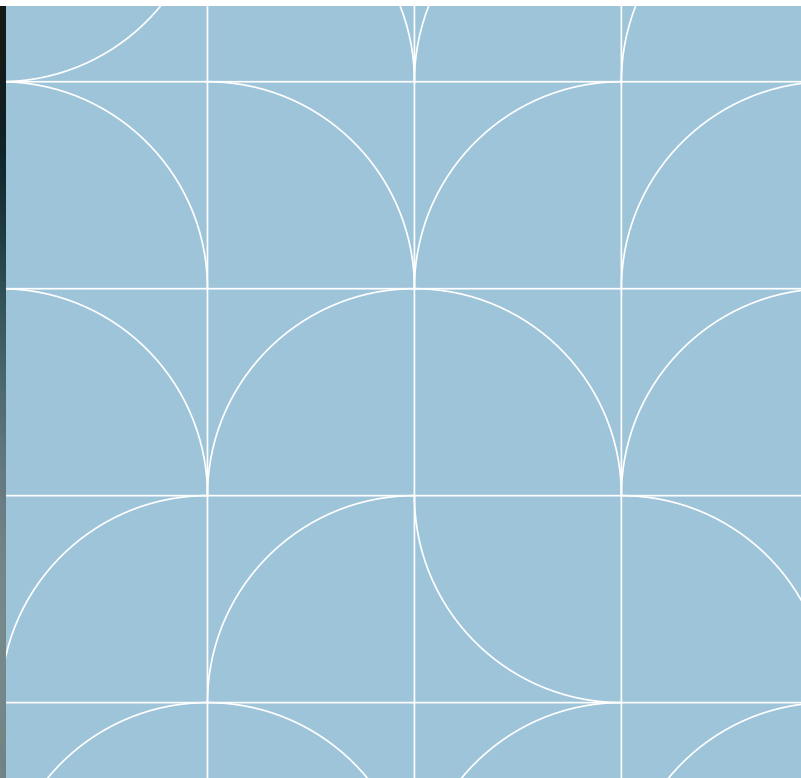


# Storebrand Bank Group

1st Half 2008

 storebrand



# Storebrand Bank Group

## - Half-year report as per 30 June 2008

(Figures in brackets are for the corresponding period in 2007)

- Storebrand Bank achieved group profit of NOK 37 million before tax in Q2 and NOK 81 million for the first six months of 2008.
- Storebrand Bank ASA's profit before tax was NOK 52 million in Q2 and NOK 94 million for the first six months of 2008.
- Ring Eiendomsmegling's profit was affected by the weak development in the real estate market.
- Reduced sales of alternative savings products, including the real estate investment fund, and the continued instability in the credit market had a negative effect on the result.
- Storebrand Kredittforetak AS issued their first covered bonds. The lending volume at the close of Q2 amounted to NOK 7,400 million.

Net interest income increased in the first six months compared with last year. The net interest margin as a percent of the average total assets under management was 1.16% (1.07%) for the first six months and 1.11% (1.05%) in Q2, compared with 1.07% for the year 2007 for the banking group. The growth in deposits and lending and a repricing of the lending portfolio matching increased funding costs had positive effects during the first half of 2008.

Net fee and commission income increased in the first six months and Q2 compared with the equivalent periods last year. No issues of the savings products Storebrand Optimér and real estate investment fund products have been conducted so far in 2008 due to the low demand for these types of products. The demand for these products was instead channelled to the secondary market. The establishment of Storebrand Infrastruktur ASA has been carried out as planned and the first issue was carried out in July.

The acquisitions of the real estate companies Hadrian Eiendom AS, Trajan AS and 13 companies in Ring Eiendomsmegling AS during 2007 and 2008 result in an increase in other income compared with the same period in 2007. Other income was also affected by changes in the market values of financial instruments. This had a negative effect on the result amounting to NOK 1 million in Q2. The newly established team for real estate-related corporate advice in Storebrand Markets contributed NOK 4 million to other income in the first six months of 2008 of which NOK 2 million was earned in Q2.

The cost ratio (C/I) was 73% (70%) for the first six months and 72% (62%) in Q2 for the banking group. The increase in the cost ratio was affected by the companies acquired at the close of 2007 and 2008. The cost ratio for Storebrand Bank ASA was 64% (66%) for the first six months and 58%

(62%) in Q2. This development was supported by efficiency increasing measures in the banking activities that were implemented in 2006 and 2007. Identified intangible assets arising from the acquisitions were amortised according to the purchase analysis conducted.

Storebrand Bank enjoyed good growth in its retail banking business in 2007. 2008 has been characterised by lower growth, but the bank's market position has been strengthened. The increase in lending in the retail market for the banking group during the first six months amounted to NOK 1,000 million and NOK 500 million in Q2. The number of customers increased by 2.9% in the first six months.

Total gross non-performing and loss-exposed loans increased by NOK 189 million in the first six months, of which NOK 125 million occurred in Q2. The non-performing and loss exposed loans amounted to NOK 637 million as per 30 June 2008. Non-performing and loss-exposed loans without identified impairment fell by NOK 110 million to NOK 178 million by end of July when outstanding amounts were paid. The level of non-performing and loss-exposed loans is regarded as normal. In the short term the loan loss risk in the portfolio is regarded as unchanged from previous periods. The first six months saw loan losses amounting to NOK 10 million (loan loss reversal of NOK 49 million), of which NOK 11 million (loan loss reversal of NOK 4 million) was seen in Q2. A settlement was reached in a lawsuit in Q1 2007 involving compensation due to losses after the bankruptcy of one of the bank's customers. The settlement had an effect on the profit amounting to NOK 35 million from writebacks of losses.

The banking group's total assets at the close of the first six months amounted to NOK 44,700 million. Gross lending has increased by 4% to almost NOK 38,500 million so far in

2008. Lending by Storebrand Life Insurance managed by Storebrand Bank ASA has increased by NOK 600 million in the first six months, of which NOK 200 million occurred in Q2, to NOK 3,300 million.

In January 2008, the subsidiary Storebrand Kredittforetak AS was granted a licence by Kredittilsynet to issue covered bonds. In February 2008, the company started purchasing loans from Storebrand Bank ASA. At the close of Q2, gross lending in the subsidiary amounted to NOK 7,400 million of the total lending volume in the retail market of NOK 26,000 million. Storebrand Kredittforetak AS issued the first covered bonds in April and May. The bonds were issued in both the Norwegian and international markets. The established lending programme received an Aaa-rating from Moody's.

The bank's deposit-to-loan ratio was 48.7% at the close of the first six months compared with 47.1% the year before. Market campaigns, increased market share and competitive terms made a positive contribution to the development in customer deposits.

The turbulent conditions in the credit market resulted in an increase in the bank's funding costs in the first six months and Q2. The Norwegian capital market is functioning satisfactorily given the ongoing instability in the international markets. The bank's refinancing in Q2 was primarily achieved through the establishment of the lending programme in Storebrand Kredittforetak AS with three issues of covered bonds. The bank's liquidity at the close of the first six months of the year was satisfactory.

The bank's capital ratio at the close of the quarter was 10.6% with a tier 1 capital ratio of 7.9%. Capital adequacy is calculated pursuant to the new capital adequacy regulations (Basel II). The primary capital is not added to the profit for the year when calculating capital adequacy.

Storebrand Bank acquired 76% of Trajan AS in Q1, a company that provides advice and project development within commercial real estate. During Q1, the subsidiary Ring Eiendomsmegling AS acquired 12 franchise branches and wants through this to improve the profitability in the chain and help increase the bank's distribution capacity. The effects on the result of acquired companies are included in the profit and loss account from the moment of acquisition. These developments strengthened the bank's market position, and results in a broader offer to the bank's existing customers.

No events have occurred after the balance sheet date of significance for the preparation of the interim accounts.

The development of interest rates and the housing market are regarded as the most important risk factors that could affect the banking group's accounts figures in the next six months.

The interim accounts for Storebrand Bank Group have been the subject of a limited audit by Deloitte AS.

