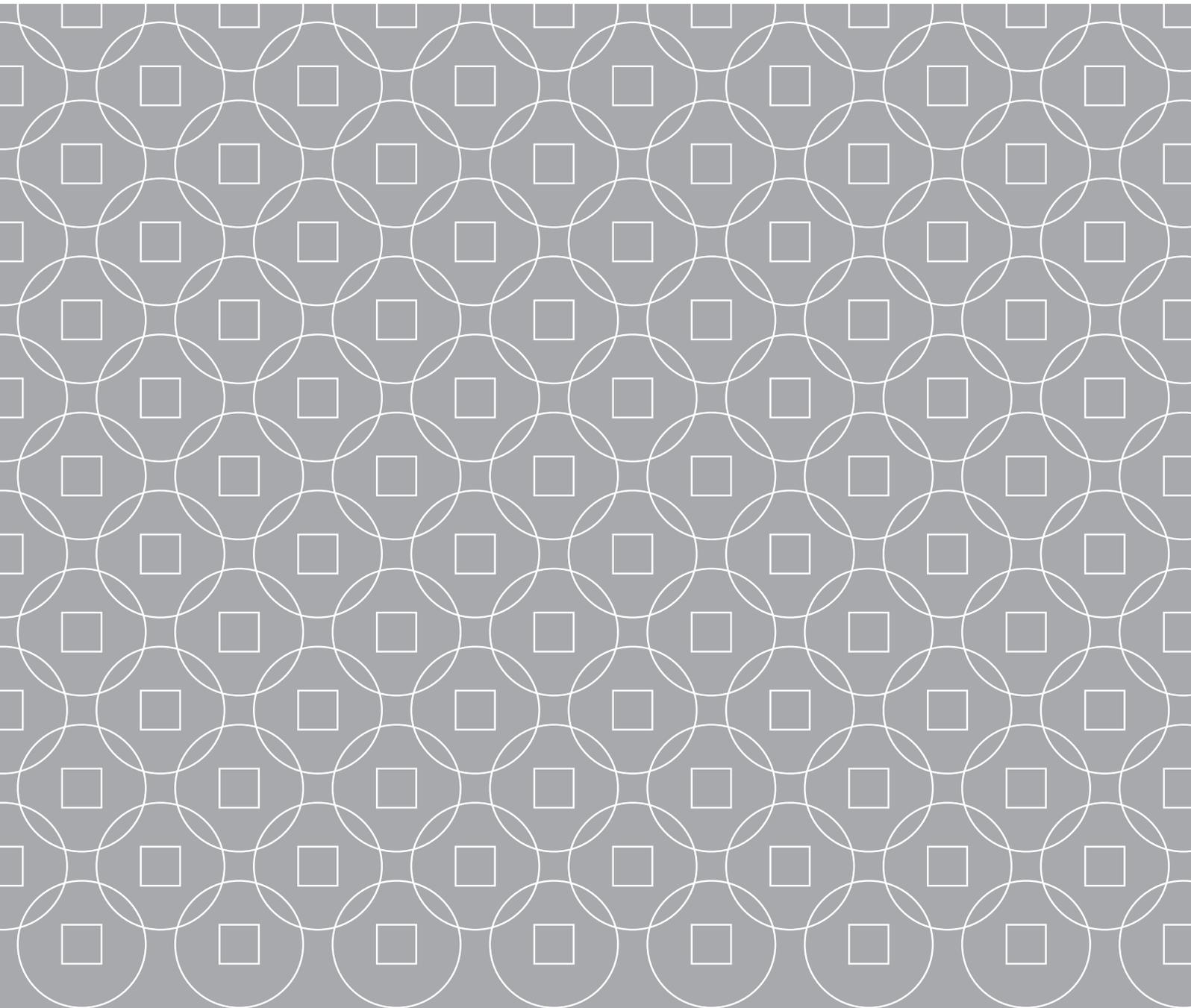


Storebrand Bank

Annual Report 2003



KEY FIGURES

KEY FIGURES

(NOK mill.)	GROUP				PARENT BANK			
	31.12.03		31.12.02		31.12.03		31.12.02	
Profit and Loss account: (as % of average total assets)								
Interest and credit commission income	1 803.9	6.77%	2 600.8	8.41%	1 759.8	6.77%	2 549.7	8.47%
Interest and related expenses	-1 311.2	-4.92%	-1 996.1	-6.46%	-1 300.2	-5.01%	-1 976.2	-6.56%
Net interest and commission income	492.7	1.85%	604.7	1.96%	459.5	1.77%	573.5	1.90%
Income on securities with variable yield	2.4	0.01%	-4.2	-0.01%	2.5	0.01%	4.6	0.02%
Commission and other income from banking services	89.1	0.33%	108.8	0.35%	69.0	0.27%	80.4	0.27%
Commission and other expense for banking services	-19.1	-0.07%	-22.2	-0.07%	-14.8	-0.06%	-21.2	-0.07%
Net gain/loss on securities and foreign exchange	32.4	0.12%	-12.1	-0.04%	26.4	0.10%	-16.1	-0.05%
Commission from sales of savings products and personal risk products to the retail market	194.5	0.73%	167.0	0.54%	194.5	0.75%	167.0	0.55%
Other operating income	20.0	0.08%	17.7	0.06%	18.3	0.07%	19.6	0.06%
Total non-interest income	319.2	1.20%	255.1	0.83%	295.9	1.14%	234.3	0.78%
Salaries and general administration expenses	-481.4	-1.81%	-592.1	-1.92%	-440.9	-1.70%	-497.0	-1.65%
Depreciation of fixed and intangible assets	-37.2	-0.14%	-91.5	-0.30%	-34.7	-0.13%	-48.3	-0.16%
Other operating expenses	-190.2	-0.71%	-146.6	-0.47%	-176.4	-0.68%	-131.5	-0.44%
Total operating expenses	-708.8	-2.66%	-830.2	-2.69%	-652.0	-2.51%	-676.8	-2.25%
Operating profit before losses and write-downs	103.1	0.39%	29.6	0.10%	103.5	0.40%	131.0	0.43%
Loan losses and provisions	-173.8	-0.65%	-411.8	-1.33%	-175.2	-0.67%	-408.6	-1.36%
Profit/loss from fixed asset securities	-38.3	-0.14%	-65.9	-0.21%	-38.1	-0.15%	-220.6	-0.73%
Profit before tax	-109.0	-0.41%	-448.0	-1.45%	-109.9	-0.42%	-498.2	-1.65%
Tax	63.1	0.24%	95.1	0.31%	15.6	0.06%	136.3	0.45%
Profit/loss for the year	-45.9	-0.17%	-352.9	-1.14%	-94.3	-0.36%	-361.9	-1.20%
Main balance sheet items:								
Total assets	25 525.3		28 520.3		25 684.2		27 822.6	
Average total assets	26 657.2		30 917.8		25 977.1		30 113.7	
Total lending to customers	22 697.1		25 851.4		21 720.2		25 164.7	
Equity	1 969.3		2 015.2		1 976.9		2 071.2	
Other key figures:								
Non-interest income as percentage of total income	39.31%		29.67%		39.17%		29.00%	
Loan losses and provisions as percentage of average total lending	0.80%		1.49%		-0.83%		1.51%	
Costs as percentage of operating income	87.30%		96.55%		86.30%		83.78%	
Return on equity after tax ¹⁾	-2.30%		-17.15%		-4.60%		-16.81%	
Capital adequacy:								
Primary capital	2 076.5		2 242.5		2 097.4		2 300.8	
Capital ratio	12.28%		11.42%		13.07%		12.02%	
Core capital ratio	9.79%		8.75%		10.44%		9.28%	

Definitions:

Profit after tax as percentage of average equity

Report of the Board of Directors for 2003

Main features and activities

Storebrand Bank ASA is one of the three main business areas of the Storebrand group. The bank was created by the merger of Finansbanken ASA and Storebrand Bank AS. The merger was legally completed on 17 March 2003, but with accounting effect from 1 January 2003. The accounts for 2003 therefore cover the merged bank's first full year of trading.

Storebrand Bank ASA's corporate vision is to be a modern and reliable bank for the retail market and for selected segments of the corporate market. The bank shall be easy to relate to, with competitive products and prices.

The Board and management were principally concerned with bringing together the two banking operations in 2003. The merger brings Storebrand's strategy for its banking activities into line with the group's overall strategy. The merger has, and continues to, realise significant cost savings through integration of banking functions and systems, leading to operational efficiency and a reduction in headcount.

The Board and management continued to work on protecting and building down the bank's exposure to the loss-exposed segment of the lending portfolio during 2003. The bank has been reorganised to ensure an appropriate allocation of expertise and resources between the retail, corporate and non-strategic lending units, and as part of the bank's stated objective to simplify its strategy and product range the bank disposed of its asset management activities. In spring 2003 Storebrand Bank joined the other Storebrand group companies at Filipstad Brygge in Oslo.

The bank's results for 2003 were significantly affected by the re-focusing of the loan portfolio, reorganisation, relocation and the reduction in headcount.

It is the view of the Board that the bank's loan portfolio was of better quality and exposed to less uncertainty at the close of 2003 than was the case at the previous year-end. The shipping portfolio was reduced from NOK 1.4 billion at the close of 2002 to NOK 822 million at the close of 2003. Total lending was reduced over the course of 2003 by NOK 3.2 billion from NOK 25.1 billion to NOK 21.9 billion, representing a reduction of 12.8%.

The bank has carried out a comprehensive program of work in 2003 to strengthen its financial foundation and diversify funding in terms of investors, maturities and instruments. Combined with the improvement in the bank's performance this has significantly improved the bank's overall financing. The bank's cost of funding fell over the course of 2003, and this trend is expected to continue in 2004.

The Board's objective is to ensure continuing focus on credit quality and the lending portfolio. Together with measures to improve efficiency and focus on operations this will help create a sound basis for future profitability.

The bank has so far continued to use the Finansbanken name and brand for certain customer segments. However following customer surveys, the Board decided in the first quarter of 2004 to phase out the Finansbanken brand in order to focus on Storebrand Bank as the bank's name and brand.

Storebrand Bank operates a separate business unit, Retail Distribution, which is responsible for the Storebrand group's sales and customer service for the retail market. The unit represents a shared distribution platform for all the group's products, and co-ordinates the Storebrand marketing strategy to ensure a unified profile towards retail customers.

The Retail Distribution unit implemented measures in 2003 to improve the effectiveness of the group's sales. This involved reorganising and streamlining the support operation and introducing a

performance monitoring process for the sales operation. A combination of close attention to cost savings and improving the volume of sales per person has produced the intended results. Together with the improving market conditions, these were the main reason for the better results achieved in the retail market in 2003.

