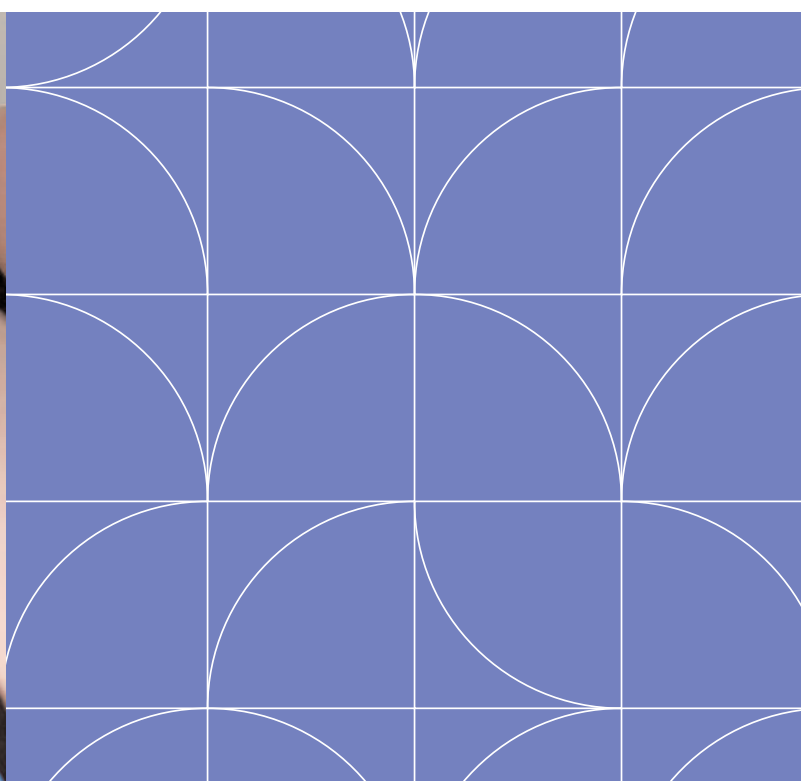


# Storebrand Bank Group

1st Half 2011



# Storebrand Bank Group

## - interim report for 1<sup>st</sup> Half 2011

(Figures for the corresponding period in 2010 shown in brackets)

- Good result improvement
- Stable retail lending volume
- Improved quality of lending portfolio

### Financial performance

Storebrand Bank Group achieved a pre-tax profit of NOK 47 million (NOK 28 million) for 2Q and a pre-tax profit of NOK 91 million (NOK 51 million) for 1H. The half-year result improved by NOK 40 million compared to the same period last year due to higher net interest income and low loan losses.

Net interest income amounted to NOK 111 million (NOK 125 million) for 2Q and NOK 226 million (NOK 231 million) for 1H. The performance was characterised by reduced lending margins and improved deposit margins compared with the same period in 2010. Net interest income as a percentage of average total assets was 1.12 percent (1.14 percent) for the quarter and 1.17 percent (1.08 percent) for 1H.

Net fee and commission income was at level with last year and amounted to NOK 17 million (NOK 18 million) for 2Q and NOK 37 million (NOK 35 million) for 1H.

Other income amounted to NOK 33 million (NOK 13 million) for 2Q and NOK 68 million (NOK 33 million) for 1H. Net losses from financial instruments amounted to NOK 1 million (loss of NOK 18 million) in 2Q, but the result for 1H was a gain of NOK 5 million (loss of NOK 21 million). Otherwise, other income was stable with the exception of an accounting gain of NOK 8 million from the sale of shares in a property development company in 1Q. Ring Eiendomsmegling's income was stable and amounted to NOK 24 million (NOK 20 million) for the quarter and NOK 44 million (NOK 45 million) for the year-to-date.

Operating costs in the bank group<sup>1)</sup> amounted to NOK 80 million (NOK 86 million) in 2Q and NOK 175 million (NOK 176 million) in 1H. The change in 2Q was primarily due to increased marketing. The bank group's cost ratio fell in 1H and amounted to 62 percent (68 percent) for the quarter and 63 percent (70 percent) for 1H. Ring Eiendomsmegling's costs were stable, but goodwill linked to two offices was written down by NOK 8 million.

A net income of NOK 4 million (NOK 5 million recognised as costs) of lending write-downs were recognised in 2Q and a net NOK 7 million was recognised as income

(income recognition of NOK 1 million) in 1H. Write-downs on investment properties in connection with taken over commitments in the corporate market (included on a separate line under operating costs) in the quarter amounted to NOK 0 million (NOK 5 million) and NOK 7 million (NOK 12 million) in 1H.

### Balance sheet

#### *Portfolio quality and credit risk*

The measures implemented in the retail market provided the desired results in the form of increased sales of mortgages and better volume growth in 2Q. The bank increased its syndication to Storebrand Livsforsikring AS during the quarter, which resulted in a reduction in the balance sheet. Gross lending to customers at the close of 1H thus amounted to NOK 33.2 billion.

The bank's retail market portfolio amounted to NOK 22 billion, representing 66 percent of the bank's total lending, and primarily comprises low risk mortgages. The average weighted loan-to-collateral value ratio is around 52 percent for mortgages, marginally lower than at year-end 2010. Corporate market lending amounted to 34 percent of the portfolio. Few customers' commitments are non-performing or loss-exposed, and the level of losses in the portfolio is low.

The volume of non-performing and loss-exposed commitments in the bank group amounted to NOK 363 million at the close of 2Q. This is equivalent to 1.1 percent of gross lending, compared to 2.0 percent at year-end 2010 and 1.2 percent at the close of 1Q. The decrease in 1Q was primarily due to the conclusion of a commitment linked to a compulsory liquidation in January 2011. The development in 2Q was a result of continually improving portfolio quality, and a review and accounting write-off of commitments subject to long-term monitoring.

Losses developed positively in 1H compared with the same period in 2010. Total losses amounting to an income of 0.02 percent (0.06 percent recognised as costs) of gross lending. This includes write-downs in investment properties and gains from the sale of shares in a former loss-exposed commitment.

<sup>1)</sup> Bank activities consist of Storebrand Bank ASA, Storebrand Boligkreditt AS and Storebrand Eiendomskreditt AS, which is being wound up.

### *Liquidity risk and funding*

The bank has a robust funding profile and good access to funding. The volume of deposits amounted to NOK 19.2 billion at the end of the quarter. The deposit-to-loan ratio amounted to 58 percent, an increase compared with the close of 2010.

In 2Q, Storebrand Boligkreditt AS placed covered bonds worth NOK 1 billion in the Norwegian market. In June 2011, Storebrand Bank ASA redeemed bonds worth NOK 1 billion in the swap scheme with Norges Bank.

### *Capital adequacy*

The bank group's capital adequacy was 13.2 percent at the end of the quarter. Its core (tier 1) capital ratio was 10.8 percent. Interim results are not included when calculating primary capital.

### **Market**

The competition for well-secured mortgages remained tough throughout the quarter. The bank's lending rates and deposit rates have generally remained unchanged, but a decision has been made to raise rates with effect from July 2011.

The number of used homes on the market was at an all-time low during the first part of 2011 and competition for commissions is intense, although we saw a significant increase in home for sales in 2Q. There are currently around 14,500 homes for sale on the market compared to just 9,500 in January and February. Prices are 8.8 percent higher in the year-to-date than in December 2010. The level of activity regarding new build projects currently on sale remain good and more new projects are being launched. Ring maintained its market share of more than 2 percent on a nationwide basis.

The market for commercial properties is considered good. The number of vacancies is modest and rent levels are rising. Housing projects have experienced good off-plan sales.

### **Storebrand Bank ASA's performance**

Storebrand Bank ASA's net interest income amounted to NOK 90 million (NOK 74 million) for 2Q and NOK 178 million (NOK 143 million) for 1H. The increase in 1H was primarily a result of higher lending volumes linked to the acquisition of Storebrand Eiendoms-kreditt AS' lending portfolio, which it has been decided to wind up.

The parent bank's other income developed negatively in the quarter due to unrealised losses on shares in subsidiaries amounting to NOK 19 million. Other income amounted to NOK 9 million (minus NOK 72 million) in 1H. The 2010 result was generally affected by fluctuations in the market values of the bank's holding of cove-

red bonds issued by Storebrand Boligkreditt AS and used in the swap scheme.

The net income recognised from writing down lending amounted to NOK 4 million (NOK 16 million recognised in costs) in 2Q and NOK 0 million (NOK 16 million recognised in costs) in 1H. Non-performing and loss-exposed loans without impairment amounted to NOK 137 million and non-performing and loss-exposed loans with impairment amounted to NOK 210 million at the end of the first half of 2010. The total volume of non-performing and loss-exposed loans amounted to NOK 347 million.

The deposit-to-loan ratio in the parent bank was 111 percent at the close of 1H, compared to 102 percent at year-end 2010. The development of the deposit-to-loan ratio in the parent company was affected by both an increased volume of deposits and a reduced lending volume in connection with sales of loans from the parent company to the mortgage company.

