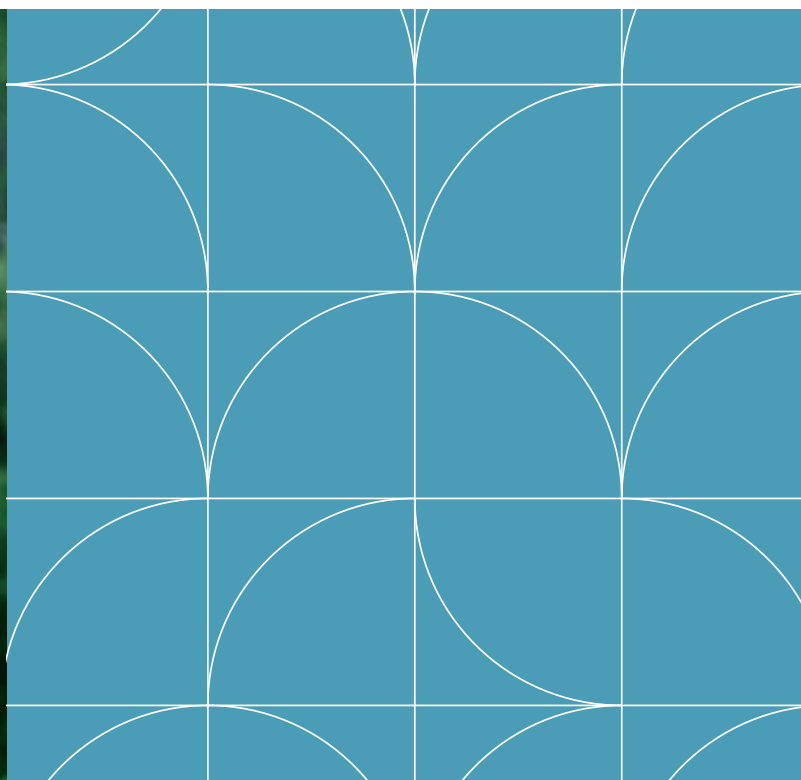


Storebrand Bank Group

4th Quarter 2007

 storebrand



Storebrand Bank Group

- interim results for Q4 2007 and preliminary results for 2007

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

- Storebrand Bank reported consolidated pre-tax profit of NOK 47 million for Q4. Pre-tax profit for 2007 as a whole was NOK 235 million.
- Net interest income as a percentage of average total assets was 1.05% in Q4 and 1.07% for the full year.
- Net fee and commission income amounted to NOK 15 million in Q4 and NOK 58 million for the full year.
- Storebrand Bank acquired Hadrian Eiendom AS in Q4, expanding the bank's focus on the real estate market

Storebrand Bank reported ordinary operating profit before write-downs for loan losses of NOK 29 million (NOK 30 million) for Q4 2007 and NOK 157 million (NOK 143 million) for the year. After a net write-back of earlier loan loss write-downs of NOK 18 million, pre-tax profit for Q4 was NOK 47 million (NOK 36 million). Consolidated operating profit for 2007 was NOK 235 million (NOK 190 million).

Net interest income amounted to NOK 111 million (NOK 101 million) in Q4. Net interest income for the 2007 financial year totalled NOK 413 million (NOK 419 million), representing a net interest margin calculated on average total assets of 1.05% (1.22%) for Q4 and 1.07% (1.32%) for the year. The net interest margin reported for 2007 reflects competitive pricing, sound growth in the bank's lending, the short-term effect of increases in interest rates by Norges Bank and turbulence in the credit markets. The pricing changes implemented in Q3 produced the expected positive effects in Q4. Further pricing changes were implemented at the end of Q4, and will start to have an effect from February 2008.

Net fee and commission income amounted to NOK 15 million in Q4 (NOK 11 million) and NOK 58 million for the year (NOK 32 million). This included net commission income on sales of Storebrand Optimér ASA and real estate investment fund products.

