



# Interim report 2016

Storebrand Bank ASA

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# Storebrand Bank Group

## - Half-yearly report for the first half year of 2016

(Profit figures for the corresponding period in 2015 are shown in parentheses. Balance sheet figures in parentheses are for the end of 2015.)

- Retail market portfolio growth
- Successful start to the cooperation agreement entered into with UNIO.
- Sale of mortgages to Storebrand Livsforsikring AS
- Low volume of non-performing loans

The lending balance in the retail market portfolio increased by NOK 4.0 billion for the year to date. Portions of the mortgages are sold to Storebrand Livsforsikring AS, and the bank manages NOK 3.7 billion in mortgages for Storebrand Livsforsikring AS. During the first quarter, the bank entered into a cooperative agreement with UNIO that gives members the offer of mortgages at one of the best interest rates in the market. The agreement is Norway's largest association agreement for banking services and applies for 230,000 members.

The bank's corporate market is being wound up. The market is being wound up in a controlled manner over time.

### FINANCIAL PERFORMANCE

The bank group achieved a pre-tax profit of NOK 89 million (NOK 34 million) in the second quarter and a pre-tax profit of NOK 110 million (NOK 74 million) for the first half year.

Net interest income was NOK 95 million (NOK 95 million) for the second quarter and NOK 183 million (NOK 189 million) for the year. The fee to the Norwegian Banks' Guarantee Fund of NOK 14 million was expensed in its entirety in the first quarter of 2016. In previous years this has been accrued, and for the first half year of 2015 this was NOK 8 million. Net interest income as a percentage of average total assets was 1.16 per cent (1.16 per cent) in the second quarter and 1.13 per cent (1.14 per cent) for the first half year. Net interest income as a percentage of average total assets related to the retail market of the banking group was 1.16 per cent (1.23 per cent) for the quarter and 1.18 per cent (1.29 per cent) year to date.

As a result of the ongoing winding up of the corporate market portfolio, net commission income has now stabilised at a lower level and amounted to NOK 11 million (NOK 9 million) in the second quarter and NOK 20 million (NOK 23 million) in the first half year. There was a positive effect on the bank's commission income due to the increase in loans that the bank manages on behalf of Storebrand Livsforsikring AS.

Other income amounted to NOK 43 million (NOK 2 million) in the second quarter and NOK 50 million (NOK 11 million) for the first half year. The increase principally applies to a dividend recognised as income from the membership in Visa Norge FLI of NOK 25 million in connection with the sale of Visa Europe. The change in value of the membership share is included through total comprehensive income and shows a decrease of NOK 3 million.

Operating costs totalled NOK 64 million (NOK 62 million) in the second quarter and NOK 138 million (NOK 131 million) for the first half year. This increase was primarily due to increased marketing and sales costs. In the second quarter of 2016, costs were influenced by NOK 7 million recognised as income in connection with the cessation of the survivor coverage associated with the pension scheme.

NOK 3 million was recognised as net income (NOK 10 million recognised as expenses) for write-downs on lending in the second quarter, and NOK 5 million was charged on a net basis (NOK 17 million recognised as expenses) for the first half year. The write-downs were primarily associated with the bank's corporate market portfolio. Group write-downs were reduced by NOK 5 million during the quarter and NOK 3 million for the year to date, due primarily to reduced write-downs for the corporate market portfolio. The bank has in particular assessed commitments that are directly or indirectly associated with the oil sector.

### BALANCE SHEET PERFORMANCE

The loan portfolio in the retail market, including loans managed on behalf of Storebrand Livsforsikring AS, increased in the first half year by NOK 4 billion to NOK 30.8 billion at the end of the half year. Retail market loans in the bank group amounted to NOK 27.1 billion. The corporate market portfolio continues to shrink as planned. The volume of corporate market loans syndicated to Storebrand Livsforsikring AS amounted to NOK 2.0 billion (NOK 2.1 billion) at the end of the half year. Gross lending to customers in the bank group totalled NOK 29.2 billion at the end of the half year (NOK 29.4 billion).

The bank group's retail market portfolio represents 93 per cent of the bank's total loans, and mainly consists of low risk home mortgages. The weighted average loan-to-value ratio in the bank group for the retail market portfolio is approximately 56 per cent for home mortgage loans, compared with 58 per cent at the end of 2015. Corporate market lending accounts for 7 per cent of the portfolio.

The volume of non-performing loans decreased by NOK 2 million in the first half year and accounts for 0.6 per cent (0.6 per cent) of gross lending at the end of the half year. The bank considers the portfolio quality to be good. Non-performing loans without impairment amounted to NOK 87 million (NOK 87 million) at the end of the half year. Non-performing impaired loans amounted to NOK 98 million (NOK 100 million) at the end of the half year, where impairment gives individual write-downs of NOK 29 million (NOK 58 million).

### LIQUIDITY RISK AND FUNDING

The bank has established good liquidity buffers and attaches great importance to having a balanced funding structure with varying terms to maturity and issuances in various markets. The volume of deposits from customers was NOK 16.6 billion (NOK 17.8 billion) at the end of the half year, which represents a deposit-to-loan ratio of 56.8 per cent (60.7 per cent).

Storebrand Bank ASA issued a senior bond of NOK 500 million (maturity 2019) in the first quarter. During the second quarter, the parent bank issued loan certificates of NOK 200 million with maturity in August 2016 and a senior bond of NOK 500 million (maturity 2021). In addition, Storebrand Boligkreditt AS issued covered bonds of NOK 2.5 billion (maturity 2021) in the first quarter of 2016.

The liquidity coverage requirement (LCR) measures the size of the company's liquid assets, in relation to the net liquidity outflow 30 days in the future given a stress situation in the money and capital markets. The minimum requirement for LCR with escalation was introduced: 70 per cent from 2016, 80 per cent from 30 December 2016, and 100 per cent from 30 December 2017. The bank has measured and reported its LCR number to the Financial Supervisory Authority of Norway over the past year and is well within the future requirement. The bank's LCR was 355 per cent at the end of the first half year.

#### **CAPITAL ADEQUACY**

The bank has had a decrease in the risk-weighted balance sheet of NOK 0.4 billion in the first half year of 2016. The Storebrand Bank Group had net primary capital of NOK 2.6 billion at the end of the first half year. The capital adequacy ratio was 17.7 per cent and the pure core capital ratio was 14.3 per cent at the end of the second quarter of 2016, compared with 17.1 per cent and 13.8 per cent, respectively, at the end of 2015. The combined requirement for primary capital was 15 per cent from 30 June 2016. The bank group has adapted to the new capital requirements and aims to comply with the applicable buffer capital requirements at any given time. The company has satisfactory financial strength and liquidity based on its operations. The bank group and the parent bank satisfies the capital and capital buffer requirements by a good margin as of 30 June 2016. The subsidiary Storebrand Boligkreditt AS has a capital adequacy ratio of 14.7 per cent as of 30 June 2016 and does not satisfy the combined capital and capital buffer requirements at the end of June 2016. As a consequence of this, Storebrand Boligkreditt AS sold loans to Storebrand Bank ASA, that have reduced gross lending to NOK 14.6 billion. Given a lending volume of NOK 14.6 billion as of 30 June 2016, the capital adequacy ratio is estimated at 15.7 per cent.

#### **PERFORMANCE OF STOREBRAND BANK ASA**

Storebrand Bank ASA reported a pre-tax profit of NOK 79 million (loss of NOK 5 million) for the second quarter, and a profit of NOK 90 million (loss of NOK 24 million) for the first half year.

Net interest income for Storebrand Bank ASA totalled NOK 63 million (NOK 52 million) in the second quarter and NOK 119 million (NOK 92 million) for the first half year.

NOK 4 million was recognised as income (NOK 9 million recognised as expenses) for loan write-downs in the second quarter, and NOK 4 million was charged on a net basis (NOK 16 million recognised as expenses) for the first half year.

#### **STRATEGY AND FUTURE PROSPECTS**

In 2016 Storebrand Bank group will continue to work on improving the business' profitability combined with growth in the retail market. The consequences of the international financial instability for both the banking industry and our customers will be closely monitored. Sound management of the bank's credit and liquidity risk, and control of the operational risk in key work processes will also be a vital focus in 2016. The bank will continue to closely monitor developments in non-performing loans and loan losses. Developments in the Norwegian and international capital markets, interest rates, unemployment and the property market are regarded as the key risk factors that can affect the results of the Storebrand Bank group in 2016.

In the retail market, the bank will work towards reducing costs, increasing the degree of automation in customer and work processes, as well as developing better mobile and tablet solutions for customers.

Due to the discontinuation of the corporate market, the bank will not enter into new projects, grant new loans or otherwise acquire new corporate market customers.

No events of material importance to the interim financial statements have occurred since the balance sheet date.