On 29 April 2011, the district court handed down its judgement in a compensation case in which it found for the bank and awarded it legal costs. However, a reduction was made in the paid out loan corresponding to NOK 3.8 million, which was written down in 2Q. Storebrand Bank appealed the part of the judgement relating to the reduction in 2Q.

### **Other**

The measures taken to increase customer numbers and turn the negative volume trend around in the retail market have had the desired effect. The bank will continue to prioritise positioning the bank in the retail market to capture new customers, including by further developing online solutions and closer integration with the group's retail market efforts. Developments in the capital market, including international instability, interest rate levels, unemployment and the property market, together with changes to the regulatory conditions, are considered the most significant risk factors that could affect the bank group's accounting figures over the next six months.

On 12 April 2011, Storebrand Eiendoms-kreditt AS received approval from Finanstilsynet to wind-up its activities as a mortgage company and return its licence.

Storebrand Bank ASA has developed new credit risk models for mortgages in 1H and will develop equivalent models for commercial properties in 2H 2011. The bank group aims to apply for approval to use internal risk models (IRB) in 2012.

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



# Storebrand Bank Group

## PROFIT AND LOSS ACCOUNT

NOK MILLION	NOTE	Q2				FULL YEAR
		2011	2010	30.06.2011	30.06.2010	2010
Interest income		400.6	376.1	773.8	745.7	1,522.3
Interest expense		-289.7	-251.3	-547.5	-514.8	-1,065.4
<b>Net interest income</b>	<b>5</b>	<b>110.8</b>	<b>124.8</b>	<b>226.3</b>	<b>230.9</b>	<b>456.9</b>
Fee and commission income from banking services		21.7	22.7	44.1	44.4	91.5
Fee and commission expenses for banking services		-4.8	-5.2	-7.6	-9.0	-17.8
<b>Net fee and commission income</b>		<b>16.9</b>	<b>17.5</b>	<b>36.6</b>	<b>35.4</b>	<b>73.7</b>
Net income and gains from associated companies		0.2	-0.3	0.3	-0.6	-1.3
Net gains on financial instruments at fair value	6	-0.6	-18.3	4.6	-21.3	-11.2
Other income		33.1	31.8	63.2	54.7	113.3
<b>Total other operating income</b>		<b>32.8</b>	<b>13.2</b>	<b>68.1</b>	<b>32.8</b>	<b>100.9</b>
Staff expenses		-44.3	-49.7	-93.2	-102.2	-204.7
General administration expenses		-20.0	-22.8	-46.0	-48.5	-103.1
Other operating costs		-53.6	-44.9	-100.5	-86.3	-165.7
Unrealised loss real estate at fair value, assets repossessed	12	0.0	-5.0	-7.2	-12.0	-14.1
<b>Total operating costs</b>		<b>-117.9</b>	<b>-122.4</b>	<b>-246.8</b>	<b>-249.0</b>	<b>-487.6</b>
<b>Operating profit before loan losses</b>		<b>42.6</b>	<b>33.1</b>	<b>84.2</b>	<b>50.1</b>	<b>143.8</b>
Loan losses for the period	11	3.9	-5.1	7.0	0.7	-14.5
<b>Profit before tax</b>		<b>46.5</b>	<b>28.0</b>	<b>91.2</b>	<b>50.8</b>	<b>129.3</b>
Tax	7	-43.5	-24.0	-19.9	-36.4	-91.1
<b>Profit for the year</b>		<b>3.0</b>	<b>4.0</b>	<b>71.3</b>	<b>14.4</b>	<b>38.2</b>
Allocated to:						
Shareholders		2.8	4.0	71.2	15.0	38.1
Minority interests		0.3	0.0	0.2	-0.6	0.1

## STATEMENT OF COMPREHENSIVE INCOME

NOK MILLION	NOTE	Q2				FULL YEAR
		2011	2010	30.06.2011	30.06.2010	2010
Pension experience adjustments						-13.6
Profit for the period		3.0	4.0	71.3	14.4	38.2
<b>Total comprehensive income for the period</b>		<b>3.0</b>	<b>4.0</b>	<b>71.3</b>	<b>14.4</b>	<b>24.6</b>
Allocated to:						
Shareholders		2.8	4.0	71.2	15.0	24.5
Minority interests		0.3	0.0	0.2	-0.6	0.1
<b>Total</b>		<b>3.0</b>	<b>4.0</b>	<b>71.3</b>	<b>14.4</b>	<b>24.6</b>

# Storebrand Bank Group

## STATEMENT OF FINANCIAL POSITION

NOK MILLION	NOTE	30.06.2011	31.12.2010
Cash and deposits with central banks		1 200.7	164.7
Loans to and deposits with credit institutions		437.3	699.4
Financial assets designated at fair value through profit and loss:			
Equity instruments	18	5.3	5.1
Bonds and other fixed-income securities	10, 18	3 457.2	3 036.2
Derivatives	18	553.2	710.2
Bonds at amortised cost		200.2	0.0
Other assets		269.2	262.0
Gross lending	18	33 185.4	34 460.1
- Write-downs on individual loans	11	-117.3	-173.6
- Write-downs on groups of loans		-55.6	-83.9
Net lending to customers		33 012.5	34 202.6
Investments in associated companies		2.2	24.6
Tangible assets	12	17.0	18.7
Real estate at fair value	12	14.8	43.3
Intangible assets and goodwill	12	123.8	119.8
Deferred tax assets		27.6	84.2
<b>Total assets</b>		<b>39 321.0</b>	<b>39 370.9</b>
Liabilities to credit institutions	13, 18	7 071.0	8 052.7
Deposits from and due to customers	18	19 217.9	18 807.6
Other financial liabilities:			
Derivatives	18	301.2	371.5
Commercial paper and bonds issued	14, 18	9 110.8	8 725.3
Other liabilities		446.8	257.4
Provision for accrued expenses and liabilities		1.6	3.7
Pension liabilities		102.0	102.0
Subordinated loan capital	14	792.8	790.1
<b>Total liabilities</b>		<b>37 044.0</b>	<b>37 110.3</b>
Paid in capital		1 516.8	1 516.8
Retained earnings		760.1	740.4
Minority interests		0.1	3.3
<b>Total equity</b>		<b>2 277.0</b>	<b>2 260.6</b>
<b>Total equity and liabilities</b>		<b>39 321.0</b>	<b>39 370.9</b>

Lysaker, 13 July 2011

The Board of Directors of Storebrand Bank ASA

# Storebrand Bank ASA

## PROFIT AND LOSS ACCOUNT

NOK MILLION	NOTE	Q2				FULL YEAR
		2011	2010	30.06.2011	30.06.2010	2010
Interest income		326.3	307.8	643.7	605.4	1,249.0
Interest expense		-236.4	-234.1	-465.2	-462.2	-946.2
<b>Net interest income</b>	<b>5</b>	<b>90.0</b>	<b>73.6</b>	<b>178.5</b>	<b>143.3</b>	<b>302.8</b>
Fee and commission income from banking services		25.3	25.4	51.4	51.0	104.5
Fee and commission expenses for banking services		-4.8	-5.2	-7.6	-9.0	-17.8
<b>Net fee and commission income</b>		<b>20.6</b>	<b>20.2</b>	<b>43.9</b>	<b>41.9</b>	<b>86.7</b>
Net income and gains from associated companies		0.2	-0.3	0.3	-0.6	-1.3
Net gains on financial instruments at fair value	6	12.4	-53.5	20.4	-73.8	-18.8
Other income		-18.8	1.7	-11.6	2.0	78.8
<b>Total other operating income</b>		<b>-6.1</b>	<b>-52.1</b>	<b>9.0</b>	<b>-72.4</b>	<b>58.8</b>
Staff expenses		-27.5	-33.0	-61.2	-69.8	-141.4
General administration expenses		-17.1	-19.8	-39.7	-42.1	-86.7
Other operating costs		-33.9	-30.8	-71.1	-48.4	-104.9
<b>Total operating costs</b>		<b>-78.5</b>	<b>-83.7</b>	<b>-172.0</b>	<b>-160.3</b>	<b>-332.9</b>
<b>Operating profit before loan losses</b>		<b>25.9</b>	<b>-41.9</b>	<b>59.4</b>	<b>-47.6</b>	<b>115.4</b>
Loan losses for the period	11	4.1	-16.4	0.0	-16.1	-35.3
<b>Profit before tax</b>		<b>30.0</b>	<b>-58.4</b>	<b>59.4</b>	<b>-63.7</b>	<b>80.0</b>
Tax	7	-41.0	-0.7	-49.3	0.8	-45.7
<b>Profit for the year</b>		<b>-11.0</b>	<b>-59.0</b>	<b>10.1</b>	<b>-62.9</b>	<b>34.3</b>