Oslo, 12 August 2008  
The Board of Directors of Storebrand Bank ASA

# Storebrand Bank ASA

## PROFIT AND LOSS ACCOUNT

NOK MILLION	NOTE	Q2		01.01. - 30.06.		YEAR
		2008	2007	2008	2007	2007
Interest income		647.4	460.6	1 302.0	847.1	1 992.2
Interest expense		-519.9	-358.9	-1 055.4	-652.9	-1 579.9
<b>Net interest income</b>	<b>5</b>	<b>127.4</b>	<b>101.7</b>	<b>246.6</b>	<b>194.3</b>	<b>412.3</b>
Fee and commission income from banking services		27.7	38.3	46.2	78.7	139.8
Fee and commission expenses for banking services		-8.8	-21.3	-9.2	-50.8	-81.9
<b>Net fee and commission income</b>		<b>18.9</b>	<b>17.0</b>	<b>36.9</b>	<b>27.9</b>	<b>57.9</b>
Net income and gains from associated companies		0.0	0.0	0.0	0.0	2.7
Net gains on financial instruments at fair value	6	0.7	3.5	-5.0	13.5	16.4
Other income		1.5	8.2	5.8	1.0	10.7
<b>Total other operating income</b>		<b>2.2</b>	<b>11.6</b>	<b>0.8</b>	<b>14.4</b>	<b>29.9</b>
Staff expenses		-32.9	-31.7	-64.7	-66.4	-131.2
General administration expenses		-18.8	-19.9	-41.9	-37.2	-83.5
Other operating costs		-34.0	-28.6	-74.8	-53.2	-130.6
<b>Total operating costs</b>		<b>-85.7</b>	<b>-80.3</b>	<b>-181.4</b>	<b>-156.9</b>	<b>-345.2</b>
<b>Operating profit before losses and other items</b>		<b>62.8</b>	<b>50.0</b>	<b>102.9</b>	<b>79.8</b>	<b>154.8</b>
Write-downs for the period/net write-back in loan losses	13	-10.9	4.2	-9.4	49.1	78.2
<b>Profit before tax</b>		<b>51.9</b>	<b>54.2</b>	<b>93.5</b>	<b>128.8</b>	<b>233.0</b>
Tax	7	-14.4	-12.9	-26.0	-33.8	-66.0
<b>Profit for the year</b>		<b>37.5</b>	<b>41.3</b>	<b>67.5</b>	<b>95.1</b>	<b>167.0</b>

# Storebrand Bank ASA

## BALANCE SHEET

NOK MILLION	NOTE	30.06.2008	31.12.2007
Cash and deposits with central banks		835.4	1 062.0
Loans to and deposits with credit institutions		1 843.3	358.4
Financial assets designated at fair value through profit and loss:			
Equity instruments		408.1	136.1
Bonds and other fixed-income securities	12	3 564.8	2 491.6
Derivatives		630.1	527.9
Other current assets		351.7	511.2
Gross lending		31 080.0	37 096.1
- Write-downs of individual loans	13	-243.1	-247.1
- Write-downs of groups of loans		-62.3	-58.1
Net lending to customers		30 774.7	36 790.9
Investments in associated companies		29.2	29.2
Tangible assets	14	12.3	10.0
Intangible assets	14	62.2	62.3
Deferred tax assets		179.4	179.4
<b>TOTAL ASSETS</b>		<b>38 691.3</b>	<b>42 159.1</b>
Liabilities to credit institutions		2 431.6	3 064.5
Deposits from and due to customers		18 786.1	17 562.1
Other financial liabilities:			
Derivatives		563.9	586.6
Commercial paper and bonds issued	15	13 025.6	17 159.5
Other liabilities		738.4	657.5
Provision for accrued expenses and liabilities		17.6	13.4
Pension liabilities		69.5	69.5
Subordinated loan capital	15	958.8	1 013.8
<b>TOTAL LIABILITIES</b>		<b>36 591.5</b>	<b>40 126.8</b>
Paid in capital		1 316.8	1 316.8
Retained earnings		782.9	715.4
<b>TOTAL EQUITY</b>	<b>17</b>	<b>2 099.8</b>	<b>2 032.3</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>38 691.3</b>	<b>42 159.1</b>

# Storebrand Bank Group

## PROFIT AND LOSS ACCOUNT

NOK MILLION	NOTE	Q2		01.01. - 30.06.		YEAR
		2008	2007	2008	2007	2007
Interest income		700.8	460.6	1 359.9	847.1	1 992.3
Interest expense		-573.4	-358.7	-1 106.7	-652.7	-1 579.1
<b>Net interest income</b>	<b>5</b>	<b>127.4</b>	<b>101.8</b>	<b>253.1</b>	<b>194.4</b>	<b>413.2</b>
Fee and commission income from banking services		26.0	38.3	44.1	78.7	139.8
Fee and commission expenses for banking services		-8.8	-21.3	-9.2	-50.8	-81.9
<b>Net fee and commission income</b>		<b>17.3</b>	<b>17.0</b>	<b>34.9</b>	<b>27.9</b>	<b>57.9</b>
Net income and gains from associated companies		0.0	0.0	0.0	0.0	-0.8
Net gains on financial instruments at fair value	6	-1.1	3.5	-6.2	13.5	16.4
Other income		27.5	10.9	49.6	12.7	30.2
<b>Total other operating income</b>		<b>26.4</b>	<b>14.4</b>	<b>43.4</b>	<b>26.2</b>	<b>45.9</b>
Staff expenses		-49.7	-34.0	-94.4	-70.2	-142.0
General administration expenses		-23.7	-20.6	-50.7	-40.3	-88.3
Other operating costs	4	-49.5	-28.1	-95.8	-53.1	-129.9
<b>Total operating costs</b>		<b>-122.9</b>	<b>-82.7</b>	<b>-240.9</b>	<b>-163.5</b>	<b>-360.2</b>
<b>Operating profit before losses and other items</b>		<b>48.1</b>	<b>50.5</b>	<b>90.5</b>	<b>85.1</b>	<b>156.8</b>
Write-downs for the period/net write-back in loan losses	13	-11.1	4.2	-9.7	49.1	78.2
<b>Profit before tax</b>		<b>37.0</b>	<b>54.7</b>	<b>80.8</b>	<b>134.1</b>	<b>234.9</b>
Tax	7	-10.7	-12.9	-22.4	-33.8	-65.3
<b>Profit for the year</b>		<b>26.2</b>	<b>41.8</b>	<b>58.4</b>	<b>100.4</b>	<b>169.6</b>
Allocated to:						
Shareholders		26.3	41.4	59.1	100.3	169.3
Minority interests		-0.1	0.4	-0.7	0.1	0.3

# Storebrand Bank Group

## BALANCE SHEET

NOK MILLION	NOTE	30.06.2008	31.12.2007
Cash and deposits with central banks		835.4	1 062.0
Loans to and deposits with credit institutions		508.6	374.1
Financial assets designated at fair value through profit and loss:			
Equity instruments		1.8	2.0
Bonds and other fixed-income securities	12	3 774.2	2 491.6
Derivatives		630.1	527.9
Other current assets		379.3	311.5
Gross lending		38 469.7	37 095.8
- Write-downs of individual loans	13	-243.1	-247.1
- Write-downs of groups of loans		-62.5	-58.1
Net lending to customers		38 164.1	36 790.7
Investments in associated companies		29.2	28.7
Tangible assets	14	20.8	10.5
Intangible assets and goodwill	4, 14	166.8	114.4
Deferred tax assets		174.3	173.9
<b>TOTAL ASSETS</b>		<b>44 684.5</b>	<b>41 887.4</b>
Liabilities to credit institutions		2 431.6	3 064.5
Deposits from and due to customers		18 749.4	17 469.6
Other financial liabilities:			
Derivatives		567.8	586.6
Commercial paper and bonds issued	15	18 973.8	17 159.5
Other liabilities		812.8	470.8
Provision for accrued expenses and liabilities		20.9	13.4
Pension liabilities		69.5	69.5
Subordinated loan capital	15	958.8	1 013.8
<b>TOTAL LIABILITIES</b>		<b>42 584.5</b>	<b>39 847.6</b>
Paid in capital		1 316.8	1 116.6
Retained earnings		775.7	916.1
Minority interests		7.5	7.1
<b>TOTAL EQUITY</b>	<b>17</b>	<b>2 100.0</b>	<b>2 039.8</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>44 684.5</b>	<b>41 887.4</b>