A new remuneration system was introduced for financial advisers in 2003, increasing the incentive for advisers to develop long-term customer relationships. The Storebrand group has also developed a unified retail market strategy in 2003 that identifies challenges and lays the ground for Storebrand's focus on the retail market over the coming years.

As part of its continuing development the bank aims to simplify the range of products and services it offers. The combined operation has greater focus on the retail banking market, while continuing to serve selected segments of the corporate market, principally real estate financing in Oslo and the surrounding region.

Financial Results

The Storebrand Bank group reported a profit before loan loss provisions of NOK 103.1 million in 2003 (pro forma NOK 29.6 million in 2002). Losses and increases in loss provisions on loans and guarantees totalled NOK 173.8 million. In addition the bank incurred losses on securities held as fixed assets totalling NOK 38.3 million, principally as a result of the sale of Finansbanken Formuesforvaltning ASA and the liquidation of Finansbanken Forvaltning AS and Finansbanken Plasseringsrådgivning ASA. The pre-tax result for 2003 was a loss of NOK 109.0 million, and after a tax write-back of NOK 63.1 million the group reported a net loss of NOK 45.9 million (pro forma loss of NOK 352.9 million in 2002).

Net interest income amounted to NOK 492.7 million, equivalent to a net interest margin calculated on average total assets of 1.85%. Net interest income fell in 2003 mainly as a result of lower lending volumes and a shift in lending towards a lower risk profile and a higher proportion of residential mortgage lending.

Non-interest income showed an improvement at NOK 319.2 million, helped in particular by higher sales of life insurance savings products.

Operating expenses totalled NOK 708.8 million, equivalent to 87.3% of total operating income. This represents a reduction in the overall cost base of NOK 121.4 million from 2002, equivalent to 15%. Operating expenses include non-recurring items of NOK 31.9 million in respect of property lease commitments, write-downs of fixed assets and costs incurred in reducing employee numbers. All these provisions will lead to lower costs in the future and the bank expects to further improve its cost base in 2004.

Finansbanken Formuesforvaltning ASA was sold in the fourth quarter of 2003, with an accounting loss of NOK 34.9 million before tax. In connection with this disposal, the parent company Finansbanken Forvaltning AS and fellow subsidiary Finansbanken Plasseringsrådgivning were wound up. The restructuring, including the disposal, represented a pre-tax charge of NOK 35.4 million, but also realised a taxable loss for Storebrand Bank. The overall post-tax accounting effect was therefore a gain of NOK 6.4 million.

Gross customer lending fell over the course of 2003 by NOK 3,154 million, equivalent to 12%. The reduction was mainly in corporate lending, and reflected the steps taken by the bank to reduce its overall credit risk.

The bank has reduced its exposure to shipping by 41%, to real estate by 19% and to other corporate sectors by 35%. The retail lending portfolio fell by 5%. However loans totalling NOK 830 million were sold to Storebrand Life Insurance in 2003 resulting in an overall increase in retail lending for the Storebrand group. Gross customer lending amounted to NOK 22,697 million at 31 December 2003.

Report of the Board of Directors for 2003

Non-performing loans, loan losses and assets repossessed

The volume of non-performing loans fell in 2003. Gross non-performing and loss-exposed loans totalled NOK 1,717 million at the close of the year, of which interest is no longer accrued on NOK 1,275 million. This represents an overall reduction of NOK 644 million from the start of the year. The net value of non-performing and loss-exposed loans after specific loan loss provisions amounted to NOK 1,189 million at year-end, equivalent to 5.4% of net lending.

Losses and increases in provisions for loans and guarantees amounted to NOK 173.8 million in 2003. Specific loan loss provisions totalled NOK 527.9 million at year-end. In addition the bank's general loan loss provisions totalled NOK 313 million, equivalent to 1.4% of gross lending.

The bank held repossessed assets totalling NOK 169.4 million at 31 December 2003.

Given the current composition of its lending portfolio, it is the bank's view that long-term average annual level of loan losses should stabilise at 0.30% - 0.35% of gross lending. However continuing improvement in the bank's lending risk profile might reduce the need for general loan loss provisions.

Balance sheet – total assets and subordinated loan capital

Total assets fell in 2003 in pace with the reduction in the lending portfolio. The deposit to loan ratio was 54% at the end of 2003, representing an improvement of 3 percentage points over the course of the year. The bank has a balanced funding structure, basing its funding on customer deposits, issuing securities and borrowing in the Norwegian and international markets. At the close of the year the bank had available undrawn committed credit facilities totalling NOK 3.55 billion. Total assets amounted to NOK 25.5 billion at year-end.

Storebrand Bank group's primary capital amounted to NOK 2,077 million at the close of 2003, and the parent bank had primary capital of NOK 2,097 million. This represents a capital ratio of 12.3% (13.1% for the parent bank) and a core capital ratio of 9.8% (10.4% for the parent bank). The capital ratio improved over the course of the year due to a reduction in total lending and the shift from corporate to residential mortgage lending.

Despite reporting a loss for the year, Storebrand Bank ASA achieved marked improvements in 2003 in the form of lower costs and greater sales efficiency. The lending portfolio developed positively, the volume of non-performing loans reduced, and the bank significantly reduced its exposure to high-risk segments. Storebrand Bank has sound solidity and liquidity.

Group information, subsidiaries and business areas

Storebrand ASA held the entire share capital of 91,937,183 shares in Storebrand Bank ASA at 31 December 2003. Steps were taken in 2003 to significantly rationalise and simplify the corporate structure of the Storebrand Bank group. It was decided that a number of subsidiaries should be closed, and these companies will be wound up in the first quarter of 2004. The wholly owned subsidiary Finansbanken Formuesforvaltning ASA was sold.

The largest operational subsidiaries of Storebrand Bank ASA in 2003 were Finansbanken A/S, Denmark, Finansbanken Index ASA and Finansbanken Formuesforvaltning ASA.

Finansbanken A/S, Denmark

Finansbanken A/S, Denmark reported a post-tax profit for 2003 of DKK 0.27 million (loss of DKK 23.0 million in 2002). The bank will continue to promote its business concept in the business areas where it is currently active.

Finansbanken Index ASA

Finansbanken Index ASA's activities were the marketing and sale of structured products, mainly equity index linked bonds.

The decision was taken to close this company with effect from 31 December 2003. Its business activities will instead be carried out by Storebrand Bank ASA.

Finansbanken Index ASA generated gross operating revenue of NOK 2.4 million in 2003, with a pre-tax profit of NOK 64,730.

Finansbanken Formuesforvaltning ASA

Finansbanken Formuesforvaltning ASA offers long-term strategic investment management of its customers' assets in accordance with individual mandates. The company targets affluent customers with financial wealth in excess of NOK 5 million. Finansbanken Formuesforvaltning ASA manages assets on behalf of its customers by investing in products offered by external and internal suppliers.

The company was sold in the fourth quarter of 2003.

Result for the year, capital adequacy and equity

Storebrand Bank ASA (parent bank) reported a post-tax loss of NOK 94.3 million for 2003 after loan losses and provisions. The Board proposes that the loss be met in full from other equity.

The annual accounts for the parent company and group have been prepared on a going concern basis. The Board regards the group's capital adequacy and core capital adequacy as satisfactory in relation to the present level of activity. The Board is not aware of any material uncertainty attached to the annual accounts or of any significant matters that have arisen since the accounts were prepared.

Disputes

The Storebrand Bank group is not involved in any disputes of material commercial or operational significance.

Guarantees and collateral pledged

At the end of 2003 the group's guarantee portfolio amounted to NOK 781 million, of which payment guarantees amounted to NOK 241.8 million and loan guarantees to NOK 126.4 million. Most of the guarantees have been issued on behalf of customers in respect of real estate operations and property development in the Oslo and Akershus region. At year-end, the bank had deposited government securities totalling NOK 1,533.6 million as collateral for access to Norges Bank's overnight loan facility.

The bank had not pledged any other material collateral at 31 December 2003.

Financial risk

The group's financial risk consists mainly of exposure to credit risk, liquidity risk, interest rate risk, foreign exchange risk and share price risk. Credit risk is considered to be the most significant of these. The Board places great importance on the group maintaining low financial risk.

In order to manage its credit risk exposure, the bank has over a number of years developed a system of delegated authority for credit approval, as well as an overall system for monitoring and classifying credit risks in the loan portfolio. Lending is well diversified in terms of both customers and sectors.

The bank's exposure to credit risk improved over the course of 2003. The proportion of exposures in default or considered high risk was reduced over the course of the year.

Where the bank lends in foreign currency, the loan principal is hedged by corresponding foreign currency funding and/or through NOK funding swapped into foreign currency. Related future interest income and expenses are hedged through forward foreign exchange contracts.

Report of the Board of Directors for 2003

The Board annually reviews a status report detailing the bank's risk exposure. The report is prepared in accordance with Norwegian regulatory requirements, as set out in the internal control regulations.

Environment

The Board is not aware of any aspect of the bank's activities that significantly pollutes the external environment, or which might cause pollution.

The group's organisation

A number of organisational changes were made in 2003, both before and following the merger, particularly in the investment management area. These changes, caused by reorganisations and build-downs, combined with a considerable workload, have put great pressure on the group's employees and their willingness to adapt to change.

In the Board's view the organisation has responded to these challenges very well, and has succeeded in maintaining a good working environment. External consultants carried out an employee satisfaction survey in autumn 2003 that largely confirms this view. In the areas identified for improvement by the survey, action plans have been established. With effect from 2004 the bank will participate in the annual employee satisfaction survey carried out by the Storebrand group.

Storebrand Bank ASA participates in the Storebrand group's agreement with the Norwegian National Insurance authorities for the "More inclusive working life" project. Absence due to illness in the Storebrand Bank group was 5.9% in 2003.

The Storebrand Bank group had a total of 465 employees at 31 December 2003, of which 241 are men and 224 are women. This represents a good overall balance between the sexes. Women account for 33% of the bank's executive management team, and for 41.5% of tier two management. There are no women on the bank's Board of Directors.

The average annual salary for all employees of the banking group is NOK 420,000. The average annual salary for male staff is NOK 522,000, while the average for female staff is NOK 347,000. This differential can in part be explained by the fact that female employees are over-represented in jobs traditionally regarded as more 'junior'.

The group recruited 26 new staff in 2003, of which 17 are men and 9 are women. Approximately 1% of male staff work on a part-time basis whereas 14% of female staff are part-time. Individual part-time arrangements vary from 50% to 90% of full-time employment. Female staff worked the equivalent of 2 years of overtime in total in 2003, as compared to 1.5 years for male staff.

The Board and management work actively to promote employment equality in the Storebrand Bank group. The statistics provided above demonstrates the progress made in this respect, but the Board recognises that the company still faces challenges in promoting equality. Measures have been implemented to improve the group's approach to equal opportunities for both external recruitment and internal promotions. Additional measures in collaboration with the parent company Storebrand ASA are underway.