Lysaker, 13 July 2016  
The Board of Directors of Storebrand Bank ASA

# Storebrand Bank Group

## Income statement

(NOK million)	Note	Q2		Full Year		
		2016	2015	30.06.2016	30.06.2015	2015
Interest income		190.6	243.9	389.5	510.9	948.8
Interest expense		-95.8	-149.0	-206.7	-322.4	-571.6
<b>Net interest income</b>	<b>12</b>	<b>94.8</b>	<b>94.9</b>	<b>182.8</b>	<b>188.5</b>	<b>377.3</b>
Fee and commission income from banking services		14.5	11.9	25.9	28.1	52.0
Fee and commission expenses for banking services		-3.2	-3.1	-6.2	-5.5	-11.4
<b>Net fee and commission income</b>		<b>11.3</b>	<b>8.8</b>	<b>19.7</b>	<b>22.6</b>	<b>40.6</b>
Net gains on financial instruments		43.4	2.4	50.4	4.7	-26.0
Other income			-0.3		6.0	5.6
<b>Total other operating income</b>		<b>43.4</b>	<b>2.1</b>	<b>50.4</b>	<b>10.8</b>	<b>-20.4</b>
Staff expenses		-19.2	-28.1	-44.9	-58.3	-117.2
General administration expenses		-8.6	-10.3	-22.1	-22.6	-50.7
Other operating costs		-35.9	-23.7	-70.8	-50.4	-98.7
<b>Total operating costs</b>		<b>-63.6</b>	<b>-62.1</b>	<b>-137.9</b>	<b>-131.3</b>	<b>-266.6</b>
<b>Operating profit before loan losses</b>		<b>85.9</b>	<b>43.7</b>	<b>115.0</b>	<b>90.6</b>	<b>130.9</b>
Loan losses for the period	14	2.8	-9.7	-5.3	-16.9	-45.4
<b>Profit before tax</b>		<b>88.7</b>	<b>34.1</b>	<b>109.7</b>	<b>73.7</b>	<b>85.5</b>
Tax	4	-17.4	-9.2	-23.4	-19.9	-26.0
Result after tax sold/discontinued operations			-0.1		-0.4	-0.5
<b>Profit for the period</b>		<b>71.2</b>	<b>24.8</b>	<b>86.3</b>	<b>53.5</b>	<b>59.0</b>
<b>Profit for the period is attributable to:</b>						
Portion attributable to shareholders		68.5	21.9	80.9	50.6	50.4
Portion attributable to additional Tier 1 capital holders		2.7	2.9	5.5	2.9	8.6
<b>Profit for the period</b>		<b>71.2</b>	<b>24.8</b>	<b>86.3</b>	<b>53.5</b>	<b>59.0</b>

## Statement of comprehensive income

(NOK million)	Q2		Full Year		
	2016	2015	30.06.2016	30.06.2015	2015
Profit for the period	71.2	24.8	86.3	53.5	59.0
Pension experience adjustments					-10.1
Tax on pension experience adjustments					2.9
<b>Total other result elements not to be classified to profit/loss</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-7.2</b>
Unrealised gain/loss financial instruments available for sale	-2.8		-2.8		9.0
<b>Total other result elements that may be classified to profit/loss</b>	<b>-2.8</b>	<b>0.0</b>	<b>-2.8</b>	<b>0.0</b>	<b>9.0</b>
<b>Total comprehensive income for the period</b>	<b>68.4</b>	<b>24.8</b>	<b>83.5</b>	<b>53.5</b>	<b>60.7</b>
<b>Total comprehensive income for the period is attributable to:</b>					
Portion attributable to shareholders	65.7	21.9	78.1	50.6	52.1
Portion attributable to additional Tier 1 capital holders	2.7	2.9	5.5	2.9	8.6
<b>Total comprehensive income for the period</b>	<b>68.4</b>	<b>24.8</b>	<b>83.5</b>	<b>53.5</b>	<b>60.7</b>

# Storebrand Bank Group

## Statement of financial position

(NOK million)	Note	30.06.2016	30.06.2015	31.12.2015
Cash and deposits with central banks		383.4	242.8	188.6
Loans to and deposits with credit institutions	7	325.9	230.9	122.9
Financial assets designated at fair value through profit and loss:				
Equity instruments	7	15.8	1.9	10.6
Bonds and other fixed-income securities	7, 13	3 232.4	2 589.4	2 653.5
Derivatives	7	417.1	462.8	423.0
Bonds at amortised cost	7, 13	630.5	1 006.6	780.7
Other current assets	7	40.2	36.0	48.3
Gross lending, amortised cost	7	27 743.2	26 868.1	28 135.9
Gross lending, FVO	7	1 448.6	1 163.0	1 214.8
Gross lending		29 191.8	28 031.1	29 350.8
- Loan loss provisions on individual loans	14	-28.9	-48.8	-57.9
- Loan loss provisions on groups of loans	14	-27.8	-22.8	-30.7
Net lending to customers		29 135.2	27 959.5	29 262.1
Tangible assets		1.5	5.5	2.0
Intangible assets and goodwill		92.2	102.8	88.5
Deferred tax assets	4	18.3	31.5	33.3
Assets sold/discontinued operations				
<b>Total assets</b>		<b>34 292.4</b>	<b>32 669.7</b>	<b>33 613.7</b>
Liabilities to credit institutions	7	505.3	6.0	415.7
Deposits from and due to customers	7	16 575.0	18 763.7	17 824.7
Other financial liabilities:				
Derivatives	7	315.2	335.1	331.3
Commercial papers and bonds issued	7, 9	13 984.0	10 714.4	12 214.2
Other liabilities	7	130.2	123.5	113.4
Liabilities sold/discontinued operations				
Provision for accrued expenses and liabilities		3.9	9.0	8.2
Pension liabilities		18.3	30.8	25.3
Subordinated loan capital	7, 9	277.0	286.8	277.0
<b>Total liabilities</b>		<b>31 808.9</b>	<b>30 269.3</b>	<b>31 209.6</b>
Paid in capital		1 590.9	1 516.8	1 516.8
Retained earnings		666.7	657.5	661.3
Additional Tier 1 capital		226.0	226.0	226.0
<b>Total equity</b>		<b>2 483.5</b>	<b>2 400.4</b>	<b>2 404.2</b>
<b>Total equity and liabilities</b>		<b>34 292.4</b>	<b>32 669.7</b>	<b>33 613.7</b>

Lysaker, 13 July 2016  
The Board of Directors of Storebrand Bank ASA

# Storebrand Bank ASA

## Income statement

(NOK million)	Note	Q2			Full Year	
		2016	2015	30.06.2016	30.06.2015	2015
Interest income		116.6	164.4	244.9	336.8	622.3
Interest expense		-53.9	-112.4	-126.0	-245.0	-414.2
<b>Net interest income</b>	<b>12</b>	<b>62.6</b>	<b>52.0</b>	<b>118.9</b>	<b>91.7</b>	<b>208.1</b>
Fee and commission income from banking services		29.3	14.7	55.0	33.7	74.4
Fee and commission expenses for banking services		-3.2	-3.1	-6.2	-5.5	-11.4
<b>Net fee and commission income</b>		<b>26.0</b>	<b>11.6</b>	<b>48.8</b>	<b>28.2</b>	<b>63.0</b>
Net gains on financial instruments		48.2	1.4	61.2		-35.9
Other income					1.4	103.2
<b>Total other operating income</b>		<b>48.2</b>	<b>1.4</b>	<b>61.2</b>	<b>1.4</b>	<b>67.3</b>
Staff expenses		-19.1	-28.0	-44.8	-58.2	-117.0
General administration expenses		-8.5	-10.2	-21.9	-22.4	-50.5
Other operating costs		-34.4	-23.1	-68.5	-49.0	-95.9
<b>Total operating costs</b>		<b>-62.0</b>	<b>-61.4</b>	<b>-135.3</b>	<b>-129.7</b>	<b>-263.3</b>
<b>Operating profit before loan losses</b>		<b>74.9</b>	<b>3.5</b>	<b>93.6</b>	<b>-8.3</b>	<b>75.0</b>
Loan losses for the period	14	3.8	-8.6	-4.1	-15.8	-43.5
<b>Profit before tax</b>		<b>78.6</b>	<b>-5.1</b>	<b>89.5</b>	<b>-24.1</b>	<b>31.5</b>
Tax	4	-14.9	2.2	-18.3	7.4	-23.7
<b>Profit for the period</b>		<b>63.7</b>	<b>-2.8</b>	<b>71.2</b>	<b>-16.7</b>	<b>7.8</b>
<b>Profit for the period is attributable to:</b>						
Portion attributable to shareholders		60.9	-5.7	65.7	-19.6	-0.8
Portion attributable to additional Tier 1 capital holders		2.8	2.9	5.5	2.9	8.6
<b>Profit for the period</b>		<b>63.7</b>	<b>-2.8</b>	<b>71.2</b>	<b>-16.7</b>	<b>7.8</b>

## Statement of comprehensive income

(NOK million)	Q2			Full year	
	2016	2015	30.06.2016	30.06.2015	2015
Profit for the period	63.7	-2.8	71.2	-16.7	7.8
Pension experience adjustments					-10.1
Tax on pension experience adjustments					2.9
<b>Total other result elements not to be classified to profit/loss</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-7.2</b>
Unrealised gain/loss financial instruments available for sale	-2.8		-2.8		9.0
<b>Total other result elements that may be classified to profit/loss</b>	<b>-2.8</b>	<b>0.0</b>	<b>-2.8</b>	<b>0.0</b>	<b>9.0</b>
<b>Total comprehensive income for the period</b>	<b>60.9</b>	<b>-2.8</b>	<b>68.4</b>	<b>-16.7</b>	<b>9.5</b>
<b>Total comprehensive income for the period is attributable to:</b>					
Portion attributable to shareholders	58.1	-5.7	62.9	-19.6	0.9
Portion attributable to additional Tier 1 capital holders	2.8	2.9	5.5	2.9	8.6
<b>Total comprehensive income for the period</b>	<b>60.9</b>	<b>-2.8</b>	<b>68.4</b>	<b>-16.7</b>	<b>9.5</b>