Oslo, 12 August 2008  
The Board of Directors of Storebrand Bank ASA

# Analysis of revenue and costs applied to equity

## STOREBRAND BANK ASA

NOK MILLION	01.01. - 30.06.		YEAR
	2008	2007	2007
Pension experience adjustments			5.1
Profit and loss account items applied directly to equity	0.0	0.0	5.1
Profit for the period	67.5	95.1	167.0
<b>Total revenue and costs for the period</b>	<b>67.5</b>	<b>95.1</b>	<b>172.1</b>

## STOREBRAND BANK ASA

NOK MILLION	01.01. - 30.06.		YEAR
	2008	2007	2007
Pension experience adjustments			7.1
Profit and loss account items applied directly to equity			7.1
Profit for the period	58.4	100.4	169.6
<b>Total revenue and costs for the period</b>	<b>58.4</b>	<b>100.4</b>	<b>176.7</b>
Allocated to:			
Shareholders	59.1	100.3	176.4
Minority interests	-0.7	0.1	0.3
<b>Total</b>	<b>58.4</b>	<b>100.4</b>	<b>176.7</b>



# Storebrand Bank Group

## KEY FIGURES

NOK MILLION AND PERCENTAGE	2008	Q2 2007	01.01.2008 - 30.06.2008	01.01.2007 - 31.12.2007
<b>Profit and Loss account: (as % of avg. total assets)</b>				
Net interest income <sup>4)</sup>	1.11 %	1.05 %	1.16 %	1.07 %
Other operating income <sup>5)</sup>	0.40 %	0.33 %	0.37 %	0.27 %
<b>Main balance sheet figures:</b>				
Total assets			44 684.5	41 887.4
Average total assets <sup>1) 2)</sup>	43 479.9	38 558.2	42 746.2	38 658.0
Total lending to customers			38 469.7	37 095.8
Deposits from and due to customers as % of gross lending			48.74 %	47.09 %
Equity			2 100.0	2 039.8
<b>Other key figures:</b>				
Total non-interest income as % of total income	25.52 %	23.53 %	23.61 %	20.07 %
Loan losses and provisions as % of average total lending	0.12 %	-0.05 %	0.05 %	-0.23 %
Individual impairment loss as % of gross defaulted loans <sup>6)</sup>			69.96 %	83.14 %
Costs as % of operating income	71.87 %	62.07 %	72.69 %	69.68 %
Return on equity after tax <sup>3)</sup>	3.89 %	9.00 %	5.25 %	9.05 %
Capital ratio			10.6 %	10.5 %

### Definitions:

- 1) Up to and including 31 December 2007, average total assets is calculated on the basis of quarterly total assets.
- 2) From 1 January 2008, average total assets is calculated on the basis of monthly total assets for the quarter and for the year to date respectively.
- 3) Profit after tax adjusted for one-off effects as % of average equity.
- 4) Net interest income adjusted for one-off effects.
- 5) Other operating income includes net fee and commission income.
- 6) Gross defaulted loans with identified loss of value.

# Storebrand Bank Group

## CASH FLOW STATEMENT

STOREBRAND BANK ASA		NOK MILLION	STOREBRAND BANK GROUP	
31.12.2007	30.06.2008		30.06.2008	31.12.2007
		<b>Cash flow from operations</b>		
444.2	334,5	Net receipts/payments of interest, commissions and fees from customers	370.4	457.7
-6 205.7	4 518.3	Net disbursement/payments on customer loans	-1 516.6	-6 231.6
4 320.8	588.0	Net receipts/payments of deposits from banking customers	639.3	4 241.4
-898.2	-1 117.2	Net receipts/payments on other operating activities	-1 349.6	-918.1
<b>-2 338.9</b>	<b>4 323.6</b>	<b>Net cash flow from operating activities</b>	<b>-1 856.5</b>	<b>-2 450.6</b>
		<b>Cash flow from investment activities</b>	<b>0.0</b>	<b>0.0</b>
4.3	0.0	Net receipts from sale of subsidiaries and associated companies	0.0	4.3
-114.3	-267.9	Payments on purchase and establish of subsidiaries	0.0	0.0
-37.0	-12.2	Net payments on purchase/sale of fixed assets etc.	-37.3	-38.9
<b>-147.0</b>	<b>-280.1</b>	<b>Net cash flow from investment activities</b>	<b>-37.3</b>	<b>-34.6</b>
		<b>Cash flow from financing activities</b>		
2 952.8	-4 203.1	Net receipts/payment from borrowing	1 745.1	2 952.8
0.0	-279.1	Dividend/group contribution payments	-278.2	0.0
200.7	212.1	Group contribution received	200.3	200.0
<b>3 153.5</b>	<b>-4 270.1</b>	<b>Net cash flow from financing activities</b>	<b>1 667.2</b>	<b>3 152.8</b>
<b>667.5</b>	<b>-226.6</b>	<b>Net cash flow in period</b>	<b>-226.6</b>	<b>667.5</b>
394.4	1 062.0	Cash and bank deposits at the start of the period	1 062.0	394.4
<b>1 062.0</b>	<b>835.4</b>	<b>Cash and bank deposits at the end of the period</b>	<b>835.4</b>	<b>1 062.0</b>

# Notes to the accounts

## NOTE 1 ACCOUNTING PRINCIPLES

The consolidated interim accounts for the group include Storebrand Bank ASA together with subsidiaries, joint ventures and associated companies. The interim accounts for Q2 have been prepared in accordance with IFRS, including IAS 34 Interim Financial Reporting, the Securities Trading Act and the Securities Trading Regulations. The interim accounts do not include all the information required for full annual accounts prepared in accordance with all the current IFRS standards.

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

The annual report and accounts of Storebrand Bank ASA and the Storebrand Bank ASA group for 2007 is available on request from the company's registered office at Filipstad Brygge 1, Oslo, and is also available at [www.storebrand.no](http://www.storebrand.no). Information on the accounting principles used in the interim accounts can be found in the accounting principles note to the 2007 accounts.

## NOTE 2 ESTIMATES

The preparation of the interim accounts involves the use of estimates and assumptions that have an effect on assets, liabilities, revenue, costs, the notes to the accounts and information on potential liabilities. In the future, actual experience may deviate from the estimates used.

## NOTE 3 CHANGES IN THE COMPOSITION OF THE GROUP

Storebrand Bank ASA has purchased 76% of the share capital of Trajan AS, which provides advice and broking services for commercial real estate (see Note 4). The acquisition date for the shares was 15 February 2008.

The subsidiary Start Up 103 AS has changed its name to Storebrand Infrastruktur ASA. The company's objective is to build up a broadly-based portfolio of infrastructure investments. Shares in the company are offered for sale in the market, but the allotment of shares will not take place until August. Storebrand Bank ASA held 100% of the shares as at 30 June 2008.

Ring Eiendomsmegling AS carried out a number of purchases during the first quarter of shares in businesses that were formerly franchisees of Ring Eiendomsmegling AS.

The businesses involved were as follows:

NOK MILLION	ACQUISITION DATE	OWNERSHIP <sup>1)</sup>	COST PRICE <sup>2)</sup>
Ringen Aker Brygge AS	01.01.08	97%	0.6
Ringen Lysaker Brygge AS	01.01.08	80%	2.3
Naper Ringen AS	01.01.08	80%	4.9
Trygg Eiendomsmegling AS	01.02.08	80%	4.4
Eiendomsringen Skedsmo AS	01.02.08	80%	6.8
Værnes & Eckmann Eiendom AS	01.02.08	80%	4.3
Bodø Eiendomsmegling AS	01.02.08	80%	3.5
Nordre Aker Eiendomsmegling AS	01.02.08	80%	2.4
Akershus Eiendomsmegling AS	01.03.08	66%	12.7
GA Eiendomsmegling AS	01.03.08	85%	3.0
Utenlands meglere AS	01.02.08	59%	0.3
Indre Østfold Eiendomsmegling AS	01.02.08	80%	1.3

1) Ownership is determined by the number of voting shares.

