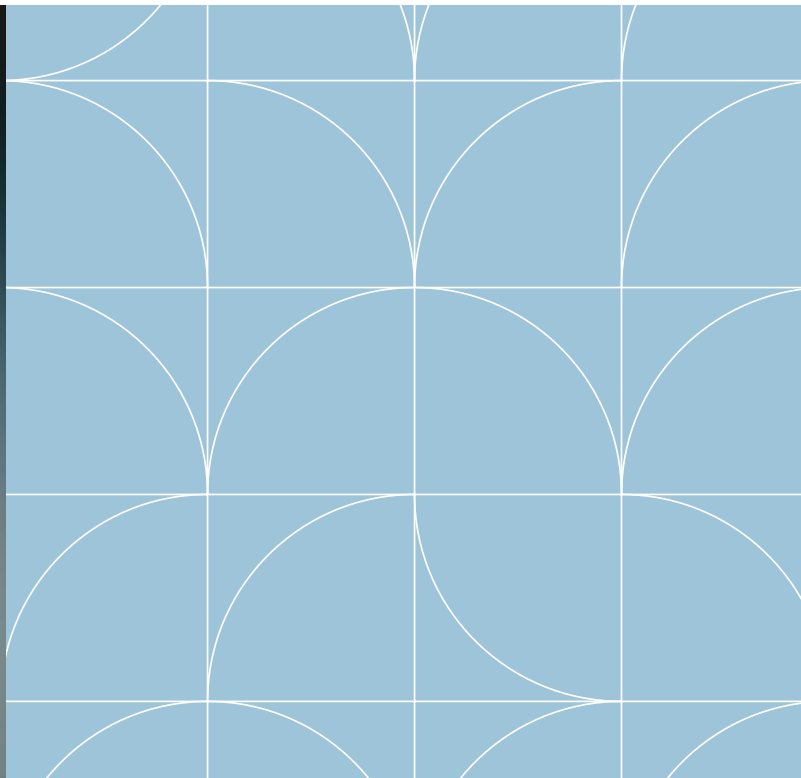


# Storebrand Bank Group

4th Quarter 2008



# Storebrand Bank Group

## - interim report for and as of the fourth quarter 2008

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

- Storebrand Bank experienced a negative group result of NOK 67 million before tax in Q4. The group profit for the year as a whole was NOK 33 million.
- The profit before losses in the banking group amounted to NOK 19 million in Q4 and NOK 155 million for the year. This is on a par with 2007.
- Write-downs from losses amounted to NOK 86 million in the quarter and NOK 122 million for the year.
- The housing market produced a negative result trend for Ring Eiendomsmegling.
- Storebrand Kredittforetak AS's lending volume amounted to NOK 11.6 billion at the close of the year. This represents an increase of NOK 3 billion during the quarter.

The banking group's net interest income in Q4 was on a par with the previous year, despite the negative hedging effects of NOK 24 million (NOK 3 million) in associated with large movements in the fixed income markets. Net interest income amounted to NOK 110 million (NOK 111 million), and net interest income as a percentage of the average total assets under management was 1.14% (1.10%) in Q4. Net interest income for the year as a whole amounted to NOK 512 million, which represents growth of 24% on the year before. Net interest income as a percentage of the average total assets was 1.17% (1.07%) in 2008, compared with 1.07% in 2007.

Profit before losses developed positively by NOK 155 million for the year as a whole compared with NOK 157 million in the previous year. The banking business' profit before losses increased by NOK 19 million to NOK 223 million in 2008. The increase in losses and the poor development of Ring Eiendomsmegling's result pulled the group result down. Write-downs for losses amounted to NOK 122 million in 2008, compared to a reversal of NOK 78 million in 2007. Ring Eiendomsmegling experienced a negative result amounting to NOK 44 million in 2008.

Other income was also affected by the financial instability in the quarter. The change in value associated with the banking group's liquidity portfolio in interest-bearing securities had a negative effect on the profit of minus NOK 8 million in Q4 and minus NOK 10 million (minus NOK 2 million) for the year. The treasury bills swap arrangement had a positive effect on the result amounting to NOK 4.4 million, which is included in the overall change in value of the banking group's liquidity portfolio. The acquisition of the real estate companies Hadrian Eiendom AS, Hadrian Utvikling AS and 13 companies in Ring Eiendomsmegling AS during 2007 and

2008 entailed an increase in other income compared with the same period in 2007. In total the operating income from these activities was almost NOK 86 million in 2008.

The cost income ratio (C/I) for Storebrand Bank ASA was 66% (77%) for Q4 and 65% (69%) for the year. The efficiency measures implemented in the banking activities in 2006 and 2007 have had a positive effect on the cost ratio. The cost ratio amounted to 89% (80%) for the banking group in Q4 and 77% (70%) for the year, which is due to the negative trend in Ring Eiendomsmegling's result. Intangible assets that are subject to amortisation have also been identified in connection with the acquisitions in Ring that were implemented at the beginning of 2008, and these have thus resulted in increased costs in 2008. Significant costs savings measures were implemented in Ring during the quarter. These will also produce effects in Q1 2009. The goodwill in Ring Eiendomsmegling was written down by NOK 7 million in Q4.

Storebrand Bank ASA established Storebrand Kredittforetak AS as a subsidiary in 2008. The Kredittforetaket acquires parts of the bank's retail mortgage lending from the bank and uses these as collateral when issuing covered bonds. The holding company's accounting figures for 2008 are therefore not directly comparable with the 2007 financial year.

Storebrand Bank continued to experienced positive market development in the retail market in 2008. Deposits grew by 25% in the retail market and total customer growth amounted to 6.1% for the year. The banking group's increase in the volume of lending in the retail market amounted to NOK 0.8 billion in Q4 and amounted to NOK 1.9 billion from 1 January 2008.

The bank conducted a review and assessment of significant lending commitments within the retail and corporate portfolios during Q4 also. The risk of experiencing losses has increased somewhat due to market developments and the uncertainty in the housing and real estate markets. Non-performing and loss-exposed loans without identified impairment increased by NOK 161 million during the quarter. This development in risk has been taken into account when assessing actual losses, and individual and grouped write-downs. Uncertainty associated with the estimate has increased somewhat due to the financial instability. No changes have been made to routines and assumptions associated with the assessment of non-performance and the need for write-downs compared with earlier periods.

During Q4 net losses of NOK 85 million (net income of NOK 18 million) were recognised as costs, and net losses of NOK 122 million (net income of NOK 78 million) have been recognised as costs for the year. The losses primarily relate to a single large building loan of NOK 54 million and increased grouped write-downs of NOK 23 million. During Q4 there was an increase in the total volume of non-performing and loss-exposed loans in the banking group of NOK 86 million. The volume of non-performing and loss-exposed loans with identified impairment includes commitments of NOK 81 million which are regarded as loss-exposed due to developments in the real estate market, but in which the commitments are being serviced on an ongoing basis. The volume of non-performing and loss-exposed loans amounted to NOK 710 million at the close of 2008. The development in non-performing and loss-exposed loans is monitored continuously. The total provisions for bad debts amounted to NOK 351 million at the close of 2008.

Storebrand Bank Group's total assets amounted to NOK 45.6 billion as per 31 December 2008. Gross lending increased by 5% to almost NOK 39.0 billion in 2008. Lending by Storebrand Life Insurance managed by Storebrand Bank ASA increased by NOK 0.4 billion in Q4 to NOK 3.8 billion.

At the close of Q4, the gross lending of the subsidiary Storebrand Kredittforetak AS amounted to NOK 11.6 billion of the total lending volume in the retail market of NOK 27 billion.

The deposit-to-loan ratio in the Storebrand Bank Group was 46.9% at the close of Q4 compared with 47.1% as per 31 December 2007. The market campaigns that have been run, increased market shares and competitive terms made a positive contribution to the development in customer deposits.

The turbulent conditions in the credit market also affected the funding situation in Q4. Access to long-term financing in the capital market has been limited, and the credit spreads for new funding increased further during the quarter. The authorities' package of measures aimed at strengthening banks' liquidity that was presented in October has made a positive contribution. The bank's liquidity situation at the close of Q4 was satisfactory.

The capital ratio in the Storebrand Bank Group at the close of the quarter was 10.8% with a tier 1 capital ratio of 8.1%. Capital adequacy is calculated pursuant to the new capital adequacy regulations (Basel II). The profit for the year is added to primary capital when calculating capital adequacy as per 31 December 2008.

The financial risks Storebrand Bank ASA and its subsidiary Storebrand Kredittforetak AS primarily consist of credit, liquidity, interest rates and currency risks. Credit risk is regarded as the most significant of these. The board of directors emphasises that the bank should have a moderate financial risk.