Other operating income amounted to NOK 17 million in Q4 (NOK 13 million) and NOK 46 million (NOK 47 million) for the full year.

Operating expenses amounted to NOK 114 million in Q4 (NOK 96 million) and NOK 360 million (NOK 355 million) for the year. This represents a cost ratio (costs as percentage of income) of 79.6% (76.3%) for the quarter and 69.7% (71.3%) for the full year. The bank wrote down NOK 8 million of intangible assets in Q4. The underlying cost ratio shows a positive trend, driven by the measures implemented to improve efficiency and increased income.

Gross non-performing and loss-exposed loans continued to decline in 2007, reducing from NOK 533 million to NOK 448 million. The bank implemented an updated model in Q4 for calculating grouped write-downs, and this caused a write-back to profit and loss of NOK 14 million. In total, the net

change in provisions and realised losses in the quarter was a write-back of NOK 18 million (NOK 6 million). For Q4 in isolation, the gross volume of non-performing and loss-exposed loans without identified impairment showed an increase. The level of loans in this category is normal, and the change from Q3 is largely because the entire customer exposure is classified as non-performing, even if the amount overdue is very small. At the close of Q4, non-performing loans without identified impairment totalled NOK 151 million, of which customers with outstanding amounts under NOK 1,000 accounted for NOK 44 million.

Storebrand Bank enjoyed good growth in its retail banking business in 2007, with both a 15% increase in customer numbers and a 27% increase in lending. The banking group's assets totalled NOK 42 billion at the close of Q4. Gross lending increased by almost NOK 6 billion in 2007, representing growth of 19%. The net increase of NOK 1.5 billion in Q4 was made up of NOK 1.3 billion of lending to the retail market and NOK 0.2 billion in lending to the corporate market. In addition, lending by Storebrand Life Insurance managed by Storebrand Bank ASA increased by NOK 0.6 billion in the quarter to NOK 2.7 billion at year-end.

The bank's deposit-to-loan ratio was 47.1% at the end of 2007, as compared to 43.4% at the close of 2006.

The continuing turbulent conditions in the credit markets caused an increase in the bank's funding costs in Q4. Access to new funding in the bond market was somewhat limited towards the end of 2007, while the commercial paper market continued to function satisfactorily. The bank's liquidity at the end of December 2007 is good.

The bank's capital ratio at the end of Q4 was 10.5% and its core capital ratio was 7.9%. The bank's primary capital at the end of 2007 includes the pre-tax profit for the year.

In Q4, Storebrand Bank acquired 90.9% of Hadrian Eiendom AS, a company authorised as a broker for commercial real estate. This is in addition to establishing a team for property-related corporate finance as part of Storebrand Markets. These developments strengthened the bank's market position, expanded its offer to existing customers and created the basis for continuing growth.

Oslo, 12 February 2008

The Board of Directors of Storebrand Bank ASA

Storebrand Bank Group

PROFIT AND LOSS ACCOUNT STOREBRAND BANK GROUP 1)

NOK MILLION	NOTE	4Q		01.01. - 31.12.	
		2007	2006	2007	2006
Interest income		626.5	338.6	1 992.3	1 220.0
Interest expense		-515.9	-237.3	-1 579.1	-801.2
Net interest income		110.7	101.3	413.2	418.8
Fee and commission income from banking services		31.8	37.6	139.8	112.3
Fee and commission expenses for banking services		-16.6	-26.6	-81.9	-80.3
Net fee and commission income		15.2	11.1	57.9	31.9
Net income and gains from associated companies		-0.8	-3.4	-0.8	10.6
Net gains on financial instruments at fair value		9.7	13.0	16.4	22.9
Other income		7.8	3.6	30.2	13.3
Total other operating income		16.7	13.2	45.9	46.8
Staff expenses		-38.0	-44.4	-142.0	-148.6
General administration expenses		-30.6	-19.5	-88.3	-70.3
Other operating costs		-45.0	-31.9	-129.9	-135.6
Total operating costs		-113.5	-95.8	-360.2	-354.5
Operating profit before losses and other items		29.1	29.7	156.8	143.0
Net write-back in loan losses	10	18.2	6.3	78.2	47.0
Profit before tax		47.3	36.0	234.9	190.0
Tax	5	-16.4	-3.0	-65.3	-42.7
Profit for the year		30.8	33.0	169.6	147.3
Allocated to:					
Shareholders		30.3	32.6	169.3	147.1
Minority interests		0.5	0.4	0.3	0.2