2) The cost price is made up of a cash element and the discounted current value of deferred settlement related to the purchase of the shares, which is based on future earnings. A share of the deferred settlement is related to future work effort. The discounted present value of the deferred settlement was changed in the second quarter of 2008 as a result of recent conditions in the real estate broking market.

# Notes to the accounts

## NOTE 4 ACQUISITIONS

### Analysis of goodwill and excess value by business acquisition <sup>1)</sup>

NOK MILLION	GOODWILL <sup>2)</sup> 30.06.2008	EXCESS VALUE 30.06.2008
Trajan AS	5.4	1.1
Ringen Aker Brygge AS <sup>3)</sup>	0.4	0.1
Ringen Lysaker Brygge AS <sup>3)</sup>	1.3	0.4
Naper Ringen AS	3.1	0.3
Trygg Eiendomsmegling AS	3.8	0.3
Eiendomsringen Skedsmo AS	5.8	0.5
Værnes & Eckmann Eiendom AS	3.9	0.3
Bodø Eiendomsmegling AS	3.1	0.3
Nordre Aker Eiendomsmegling AS	2.0	0.2
Akershus Eiendomsmegling AS	7.3	4.9
GA Eiendomsmegling AS	3.0	0.4
Utenlands megleren AS	0.5	
Indre Østfold Eiendomsmegling AS	1.0	0.2
<b>Total</b>	<b>40.6</b>	<b>8.9</b>

1) Based on provisional acquisition analysis.

2) In connection with the revised estimate of the current value of deferred consideration, an equivalent adjustment has been made to goodwill, see note 3.

3) Goodwill as at 30 June 2008 is stated after write-downs and changes to the estimated discounted present value of deferred settlement.

Book values prior to the acquisitions were based on accounting principles that complied with IFRS and that were consistent with Storebrand's accounting principles. Assets and liabilities acquired were valued at fair value. A pre-tax discount rate of 12% was used to calculate the discounted present value of earn-out commitments. In cases where agreements have been entered into for deferred consideration, a proportion of the consideration is conditional on performance. Identified intangible assets relate to customer contracts. Amortisation of intangible assets is based on a case-by-case evaluation of the life of the contracts in respect of each acquisition.

Goodwill relates principally to market position.

The company has not prepared pro forma comparable accounting figures from 1 January to the date of acquisition since the acquisitions are not considered to have a material effect in profit and loss account.

Goodwill in Skansen Eiendomsmegling AS, Ringen Lysaker Brygge AS and Ringen Aker Brygge AS was written down by NOK 1.5 million in the second quarter. The write-down is included in the line Other operating costs in the profit and loss account.

# Notes to the accounts

## NOTE 5 NET INTEREST INCOME

STOREBRAND BANK ASA			NOK MILLION	STOREBRAND BANK GROUP		
31.12.2007	30.06.2007	30.06.2008		30.06.2008	30.06.2007	31.12.2007
46.4	21.2	87.3	Interest and other income on loans to and deposits with credit institutions	28.3	21.2	46.5
1 825.3	783.4	1 145.7	Interest and other income on loans to and due from customers	1 259.6	783.4	1 825.3
112.9	45.3	65.4	Interest on commercial paper, bonds and other interest-bearing securities	67.4	45.3	112.9
7.5	-2.7	3.6	Other interest income and related income	4.6	-2.7	7.6
<b>1 992.2</b>	<b>847.1</b>	<b>1 302.0</b>	<b>Total interest income</b>	<b>1 359.9</b>	<b>847.1</b>	<b>1 992.3</b>
-118.5	-56.5	-70.6	Interest and other expenses on debt to credit institutions	-70.7	-56.5	-118.5
-589.6	-241.8	-473.7	Interest and other expenses on deposits from and due to customers	-469.9	-241.6	-588.7
-788.5	-331.1	-428.5	Interest and other expenses on securities issued	-481.2	-331.1	-788.5
-53.3	-23.5	-30.1	Interest and expenses on subordinated loan capital	-30.1	-23.5	-53.3
-30.0		-52.5	Other interest expenses and related expenses	-54.8		-30.0
<b>-1 579.9</b>	<b>-652.9</b>	<b>-1 055.4</b>	<b>Total interest expenses</b>	<b>-1 106.7</b>	<b>-652.7</b>	<b>-1 579.1</b>
<b>412.3</b>	<b>194.3</b>	<b>246.6</b>	<b>Net interest income</b>	<b>253.1</b>	<b>194.4</b>	<b>413.2</b>

## NOTE 6 NET INCOME AND GAINS FROM FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE

STOREBRAND BANK ASA			NOK MILLION	STOREBRAND BANK GROUP		
31.12.2007	30.06.2007	30.06.2008		30.06.2008	30.06.2007	31.12.2007
			<i>Equity instruments</i>			
0.1			Dividends received from equity investments			0.1
5.4			Net gains/losses on realisation of equity investments			5.4
-2.3	8.2	-0.1	Net change in fair value of equity investments	-0.1	8.2	-2.3
<b>3.3</b>	<b>8.2</b>	<b>-0.1</b>	<b>Total equity investments</b>	<b>-0.1</b>	<b>8.2</b>	<b>3.3</b>
			<i>Bonds, commercial paper and other interest-bearing securities</i>			
0.3	-0.7		Commercial paper and bonds issued by the public sector		-0.7	0.3
<b>0.3</b>	<b>-0.7</b>	<b>0.0</b>	<b>Total securities issued by the public sector</b>	<b>0.0</b>	<b>-0.7</b>	<b>0.3</b>
-2.6		-6.7	Commercial paper and bonds issued by others	-7.9		-2.6
<b>-2.6</b>	<b>0.0</b>	<b>-6.7</b>	<b>Total securities issued others</b>	<b>-7.9</b>	<b>0.0</b>	<b>-2.6</b>
<b>-2.3</b>	<b>-0.7</b>	<b>-6.7</b>	<b>Total bonds, commercial papper and other interest-bearing securities</b>	<b>-7.9</b>	<b>-0.7</b>	<b>-2.3</b>
			<i>Financial derivatives</i>			
15.5	5.9	1.8	Financial derivatives, held for trading	1.8	5.9	15.5
<b>15.5</b>	<b>5.9</b>	<b>1.8</b>	<b>Total financial derivatives</b>	<b>1.8</b>	<b>5.9</b>	<b>15.5</b>
<b>16.4</b>	<b>13.5</b>	<b>-5.0</b>	<b>Net income and gains from financial assets and liabilities at fair value</b>	<b>-6.2</b>	<b>13.5</b>	<b>16.4</b>

# Notes to the accounts

## NOTE 7 TAX

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

## NOTE 8 CLOSE ASSOCIATES

### Storebrand Bank ASA

#### Transactions with group companies:

NOK MILLION	30.06.2008		30.06.2007		31.12.2007	
	SUB-SIDIARIES	OTHER GROUP COMPANIES <sup>1)</sup>	SUB-SIDIARIES	OTHER GROUP COMPANIES <sup>1)</sup>	SUB-SIDIARIES	OTHER GROUP COMPANIES <sup>1)</sup>
Interest income	84.0				0.1	
Interest expense	5.1	0.3	0.2	1.9	1.0	2.4
Services sold	4.4	2.5		1.9	0.8	3.7
Services purchased	1.9	31.1		27.5	1.5	54.7
Due from <sup>2)</sup>	1 360.4		0.5		0.5	
Liabilities to	43.8	10.7	10.9	20.9	92.5	32.4

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

2) Balance at 30 June 2008 principally comprises lending to Storebrand Kredittforetak AS as a result of the agreement made about the credit facility.