Storebrand has issued equity index linked bonds (EILB) since 1996. In connection with this we have also offered loan financing for a number of these products. In January 2009, the complaints board for Norwegian bank customers (Bankklagenemda) issued a decision concerning an appeal against DnB NOR relating to a loan financed EILB. This may also be of principle significance for Storebrand Bank ASA. Following the Bankklagenemda's decision, the bank has received 35 complaints as of 10 February 2009. DnB NOR is declining to follow the recommendations in the Bankklagenemda's statement and it is likely that the case will end up before the courts. Storebrand Bank ASA has found no grounds for making provisions in the annual accounts for Q4 2008 given the unclear legal situation.

Beyond those discussed above, the board of directors is unaware of any events that have occurred since the date of the balance sheet that would be material to the interim accounts as presented.

Changes in the level of interest rates and the residential property market are judged to be the most significant risk factors that may affect the company's accounting figures in 2009.

Oslo, 10 February 2009

The board of directors of Storebrand Bank ASA

# Storebrand Bank ASA

## PROFIT AND LOSS ACCOUNT

NOK MILLION	NOTE	Q4		YEAR	
		2008	2007	2008	2007
Interest income		677.0	626.4	2 633.4	1 992.2
Interest expense		-575.1	-516.5	-2 146.4	-1 579.9
<b>Net interest income</b>	<b>4</b>	<b>101.9</b>	<b>109.9</b>	<b>486.9</b>	<b>412.3</b>
Fee and commission income from banking services		26.8	31.8	98.1	139.8
Fee and commission expenses for banking services		-12.9	-16.6	-30.8	-81.9
<b>Net fee and commission income</b>		<b>13.9</b>	<b>15.2</b>	<b>67.2</b>	<b>57.9</b>
Net income and gains from associated companies		-1.6	-0.5	-1.6	2.7
Net gains on financial instruments at fair value	5	43.6	13.6	-2.7	16.4
Other income		0.8	3.1	31.6	10.7
<b>Total other operating income</b>		<b>42.7</b>	<b>16.2</b>	<b>27.3</b>	<b>29.9</b>
Staff expenses		-34.7	-34.4	-134.3	-131.2
General administration expenses		-32.7	-26.9	-97.8	-83.5
Other operating costs		-37.3	-48.1	-145.4	-130.6
<b>Total operating costs</b>		<b>-104.8</b>	<b>-109.4</b>	<b>-377.6</b>	<b>-345.2</b>
<b>Operating profit before losses and other items</b>		<b>53.7</b>	<b>31.9</b>	<b>203.9</b>	<b>154.8</b>
Write-downs for the period/net write-back in loan losses	11	-85.3	18.2	-121.2	78.2
<b>Profit before tax</b>		<b>-31.6</b>	<b>50.1</b>	<b>82.7</b>	<b>233.0</b>
Tax	6	7.1	-17.2	-24.8	-66.0
<b>Profit for the year</b>		<b>-24.5</b>	<b>32.9</b>	<b>57.9</b>	<b>167.0</b>

# Storebrand Bank ASA

## BALANCE SHEET

NOK MILLION	NOTE	31.12.2008	31.12.2007
Cash and deposits with central banks		672.1	1 062.0
Loans to and deposits with credit institutions		1 306.9	358.4
Financial assets designated at fair value through profit and loss:			
Equity instruments	19	1.4	1.9
Bonds and other fixed-income securities	10, 19	6 610.4	2 491.6
Derivatives	19	876.9	527.9
Other assets		1 025.6	645.3
Gross lending		27 463.7	37 096.1
- Write-downs of individual loans	11	-262.4	-247.1
- Write-downs of groups of loans		-87.7	-58.1
Net lending to customers		27 113.7	36 790.9
Investments in associated companies		27.6	29.2
Tangible assets	12	13.3	10.0
Intangible assets	12	54.1	62.3
Deferred tax assets		155.9	179.4
<b>TOTAL ASSETS</b>		<b>37 858.1</b>	<b>42 159.1</b>
Liabilities to credit institutions	13	6 517.1	3 064.5
Deposits from and due to customers		18 305.0	17 562.1
Other financial liabilities:			
Derivatives	19	467.1	586.6
Commercial paper and bonds issued	14	8 999.8	17 159.5
Other liabilities		433.1	657.5
Provision for accrued expenses and liabilities		19.9	13.4
Pension liabilities		80.1	69.5
Subordinated loan capital	14	962.0	1 013.8
<b>TOTAL LIABILITIES</b>		<b>35 784.2</b>	<b>40 126.8</b>
Paid in capital		1 316.8	1 316.8
Retained earnings		757.0	715.4
<b>TOTAL EQUITY</b>	<b>16</b>	<b>2 073.9</b>	<b>2 032.3</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>37 858.1</b>	<b>42 159.1</b>

# Storebrand Bank Group

## PROFIT AND LOSS ACCOUNT

NOK MILLION	NOTE	Q4		YEAR	
		2008	2007	2008	2007
Interest income		815.3	626.5	2 940.5	1 992.3
Interest expense		-705.3	-515.9	-2 428.0	-1 579.1
<b>Net interest income</b>	<b>4</b>	<b>109.9</b>	<b>110.7</b>	<b>512.5</b>	<b>413.2</b>
Fee and commission income from banking services		25.0	31.8	92.8	139.8
Fee and commission expenses for banking services		-12.9	-16.6	-30.8	-81.9
<b>Net fee and commission income</b>		<b>12.1</b>	<b>15.2</b>	<b>62.0</b>	<b>57.9</b>
Net income and gains from associated companies		-1.6	-0.8	-1.6	-0.8
Net gains on financial instruments at fair value	5	23.9	9.7	1.1	16.4
Other income		19.3	7.8	89.4	30.2
<b>Total other operating income</b>		<b>41.6</b>	<b>16.7</b>	<b>88.9</b>	<b>45.9</b>
Staff expenses		-53.0	-38.0	-197.6	-142.0
General administration expenses		-37.0	-30.6	-114.4	-88.3
Other operating costs		-54.9	-45.0	-196.1	-129.9
<b>Total operating costs</b>		<b>-144.9</b>	<b>-113.5</b>	<b>-508.1</b>	<b>-360.2</b>
<b>Operating profit before losses and other items</b>		<b>18.7</b>	<b>29.1</b>	<b>155.2</b>	<b>156.8</b>
Write-downs for the period/net write-back in loan losses	11	-85.4	18.2	-121.8	78.2
<b>Profit before tax</b>		<b>-66.7</b>	<b>47.3</b>	<b>33.3</b>	<b>234.9</b>
Tax	6	13.8	-16.4	-13.9	-65.3
<b>Profit for the year</b>		<b>-52.9</b>	<b>30.8</b>	<b>19.5</b>	<b>169.6</b>
Allocated to:					
Shareholders		-51.8	30.2	23.1	169.3
Minority interests		-1.1	0.6	-3.7	0.3

# Storebrand Bank Group

## BALANCE SHEET

NOK MILLION	NOTE	31.12.2008	31.12.2007
Cash and deposits with central banks		672.1	1 062.0
Loans to and deposits with credit institutions		333.7	374.1
Financial assets designated at fair value through profit and loss:			
Equity instruments	19	1.5	2.0
Bonds and other fixed-income securities	10, 19	3 439.5	2 491.6
Derivatives	19	1 791.7	527.9
Other assets		367.6	311.5
Gross lending		39 034.7	37 095.8
- Write-downs of individual loans	11	-262.4	-247.1
- Write-downs of groups of loans		-88.3	-58.1
Net lending to customers		38 684.0	36 790.7
Investments in associated companies		27.1	28.7
Tangible assets	12	18.5	10.5
Intangible assets and goodwill	12	142.8	114.4
Deferred tax assets		166.6	173.9
<b>TOTAL ASSETS</b>		<b>45 645.0</b>	<b>41 887.4</b>
Liabilities to credit institutions	13	6 517.1	3 064.5
Deposits from and due to customers		18 291.5	17 469.6
Other financial liabilities:			
Derivatives	19	467.1	586.6
Commercial paper and bonds issued	14	16 824.0	17 159.5
Other liabilities		422.7	470.8
Provision for accrued expenses and liabilities		19.9	13.4
Pension liabilities		80.1	69.5
Subordinated loan capital	14	962.0	1 013.8
<b>TOTAL LIABILITIES</b>		<b>43 584.5</b>	<b>39 847.6</b>
Paid in capital		1 316.8	1 116.6
Retained earnings		737.5	916.1
Minority interests		6.1	7.1
<b>TOTAL EQUITY</b>	<b>16</b>	<b>2 060.5</b>	<b>2 039.8</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>45 645.0</b>	<b>41 887.4</b>

Oslo, 10 February 2009  
The Board of Directors of Storebrand Bank ASA

# Analysis of revenue and costs applied to equity

## STOREBRAND BANK ASA

NOK MILLION	YEAR	
	2008	2007
Pension experience adjustments	-3.4	5.1
Profit and loss account items applied directly to equity	-3.4	5.1
Profit for the period	57.9	167.0
<b>Total revenue and costs for the period</b>	<b>54.5</b>	<b>172.1</b>