## STATEMENT OF COMPREHENSIVE INCOME

NOK MILLION	NOTE	Q2				FULL YEAR
		2011	2010	30.06.2011	30.06.2010	2010
Pension experience adjustments						-13.6
Profit for the period		-11.0	-59.0	10.1	-62.9	34.3
<b>Total comprehensive income for the period</b>		<b>-11.0</b>	<b>-59.0</b>	<b>10.1</b>	<b>-62.9</b>	<b>20.7</b>

# Storebrand Bank ASA

## STATEMENT OF FINANCIAL POSITION

NOK MILLION	NOTE	30.06.2011	31.12.2010
Cash and deposits with central banks		1 200.7	164.7
Loans to and deposits with credit institutions		4 322.4	3 842.0
Financial assets designated at fair value through profit and loss:			
Equity instruments		1.8	1.6
Bonds and other fixed-income securities	10, 18	10 183.9	10 260.6
Derivatives	18	382.9	470.0
Bonds at amortised cost	10	200.2	0.0
Other assets		1 802.2	1 922.9
Gross lending	18	17 361.3	18 482.3
- Write-downs on individual loans	11	-131.1	-187.6
- Write-downs on groups of loans		-53.7	-82.0
Net lending to customers		17 176.5	18 212.6
Investments in associated companies		0.8	25.1
Tangible assets	12	12.5	15.5
Intangible assets	12	52.5	42.2
Deferred tax assets		34.4	83.6
<b>Total assets</b>		<b>35 370.6</b>	<b>35 040.9</b>
Liabilities to credit institutions	13, 18	8 094.1	8 320.2
Deposits from and due to customers	18	19 233.5	18 817.5
Other financial liabilities:			
Derivatives	18	301.2	371.5
Commercial paper and bonds issued	14	4 119.4	4 022.8
Other liabilities		426.5	323.6
Provision for accrued expenses and liabilities		1.6	3.7
Pension liabilities		102.0	102.0
Subordinated loan capital	14	792.8	790.1
<b>Total liabilities</b>		<b>33 071.0</b>	<b>32 751.4</b>
Paid in capital		1 635.2	1 635.2
Retained earnings		664.5	654.3
<b>Total equity</b>		<b>2 299.7</b>	<b>2 289.6</b>
<b>Total equity and liabilities</b>		<b>35 370.6</b>	<b>35 040.9</b>

# Key figures

## STOREBRAND BANK GROUP

NOK MILLION	2011	Q2 2010	30.06.2011	FULL YEAR 2010
<b>Profit and Loss account: (as % of avg. total assets)</b>				
Net interest income <sup>3)</sup>	1.12 %	1.14 %	1.17 %	1.10 %
Other operating income <sup>4)</sup>	0.51 %	0.29 %	0.54 %	0.42 %
<b>Main balance sheet figures:</b>				
Total assets			39 321.0	39 370.9
Average total assets <sup>1)</sup>	39 013.2	41 981.7	39 126.7	41 577.7
Total lending to customers			33 185.4	34 460.1
Deposits from and due to customers			19 217.9	18 807.6
Deposits from and due to customers as % of gross lending			57.9 %	54.6 %
Equity			2 277.0	2 260.6
<b>Other key figures:</b>				
Total non-interest income as % of total income	30.95 %	19.75 %	31.63 %	27.65 %
Loan losses and provisions as % of average total lending	-0.05 %	0.06 %	-0.04 %	0.04 %
Non-performing and loss-exposed loans as% of total lending			1.09 %	2.02 %
Costs as % of operating income banking activities <sup>6)</sup>	62.38 %	67.68 %	63.20 %	67.98 %
Return on equity before tax <sup>2)</sup>			8.08 %	5.65 %
Core capital ratio			10.8 %	10.6 %

## STOREBRAND BANK ASA

NOK MILLION	2011	Q2 2010	30.06.2011	FULL YEAR 2010
<b>Profit and Loss account: (as % of avg. total assets)</b>				
Net interest income <sup>3)</sup> <sup>4)</sup>	1.01 %	0.78 %	1.02 %	0.82 %
Other operating income <sup>5)</sup>	0.16 %	-0.34 %	0.30 %	0.39 %
<b>Main balance sheet figures:</b>				
Total assets			35 370.6	35 040.9
Average total assets <sup>1)</sup>	35 483.2	37 533.7	35 478.3	37 016.3
Total lending to customers			17 361.3	18 482.3
Deposits from and due to customers			19 233.5	18 817.5
Deposits from and due to customers as % of gross lending			110.8 %	101.8 %
Equity			2 299.7	2 289.6
<b>Other key figures:</b>				
Total non-interest income as % of total income	13.85 %	-76.34 %	22.87 %	32.46 %
Loan losses and provisions as % of average total lending	-0.09 %	0.35 %	0.00 %	0.18 %
Non-performing and loss-exposed loans as% of total lending			2.00 %	3.44 %
Costs as % of operating income	75.17 %	200.38 %	74.32 %	74.26 %
Return on equity before tax <sup>2)</sup>			5.24 %	3.52 %
Core (tier 1) capital ratio			13.3 %	14.2 %

### Definitions:

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



# Reconciliation of changes in equity

## STOREBRAND BANK ASA

NOK MILLION	SHARE CAPITAL	SHARE PREMIUM RESERVE	OTHER PAID IN EQUITY	TOTAL PAID IN EQUITY	REVENUE & COSTS APPLIED TO EQUITY	OTHER EQUITY	TOTAL OTHER EQUITY	TOTAL EQUITY
<b>Equity at 31.12.2009</b>	<b>960.6</b>	<b>156.0</b>	<b>518.7</b>	<b>1 635.2</b>	<b>29.3</b>	<b>645.3</b>	<b>674.6</b>	<b>2 309.8</b>
Profit for the period						34.3	34.3	34.3
Pension experience adjustments					-13.6		-13.6	-13.6
<b>Total other comprehensive income</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-13.6</b>	<b>0.0</b>	<b>-13.6</b>	<b>-13.6</b>
<b>Total comprehensive income for the period</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-13.6</b>	<b>34.3</b>	<b>20.7</b>	<b>20.7</b>
<b>Equity transactions with owners:</b>								
Provision for group contribution						-50.0	-50.0	-50.0
Change in group contribution received 2009						55.1	55.1	55.1
Change in provision for group contribution 2009						-46.0	-46.0	-46.0
<b>Equity at 31.12.2010</b>	<b>960.6</b>	<b>156.0</b>	<b>518.7</b>	<b>1 635.2</b>	<b>15.6</b>	<b>638.7</b>	<b>654.3</b>	<b>2 289.6</b>
Profit for the period						10.1	10.1	10.1
Pension experience adjustments								
<b>Total other comprehensive income</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>Total comprehensive income for the period</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>10.1</b>	<b>10.1</b>	<b>10.1</b>
<b>Equity at 30.06.2011</b>	<b>960.6</b>	<b>156.0</b>	<b>518.7</b>	<b>1 635.2</b>	<b>15.6</b>	<b>648.8</b>	<b>664.4</b>	<b>2 299.7</b>

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

# Reconciliation of changes in equity

## STOREBRAND BANK GROUP

NOK MILLION	MAJORITY'S SHARE OF EQUITY								MINORITY INTEREST	TOTAL EQUITY
	SHARE CAPITAL	SHARE PREMIUM RESERVE	OTHER PAID IN EQUITY	OTHER EQUITY						
				TOTAL PAID IN EQUITY	REVENUE & COSTS APPLIED TO EQUITY	OTHER EQUITY	TOTAL OTHER EQUITY			
<b>Equity at 31.12.2009</b>	<b>960.6</b>	<b>156.0</b>	<b>400.3</b>	<b>1 516.8</b>	<b>31.2</b>	<b>730.5</b>	<b>761.7</b>	<b>3.4</b>	<b>2 281.9</b>	
Profit for the period						38.1	38.1	0.1	38.2	
Pension experience adjustments					-13.6		-13.6		-13.6	
<b>Total other comprehensive income</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-13.6</b>	<b>0.0</b>	<b>-13.6</b>	<b>0.0</b>	<b>-13.6</b>	
<b>Total comprehensive income for the period</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-13.6</b>	<b>38.1</b>	<b>24.5</b>	<b>0.1</b>	<b>24.6</b>	
<b>Equity transactions with owners:</b>										
Capital increase paid in	0.0	0.0	0.0	0.0			0.0		0.0	
Group contribution received				0.0		118.4	118.4		118.4	
Provision for group contribution				0.0		-164.4	-164.4		-164.4	
Other changes				0.0		0.3	0.3	-0.2	0.1	
<b>Equity at 31.12.2010</b>	<b>960.6</b>	<b>156.0</b>	<b>400.3</b>	<b>1 516.8</b>	<b>17.6</b>	<b>722.9</b>	<b>740.5</b>	<b>3.3</b>	<b>2 260.6</b>	
Profit for the period						71.2	71.2	0.2	71.3	
Pension experience adjustments										
<b>Total other comprehensive income</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>Total comprehensive income for the period</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>71.2</b>	<b>71.2</b>	<b>0.2</b>	<b>71.3</b>	
<b>Equity transactions with owners:</b>										
Acquisition of minority interest						-1.0	-1.0	-4.0	-5.1	
Provision for group contribution						-50.0	-50.0		-50.0	
Other changes						-0.5	-0.5	0.7	0.2	
<b>Equity at 30.06.2011</b>	<b>960.6</b>	<b>156.0</b>	<b>400.3</b>	<b>1 516.8</b>	<b>17.6</b>	<b>742.5</b>	<b>760.1</b>	<b>0.1</b>	<b>2 277.0</b>	

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

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

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

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

For further information on the group's fulfilment of the capital requirements, see note 16.