Strategy and prospects for 2004

Storebrand Bank ASA intends to continue and develop further its objective to be a modern and reliable bank for the retail market and for selected segments of the corporate market. Particular attention will be paid to simplifying and improving the range of products and services offered, and to improving the bank's internal operational efficiency.

The Board will also pay close attention to building down the loss-exposed loan portfolio to ensure that the bank establishes an acceptable risk and profitability profile in its lending activities.

In closing the Board would like to thank the group's customers, business partners and employees for their support and assistance in 2003.

Oslo, 17 February 2004
The Board of Directors of Storebrand Bank ASA

Translation – not to be signed

Idar Kreutzer
Chairman

Hans Henrik Klouman

Per Kumle
Managing Director

Ola Mørkved Rinnan

Roar Thoresen

Stein Wessel-Aas

Lennart Lorentzen

Terje Thon

Ragnvald Bjelde

PROFIT AND LOSS ACCOUNT

NOK mill.	Note	GROUP		PARENT BANK	
		31.12.03	31.12.02	31.12.03	31.12.02
Interest and other income on loans to and deposits with credit institutions		56.7	73.8	57.6	70.4
Interest and other income on loans to and due from customers	1	575.9	2 261.7	1 533.4	2 219.8
Interest on short-term debt instruments, bonds and other interest-bearing securities		158.7	136.1	156.5	130.2
Other interest income and related income		12.6	129.3	12.3	129.4
Total interest income and related income		1 803.9	2 600.8	1 759.8	2 549.7
Interest and other expenses on debt to credit institutions		-159.9	-178.9	-158.8	-179.7
Interest and other expenses on deposits from and due to customers		-686.8	-1 003.3	-677.0	-985.0
Interest and other expenses on securities issued		-411.5	-643.1	-411.5	-643.1
Interest and other expenses on subordinated loan capital		-30.0	-38.7	-30.0	-38.7
Other interest and related expenses		-23.0	-132.2	-23.0	-129.7
Total interest expenses and related expenses		-1 311.2	-1 996.1	-1 300.2	-1 976.2
NET INTEREST AND CREDIT COMMISSION INCOME		492.7	604.7	459.5	573.5
Income from shares and other securities with a variable return		0.6	0.5	0.2	0.1
Income from shareholding in associated companies		0.0	0.2	0.6	0.2
Income from shareholdings in subsidiaries		1.7	-4.8	1.7	4.4
Total dividends and other income from securities with a variable return		2.3	-4.2	2.5	4.6
Guarantee commissions receivable		7.9	12.1	8.2	11.6
Other fees and commissions receivable	2.3	81.2	96.7	60.8	68.9
Total commissions receivable and income from banking services		89.1	108.8	69.0	80.4
Guarantee commissions payable		-0.2	-0.8	0.1	-0.7
Other fees and commissions payable	3	-19.0	-21.4	-14.9	-20.6
Total commissions payable and expenses from banking services		-19.1	-22.2	-14.8	-21.2
Net gain/loss on short-term debt instruments, bonds and other interest-earning securities		7.0	5.9	5.1	4.2
Net gain/loss on shares and other securities with a variable return		2.2	-2.3	0.6	0.1
Net gain/loss on foreign exchange and financial derivatives		23.1	-15.7	20.7	-20.4
Total net gain/loss on foreign exchange and securities held as current assets		32.4	-12.1	26.4	-16.1
Real estate operating income		0.0	0.0	0.0	0.0
Other operating income	4	214.5	184.7	212.8	186.6
Total other operating income		214.5	184.7	212.8	186.6
Salaries		-267.9	-329.8	-239.8	-264.0
Pensions	5	-22.3	-24.1	-20.7	-22.0
Social security expenses		-62.3	-60.0	-59.8	-57.0
Total staff costs		-352.5	-413.9	-320.3	-343.0
Administration expenses		-128.9	-178.2	-120.7	-154.0
Total staff costs and general administration expenses	6	-481.4	-592.1	-440.9	-497.0
Ordinary depreciation		-28.2	-46.3	-25.6	-32.1
Write-downs		-9.0	-45.2	-9.0	-16.2
Total depreciation and write-downs	20	-37.2	-91.5	-34.7	-48.3
Real estate operating expenses		-0.4	0.0	-0.4	0.0
Other operating expenses	7	-189.8	-146.6	-176.0	-131.4
Total other operating expenses		-190.2	-146.6	-176.4	-131.5
Losses and provisions on loans	8, 10	-170.2	-412.1	-171.5	-408.6
Write-back of losses realised in previous years		0.2	0.3	0.0	0.0
Losses and provisions on guarantees		-0.3	0.0	-0.3	0.0
Credit losses on short-term debt instruments, bonds and other interest-bearing securities		-3.5	0.0	-3.5	0.0
Total losses and provisions on loans and guarantees etc.		-173.8	-411.8	-175.2	-408.6
Write-downs		-38.1	-34.6	-38.1	-220.6
Gain/losses		-0.2	-31.3	0.0	0.0
Total write-downs and gain/losses on securities held as fixed assets		-38.3	-65.9	-38.1	-220.6
PRE-TAX OPERATING PROFIT		-109.0	-448.0	-109.9	-498.2
Tax	11	63.1	95.1	15.6	136.3
PROFIT AFTER TAX		-45.9	-352.9	-94.3	-361.9
Transfer from other equity		45.9	352.9	94.3	361.9
Total transfers and allocations		45.9	352.9	94.3	361.9

BALANCE SHEET

Assets

NOK mill.	Note	GROUP		PARENT BANK	
		31.12.03	31.12.02	31.12.03	31.12.02
Cash and deposits with central banks		55.0	363.7	24.4	278.5
Loans to and call deposits with credit institutions		165.6	348.4	144.3	299.8
Loans to and term deposits with credit institutions		118.8	16.3	118.8	0.0
Total loans to and receivables from credit institutions		284.4	364.7	263.1	299.8
Overdraft and current accounts		1 062.5	1 590.9	830.6	1 435.5
Real estate loans		434.1	1 040.8	434.1	1 040.8
Instalment loans	12,13	21 200.4	21 090.5	20 455.5	20 559.0
Loans - other		0.0	2 129.3	0.0	2 129.3
Total lending before specific and general loss provisions	13,14	22 697.1	25 851.4	21 720.2	25 164.7
- Specific loss provisions	8,10	-527.9	-504.0	-509.4	-481.5
- General loss provisions	8,10	-313.4	-312.7	-313.4	-312.7
Total net lending to and due from customers	14	21 855.8	25 034.7	20 897.4	24 370.5
Assets repossessed	15	169.4	12.6	169.4	12.6
Short-term debt instruments and bonds issued by public authorities		1 142.5	1 101.3	1 137.4	1 098.0
Total securities issued by public authorities		1 142.5	1 101.3	1 137.4	1 098.0
Short-term debt instruments and bonds issued by others		940.0	720.2	893.8	678.6
Total securities issued by others		940.0	720.2	893.8	678.6
Total short-term debt instruments, bonds and interest-bearing fixed-return securities	16	2 082.5	1 821.5	2 031.3	1 776.6
Shares, other equity investments and primary capital certificates		24.6	32.4	7.9	12.5
Total shares, other equity inv. and other sec. with a variable return	17	24.6	33.0	7.9	12.5
Shareholdings in associated companies		7.2	5.2	7.2	5.5
Total shareholdings in associated companies	18,19	7.2	5.2	7.2	5.5
Shareholdings in financial companies		0.0	0.0	207.2	97.0
Shareholdings in other group companies		0.0	0.0	99.2	132.2
Total shareholdings in group companies	18	0.0	0.0	306.3	229.3
Goodwill		0.0	39.3	0.0	4.4
Deferred tax assets	11	308.9	248.0	296.2	280.6
Other intangible assets		1.3	3.7	1.3	2.9
Total intangible assets	20	310.1	291.1	297.4	287.9
Machinery, equipment and vehicles		30.1	47.7	27.2	41.3
Buildings and other real estate		5.7	0.3	5.7	0.3
Total fixed assets	20	35.8	48.0	32.9	41.6
Financial derivatives		33.0	23.4	0.0	0.0
Other assets	21,26	405.3	179.3	387.1	165.5
Total other assets		438.3	202.7	387.1	165.5
Accrued income		253.3	323.0	253.3	322.2
Overfunding of pension commitments	5	4.3	7.8	4.3	8.9
Other prepaid expenses		4.7	12.3	3.7	11.3
Total prepaid expenses		9.0	20.1	8.0	20.2
Total prepaid expenses and accrued income		262.3	343.1	261.4	342.4
TOTAL ASSETS		25 525.3	28 520.3	24 685.8	27 822.6

Liabilities and equity

NOK mill.	GROUP		PARENT BANK		
	31.12.03	31.12.02	31.12.03	31.12.02	
Loans and call deposits from credit institutions		65.1	7.5	56.7	6.9
Loans and term deposits from credit institutions		3 146.2	4 283.1	3 031.4	4 283.1
Total debt to credit institutions		3 211.3	4 290.6	3 088.1	4 290.0
Loans and call deposits from customers		10 933.5	11 452.9	10 394.3	10 883.0
Loans and term deposits from customers		1 429.0	1 746.1	1 251.3	1 579.9
Total deposits from and due to customers	22	12 362.4	13 199.0	11 645.6	12 462.9
Short-term debt instruments and other short-term funding		1 414.2	2 625.8	1 414.2	2 625.8
- own unamortised short-term debt instruments		-45.1	-609.3	-45.1	-609.3
Bond debt	23	6 724.8	6 136.1	6 724.8	6 136.1
- Own unamortised bonds	23	-1 240.6	-296.7	-1 240.6	-296.7
Total securities issued		6 853.3	7 855.9	6 853.3	7 855.9
Financial derivatives		15.3	15.2	0.0	0.0
Other debt	24,26	446.7	242.5	457.1	251.9
Total other debt		462.0	257.7	457.1	251.9
Total accrued expenses and prepaid income		207.4	323.5	206.9	323.0
Pension commitments etc.	5	21.7	19.7	21.7	19.7
Specific loss provisions for guarantee liabilities		0.3	0.0	0.3	0.0
General loss provisions for guarantee liabilities		1.6	1.6	1.6	1.6
Other provisions for accrued commitments and expenses		15.0	33.2	13.3	22.6
Total provisions for accrued commitments and expenses	25	38.5	54.5	36.8	43.9
Subordinated loan capital with conversion rights		9.3	9.3	9.3	9.3
Other subordinated loan capital		411.8	514.7	411.8	514.7
Total subordinated loan capital	29	421.1	524.0	421.1	524.0
TOTAL LIABILITIES		23 556.0	26 505.1	22 708.9	25 751.4
Share capital		1 315.9	1 315.9	1 315.9	1 315.9
Share premium reserve		714.5	714.5	714.5	714.5
Total paid-in share capital		2 030.4	2 030.4	2 030.4	2 030.4
Other reserves		-15.1	337.8	40.8	402.7
Profit for the year		-45.9	-352.9	-94.3	-361.9
Total accrued reserves		-61.1	-15.1	-53.5	40.8
TOTAL EQUITY	30	1 969.3	2 015.2	1 976.9	2 071.2
TOTAL LIABILITIES AND EQUITY		25 525.3	28 520.3	24 685.8	27 822.6