## STOREBRAND BANK GROUP

NOK MILLION	YEAR	
	2008	2007
Pension experience adjustments	-3.4	7.1
Profit and loss account items applied directly to equity	-3.4	7.1
Profit for the period	19.5	169.6
<b>Total revenue and costs for the period</b>	<b>16.1</b>	<b>176.7</b>
Allocated to:		
Shareholders	23.1	176.4
Minority interests	-3.7	0.3
<b>Total</b>	<b>19.5</b>	<b>176.7</b>



# Key figures

## STOREBRAND BANK ASA

NOK MILLION	Q4		YEAR	
	2008	2007	2008	2007
<b>Profit and Loss account:</b> (as % of avg. total assets)				
Net interest income <sup>4)</sup>	1.15%	1.09%	1.24%	1.06%
Other operating income <sup>5)</sup>	0.60%	0.31%	0.24%	0.23%
<b>Main balance sheet figures:</b>				
Total assets			37 858.1	42 159.1
Average total assets <sup>1) 2)</sup>	37 718.2	41 150.0	39 404.7	38 722.1
Total lending to customers			27 463.7	37 096.1
Deposits from and due to customers as % of gross lending			66.7 %	47.3 %
Equity			2 073.9	2 032.3
<b>Other key figures:</b>				
Total non-interest income as % of total income	35.71%	22.22%	16.25%	15.27%
Loan losses and provisions as % of average total lending	1.10%	-0.21%	0.37%	0.25%
Individual impairment loss as % of gross defaulted loans <sup>6)</sup>			50.46%	83.14%
Costs as % of operating income	66.11%	77.40%	64.93%	69.04%
Return on equity after tax <sup>3)</sup>	-3.33%	6.71%	2.78%	9.00%
Capital ratio			13.1 %	10.6 %

## STOREBRAND BANK GROUP

NOK MILLION	Q4		YEAR	
	2008	2007	2008	2007
<b>Profit and Loss account:</b> (as % of avg. total assets)				
Net interest income <sup>4)</sup>	1.14%	1.10%	1.17%	1.07%
Other operating income <sup>5)</sup>	0.48%	0.31%	0.46%	0.27%
<b>Main balance sheet figures:</b>				
Total assets			45 645.0	41 887.4
Average total assets <sup>1) 2)</sup>	45 087.6	41 009.1	43 723.9	38 658.0
Total lending to customers			39 034.7	37 095.8
Deposits from and due to customers as % of gross lending			46.9 %	47.1 %
Equity			2 060.5	2 039.8
<b>Other key figures:</b>				
Total non-interest income as % of total income	32.81%	22.40%	22.74%	20.07%
Loan losses and provisions as % of average total lending	0.89%	-0.21%	0.32%	-0.23%
Individual impairment loss as % of gross defaulted loans <sup>6)</sup>			50.46%	83.14%
Costs as % of operating income	88.54%	79.59%	76.61%	69.68%
Return on equity after tax <sup>3)</sup>	-6.58%	6.58%	0.94%	9.05%
Capital ratio			10.8 %	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	31.12.2008		31.12.2008	31.12.2007
		<b>Cash flow from operations</b>		
444.2	748.1	Net receipts/payments of interest, commissions and fees from customers	820.5	457.7
-6 205.7	9 569.7	Net disbursement/payments on customer loans	-2 001.5	-6 231.6
4 320.8	-213.1	Net receipts/payments of deposits from banking customers	854.7	4 241.4
-898.2	-1 133.4	Net receipts/payments on other operating activities	1 898.6	-918.1
<b>-2 338.9</b>	<b>8 971.3</b>	<b>Net cash flow from operating activities</b>	<b>1 572.3</b>	<b>-2 450.6</b>
		<b>Cash flow from investment activities</b>		
4.3	2.0	Net receipts from sale of subsidiaries and associated companies	2.0	4.3
-114.3	-520.5	Payments on purchase and establish of subsidiaries	0.0	0.0
-37.0	-16.3	Net payments on purchase/sale of fixed assets etc.	-40.1	-38.9
<b>-147.0</b>	<b>-534.7</b>	<b>Net cash flow from investment activities</b>	<b>-38.0</b>	<b>-34.6</b>
		<b>Cash flow from financing activities</b>		
2 952.8	-8 759.5	Net receipts/payment from borrowing	-1 846.3	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>-8 826.5</b>	<b>Net cash flow from financing activities</b>	<b>-1 924.1</b>	<b>3 152.8</b>
<b>667.5</b>	<b>-389.9</b>	<b>Net cash flow in period</b>	<b>-389.9</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>672.1</b>	<b>Cash and bank deposits at the end of the period</b>	<b>672.1</b>	<b>1 062.0</b>

# Notes to the account

## **NOTE 1 ACCOUNTING PRINCIPLES**

The consolidated interim accounts for the group include Storebrand Bank ASA together with subsidiaries, joint ventures and associated companies. The interim accounts for Q4 have been prepared in accordance with 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. There have not been any substantial changes in the accounting principles since the 2007 accounts.

On October 13, IASB stipulated amendments to IAS 39 that allow the reclassification of financial instruments in some circumstances. The amendments were adopted by the EU in a specific directive on 15 October and the Norwegian Ministry of Finance stipulated specific regulations that implemented these amendments on 16 October. Storebrand Bank group has not reclassified any financial instruments.

## **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.

The situation in the financial markets as per Q4 means that the scope to which financial instruments can be measured on the basis of observable transactions has declined and that the uncertainty in the base information used in the valuation techniques has increased. Storebrand has assessed the suitability of previously used price sources and valuation techniques and concluded that it will continue to use the same price sources and valuation techniques as before.

As far as losses on loans are concerned the uncertainty in the markets' future development has resulted in uncertainty in the calculation of losses having increased somewhat. No changes have been made to routines and assumptions associated with the assessment of non-performance and the need for write-downs compared with earlier periods.

## **NOTE 3 CHANGES IN THE COMPOSITION OF THE GROUP**

The subsidiary Filipstad Eiendom AS has been closed down in fourth quarter. The accounts include a loss of NOK 0.1 million from the close down.

# Notes to the account

## NOTE 4 NET INTEREST INCOME

STOREBRAND BANK ASA			STOREBRAND BANK GROUP	
31.12.2007	31.12.2008	NOK MILLION	31.12.2008	31.12.2007
46.4	172.1	Interest and other income on loans to and deposits with credit institutions	66.8	46.5
1 825.3	2 255.1	Interest and other income on loans to and due from customers	2 686.9	1 825.3
112.9	197.1	Interest on commercial paper, bonds and other interest-bearing securities	175.5	112.9
7.5	9.1	Other interest income and related income	11.2	7.6
<b>1 992.2</b>	<b>2 633.4</b>	<b>Total interest income</b>	<b>2 940.5</b>	<b>1 992.3</b>
-118.5	-180.2	Interest and other expenses on debt to credit institutions	-180.3	-118.5
-589.6	-1 004.3	Interest and other expenses on deposits from and due to customers	-1 003.6	-588.7
-788.5	-790.1	Interest and other expenses on securities issued	-1 070.9	-788.5
-53.3	-68.2	Interest and expenses on subordinated loan capital	-68.2	-53.3
-30.0	-103.6	Other interest expenses and related expenses	-105.0	-30.0
<b>-1 579.9</b>	<b>-2 146.4</b>	<b>Total interest expenses</b>	<b>-2 428.0</b>	<b>-1 579.1</b>
<b>412.3</b>	<b>486.9</b>	<b>Net interest income</b>	<b>512.5</b>	<b>413.2</b>

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

STOREBRAND BANK ASA			STOREBRAND BANK GROUP	
31.12.2007	31.12.2008	NOK MILLION	31.12.2008	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	-0.5	Net change in fair value of equity investments	-0.5	-2.3
<b>3.3</b>	<b>-0.5</b>	<b>Total equity investments</b>	<b>-0.5</b>	<b>3.3</b>
		<i>Bonds, commercial paper and other interest-bearing securities</i>		
0.3	8.3	Commercial paper and bonds issued by the public sector, FVO	7.9	0.3
<b>0.3</b>	<b>8.3</b>	<b>Total securities issued by the public sector</b>	<b>7.9</b>	<b>0.3</b>
-2.6	-24.0	Commercial paper and bonds issued by others, FVO	-18.0	-2.6
<b>-2.6</b>	<b>-24.0</b>	<b>Total securities issued others</b>	<b>-18.0</b>	<b>-2.6</b>
<b>-2.3</b>	<b>-15.7</b>	<b>Total bonds, commercial paper and other interest-bearing securities</b>	<b>-10.1</b>	<b>-2.3</b>
		<i>Financial derivatives</i>		
15.5	13.5	Financial derivatives, held for trading	11.7	15.5
<b>15.5</b>	<b>13.5</b>	<b>Total financial derivatives</b>	<b>11.7</b>	<b>15.5</b>
<b>16.4</b>	<b>-2.7</b>	<b>Net income and gains from financial assets and liabilities at fair value</b>	<b>1.1</b>	<b>16.4</b>

# Notes to the account

## NOTE 6 TAX

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

## NOTE 7 CLOSE ASSOCIATES

### Storebrand Bank ASA

#### Transactions with group companies:

NOK MILLION	31.12.2008		31.12.2007	
	SUBSIDIARIES	OTHER GROUP COMPANIES <sup>1)</sup>	SUBSIDIARIES	OTHER GROUP COMPANIES <sup>1)</sup>
Interest income	137.4		0.1	
Interest expense	2.1	0.6	1.0	2.4
Services sold	5.3	5.5	0.8	3.7
Services purchased		60.8	1.5	54.7
Due from <sup>2)</sup>	1 101.7	271.9	0.5	
Liabilities to	53.8	41.5	92.5	32.4

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

2) Balance and interest income from subsidiaries at 31 December 2008 principally comprises lending and interest to Storebrand Kreditforetak AS as a result of the agreement made about the credit facility.