1) Comparable figures for 4th quarter of 2006 have been reclassified.

Storebrand Bank Group

BALANCE SHEET

NOK MILLION	NOTE	31.12.2007	31.12.2006
Cash and deposits with central banks		1 062.0	394.4
Loans to and deposits with credit institutions		374.1	114.9
Financial assets designated at fair value through profit and loss:			
Equity instruments		2.0	8.2
Bonds and other fixed-income securities	9	2 491.6	1 698.6
Derivatives		527.9	642.9
Other current assets		311.5	293.7
Gross lending		37 095.8	31 181.1
- Write-downs of individual loans	10	-247.1	-360.0
- Write-downs of groups of loans		-58.1	-73.3
Net lending to customers		36 790.7	30 747.8
Investments in associated companies		28.7	29.2
Tangible assets	11	10.5	7.2
Intangible assets	11	114.4	46.1
Deferred tax assets		173.9	172.5
TOTAL ASSETS		41 887.4	34 155.5
Liabilities to credit institutions	12	3 064.5	2 786.0
Deposits from and due to customers		17 469.6	13 533.7
Other financial liabilities:			
Derivatives		586.6	607.2
Commercial paper and bonds issued	12	17 159.5	14 396.7
Other liabilities		470.8	339.0
Provision for accrued expenses and liabilities		13.4	4.0
Pension liabilities		69.5	70.1
Subordinated loan capital	12	1 013.8	759.3
TOTAL LIABILITIES		39 847.6	32 495.9
Paid in capital		1 116.6	916.6
Retained earnings		916.1	739.6
Minority interests		7.1	3.5
TOTAL EQUITY		2 039.8	1 659.6
TOTAL EQUITY AND LIABILITIES		41 887.4	34 155.5

Oslo, 12 February 2008

The Board of Directors of Storebrand Bank ASA

Storebrand Bank Group

KEY FIGURES

NOK MILLION	4Q			
	2007	2006	31.12.2007	31.12.2006
Profit and Loss account: (as % of avg. total assets) ¹⁾				
Net interest income ³⁾	1.05%	1.22%	1.07%	1.32%
Other operating income ⁴⁾	0.31%	0.29%	0.27%	0.25%
Main balance sheet figures:				
Total assets			41 887.4	34 155.5
Average total assets	41 009.1	33 339.8	38 658.0	31 691.8
Total lending to customers			37 095.8	31 181.1
Deposits from and due to customers as % of gross lending			47.09%	43.40%
Equity			2 039.8	1 659.6
Other key figures:				
Total non-interest income as % of total income	22.40%	19.30%	20.07%	15.82%
Loan losses and provisions as % of average total lending	-0.21%	-0.09%	-0.23%	-0.17%
Individual impairment loss as % of gross defaulted loans ⁵⁾			83.14%	84.96%
Costs as % of operating income	79.59%	76.34%	69.68%	71.25%
Return on equity after tax ²⁾	5.49%	8.13%	9.05%	8.39%
Capital ratio			10.5%	11.0%

Definitions:

- 1) Average total assets is calculated on the basis of quarterly total assets for the year.
- 2) Profit after tax adjusted for one-off effects as % of average equity.
- 3) Net interest income adjusted for one-off effects.
- 4) Other operating income includes net fee and commission income.
- 5) Gross defaulted loans with identified loss of value.