# Cash flow statement

STOREBRAND BANK ASA			STOREBRAND BANK GROUP	
30.06.2010	30.06.2011	NOK MILLION	30.06.2011	30.06.2010
		<b>Cash flow from operations</b>		
499.5	532.1	Receipts of interest, commissions and fees from customers	739.6	791.3
-232.2	-236.3	Payments of interest, commissions and fees to customers	-236.3	-232.2
2 027.1	1 150.8	Net disbursement/payments on customer loans	1 349.6	1 051.7
958.6	413.6	Net receipts/payments of deposits from banking customers	407.8	958.6
-952.6	392.6	Net receipts/payments - securities at fair value	-330.8	689.7
0.0	0.0	Net receipts/payments - real estate at fair value	39.1	34.6
0.0	0.0	Payments - taxes	-4.4	0.0
-146.5	-153.0	Payments of operating costs	-193.0	-228.9
76.3	-62.5	Net receipts/payments on other operating activities	-77.0	-34.1
<b>2 230.2</b>	<b>2 037.3</b>	<b>Net cash flow from operating activities</b>	<b>1 694.6</b>	<b>3 030.7</b>
		<b>Cash flow from investment activities</b>		
	32.5	Net receipts from sale of subsidiaries and associated companies		
-43.5	-12.2	Net payments on purchase/capitalisation of subsidiaries	-5.1	
-16.3	-15.3	Net payments on purchase/sale of fixed assets etc.	-9.0	-17.1
<b>-59.8</b>	<b>5.0</b>	<b>Net cash flow from investment activities</b>	<b>-14.1</b>	<b>-17.1</b>
		<b>Cash flow from financing activities</b>		
-681.7	-889.4	Payments - repayments of loans and issuing of bond debt	-1 432.8	-1 293.4
0.0	799.9	Receipts - new loans and issuing of bond debt	1 798.0	90.7
-213.8	-209.5	Payments - interest on loans	-269.3	-443.2
-19.3	-16.7	Payments - interest on subordinated loan capital	-16.7	-19.3
-830.2	-230.4	Net receipts/payments of liabilities to credit institutions	-985.9	-830.2
200.1	135.6	Receipts - group contribution		118.4
-211.9	-115.5	Payments - group contribution / dividends		-164.4
<b>-1 756.9</b>	<b>-525.9</b>	<b>Net cash flow from financing activities</b>	<b>-906.6</b>	<b>-2 541.4</b>
<b>413.5</b>	<b>1 516.4</b>	<b>Net cash flow in period</b>	<b>773.9</b>	<b>472.2</b>
2 688.4	4 006.7	Cash and bank deposits at the start of the period	864.1	792.7
<b>3 101.9</b>	<b>5 523.1</b>	<b>Cash and bank deposits at the end of the period</b>	<b>1 638.0</b>	<b>1 264.9</b>
755.0	1 200.7	Cash and deposits with central banks	1 200.7	755.0
2 346.9	4 322.4	Loans to and deposits with credit institutions	437.3	509.9
<b>3 101.9</b>	<b>5 523.1</b>	<b>Total cash and bank deposits in the balance sheet</b>	<b>1 638.0</b>	<b>1 264.9</b>

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

## Operational activities

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

## Investment activities

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

## Financing activities

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

## Cash/cash equivalents

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

# Notes to the account

## **NOTE 1 ACCOUNTING PRINCIPLES**

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

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

The annual report and accounts of Storebrand Bank ASA and the Storebrand Bank ASA group for 2010 is available on request from the company's registered office at Professor Kohts vei 9, Lysaker, 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 2010. There have not been any changes of accounting principles in 2011.

## **NOTE 2 ESTIMATES**

The preparation of the interim accounts involves the use of estimates and assumptions that have an effect on assets, liabilities, revenue, costs, the notes to the accounts and information on potential liabilities. There will be uncertainty related to estimates and assumptions. In the future, actual experience may deviate from the estimates used. Please refer to note 1 and 2 in the annual report and accounts for 2010. Please refer to the discussions in notes 1 and 2 of the 2010 annual report.

## **NOTE 3 SHARE PURCHASES BY EMPLOYEES**

In March 2011, employees of Storebrand Group were offered the opportunity to buy shares in Storebrand ASA at a discounted price. The basis of the purchase price was the weighted market share price from 17 March to 21 March and employees were offered shares at 20 % discount to the calculated average. The advantage of the discount has been recognised in the unconsolidated financial statement for Storebrand Bank ASA. Senior employees bought shares in Storebrand ASA in connection with the payment of the bonus in March in accordance with the statement on the pay of management provided in note 45 for Storebrand Bank ASA in the annual report for 2010.

## **NOTE 4 CHANGES IN THE COMPOSITION OF THE GROUP**

Tekågel Invest 450 AS was acquired in January 2011. The company has since changed its name to Filipstad Invest AS. Storebrand Bank ASA's 50 per cent ownership interest in Storebrand Baltic UAB was reclassified on 1 January 2011 from a jointly controlled venture to an associated company. The Bank's share of the company's result is consolidated on the line "Net income and gains from associated companies". Storebrand Bank ASA's 50 per cent ownership interest in Seilduksgaten 25/31 AS was sold in 1Q.

The gain from the sale is included in the line "Other income" in the profit and loss account. A NOK 7.0 million issue has been conducted in Ring Eiendomsmegling AS in June 2011. Storebrand Bank ASA has purchased the remaining shares in Hadrian Eiendom AS and has an ownership stake of 100.0 per cent at the close of first half.

# Notes to the account

## NOTE 5 NET INTEREST INCOME

### Storebrand Bank ASA

NOK MILL.	Q2				
	2011	2010	30.06.2011	30.06.2010	31.12.2010
Interest and other income on loans to and deposits with credit institutions	37.4	24.0	62.1	43.8	79.2
Interest and other income on loans to and due from customers	206.1	199.5	421.2	404.7	819.6
Interest on commercial paper, bonds and other interest-bearing securities	81.1	82.3	157.3	152.7	342.2
Other interest income and related income	1.7	2.0	3.0	4.2	8.1
<b>Total interest income</b>	<b>326.3</b>	<b>307.8</b>	<b>643.7</b>	<b>605.4</b>	<b>1 249.0</b>
Interest and other expenses on debt to credit institutions	-49.4	-76.4	-112.8	-144.0	-288.2
Interest and other expenses on deposits from and due to customers	-112.7	-111.1	-228.7	-223.2	-456.2
Interest and other expenses on securities issued	-142.1	-30.5	-82.3	-62.7	-139.4
Interest and expenses on subordinated loan capital	-10.9	-8.3	-19.3	-16.1	-31.8
Other interest expenses and related expenses	-21.2	-7.8	-22.0	-16.2	-30.5
<b>Total interest expenses</b>	<b>-236.4</b>	<b>-234.1</b>	<b>-465.2</b>	<b>-462.2</b>	<b>-946.2</b>
<b>Net interest income</b>	<b>90.0</b>	<b>73.6</b>	<b>178.5</b>	<b>143.3</b>	<b>302.8</b>

### Storebrand Bank Group

NOK MILL.	Q2				
	2011	2010	30.06.2011	30.06.2010	31.12.2010
Interest and other income on loans to and deposits with credit institutions	3.7	7.0	7.7	10.2	19.9
Interest and other income on loans to and due from customers	340.1	339.8	685.3	677.9	1 388.3
Interest on commercial paper, bonds and other interest-bearing securities	55.0	28.0	77.6	53.3	106.0
Other interest income and related income	1.7	2.0	3.0	4.2	8.1
<b>Total interest income</b>	<b>400.6</b>	<b>376.7</b>	<b>773.7</b>	<b>745.7</b>	<b>1 522.3</b>
Interest and other expenses on debt to credit institutions	-42.1	-78.7	-102.0	-143.3	-284.6
Interest and other expenses on deposits from and due to customers	-113.0	-109.1	-226.6	-221.2	-451.5
Interest and other expenses on securities issued	-102.6	-48.1	-177.6	-118.2	-267.1
Interest and expenses on subordinated loan capital	-10.9	-8.3	-19.3	-16.1	-31.8
Other interest expenses and related expenses	-21.2	-7.8	-22.0	-16.0	-30.3
<b>Total interest expenses</b>	<b>-289.7</b>	<b>-251.9</b>	<b>-547.5</b>	<b>-514.8</b>	<b>-1 065.4</b>
<b>Net interest income</b>	<b>110.8</b>	<b>124.8</b>	<b>226.3</b>	<b>230.9</b>	<b>456.9</b>