# Storebrand Bank ASA

## Statement of financial position

(NOK million)	Note	30.06.2016	30.06.2015	31.12.2015
Cash and deposits with central banks		383.4	242.8	188.6
Loans to and deposits with credit institutions	7	3 881.1	2 024.3	2 094.8
Financial assets designated at fair value through profit and loss:				
Equity instruments	7	15.8	1.9	10.6
Bonds and other fixed-income securities	7, 13	4 335.1	5 623.9	4 922.6
Derivatives	7	222.5	272.4	249.8
Bonds at amortised cost	7, 13	630.5	1 006.6	780.7
Other current assets		944.9	889.9	1 176.1
Gross lending, amortised cost	7	12 045.3	13 298.6	13 844.3
Gross lending, FVO	7	1 448.6	1 163.0	1 214.8
Gross lending		13 493.9	14 461.6	15 059.2
- Loan loss provisions on individual loans	14	-26.0	-47.1	-55.7
- Loan loss provisions on groups of loans	14	-25.4	-20.8	-28.9
Net lending to customers		13 442.4	14 393.7	14 974.5
Tangible assets		1.5	2.5	2.0
Intangible assets		92.2	102.8	88.5
Deferred tax assets	4	17.2	32.7	34.2
<b>Total assets</b>		<b>23 966.6</b>	<b>24 593.5</b>	<b>24 522.5</b>
Liabilities to credit institutions	7	817.4	314.8	726.3
Deposits from and due to customers	7	16 585.0	18 774.8	17 835.0
Other financial liabilities:				
Derivatives	7	315.2	335.1	331.3
Commercial papers and bonds issued	7, 9	3 472.3	2 435.1	2 704.3
Other liabilities	7	90.8	107.3	292.8
Provision for accrued expenses and liabilities		3.9	9.0	8.2
Pension liabilities		18.3	30.8	25.3
Subordinated loan capital	7, 9	277.0	286.8	277.0
<b>Total liabilities</b>		<b>21 579.9</b>	<b>22 293.8</b>	<b>22 200.0</b>
Paid in capital		1 762.4	1 688.3	1 762.4
Retained earnings		398.4	385.3	334.1
Additional Tier 1 capital		226.0	226.0	226.0
<b>Total equity</b>		<b>2 386.8</b>	<b>2 299.7</b>	<b>2 322.5</b>
<b>Total equity and liabilities</b>		<b>23 966.6</b>	<b>24 593.5</b>	<b>24 522.5</b>

Lysaker, 13 July 2016  
The Board of Directors of Storebrand Bank ASA



# Storebrand Bank Group

## Statement of changes in equity

(NOK million)	Share capital	Share premium	Other paid-in equity	Total paid-in equity	Other equity	Total retained earnings	Additional Tier 1 capital	Total equity
<b>Equity at 31.12.2014</b>	<b>960.6</b>	<b>156.0</b>	<b>400.3</b>	<b>1 516.8</b>	<b>1 009.9</b>	<b>1 009.9</b>	<b>0.0</b>	<b>2 526.7</b>
Profit for the period					50.4	50.4	8.6	59.0
Total other result elements not to be classified to profit/loss					-7.2	-7.2		-7.2
Total other result elements that may be classified to profit/loss					9.0	9.0		9.0
<b>Total comprehensive income for the period</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>52.1</b>	<b>52.1</b>	<b>8.6</b>	<b>60.7</b>
<b>Equity transactions with owners:</b>								
Additional Tier 1 capital classified as equity					1.5	1.5	226.0	227.5
Payment to additional Tier 1 holders							-8.6	-8.6
Provision for group contribution					-402.2	-402.2		-402.2
<b>Equity at 31.12.2015</b>	<b>960.6</b>	<b>156.0</b>	<b>400.3</b>	<b>1 516.8</b>	<b>661.3</b>	<b>661.3</b>	<b>226.0</b>	<b>2 404.2</b>
Profit for the period					80.9	80.9	5.5	86.3
Total other result elements not to be classified to profit/loss								
Total other result elements that may be classified to profit/loss					-2.8	-2.8		-2.8
<b>Total comprehensive income for the period</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>78.1</b>	<b>78.1</b>	<b>5.5</b>	<b>83.5</b>
<b>Equity transactions with owners:</b>								
Additional Tier 1 capital classified as equity					1.4	1.4		1.4
Payment to additional Tier 1 holders							-5.5	-5.5
Group contribution received			74.1	74.1				74.1
Provision for group contribution					-74.1	-74.1		-74.1
Other changes					-0.1	-0.1		-0.1
<b>Equity at 30.06.2016</b>	<b>960.6</b>	<b>156.0</b>	<b>474.4</b>	<b>1 590.9</b>	<b>666.7</b>	<b>666.7</b>	<b>226.0</b>	<b>2 483.5</b>
<b>Equity at 31.12.2014</b>	<b>960.6</b>	<b>156.0</b>	<b>400.3</b>	<b>1 516.8</b>	<b>1 009.9</b>	<b>1 009.9</b>	<b>0.0</b>	<b>2 526.7</b>
Profit for the period					50.6	50.6	2.9	53.5
Total other result elements not to be classified to profit/loss								
<b>Total comprehensive income for the period</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>50.6</b>	<b>50.6</b>	<b>2.9</b>	<b>53.5</b>
<b>Equity transactions with owners:</b>								
Additional Tier 1 capital classified as equity					-0.8	-0.8	226.0	225.2
Payment to additional Tier 1 holders							-2.9	-2.9
Provision for group contribution					-402.2	-402.2		-402.2
<b>Equity at 30.06.2015</b>	<b>960.6</b>	<b>156.0</b>	<b>400.3</b>	<b>1 516.8</b>	<b>657.5</b>	<b>657.5</b>	<b>226.0</b>	<b>2 400.4</b>

# Storebrand Bank ASA

## Oppstilling over endring egenkapital

(NOK million)	Share capital	Share premium	Other paid-in equity	Total paid-in equity	Other equity	Total retained earnings	Additional Tier 1 capital	Total equity
<b>Equity at 31.12.2014</b>	<b>960.6</b>	<b>156.0</b>	<b>571.8</b>	<b>1 688.3</b>	<b>405.8</b>	<b>405.8</b>	<b>0.0</b>	<b>2 094.1</b>
Profit for the period					-0.8	-0.8	8.6	7.8
Total other result elements not to be classified to profit/loss					-7.2	-7.2		-7.2
Total other result elements that may be classified to profit/loss					9.0	9.0		9.0
<b>Total comprehensive income for the period</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.9</b>	<b>0.9</b>	<b>8.6</b>	<b>9.5</b>
<b>Equity transactions with owners:</b>								
Additional Tier 1 capital classified as equity					1.5	1.5	226.0	227.5
Payment to additional Tier 1 holders							-8.6	-8.6
Group contribution received			74.1	74.1				74.1
Provision for group contribution					-74.1	-74.1		-74.1
<b>Equity at 31.12.2015</b>	<b>960.6</b>	<b>156.0</b>	<b>645.9</b>	<b>1 762.4</b>	<b>334.1</b>	<b>334.1</b>	<b>226.0</b>	<b>2 322.5</b>
Profit for the period					65.7	65.7	5.5	71.2
Total other result elements not to be classified to profit/loss								
Total other result elements that may be classified to profit/loss					-2.8	-2.8		-2.8
<b>Total comprehensive income for the period</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>62.9</b>	<b>62.9</b>	<b>5.5</b>	<b>68.4</b>
<b>Equity transactions with owners:</b>								
Additional Tier 1 capital classified as equity					1.4	1.4		1.4
Payment to additional Tier 1 holders							-5.5	-5.5
<b>Equity at 30.06.2016</b>	<b>960.6</b>	<b>156.0</b>	<b>645.9</b>	<b>1 762.4</b>	<b>398.4</b>	<b>398.4</b>	<b>226.0</b>	<b>2 386.8</b>
The share capital is made up of 64 037 183 shares of nominal value NOK 15.								
<b>Equity at 31.12.2014</b>	<b>960.6</b>	<b>156.0</b>	<b>571.8</b>	<b>1 688.3</b>	<b>405.8</b>	<b>405.8</b>	<b>0.0</b>	<b>2 094.1</b>
Profit for the period					-19.6	-19.6	2.9	-16.7
Total other result elements, not to be classified to profit/loss								
<b>Total comprehensive income for the period</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-19.6</b>	<b>-19.6</b>	<b>2.9</b>	<b>-16.7</b>
<b>Equity transactions with owners:</b>								
Equity transactions with owners:					-0.8	-0.8	226.0	225.2
Additional Tier 1 capital classified as equity							-2.9	-2.9
<b>Equity at 30.06.2015</b>	<b>960.6</b>	<b>156.0</b>	<b>571.8</b>	<b>1 688.3</b>	<b>385.3</b>	<b>385.3</b>	<b>226.0</b>	<b>2 299.7</b>