CHANGES IN EQUITY

NOK MILLION	31.12.07				31.12.06			
	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	3.5	1 659.6	916.6	792.9	3.0	1 712.5
New accounting principle for pensions				0.0		34.5		34.5
Equity at the beginning of the period	916.6	739.6	3.5	1 659.6	916.6	827.4	3.0	1 747.0
The year's change in estimate regarding new accounting principle for pensions, including deferred tax		7.1		7.1		-12.5		-12.5
Profit for the period		169.3	0.3	169.6		147.1	0.2	147.3
Acquisition of company			3.2	3.2				
Equity transactions with the owner:								
Dividend paid				0.0		-222.4		-222.4
Group contribution	200.0			200.0				
Other changer / change in minority interest		0.1	0.0	0.1			0.4	0.4
Equity at the end of the period	1 116.6	916.2	7.1	2 039.8	916.6	739.6	3.5	1 659.6

Storebrand Bank Group

CASH FLOW STATEMENT

NOK MILLION	31.12.2007	31.12.2006
Cash flow from operations		
Net receipts/payments of interest, commissions and fees from customers	457.7	431.1
Net disbursement/payments on customer loans	-6 231.6	-4 488.0
Net receipts/payments of deposits from banking customers	4 241.4	3 668.1
Net receipts/payments on other operating activities	-918.1	-191.4
Net cash flow from operating activities	-2 450.6	-580.2
Cash flow from investment activities		
Net receipts from sale of subsidiaries and associated companies	4.3	14.7
Net payments on purchase/sale of fixed assets etc.	-38.9	-35.6
Net cash flow from investment activities	-34.6	-20.9
Cash flow from financing activities		
Net receipts/payment from borrowing	2 952.8	794.1
Dividend/group contribution payments	0.0	-222.4
Group contribution received	200.0	0.0
Net cash flow from financing activities	3 152.8	571.7
Net cash flow in period	667.5	-29.5
Cash and cash equivalent assets at the start of the period	394.4	423.9
Cash and cash equivalent assets at the end of the period	1 062.0	394.4

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 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. 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.

Storebrand Bank ASA has purchased 90.9% of the share capital of Hadrian Eiendom AS, which provides advice and broking services for commercial real estate. The bank has also acquired the companies Start Up 102 AS, Start Up 103 AS and Start Up 104 AS, all of which were dormant in 2007.

The subsidiary company Neskollen Eiendom AS was sold in the second quarter. A gain of NOK 6.5 million was recognized to the consolidated profit and loss account. The subsidiary Storebrand III AS has also been sold in 2007.

Storebrand II AS changed its name to Storebrand Kredittforetak AS in December 2007.

Ring Eiendomsmegling AS has purchased 100% of the share capital of Skansen Eiendomsmegling AS which was previously a franchisee of Ring Eiendomsmegling AS.

Notes to the account

NOTE 4 ACQUISITIONS

Purchase analysis for Hadrian Eiendom AS

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

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

Goodwill principally relates to the expertise of employees and the company's market position.

Analysis of goodwill by business acquisition

NOK MILLION	ACQUISITION COST 01.01.	ACCUMULATED DEPRECIATION 01.01.	BOOK VALUE 01.01.	ADDITIONS / DISPOSALS	WRITE-DOWN	BOOK VALUE 31.12.
Hadrian Eiendom AS	0.0	0.0	0.0	20.1	0.0	20.1
Skansen Eiendomsmegling AS	0.0	0.0	0.0	0.5	0.0	0.5
Total	0.0	0.0	0.0	20.6	0.0	20.6

No purchase analysis is shown for Skansen Eiendomsmegling AS since the figures are not material to the consolidated accounts. The company has not prepared comparable pro forma accounting figures since the acquisitions are deemed not to be material.