### Storebrand Bank Group

#### Transactions with group companies:

NOK MILLION	30.06.2008	30.06.2007	31.12.2007
	OTHER GROUP COMPANIES <sup>1)</sup>	OTHER GROUP COMPANIES <sup>1)</sup>	OTHER GROUP COMPANIES <sup>1)</sup>
Interest income			
Interest expense	0.3	1.9	2.4
Services sold	2.5	1.9	3.7
Services purchased	32.2	27.5	54.7
Due from			
Liabilities to	10.8	20.9	32.4

1) 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 has recognized NOK 1.6 million of management fees and NOK 1.0 million of portfolio fees to profit in the accounts for the first half of 2008. No new issues have been carried out in 2008. The bank has a receivable due from the company of NOK 1.6 million as of 30.06.08. The fees paid to the bank are based on the arm's length principle.

# Notes to the accounts

## NOTE 9 SHARE PURCHASES BY EMPLOYEES

In February 2008, employees of Storebrand Group were offered the opportunity to buy shares in Storebrand ASA at a discounted price. The basis for the purchase price was the weighted market share price from 27 February to 3 March, and employees were offered shares at a 20% discount to the calculated average. A total of 448,320 shares were sold from Storebrand ASA's holdings of its own shares.

## NOTE 10 HEADCOUNT AND PERSONNEL INFORMATION

STOREBRAND BANK ASA			STOREBRAND BANK GROUP	
31.12.2007	30.06.2008	NOK MILLION	30.06.2008	31.12.2007
158	176	Number of employees at 31 December <sup>1)</sup>	331	215
154	171	Number of employees expressed as full-time equivalent positions <sup>1)</sup>	325	198

1) Figures for Storebrand Bank Group includes employees and FTEs for Storebrand Bank ASA, Ring Eiendomsmegling AS with subsidiaries, Hadrian Eiendom AS, Financial Trajan AS and Evoco Production Services UAB. As a result of purchase of companies, the number of employees and full-time equivalent positions has increased significantly relative to 31 December 2007. The increase in number of employees and full-time equivalent positions for Storebrand Bank ASA from 31 December 2007 reflects the transfer of both employees and business activities from other group companies to Storebrand Bank ASA in 2008.

## NOTE 11 SEGMENT INFORMATION

### Storebrand Bank Group

#### Analysis of profit and loss account by activity:

NOK MILLION	CORPORATE					RETAIL				
	Q2 2008	Q2 2007	01.01. - 30.06. 2008 2007		YEAR 2007	Q2 2008	Q2 2007	01.01. - 30.06. 2008 2007		YEAR 2007
<b>Profit and loss items:</b>										
Net interest income	64.2	52.6	128.0	100.3	217.3	56.6	42.7	115.3	82.2	181.6
Net fee and commission income	2.7	2.4	5.4	4.9	9.5	9.3	0.3	14.9	0.0	0.7
Other income	-1.0	8.8	2.0	18.5	22.1	1.1	0.2	2.1	1.8	3.1
Total operating costs	-18.2	-28.6	-46.1	-56.2	-114.3	-51.5	-42.9	-103.9	-87.3	-197.8
<b>Operating profit before loan losses</b>	<b>47.7</b>	<b>35.2</b>	<b>89.3</b>	<b>67.5</b>	<b>134.5</b>	<b>15.5</b>	<b>0.3</b>	<b>28.4</b>	<b>-3.3</b>	<b>-12.5</b>
Net write-back in loan losses	-13.5	6.8	-8.6	56.0	84.0	3.5	-2.2		-6.5	-5.8
<b>Ordinary profit from continuing operations</b>	<b>34.2</b>	<b>42.0</b>	<b>80.7</b>	<b>123.5</b>	<b>218.5</b>	<b>18.9</b>	<b>-1.9</b>	<b>28.4</b>	<b>-9.8</b>	<b>-18.3</b>
<b>Ordinary profit from businesses discounted</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			12 446.4	12 238.7	12 158.5			26 023.3	22 644.3	24 937.3
Deposits from and due to customers			7 877.9	6 032.1	7 773.9			10 871.5	9 354.3	9 695.8
<b>Key figures:</b>										
Cost as of % of income	28 %	45 %	34 %	45 %	46 %	77 %	99 %	79 %	104 %	107 %
Deposits from and due to customers as % of gross lending			63 %	49 %	64 %			42 %	41 %	39 %

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# Notes to the accounts

## NOTE 11 SEGMENT INFORMATION (continued)

NOK MILLION	MARKETS					REAL ESTATE BROKING				
	Q2		01.01. - 30.06.		YEAR	Q2		01.01. - 30.06.		YEAR
	2008	2007	2008	2007	2007	2008	2007	2008	2007	2007
<b>Profit and loss items:</b>										
Net interest income	3.6	5.3	6.7	11.3	21.7	1.5	0.1	2.0	0.2	0.2
Net fee and commission income	5.1	14.7	15.1	24.3	48.1					
Other income	9.2	3.7	17.7	7.7	16.8	23.2	2.7	35.9	6.0	15.6
Total operating costs	-22.0	-9.5	-41.6	-14.0	-32.2	-30.6	-1.7	-48.7	-6.0	-18.5
<b>Operating profit before loan losses</b>	<b>-4.1</b>	<b>14.2</b>	<b>-2.1</b>	<b>29.3</b>	<b>54.3</b>	<b>-5.9</b>	<b>1.1</b>	<b>-10.8</b>	<b>0.1</b>	<b>-2.7</b>
Net write-back in loan losses										
<b>Ordinary profit from continuing operations</b>	<b>-4.1</b>	<b>14.2</b>	<b>-2.1</b>	<b>29.3</b>	<b>54.3</b>	<b>-5.9</b>	<b>1.1</b>	<b>-10.8</b>	<b>0.1</b>	<b>-2.7</b>
<b>Ordinary profit from businesses discounted</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										
Deposits from and due to customers										
<b>Key figures:</b>										
Cost as of % of income	123 %	40 %	105 %	32 %	37 %	124 %	61 %	128 %	98 %	117 %
Deposits from and due to customers as % of gross lending										
NOK MILLION	TREASURY / OTHERS					TOTAL				
	Q2		01.01. - 30.06.		YEAR	Q2		01.01. - 30.06.		YEAR
	2008	2007	2008	2007	2007	2008	2007	2008	2007	2007
<b>Profit and loss items:</b>										
Net interest income	1.5	1.1	1.1	0.4	-7.6	127.4	101.8	253.1	194.4	413.2
Net fee and commission income	0.1	-0.4	-0.5	-1.2	-0.3	17.3	17.0	34.9	27.9	57.9
Other income	-6.0	-1.0	-14.4	-7.8	-11.6	26.4	14.4	43.4	26.2	45.9
Total operating costs	-0.6		-0.6	0.0	2.6	-122.9	-82.7	-240.9	-163.5	-360.2
<b>Operating profit before loan losses</b>	<b>-5.0</b>	<b>-0.3</b>	<b>-14.4</b>	<b>-8.6</b>	<b>-16.9</b>	<b>48.2</b>	<b>50.5</b>	<b>90.6</b>	<b>85.1</b>	<b>156.8</b>
Net write-back in loan losses										
<b>Ordinary profit from continuing operations</b>	<b>-6.1</b>	<b>-0.7</b>	<b>-15.5</b>	<b>-9.0</b>	<b>-16.9</b>	<b>37.0</b>	<b>54.7</b>	<b>80.8</b>	<b>134.1</b>	<b>234.9</b>
<b>Ordinary profit from businesses discounted</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										
Deposits from and due to customers										
<b>Key figures:</b>										
Cost as of % of income	-15 %	10 %				72 %	62 %	73 %	66 %	70 %
Deposits from and due to customers as % of gross lending										
								49 %	44 %	47 %



# Notes to the accounts

## NOTE 11 SEGMENT INFORMATION (continued)

Business segments are the company's primary reporting segments.