# Statement of cash flow

Storebrand Bank ASA			Storbrand Bank Group	
30.06.2015	30.06.2016	NOK mill.	30.06.2016	30.06.2015
		<b>Cash flow from operations</b>		
312.1	261.0	Receipts of interest, commissions and fees from customers	421.8	517.2
-55.6	-55.1	Payments of interest, commissions and fees to customers	-55.1	-55.6
-279.6	1 589.1	Net disbursements/payments on customer loans	156.5	458.2
-725.1	-1 298.9	Net receipts/payments of deposits from banking customers	-1 298.6	-728.2
650.3	833.3	Net receipts/payments - securities at fair value	815.2	623.8
-139.9	-147.1	Payments of operating costs	-166.2	-147.6
		Net receipts/payments on other operating activities		3.0
<b>-237.7</b>	<b>1 182.3</b>	<b>Net cash flow from operating activities</b>	<b>-126.4</b>	<b>670.8</b>
		<b>Cash flow from investment activities</b>		
-3.8	-11.5	Net payments on purchase/sale of fixed assets etc.	-11.5	-3.8
<b>-3.8</b>	<b>-11.5</b>	<b>Net cash flow from investment activities</b>	<b>-11.5</b>	<b>-3.8</b>
		<b>Cash flow from financing activities</b>		
-715.4	-427.9	Payments - repayments of loans and issuing of bond debt	-3 075.6	-2 452.7
500.0	1 198.6	Receipts - new loans and issuing of bond debt	3 699.2	2 500.0
-50.4	-52.1	Payments - interest on loans	-139.2	-147.3
-8.1	-5.5	Payments - interest on subordinated loan capital	-5.5	-8.1
-2.9	-5.5	Payments - interest on additional Tier 1 capital	-5.5	-2.9
-11.0	91.2	Net receipts/payments of liabilities to credit institutions	89.7	-13.2
224.4	218.5	Receipts - group contribution	74.1	
-457.1	-206.9	Payments - group contribution / dividends	-101.5	-457.1
<b>-520.6</b>	<b>810.3</b>	<b>Net cash flow from financing activities</b>	<b>535.8</b>	<b>-581.3</b>
<b>-762.1</b>	<b>1 981.1</b>	<b>Net cash flow in the period</b>	<b>397.9</b>	<b>85.6</b>
3 029.2	2 283.4	Cash and bank deposits at the start of the period	311.5	388.1
<b>2 267.1</b>	<b>4 264.5</b>	<b>Cash and bank deposits at the end of the period</b>	<b>709.3</b>	<b>473.7</b>
		Cash and bank deposits consist of:		
242.8	383.4	Cash and deposits with central banks	383.4	242.8
2 024.3	3 881.1	Loans to and deposits with credit institutions	325.9	230.9
<b>2 267.1</b>	<b>4 264.5</b>	<b>Total cash and bank deposits in the balance sheet</b>	<b>709.3</b>	<b>473.7</b>

# Notes

## Storebrand Bank Group

### Note 01 | Accounting principles

The Group's financial statements include Storebrand Bank ASA together with subsidiaries. The financial statements are prepared in accordance with IAS 34 Interim Financial Reporting. The interim financial statements do not include all the information required in the annual report.

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.

A description of the accounting policies applied in the preparation of the financial statements is provided in the 2015 annual report, and the interim financial statements are prepared with respect to these accounting policies. There are no new nor amended accounting standards that entered into effect as at 1 January 2016 that have caused significant effects on Storebrand Bank ASA's and Storebrand Bank Group's interim financial statements.

### Note 02 | Estimates

Critical accounting estimates and judgements are described in the 2015 annual financial statements in note 2 and valuation of financial instruments at fair value are described in note 6.

In preparing the Group's financial statements the management are requiring to make judgements, estimates and assumptions of uncertain amounts. The estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical experience and expectations of future events and represent the management's best judgment at the time the financial statements were prepared.

Actual results may differ from these estimates.

The Bank Group's critical estimates and judgements that could result in material adjustment of recognised amounts are discussed below:

#### **Financial instruments at fair value**

There is uncertainty linked to fixed-rate loans recorded at fair value, due to variation in the interest rate terms offered by banks and since individual borrowers have different credit risk.

See also note 7 where valuation of financial instruments at fair value are described further.

#### **Financial instruments at amortised cost**

Financial instruments valued at amortised cost are assessed on the reporting date to see whether there is any objective evidence that a financial asset or group of financial assets is impaired.

A certain degree of judgement must be used in assessing whether impairment has occurred and the amount of the impairment loss. Uncertainty grows when there is turmoil in financial markets. The assessments include credit, market and liquidity risk. Changes in assumptions for these factors will affect an assessment of whether impairment is indicated. There will thus be uncertainty concerning the recognised amounts of individual and group write-downs. This will apply to provisions relating to loans in the private and the corporate markets and to bonds that are recognised at amortised cost.

### Note 03 | Pension scheme

In 2014, the defined benefit pension scheme for employees at Storebrand in Norway was changed after the decision was made to transition to a defined contribution pension scheme. These pension liabilities were largely derecognised in 2014. Reference is made to the specific information regarding this in the notes to the financial statements for 2014 and 2015. In connection with new rules for disability pensions in the Norwegian Occupational Pensions Act, Storebrand has adapted the disability pension scheme for own employees in Norway effective from 1 June 2016. The survivor coverage associated with the pension scheme came to an end from the same date. Allocated liabilities relating to this previous coverage have been recognised as income in the financial statements for the second quarter of 2016. For the Storebrand Bank Group, this amounts to a net positive effect on profit of NOK 7 million.

Note  
04

## Tax

Tax cost is based on an expected average tax rate of 25% of company's profit and group profit before tax adjusted for permanent differences.

Note  
05

## Related parties

### COVERED BONDS ISSUED BY STOREBRAND BOLIGKREDITT AS

Storebrand Bank ASA has invested a total of NOK 1.1 billion in covered bonds issued by Storebrand Boligkreditt AS as of 30 June 2016. 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 bonds issued by Storebrand Boligkreditt AS.

### LOANS SOLD TO STOREBRAND BOLIGKREDITT AS

Storebrand Bank ASA sells loans to the mortgage company Storebrand Boligkreditt AS. The mortgages are transferred on commercial terms. Once the loans are sold, Storebrand Boligkreditt AS assumes all the risks and benefits of owning the loan portfolio. It is Storebrand Boligkreditt AS that receives all the cash flows from the loan customer. Storebrand Bank ASA shall arrange the transfer and return of loans when changes have to be made, i.e. if there is a request to increase the loan amount, change from variable to fixed interest, conversion to employee loan or conversion to a flexible mortgage. The costs are included in the contractual administration fee. Non-performing loans in Storebrand Boligkreditt AS remain in the company. 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 reports are prepared for non-performing loans in Storebrand Boligkreditt AS. These loans are not included in the cover pool.

Loans 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 ASA has not pledged any guarantees in connection with loans to Storebrand Boligkreditt 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 Livsforsikring AS.

### LOANS SOLD TO STOREBRAND LIVSFORSIKRING AS

Storebrand Bank ASA has sold mortgages to sister company Storebrand Livsforsikring AS. The mortgages were sold on commercial terms. The portfolio of loans that was sold in the first half of 2016 totalled NOK 3.7 billion. As the buyer, Storebrand Livsforsikring AS has acquired both cash flows and most of the risk and control. The loans were therefore derecognised in the bank's balance sheet in accordance with IAS 39. Storebrand Bank ASA receives management fees for the work being done with the sold portfolio.

### CREDIT FACILITIES WITH STOREBRAND BOLIGKREDITT AS

The bank has two credit facilities with Storebrand Boligkreditt AS. One of these is a normal overdraft facility, with a ceiling of NOK 6 billion. This has no expiry date, but can be terminated by the bank on 15 months' notice. The other facility must have a sufficient ceiling at all times to be able to cover interest and repayment on covered bonds and related derivatives for the next 31 days. This drawing right may not be terminated by the bank until at least 3 months after the maturity date of the covered bond and related derivatives with the longest period to maturity.

### OTHER RELATED PARTIES

Storebrand Bank ASA conducts transactions with related parties as part of its normal business activities. These transactions take place on commercial terms. The terms for transactions with senior employees and related parties are stipulated in notes 39 and 40 in the 2015 annual report for Storebrand Bank ASA.

Note  
06

## Financial risk

The market value of Storebrand Bank's financial assets and liabilities varies due to financial market risks. Note 3 to note 7 of the 2015 annual report explains the banking group's financial risks which also is representative of the financial risks as per 30 June 2016. The bank's corporate market portfolio has declined since the end of 2015, but this has not significantly changed the risk in the remaining portfolio.

Note  
07

## Valuation of financial instruments

Storebrand Bank Group conducts a comprehensive process to ensure that financial instruments are valued as closely as possible to their market value. Publicly listed financial instruments are valued on the basis of the official closing price on stock exchanges, supplied by Reuters and Bloomberg. Bonds are generally valued based on prices obtained from Nordic Bond Pricing, Reuters and Bloomberg. Bonds that are not regularly quoted will normally be valued using recognised theoretical models. The latter is particularly applicable to bonds denominated in Norwegian kroner. Discount rates composed of the swap rates plus a credit premium are used as a basis for these types of valuations. The credit premium will often be specific to the issuer, and will normally be based on a consensus of credit spreads quoted by a selected brokerage firm.

Unlisted derivatives, including primarily interest rate and foreign exchange instruments, are also valued theoretically. Money market rates, swap rates, exchange rates and volatilities that form the basis for valuations are supplied by Reuters, Bloomberg and Norges Bank.

Storebrand Bank Group carries out continual checks to safeguard the quality of market data that has been collected from external sources. These types of checks will generally involve comparing multiple sources as well as controlling and assessing the likelihood of unusual changes.

The Storebrand Group categorises financial instruments on three different levels, for further information see note 8 in the 2015 annual report. The levels express the differing degrees of liquidity and different measurement methods used. The company has established valuation models to gather information from a wide range of well-informed sources with reference to minimising the uncertainty of valuations.