### Storebrand Bank Group

#### Transactions with group companies:

NOK MILLION	31.12.2008	31.12.2007
	OTHER GROUP COMPANIES <sup>1)</sup>	OTHER GROUP COMPANIES <sup>1)</sup>
Interest income		
Interest expense	0.6	2.4
Services sold	5.5	3.7
Services purchased	60.8	54.7
Due from	271.9	
Liabilities to	41.5	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 as the company's objective is to offer alternative savings products to the bank's customers. Storebrand Optimér ASA has no employees and the company has entered into an agreement with Storebrand Bank ASA to carry out the day-to-day operation of the company. The bank also acts as a Manager for issues of shares carried out by Storebrand Optimér ASA. The bank has recognized NOK 8.4 million to profit in the accounts for 2008, where of NOK 4.0 million have been paid to the distributors of shares in Storebrand Optimér ASA. No new issues have been carried out in 2008. The bank has a receivable due from the company of NOK 5.5 million as of 31.12.08. The fees paid to the bank are based on the arm's length principle.

Storebrand Bank ASA also defines Storebrand Infrastruktur ASA as a related party since the general manager of Storebrand Infrastruktur ASA is an employee of Storebrand Bank ASA and the company's objective is to offer alternative savings products to the bank's customers. Storebrand Infrastruktur ASA has no employees and the company has entered into an agreement with Storebrand Bank ASA to carry out the day-to-day operation of the company. The bank also acts as a Manager for issues of shares carried out by Storebrand Infrastruktur ASA. The bank has recognized NOK 1.2 million to profit in the accounts for 2008, where of NOK 1.1 million have been paid to the distributors of Storebrand Infrastruktur ASA. The bank has a receivable due from the company of NOK 0.1 million as of 31.12.08. The fees paid to the bank are based on the arm's length principle.

# Notes to the account

## NOTE 8 HEADCOUNT AND PERSONNEL INFORMATION

STOREBRAND BANK ASA		NOK MILLION	STOREBRAND BANK GROUP	
31.12.2007	31.12.2008		31.12.2008	31.12.2007
158	163	Number of employees at 31 December <sup>1)</sup>	374	215
154	159	Number of employees expressed as full-time equivalent positions <sup>1)</sup>	361	198

1) Figures for Storebrand Bank Group includes employees and FTEs for Storebrand Bank ASA, Ring Eiendomsmegling AS with subsidiaries, Hadrian Eiendom AS, Hadrian Utvikling AS and Storebrand Baltic 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 9 SEGMENT INFORMATION

### Storebrand Bank Group

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

NOK MILLION	CORPORATE				RETAIL			
	Q4	YEAR	Q4	YEAR	Q4	YEAR	Q4	YEAR
	2008	2007	2008	2007	2008	2007	2008	2007
<b>Profit and loss items:</b>								
Net interest income	69.7	61.3	264.1	217.3	76.3	50.7	262.8	181.6
Net fee and commission income	4.0	2.3	12.0	9.5	3.8	0.4	22.1	0.7
Other income	8.3	2.7	12.4	22.1	1.4	0.9	4.2	3.1
Total operating costs	-24.9	-35.5	-92.6	-114.3	-58.7	-63.7	-215.8	-197.8
<b>Operating profit before loan losses</b>	<b>57.1</b>	<b>30.7</b>	<b>195.9</b>	<b>134.5</b>	<b>22.8</b>	<b>-11.8</b>	<b>73.3</b>	<b>-12.5</b>
Net write-back in loan losses	-87.7	28.0	-113.5	84.0	-3.2	0.7	-8.3	-5.8
<b>Ordinary profit from continuing operations</b>	<b>-30.6</b>	<b>58.7</b>	<b>82.4</b>	<b>218.5</b>	<b>19.6</b>	<b>-11.1</b>	<b>65.0</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>Balance sheet items:</b>								
Gross lending to customers			11 973.4	12 115.5			27 032.1	24 937.3
Deposits from and due to customers			5 998.5	7 892.4			11 946.4	9 263.1
<b>Key figures:</b>								
Cost as of % of income	30%	54%	32%	46%	72%	123%	75%	107%
Deposits from and due to customers as % of gross lending			50%	65%			44%	37%

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# Notes to the account

## NOTE 9 SEGMENT INFORMATION (continued)

NOK MILLION	MARKETS				REAL ESTATE BROKING			
	Q4 2008	Q4 2007	YEAR 2008	YEAR 2007	Q4 2008	Q4 2007	YEAR 2008	YEAR 2007
<b>Profit and loss items:</b>								
Net interest income	2.6	4.0	11.8	21.7	1.1	0.0	0.8	0.2
Net fee and commission income	4.1	9.6	26.4	48.1	0.0	0.0	0.0	0.0
Other income	13.9	2.8	39.4	16.8	17.7	3.9	71.8	15.6
Total operating costs	-21.1	-11.2	-82.5	-32.2	-40.1	-5.7	-117.2	-18.5
<b>Operating profit before loan losses</b>	<b>-0.5</b>	<b>5.1</b>	<b>-4.9</b>	<b>54.3</b>	<b>-21.3</b>	<b>-1.9</b>	<b>-44.6</b>	<b>-2.7</b>
Net write-back in loan losses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Ordinary profit from continuing operations</b>	<b>-0.5</b>	<b>5.1</b>	<b>-4.9</b>	<b>54.3</b>	<b>-21.3</b>	<b>-1.9</b>	<b>-44.6</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>Balance sheet items:</b>								
Gross lending to customers								
Deposits from and due to customers			161.0	155.8				
<b>Key figures:</b>								
Cost as of % of income	102%	69%	106%	37%	214%	149%	162%	117%
Deposits from and due to customers as % of gross lending								

NOK MILLION	TREASURY/OTHERS				TOTAL			
	Q4 2008	Q4 2007	YEAR 2008	YEAR 2007	Q4 2008	Q4 2007	YEAR 2008	YEAR 2007
<b>Profit and loss items:</b>								
Net interest income	-39.7	-5.3	-27.0	-7.6	110.0	110.6	512.5	413.2
Net fee and commission income	0.2	3.0	1.5	-0.3	12.1	15.2	62.0	57.9
Other income	0.3	6.6	-38.9	-11.6	41.6	16.8	88.9	45.9
Total operating costs	0.0	2.6	0.0	2.6	-144.8	-113.5	-508.1	-360.3
<b>Operating profit before loan losses</b>	<b>-39.3</b>	<b>6.9</b>	<b>-64.5</b>	<b>-16.9</b>	<b>18.9</b>	<b>29.0</b>	<b>155.2</b>	<b>156.7</b>
Net write-back in loan losses	5.5	-10.5	0.0	0.0	-85.4	18.2	-121.8	78.2
<b>Ordinary profit from continuing operations</b>	<b>-33.8</b>	<b>-3.6</b>	<b>-64.5</b>	<b>-16.9</b>	<b>-66.7</b>	<b>47.2</b>	<b>33.3</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>Balance sheet items:</b>								
Gross lending to customers			29.2	43.0			39 034.7	37 095.8
Deposits from and due to customers			185.6	158.3			18 291.5	17 469.6
<b>Key figures:</b>								
Cost as of % of income		-61%		13%	89%	80%	77%	70%
Deposits from and due to customers as % of gross lending							47%	47%

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# Notes to the account

## NOTE 9 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. The segment includes the affiliated company Seilduksгатen 25/31 AS. The bank's share is 50% and net profit for 2008 is minus NOK 1,6 million.

**Retail Banking:** Deposits from and lending to retail customers, including credit cards. Lending is principally mortgage lending secured against residential real estate. The segment includes the bank's share in Storebrand Baltic UAB (earlier Evoco Financial Production UAB) in Lithuania on 50%. The ownership interest is recognised as a jointly venture. Net profit for 2008 is NOK 0,9 million.