# Notes to the account

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

### Storebrand Bank ASA

NOK MILL.	Q2				
	2011	2010	30.06.2011	30.06.2010	31.12.2010
<i>Equity instruments</i>					
Dividends received from equity investments					0.3
Net gains/losses on realisation of equity investments				-0.1	-0.1
Net change in fair value of equity investments	0.1	-0.1	0.2	0.1	0.1
<b>Total equity investments</b>	<b>0.1</b>	<b>-0.1</b>	<b>0.3</b>	<b>0.1</b>	<b>0.3</b>
<i>Commercial paper and bonds</i>					
Realised gain/loss on commercial paper and bonds	0.4	-1.4	1.6	-1.3	-0.2
Unrealised gain/loss on commercial paper and bonds	18.5	-54.0	22.5	-72.3	-21.8
<b>Total gain/loss on commercial paper and bonds</b>	<b>18.9</b>	<b>-55.4</b>	<b>24.1</b>	<b>-73.5</b>	<b>-22.1</b>
<i>Financial derivatives and foreign exchange</i>					
Realised gain/loss on financial derivatives, held for trading	-43.8	1.1	-43.7	-1.0	-1.7
Unrealised gain/loss on financial derivatives, held for trading	37.2	0.9	39.7	0.7	4.7
<b>Total financial derivatives and foreign exchange</b>	<b>-6.6</b>	<b>2.0</b>	<b>-4.0</b>	<b>-0.3</b>	<b>3.0</b>
<b>Net income and gains from financial assets and liabilities at fair value</b>	<b>12.4</b>	<b>-53.5</b>	<b>20.4</b>	<b>-73.8</b>	<b>-18.8</b>

### Storebrand Bank Group

NOK MILL.	Q2				
	2011	2010	30.06.2011	30.06.2010	31.12.2010
<i>Equity instruments</i>					
Dividends received from equity investments					0.3
Net gains/losses on realisation of equity investments				-0.1	-0.1
Net change in fair value of equity investments	0.1	-0.1	0.2	0.1	0.1
<b>Total equity investments</b>	<b>0.1</b>	<b>-0.1</b>	<b>0.3</b>	<b>0.1</b>	<b>0.3</b>
<i>Commercial paper and bonds</i>					
Realised gain/loss on commercial paper and bonds	0.4	-1.4	1.6	-1.9	-0.9
Unrealised gain/loss on commercial paper and bonds	5.5	-6.9	6.8	-10.2	-4.7
<b>Total gain/loss on commercial paper and bonds</b>	<b>5.9</b>	<b>-8.3</b>	<b>8.3</b>	<b>-12.1</b>	<b>-5.5</b>
<i>Financial derivatives and foreign exchange</i>					
Realised gain/loss on financial derivatives, held for trading	-43.8	-10.9	-43.7	-10.0	-10.7
Unrealised gain/loss on financial derivatives, held for trading	37.2	0.9	39.7	0.8	4.7
<b>Total financial derivatives and foreign exchange</b>	<b>-6.6</b>	<b>-10.0</b>	<b>-4.0</b>	<b>-9.3</b>	<b>-6.0</b>
<b>Net income and gains from financial assets and liabilities at fair value</b>	<b>-0.6</b>	<b>-18.3</b>	<b>4.6</b>	<b>-21.3</b>	<b>-11.2</b>

# Notes to the account

## **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. Storebrand Bank ASA's tax cost for 2Q includes the effects of received group contributions from subsidiaries from the 2010 accounting year. These effects are eliminated in the consolidated financial statements. The Storebrand Bank Group's tax cost was affected in 2Q by accrual accounting errors between 1Q and 2Q. The tax cost as per 30 June 2011 is unaffected by these accrual accounting errors.

## **NOTE 8 CLOSE ASSOCIATES**

### **Covered bonds issued by Storebrand Boligkreditt AS**

Storebrand Bank ASA has invested a total of NOK 6.7 billion in covered bonds issued by Storebrand Boligkreditt AS as of 30 June 2011. The investments are included in the liquidity portfolio in the parent company and are classified at fair value option. The investment has been eliminated in the consolidated accounts against bonds issued by Storebrand Boligkreditt AS.

### **Lending transferred to Storebrand Boligkreditt AS**

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

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

Storebrand Bank AS has not pledged any guarantees in connection with loans to Storebrand Boligkreditt AS.

Storebrand Bank ASA and Storebrand Boligkreditt AS have signed a management agreement pursuant to which Storebrand Boligkreditt AS will purchase administrative services from the bank. Storebrand Boligkreditt AS also purchases administrative services from Storebrand Livsforsikrings AS.

Storebrand Bank ASA and Storebrand Eiendomskreditt AS which is being wound up, have signed a management agreement pursuant to which Storebrand Eiendomskreditt AS will purchase administrative services from the bank. Storebrand Eiendomskreditt AS also purchases administrative services from Storebrand Livsforsikrings AS.

# Notes to the account

## NOTE 9 SEGMENT INFORMATION

### Storebrand Bank Group

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

NOK MILLION	CORPORATE					RETAIL				
	2011	Q2 2010	01.01. - 30.06. 2011	30.06. 2010	FULL YEAR 2010	2011	Q2 2010	01.01. - 30.06. 2011	30.06. 2010	FULL YEAR 2010
<b>Profit and loss items:</b>										
Net interest income	52.0	48.3	106.6	93.7	195.9	63.5	63.2	130.0	134.1	275.0
Net fee and commission income	2.8	2.7	5.2	5.5	9.5	8.7	9.2	17.9	17.6	37.4
Other income	3.7	6.0	9.4	10.6	23.7	0.7	0.9	1.4	1.5	2.9
Total operating costs	-18.7	-20.1	-40.4	-41.6	-82.1	-48.7	-53.6	-105.9	-110.7	-218.2
<b>Operating profit before loan losses</b>	<b>39.9</b>	<b>37.0</b>	<b>80.8</b>	<b>68.2</b>	<b>147.0</b>	<b>24.2</b>	<b>19.7</b>	<b>43.4</b>	<b>42.5</b>	<b>97.1</b>
Loan losses	5.1	-16.6	5.0	-15.5	-20.4	-1.2	0.4	-5.1	-1.9	-12.2
<b>Ordinary profit from continuing operations</b>	<b>44.9</b>	<b>20.4</b>	<b>85.8</b>	<b>52.7</b>	<b>126.6</b>	<b>23.0</b>	<b>20.0</b>	<b>38.3</b>	<b>40.6</b>	<b>84.9</b>
<b>Ordinary profit from discontinued businesses</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Balance sheet items:</b>										
Gross lending to customers			11 255.6	11 361.8	12 000.2			21 956.4	23 736.7	22 498.8
Deposits from and due to customers			7 710.3	7 365.5	7 323.5			11 491.6	11 716.0	11 350.8
<b>Key figures:</b>										
Cost as of % of income	32 %	35 %	33 %	38 %	36 %	67 %	73 %	71 %	72 %	69 %
Deposits from and due to customers as % of gross lending			69 %	65 %	61 %			52 %	49 %	50 %
Total level of provisioning write-downs			86 %	57 %	53 %			16 %	24 %	28 %
<b>MARKETS</b>										
<b>REAL ESTATE BROKING</b>										
NOK MILLION	2011	Q2 2010	01.01. - 30.06. 2011	30.06. 2010	FULL YEAR 2010	2011	Q2 2010	01.01. - 30.06. 2011	30.06. 2010	FULL YEAR 2010
<b>Profit and loss items:</b>										
Net interest income	0.4	0.4	0.7	1.8	3.2	-0.2	-0.2	-0.4	0.2	0.0
Net fee and commission income	5.1	7.7	13.2	13.5	29.6	23.6	25.2	44.0	45.3	88.7
Other income	11.1	8.0	14.8	14.4	31.6	23.6	25.2	44.0	45.3	88.7
Total operating costs	-12.8	-14.3	-27.3	-29.9	-62.8	-33.9	-24.8	-56.5	-47.9	-94.1
<b>Operating profit before loan losses</b>	<b>3.7</b>	<b>1.9</b>	<b>1.4</b>	<b>-0.2</b>	<b>1.6</b>	<b>-10.5</b>	<b>0.2</b>	<b>-12.9</b>	<b>-2.4</b>	<b>-5.4</b>
Loan losses										
<b>Ordinary profit from continuing operations</b>	<b>3.7</b>	<b>1.9</b>	<b>1.4</b>	<b>-0.2</b>	<b>1.6</b>	<b>-10.5</b>	<b>0.2</b>	<b>-12.9</b>	<b>-2.4</b>	<b>-5.4</b>
<b>Ordinary profit from discontinued businesses</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Balance sheet items:</b>										
Gross lending to customers								21 956.4	23 736.7	22 498.8
Deposits from and due to customers								11 491.6	11 716.0	11 350.8
<b>Key figures:</b>										
Cost as of % of income	78 %	88 %	95 %	101 %	98 %	67 %	145 %	99 %	130 %	105 %