### VALUATION OF FINANCIAL INSTRUMENTS AT AMORTISED COST

Storebrand Bank Group

(NOK million)	Fair value		Book value	
	30.06.2016	31.12.2015	30.06.2016	31.12.2015
<b>Financial assets</b>				
Bonds classified as loans and receivables	632.4	781.7	630.5	780.7
Loans to and deposits with credit institutions	325.9	122.9	325.9	122.9
Net lending to customers	27 644.6	28 016.0	27 686.5	28 047.3
Other current assets	40.2	48.3	40.2	48.3
<b>Financial liabilities</b>				
Liabilities to credit institutions	6.2	11.6	6.2	11.6
Deposits from and due to customers	16 575.0	17 824.7	16 575.0	17 824.7
Commercial papers and bonds issued	14 012.9	12 183.9	13 984.0	12 214.2
Other liabilities	130.2	113.4	130.2	113.4
Subordinated loan capital	275.3	277.0	277.0	277.0

## VALUATION OF FINANCIAL INSTRUMENTS AT FAIR VALUE

Storebrand Bank Group

(NOK million)	Level 1 Quoted prices	Level 2 Observable assumptions	Level 3 Non-observable assumptions	Book value 30.06.2016	Book value 31.12.2015
<b>Assets:</b>					
<b>Equities</b>		<b>1.6</b>	<b>14.2</b>	<b>15.8</b>	<b>10.6</b>
Total equities 31.12.2015		1.6	9.0		
<b>Lending to customers</b>			<b>1 448.6</b>	<b>1 448.6</b>	<b>1 214.8</b>
Total lending to customers 31.12.2015			1 214.8		
Government and government guaranteed bonds		391.4		391.4	219.2
Credit bonds		250.3		250.3	196.5
Mortgage and asset backed bonds		2 590.7		2 590.7	2 237.8
<b>Total bonds</b>	<b>0.0</b>	<b>3 232.4</b>	<b>0.0</b>	<b>3 232.4</b>	
Total bonds 31.12.2015		2 653.5			
Interest derivatives		101.9		101.9	91.6
Currency derivatives				0.0	0.2
<b>Total derivatives</b>	<b>0.0</b>	<b>101.9</b>	<b>0.0</b>	<b>101.9</b>	
Derivatives with a positive fair value		417.1		417.1	423.0
Derivatives with a negative fair value		-315.2		-315.2	-331.3
Total derivatives 31.12.2015		91.8			
<b>Liabilities:</b>					
<b>Liabilities to credit institutions</b>		<b>499.1</b>		<b>499.1</b>	<b>404.1</b>
Total liabilities to credit institutions 31.12.2015		404.1			

There have not been any changes between quoted prices and observable assumptions on the various financial instruments in the quarter.

## SPECIFICATION OF SECURITIES PURSUANT TO VALUATION TECHNIQUES (NON-OBSERVABLE ASSUMPTIONS)

(NOK million)	Equities	Lending to customers
Book value 01.01.2016	9.0	1 214.8
Net gains/losses on financial instruments	-2.8	-0.2
Supply / disposal	8.0	359.6
Sales / due settlements		-125.6
Transferred from observable assumptions to non-observable assumptions		
Translation differences		
Other		
<b>Book value 30.06.2016</b>	<b>14.2</b>	<b>1 448.6</b>

## SENSITIVITY ANALYSIS

### LENDING TO CUSTOMERS

The value of fixed-rate loans is determined by discounting the agreed cash flows over the remaining maturity by the current discount rate adjusted for market spread. The discount rate that is used is based on a swap interest rate (mid swap) with a maturity that corresponds to the remaining lock-in period for the underlying loans. The market spread that is used on the date of the balance sheet is determined by assessing the market conditions, market price and the associated swap interest rate.

### EQUITIES

This item is included the membership in VISA Norge FLI which has been valued based on information on the completion of a transaction between VISA Europe Ltd and VISA Inc. The transaction was implemented in the second quarter of 2016 and in June 2016 the bank received a dividend of NOK 24.6 million based on the bank's share. At the end of the quarter, the membership was valued at what the bank expects to receive in deferred settlement, adjusted for uncertainty. The change in value is included through OCI/Total comprehensive income.

(NOK million)	Fixed-rate loans to customers		Equities	
	Change in market spread		Change in value	
	+ 10 BP	- 10 BP	+ 25 BP	- 25 BP
<b>Increase/reduction in fair value at 30.06.2016</b>	<b>-4.8</b>	<b>4.8</b>	<b>0.0</b>	<b>-0.0</b>
Increase/reduction in fair value at 31.12.2015	-3.9	3.9	0.2	-0.2



## Segment information

### PROFIT AND LOSS BY SEGMENT FOR STOREBRAND BANK GROUP

(NOK million)	Corporate					Retail				
	Q2		Full Year			Q2		Full Year		
	2016	2015	30.06.2016	30.06.2015	2015	2016	2015	30.06.2016	30.06.2015	2015
<b>Profit and loss items:</b>										
Net interest income	9.8	11.2	22.2	19.8	37.7	91.1	87.7	185.8	183.6	365.9
Net fee and commission income	3.0	2.8	3.9	8.1	7.8	9.1	9.7	15.6	20.0	39.6
Other income		0.6		1.0	1.8		0.5		1.1	-6.8
Total operating costs	-2.9	-10.6	-11.3	-23.8	-42.1	-60.5	-51.6	-126.4	-107.6	-217.8
<b>Operating profit before loan losses</b>	<b>9.8</b>	<b>4.1</b>	<b>14.7</b>	<b>5.1</b>	<b>5.2</b>	<b>39.6</b>	<b>46.3</b>	<b>74.9</b>	<b>97.0</b>	<b>180.8</b>
Loan losses	1.2	-10.2	-5.3	-16.5	-40.3	1.0	-0.1	-0.3	-1.0	-5.2
<b>Ordinary profit from continuing operations</b>	<b>11.0</b>	<b>-6.1</b>	<b>9.4</b>	<b>-11.5</b>	<b>-35.1</b>	<b>40.6</b>	<b>46.2</b>	<b>74.6</b>	<b>96.0</b>	<b>175.6</b>
<b>Ordinary profit from discontinued businesses</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>
<b>Balance sheet items:</b>										
Gross lending to customers			1 982.8	3 082.7	2 371.8			27 119.3	24 833.1	26 860.8
Deposits from and due to customers			357.4	645.4	400.0			15 859.9	17 995.6	17 434.9
<b>Key figures:</b>										
Net interest income as % of total assets	1.55%	1.18%	1.70%	0.98%	1.05%	1.16%	1.23%	1.18%	1.29%	1.24%
Cost/income ratio	23 %	72 %	44 %	82 %	89 %	60 %	53 %	63 %	53 %	55 %
Deposits from customers as % of gross lending			18 %	21 %	17 %			58 %	72 %	65 %
Total level of provisioning			51 %	63 %	132 %			24 %	22 %	22 %

(NOK million)	Treasury/Other					Total				
	Q2		Full Year			Q2		Full year		
	2016	2015	30.06.2016	30.06.2015	2015	2016	2015	30.06.2016	30.06.2015	2015
<b>Profit and loss items:</b>										
Net interest income	-6.0	-4.1	-25.1	-14.9	-26.3	94.8	94.9	182.8	188.5	377.3
Net fee and commission income	-0.8	-3.7	0.2	-5.5	-6.8	11.3	8.8	19.7	22.6	40.6
Other income	43.4	1.0	50.4	8.8	-15.4	43.4	2.1	50.4	10.8	-20.4
Total operating costs	-0.1	0.1	-0.1	0.1	-6.6	-63.6	-62.1	-137.9	-131.3	-266.6
<b>Operating profit before loan losses</b>	<b>36.4</b>	<b>-6.7</b>	<b>25.4</b>	<b>-11.5</b>	<b>-55.1</b>	<b>85.9</b>	<b>43.7</b>	<b>115.0</b>	<b>90.6</b>	<b>130.9</b>
Loan losses	0.6	0.7	0.3	0.7	0.2	2.8	-9.7	-5.3	-16.9	-45.4
<b>Ordinary profit from continuing operations</b>	<b>37.1</b>	<b>-6.0</b>	<b>25.7</b>	<b>-10.8</b>	<b>-54.9</b>	<b>88.7</b>	<b>34.1</b>	<b>109.7</b>	<b>73.7</b>	<b>85.5</b>
<b>Ordinary profit from sold/discontinued businesses</b>	<b>0.0</b>	<b>-0.1</b>	<b>0.0</b>	<b>-0.4</b>	<b>-0.5</b>	<b>0.0</b>	<b>-0.1</b>	<b>0.0</b>	<b>-0.4</b>	<b>-0.5</b>
<b>Balance sheet items:</b>										
Gross lending to customers			89.7	115.2	118.2			29 191.8	28 031.1	29 350.8
Deposits from and due to customers			357.6	122.7	-10.3			16 575.0	18 763.7	17 824.7
<b>Key figures:</b>										
Net interest income as % of total assets						1.12 %	1.16 %	1.08 %	1.14 %	1.13 %
Cost/income ratio						43 %	59 %	54 %	59 %	67 %
Deposits from customers as % of gross lending								57 %	67 %	61 %
Total level of provisioning								31 %	36 %	48 %

Business segments are the Group' primary reporting segments.