**Markets:** This business area includes all the bank's activities in structured products, real estate funds, Storebrand Optimér ASA, Storebrand Infrastruktur ASA and stockbroking activities. The subsidiaries Hadrian Eiendom AS and Hadrian Utvikling AS are also included in this area, where the bank respectively had a 90.9% ownership interest and 75.4% ownership interest at the close of 4th quarter 2008. Net profit for Hadrian Eiendom AS and Hadrian Utvikling AS are respectively NOK 5.6 million and minus NOK 2.2 million in 2008.

**Real estate broking:** This segment solely comprises Ring Eiendomsmegling AS with subsidiaries in which the bank had a 99.6% ownership interest at the close of 4th quarter 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 10 OFF BALANCE SHEET LIABILITIES AND CONTINGENT LIABILITIES

STOREBRAND BANK ASA			STOREBRAND BANK GROUP	
31.12.2007	31.12.2008	NOK MILLION	31.12.2008	31.12.2007
378.6	366.4	Guarantees	366.4	378.6
2 241.9	11 593.7	Undrawn credit limits	3 345.0	2 241.9
46.0	0.0	Other contingent liabilities	0.0	46.0
<b>2 666.5</b>	<b>11 960.1</b>	<b>Total contingent liabilities</b>	<b>3 711.4</b>	<b>2 666.5</b>
		Booked value of bonds pledged as security for the bank's D-loan and F-loan facility with the Norwegian central bank	2 116.9	2 461.1
2 461.1	2 116.9	Booked value of securities pledged as collateral for the government securities		
	2 002.3	for covered bonds swap scheme	2 002.3	
<b>2 461.1</b>	<b>4 119.3</b>	<b>Total book value of off balance sheet liabilities</b>	<b>4 119.3</b>	<b>2 461.1</b>

Undrawn credit limits reported in Storebrand Bank ASA as of 31.12.08 includes NOK 8.6 billion to Storebrand Kredittforetak AS.



# Notes to the account

## NOTE 11 LOSSES AND PROVISIONS FOR NON-PERFORMING AND LOSS-EXPOSED LOANS, GUARANTEES ETC.

STOREBRAND BANK ASA			STOREBRAND BANK GROUP	
31.12.2007	31.12.2008	NOK MILLION	31.12.2008	31.12.2007
		<b>Non-performing and loss-exposed loans</b>		
151.2	184.4	Non-performing loans without evidence of impairment	190.2	151.2
297.2	519.9	Non-performing and loss-exposed loans with evidence of impairment	519.9	297.2
<b>448.3</b>	<b>704.3</b>	<b>Gross defaulted and loss-exposed loans</b>	<b>710.1</b>	<b>448.3</b>
-247.1	-262.4	Provisions for individual impairment losses	-262.4	-247.1
<b>201.3</b>	<b>442.0</b>	<b>Net defaulted and loss-exposed loans</b>	<b>447.8</b>	<b>201.3</b>

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

### Key figures

83 %	50 %	Level of provisioning individual write-downs	50 %	83 %
-58.1	-87.7	Write-downs of groups of loans	-88.3	-58.1
-305.2	-350.0	Total write-downs	-350.7	-305.2
68 %	50 %	Total level of provisioning	49 %	68 %

STOREBRAND BANK ASA			STOREBRAND BANK GROUP	
YEAR		NOK MILLION	YEAR	
2007	2008		2008	2007
		<b>Losses on loans and guarantees etc. during period</b>		
113.0	-15.3	Change in individual impairment loss provisions	-15.3	113.0
15.2	-29.6	Change in grouped impairment loss provisions	-30.3	15.2
-0.9	0.7	Other write-down effects	0.7	-0.9
4.0	0.0	Change in individual impairment loss provisions guarantees	0.0	4.0
-59.6	-79.9	Realised losses specifically provided for previously	-79.9	-59.6
-1.0	-0.6	Realised losses not specifically provided for previously	-0.6	-1.0
7.5	3.5	Recoveries on previous realised losses	3.5	7.5
<b>78.2</b>	<b>-121.2</b>	<b>Write-downs for the period/net write-back in loan losses</b>	<b>-121.8</b>	<b>78.2</b>

## NOTE 12 INTANGIBLE ASSETS AND FIXED ASSETS

Costs of NOK 13 million were capitalised in the fourth quarter as intangible assets and fixed assets in Storebrand Bank ASA and Storebrand Bank Group. This relates principally to costs incurred on systems development, data warehouse, systems licenses and similar costs. Goodwill related to acquisition of companies in Ring Eiendomsmegling Group in 2008, have been written down with NOK 7.0 million in the fourth quarter.

# Notes to the account

## NOTE 13 LIABILITES TO CREDIT INSTITUTIONS

NOK MILLION	31.12.2008	31.12.2007
<b>Total liabilities to credit institutions without fixed maturity at amortised cost</b>	<b>40.2</b>	<b>2.9</b>
<b>F-loan:</b>		
Maturity 2008		500.0
Maturity 2009	1 000.0	
Maturity 2010	505.3	
<b>Loan with fixed interest rate:</b>		
Maturity 2010	275.0	
<b>Loan with floating interest rate:</b>		
Maturity 2008		250.0
Maturity 2009		
Maturity 2010	2 022.3	1 632.0
Maturity 2011	98.7	79.6
Maturity 2012	350.0	350.0
Maturity 2013	250.0	250.0
<b>Total liabilities to credit institutions with fixed maturity at amortised cost</b>	<b>4 501.3</b>	<b>3 061.6</b>
<b>Borrowings under the Norwegian Government's Swap arrangement</b>		
Maturity 2010	994.1	
Maturity 2011	981.5	
<b>Total liabilities to credit institutions with fixed maturity at fair value (FVO)</b>	<b>1 975.6</b>	<b>0.0</b>
<b>Total liabilities to credit institutions</b>	<b>6 517.1</b>	<b>3 064.5</b>

Undrawn credit facilities totalled EUR 400 million at 31.12.2008.

# Notes to the account

## NOTE 14 SECURITIES ISSUED AND SUBORDINATED LOAN CAPITAL

NOK MILLION	STOREBRAND BANK GROUP	
	31.12.2008	31.12.2007
Commercial paper	1 907.9	4 474.6
Bond loans	14 058.3	11 410.0
Structured bond loans	857.8	1 274.8
Subordinated loan capital	962.0	1 013.8
<b>Total securities issued and subordinated loan capital</b>	<b>17 786.0</b>	<b>18 173.3</b>

### Change in securities issued and subordinated loan capital for Storebrand Bank Group

NOK MILLION	BOOK VALUE 31.12.07	NEW ISSUES	REPAYMENT	EXCHANGE RATE CHANGE	PAPER PRICE CHANGES	AMORTISATION	BOOK VALUE 31.12.08
Commercial paper	4 474.6	2 278.7	-4 919.8		2.4	71.9	1 907.9
Bond loans	11 410.0	7 542.3	-5 992.8	993.4	7.2	98.1	14 058.3
Structured bond loans	1 274.8		-443.7		-2.0	28.7	857.8
Subordinated loan capital	1 013.8		-55.0		-1.4	4.6	962.0
<b>Total</b>	<b>18 173.3</b>	<b>9 821.1</b>	<b>-11 411.3</b>	<b>993.4</b>	<b>6.2</b>	<b>203.4</b>	<b>17 786.0</b>

The column Amortisation include accrued interest expenses.

### Specification of bonds issued and subordinated loan capital - Storebrand Bank Group

NOK MILLION		NET				BOOK VALUE
ISIN CODE	ISSUER	NOMINAL VALUE	CURRENCY	INTEREST	MATURITY	31.12.2008
<b>Bond loans</b>						
NO001029117	Storebrand Bank ASA	970.0	NOK	Fixed	22.11.10	971.2
NO001029898	Storebrand Bank ASA	670.0	NOK	Fixed	20.03.09	669.1
NO001035009	Storebrand Bank ASA	425.0	NOK	Fixed	16.06.10	423.4
NO001043982	Storebrand Bank ASA	285.0	NOK	Fixed	04.06.15	285.5
NO001045553	Storebrand Bank ASA	380.0	NOK	Fixed	03.09.12	385.3
NO001025224	Storebrand Bank ASA	1 500.0	NOK	Floating	14.01.10	1 500.9
NO001032866	Storebrand Bank ASA	965.0	NOK	Floating	28.08.09	965.2
NO001047340	Storebrand Bank ASA	105.0	NOK	Floating	21.11.13	104.8
NO001036439	Storebrand Bank ASA	1 000.0	SEK	Floating	26.10.09	904.2
Accrued interest expenses						24.7
<b>Total bond loans</b>						<b>6 234.1</b>