Oslo, 17 February, 2004

The Board of Directors of Storebrand Bank ASA

Translation - not to be signed

Idar Kreutzer
Chairman

Hans Henrik Klouman

Per Kumle
Managing Director

Ola Mørkved Rinnan

Roar Thoresen

Stein Wessel-Aas

Lennart Lorentzen

Terje Thon

Ragnvald Bjelde

ANALYSIS OF CASH FLOW

NOK mill.	Group		Parent bank	
	2003	2002	2003	2002
Interest and credit commission income	1 803.9	2 600.8	1 759.8	2 552.7
- Interest expenses	-1 311.2	-1 996.1	-1 300.2	-1 979.2
+ Non-interest income	338.3	289.3	310.7	272.3
- Operating expenses	-728.8	-772.9	-632.2	-666.5
- Gain on disposal of fixed assets	-3.7	-65.9	-3.5	0.0
= Net cash flow from operations (A)	98.5	55.2	134.6	179.3
-/+ Decrease (increase) in receivables from credit institutions	80.3	30.4	36.6	-40.8
-/+ Decrease (increase) in loans and due from customers	3 009.0	2 282.3	3 301.6	2 670.4
-/+ Decrease (increase) in assets repossessed	-156.7	46.2	-156.7	46.2
-/+ Decrease (increase) in short-term debt instruments, bonds and other securities	-258.7	541.3	-254.7	5.1
-/+ Decrease (increase) in shareholdings	8.4	50.5	4.7	24.3
-/+ Investment in subsidiaries and associated companies	-2.0	34.2	-116.9	-9.2
-/+ Investments in fixed assets	16.7	9.0	-19.9	-23.7
+ Sale of fixed assets	0.0	0.0	0.0	0.3
-/+ Decrease (increase) in other assets	-235.7	275.4	-221.7	317.3
-/+ Decrease (increase) in prepaid expenses and accrued income	80.8	181.6	81.0	163.1
= Net cash flow from financial activities (B)	2 542.1	3 450.8	2 654.1	3 153.1
+/- Increase (decrease) in deposits from financial institutions	-1 079.3	-60.1	-1 201.8	101.9
+/- Increase (decrease) in deposits from customers	-836.6	-701.2	-817.4	-685.6
+/- Increase (decrease) in issues of own securities	-1 002.6	-2 549.9	-1 002.6	-2 539.9
+/- Increase (decrease) in other liabilities	204.3	-342.0	205.2	-103.6
+/- Increase (decrease) in accrued expenses and prepaid income	-116.1	-128.2	-116.1	-126.1
+/- Increase (decrease) in provisions for commitments and expenses	-16.3	-17.8	-7.3	-11.5
+/- Increase (decrease) in subordinated loan capital	-102.9	-20.5	-102.9	-20.5
+ Increase in share capital and paid-in share premium	0.0	235.0	0.0	235.0
= Net cash flow from financing activities (C)	-2 949.4	-3 584.6	-3 042.8	-3 150.3
Net change in cash and cash equivalent assets (A+B+C)	-308.8	-78.5	-254.1	182.1
+ Cash and cash equivalent assets at 01.01 *)	363.7	442.2	278.5	96.3
= Cash and cash equivalent assets at 31.12 *)	55.0	363.7	24.4	278.5

*) Cash and cash equivalent assets include cash, cash deposits and deposits with Norges Bank.

ACCOUNTING POLICIES AND PRINCIPLES OF VALUATION

The accounts of Storebrand Bank have been prepared in accordance with relevant laws, regulations and provisions, and comply with generally accepted accounting principles in Norway. When applying the accounting principles and presenting transactions and other matters, due consideration is taken of commercial reality in addition to legal form. The same accounting principles are applied to both the parent bank and the group.

Consolidation

The consolidated accounts include the parent bank, Storebrand Bank ASA, and its subsidiaries. Subsidiaries are defined as companies in which the parent bank is a long-term shareholder with more than 50% of the voting share capital. On consolidation, inter-company balances are netted. If the parent bank owns less than 100% of the share capital, this is reflected by showing minority interests in the profit and loss account and balance sheet.

Companies acquired are consolidated in accordance with the past equity method from the date of acquisition. The difference between cost price and the net book value of assets at the time of acquisition, corrected for any values in excess of or less than book values, is classified as goodwill and amortised on a straight-line basis over a stipulated period. The profit and loss account of foreign subsidiaries is translated into Norwegian kroner at the average exchange rate for the year, whilst the balance sheet is translated at the exchange rate on the balance sheet date.

Where the group's ownership interest in a company is between 20% and 50% of the voting capital and the group exercises significant influence, the investment is treated as an associated company. Associated companies are accounted for on the equity method of accounting in the consolidated and parent company accounts. Companies acquired by way of repossession as collateral for lending are not consolidated since they are not intended to be long term investments.

The parent company accounts recognise shareholdings in subsidiaries on the cost method of accounting.

Recording of income and accruals

Prepaid income is accrued and entered as a liability in the balance sheet. Accrued income receivable is taken to income and recorded under accounts receivable.

Loan arrangement fees, commissions etc. payable by the customer when a loan is first made available that do not form part of the normal repayment schedule of the loan, are recognised as income over the loan period to the extent that such income exceeds the direct costs of establishing the loan commitment.

Dividends are recognised as income when received. Dividends and group contributions from subsidiaries are taken to income in the year in which they are provided for in the accounts of the paying company to the extent that this represents a return on investment.

In calculating gains or losses on the sale of securities, the cost price is defined as the average purchase cost.

Foreign exchange

All accounts receivable or payable in foreign currency are converted into Norwegian kroner (NOK) at the mid-market rate at year-end. Income and expenses denominated in foreign currency are converted into NOK at the prevailing rates at the time of each transaction.

Financial derivatives

Financial derivatives are contracts entered into with either customers or banks in respect of future interest rates or foreign exchange rates. These agreements include forward foreign exchange transactions, foreign exchange options, future rate agreements (FRAs), financial futures and interest rate swaps.

A distinction is made between agreements which are part of the bank's own trading activities entered into in order to make a profit on price and interest rate movements, and agreements which are entered into as part of the bank's other activities. The first of these categories forms part of the bank's trading portfolio, while the second category forms part of banking operations (the banking portfolio). Foreign exchange and interest rate related agreements are classified when entered into either as trading portfolio transactions or as belonging to the banking portfolio. The purpose of hedging agreements is to neutralise existing or expected interest rate and/or foreign exchange exposure. To be classified as a hedging agreement, there must be a close connection between the

price and value of the contract and the item hedged. Interest rate and foreign exchange contracts used to hedge the bank's balance sheet items or other financial instruments are valued in connection with the item hedged. Income from and expenses related to these contracts are recognised to the profit and loss account together with the items hedged.

Financial derivatives in the trading portfolio are valued on the basis of market value at year-end. Net change in market value is recognised in the profit and loss account as a gain or loss on foreign exchange and financial derivatives.

Shares and investments

Both shares classified as current assets and shares classified as long-term shareholdings are valued at the lower of the acquisition cost and market value at year-end.

Bonds and short-term debt instruments

The bank's holdings of short-term debt instruments and bearer bonds are split into two portfolios.

Securities used to hedge corresponding items on the other side of the balance sheet are stated at cost. Premiums/discounts are recognised to profit and loss over the bond's residual period to maturity.

Securities that are not part of the hedging portfolio are valued at the lower of the portfolio's aggregate market value and cost. This also applies to forward purchases of securities.

Equity index linked bonds

The bank issues index linked bonds which comprise three elements: the issue of a bond loan, the issue of a call option related to a stock exchange index and the purchase of an option to fully hedge the option element of the index linked bond. The bond loan and the option agreements are entered into simultaneously and are treated as a single transaction. The discount on the bond loan element is amortised up to nominal value in the period to maturity as an interest expense.

The option premium paid on the option bought plus commission paid are recognised to profit and loss in part at the date of issue and the balance is amortised over the life of the bonds issued.

Options are shown as gross amounts under the headings "other assets" and "other liabilities" in the balance sheet on the basis of market value at 31 December.

Long-term funding transactions

Direct expenses related to long-term debt issues are capitalised in the balance sheet and depreciated over the period until the next interest fixing date/maturity. Any premium /discount arising on the issue of securities is recorded in the profit and loss account over the period until the next interest fixing date/maturity as an adjustment to interest expenses. Holdings of bonds issued by the bank are netted against bond debt in the balance sheet. Gains or losses on the purchase and sale of own bonds in the secondary market are treated as premiums/ discounts on issue.

Fixed assets

Fixed assets are stated in the balance sheet at cost less ordinary depreciation. Fixed assets are written down if there is a difference between the actual value and the book value that is not considered to be temporary. Fixed assets are depreciated on a straight-line basis over the economic life of the assets. Ordinary depreciation is recorded as an operating expense.

The following depreciation rates are used:

Asset type	Annual depreciation
- Real estate	2-5%
- Vehicles	20%
- Machinery/equipment	20%
- IT equipment	30%

Defaults and losses on loans and guarantees

Losses on loans and guarantees are based on a review of the loan and guarantee portfolios at year-end, applying the valuation rules issued by the Financial Supervisory Authority of Norway (Kreditttilsynet or the 'FSA'). Non-performing and doubtful commitments are monitored and assessed continuously. At the end of each quarter the bank carries out a specific appraisal of losses on loans and guarantees.

Defaults: In accordance with the FSA's regulations, a commitment is considered to be in default if a contractual payment is not received within 90 days from the due date, or where an account is overdrawn without authorisation and the situation is not rectified within 90 days. Commitments where bankruptcy/ insolvency or debt settlement proceedings have started are also considered as being in default.

Specific loan loss provisions: When a commitment is identified as doubtful because of bankruptcy/ insolvency or debt settlement proceedings, legal collection, attachment of property, distraint or other non-performance, the need for a specific loss provision is evaluated.

In the event of bankruptcy/insolvency, a compromise agreement with creditors or debt settlement proceedings, the value of the loan collateral forms the basis of the loss assessment. In the event of default, the loss assessment also takes account of the debtor's financial position and debt-servicing ability.