## DESCRIPTION OF THE SEGMENTS:

### CORPORATE MARKET

The segment includes corporate customers' deposits and loans, mainly property owners and developers.

All capital market business for customers within the bank's corporate market segment is presented under the corporate market segment. Storebrand Bank ASA has decided to wind up the corporate market at the bank. The winding up of operations will be gradual and controlled.

### RETAIL MARKET

Deposits from and loans to retail market customers, including credit cards. Loans comprise primarily home mortgages. The segment includes loans in Storebrand Boligkreditt AS. All capital market business for customers within the bank's retail market segment is presented under the retail market segment. In the second quarter 2015 a deposit portfolio linked to small SME and retail customers that was reported earlier as part of the corporate market segment was moved to the retail market segment.

The fee to the Norwegian Banks' Guarantee Fund is accrued over 12 months in the segment accounts. The residual for actual recognised expense is entered in the Treasury/Other segment.

The allocation of income and expenses that are not directly attributable has been made on the basis of the assumed resource use. The elimination of double entries refers primarily to customer transactions that are carried out across the segments. The effects of financial risk management and the liquidity portfolio have not been allocated to the business areas and are reported under Treasury/Other.

Dividend payment from VISA Norge FLI is reported under Treasury/Other.

## Securities issued and subordinated loan capital

(NOK million)	Storebrand Bank Group	
	30.06.2016	31.12.2015
Commercial papers	200.1	
Bond loans	13 783.8	12 214.2
Subordinated loan capital	277.0	277.0
<b>Total securities issued and subordinated loan capital</b>	<b>14 261.0</b>	<b>12 491.2</b>

### SPECIFICATION OF COMMERCIAL PAPERS, BONDS ISSUED AND SUBORDINATED LOAN CAPITAL AS OF 30 JUNE 2016 STOREBRAND BANK GROUP

(NOK million)							Book value
ISIN Code	Issuer	Net nominal value	Currency	Interest	Maturity <sup>1)</sup>		30.06.2016
<b>Commercial papers</b>							
NO0010767205	Storebrand Bank ASA	200.0	NOK	Fixed	08.08.2016		200.1
<b>Total commercial papers</b>							<b>200.1</b>

(NOK million)							Book value
ISIN Code	Issuer	Net nominal value	Currency	Interest	Maturity <sup>1)</sup>		30.06.2016
<b>Bond loans</b>							
NO0010660806	Storebrand Bank ASA	300.0	NOK	Fixed	08.10.2019		328.5
NO0010762891	Storebrand Bank ASA	500.0	NOK	Fixed	19.04.2021		502.1
NO0010641079	Storebrand Bank ASA	737.0	NOK	Floating	27.03.2017		737.5
NO0010662752	Storebrand Bank ASA	300.0	NOK	Floating	13.11.2017		300.9
NO0010751316	Storebrand Bank ASA	300.0	NOK	Floating	09.11.2018		300.5
NO0010758980	Storebrand Bank ASA	500.0	NOK	Floating	04.03.2019		501.0
NO0010729387	Storebrand Bank ASA	600.0	NOK	Floating	14.01.2020		601.6
<b>Sum obligasjonslån</b>							<b>3 272.2</b>

(NOK million)							Book value
ISIN Code	Issuer	Net nominal value	Currency	Interest	Maturity <sup>1)</sup>		30.06.2016
<b>Covered bonds</b>							
NO0010548373	Storebrand Boligkreditt AS	1 250.0	NOK	Fixed	28.10.2019		1 446.4
NO0010635071	Storebrand Boligkreditt AS	2 450.0	NOK	Floating	21.06.2017		2 454.5
NO0010660822	Storebrand Boligkreditt AS	2 500.0	NOK	Floating	20.06.2018		2 514.1
NO0010736903	Storebrand Boligkreditt AS	2 300.0	NOK	Floating	17.06.2020		2 296.1
NO0010760192	Storebrand Boligkreditt AS	1 800.0	NOK	Floating	16.06.2021		1 800.6
<b>Total covered bonds</b>							<b>10 511.7</b>
<b>Total commercial papers and bonds issued</b>							<b>13 984.0</b>

1) Maturity date in this summary is the first possible maturity date (Call date).

(NOK million)							Book value
ISIN Code	Issuer	Net nominal value	Currency	Interest	Maturity		30.06.2016
<b>Dated subordinated loan capital</b>							
NO0010641657	Storebrand Bank ASA	150.0	NOK	Flytende	12.04.2017		151.5
NO0010714314	Storebrand Bank ASA	125.0	NOK	Flytende	09.07.2019		125.5
<b>Total subordinated loan capital</b>							<b>277.0</b>
<b>Total securities issued and subordinated loan capital</b>							<b>14 261.0</b>

The loan agreements contain standard covenants. Storebrand Bank ASA and Storebrand Boligkreditt AS were in compliance with all relevant covenants in 2016. Under the loan programme in Storebrand Boligkreditt AS the company's overcollateralisation requirement was 109.5 per cent fulfilled.

## Note 10 | 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 mainly carried out in accordance with the same principles as those used in the accounts, with all internal transactions eliminated, including shares, loans and deposits as well as other receivables and liabilities.

### NET PRIMARY CAPITAL

Storebrand Bank ASA			Storebrand Bank Group	
31.12.2015	30.06.2016	NOK million	30.06.2016	31.12.2015
960.6	960.6	Share capital	960.5	960.6
1 362.0	1 426.2	Other equity	1 523.0	1 443.6
<b>2 322.5</b>	<b>2 386.8</b>	<b>Total equity</b>	<b>2 483.5</b>	<b>2 404.2</b>
-225.0	-225.0	Additional Tier 1 capital included in total equity	-225.0	-225.0
-1.0	-1.0	Accrued interest on capital instruments included in total equity	-1.0	-1.0
<b>2 096.5</b>	<b>2 160.8</b>	<b>Total equity exc. Hybrid Tier 1 capital</b>	<b>2 257.6</b>	<b>2 178.1</b>
		Deductions:		
	-71.2	Profit not included in the calculation of net primary capital	-86.3	
-88.5	-92.2	Intangible assets	-92.2	-88.5
		Deferred tax asset		-0.3
		Provision for group contribution		-74.1
		Addition:		
		Group contribution received		74.1
<b>2 008.0</b>	<b>1 997.4</b>	<b>Core capital exc. Hybrid Tier 1 capital</b>	<b>2 079.1</b>	<b>2 089.3</b>
		Additional Tier 1 capital:		
225.0	225.0	Capital instruments eligible as AT1 capital	225.0	225.0
<b>2 233.0</b>	<b>2 222.4</b>	<b>Core capital</b>	<b>2 304.1</b>	<b>2 314.3</b>
274.8	274.9	Supplementary capital	274.9	274.8
		Tier 2 capital		
		Tier 2 capital deductions		
<b>2 507.7</b>	<b>2 497.3</b>	<b>Net primary capital</b>	<b>2 578.9</b>	<b>2 589.1</b>

## MINIMUM CAPITAL REQUIREMENT

Storebrand Bank ASA			Storebrand Bank Group	
31.12.2015	30.06.2016	NOK million	30.06.2016	31.12.2015
910.2	834.2	Credit risk	1 073.4	1 110.6
		Of which:		
10.0	7.5	Local and regional authorities	7.7	9.8
0.0	0.0	Public sector owned corporates	0.0	0.0
		International organisations	0.0	
168.1	171.7	Institutions	14.1	10.0
2.5	0.1	Corporates	0.1	2.5
541.5	484.2	Loans secured in residential real estate	931.9	951.3
83.1	51.9	Retail market	57.1	88.0
7.7	8.9	Loans past-due	13.6	12.4
81.9	96.5	Covered bonds	23.4	20.9
15.5	13.4	Other	25.6	15.7
<b>910.2</b>	<b>834.2</b>	<b>Total minimum requirement for credit risk</b>	<b>1 073.4</b>	<b>1 110.6</b>
		Settlement risk		
<b>0.0</b>	<b>0.0</b>	<b>Total minimum requirement for market risk</b>	<b>0.0</b>	<b>0.0</b>
87.1	45.4	Operational risk	77.2	88.4
9.5	7.9	CVA risk *)	16.6	17.8
		Deductions		
-2.3	-2.0	Loan loss provisions on groups of loans	-2.2	-2.5
<b>1 004.4</b>	<b>885.4</b>	<b>Minimum requirement for net primary capital</b>	<b>1 165.0</b>	<b>1 214.4</b>

## CAPITAL ADEQUACY

Storebrand Bank ASA		Storebrand Bank Group	
31.12.2015	30.06.2016	30.06.2016	31.12.2015
20.0 %	22.6 %	17.7 %	17.1 %
17.8 %	20.1 %	15.8 %	15.2 %
16.0 %	18.0 %	14.3 %	13.8 %

\*) Regulation on own funds requirements for credit valuation adjustment risk.

The standard method is used for credit risk and market risk, and the basic method for operational risk. The overall requirements for core tier 1 capital and the capital base are 11.5 and 15 per cent respectively as of 30 June 2016, through the increase of counter-cyclical capital buffer by 0.5 percent from this date.