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# Notes to the account

## NOTE 14 SECURITIES ISSUED AND SUBORDINATED LOAN CAPITAL (continued)

### Specification of bonds issued and subordinated loan capital - Storebrand Bank Group

NOK MILLION							BOOK VALUE
ISIN CODE	ISSUER	NET NOMINAL VALUE	CURRENCY	INTEREST	MATURITY		31.12.2008
<b>Covered bonds</b>							
XS0366475662	Storebrand Kredittforetak AS	500 000	EUR	Fixed	28.05.10		4 870.8
NO0010428584	Storebrand Kredittforetak AS	1 000 000	NOK	Fixed	06.05.15		1 001.2
NO0010428592	Storebrand Kredittforetak AS	640 000	NOK	Floating	02.05.11		636.9
NO0010466071	Storebrand Kredittforetak AS	1 250 000	NOK	Fixed	24.04.14		1 254.9
Accrued interest expenses							60.4
<b>Total covered bonds</b>							<b>7 824.2</b>
<b>Total bond loans excl. structured bond loans</b>							<b>14 058.3</b>
<b>Structured bond loans</b>							
NO001024352	Storebrand Bank ASA	41.4	NOK	Zero coupon	26.02.09		41.3
NO001025107	Storebrand Bank ASA	35.8	NOK	Zero coupon	03.03.09		35.6
NO001026219	Storebrand Bank ASA	54.9	NOK	Zero coupon	10.12.09		53.6
NO001026965	Storebrand Bank ASA	36.5	NOK	Zero coupon	29.05.09		36.2
NO001027993	Storebrand Bank ASA	99.2	NOK	Zero coupon	14.12.09		97.1
NO001027881	Storebrand Bank ASA	63.2	NOK	Zero coupon	27.10.09		61.8
NO001029838	Storebrand Bank ASA	97.7	NOK	Zero coupon	25.03.10		94.3
NO001030481	Storebrand Bank ASA	39.2	NOK	Zero coupon	26.11.10		37.3
NO001032252	Storebrand Bank ASA	26.3	NOK	Zero coupon	06.09.10		24.8
NO001032930	Storebrand Bank ASA	84.5	NOK	Zero coupon	27.10.10		79.4
NO001034110	Storebrand Bank ASA	62.3	NOK	Zero coupon	16.12.10		58.2
NO001034675	Storebrand Bank ASA	82.7	NOK	Zero coupon	22.12.10		77.1
NO001021943	Storebrand Bank ASA	22.9	NOK	Zero coupon	19.06.09		22.6
NO001024954	Storebrand Bank ASA	131.2	NOK	Zero coupon	15.06.09		129.6
NO001035920	Storebrand Bank ASA	17.0	NOK	Zero coupon	23.05.11		15.2
Accrued interest expenses							-6.2
<b>Total structured bond loans</b>							<b>857.8</b>

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# Notes to the account

## NOTE 14 SECURITIES ISSUED AND SUBORDINATED LOAN CAPITAL *(continued)*

NOK MILLION							BOOK VALUE
ISIN CODE	ISSUER	NET NOMINAL VALUE	CURRENCY	INTEREST	CALL DATE		31.12.2008
<b>Dated subordinated loan capital</b>							
NO001027568	Storebrand Bank ASA	175.0	NOK	Floating	15.07.10		175.0
NO001034566	Storebrand Bank ASA	100.0	NOK	Floating	21.12.11		99.9
NO001036427	Storebrand Bank ASA	250.0	NOK	Floating	08.05.12		249.7
NO001040278	Storebrand Bank ASA	150.0	NOK	Floating	19.12.12		150.0
<b>Other subordinated loan capital</b>							
	Storebrand Bank ASA	9.3	NOK	Fixed			9.3
<b>Tier 1 hybrid capital</b>							
NO001024206	Storebrand Bank ASA	107.0	NOK	Fixed	29.10.14		107.4
NO001024207	Storebrand Bank ASA	168.0	NOK	Floating	29.10.14		167.0
Accrued interest expenses							3.8
<b>Total subordinated loan capital incl. Tier 1 hybrid capital</b>							<b>962.0</b>
<b>Total securities issued and subordinated loan capital</b>							<b>15 878.1</b>

## NOTE 15 RISK MANAGEMENT

Risk management in Storebrand Bank addresses the areas of credit risk, market risk, liquidity risk and operational risk. Specific risk management policies have been approved by the Board of Directors of Storebrand Bank for the areas of credit risk, market risk and liquidity risk, and the policies are subject to annual review. The bank has established an Asset and Liability Committee that is responsible for providing efficient and rational decision-making support for the bank's management in respect of asset and liability management. The Asset and Liability Committee is an advisory organ for the bank's executive management, and meets monthly.

### Credit risk/counterparty risk

Storebrand Bank is exposed to credit risk through its lending, and is exposed to counterparty risk in connection with transactions in financial instruments.

Storebrand Bank pays particular attention to maintaining close relationships with its corporate customers and routinely monitoring credit risk. The bank has standard rules for regular reviews of its exposure to corporate customers. These reviews, together with close monitoring of conditions in the real estate market in Eastern Norway, ensure that credit risk is constrained to an acceptable level. Credit approvals for corporate customers over a certain amount require the approval of either the Credit Committee chaired by the Managing Director or the Board.

Lending to retail customers is subject to a different credit approval process. Loans to private individuals are granted on the basis of credit scoring combined with case-by-case evaluation of debt service capacity. Loans are only granted against security in real estate. The bank decided in January 2008 that it would no longer offer loans to private individuals secured against structured products.

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# Notes to the account

## **NOTE 15 RISK MANAGEMENT** *(continued)*

The bank's counterparty risk (i.e. its credit exposure to other financial institutions) is regulated on the basis of the counterparties' credit ratings and the amounts involved.

### **Market risk**

Market risk is the risk that the bank suffers a loss as a result of unexpected unfavourable market movements in interest rates and exchange rates. Storebrand Bank manages its exposure to interest rate risk so that the net interest rate exposure of both assets and liabilities is as small as possible. Interest rate hedging is structured so that it has moderate accounting impact. All instruments with an interest rate fixing period in excess of six months are subject to a hedging policy for financial and accounting hedging.

The bank's total financial interest rate risk is calculated on the basis of a stress test that exposes all balance sheet items to a 2 percentage point adverse shift in the yield curve. A combination of interest rate stress tests and VaR is used to manage interest rate risk in respect of sub-portfolios, investment portfolio, commercial paper funding and fixed-rate bonds (over six months) as well lending to customers. Risk measurement of the portfolios includes the effect of hedging.

Storebrand's policy is to fully hedge currency exposure and positions must be covered continuously as they become large enough for it to be financially appropriate within fixed limits.

### **Derivatives**

Derivatives should primarily be used to modify interest rate sensitive positions, currency positions, liquidity positions, and manage the price risks associated with structured products. Derivatives will also form an integral part of Storebrand Markets' activities. The bank thus has no trading portfolio consisting of derivatives. The derivatives that can be used in hedging situations are interest rate swaps, interest and exchange rate swaps, exchange rate swaps, future interest rate agreements, interest rate futures, repurchase agreements, interest rate options, currency options and options linked to structured products.

Storebrand Bank's exposure to market risk is therefore marginal in relation to the bank's total activities.

Market risk exposure is reported on a monthly basis to the Asset and Liability Committee and the Board.

### **Liquidity risk**

The liquidity policy applies to the parent bank. The liquidity gap and the proportion of long-term funding are also calculated for the banking group.

Liquidity risk is the risk that the bank is not able to meet all financial commitments as they fall due for payment without this requiring any significant deviation from its normal commercial and capital budgets. It is the bank's policy to always have sufficient liquidity to support balance sheet growth as well as to repay loans and deposits as they fall due. Liquidity management is designed to ensure that sufficient funding is available to avoid liquidity problems in situations such as:

- Uncertainty among investors over the bank's customer lending and/or financial position
- Uncertainty in respect of the bank's owner/other group companies
- Unplanned reductions in deposits
- Moderate growth in lending in excess of budgeted/forecast growth
- Uncertainty among investors regarding the banking sector in general, including concerns over losses or financial crime

The bank pays particular attention to maintaining a diversified funding structure in terms of both sources of funding and maturities, maintaining committed and uncommitted credit lines to meet its liquidity requirements and holding liquid assets in excess of the minimum levels.

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# Notes to the account

## **NOTE 15 RISK MANAGEMENT** *(continued)*

The bank's measures for ensuring good liquidity include:

- Attracting a large proportion or reasonable and stable core deposits from customers.
- Maintaining a minimum holding of liquid assets in the form of short-term placements in banks and tradable securities.
- Having access to stable, long-term funding to reduce the need for continuous, short-term borrowing.
- Maintaining a diversified funding structure so as not to be too dependent on a few major sources.
- Maintaining a diversified maturity structure so as to avoid a concentration of large repayments. The repayment of new borrowing must also be planned so that breaches of the 90 day liquidity gap do not have to be expected in any future periods.
- Securing uncommitted credit lines to cover current liquidity needs.
- Securing committed credit lines to cover unforeseen needs. The goal is for the committed credit lines to be able to cover the cessation of certificate funding and other short-term borrowing, as well as deposits.

The liquidity position is managed with the help of a number of indicators: minimum liquidity level, 90-day liquidity gap and the proportion of long-term funding.