NOTE 5 TAX

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

Notes to the account

NOTE 6 CLOSE ASSOCIATES

Transactions with group companies as at 31 December 2007:

NOK MILLION	OTHER GROUP COMPANIES *)
Interest income	0.0
Interest expense	2.4
Services sold	3.7
Services purchased	54.7
Due from	0.0
Liabilities to	32.4

*) 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.

Transactions with related parties:

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

NOTE 7 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 account

NOTE 8 SEGMENT INFORMATION

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

NOK MILLION	CORPORATE				RETAIL			
	2007	4Q 2006	01.01. - 31.12. 2007 2006		2007	4Q 2006	01.01. - 31.12. 2007 2006	
Profit and loss items:								
Net interest income	54.7	46.6	199.8	189.6	51.9	49.5	195.0	206.2
Net fee and commission income	3.1	3.2	6.4	8.0	1.8	-2.6	7.0	5.5
Other income	1.3	4.3	15.8	11.0	13.2	6.5	16.2	21.7
Operating costs	-35.6	-31.1	-114.3	-123.5	-63.6	-44.7	-197.8	-180.3
Operating profit before loan losses	23.6	22.9	107.7	85.0	3.4	8.8	20.4	53.1
Loan losses and write-downs	17.3	3.4	84.0	54.6	0.8	2.4	-5.8	-7.7
Ordinary profit from continuing operations	40.9	26.4	191.7	139.7	4.2	11.2	14.5	45.4
Ordinary profit from businesses discontinued	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0
Balance sheet items:								
Gross lending to customers	275.7	1 214.1	12 159.5	11 545.1	1 252.9	1 410.0	24 936.4	19 636.0
Deposits from and due to customers	1 400.4	295.9	7 773.8	5 373.9	274.8	163.5	9 695.8	8 159.8
Key figures:								
Costs as % of income	60%	58%	52%	59%	95%	84%	91%	77%
Deposits from and due to customers as % of gross lending	508%	24%	64%	47%	22%	12%	39%	42%

NOK MILLION	MARKETS				REAL ESTATE BROKING			
	2007	4Q 2006	01.01. - 31.12. 2007 2006		2007	4Q 2006	01.01. - 31.12. 2007 2006	
Profit and loss items:								
Net interest income	4.0	5.1	18.1	22.8	0.0	0.1	0.2	0.2
Net fee and commission income	10.3	10.4	44.5	18.4	0.0	0.0	0.0	0.0
Other income	0.9	-2.1	0.9	0.0	1.2	4.5	12.9	14.2
Operating costs	-11.2	-16.0	-32.2	-36.9	-3.0	-3.9	-15.8	-13.8
Operating profit before loan losses	4.0	-2.6	31.4	4.3	-1.8	0.7	-2.7	0.6
Loan losses and write-downs	0.0	0.0	0.0	0.0	0.0	0.4	0.0	0.0
Ordinary profit from continuing operations	4.0	-2.6	31.4	4.3	-1.8	1.1	-2.7	0.6
Ordinary profit from businesses discontinued	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Balance sheet items:								
Gross lending to customers								
Deposits from and due to customers								
Key figures:								
Costs as % of income	74%	120%	51%	90%	243%	86%	120%	96%
Deposits from and due to customers as % of gross lending								

NOK MILLION	TOTAL			
	2007	4Q 2006	01.01. - 31.12. 2007 2006	
Profit and loss items:				
Net interest income	110.7	101.3	413.2	418.8
Net fee and commission income	15.2	11.1	57.9	31.9
Other income	16.7	13.2	45.9	46.8
Operating costs	-113.5	-95.8	-360.2	-354.5
Operating profit before loan losses	29.2	29.7	156.8	143.0
Loan losses and write-downs	18.2	6.3	78.2	47.0
Ordinary profit from continuing operations	47.3	36.0	234.9	190.0
Ordinary profit from businesses discontinued	0.0	0.0	0.0	0.2