## BASIS OF CALCULATION (RISK-WEIGHTED VOLUME)

Storebrand Bank ASA			Storebrand Bank Group	
31.12.2015	30.06.2016	NOK million	30.06.2016	31.12.2015
11 377.2	10 427.1	Credit risk	13 417.1	13 882.5
		Of which:		
124.8	93.2	Local and regional authorities	95.8	122.6
0.0	0.0	Public sector owned corporates	0.0	0.0
		International organisations	0.0	
2 101.1	2 145.7	Institutions	176.2	124.6
30.6	0.8	Corporates	0.8	30.6
6 768.5	6 052.3	Loans secured on residential real estate	11 648.5	11 891.8
1 038.6	649.4	Retail market	713.5	1 100.4
95.9	111.3	Loans past-due	169.9	154.8
1 024.4	1 206.4	Covered bonds	292.1	261.8
193.2	168.1	Other	320.3	195.8
<b>11 377.2</b>	<b>10 427.1</b>	<b>Total basis of calculation credit risk</b>	<b>13 417.1</b>	<b>13 882.5</b>
0.0	0.0	Settlement risk	0.0	0.0
<b>0.0</b>	<b>0.0</b>	<b>Total basis of calculation market risk</b>	<b>0.0</b>	<b>0.0</b>
1 088.3	567.0	Operational risk	965.5	1 105.1
118.2	98.8	CVA risk *)	207.7	222.6
		Deductions		
-28.9	-25.5	Loan loss provisions on groups of loans	-27.8	-30.7
<b>12 554.7</b>	<b>11 067.5</b>	<b>Total basis of calculation of minimum requirements for capital base</b>	<b>14 562.5</b>	<b>15 179.4</b>

Note  
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## Key figures

(NOK million and percentage)	Storebrand Bank Group				
	Q2		Full Year		
	2016	2015	30.06.2016	30.06.2015	2015
<b>Profit and Loss account: (as % of avg. total assets)</b>					
Net interest income <sup>1)</sup>	1.16 %	1.16 %	1.13 %	1.14 %	1.13 %
Other operating income <sup>3)</sup>	0.64 %	0.13 %	0.41 %	0.20 %	0.06 %
<b>Main balance sheet figures:</b>					
Total assets			34 292.4	32 669.7	33 613.7
Average total assets <sup>2)</sup>	34 093.7	32 905.7	33 929.9	33 441.3	33 390.0
Gross lending to customers			29 191.8	28 031.1	29 350.8
Deposits from customers			16 575.0	18 763.7	17 824.7
Deposits from customers as % of gross lending			56.8 %	66.9 %	60.7 %
Equity			2 483.5	2 400.4	2 404.2
<b>Other key figures:</b>					
Total non-interest income as % of total income	36.6 %	10.3 %	27.7 %	15.1 %	5.1 %
Loan losses and provisions as % of average total lending <sup>5)</sup>	-0.04 %	0.14 %	0.04 %	0.12 %	0.16 %
Gross non-performing and loss-exposed loans as % of total average lending			0.6 %	0.7 %	0.6 %
Cost/income ratio banking activities <sup>4)</sup>	42.4 %	58.6 %	54.4 %	60.4 %	67.7 %
Return on equity before tax <sup>6)</sup>			9.1 %	6.3 %	3.6 %
Core capital ratio			15.8 %	14.5 %	15.2 %

## Storebrand Bank ASA

(NOK million and percentage)	Q2				Full Year
	2016	2015	30.06.2016	30.06.2015	2015
<b>Profit and Loss account: (as % of avg. total assets)</b>					
Net interest income	1.13 %	0.83 %	1.06 %	0.72 %	0.83 %
Other operating income <sup>3)</sup>	1.26 %	0.21 %	0.92 %	0.23 %	0.52 %
<b>Main balance sheet figures:</b>					
Total assets			23 966.6	24 593.5	24 522.5
Average total assets <sup>1)</sup>	23 667.4	25 017.1	24 018.2	25 542.9	25 111.3
Gross lending to customers			13 493.9	14 461.6	15 059.2
Deposits from customers			16 585.0	18 774.8	17 835.0
Deposits from customers as % of gross lending			122.9 %	129.8 %	118.4 %
Equity			2 386.8	2 299.7	2 322.5
<b>Other key figures:</b>					
Total non-interest income as % of total income	54.2 %	20.0 %	48.1 %	24.4 %	38.5 %
Loan losses and provisions as % of average total lending <sup>5)</sup>	-0.10 %	0.24 %	0.06 %	0.23 %	0.30 %
Gross non-performing and loss-exposed loans as % of total average lending			0.9 %	1.1 %	0.9 %
Cost/income ratio	45.3 %	94.6 %	59.1 %	106.8 %	77.8 %
Return on equity before tax <sup>6)</sup>			7.7 %	-2.3 %	1.4 %
Core (tier 1) capital ratio			20.1 %	17.0 %	17.8 %

## Definitions:

1. From and including 2016, the fee to the Norwegian Banks' Guarantee Fund is expensed in its entirety in the first quarter. When calculating key figures for net interest income as a percentage, the fee is accrued over 12 months.
2. Average total assets is calculated on the basis of monthly total assets for the quarter and for the year to date respectively.
3. Other operating income includes net fee and commission income.
4. Banking activities consists of Storebrand Bank ASA and Storebrand Boligkreditt AS.
5. Loan losses and provisions for Storebrand Bank Group includes the items loan losses for the period and losses real estate at fair value, assets repossessed, in the profit & loss account.
6. Annualised profit before tax for continued operations as % of average equity.

## Note 12 | Net interest income

### STOREBRAND BANK GROUP

(NOK million)	Q2				Full Year
	2016	2015	30.06.2016	30.06.2015	2015
Interest and other income on loans to and deposits with credit institutions	1.7	2.8	2.8	5.5	9.8
Interest and other income on loans to and due from customers	174.7	222.4	359.9	467.0	870.2
Interest on commercial paper, bonds and other interest-bearing securities	13.2	17.7	25.2	35.9	63.1
Other interest income and related income	1.0	1.1	1.6	2.5	5.7
<b>Total interest income</b>	<b>190.6</b>	<b>243.9</b>	<b>389.5</b>	<b>510.9</b>	<b>948.8</b>
Interest and other expenses on debt to credit institutions	-0.6	-2.1	-3.2	-2.7	-3.2
Interest and other expenses on deposits from and due to customers	-31.5	-82.7	-65.6	-183.5	-303.3
Interest and other expenses on securities issued	-61.0	-57.0	-118.0	-118.8	-234.2
Interest and expenses on subordinated loan capital	-2.7	-3.2	-5.5	-9.3	-14.7
Other interest expenses and related expenses		-4.0	-14.5	-8.1	-16.2
<b>Total interest expenses</b>	<b>-95.8</b>	<b>-149.0</b>	<b>-206.7</b>	<b>-322.4</b>	<b>-571.6</b>
<b>Net interest income</b>	<b>94.8</b>	<b>94.9</b>	<b>182.8</b>	<b>188.5</b>	<b>377.3</b>

## STOREBRAND BANK ASA

(NOK million)	Q2			Full Year	
	2016	2015	30.06.2016	30.06.2015	2015
Interest and other income on loans to and deposits with credit institutions	8.8	11.8	18.3	26.3	46.1
Interest and other income on loans to and due from customers	87.0	119.8	185.5	245.8	460.1
Interest on commercial paper, bonds and other interest-bearing securities	19.7	31.7	39.6	62.2	110.4
Other interest income and related income	1.0	1.1	1.6	2.5	5.7
<b>Total interest income</b>	<b>116.6</b>	<b>164.4</b>	<b>244.9</b>	<b>336.8</b>	<b>622.3</b>
Interest and other expenses on debt to credit institutions	-1.3	-3.2	-4.6	-4.9	-7.2
Interest and other expenses on deposits from and due to customers	-31.5	-83.1	-65.6	-183.9	-303.6
Interest and other expenses on securities issued	-18.4	-19.0	-35.8	-38.9	-72.6
Interest and expenses on subordinated loan capital	-2.7	-3.2	-5.5	-9.3	-14.7
Other interest expenses and related expenses		-4.0	-14.5	-8.1	-16.2
<b>Total interest expenses</b>	<b>-53.9</b>	<b>-112.4</b>	<b>-126.0</b>	<b>-245.0</b>	<b>-414.2</b>
<b>Net interest income</b>	<b>62.6</b>	<b>52.0</b>	<b>118.9</b>	<b>91.7</b>	<b>208.1</b>

## Note 13 | Off balance sheet liabilities and contingent liabilities

Storebrand Bank ASA			Storebrand Bank Group	
31.12.2015	30.06.2016	NOK million	30.06.2016	31.12.2015
49.2	49.0	Guarantees	49.0	49.2
6 035.0	4 242.7	Undrawn credit limits	3 843.8	3 763.2
1 981.3	3 157.4	Lending commitments retail market	3 157.4	1 981.3
<b>8 065.5</b>	<b>7 449.1</b>	<b>Total contingent liabilities</b>	<b>7 050.2</b>	<b>5 793.7</b>
1 312.1	1 019.3	Booked value of bonds pledged as security for the bank's D-loan and F-loan facility with the Norwegian central bank	918.7	650.6
708.4	603.7	Booked value of bonds pledged as security with other credit institutions		
<b>2 020.5</b>	<b>1 623.0</b>	<b>Total book value of off balance sheet liabilities</b>	<b>918.7</b>	<b>650.6</b>

Guarantees are mainly payment guarantees and contract guarantees. Undrawn credit limits relate to the unused portion of credit limits approved on overdraft accounts and credit cards, as well as the unused portion of lending limits on flexible mortgages. Undrawn credit limits reported in Storebrand Bank ASA as of 30 June 2016 includes NOK 2.3 billion to the subsidiary Storebrand Boligkreditt AS.