The liquidity gap measures the surplus of liquidity over the next 90 days relative to the necessary minimum level of liquidity taking into account all funding maturities. In addition, customer deposit withdrawals are calculated on the basis of an abnormally high withdrawal rate of 25% annually. The long-term funding ratio is calculated in accordance with the liquidity risk indicators stipulated by Kredittilsynet (the Norwegian FSA).

The liquidity position, including the 90-day liquidity gap and the proportion of long-term funding, is reported monthly to the Asset and Liability Committee and the Board.

The banking group's treasury department carries out daily management of liquidity. A separate risk management system known as Quantitative Asset Management is used for the management and measurement of liquidity risk.

### **Operational risk**

Storebrand Bank's structure for corporate governance (internal control) stipulates that operational risk management is an integral part of management responsibility, in which risk exposure assessment plays an integral role in the bank's ability to achieve the objectives set in its value-based management model. The bank applies the principles of the group policy for risk evaluation and management (introduced in 2005). The objective of the group policy on risk evaluation is to achieve a common understanding of the overall risk exposure for the group's activities in order to help to provide a better basis for decision-making on important prioritisation. Risk evaluation is therefore an important part of the basis for determining the group's strategy and approving the level of risk in the group's business plan. Risk evaluation starts from the current situation and how the owners of risk exposure experience the risk based on existing internal control procedures. This is followed by an evaluation of the expected risk exposure following the implementation of recommended planned measures. This assumes that the owners of risk exposure implicitly confirm the function of internal control (cf. the internal control regulations). Risk evaluation is integrated in the group's value-based management system by linking risk evaluation to each unit's ability to achieve its commercial targets and comply with regulatory requirements as well as considering the extent to which the level of risk involved might affect Storebrand's reputation.

The bank's internal controls and procedures for evaluating, monitoring and reporting risk exposure satisfy the requirements of the Norwegian authorities.

# Notes to the account

## NOTE 16 CHANGES IN EQUITY

### Storebrand Bank ASA

NOK MILLION	SHARE CAPITAL	SHARE PREMIUM RESERVE	TOTAL PAID-IN EQUITY	REVENUE AND COSTS APPLIED TO EQUITY	OTHER EQUITY	TOTAL OTHER EQUITY	TOTAL EQUITY
<b>Equity at 31.12.2006</b>	<b>916.6</b>	<b>200.0</b>	<b>1 116.6</b>	<b>22.0</b>	<b>722.5</b>	<b>744.5</b>	<b>1 861.1</b>
<b>Profit and loss items applied directly to equity:</b>							
Pension experience adjustments (after tax)				7.1		7.1	7.1
Change in deferred tax on pensions				-2.0		-2.0	-2.0
Profit for the period					167.0	167.0	167.0
<b>Total revenue and costs for the period</b>				<b>5.1</b>	<b>167.0</b>	<b>172.1</b>	<b>172.1</b>
<b>Equity transactions with owners:</b>							
Receipt of group contribution		200.3	200.3				200.3
Provisions for group contribution					-201.2	-201.2	-201.2
<b>Equity at 31.12.2007</b>	<b>916.6</b>	<b>400.3</b>	<b>1 316.8</b>	<b>27.1</b>	<b>688.3</b>	<b>715.4</b>	<b>2 032.3</b>
<b>Profit and loss items applied directly to equity:</b>							
Pension experience adjustments (after tax)						-3.4	-3.4
Profit for the period					57.9	57.9	57.9
<b>Total revenue and costs for the period</b>				<b>-3.4</b>	<b>57.9</b>	<b>54.6</b>	<b>54.6</b>
<b>Equity transactions with owners:</b>							
Provision for group contribution					-13.0	-13.0	-13.0
<b>Equity at 31.12.2008</b>	<b>916.6</b>	<b>400.3</b>	<b>1 316.8</b>	<b>23.8</b>	<b>733.2</b>	<b>757.0</b>	<b>2 073.9</b>

The share capital is made up of 64,037,183 shares of nominal value NOK 14.313.

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# Notes to the account

## NOTE 16 CHANGES IN EQUITY (continued)

### Storebrand Bank Group

NOK MILLION	MAJORITY'S SHARE OF EQUITY							MINORITY INTERESTS	TOTAL EQUITY
	SHARE CAPITAL	SHARE PREMIUM RESERVE	TOTAL PAID-IN EQUITY	OTHER EQUITY		TOTAL OTHER EQUITY			
				REVENUE AND COSTS APPLIED TO EQUITY	OTHER EQUITY				
<b>Equity at 31.12.2006</b>	<b>916.6</b>	<b>0.0</b>	<b>916.6</b>	<b>22.0</b>	<b>717.6</b>	<b>739.6</b>	<b>3.5</b>	<b>1 659.6</b>	
<b>Profit and loss items applied directly to equity:</b>									
Pension experience adjustments (after tax)				7.1		7.1		7.1	
Profit for the period					169.3	169.3	0.3	169.6	
<b>Total revenue and costs for the period</b>				<b>7.1</b>	<b>169.3</b>	<b>176.4</b>	<b>0.3</b>	<b>176.7</b>	
<b>Equity transactions with owners:</b>									
Acquisitions							3.2	3.2	
Receipts of group contribution		200.0	200.0			0.0		200.0	
Other changes / changes in minority interests					0.1	0.1	0.0	0.1	
<b>Equity at 31.12.2007</b>	<b>916.6</b>	<b>200.0</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>	
<b>Profit and loss items applied directly to equity:</b>									
Pension experience adjustments (after tax)						-3.4		-3.4	
Profit for the period					23.1	23.1	-3.7	19.5	
<b>Total revenue and costs for the period</b>				<b>-3.4</b>	<b>23.1</b>	<b>19.8</b>	<b>-3.7</b>	<b>16.1</b>	
<b>Equity transactions with owners:</b>									
Acquisitions							4.1	4.1	
Purchase of minority interests							-3.9	-3.9	
Dividend paid						0.0	2.7	2.7	
Receipts of group contribution		200.3	200.3			0.0		200.3	
Group contribution paid					-200.3	-200.3		-200.3	
Other changes / changes in minority interests					2.1	2.1	-0.2	1.8	
<b>Equity at 31.12.2008</b>	<b>916.6</b>	<b>400.3</b>	<b>1 316.8</b>	<b>25.7</b>	<b>711.9</b>	<b>737.6</b>	<b>6.1</b>	<b>2 060.5</b>	

# Notes to the account

## NOTE 17 CAPITAL ADEQUACY

Capital adequacy calculations are subject to special consolidation rules in accordance with the Regulation on consolidated application of the capital adequacy rules etc. (the "Consolidation Regulation"). The Storebrand Bank group is defined pursuant to Section 5 of the Consolidation Regulation as a financial group comprising solely or mainly undertakings other than insurance companies. The valuation rules used in the company's accounts form the basis for consolidation.

Consolidation is, in the main, carried out in accordance with the same principles as used in the accounts, with all internal transactions eliminated, including shares, loans and deposits as well as other receivables and liabilities. Companies in which the group has a minority interest are included on a proportional basis applying the percentage interest held by the group at 31 December 2008.

The figure for primary capital includes profit for the year.

STOREBRAND BANK ASA		NET PRIMARY CAPITAL NOK MILLION	STOREBRAND BANK GROUP	
31.12.2007	31.12.2008		31.12.2008	31.12.2007
916.6	916.6	Share capital	916.6	916.6
1 115.7	1 157.3	Other equity	1 143.9	1 123.2
<b>2 032.3</b>	<b>2 073.9</b>	<b>Total equity</b>	<b>2 060.5</b>	<b>2 039.8</b>
		Deductions:		
		Minority's share of equity	-6.1	0.0
		Goodwill	-54.7	-20.6
-62.3	-54.1	Intangible assets	-88.1	-93.8
-179.4	-155.9	Deferred tax asset	-166.6	-173.9
		Addition:		
275.6	275.9	Perpetual subordinated bonds	275.9	275.6
25.9	13.0	Proportion of pension experience adjustments not amortised	13.0	25.9
<b>2 092.1</b>	<b>2 152.7</b>	<b>Core capital</b>	<b>2 033.8</b>	<b>2 053.0</b>
683.7	683.9	Supplementary capital	683.9	683.7
0.0	0.0	Deductions	0.0	0.0
<b>2 775.8</b>	<b>2 836.5</b>	<b>Net primary capital</b>	<b>2 717.7</b>	<b>2 736.7</b>