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Notes to the account

NOK MILLION	TOTAL			
	2007	4Q 2006	01.01. - 31.12. 2007 2006	
Balance sheet items:				
Gross lending to customers	1 528.5	2 624.1	37 095.8	31 181.1
Deposits from and due to customers	1 675.2	459.4	17 469.6	13 533.7
Key figures:				
Costs as % of income	80%	76%	70%	71%
Deposits from and due to customers as % of gross lending	44%	48%	44%	48%

Business segments are the group'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. The associated company Seilduksgaten 25/31 AS is included in the Commercial Banking segment. The bank has a 50% ownership interest, and the company reported a loss of NOK 0.5 million for 2007.

Retail Banking: Deposits from and lending to retail customers, including credit cards. Lending is principally mortgage lending secured against residential real estate. The bank has a 50% ownership interest in Evoco Financial Production UAB in Lithuania which is included in the Retail Banking segment. The ownership interest is recognised in the accounts as a jointly controlled business. The company reported a loss of NOK 0.2 million for 2007.

Markets: This is a new business area with effect from Q3 2007, and will also include newly-started business activities pursuant to the bank's authorisation in respect of the Securities Trading Act. This business area includes all the bank's activities in structured products, real estate funds, Storebrand Optimér ASA and stockbroking activities. Hadrian Eiendom AS is also included in this area, and the bank had a 90.9% ownership interest in this company at the close of 2007.

Real Estate Broking: This segment solely comprises Ring Eiendomsmegling AS in which the bank had a 70% ownership interest at the close of 2007.

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

Geographical segments:

No company in the group carried out any independent business activities outside Norway in 2007. Customers with foreign domicile are classified as part of the Norwegian activities.

Operating revenue and profit are therefore derived solely from activities in Norway.

NOTE 9 OFF BALANCE SHEET LIABILITIES AND CONTINGENT LIABILITIES

NOK MILLION	31.12.2007	31.12.2006
Guarantees	378.6	290.2
Undrawn credit limits	2 241.9	1 687.4
Other contingent liabilities	46.0	0.0
Total contingent liabilities	2 666.5	1 977.6
Book value of bonds pledged as security for the bank's D-loan facility with the Norwegian central bank	2 461.1	1 698.6
Total book value of off balance sheet liabilities	2 461.1	1 698.6

Notes to the account

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

NOK MILLION	31.12.2007	31.12.2006
Non-performing and loss-exposed loans		
Non-performing loans without evidence of impairment	151.2	109.0
Non-performing and loss-exposed loans with evidence of impairment	297.2	423.7
Gross defaulted and loss-exposed loans	448.3	532.7
Provisions for individual impairment losses	-247.1	-360.0
Net defaulted and loss-exposed loans	201.3	172.7

NOK MILLION	4Q		01.01.07 -	01.01.06 -
	2007	2006	31.12.07	31.12.06
Losses on loans and guarantees etc. during period				
Change in individual impairment loss provisions	6.0	-2.1	113.0	29.6
Change in grouped impairment loss provisions	14.4	7.5	15.2	15.9
Other write-down effects	0.8	16.4	1.5	22.4
Change in individual impairment loss provisions guarantees	0.0	0.0	4.0	0.0
Realised losses specifically provided for previously	-4.3	-13.1	-59.6	-17.2
Realised losses not specifically provided for previously	-0.1	-4.4	-1.0	-6.2
Recoveries on previous realised losses	1.5	2.0	5.1	2.4
Net write-back in loan losses	18.2	6.4	78.2	47.0

NOTE 11 INTANGIBLE ASSETS AND FIXED ASSETS

Costs of NOK 7.8 million were capitalised in the fourth quarter as intangible assets and fixed assets. This relates principally to costs incurred on systems development, data warehouse, systems licenses and similar costs. In addition, NOK 30.7 million of tangible assets are recognized in connection with businesses acquired, see note 4, for goodwill and intangible assets in connection with acquisitions during the period. Amortisation of intangible assets totalled NOK 7.6 million in the quarter.