When the borrower is not in default but the commitment is affected by other circumstances such as the level of liquid funds, solvency, the ability to generate earnings or the value of the loan collateral, the commitment is regarded as doubtful and the necessary specific loss provision is made.

Specific loan loss provisions are recorded separately in the balance sheet and deducted from total lending.

General loan loss provisions: In addition to recording realised losses and specific loss provisions, general loss provisions are also made. These provisions are intended to cover conditions existing at year-end which may lead to losses on commitments not identified and assessed as requiring specific loss provisions in accordance with the rules for such evaluation. General loss provisions are intended to cover debtor groups which represent a clear risk of loss because of factors existing at year-end (e.g. industry-related risk, risk categories, geographic areas etc.).

Realised loan losses: Realised losses are recognised in the accounts in the case of bankruptcy, a legally binding composition with creditors, failure to receive a court order for attachment of property, a legally binding judgement, or if the bank has terminated legal collection procedures or has otherwise renounced the commitment or its share of the commitment. Realised losses are deducted from total lending in the balance sheet.

Non-accrual of interest: Where the evaluation of a loan in default leads to a specific loss provision being made and the collateral available is insufficient to cover interest and commission due, the recognition to profit and loss account of interest, commissions and fees related to the commitment ceases. At the same time, a reversing entry is made for interest, commissions and fees accrued but not received in the current year. Where a specific loss provision has been made but the loan is not in default, consideration is given to ceasing accrual of interest, commissions and fees on a case-by-case basis.

Reinstatement of loans and guarantees

When remedial action has been taken and a previous doubtful debt is no longer considered to be doubtful, the commitment is reinstated. Accrued interest due is then taken to income as interest income and a reversing entry is made for the specific loss provisions made for the commitment.

Assets repossessed

As part of the bank's loss management procedures, assets provided as loan collateral are in some cases repossessed by the bank. Repossessed assets are valued at estimated realisable value at the date of repossession, and are stated separately in the balance sheet at the lower of estimated realisable value or the principal and interest outstanding secured on the assets in question. Repossessed assets are shown as a separate item in the balance sheet.

Any loss/gain on realisation or write-down due to a fall in value in respect of assets repossessed is debited or credited to loan losses.

Deferred tax/tax charge

The tax charge in the profit and loss account reflects the tax on income arising from the accounting profit and consists of the tax

payable for the period and the change in deferred tax. In the balance sheet, deferred tax/deferred tax assets are calculated at a rate of 28% on the temporary differences between balance sheet values for accounting and taxation purposes after setting off any tax loss carried forward at the balance sheet date. Tax increasing and tax reducing timing differences are netted against each other if they occur within the same period. Deferred tax assets are capitalised in the balance sheet if it is considered likely that the benefit can be applied in respect of future earnings.

Pension costs and pension liabilities

Pension costs and pension liabilities are treated for accounting purposes in accordance with the accounting standards for pension costs issued by the Norwegian Accounting Standards Board.

The net pension cost for the period consists of the sum of pension liabilities accrued in the period, the interest charge on the estimated liability and the expected return on the pension funds.

Prepaid pension is the difference between the actual value of the pension funds and the present value of estimated pension liabilities, and is booked as a long-term asset in the balance sheet. Correspondingly a long-term liability arises in the accounts when the pension liability is greater than the pension funds. A distinction is made between insured and uninsured schemes. The uninsured scheme will always be entered as a liability since it does not have a pension fund.

The effects of changes in assumptions, deviations between calculated and estimated pension liabilities and the difference between the expected and actual return achieved on pension funds are charged to profit and loss over the remaining period for pension accrual or the expected remaining life once the cumulative effect exceeds 10% of the higher of either the pension liability or pension funds at the start of the year (the 'corridor approach').

Leasing

Operational leasing obligations are recorded as leasing expenses in the profit and loss account.

Extraordinary items

Income or expenses are classified as extraordinary items if they are significant, of an unusual nature and not expected to arise regularly. All three criteria must be met before an item can be treated as extraordinary.

All figures shown for previous years are comparable pro forma figures based on the accounts of the two banks for these years.

NEW INTERNATIONAL ACCOUNTING STANDARDS (IFRS) FROM 1 JANUARY 2005

The European Parliament has decided that all listed companies in the European Union and the countries of the European Economic Area must produce consolidated accounts in accordance with International Financial Reporting Standards (IFRS) with effect from the 2005 accounting year. A commission was set up in Norway to review the current Accounting Act and make proposals on changes to the Act in the light of the changes in international reporting standards. The Commission has now published its report (NOU 2003:23), and proposes that companies that are not stock exchange listed should also be permitted to produce their consolidated accounts in accordance with IFRS. The Storebrand group will consider exercising the option to use IFRS for the companies in the group.

Storebrand has launched a project to prepare for the implementation of the IFRS standards. The project has completed the task of identifying the differences between the accounting principles used at present and the IAS/IFRS standards as currently defined. The project will move into an implementation phase in 2004, in which the central activities will be the production of opening balances at 1 January 2004 in accordance with IFRS, restating 2004 quarterly interim accounts to provide comparable figures for 2005 and making the necessary changes to the systems that generate accounting reports. The project will also monitor the work of the International Accounting Standards Board (IASB) and take into account any changes to accounting standards or new accounting standards that may be introduced.

Notes

Note 1: Remuneration of key personnel etc.

	No. of shares owned 1)	No. of bonus unit 2)	Loan NOK 1.000	Interest rate at 31.12.03	Repayment basis 3)	Severance Pay
Senior Executives 4)						
Per Kumle 5)	10 350		5 400	2.85%	SE 2017/2027	24 months
Inge Andersen	690		1 068	2.85%	AN 2023	9 months
Sverre Edin	690		1 686	2.85% - 7.5%	AN 2012/2032,SE 2006	
Kirsti Haarsvik			1 078	2.85%	AN 2015	
Per Kjetil Lilleskare			1 174	2.85%	AN 2027	9 months
Eli Longva	165		1 776	2.85% - 3.35%	SE 2010/2022	12 months
Lars Løddesøl	1 525	50 000	2 929	2.85% - 3.35%	AN 2015/2031	18 months
Jon Tørmoen			951	2.85%	AN 2019	
Anne Grete T. Wardeberg						
Målfrid Brath	1 375	75 000	2 453	2.85% - 3.35%	SE 2012/2015/2021	18 months
Board of Directors 6)						
Idar Kreutzer 7)	1 600	560 000	5 682	2.85% - 3.80%	AN 2021/2031	
Ragnvald Bjelde	1 063		1 769	2.85% - 7.45%	SE 2004/2006/2020	
Hans Henrik Klouman	1 288	340 000	1 200	3.15%	AN 2025	
Per Kumle	10 350		5 400	2.85%	SE 2017/2027	
Lennart Lorentzen	690		1 856	2.85% - 4.19%	SE 2009/2026/2030	
Ola Mørkvéd Rinnan						
Terje Thon			63	4.45%	SE 2005	
Roar Thoresen	350		1 140	2.85%	AN 2022	
Steinar Wessel-Aas						
Control Committee	64		1 835	3.35%	AN 2023	

1) The summary shows the number of shares owed in Storebrand ASA by the individual, as well as his or her close family and companies where the individual exercises significant influence (cf. Accounting Act 7-26).

2) The Storebrand Group has a cash bonus scheme for key managers which is linked to the share price development of the Storebrand share. The bonus, which can be paid out no earlier than 2 or 3 years after it is awarded, is calculated as the difference between market share price and the contract share price of NOK 60, and is paid out in cash. The bonus scheme has defined periods in which it can be exercised, and expires no later than 2009. No further awards are made under this scheme.

3) AN= Level payment loans, SE=Instalment loans, final payment.

4) Senior employees are contractually entitled to performance related bonuses related to the group's value-based management system. In the event of termination of employment in certain defined circumstances, such as receiving notice from the company, senior employees are entitled to guaranteed income/salary for periods that vary from 9-24 months after the normal notice period.

5) The terms of employment for Per Kumle, Managing Director of Storebrand Bank ASA, provide at guarantee of 24 month's salary following the expiry of the normal notice period. All forms of work-related income from other sources, including consultancy assignments, will be deducted from such payments after 18 months. Kumle is entitled to a performance-related bonus based on the group's ordinary bonus scheme. Payments under the ordinary bonus scheme are payable in three instalments. The group's value creation finances the overall amount of the bonus, but individual performance determines allocation. Kumle's individual bonus entitlement is credited to a bonus account, and 1/3 of the balance on the bonus account is paid each year. The payment in 2004 is estimated at NOK 1.6 million. Kumle is a member of the Storebrand pension scheme on normal terms including retirement at age 65. Note that pension rights are earned for salary above 12 G, entitling Kumle to a paid-up policy also for salary above 12 G if employment is terminated before retirement. The discounted present value of his pension entitlement amounts to NOK 0.6 million, made up of NOK 0.1 million in the insured scheme and NOK 0.5 million in the uninsured scheme. These amounts represent the liability of the insured and uninsured scheme calculated on a linear basis using the financial assumption specified in the accounts (cf. note 5).

6) Bonus schemes for members of the Board are connected with their employment in Storebrand ASA.

7) Idar Kreutzer, the Chairman of the Board, does not receive any remuneration from Storebrand Bank for this appointment, and the company has no liability in respect of changes to or termination of his appointment as Chairman. The terms of employment for Idar Kreutzer, Chief Executive Officer for the Storebrand group, provide at guarantee of 24 month's salary following the expiry of the normal notice period. All forms of work-related income from other sources, including consultancy assignments, will be deducted from such payments. Kreutzer is entitled to a cash bonus scheme based on the performance of Storebrand's share price and a performance-related bonus based on the group's ordinary bonus scheme. Payments under the ordinary bonus scheme are payable in three instalments. The group's value creation finances the overall amount of the bonus, but individual performance determines allocation. Kreutzer's individual bonus entitlement is credited to a bonus account, and 1/3 of the balance on the bonus account is paid each year. The payment in 2004 is estimated at NOK 0.75 million. Kreutzer is a member of the Storebrand pension scheme on normal terms including retirement at age 65. The discounted present value of his pension entitlement amounts to NOK 4.2 million, made up of NOK 0.5 million in the insured scheme and NOK 3.7 million in the uninsured scheme. These amounts represent the liability of the insured and uninsured scheme calculated on a linear basis using the financial assumption specified in the accounts (cf. note 5) As Chief Executive Officer of the Storebrand Group, Idar Kreutzer was entitled to a bonus scheme participation at 31 December of 560,000 units representing the difference between the actual Storebrand share price at a future date and the allocation price. The allocation price for 500,000 units allocated on his appointment as CEO was fixed by reference to the closing share price on Oslo Børs over the week before his appointment on 22 December 2000 (NOK 59.33) and is adjusted monthly on the 1st of every month with a cost of capital of 10% per annum less any dividend for the period. The allocation price for the 500,000 units at 31 December 2003 was therefore NOK 77.64. These units can be exercised between 1 January 2004 and 31 December 2004 or at the settlement date of any earlier acquisition, merger, etc. The allocation price for the other 60,000 units allocated on 22 May 2002 is the volume weighted average of the closing share price on Oslo Børs for the last two weeks of 2001, 2002 and 2003 with 20,000 units allocated to each year and is adjusted monthly on the 1st of every month with a cost of capital of 10%. The allocation price at 31 December 2003 was NOK 62.36, NOK 29.13 and NOK 42.66 for the units which saw their price fixed at the end of 2001, 2002 and 2003 respectively. Exercise of these units can take place in 2005, 2006 and 2007 with 20,000 units allocated to each year. Idar Kreutzer's cash bonus scheme described above was cancelled in February 2004 at the initiative of the CEO himself.

