amortised cost	2 191.4	3 347.6
Borrowings under the Norwegian Government's Swap arrangement:		
Maturity 2010		992.1
Maturity 2011	2 365.1	2 359.8
Maturity 2013	2 500.4	2 500.9
Maturity 2014	990.4	988.6
Total liabilities to credit institutions with fixed maturity at fair value (FVO)	5 855.9	6 841.4
Total liabilities to credit institutions	8 052.7	10 211.8

As per 31 December 2010, the bank had only one current credit facility. A NOK 1,250 million term loan and revolving credit facility was signed in October 2010, of which NOK 500 million is a term loan and NOK 750 million a revolving credit facility.

Notes to the account

NOTE 13 SECURITIES ISSUED AND SUBORDINATED LOAN CAPITAL

NOK MILLION	STOREBRAND BANK GROUP	
	31.12.2010	31.12.2009
Commercial paper	400.9	
Bond loans	8 307.5	9 800.8
Structured bond loans	16.9	350.6
Subordinated loan capital	790.1	960.4
Total securities issued and subordinated loan capital	9 515.4	11 111.8

Specification of bonds issued and subordinated loan capital as of 31 December 2010 - Storebrand Bank Group

ISIN CODE	ISSUER	NET NOMINAL VALUE	CURRENCY	INTEREST	MATURITY	BOOK VALUE
						31.12.2010
Commercial paper						
NO001059268	Storebrand Bank ASA	400.0	NOK	Fixed	28.02.11	400.9
Total commercial paper						400.9
Bond loans						
NO001043982	Storebrand Bank ASA	310.0	NOK	Fixed	04.06.2015	336.1
NO001045553	Storebrand Bank ASA	327.0	NOK	Fixed	03.09.2012	341.5
NO001051323	Storebrand Bank ASA	300.0	NOK	Fixed	25.05.2016	314.8
NO001047340	Storebrand Bank ASA	408.0	NOK	Fixed	21.11.2013	416.5
NO001049263	Storebrand Bank ASA	900.0	NOK	Floating	20.02.2012	904.2
NO001050777	Storebrand Bank ASA	548.0	NOK	Floating	30.04.2014	556.0
NO001059077	Storebrand Bank ASA	300.0	NOK	Floating	10.05.2013	301.2
NO001054848	Storebrand Bank ASA	500.0	SEK	Floating	26.01.2012	434.7
Total bond loans						3 605.0
Covered bonds						
NO0010428584	Storebrand Boligkreditt AS	1 000.0	NOK	Fixed	06.05.2015	1 106.3
NO0010428592	Storebrand Boligkreditt AS	640.0	NOK	Floating	02.05.2011	642.6
NO0010466071	Storebrand Boligkreditt AS	1 250.0	NOK	Fixed	24.04.2014	1 366.9
NO0010548373	Storebrand Boligkreditt AS	1 000.0	NOK	Fixed	28.10.2019	1 036.8
NO0010575913	Storebrand Boligkreditt AS	550.0	NOK	Floating	03.06.2016	549.9
Total covered bonds						4 702.5

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Notes to the account

NOTE 13 SECURITIES ISSUED AND SUBORDINATED LOAN CAPITAL *(Continued)*

Specification of bonds issued and subordinated loan capital as of 31 December 2010 - Storebrand Bank Group

NOK MILLION							BOOK
ISIN CODE	ISSUER	NET NOMINAL VALUE	CURRENCY	INTEREST	MATURITY		VALUE 31.12.2010
Structured bond loans							
NO001035920	Storebrand Bank ASA	17,0	NOK	Zero coupon	23.05.2011		16,9
Total structured bond loans							16,9
Dated subordinated loan capital							
NO001034566	Storebrand Bank ASA	100,0	NOK	Floating	21.12.2011		100,1
NO001036427	Storebrand Bank ASA	250,0	NOK	Floating	08.05.2012		251,0
NO001040278	Storebrand Bank ASA	150,0	NOK	Floating	19.12.2012		150,3
Other subordinated loan capital							
NO001771168	Storebrand Bank ASA	9,3	NOK	Fixed	perpetual		9,3
Tier 1 hybrid capital							
NO001024206	Storebrand Bank ASA	107,0	NOK	Fixed	29.10.2014		110,9
NO001024207	Storebrand Bank ASA	168,0	NOK	Floating	29.10.2014		168,5
Total subordinated loan capital incl. Tier 1 hybrid capital							790,1
Total securities issued and subordinated loan capital							9 515,4

NOTE 14 RISK MANAGEMENT

The market value of Storebrand Bank's financial assets and liabilities varies due to financial market risks. Note 43 of the 2009 annual report explains the banking group's financial risks which also describes the financial risks as per 31 december 2010.