### Description of the segments:

**Commercial Banking:** This segment comprises deposits from and lending to commercial customers, principally real estate investors/developers.

**Retail Banking:** Deposits from and lending to retail customers, including credit cards. Lending is principally mortgage lending secured against residential real estate.

**Markets:** 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, Storebrand Infrastruktur ASA and stockbroking activities. Hadrian Eiendom AS and Trajan AS are also included in this area.

**Real estate broking:** This segment solely comprises Ring Eiendomsmegling AS with subsidiaries in which the bank had a 98% ownership interest at the close of first half 2008.

This note is not directly comparable with previous segment reporting due to internal reorganisation. Figures for 2007 have been restated in accordance with the new organisational structure. Indirect income and indirect costs have been allocated on the basis of estimated use of resources. Elimination of double counting applies principally to customer transactions carried out in collaboration between Markets and the relevant customer segment. The effects of financial hedging and the investment portfolio are not allocated between business areas and are reported solely as part of the item treasury/others.

### Geographical segment:

No company in the group have any independent business activities outside Norway. Customers with foreign domicile are classified as part of the Norwegian activities. Operating revenue and profit are therefore solely from activities in Norway.

## NOTE 12 OFF BALANCE SHEET LIABILITIES AND CONTINGENT LIABILITIES

STOREBRAND BANK ASA		NOK MILLION	STOREBRAND BANK GROUP	
31.12.2007	30.06.2008		30.06.2008	31.12.2007
378.6	352.3	Guarantees	352.3	378.6
2 241.9	11 390.8	Undrawn credit limits	2 731.5	2 241.9
46.0	46.0	Other contingent liabilities	46.0	46.0
<b>2 666.5</b>	<b>11 789.2</b>	<b>Total contingent liabilities</b>	<b>3 129.8</b>	<b>2 666.5</b>
2 461.1	2 229.0	Book value of bonds pledged as security for the bank's D-loan and F-loan facility with the Norwegian central bank	2 229.0	2 461.1
<b>2 461.1</b>	<b>2 229.0</b>	<b>Total book value of off balance sheet liabilities</b>	<b>2 229.0</b>	<b>2 461.1</b>

Undrawn credit limits reported in Storebrand Bank ASA as of 30.06.08 includes NOK 8.7 billion to Storebrand Kredittforetak AS.

# Notes to the accounts

## NOTE 13 LOSSES AND PROVISIONS FOR NON-PERFORMING AND LOSS-EXPOSED LOANS, GUARANTEES ETC.

STOREBRAND BANK ASA			STOREBRAND BANK GROUP	
31.12.2007	30.06.2008	NOK MILLION	30.06.2008	31.12.2007
		<b>Non-performing and loss-exposed loans</b>		
151.2	289.4	Non-performing loans without evidence of impairment	289.4	151.2
297.2	347.5	Non-performing and loss-exposed loans with evidence of impairment	347.5	297.2
<b>448.3</b>	<b>636.9</b>	<b>Gross defaulted and loss-exposed loans</b>	<b>636.9</b>	<b>448.3</b>
-247.1	-243.1	Provisions for individual impairment losses	-243.1	-247.1
<b>201.3</b>	<b>393.8</b>	<b>Net defaulted and loss-exposed loans</b>	<b>393.8</b>	<b>201.3</b>

Loans in default are defined as loans where payments are more than 90 days past due.

STOREBRAND BANK ASA				STOREBRAND BANK GROUP		
YEAR	01.01. - 30.06.		NOK MILLION	01.01. - 30.06.		YEAR
2007	2007	2008		2008	2007	2007
			<b>Losses on loans and guarantees etc. during period</b>			
113.0	62.9	4.0	Change in individual impairment loss provisions	4.0	62.9	113.0
15.2	-0.7	-6.5	Change in grouped impairment loss provisions	-6.7	-0.7	15.2
-0.9	1.2	3.4	Other write-down effects	3.4	1.2	-0.9
4.0	0.0	0.0	Change in individual impairment loss provisions guarantees	0.0	0.0	4.0
-59.6	-15.9	-14.1	Realised losses specifically provided for previously	-14.1	-15.9	-59.6
-1.0	-0.7	-0.5	Realised losses not specifically provided for previously	-0.5	-0.7	-1.0
7.5	2.2	1.9	Recoveries on previous realised losses	1.9	2.2	7.5
<b>78.2</b>	<b>49.1</b>	<b>-11.7</b>	<b>Write-downs for the period/net write-back in loan losses</b>	<b>-12.0</b>	<b>49.1</b>	<b>78.2</b>

## NOTE 14 INTANGIBLE ASSETS AND FIXED ASSETS

Costs of NOK 9.0 million were capitalised in the first half as intangible assets and fixed assets in Storebrand Bank ASA. Accordingly costs of NOK 3.9 million were capitalised in the second quarter. This relates principally to costs incurred on systems development, data warehouse, systems licenses and similar costs. In addition, NOK 8.9 million of intangible assets have been recognized in connection with the acquisition of businesses in the group, see Note 4, for goodwill and intangible assets in connection with acquisitions in the period.

# Notes to the accounts

## NOTE 15 SECURITIES ISSUED AND SUBORDINATED LOAN CAPITAL

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

STOREBRAND BANK ASA			STOREBRAND BANK GROUP	
BOOK VALUE	NOMINAL VALUE	NOK MILLION	BOOK VALUE	NOMINAL VALUE
18 173.3	18 281.6	Balance brought forward as at 01.01.2008	18 281.6	18 173.3
		<b>Drawdowns:</b>		
2 511.5	2 512.0	Commercial paper	2 512.0	2 511.5
549.6	550.0	Bond loans	6 481.9	6 508.9
0.0	0.0	Structured boan loans	0.0	0.0
0.0	0.0	Perpetual subordinated bonds	0.0	0.0
0.0	0.0	Other subordinated loan capital	0.0	0.0
		<b>Repayments:</b>		
-4 168.2	-4 169.0	Commercial paper	-4 169.0	-4 168.2
-2 792.3	-2 798.5	Bond loans	-2 798.5	-2 792.3
-261.6	-264.5	Structured boan loans	-264.5	-261.6
0.0	0.0	Perpetual subordinated bonds	0.0	0.0
-54.5	-54.5	Other subordinated loan capital	-54.5	-54.5
21.8	21.8	Changes in exchange rates	55.0	55.0
4.9	4.9	Changes in amortisation and in fair value	-39.3	-39.4
<b>13 984.4</b>	<b>14 083.8</b>	<b>Balance carried forward as at 30.06.2008</b>	<b>20 004.7</b>	<b>19 932.6</b>

Undrawn credit facilities totalled EUR 400 million at 30.06.2008.

### Specification of securities issued and subordinated loan capital at 30 June 2008:

STOREBRAND BANK ASA			STOREBRAND BANK GROUP	
BOOK VALUE	NOMINAL VALUE	NOK MILLION	BOOK VALUE	NOMINAL VALUE
2 807.4	2 815.0	Commercial paper	2 815.0	2 807.4
9 189.8	9 236.3	Bond loans	15 157.2	15 138.0
1 028.4	1 073.1	Structured boan loans	1 073.1	1 028.4
958.8	959.3	Subordinated loan capital	959.3	958.8
<b>13 984.4</b>	<b>14 083.8</b>	<b>Total funding</b>	<b>20 004.7</b>	<b>19 932.6</b>

# Notes to the accounts

## NOTE 16 RISK

Storebrand Bank ASA's og Storebrand Bank group's objectives and principles for the management of financial risk are as described in the 2007 annual report.