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# Notes to the account

## NOTE 17 CAPITAL ADEQUACY (continued)

STOREBRAND BANK ASA		MINIMUM CAPITAL REQUIREMENT	STOREBRAND BANK GROUP
31.12.2008		NOK MILLION	31.12.2008
1 662.7		Credit risk	1 935.8
		Of which:	
1.6		Local and regional authorities	1.6
0.0		Public sector owned corporates	0.0
120.5		Institutions	50.8
836.5		Corporates	838.0
453.8		Loans secured on real estate	777.0
133.6		Retail market	133.6
32.2		Loans past-due	32.9
31.9		Covered bonds	4.0
52.5		Other	97.8
<b>1 662.7</b>		<b>Total minimum requirement for credit risk</b>	<b>1 935.8</b>
<b>0.0</b>		<b>Total minimum requirement for market risk</b>	<b>0.0</b>
76.9		Operational risk	84.0
0.0		Deductions	
-7.0		Write-downs of groups of loans	-7.0
<b>1 732.6</b>		<b>Minimum requirement for capital base</b>	<b>2 012.8</b>

STOREBRAND BANK ASA		CAPITAL ADEQUACY	STOREBRAND BANK GROUP	
31.12.2007	31.12.2008		31.12.2008	31.12.2007
10.6 %	13.1 %	Capital ratio	10.8 %	10.5 %
8.0 %	9.9 %	Core capital ratio	8.1 %	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 account

## NOTE 18 QUARTERLY PROFIT AND LOSS

### Storebrand Bank ASA

NOK MILLION	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007
Interest income	677.0	654.4	647.4	654.6	626.4	518.7	460.6	386.5
Interest expense	-575.1	-515.9	-519.9	-535.4	-516.5	-410.6	-358.9	-294.0
<b>Net interest income</b>	<b>101.9</b>	<b>138.4</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>
Fee and commission income from banking services	26.8	25.1	27.7	18.5	31.8	29.3	38.3	40.4
Fee and commission expenses for banking services	-12.9	-8.7	-8.8	-0.5	-16.6	-14.6	-21.3	-29.4
<b>Net fee and commission income</b>	<b>13.9</b>	<b>16.4</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>
Net income and gains from associated companies	-1.6	0.0	0.0	0.0	-0.5	0.0	0.0	0.0
Net gains on financial instruments at fair value	43.6	-16.4	0.0	-5.0	13.6	-0.2	3.5	2.8
Other income	0.8	0.2	2.2	3.6	3.1	-0.5	8.2	0.0
<b>Total other operating income</b>	<b>42.7</b>	<b>-16.2</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>
Staff expenses	-34.7	-34.9	-32.9	-31.8	-34.4	-30.4	-31.7	-34.7
General administration expenses	-32.7	-23.1	-18.8	-23.1	-26.9	-19.3	-19.9	-17.3
Other operating cost	-37.3	-33.4	-34.0	-40.7	-48.1	-29.2	-28.6	-24.6
<b>Total operating costs</b>	<b>-104.8</b>	<b>-91.4</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>Operating profit before losses and other itmes</b>	<b>53.7</b>	<b>47.3</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>
Write-downs for the period/net write-back in loan losses	-85.3	-26.4	-10.9	1.5	18.2	10.9	4.2	44.9
<b>Profit before tax</b>	<b>-31.6</b>	<b>20.8</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>
Tax	7.1	-5.9	-14.4	-11.6	-17.2	-15.1	-12.9	-20.8
<b>Profit for the year</b>	<b>-24.5</b>	<b>14.9</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>

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# Notes to the account

## NOTE 18 QUARTERLY PROFIT AND LOSS (continued)

### Storebrand Bank Group

NOK MILLION	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007
Interest income	815.3	765.3	700.8	659.1	626.5	518.7	460.6	386.5
Interest expense	-705.3	-615.9	-573.4	-533.3	-515.9	-410.5	-358.7	-293.9
<b>Net interest income</b>	<b>109.9</b>	<b>149.4</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>
Fee and commission income from banking services	25.0	23.7	26.0	18.1	31.8	29.3	38.3	40.4
Fee and commission expenses for banking services	-12.9	-8.7	-8.8	-0.5	-16.6	-14.6	-21.3	-29.4
<b>Net fee and commission income</b>	<b>12.1</b>	<b>15.0</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>
Net income and gains from associated companies	-1.6	0.0	0.0	0.0	-0.8	0.0	0.0	0.0
Net gains on financial instruments at fair value	23.9	-16.6	-1.1	-5.1	9.7	-0.2	3.5	2.8
Other income	19.3	20.5	27.5	22.1	7.8	3.1	10.9	9.0
<b>Total other operating income</b>	<b>41.6</b>	<b>3.9</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>
Staff expenses	-53.0	-50.3	-49.7	-44.7	-38.0	-33.8	-34.0	-36.2
General administration expenses	-37.0	-26.7	-23.7	-27.0	-30.6	-17.5	-20.6	-19.7
Other operating cost	-54.9	-45.4	-49.5	-46.3	-45.0	-31.9	-28.1	-25.0
<b>Total operating costs</b>	<b>-144.9</b>	<b>-122.4</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>Operating profit before losses and other itmes</b>	<b>18.7</b>	<b>45.9</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>
Write-downs for the period/net write-back in loan losses	-85.4	-26.8	-11.1	1.5	18.2	10.9	4.2	44.9
<b>Profit before tax</b>	<b>-66.7</b>	<b>19.2</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>
Tax	13.8	-5.2	-10.7	-11.7	-16.4	-15.1	-12.9	-20.8
<b>Profit for the year</b>	<b>-52.9</b>	<b>13.9</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>

# Notes to the account

## NOTE 19 VALUATION

### Specification of financial assets to fair value - Storebrand Bank Group

#### Shares

NOK MILLION	QUOTED PRICES AND OBSERVABLE ASSUMPTIONS	UNOBSERVABLE ASSUMPTIONS	BOOK VALUE 31.12.2008
Shares	1.5		1.5
<b>Total</b>	<b>1.5</b>	<b>0.0</b>	<b>1.5</b>

#### Lending to customers

NOK MILLION	QUOTED PRICES AND OBSERVABLE ASSUMPTIONS	UNOBSERVABLE ASSUMPTIONS	BOOK VALUE 31.12.2008
Lending to customers	282.9		282.9
<b>Total</b>	<b>282.9</b>	<b>0.0</b>	<b>282.9</b>

Other lending to customers are valued at amortised cost.

#### Bonds and other fixed-income securities

NOK MILLION	QUOTED PRICES AND OBSERVABLE ASSUMPTIONS	UNOBSERVABLE ASSUMPTIONS	BOOK VALUE 31.12.2008
Asset backed securities	101.1		101.1
Finance, Banking and Insurance	1 762.4		1 762.4
Sovereign and Government Guaranteed	1 274.1		1 274.1
Local authorities	301.9		301.9
<b>Total</b>	<b>3 439.5</b>	<b>0.0</b>	<b>3 439.5</b>

#### Derivatives

NOK MILLION	QUOTED PRICES AND OBSERVABLE ASSUMPTIONS	UNOBSERVABLE ASSUMPTIONS	BOOK VALUE 31.12.2008
Equity options	0.5		0.5
Forward foreign exchange contracts	157.0		157.0
Basis swaps	914.8		914.8
Interest rate swaps	603.9		603.9
Total derivatives			1 676.2
- Derivatives designated to hedge accounting			351.6
<b>Total derivatives excl. hedge accounting</b>			<b>1 324.6</b>
Derivatives with a positive fair value			1 791.7
Derivatives with a negative fair value			467.1
<b>Total</b>			<b>1 324.6</b>

# Notes to the account

## NOTE 19 VALUATION (continued)

### Specification of financial liabilities to fair value - Storebrand Bank Group

NOK MILLION	QUOTED PRICES AND OBSERVABLE ASSUMPTIONS	UNOBSERVABLE ASSUMPTIONS	BOOK VALUE 31.12.2008
Liabilities to credit institutions	1 977.6		1 977.6
Deposits from and due to customers	167.9		167.9
Commercial paper and bonds issued	934.1		934.1
<b>Total</b>	<b>3 079.6</b>	<b>0.0</b>	<b>3 079.6</b>

Other liabilities from credit institutions, deposits from and due to customers and commercial paper and bonds issued are valued at amortised cost.

Below follows a description of the financial instruments booked in the balance sheet as per 31 December 2008 and the basis for measuring their fair value.

#### Shares

Other unlisted shares and units are measured at their fair value on the basis of valuation techniques.

#### Lending to customers classified at FVO

Lending to customers are measured at fair value on the basis of valuation techniques.

#### Bonds and other fixed-income securities

Norwegian bonds and other fixed-income securities are measured at their fair value on the basis of valuation techniques.

The valuation techniques utilise interest rate curves and credit spreads from external providers and have been quality assured using price checks at the close of the year, primarily by comparing prices delivered by various price providers.

The liquidity in the Norwegian credit market has significantly declined in relation to previous periods.

#### Derivatives

OTC derivatives are measured at their fair value on the basis of valuation techniques. The valuation techniques utilise interest rate curves from external providers.

#### Financial liabilities

Financial liabilities are measured at their fair value on the basis of valuation techniques. The valuation techniques utilise interest rate curves and credit spreads from external providers.

# Company information

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**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

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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).