NOTE 15 CAPITAL ADEQUACY

Capital adequacy calculations are subject to special consolidation rules in accordance with the Regulation on consolidated application of the capital adequacy rules etc. (the "Consolidation Regulation"). The Storebrand Bank group is defined pursuant to Section 5 of the Consolidation Regulation as a financial group comprising solely or mainly undertakings other than insurance companies. The valuation rules used in the company's accounts form the basis for consolidation. Consolidation is, in the main, carried out in accordance with the same principles as used in the accounts, with all internal transactions eliminated, including shares, loans and deposits as well as other receivables and liabilities. Companies in which the group has a minority interest are included on a proportional basis applying the percentage interest held by the group at 31 December 2010.

The figure for primary capital used in calculation of capital adequacy will differ from the figure shown in the accounts since the calculation does not include accrued profit for the year or minority interests.

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Notes to the account

NOTE 15 CAPITAL ADEQUACY (Continued)

Net primary capital

STOREBRAND BANK ASA			STOREBRAND BANK GROUP	
31.12.2009	31.12.2010	NOK MILLION	31.12.2010	31.12.2009
960.6	960.6	Share capital	960.6	960.6
1 349.2	1 329.0	Other equity	1 300.0	1 321.3
2 309.8	2 289.6	Total equity	2 260.6	2 281.9
		Deductions:		
-48.1	-42.2	Intangible assets	-119.8	-129.7
-175.7	-83.6	Deferred tax asset	-84.2	-180.6
		Provision for group contribution	-50.0	
		Addition:		
276.4	279.4	Perpetual subordinated bonds	279.4	276.4
2 362.4	2 443.1	Core capital	2 286.0	2 248.0
684.0	509.1	Supplementary capital	509.2	684.0
		Deductions		
3 046.4	2 952.2	Net primary capital	2 795.2	2 932.0

Minimum capital requirement

STOREBRAND BANK ASA			STOREBRAND BANK GROUP	
31.12.2009	31.12.2010	NOK MILLION	31.12.2010	31.12.2009
1 357.9	1 320.2	Credit risk	1 627.7	1 653.1
		Of which:		
1.6		Local and regional authorities		1.6
235.2	234.9	Institutions	28.6	56.1
389.5	475.6	Corporates	618.2	545.6
469.0	393.8	Loans secured on real estate	817.8	846.4
77.5	54.0	Retail market	54.0	77.5
75.0	55.4	Loans past-due	58.0	77.7
62.1	71.3	Covered bonds	13.5	4.0
48.0	35.2	Other	37.6	44.3
1 357.9	1 320.2	Total minimum requirement for credit risk	1 627.7	1 653.1
	0.0	Settlement risk	0.5	
0.0	0.0	Total minimum requirement for market risk	0.5	0.0
70.0	65.5	Operational risk ¹⁾	97.1	91.9
		Deductions		
-8.5	-6.6	Write-downs of groups of loans	-6.7	-8.6
1 419.4	1 379.2	Minimum requirement for capital base	1 718.6	1 736.4

Capital adequacy

STOREBRAND BANK ASA			STOREBRAND BANK GROUP	
31.12.2009	31.12.2010		31.12.2010	31.12.2009
17.2 %	17.1 %	Capital ratio	13.0 %	13.5 %
13.1 %	14.2 %	Core capital ratio	10.6 %	10.4 %

¹⁾ The figures for 2009 and 2010 are respectively calculated as an average of total income for 2007, 2008 and 2009 and as an average income for 2008, 2009 and 2010.

Capital adequacy is calculated in accordance with the Basel II regulations. The company uses the standard method for credit risk and market risk, and the basic method for operational risk. The minimum requirement for the capital ratio is 8%.

Basel II is divided into three pillars (areas). Pillar 1 deals with the minimum requirement for capital adequacy and represents a continuation of the former regulations pursuant to Basel I. Pillar 2 deals with supervisory evaluation of capital requirement and supervisory monitoring (ICAAP), while Pillar 3 deals with the requirements for publication of financial information.