The Bank Group has received collateral of NOK 39.6 million for derivatives. Per 30 June 2016 the Group has not pledged any collateral.



## Non-performing loans and loan losses

Storebrand Bank ASA			Storebrand Bank Group	
31.12.2015	30.06.2016	NOK million	30.06.2016	31.12.2015
		<b>Non-performing loans</b>		
50.7	41.3	Non-performing loans without evidence of impairment	86.9	87.4
82.8	82.9	Loss-exposed loans with evidence of impairment	98.3	99.5
<b>133.5</b>	<b>124.2</b>	<b>Gross non-performing and loss-exposed loans</b>	<b>185.2</b>	<b>186.9</b>
-55.7	-26.0	Loan loss provisions on individual loans	-28.9	-57.9
<b>77.9</b>	<b>98.2</b>	<b>Net non-performing and loss-exposed loans</b>	<b>156.3</b>	<b>129.0</b>
		<b>Key figures</b>		
-28.9	-25.5	Loan loss provisions on groups of loans (NOK million)	-27.8	-30.7
-84.6	-51.5	Total loan loss provisions (NOK million)	-56.7	-88.6
67 %	31 %	Level of provisioning for individual loss-exposed loans <sup>1)</sup>	29 %	58 %
63 %	41 %	Total level of provisioning <sup>2)</sup>	31 %	47 %

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

2) Total loan loss provisions in per cent of gross non-performing and loss-exposed loans.

Loans are regarded as non-performing and loss-exposed:

- when a credit facility has been overdrawn for more than 90 days
- when an ordinary mortgage 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 as a non-performing loan. When one of the three situations described above occurs, the loans and the rest of the customer's commitments are regarded as non-performing. The number of days is counted from when the arrears exceed NOK 2,000. The account is regarded as active when there are no longer any arrears. The amount in arrears at the time of reporting can be less than NOK 2,000.

Storebrand Bank ASA			Storebrand Bank Group	
30.06.2015	30.06.2016	NOK million	30.06.2016	30.06.2015
		<b>Losses on loans and guarantees etc. during period</b>		
-14.3	29.8	Change in individual loan loss provisions	29.2	-14.9
-1.6	2.4	Change in grouped loan loss provisions	1.9	-2.1
0.1		Other effects on loan loss provisions		0.1
	-34.1	Realised losses specifically provided for previously	-34.1	
-0.7	-2.8	Realised losses not specifically provided for previously	-2.8	-0.7
0.6	0.6	Recoveries on previous realised losses	0.6	0.6
<b>-15.8</b>	<b>-4.1</b>	<b>Loan losses for the period</b>	<b>-5.3</b>	<b>-16.9</b>

Loans that are continued after collateral is taken over are classified in the financial statements according to their type. Loans, including individual loan loss provisions against debt in 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 loan loss provision/value adjustment of the assets that have been taken over.

Note | Quarterly income statement  
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STOREBRAND BANK GROUP

(NOK million)	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015
Interest income	190.6	198.9	208.1	225.9	243.9
Interest expense	-95.8	-110.9	-111.7	-133.6	-149.0
<b>Net interest income</b>	<b>94.8</b>	<b>88.0</b>	<b>96.4</b>	<b>92.4</b>	<b>94.9</b>
Fee and commission income from banking services	14.5	11.3	12.8	11.1	11.9
Fee and commission expenses for banking services	-3.2	-3.0	-2.9	-3.0	-3.1
<b>Net fee and commission income</b>	<b>11.3</b>	<b>8.4</b>	<b>9.9</b>	<b>8.1</b>	<b>8.8</b>
Netto gevinster fra finansielle instrumenter	43.4	7.0	0.4	-31.2	2.4
Andre inntekter			-0.2	-0.3	-0.3
<b>Net gains on financial instruments</b>	<b>43.4</b>	<b>7.0</b>	<b>0.2</b>	<b>-31.4</b>	<b>2.1</b>
Other income	-19.2	-25.8	-31.5	-27.3	-28.1
Total other operating income	-8.6	-13.5	-15.5	-12.6	-10.3
Staff expenses	-35.9	-35.0	-23.9	-24.4	-23.7
<b>General administration expenses</b>	<b>-63.6</b>	<b>-74.2</b>	<b>-70.9</b>	<b>-64.3</b>	<b>-62.1</b>
<b>Operating profit before loan losses</b>	<b>85.9</b>	<b>29.1</b>	<b>35.6</b>	<b>4.7</b>	<b>43.7</b>
Loan losses for the period	2.8	-8.1	-21.0	-7.5	-9.7
<b>Profit before tax</b>	<b>88.7</b>	<b>21.1</b>	<b>14.6</b>	<b>-2.8</b>	<b>34.1</b>
Tax	-17.4	-6.0	-7.0	0.8	-9.2
Result after tax sold/discontinued operations				-0.1	-0.1
<b>Profit for the year</b>	<b>71.2</b>	<b>15.1</b>	<b>7.6</b>	<b>-2.1</b>	<b>24.8</b>

STOREBRAND BANK ASA

(NOK million)	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015
Interest income	116.6	128.3	136.7	148.8	164.4
Interest expense	-53.9	-72.1	-75.6	-93.5	-112.4
<b>Net interest income</b>	<b>62.6</b>	<b>56.3</b>	<b>61.1</b>	<b>55.3</b>	<b>52.0</b>
Fee and commission income from banking services	29.3	25.8	26.8	13.9	14.7
Fee and commission expenses for banking services	-3.2	-3.0	-2.9	-3.0	-3.1
<b>Net fee and commission income</b>	<b>26.0</b>	<b>22.8</b>	<b>23.9</b>	<b>10.9</b>	<b>11.6</b>
Net gains on financial instruments	48.2	13.0	7.7	-43.6	1.4
Other income			101.8		
<b>Total other operating income</b>	<b>48.2</b>	<b>13.0</b>	<b>109.5</b>	<b>-43.6</b>	<b>1.4</b>
Staff expenses	-19.1	-25.7	-31.5	-27.3	-28.0
General administration expenses	-8.5	-13.4	-15.4	-12.6	-10.2
Other operating cost	-34.4	-34.2	-23.2	-23.6	-23.1
<b>Total operating costs</b>	<b>-62.0</b>	<b>-73.3</b>	<b>-70.2</b>	<b>-63.5</b>	<b>-61.4</b>
<b>Operating profit before loan losses</b>	<b>74.9</b>	<b>18.7</b>	<b>124.3</b>	<b>-41.0</b>	<b>3.5</b>
Loan losses for the period	3.8	-7.8	-20.2	-7.6	-8.6
<b>Profit before tax</b>	<b>78.6</b>	<b>10.9</b>	<b>104.2</b>	<b>-48.6</b>	<b>-5.1</b>
Tax	-14.9	-3.4	-43.3	12.1	2.2
<b>Profit for the year</b>	<b>63.7</b>	<b>7.5</b>	<b>60.9</b>	<b>-36.4</b>	<b>-2.8</b>

# Storebrand Bank ASA

## - Declaration by the Board of Directors and the Chief Executive Officer

The Board of Directors and the Chief Executive Officer have today considered and approved the half-yearly report and half-yearly accounts of Storebrand Bank ASA group and Storebrand Bank ASA for the first six months as at 30 June 2016 (the 2016 half-yearly report).

The half-yearly report has been prepared in accordance with the requirements of IAS 34 Interim Financial Reporting as approved by the EU, as well as the additional Norwegian requirements set out in the Securities Trading Act.

The Board of Directors and the Chief Executive Officer hereby confirm that, to the best of their knowledge, the half-yearly accounts for 2016 have been prepared in accordance with the current accounting standards, and the information contained in the accounts gives a true and fair view of the parent company's and the group's assets, liabilities, and financial position taken as a whole as at 30 June 2016. The Board of Directors and the Chief Executive Officer confirm that, to the best of their knowledge, the half-yearly accounts gives a true and fair summary of important events during the accounting period and their effect on the half-yearly accounts Storebrand Bank ASA and Storebrand Bank ASA group. The Board of Directors and the Chief Executive Officer also confirm that, to the best of their knowledge, the description of the most important risk and uncertainty factors that the business faces in the next accounting period, together with the description of material transactions with close associates, provide a true and fair summary.

Lysaker, 13 July 2016

The Board of Directors of Storebrand Bank ASA

Odd Arild Grefstad  
Chairman of the Board

Hege Hodnesdal  
Deputy Chairman of the Board

Inger Roll-Matthiesen

Leif Helmich Pedersen

Maria Skotnes

Bernt Uppstad  
Chief Executive Officer

Translation from the original Norwegian version

To the Board of Directors of Storebrand Bank ASA

## REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

We have reviewed the consolidated statement of financial position of Storebrand Bank ASA (the Group) as of 30 June 2016, and the related income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flow for the six-month period then ended and selected explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 “Interim Financial Reporting” as adopted by EU. Our responsibility is to express a conclusion on this interim financial information based on our review.

### *Scope of Review*

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information for the Group is not prepared, in all material respects, in accordance with International Accounting Standard 34 “Interim Financial Reporting” as adopted by EU.

Oslo, 13 July 2016  
Deloitte AS

Henrik Woxholt  
State Authorized Public Accountant (Norway)

Translation has been made for information purposes only

# Financial calendar 2016



**26 October** Result Q3 2016  
**February 2017** Result Q4 2016

## Investor Relations Contacts



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