Notes to the account

NOTE 12 FUNDING

Drawdowns and repayments of funding by type of transaction during 2007 were as follows:

NOK MILLION	NOMINAL VALUE	BOOK VALUE
Balance brought forward as at 1.1.2007	15 273.7	17 942.0
Drawdowns:		
Interbank	0.0	18 799.1
Commercial paper	6 397.0	6 395.6
Bond loans	6 202.3	6 179.6
Structured bond loans	105.4	91.5
Repayments:		
Interbank		-18 559.2
Commercial paper	-5 654.0	-5 651.4
Bond loans	-4 218.1	-4 357.8
Structured bond loans	-780.0	-756.0
Changes in exchange rates		159.1
Changes in amortisation and in fair value		-18.5
Balance carried forward as at 31.12.2007	17 326.3	20 224.0

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

Specification of commercial paper and bonds issued at 31 December 2007:

NOK MILLION	NOMINAL VALUE	BOOK VALUE
Commercial paper	4 507.0	4 474.6
Bond loans	11 422.0	11 410.1
Structured bond loans	1 338.8	1 274.8
Total commercial paper and bonds issued	17 267.8	17 159.5

NOTE 13 RISK

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

Notes to the account

NOTE 14 CAPITAL ADEQUACY ¹⁾

NOK MILLION	31.12.2007	31.12.2006
Equity 31.12.	2 039.8	1 830.6
Tier 1 hybrid capital	275.6	275.1
Intangible assets	-288.3	-219.1
Proportion of pension experience adjustments not amortised	25.9	38.9
Core capital	2 053.0	1 925.5
Supplementary capital	683.7	484.1
Net primary capital	2 736.7	2 409.7
Total assets	25 552.6	21 868.3
Total off-balance sheet items	847.5	482.8
Foreign exchange risk	1.6	4.0
Deduction for loss provisions	-305.2	-437.3
Total risk-weighted assets	26 096.6	21 917.7
Capital ratio	10.5%	11.0%
Excess capital	649.0	656.3
Core capital ratio	7.9 %	8.8 %

1) Key figures are in accordance with the current Kredittilsynet guidelines.

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

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).

Notes to the account

NOTE 15 QUARTERLY PROFIT AND LOSS

NOK MILLION	4Q 2007	3Q 2007	2Q 2007	1Q 2007	4Q 2006
Interest income	626.5	518.7	460.6	386.5	338.6
Interest expense	-515.9	-410.5	-358.7	-293.9	-237.3
Net interest income	110.7	108.1	101.8	92.6	101.3
Fee and commission income from banking services	31.8	29.3	38.3	40.4	37.6
Fee and commission expenses for banking services	-16.6	-14.6	-21.3	-29.4	-26.6
Net fee and commission income	15.2	14.7	17.0	11.0	11.1
Net income and gains from associated companies	-0.8	0.0	0.0	0.0	-3.4
Net gains on financial instruments at fair value	9.7	-0.2	3.5	2.8	13.0
Other income	7.8	3.1	10.9	9.0	3.6
Total other operating income	16.7	2.9	14.4	11.8	13.2
Staff expenses	-38.0	-33.8	-34.0	-36.2	-44.4
General administration expenses	-30.6	-17.5	-20.6	-19.7	-19.5
Other operating costs	-45.0	-31.9	-28.1	-25.0	-31.9
Total operating costs	-113.5	-83.2	-82.7	-80.8	-95.8
Operating profit before losses and other items	29.1	42.6	50.5	34.5	29.7
Net write-back in loan losses	18.2	10.9	4.2	44.9	6.3
Profit before tax	47.3	53.5	54.7	79.4	36.0
Tax	-16.4	-15.1	-12.9	-20.8	-3.0
Profit for the year	30.8	38.4	41.8	58.6	33.0

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

Board of Directors:

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

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