## NOTE 17 CHANGES IN EQUITY

### Storebrand Bank ASA

NOK MILLION	30.06.2008 OTHER EQUITY					31.12.2007 OTHER EQUITY				
	PAID-IN CAPITAL	REVENUE & COSTS APPLIED TO EQUITY		OTHER EQUITY	TOTAL OTHER EQUITY	PAID-IN CAPITAL	REVENUE & COSTS APPLIED TO EQUITY		OTHER EQUITY	TOTAL OTHER EQUITY
		TOTAL EQUITY	TOTAL EQUITY	TOTAL EQUITY	TOTAL EQUITY		TOTAL EQUITY			
Equity at the beginning of the period	1 316.8	29.1	686.3	715.4	2 032.3	1 116.6	22.0	722.5	744.5	1 861.1
Pension experience adjustments							7.1		7.1	7.1
Change in deferred tax on pensions							-2.0		-2.0	-2.0
Profit for the period			67.5	67.5	67.5			167.0	167.0	167.0
Receipts of group contribution						200.3			0.0	200.3
Group contribution paid								-201.2	-201.2	-201.2
<b>Equity at the end of the period</b>	<b>1 316.8</b>	<b>29.1</b>	<b>753.8</b>	<b>782.9</b>	<b>2 099.8</b>	<b>1 316.8</b>	<b>27.1</b>	<b>688.3</b>	<b>715.4</b>	<b>2 032.2</b>

### Storebrand Bank Group

NOK MILLION	30.06.2008						
	MAJORITY'S SHARE OF EQUITY					MINORITY INTERESTS	TOTAL EQUITY
	PAID-IN CAPITAL	REVENUE & COSTS APPLIED TO EQUITY		OTHER EQUITY	TOTAL OTHER EQUITY		
Equity at the beginning of the period		1 116.6	29.1	887.1	916.2	7.1	2 039.8
Pension experience adjustments							
Profit for the period				59.1	-0.7	58.4	
Acquisitions					4.5	4.5	
Purchase of minority interests					-3.9	-3.9	
Equity transactions with the owner:							
Dividend paid					-0.6	-0.6	
Receipts of group contribution		200.3				200.3	
Group contribution paid				-200.3		-200.3	
Other changes / changes in minority interests				0.7	1.1	1.8	
<b>Equity at the end of the period</b>	<b>1 316.8</b>	<b>29.1</b>	<b>746.6</b>	<b>775.7</b>	<b>7.5</b>	<b>2 100.0</b>	

# Notes to the accounts

## NOTE 17 CHANGES IN EQUITY (continued)

### Storebrand Bank Group

NOK MILLION	31.12.2007						TOTAL EQUITY
	MAJORITY'S SHARE OF EQUITY					MINORITY INTERESTS	
	PAID-IN CAPITAL	OTHER EQUITY			TOTAL OTHER EQUITY		
		REVENUE & COSTS APPLIED TO EQUITY	OTHER EQUITY				
Equity at the beginning of the period	916.6	22.0	717.6	739.6	3.5	1 659.6	
Pension experience adjustments		7.1		7.1		7.1	
Profit for the period			169.3	169.3	0.3	169.6	
Acquisitions				0.0	3.2	3.2	
Purchase of minority interests				0.0		0.0	
Equity transactions with the owner:							
Dividend paid				0.0		0.0	
Receipts of group contribution	200.0			0.0		200.0	
Group contribution paid			0.0	0.0		0.0	
Other changes / changes in minority interests			0.1	0.1	0.0	0.1	
<b>Equity at the end of the period</b>	<b>1 116.6</b>	<b>29.1</b>	<b>887.0</b>	<b>916.1</b>	<b>7.1</b>	<b>2 039.8</b>	

# Notes to the accounts

## NOTE 18 CAPITAL ADEQUACY

Capital adequacy calculations are subject to special consolidation rules in accordance with the Regulation on consolidated application of the capital adequacy rules etc. (the "Consolidation Regulation"). The Storebrand Bank group is defined pursuant to Section 5 of the Consolidation Regulation as a financial group comprising solely or mainly undertakings other than insurance companies. The valuation rules used in the company's accounts form the basis for consolidation. Consolidation is, in the main, carried out in accordance with the same principles as used in the accounts, with all internal transactions eliminated, including shares, loans and deposits as well as other receivables and liabilities. Companies in which the group has a minority interest are included on a proportional basis applying the percentage interest held by the group at 30 June 2008. The figure for primary capital used in calculating capital adequacy will differ from the figure shown in the accounts since the calculation does not include accrued profit for the year or minority interests.

STOREBRAND BANK ASA		NET PRIMARY CAPITAL NOK MILLION	STOREBRAND BANK GROUP	
31.12.07	30.06.08		30.06.08	31.12.07
916.6	916.6	Share capital	916.6	916.6
1 115.7	1 183.2	Other equity	1 183.4	1 123.2
<b>2 032.3</b>	<b>2 099.8</b>	<b>Total equity 31.3 / 31.12.</b>	<b>2 100.0</b>	<b>2 039.8</b>
		Deductions:		
	-67.5	Profit not included in the calculation of net primary capital	-59.1	
		Minority's share of equity	-7.5	-7.1
		Goodwill	-62.0	-20.6
-62.3	-62.2	Intangible assets	-104.8	-93.8
-179.4	-179.4	Deferred tax asset	-174.3	-173.9
		Addition:		
275.6	275.0	Perpetual subordinated bonds	275.0	275.6
25.9	13.0	Proportion of pension experience adjustments not amortised	13.0	25.9
<b>2 092.1</b>	<b>2 078.6</b>	<b>Core capital</b>	<b>1 980.3</b>	<b>2 045.9</b>
683.7	683.8	Supplementary capital	683.8	683.7
		Deductions		
<b>2 775.8</b>	<b>2 762.4</b>	<b>Net primary capital</b>	<b>2 664.1</b>	<b>2 729.6</b>

# Notes to the accounts

## NOTE 18 CAPITAL ADEQUACY (continued)

STOREBRAND BANK ASA		MINIMUM CAPITAL REQUIREMENT	STOREBRAND BANK GROUP
30.06.2008		NOK MILLION	30.06.2008
1 801.1		Credit risk	1 944.3
		Of which:	
3.8		Local and regional authorities	3.8
93.9		Institutions	47.2
880.8		Corporates	880.8
463.0		Loans secured on real estate	663.0
118.0		Retail market	118.0
39.2		Loans past-due	39.2
7.7		Covered bonds	7.7
194.7		Other	184.6
<b>1 801.1</b>		<b>Total minimum requirement for credit risk</b>	<b>1 944.3</b>
0.1		Foreign currency risk	0.1
<b>0.1</b>		<b>Total minimum requirement for market risk</b>	<b>0.1</b>
76.7		Operational risk	76.7
0.0		Deductions	
-5.0		Write-downs of groups of loans	-5.0
<b>1 872.8</b>		<b>Minimum requirement for capital base</b>	<b>2 016.1</b>

STOREBRAND BANK ASA		CAPITAL ADEQUACY	STOREBRAND BANK GROUP	
31.12.2007	30.06.2008		30.06.2008	31.12.2007
10.6 %	11.8 %	Capital ratio	10.6 %	10.5 %
8.0 %	8.9 %	Core capital ratio	7.9 %	7.9 %

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

Basel II is divided into three pillars (areas). Pillar 1 deals with the minimum requirement for capital adequacy and represents a continuation of the former regulations pursuant to Basel I. Pillar 2 deals with supervisory evaluation of capital requirement and supervisory monitoring (ICAAP), while Pillar 3 deals with the requirements for publication of financial information. The introduction of the new regulatory framework has caused changes to the calculation base for capital adequacy. Calculation of operational risk is a new element of the Basel II regulations. Management of market risk is only affected by the transition to the Basel II regulations to a minor extent.