# Notes to the account

## NOTE 9 SEGMENT INFORMATION (continued)

### Storebrand Bank Group

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

NOK MILLION	TREASURY/ANNET					TOTAL				
	Q2		01.01. - 30.06.		FULL YEAR	Q2		01.01. - 30.06.		FULL YEAR
	2011	2010	2011	2010	2010	2011	2010	2011	2010	2010
<b>Profit and loss items:</b>										
Net interest income	-4.9	13.1	-10.6	1.1	-17.2	110.8	124.8	226.3	230.9	456.9
Net fee and commission income	0.4	-2.1	0.3	-1.2	-2.8	16.9	17.5	36.6	35.4	73.7
Other income	-6.3	-26.9	-1.5	-39.0	-46.0	32.8	13.2	68.1	32.8	100.9
Total operating costs	-3.8	-4.6	-9.5	-6.9	-16.3	-117.8	-117.4	-239.6	-237.0	-473.5
Unrealised loss real estate at fair value, assets repossessed		-5.0	-7.2	-12.0	-14.1	0.0	-5.0	-7.2	-12.0	-14.1
<b>Operating profit before loan losses</b>	<b>-14.6</b>	<b>-25.5</b>	<b>-28.5</b>	<b>-58.0</b>	<b>-96.5</b>	<b>42.6</b>	<b>33.2</b>	<b>84.2</b>	<b>50.1</b>	<b>143.8</b>
Loan losses	0.0	11.1	7.1	18.1	18.1	3.9	-5.1	7.0	0.7	-14.5
<b>Ordinary profit from continuing operations</b>	<b>-14.6</b>	<b>-14.5</b>	<b>-21.4</b>	<b>-39.9</b>	<b>-78.4</b>	<b>46.5</b>	<b>28.0</b>	<b>91.2</b>	<b>50.8</b>	<b>129.3</b>
<b>Ordinary profit from discontinued businesses</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Balance sheet items:</b>										
Gross lending to customers			-26.6	-93.3	-38.9			33 185.4	35 005.2	34 460.1
Deposits from and due to customers			16.0	206.3	133.3			19 217.9	19 287.8	18 807.6
<b>Key figures:</b>										
Cost as % of income						73 %	75 %	72 %	79 %	75 %
Deposits from and due to customers as % of gross lending								58 %	55 %	55 %
Total level of provisioning write-downs								48 %	47 %	37 %

Business segments are the company's primary reporting segments.

#### Description of the segments:

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

Changes in value of repossessed assets are presented in the profit and loss account by item. In the note on segment changes are reported under loan losses in accordance with internal procedure. The reclassification is adjusted for under the segment treasury/other.

**Retail Banking:** Deposits from and lending to retail customers, including credit cards. Lending is principally mortgage lending secured against residential real estate. The segment include deposits from and lending to retail customers in Storebrand Boligkreditt AS.

The segment also includes the bank's share of 50 % in Storebrand Baltic UAB in Lithuania. From 1 January 2011 the ownership interest is classified as an associated company.

**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 100% ownership interest and 96.09% ownership interest at the close of first half. Net profit for Hadrian Eiendom AS and Hadrian Utvikling AS are respectively NOK 3.1 million and minus NOK 0.3 million at the close of first half.

**Real estate broking:** This segment solely comprises Ring Eiendomsmebling AS with subsidiaries in which the bank owns 100.0% of the company.

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.

# Notes to the account

## NOTE 10 OFF BALANCE SHEET LIABILITIES AND CONTINGENT LIABILITIES

STOREBRAND BANK ASA		NOK MILLION	STOREBRAND BANK GROUP	
31.12.2010	30.06.2011		30.06.2011	31.12.2010
301.6	381.0	Guarantees	381.0	301.6
8 227.4	4 788.9	Undrawn credit limits	3 936.7	4 049.8
816.6	434.5	Lending commitments	434.5	816.6
<b>9 345.6</b>	<b>5 604.5</b>	<b>Total contingent liabilities</b>	<b>4 752.3</b>	<b>5 168.0</b>
3 935.1	3 081.4	Booked value of bonds pledged as security for the bank's D-loan and F-loanfacility with the Norwegian central bank	3 081.4	2 926.3
5 855.9	4 848.9	Booked value of securities pledged as collateral for the government securities for covered bonds swap scheme	4 848.9	5 855.9
	217.5	Booked value of bonds pledged as security within other credit institutions	217.5	
<b>9 791.0</b>	<b>8 147.9</b>	<b>Total book value of off balance sheet liabilities</b>	<b>8 147.9</b>	<b>8 782.2</b>

Undrawn credit limits reported in Storebrand Bank ASA as of 30.6.11 includes NOK 2.4 billion to the subsidiary Storebrand Boligkreditt AS.

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

STOREBRAND BANK ASA		NOK MILLION	STOREBRAND BANK GROUP	
31.12.2010	30.06.2011		30.06.2011	31.12.2010
		<b>Non-performing and loss-exposed loans</b>		
226.6	136.6	Non-performing loans without evidence of impairment	192.9	261.6
408.3	210.0	Non-performing and loss-exposed loans with evidence of impairment	170.4	436.0
<b>635.0</b>	<b>346.6</b>	<b>Gross defaulted and loss-exposed loans</b>	<b>363.3</b>	<b>697.6</b>
-187.6	-131.1	Provisions for individual loan losses	-117.3	-173.6
<b>447.4</b>	<b>215.5</b>	<b>Net defaulted and loss-exposed loans</b>	<b>246.1</b>	<b>524.0</b>

### Key figures

-82.0	-53.7	Write-downs of groups of loans (NOK million)	-55.6	-83.9
-269.6	-184.9	Total write-downs (NOK million)	-172.8	-257.5
46 %	62 %	Level of provisioning individual write-downs <sup>1)</sup>	69 %	40 %
42 %	53 %	Total level of provisioning <sup>2)</sup>	48 %	37 %

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

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

*continued next page*



# Notes to the account

## NOTE 11 LOSSES AND PROVISIONS ... (continued)

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

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

When one of the three situations described above occurs, the commitment and the rest of the customer's commitments are regarded as non-performing and loss-exposed. The number of days is counted from when the arrears exceed NOK 2,000. The account is given a clean bill of health when there are no longer any arrears. The amount in arrears at the time of reporting can be less than NOK 2,000.

STOREBRAND BANK ASA			NOK MILLION	STOREBRAND BANK GROUP		
31.12.2010	30.06.2010	30.06.2011		30.06.2011	30.06.2010	31.12.2010
			<b>Losses on loans and guarantees etc. during period</b>			
42.3	48.3	56.5	Change in individual loan loss provisions	56.3	14.4	63.9
24.1	11.8	28.3	Change in grouped loan loss provisions	28.3	10.5	23.3
-2.4	-7.6	-2.4	Other write-down effects	-2.4	-7.6	-2.4
			Change in individual impairment loss provisions guarantees			
-102.9	-70.8	-84.9	Realised losses specifically provided for previously	-77.8	-18.8	-102.9
-1.1	-0.4	-2.8	Realised losses not specifically provided for previously	-2.8	-0.4	-1.1
4.7	2.6	5.4	Recoveries on previous realised losses	5.4	2.6	4.7
<b>-35.3</b>	<b>-16.1</b>	<b>0.0</b>	<b>Write-downs for the period</b>	<b>7.0</b>	<b>0.7</b>	<b>-14.5</b>

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

A separate assessment is made in the consolidated financial statements in relation to any write-down/value adjustment of the assets that have been taken over. The value of taken over investment properties was adjusted with a negative amount in the consolidated financial statements as of 30 June 2011 by an amount equal to the individual write-downs associated with the pertinent lending commitment in the parent bank of NOK 7.2 million. Accordingly the negative amount was NOK 14.1 million as of 31 December 2010.

## NOTE 12 INTANGIBLE ASSETS, FIXED ASSETS AND REAL ESTATE AT FAIR VALUE, ASSETS REPOSSESSED

Costs of NOK 16.2 million were capitalised in first half 2011 as intangible assets and fixed assets in Storebrand Bank ASA and Storebrand Bank Group. Accordingly costs of NOK 7.8 million were capitalised in Q2. This relates principally to costs incurred on systems development, data warehouse, systems licenses and similar costs. The value of the building project in Bjørndalen Panorama AS was written down by NOK 7.2 million in first half 2011. This is presented on a separate line in the profit and loss account.

The value of software has been written down by NOK 1.2 million in first half 2011. Accordingly NOK 0.6 million has been written down in Q2.