Notes to the account

NOTE 16 QUARTERLY PROFIT AND LOSS

Storebrand Bank ASA

NOK MILLION	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009
Interest income	316.8	326.8	307.8	297.7	299.4	326.9	388.8	514.4
Interest expense	-238.2	-245.8	-234.1	-228.0	-226.7	-240.1	-331.9	-416.8
Net interest income	78.5	81.0	73.6	69.6	72.7	86.8	56.9	97.6
Fee and commission income from banking services	26.3	27.2	25.4	25.6	30.9	25.4	24.2	23.8
Fee and commission expenses for banking services	-4.4	-4.3	-5.2	-3.8	-7.6	-3.9	-4.9	-1.4
Net fee and commission income	21.9	22.9	20.2	21.7	23.3	21.5	19.3	22.4
Net income and gains from associated companies	-0.4	-0.3	-0.3	-0.3	0.3	-0.5	-0.5	-0.5
Net gains on financial instruments at fair value	26.5	28.6	-53.5	-20.3	23.5	51.1	49.8	-68.1
Other income	76.9	0.0	1.7	0.2	73.0	0.2	0.3	0.8
Total other operating income	103.0	28.3	-52.1	-20.3	96.8	50.8	49.6	-67.8
Staff expenses	-37.1	-34.5	-33.0	-36.8	-33.7	-48.0	-33.6	-36.8
General administration expenses	-24.2	-20.3	-19.8	-22.3	-22.9	-22.8	-24.5	-26.6
Other operating cost	-24.8	-31.7	-30.8	-17.5	-32.6	-59.5	-30.8	-36.7
Total operating costs	-86.1	-86.5	-83.7	-76.7	-89.1	-130.3	-88.8	-100.1
Operating profit before losses and other itmes	117.3	45.7	-41.9	-5.7	103.7	28.7	37.0	-48.0
Write-downs for the period/net write-back in loan losses	-19.1	-0.1	-16.4	0.3	-22.8	-10.4	-18.5	-28.4
Profit before tax	98.2	45.5	-58.4	-5.4	80.8	18.4	18.5	-76.3
Tax	-33.8	-12.8	-0.7	1.5	-22.0	-5.1	-5.2	21.4
Profit for the year	64.4	32.8	-59.0	-3.9	58.9	13.2	13.3	-54.9

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Notes to the account

NOTE 16 QUARTERLY PROFIT AND LOSS (Continued)

Storebrand Bank group

NOK MILLION	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009
Interest income	381.9	394.7	376.1	369.6	366.6	378.6	433.1	639.4
Interest expense	-268.9	-281.6	-251.3	-263.5	-262.5	-273.1	-340.5	-518.3
Net interest income	112.9	113.1	124.8	106.1	104.2	105.4	92.6	121.1
Fee and commission income from banking services	23.1	24.0	22.7	21.7	27.6	23.1	21.9	21.5
Fee and commission expenses for banking services	-4.4	-4.3	-5.2	-3.8	-7.6	-3.9	-4.9	-1.4
Net fee and commission income	18.6	19.7	17.5	17.9	19.9	19.1	17.0	20.1
Net income and gains from associated companies	-0.4	-0.3	-0.3	-0.3	0.3	-0.5	-0.5	-0.5
Net gains on financial instruments at fair value	3.3	6.9	-18.3	-3.0	16.2	13.5	8.4	-3.2
Other income	31.8	26.9	31.8	22.9	40.6	26.5	24.4	22.5
Total other operating income	34.7	33.4	13.2	19.6	57.2	39.5	32.4	18.8
Staff expenses	-53.1	-49.3	-49.7	-52.6	-57.2	-64.0	-51.3	-53.0
General administration expenses	-31.6	-23.0	-22.8	-25.7	-26.8	-25.9	-27.5	-29.8
Other operating cost	-37.7	-41.7	-44.9	-41.4	-62.1	-46.0	-43.2	-45.2
Unrealised loss real estate at fair value, assets repossessed	-2.1	0.0	-5.0	-7.0	-10.0	-6.3	-18.6	0.0
Total operating costs	-124.6	-114.0	-122.4	-126.6	-156.1	-142.3	-140.6	-128.0
Operating profit before losses and other itmes	41.7	52.1	33.1	16.9	25.1	21.8	1.4	32.0
Write-downs for the period/net write-back in loan losses	-15.3	0.1	-5.1	5.8	-12.5	-3.9	-0.4	-28.7
Profit before tax	26.4	52.2	28.0	22.8	12.5	17.8	0.9	3.2
Tax	-38.9	-15.9	-24.0	-12.4	-7.4	-5.4	-1.9	-0.7
Profit for the year	-12.5	36.3	4.0	10.4	5.2	12.4	-0.9	2.5

NOTE 17 VALUATION

Storebrand Bank group categorizes financial instruments valued at fair value on three levels, which are described in more detail in note 2 and note 42 of the 2009 annual report. There have not been any substantial changes in the categorization in 2010.

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Truls Nergaard	Managing Director
Trond Fladvad	Finance Director
Robert Fjelli	Head of Markets
Monica Kristoffersen Hellekleiv	Head of Retail Banking
Truls Nergaard	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
Roar Thoresen	Board Member
Maria Borch Helsingreen	Board Member
Anne-Kristine Baltzersen	Board Member
Heidi Storruste	Board Member

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Other sources of information:

Annual Reports and interim reports of Storebrand Bank ASA are published on www.storebrand.no.