Remuneration of officers of the company:	Parent bank 2003
NOK 1,000	
Managing Director *)	4 165
Chairman of the Board	0
Other Board members	625
Control Committee	380

*) Includes normal salary, pension provision and other taxable benefits.

Notes

Remuneration of the auditor:

	Group	Parent bank *)
NOK 1.000	2003	2003
Audit	5 069	3 907
Consultancy	597	81
Total	5 666	3 988

*) Remuneration for audit of subsidiaries is NOK 197,000 and consultancy is NOK 67,000.

Staffing and personnel:

	Group		Parent bank	
	2003	2002	2003	2002
Average number of employees	518	598	470	543.5
Number of employees at 31.12	467	569	427	513
Full time equivalent positions	455.6	546.2	418.6	494.4

Note 2: Accrual of commissions and arrangement fees

NOK mill.	Group		Parent bank	
	2003	2002	2003	2002
Accrued fees and commissions at 01.01	26.7	27.5	26.7	27.5
Fees and commissions received	28.3	47.6	28.3	47.6
Fees and commissions recognised to profit and loss account	-35.4	-48.4	-35.4	-48.4
Accrued fees and commissions at 31.12	19.6	26.7	19.6	26.7

Note 3: Commissions and fees on banking services

NOK mill.	Group		Parent bank	
	2003	2002	2003	2002
Other fees and commissions receivable				
Loan fees	12.5	15.0	12.5	15.0
Money transfer fees	20.8	22.2	20.7	22.0
Service charges on deposit accounts	9.7	8.2	9.7	8.2
Brokerage on equity index linked bonds	15.2	19.9	15.2	19.9
Fees from securities trading and management	10.8	8.7	0.0	0.0
Other commission income	12.1	22.7	2.7	3.8
Total other fees and commissions receivable	81.2	96.7	60.8	68.9
Other fees and commissions payable				
Money transfer fees	-13.1	-16.5	-13.1	-16.5
Fee on securities to Norwegian Registry of Securities	-0.6	-2.9	-0.6	-2.9
Other commission expenses	-5.3	-2.0	-1.2	-1.2
Total other fees and commissions payable	-19.0	-21.4	-14.9	-20.6

Note 4: Other operating income

NOK mill.	Group		Parent bank	
	2003	2002	2003	2002
Income on distribution and management of loans	8.0	6.9	8.0	6.9
Income on distribution of mutual fund products	11.4	9.1	11.4	9.1
Income on distribution of life insurance products	143.0	118.1	143.0	118.1
Income on distribution of health insurance products	6.7	7.2	6.7	7.2
Income on distribution of unit linked products	25.4	25.7	25.4	25.7
Other income	20.0	17.7	18.3	19.6
Total other operating income	214.5	184.7	212.8	186.6

Storebrand Bank AS is responsible for distribution and management of the loan portfolio on behalf of Storebrand Livsforsikring AS and Storebrand Skadeforsikring AS. Storebrand Bank AS is also responsible for distribution of mutual funds on behalf of Storebrand Fondene AS, for distribution of health insurance products on behalf of Storebrand Helseforsikring AS, unit linked products on behalf of Storebrand Fondsforsikring AS and life insurance products on behalf of Storebrand Livsforsikring AS.

Note 5: Pension cost and pension liabilities

Staff pensions are provided by a group scheme, primarily with Storebrand Livsforsikring AS, in accordance with the rules on private occupational pension schemes. Pensions are payable at pension age which is 67 for employees and 65 for underwriters. The ordinary retirement age is 65, and a pension equivalent to 70% of pensionable salary becomes payable on retirement. The pension benefits form a part of the standard terms applicable to employment by Storebrand ASA.

Early retirees are defined as those who retire before reaching age 65. Pension costs and pension liabilities are treated for accounting purposes in accordance with the accounting standards for pension costs issued by the Norwegian Accounting Standards Board (see also Accounting principles).

Notes

Both insured and uninsured schemes are treated as defined benefit plans. In view of lower interest rates, the financial assumptions were amended with effect from 31 December 2003. The changed assumptions affect pension liabilities at 31 December 2003. The effect of the changes is shown in the deviation not applied to P&L at 31.12.03. However the changes do not affect the pension cost or the amortisation of the deviation booked in 2003.

The following assumptions were used in the calculations for 2003:

	Reflected in pension cost:	Reflected in estimated deviation 31.12.03
Financial assumptions:		
-Return on pension funds	8.00%	7.00%
-Discount rate	7.00%	6.50%
-Annual salary growth	3.00%	3.00%
-Expected adjustment of Social Security Funds's basic amount (G)	3.00%	3.00%
-Annual pension increase	2.50%	2.00%

Actuarial assumptions:

- Standardised assumptions on mortality/morbidity and other demographic factors, as produced by the Norwegian Insurance Association
- Average employee turnover rate of 2-3% of entire workforce
- Linear earnings profile

The calculations apply to 434 employees.

Net pension costs

	Group			2002 Total	Parent bank			2002 Total
	Insured scheme	2003 Uninsured scheme	Total		Insured scheme	2003 Uninsured scheme	Total	
NOK mill.								
Pension liabilities accrued for the year	-13.8	-5.2	-19.0	-21.4	-13.8	-5.2	-19.0	-20.8
Interest expenses	-10.9	-2.4	-13.4	-12.8	-10.9	-2.4	-13.4	-12.8
Expected return of pension funds	13.6	0.0	13.6	13.6	13.6	0.0	13.6	13.6
Effect of changes in estimated deviation recognised to P&L	0.0	-0.9	-0.9	-0.5	0.0	-0.9	-0.9	-0.5
Effect of changes in pension plan recognised to P&L	-0.2	0.0	-0.2	0.1	-0.2	0.0	-0.2	-0.2
Accrued employer's contribution	0.0	0.0	0.0	-0.8	0.0	0.0	0.0	-0.7
Pension costs charged in the accounts	0.0	0.0	0.0	-1.8	0.0	0.0	0.0	
Net pension cost	-11.4	-8.5	-19.8	-23.6	-11.4	-8.5	-19.8	-21.4

If the changed assumptions were used in the calculations, the pension cost for 2003 will be: -21.0

In addition accrued employer's contributions totalling NOK 1.1 million in respect of the uninsured scheme were charged to the profit and loss account in 2003.

Calculated liability

Shown below is a reconciliation of the estimated pension liability, and the pension funds held in respect of this, to the liability and funds booked in the balance sheet.

Net pensions liability

	Group			2002 Total	Parent bank			2002 Total
	Insured scheme	2003 Uninsured scheme	Total		Insured scheme	2003 Uninsured scheme	Total	
NOK mill.								
Earned pension liability	-147.5	-30.5	-178.0	-165.3	-147.5	-30.5	-178.0	-165.3
Estimated effect of future salary growth	-44.0	-10.7	-54.8	-50.3	-44.0	-10.7	-54.8	-49.4
Estimated pension liability	-191.5	-41.2	-232.7	-215.6	-191.5	-41.2	-232.7	-214.7
Market value of pension funds	187.0	0.0	187.0	193.6	187.0	0.0	187.0	192.7
Net estimated pension liability/surplus	-4.5	-41.2	-45.8	-22.0	-4.5	-41.2	-45.8	-22.0

Estimated deviation

Estimated deviation not recognised to P&L *)	-2.8	18.7	15.9	7.2	-2.8	18.7	15.9	8.1
Changes in estimated deviation because of changes in assumptions at 31.12	9.8	0.8	10.6	0.0	9.8	0.8	10.6	0.0
Estimated deviation not recognised to P&L	7.0	19.6	26.5	7.2	7.0	19.6	26.5	8.1

Change in pension plan

Change in pension plan not recognised to P&L	1.9	0.0	1.9	2.1	1.9	0.0	1.9	2.1
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Net pension liability as shown in the balance sheet

	4.3	-21.7	-17.4	-12.7	4.3	-21.7	-17.4	-11.8
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*) Deviation from estimates are booked against the "corridor" in accordance with Norwegian Accounting Standards, and are not reflected in the balance sheet or P&L account (cf. Accounting Principles)

Calculated employer's contribution (NOK 3.0 mill) of recorded pension liability are included in the balance sheet under the item "Provision for accrued commitments and expenses".

Notes

Note 6: Staff costs and general administration expenses

NOK mill.	Group		Parent bank	
	2003	2002	2003	2002
Ordinary salaries	266.8	329.8	239.8	264.1
Employer's contribution	40.6	50.3	37.3	47.3
Other staff costs *)	22.5	9.0	22.5	9.0
Pension costs	22.6	24.8	20.7	22.6
Total staff costs	352.5	413.9	320.3	343.0
Equipment rentals and maintenance	70.8	78.2	71.0	74.5
Stationary, supplies and postage	17.8	23.3	17.1	22.5
Travel expenses and training expenses	11.7	22.3	10.7	21.5
Marketing and advertising	28.6	54.4	21.8	35.5
Total administration expenses	128.8	178.2	120.6	154.0
Total staff costs and administration expenses	481.4	592.1	440.9	497.0
*) Including expenses related to interest rate subsidies on loans to employees	2.8	4.5	2.8	4.4

Note 7: Other operating expenses

NOK mill.	Group		Parent bank	
	2003	2002	2003	2002
Contract personell	32.1	37.3	31.5	36.7
Operating expenses on rented premises	78.0	59.3	73.6	54.0
Inter-company charges for services	50.3	33.1	50.5	33.8
Other operating expenses	29.3	16.9	20.4	6.9
Total other operating expenses	189.8	146.6	176.0	131.4