# Notes to the account

## NOTE 13 LIABILITES TO CREDIT INSTITUTIONS

NOK MILLION	STOREBRAND BANK GROUP	
	30.06.2011	31.12.2010
<b>Total liabilities to credit institutions without fixed maturity at amortised cost</b>	<b>0,9</b>	<b>5,4</b>
<b>F-loan:</b>		
Maturity 2011		500.0
Maturity 2012	1 011.2	1 012.1
<b>Loan with floating interest rate:</b>		
Maturity 2011	77.9	78.1
Maturity 2012	350.0	350.0
Maturity 2013	250.0	250.0
Maturity 2014	500.0	
Accrued expenses	0.8	1.2
<b>Total liabilities to credit institutions with fixed maturity at amortised cost</b>	<b>2 190.0</b>	<b>2 191.4</b>
<b>Borrowings under the Norwegian Government's Swap arrangement:</b>		
Maturity 2011	1 386.6	2 365.1
Maturity 2013	2 506.2	2 500.4
Maturity 2014	987.4	990.4
<b>Total liabilities to credit institutions with fixed maturity at fair value (FVO)</b>	<b>4 880.2</b>	<b>5 855.9</b>
<b>Total liabilities to credit institutions</b>	<b>7 071.0</b>	<b>8 052.7</b>

As per 30 June 2011, Storebrand Bank ASA had only one current credit facility. A NOK 750 million Revolving Credit Facility was signed in October 2010.

## NOTE 14 SECURITIES ISSUED AND SUBORDINATED LOAN CAPITAL

NOK MILLION	STOREBRAND BANK GROUP	
	30.06.2011	31.12.2010
Commercial paper		400.9
Bond loans	9 110.8	8 307.5
Structured bond loans		16.9
Subordinated loan capital	792.8	790.1
<b>Total securities issued and subordinated loan capital</b>	<b>9 903.6</b>	<b>9 515.4</b>

*continued next page*

# Notes to the account

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

### Specification of bonds issued and subordinated loan capital as of 30 June 2011 - Storebrand Bank Group

NOK MILLION							BOOK VALUE
ISIN CODE	ISSUER	NET NOMINAL VALUE	CURRENCY	INTEREST	MATURITY <sup>1)</sup>		30.06.2011
<b>Bond loans</b>							
NO001043982	Storebrand Bank ASA	310.0	NOK	Fixed	04.06.2015		325.7
NO001045553	Storebrand Bank ASA	327.0	NOK	Fixed	03.09.2012		350.5
NO001051323	Storebrand Bank ASA	300.0	NOK	Fixed	25.05.2016		303.6
NO001047340	Storebrand Bank ASA	408.0	NOK	Floating	21.11.2013		415.8
NO001049263	Storebrand Bank ASA	730.5	NOK	Floating	20.02.2012		732.9
NO001050777	Storebrand Bank ASA	648.0	NOK	Floating	30.04.2014		659.9
NO001059077	Storebrand Bank ASA	500.0	NOK	Floating	10.05.2013		502.5
NO001059982	Storebrand Bank ASA	400.0	NOK	Floating	11.08.2014		401.7
NO001054848	Storebrand Bank ASA	500.0	SEK	Floating	26.01.2012		426.9
<b>Total bond loans</b>							<b>4 119.4</b>
<b>Covered bonds</b>							
NO0010428584	Storebrand Boligkreditt AS	1 000.0	NOK	Fixed	06.05.2015		1 064.4
NO0010466071	Storebrand Boligkreditt AS	1 250.0	NOK	Fixed	24.04.2014		1 311.7
NO0010548373	Storebrand Boligkreditt AS	1 000.0	NOK	Fixed	28.10.2019		1 063.8
NO0010575913	Storebrand Boligkreditt AS	2 200.0	NOK	Floating	03.06.2016		551.5
NO0010612294	Storebrand Boligkreditt AS	1 500.0	NOK	Floating	15.06.2016		1 000.1
<b>Total covered bonds</b>							<b>4 991.4</b>
1) Maturity date in this summary is the first possible maturity date (Call date).							
NOK MILLION							BOOK VALUE
ISIN CODE	ISSUER	NET NOMINAL VALUE	CURRENCY	INTEREST	CALL DATE		30.06.2011
<b>Dated subordinated loan capital</b>							
NO001034566	Storebrand Bank ASA	100.0	NOK	Floating	21.12.2011		100.1
NO001036427	Storebrand Bank ASA	250.0	NOK	Floating	08.05.2012		251.2
NO001040278	Storebrand Bank ASA	150.0	NOK	Floating	19.12.2012		150.2
<b>Other subordinated loan capital</b>							
NO001771168	Storebrand Bank ASA	9.3	NOK	Fixed	perpetual		9.7
<b>Hybrid tier 1 capital</b>							
NO001024206	Storebrand Bank ASA	107.0	NOK	Fixed	29.10.2014		113.0
NO001024207	Storebrand Bank ASA	168.0	NOK	Floating	29.10.2014		168.6
<b>Total subordinated loan capital incl. hybrid tier 1 capital</b>							<b>792.8</b>
<b>Total securities issued and subordinated loan capital</b>							<b>9 903.6</b>

# Notes to the account

## NOTE 15 RISK MANAGEMENT

The market value of Storebrand Bank's financial assets and liabilities varies due to financial market risks.

Note 3 to note 7 of the 2010 annual report explains the banking group's financial risks which also describes the financial risks as per 30 June 2011.

## NOTE 16 CAPITAL ADEQUACY

Capital adequacy calculations are subject to special consolidation rules in accordance with the Regulation on consolidated application of the capital adequacy rules etc. (the "Consolidation Regulation"). The Storebrand Bank group is defined pursuant to Section 5 of the Consolidation Regulation as a financial group comprising solely or mainly undertakings other than insurance companies. The valuation rules used in the company's accounts form the basis for consolidation. Consolidation is mainly carried out in accordance with the same principles as 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 2011.

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

### Net primary capital

STOREBRAND BANK ASA		NOK MILLION	STOREBRAND BANK GROUP	
31.12.2010	30.06.2011		30.06.2011	31.12.2010
960.6	960.6	Share capital	960.6	960.6
1 329.0	1 339.1	Other equity	1 316.4	1 300.0
<b>2 289.6</b>	<b>2 299.7</b>	<b>Total equity</b>	<b>2 277.0</b>	<b>2 260.6</b>
		Deductions:		
	-10.1	Profit not included in the calculation of net primary capital	-71.3	
-42.2	-52.5	Intangible assets	-123.8	-119.8
-83.6	-39.4	Deferred tax asset	-27.6	-84.2
		Provision for group contribution		-50.0
		Addition:		
279.4	276.1	Perpetual subordinated bonds	276.1	279.4
<b>2 443.1</b>	<b>2 473.8</b>	<b>Core capital</b>	<b>2 330.4</b>	<b>2 286.0</b>
509.1	509.2	Supplementary capital	509.2	509.2
		Deductions		
<b>2 952.2</b>	<b>2 983.0</b>	<b>Net primary capital</b>	<b>2 839.6</b>	<b>2 795.2</b>

continued next page

# Notes to the account

## NOTE 16 CAPITAL ADEQUACY (continued)

### Minimum capital requirement

STOREBRAND BANK ASA			STOREBRAND BANK GROUP	
31.12.2010	30.06.2011	NOK MILLION	30.06.2011	31.12.2010
1 320.2	1 432.0	Credit risk	1 629.5	1 627.7
		Of which:		
	8.0	Public sector owned corporates	8.0	0.0
234.9	234.3	Institutions	23.0	28.6
475.6	687.8	Corporates	670.5	618.2
393.8	349.6	Loans secured on residential real estate	813.1	817.8
54.0	45.8	Retail market	45.8	54.0
55.4	23.0	Loans past-due	25.6	58.0
71.3	73.1	Covered bonds	19.3	13.5
35.2	10.3	Other	24.2	37.6
<b>1 320.2</b>	<b>1 432.0</b>	<b>Total minimum requirement for credit risk</b>	<b>1 629.5</b>	<b>1 627.7</b>
		Settlement risk		0.5
<b>0.0</b>	<b>0.0</b>	<b>Total minimum requirement for market risk</b>	<b>0.0</b>	<b>0.5</b>
65.5	65.5	Operational risk <sup>1)</sup>	97.1	97.1
		Deductions		
-6.6	-5.0	Write-downs of groups of loans	-4.4	-6.7
<b>1 379.2</b>	<b>1 492.5</b>	<b>Minimum requirement for capital base</b>	<b>1 722.1</b>	<b>1 718.1</b>

### Capital adequacy

STOREBRAND BANK ASA			STOREBRAND BANK GROUP	
31.12.2010	30.06.2011	NOK MILLION	30.06.2011	31.12.2010
17.1 %	16.0 %	Capital ratio	13.2 %	13.0 %
14.2 %	13.3 %	Core (tier 1) capital ratio	10.8 %	10.6 %

<sup>1)</sup> The figures for 2010 and 1H 2011 are calculated as an average of total income for 2008, 2009 and 2010.