# Notes to the accounts

## NOTE 19 QUARTERLY PROFIT AND LOSS

### Storebrand Bank ASA

NOK MILLION	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006
Interest income	647.4	654.6	626.4	518.7	460.6	386.5	338.6	311.5
Interest expense	-519.9	-535.4	-516.5	-410.6	-358.9	-294.0	-237.4	-203.1
<b>Net interest income</b>	<b>127.4</b>	<b>119.2</b>	<b>109.9</b>	<b>108.1</b>	<b>101.7</b>	<b>92.5</b>	<b>101.2</b>	<b>108.4</b>
Fee and commission income from banking services	27.7	18.5	31.8	29.3	38.3	40.4	37.6	32.7
Fee and commission expenses for banking services	-8.8	-0.5	-16.6	-14.6	-21.3	-29.4	-26.6	-20.5
<b>Net fee and commission income</b>	<b>18.9</b>	<b>18.1</b>	<b>15.2</b>	<b>14.7</b>	<b>17.0</b>	<b>11.0</b>	<b>11.1</b>	<b>12.2</b>
Net income and gains from associated companies	0.0	0.0	-0.5	0.0	0.0	0.0	-0.8	0.0
Net gains on financial instruments at fair value	0.7	-5.0	6.4	-0.2	3.5	2.8	10.5	4.6
Other income	1.5	3.6	10.3	-0.5	8.2	0.0	0.0	0.1
<b>Total other operating income</b>	<b>2.2</b>	<b>-1.5</b>	<b>16.2</b>	<b>-0.7</b>	<b>11.6</b>	<b>2.8</b>	<b>9.8</b>	<b>4.6</b>
Staff expenses	-32.9	-31.8	-34.4	-30.4	-31.7	-34.7	-40.8	-34.7
General administration expenses	-18.8	-23.1	-26.9	-19.3	-19.9	-17.3	-18.2	-16.3
Other operating cost	-34.0	-40.7	-48.1	-29.2	-28.6	-24.6	-30.9	-39.8
<b>Total operating costs</b>	<b>-85.7</b>	<b>-95.7</b>	<b>-109.4</b>	<b>-79.0</b>	<b>-80.3</b>	<b>-76.5</b>	<b>-89.9</b>	<b>-90.8</b>
<b>Operating profit before losses and other itmes</b>	<b>62.8</b>	<b>40.1</b>	<b>31.9</b>	<b>43.1</b>	<b>50.0</b>	<b>29.7</b>	<b>32.1</b>	<b>34.4</b>
Write-downs for the period/ net write-back in loan losses	-10.9	1.5	18.2	10.9	4.2	44.9	5.9	10.9
<b>Profit before tax</b>	<b>51.9</b>	<b>41.6</b>	<b>50.1</b>	<b>54.0</b>	<b>54.2</b>	<b>74.6</b>	<b>38.0</b>	<b>45.3</b>
Tax	-14.4	-11.6	-17.2	-15.1	-12.9	-20.8	-3.6	-13.7
<b>Profit for the year</b>	<b>37.5</b>	<b>30.0</b>	<b>32.9</b>	<b>39.0</b>	<b>41.3</b>	<b>53.8</b>	<b>34.4</b>	<b>31.7</b>



# Notes to the accounts

## NOTE 19 QUARTERLY PROFIT AND LOSS (continued)

### Storebrand Bank Group

NOK MILLION	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006
Interest income	700.8	659.1	626.5	518.7	460.6	386.5	338.6	311.5
Interest expense	-573.4	-533.3	-515.9	-410.5	-358.7	-293.9	-237.3	-202.8
<b>Net interest income</b>	<b>127.4</b>	<b>125.7</b>	<b>110.7</b>	<b>108.1</b>	<b>101.8</b>	<b>92.6</b>	<b>101.3</b>	<b>108.7</b>
Fee and commission income from banking services	26.0	18.1	31.8	29.3	38.3	40.4	37.6	32.7
Fee and commission expenses for banking services	-8.8	-0.5	-16.6	-14.6	-21.3	-29.4	-26.6	-20.5
<b>Net fee and commission income</b>	<b>17.3</b>	<b>17.6</b>	<b>15.2</b>	<b>14.7</b>	<b>17.0</b>	<b>11.0</b>	<b>11.1</b>	<b>12.2</b>
Net income and gains from associated companies	0.0	0.0	-0.8	0.0	0.0	0.0	-3.4	0.0
Net gains on financial instruments at fair value	-1.1	-5.1	9.7	-0.2	3.5	2.8	13.0	4.6
Other income	27.5	22.1	7.8	3.1	10.9	9.0	3.6	3.3
<b>Total other operating income</b>	<b>26.4</b>	<b>17.0</b>	<b>16.7</b>	<b>2.9</b>	<b>14.4</b>	<b>11.8</b>	<b>13.2</b>	<b>7.9</b>
Staff expenses	-49.7	-44.7	-38.0	-33.8	-34.0	-36.2	-44.4	-36.0
General administration expenses	-23.7	-27.0	-30.6	-17.5	-20.6	-19.7	-19.5	-17.0
Other operating cost	-49.5	-46.3	-45.0	-31.9	-28.1	-25.0	-31.9	-40.0
<b>Total operating costs</b>	<b>-122.9</b>	<b>-118.0</b>	<b>-113.5</b>	<b>-83.2</b>	<b>-82.7</b>	<b>-80.8</b>	<b>-95.8</b>	<b>-93.0</b>
<b>Operating profit before losses and other itmes</b>	<b>48.1</b>	<b>42.4</b>	<b>29.1</b>	<b>42.6</b>	<b>50.5</b>	<b>34.5</b>	<b>29.7</b>	<b>35.7</b>
Write-downs for the period/ net write-back in loan losses	-11.1	1.5	18.2	10.9	4.2	44.9	6.3	10.9
<b>Profit before tax</b>	<b>37.0</b>	<b>43.9</b>	<b>47.3</b>	<b>53.5</b>	<b>54.7</b>	<b>79.4</b>	<b>36.0</b>	<b>46.6</b>
Tax	-10.7	-11.7	-16.4	-15.1	-12.9	-20.8	-3.0	-13.7
<b>Profit for the year</b>	<b>26.2</b>	<b>32.2</b>	<b>30.8</b>	<b>38.4</b>	<b>41.8</b>	<b>58.6</b>	<b>33.0</b>	<b>32.9</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 for the first six months as at 30 June 2008 (the 2008 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 2008 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 company's assets, liabilities, and financial position taken as a whole as at 30 June 2008.

The Board of Directors and the Chief Executive Officer confirm that, to the best of their knowledge, the half-yearly report gives a true and fair summary of important events during the accounting period and their effect on the half-yearly accounts. 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.

Oslo, 12 August 2008

The Board of Directors of Storebrand Bank ASA

Idar Kreutzer  
Chairman of the Board

Stein Wessel-Aas  
Deputy Chairman of the Board

Kristine Schei  
Member of the Board

Ida Helliesen  
Member of the Board

Maalfrid Brath  
Member of the Board

Roar Thoresen  
Member of the Board

Heidi Storruste  
Member of the Board

Klaus-Anders Nysteen  
Chief Executive Officer

Translation from the original Norwegian version

To the board of Storebrand Bank ASA

## REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

We have reviewed the condensed consolidated financial statement of Storebrand Bank ASA as of June 30, 2008, showing a result of MNOK 58,4. The condensed consolidated financial Statement comprises the balance sheet, the statements of income, cash flow, the statement of changes in equity and selected explanatory notes by June 30, 2008. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Accounting Standard No 34 adopted by EU. Our responsibility is to express a conclusion on this interim financial information based on our 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.

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information does not give a true and fair view of the financial position of the entity as at June 30, 2008, and of its financial performance and its cash flows for the six-month period then ended in accordance with International Accounting Standard no 34 as adopted by EU.

Oslo, August 12, 2008  
Deloitte AS

Ingebret G. Hisdal (signed)  
State Authorized Public Accountant ( Norway)

# Company information

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 N-0120 Oslo

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 Call centre (within Norway): 08880  
 Website: [www.storebrand.no](http://www.storebrand.no)  
 E-mail address: [bank@storebrand.no](mailto:bank@storebrand.no)

Company registration number: 953 299 216

## Senior Management:

Klaus-Anders Nysteen	Managing Director
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

## Contact persons:

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## Other sources of information:

Annual Reports and interim reports of Storebrand Bank ASA are published on [www.storebrand.no](http://www.storebrand.no).