Note 8: Change in specific and general loan loss provisions

CHANGE IN SPECIFIC AND GENERAL LOAN LOSS PROVISIONS

NOK mill.	Group		Parent bank	
	2003	2002	2003	2002
Specific loss provisions for loans, guarantees etc. at 01.01	504.0	330.0	481.6	309.4
Realised losses in period on items specifically provided for previously	-147.6	-125.2	-144.9	-123.3
Increase in existing specific loan loss provisions in period	26.5	38.5	26.1	37.3
New specific loan loss provisions in period	198.3	307.3	193.9	300.3
Write-back of specific loan loss provisions in period	-53.4	-46.5	-47.3	-42.2
Specific loss provisions for loans, guarantees etc. at 31.12	527.8	504.1	509.4	481.5
General loss provisions for loans, guarantees etc. at 01.01	314.3	316.0	314.3	316.0
Change in general loss provisions for loans, guarantees etc. in period	0.7	-1.7	0.7	-1.7
General loss provisions for loans, guarantees etc. at 31.12	315.0	314.3	315.0	314.3

SPECIFICATION OF LOSSES AND PROVISIONS ON LOANS AND GUARANTEES IN PERIOD

NOK mill.	Group		Parent bank	
	2003	2002	2003	2002
Change in specific loan loss provisions	23.7	178.2	27.8	176.3
Change in general loan loss provisions	0.7	-1.7	0.7	-1.7
Realised losses on commitments specifically provided for previously	147.6	90.5	144.9	88.6
Realised losses on commitments not specifically provided for previously	-0.6	145.5	-0.7	145.4
Recoveries on previously realised losses	-1.2	-0.7	-1.0	0.0
Losses and provisions on loans and guarantees in period	170.2	411.8	171.7	408.6

SPECIFICATION OF NON-ACCRUED INTEREST IN PERIOD

NOK mill.	Group		Parent bank	
	2003	2002	2003	2002
Interest accrued but not recognised on balance sheet commitments at 01.01	62.2	58.1	62.2	58.1
Loan interest from previous periods recognised in period	-3.8	-13.3	-3.8	-13.3
Interest accrued but not recognised on commitments removed from balance sheet	-19.4	-16.6	-19.4	-16.6
Interest accrued but not recognised in period on doubtful debts	84.4	34.0	84.4	34.0
Interest accrued but not recognised on balance sheet commitments at 31.12	123.4	62.2	123.4	62.2

Notes

Note 9: Non-performing and doubtful loans

Parent bank				
NOK mill.	2003	2002	2001	2000
Non-performing loans where interest is not accrued	1 266.4	1 125.0	473.6	556.2
Non-performing loans where interest continues to accrue	364.4	927.3	919.3	450.4
Total non-performing loans	1 630.8	2 052.3	1 392.9	1 006.5
Specific loan loss provisions	499.6	412.8	173.9	241.9
Net non-performing loans	1 131.2	1 639.4	1 219.0	764.6
Doubtful loans where interest is not accrued	0.0	0.0	0.0	0.0
Doubtful loans where interest continues to accrue	17.4	235.6	596.5	581.5
Total doubtful loans	17.4	235.6	596.5	581.5
Specific loan loss provisions	9.8	68.8	135.5	35.0
Net doubtful loans	7.6	166.9	461.0	546.5
Total non-performing and doubtful loans	1 138.8	1 806.3	1 680.0	1 311.1
Group				
NOK mill.	2003	2002	2001	2000
Non-performing loans where interest is not accrued	1 266.4	1 125.0	473.6	819.8
Non-performing loans where interest continues to accrue	364.4	933.8	921.7	474.9
Total non-performing loans	1 630.8	2 058.8	1 395.2	1 294.6
Specific loan loss provisions	499.6	412.8	173.9	447.5
Net non-performing loans	1 131.2	1 645.9	1 221.3	847.1
Doubtful loans where interest is not accrued	8.1	13.7	6.4	4.1
Doubtful loans where interest continues to accrue	78.1	288.9	650.6	581.5
Total doubtful loans	86.2	302.6	657.0	585.7
Specific loan loss provisions	28.3	91.2	156.0	39.1
Net doubtful loans	57.9	211.4	501.0	546.5
Total non-performing and doubtful loans	1 189.1	1 857.4	1 722.3	1 393.7

Note 10: Analysis of loan loss provisions by sector

Parent bank						
NOK mill.	Non-performing and doubtful loans		Specific loan loss provisions		Net non-performing and doubtful loans	
	2003	2002	2003	2002	2003	2002
Sector and industry classification:						
Agriculture, forestry, fishing etc.	0.0	0.8	0.0	0.0	0.0	0.8
Water and power supply, building and construction	4.8	0.6	0.0	0.0	4.8	0.6
Oil and gas	0.0	0.8	0.0	0.0	0.0	0.8
Industry and mining	0.0	4.3	0.0	0.0	0.0	4.3
Wholesale/retail trade, hotels and restaurants	17.2	74.1	5.0	18.4	12.1	55.8
International shipping and pipelines	204.0	63.8	97.6	1.5	106.4	62.3
Other transportation and communications	0.0	46.9	0.0	13.9	0.0	33.0
Services and real estate operations	680.0	1 091.1	185.8	189.5	494.2	901.6
Other service industries	9.3	19.3	7.3	0.8	2.0	18.5
Retail customers	633.6	617.0	177.6	146.3	456.0	470.7
Foreign / others	99.4	369.2	36.1	111.2	63.4	258.0
Total	1 648.2	2 287.9	509.4	481.6	1 138.8	1 806.3
Group						
NOK mill.	Non-performing and doubtful loans		Specific loan loss provisions		Net non-performing and doubtful loans	
	2003	2002	2003	2002	2003	2002
Sector and industry classification:						
Agriculture, forestry, fishing etc.	0.0	0.8	0.0	0.0	0.0	0.8
Water and power supply, building and construction	4.8	0.6	0.0	0.0	4.8	0.6
Oil and gas	0.0	0.8	0.0	0.0	0.0	0.8
Industry and mining	0.0	4.3	0.0	0.0	0.0	4.3
Wholesale/retail trade, hotels and restaurants	17.2	74.1	5.0	18.4	12.1	55.8
International shipping and pipelines	204.0	63.8	97.6	1.5	106.4	62.3
Other transportation and communications	0.0	46.9	0.0	13.9	0.0	33.0
Services and real estate operations	680.0	1 091.1	185.8	189.5	494.2	901.6
Other service industries	9.3	19.3	7.3	0.8	2.0	18.5
Retail customers	633.6	617.0	177.6	146.3	456.0	470.7
Foreign / others	168.2	442.7	54.5	133.7	113.7	309.0
Total	1 717.0	2 361.4	527.9	504.0	1 189.2	1 857.4

Notes

Note 11: Tax

BASIS FOR CALCULATION OF DEFERRED TAX ASSET / DEFERRED TAX LIABILITY

NOK mill.	Parent bank	
	2003	2002
Pre-tax profit	-109.9	-498.2
Permanent differences:		
Non-allowable expenses	0.8	4.7
Non-taxable income	-0.2	-0.1
RISK-adjustments for subsidiaries	53.7	0.0
Change in temporary timing differences:		
Fixed assets and long-term shareholdings	-57.0	215.9
Acquisition cost in excess of book values	1.8	7.3
Pension commitments	6.6	13.2
Provision in accordance with GRS	2.5	-28.8
Write-downs of shareholdings	2.8	160.7
Securities accruals	-7.2	-4.2
Other temporary timing differences	0.6	4.0
Tax base for the year	-105.5	-125.5
Rate of tax	28%	28%
Tax asset/liability for the year	-29.5	-35.1

CALCULATION OF DEFERRED TAX ASSET / DEFERRED TAX LIABILITY

NOK mill.	Group		Parent bank	
	2003	2002	2003	2002
Tax increasing timing differences:				
Acquisition cost in excess of book values	0.0	1.8	0.0	1.8
Securities	1.1	1.7	1.1	1.7
Pension commitments	-17.4	-11.9	-17.4	-10.8
Other temporary timing differences	16.3	2.3	2.8	3.6
Total tax increasing temporary timing differences	0.1	-6.1	-13.4	-3.7-3.7
Tax reducing temporary timing differences:				
Fixed assets and long-term shareholdings	-335.7	-194.4	-307.5	-364.5
Portfolio of hedging securities	-53.4	-24.8	-48.7	-45.9
Provision in accordance with GRS	-23.8	-23.1	-23.3	-20.8
Other temporary timing differences	-1.2	-11.6	4.1	-3.8
Total tax reducing temporary timing differences	-414.1	-253.9	-375.4	-435.0
Net tax reducing temporary timing differences	-414.0	-260.0	-388.8	-438.7
Deferred loss and tax allowances	-697.2	-622.2	-669.1	-563.5
Net temporary timing differences and deferred loss/tax allowances	-1 111.2	-882.2	-1 057.8	-1 002.2
Deferred tax liability	0.0	0.0	0.0	0.0
Deferred tax asset	311.1	248.0	296.2	280.6
Opening balance deferred tax asset Finansbanken				
Formuesforvaltning AS (sold in 2003)	-2.2			
Deferred tax asset in balance sheet at 31.12.	308.9	248.0	296.2	280.6

TAX CHARGE FOR THE YEAR

NOK mill.	Group		Parent bank	
	2003	2002	2003	2002
Change in deferred tax asset	63.1	95.1	15.6	136.3
Tax charte (tax refund)	63.1	95.1	15.6	136.3

ACCRUED, UNASSESSED AND DEFERRED TAX

NOK mill.	Group		Parent bank	
	2003	2002	2003	2002
Deferred tax	308.9	248.0	296.2	280.6
Total	308.9	248.0	296.2	280.6

Notes

Note 12: Loans to employees

NOK mill.	Parent bank	
	2003	2002
Loans to employees *)	2 271.6	2 268.1

*) Includes loans to employees in Storebrand Group and associated companies.