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

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



# Notes to the account

## NOTE 17 QUARTERLY PROFIT AND LOSS

### Storebrand Bank ASA

NOK MILLION	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009
Interest income	326.3	317.3	316.8	326.8	307.8	297.7	299.4	326.9
Interest expense	-236.4	-228.8	-238.2	-245.8	-234.1	-228.0	-226.7	-240.1
<b>Net interest income</b>	<b>90.0</b>	<b>88.5</b>	<b>78.5</b>	<b>81.0</b>	<b>73.6</b>	<b>69.6</b>	<b>72.7</b>	<b>86.8</b>
Fee and commission income from banking services	25.3	26.1	26.3	27.2	25.4	25.6	30.9	25.4
Fee and commission expenses for banking services	-4.8	-2.8	-4.4	-4.3	-5.2	-3.8	-7.6	-3.9
<b>Net fee and commission income</b>	<b>20.6</b>	<b>23.3</b>	<b>21.9</b>	<b>22.9</b>	<b>20.2</b>	<b>21.7</b>	<b>23.3</b>	<b>21.5</b>
Net income and gains from associated companies	0.2	0.0	-0.4	-0.3	-0.3	-0.3	0.3	-0.5
Net gains on financial instruments at fair value	12.4	8.0	26.5	28.6	-53.5	-20.3	23.5	51.1
Other income	-18.8	7.2	76.9	0.0	1.7	0.2	73.0	0.2
<b>Total other operating income</b>	<b>-6.1</b>	<b>15.2</b>	<b>103.0</b>	<b>28.3</b>	<b>-52.1</b>	<b>-20.3</b>	<b>96.8</b>	<b>50.8</b>
Staff expenses	-27.5	-33.7	-37.1	-34.5	-33.0	-36.8	-33.7	-48.0
General administration expenses	-17.1	-22.6	-24.2	-20.3	-19.8	-22.3	-22.9	-22.8
Other operating cost	-33.9	-37.2	-24.8	-31.7	-30.8	-17.5	-32.6	-59.5
<b>Total operating costs</b>	<b>-78.5</b>	<b>-93.5</b>	<b>-86.1</b>	<b>-86.5</b>	<b>-83.7</b>	<b>-76.7</b>	<b>-89.1</b>	<b>-130.3</b>
Operating profit before loan losses	25.9	33.5	117.3	45.7	-41.9	-5.7	103.7	28.7
Loan losses for the period	4.1	-4.1	-19.1	-0.1	-16.4	0.3	-22.8	-10.4
<b>Profit before tax</b>	<b>30.0</b>	<b>29.4</b>	<b>98.2</b>	<b>45.5</b>	<b>-58.4</b>	<b>-5.4</b>	<b>80.8</b>	<b>18.4</b>
Tax	-41.0	-8.2	-33.8	-12.8	-0.7	1.5	-22.0	-5.1
<b>Profit for the year</b>	<b>-11.0</b>	<b>21.2</b>	<b>64.4</b>	<b>32.8</b>	<b>-59.0</b>	<b>-3.9</b>	<b>58.9</b>	<b>13.2</b>

continued next page

# Notes to the account

## NOTE 17 QUARTERLY PROFIT AND LOSS (continued)

### Storebrand Bank Group

NOK MILLION	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009
Interest income	400.6	373.2	381.9	394.7	376.1	369.6	366.6	378.6
Interest expense	-289.7	-257.7	-268.9	-281.6	-251.3	-263.5	-262.5	-273.1
<b>Net interest income</b>	<b>110.8</b>	<b>115.5</b>	<b>112.9</b>	<b>113.1</b>	<b>124.8</b>	<b>106.1</b>	<b>104.2</b>	<b>105.4</b>
Fee and commission income from banking services	21.7	22.5	23.1	24.0	22.7	21.7	27.6	23.1
Fee and commission expenses for banking services	-4.8	-2.8	-4.4	-4.3	-5.2	-3.8	-7.6	-3.9
<b>Net fee and commission income</b>	<b>16.9</b>	<b>19.7</b>	<b>18.6</b>	<b>19.7</b>	<b>17.5</b>	<b>17.9</b>	<b>19.9</b>	<b>19.1</b>
Net income and gains from associated companies	0.2	0.0	-0.4	-0.3	-0.3	-0.3	0.3	-0.5
Net gains on financial instruments at fair value	-0.6	5.2	3.3	6.9	-18.3	-3.0	16.2	13.5
Other income	33.1	30.1	31.8	26.9	31.8	22.9	40.6	26.5
<b>Total other operating income</b>	<b>32.8</b>	<b>35.3</b>	<b>34.7</b>	<b>33.4</b>	<b>13.2</b>	<b>19.6</b>	<b>57.2</b>	<b>39.5</b>
Staff expenses	-44.3	-48.8	-53.1	-49.3	-49.7	-52.6	-57.2	-64.0
General administration expenses	-20.0	-26.0	-31.6	-23.0	-22.8	-25.7	-26.8	-25.9
Other operating cost	-53.6	-46.9	-37.7	-41.7	-44.9	-41.4	-62.1	-46.0
Unrealised loss real estate at fair value. assets repossessed	0.0	-7.2	-2.1	0.0	-5.0	-7.0	-10.0	-6.3
<b>Total operating costs</b>	<b>-117.9</b>	<b>-128.9</b>	<b>-124.6</b>	<b>-114.0</b>	<b>-122.4</b>	<b>-126.6</b>	<b>-156.1</b>	<b>-142.3</b>
<b>Operating profit before loan losses</b>	<b>42.6</b>	<b>41.6</b>	<b>41.7</b>	<b>52.1</b>	<b>33.1</b>	<b>16.9</b>	<b>25.1</b>	<b>21.8</b>
Loan losses for the period	3.9	3.1	-15.3	0.1	-5.1	5.8	-12.5	-3.9
<b>Profit before tax</b>	<b>46.5</b>	<b>44.7</b>	<b>26.4</b>	<b>52.2</b>	<b>28.0</b>	<b>22.8</b>	<b>12.5</b>	<b>17.8</b>
Tax	-43.5	23.6	-38.9	-15.9	-24.0	-12.4	-7.4	-5.4
<b>Profit for the year</b>	<b>3.0</b>	<b>68.3</b>	<b>-12.5</b>	<b>36.3</b>	<b>4.0</b>	<b>10.4</b>	<b>5.2</b>	<b>12.4</b>

## NOTE 18 VALUATION

Storebrand Bank group categorizes financial instruments valued at fair value on three levels, which are described in more detail in note 2 and note 8 of the 2010 annual report. There have not been any substantial changes in the categorization in 2011.

# Storebrand Bank Group and Storebrand Bank ASA

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

The Board of Directors and the Chief Executive Officer have today considered and approved the half-yearly report and half-yearly accounts of Storebrand Bank ASA group and Storebrand Bank ASA for the first six months as at 30 June 2011 (the 2011 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 2011 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 2011.

The Board of Directors and the Chief Executive Officer confirm that, to the best of their knowledge, the half-yearly accounts gives a true and fair summary of important events during the accounting period and their effect on the half-yearly accounts. The Board of Directors and the Chief Executive Officer also confirm that, to the best of their knowledge, the description of the most important risk and uncertainty factors that the business faces in the next accounting period, together with the description of material transactions with close associates, provide a true and fair summary.

Lysaker, 13 July 2011

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*

Maria Borch Helsingreen  
*Member of the Board*

Anne Kristine Baltzersen  
*Member of the Board*

Geir Holmgren  
*Member of the Board*

Heidi Storruste  
*Member of the Board*

Truls Nergaard  
*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 consolidated statement of financial position of Storebrand Bank ASA (the Group) as of June 30, 2011, and the related statement of income, the statement of comprehensive income, the statement of changes in equity, the statement of cash flow for the six-month period then ended and selected explanatory notes. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard No 34 "Interim Financial Reporting" adopted by EU. Our responsibility is to express a conclusion on this interim financial information based on our review.

### *Scope of Review*

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

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim financial information for the Group is not prepared, in all material aspects, in accordance with International Accounting Standard No 34 "Interim Financial Reporting".

Oslo, July 13, 2011

Deloitte AS

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

# Company information

## Address:

Storebrand Bank ASA  
 Professor Kohts vei 9  
 PO Box 474  
 N-1327 Lysaker

Telephone: + 47 - 22 31 50 50  
 Call center (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:

Truls Nergaard	Managing Director
Trond Fladvad	Finance Director
Robert Fjelli	Head of Markets
Bernt Uppstad	Acting Head of Retail Banking
Torstein Hagen	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
Geir Holmgren	Board Member
Maria Borch Helsengreen	Board Member
Anne-Kristine Baltzersen	Board Member
Heidi Storruste	Board Member

## Contact persons:

Truls Nergaard. Managing Director. Tel.:+ 47 - 916 02 270.  
 Trond Fladvad. Finance Director. Tel.:+ 47 - 928 97 173.

## Other sources of information:

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