Note 13: Analysis of lending

NOK mill.	2003		2002	
	NOK	%	NOK	%
Sector and industry classification:				
Agriculture, forestry, fishing etc.	5.4	0.02%	1.4	0.01%
Oil and gas	0.5	0.00%	9.4	0.04%
Industry and mining	97.6	0.45%	61.7	0.25%
Water and power supply, building and construction	97.2	0.45%	58.1	0.23%
Wholesale/retail trade, hotels and restaurants	171.9	0.79%	212.9	0.85%
International shipping and pipelines	416.7	1.92%	572.6	2.28%
Other transportation and communications	134.6	0.62%	332.1	1.32%
Services and real estate operations	5 758.8	26.51%	7 266.2	28.87%
Other service industries	225.9	1.04%	427.3	1.70%
Retail customers	14 226.9	65.50%	14 827.4	58.92%
Other	18.9	0.09%	15.2	0.06%
Foreign	565.8	2.60%	1 380.4	5.49%
Total	21 720.2	100.00%	25 164.7	100.00 %
Geographic distribution:				
Eastern Norway	16 183.1	74.51%	19 925.1	79.18%
Western Norway	2 123.4	9.78%	2 115.0	8.40%
Southern Norway	1 778.4	8.19%	887.6	3.53%
Mid-Norway	720.6	3.32%	830.3	3.30%
Northern Norway	348.9	1.61%	26.4	0.10%
Foreign	565.8	2.60%	1 380.3	5.49%
Total	21 720.2	100.00%	25 164.7	100.00%

NOK mill.	2003		2002	
	NOK	%	NOK	%
Group				
Sector and industry classification:				
Agriculture, forestry, fishing etc.	5.4	0.02%	1.4	0.01%
Oil and gas	0.5	0.00%	9.4	0.04%
Industry and mining	97.6	0.43%	61.7	0.24%
Water and power supply, building and construction	97.2	0.43%	58.1	0.22%
Wholesale/retail trade, hotels and restaurants	171.9	0.76%	212.9	0.82%
International shipping and pipelines	416.7	1.84%	572.6	2.21%
Other transportation and communications	134.6	0.59%	332.1	1.28%
Services and real estate operations	5 758.8	25.37%	7 266.2	28.11%
Other service industries	225.9	1.00%	427.3	1.65%
Retail customers	14 226.9	62.68%	14 827.4	57.36%
Other	18.9	0.08%	15.2	0.06%
Foreign	1 542.7	6.80%	2 067.1	8.00%
Total	22 697.1	100.0%	25 851.4	100.0%
Geographic distribution:				
Eastern Norway	16 183.1	71.3%	19 925.1	77.1%
Western Norway	2 123.4	9.4%	2 115.0	8.2%
Southern Norway	1 778.4	7.8%	887.6	3.4%
Mid-Norway	720.6	3.2%	830.3	3.2%
Northern Norway	348.9	1.5%	26.3	0.1%
Foreign	1 542.7	6.8%	2 067.1	8.0%
Total	22 697.1	100.0%	25 851.4	100.0%

Notes

Note 14: Credit Exposure

In order to identify the credit risk in its lending portfolio, Storebrand Bank classifies all corporate and retail customers both when first establishing a credit relationship and whenever changes are made. All corporate customer classifications are also reviewed annually and/or whenever circumstances indicate the need for such review. Customer classification thus provides a picture of the credit risk at any time.

All new credit facilities are priced individually, and must meet predefined minimum criteria for credit approval. Pricing reflects the level of credit risk involved.

Risk classification for lending to corporate customers takes the form of three scores, each from 1 to 5, where 1 represents the best score. The first score is for the quality of the borrower/financial condition (debt service capacity). The second score is for the quality of the collateral (loan to value ratio). The third score is for commercial factors (internal/external risk). The analysis shown below is based on the scores for financial condition and collateral, giving a matrix of 25 risk groups. In addition some credit relationships are still awaiting classification. The analysis shown here is somewhat simplified, with a breakdown into four risk levels.

Risk classification for lending to private individuals (retail market lending) is based on the customer's capacity to service the loan and on the loan to value ratio. In order to provide comparability between the two classification systems, retail lending with a loan to value ratio below 80% is allocated to the low risk category, while lending with a loan to value ratio up to 100% is allocated to the moderate risk category. Following the merger of Storebrand Bank AS and Finansbanken ASA a more unified risk classification system is being developed.

Figures for the bank's portfolio of defaulted and loss-exposed loans are also provided.

The bank's model for determining the level of provisions for unidentified risks (general loan loss provisions) is based on a matrix of financial condition and collateral as indicated above. General loan loss provisions are made against the total exposure (total of lending, guarantees and undrawn credit facilities) to all customers for which no specific loss provisions have been made. Provisions are evaluated using the risk classification of individual loans based on the likelihood that the borrower will become insolvent (financial condition) and the likelihood of collateral proving insufficient in the event of insolvency (collateral). Multiplying the total exposure by these two factors calculates the expected future loss. This represents the need for a general provision against the loan, and the total of the calculated amounts for all loans indicates the level of general provision required for the portfolio as a whole. The model is used to calculate the necessary level of general loan loss provisions on a quarterly basis.

Storebrand Bank's general provisions at 31 December 2003 were somewhat higher than the level calculated by the model. The bank has NOK 313.4 million of general provisions, weighted in accordance with the portfolio allocation shown below.

Classification matrix - parent bank

	Loans	Undrawn committed facilities	Guarantees	Total Exposure	Specific loan loss provisions	General loan loss provisions	Net Exposure
Low risk	15 852.5	530.6	240.8	16 624.0	-	23.3	16 600.7
Moderate risk	3 306.6	129.6	357.8	3 794.0	-	178.8	3 615.2
High risk	1 105.8	24.2	24.2	1 154.3	-	108.2	1 046.0
Unclassified	160.5	30.7	6.1	197.4	-	4.7	192.6
Non-performing/doubtful	1 294.6	-	-	1 294.6	509.4	-	785.2
Total	21 720.1	715.2	628.9	23 064.3	509.4	315.0	22 239.9

The following table provides an analysis of the bank's exposure to certain sectors. Exposure is allocated to sectors on the basis of industrial classification/business codes, with aggregated figures shown for sectors where the bank has significant exposure. The bank previously emphasised shipping lending, but exposure to this sector has been significantly reduced. (The model does not identify shipping lending as a specific category, but exposure to shipping is included in 'International shipping and pipelines' and 'Foreign/other'). Shipping lending was reduced by NOK 581.8 million in 2003 to stand at NOK 822 million at 31 December 2003. This reflects the bank's defined strategy to reduce its exposure to the sector.

Breakdown of exposure by segment

	International shipping and pipelines	Services and real estate operations	Other service industries	Retail customers	Foreign/Other	Total exposure
Loans	416.7	5 758.8	225.9	14 226.9	1 091.9	21 720.2
Guarantees	30.2	270.9	12.0	4.4	311.4	628.9
Undrawn commitments	2.1	559.4	1.4	103.9	48.5	715.2
Total exposure	449.0	6 589.0	239.3	14 335.1	1 451.8	23 064.3

Of which:

Non-performing/doubtful loans	204.0	680.0	9.3	633.6	121.4	1 648.3
Specific loan loss provisions	97.6	185.8	7.3	177.6	41.1	509.4

Notes

Note 15: Assets repossessed

NOK mill.

Company	Registered office	Ownership/ voting	Share capital (NOK 1,000)	Book value 31.12.03	Book value 31.12.02
Grefsenkollen 32 AS	Oslo	100.0%	100	0.1	8.5
Skipsinvest II	Oslo	100.0%	100	1.0	0.1
Filipstad Eiendom	Oslo	100.0%	500	15.6	0.0
Neskollen Eiendom	Oslo	100.0%	990	37.9	0.0
Kragerø Golfpark	Oslo	25.0%	306	14.4	0.0
Kristian August AS	Oslo	49.0%	100	24.7	0.0
Heimstaden	Sweden	25.8%	7 300	71.4	0.0
Virtual Garden AS	Oslo	12.6%	119	3.3	3.5
Andre				0.9	0.5
Total shares - parent bank				169.4	12.6

Note 16: Holdings of short-term debt instruments and bonds

Parent bank

NOK mill.	2003				2002			
	Nominal value	Cost price	Market value	Book value	Nominal value	Cost price	Market value	Book value
Current asset holdings/other portfolio								
Other portfolio, risk weight 0%	1 117.4	1 137.4	1 141.3	1 137.4	1 022.3	999.0	1 009.2	999.0
Other portfolio, risk weight 10%	400.0	394.2	404.4	394.2	680.0	673.9	678.4	673.9
Other portfolio, risk weight 20%	499.0	499.7	500.9	499.7	100.0	100.2	99.7	100.2
Other portfolio, risk weight 100%	0.0	0.0	0.0	0.0	3.5	3.5	3.4	3.5
Total short-term debt instruments and bonds	2 016.4	2 031.3	2 046.6	2 031.3	1 805.8	1 776.6	1 790.7	1 776.6

Group

NOK mill.	2003				2002			
	Nominal value	Cost price	Market value	Book value	Nominal value	Cost price	Market value	Book value
Current asset holdings/other portfolio								
Other portfolio, risk weight 0%	1 183.9	1 142.3	1 146.3	1 142.4	1 025.6	1 002.3	1 012.6	1 002.4
Other portfolio, risk weight 10%	442.7	436.0	447.7	437.5	680.0	673.9	678.4	673.9
Other portfolio, risk weight 20%	522.1	501.0	502.7	501.5	142.2	158.3	141.2	141.7
Other portfolio, risk weight 100%	1.0	1.1	1.1	1.1	3.6	3.6	3.5	3.6
Total short-term debt instruments and bonds	2 149.7	2 080.4	2 097.8	2 082.5	1 851.3	1 838.1	1 835.6	1 821.5

ANALYSIS OF SHORT-TERM DEBT INSTRUMENTS AND BONDS HELD BY TYPE OF ISSUER

Parent bank

NOK mill.	2003		2002	
	Government	Other	Government	Other
Total book value of short-term debt instruments and bonds - current assets	1 137.4	893.9	1 098.0	678.6
Total book value of short-term debt instruments and bonds - other	0.0	0.0	0.0	0.0
Total book value of short-term debt instruments and bonds	1 137.4	893.9	1 098.0	678.6

Group

NOK mill.	2003		2002	
	Government	Other	Government	Other
Total book value of short-term debt instruments and bonds - current assets	1 142.4	940.1	1 101.4	720.2
Total book value of short-term debt instruments and bonds - other	0.0	0.0	0.0	0.0
Total book value of short-term debt instruments and bonds	1 142.4	940.1	1 101.4	720.2

Notes

Note 17: Holdings of securities with variable yield

Company	Share capital (NOK 1.000)	Interest	No. of shares	Nominal value (NOK)	Book value	Market value	Acquisition cost
NOK mill.							
Eurofleet ASA	120 000	1.52%	365 040	5.00	0.0	0.0	1.8
Bergen Industriutvikling	70 680	0.02%	129	100.00	0.6	0.6	1.3
NOS ASA	15 948	1.39%	222 100	1.00	2.1	2.1	1.5
Investra AS	21 374	6.09%	2 604 000	0.50	4.5	4.5	29.4
Other	i/a	i/a	i/a	i/a	0.7	0.7	1.2
Total other investments – parent bank					7.9	7.9	35.2
Total other investments – Finansbanken AS (Denmark)					16.7	16.7	18.3
Total other investments – group					24.6	24.6	53.5

Note 18: Investments in subsidiaries and associated companies

Company	Registered office	Ownership	Voting	Share capital	Cost price	Book value 31.12.03
NOK mill.						
Industri & Skipsbanken Fonds AS *)	Oslo	100.0%	100.0%	6.5	28.5	10.6
Skipskredittforeningen AS *)	Oslo	100.0%	100.0%	0.1	2.5	1.2
Industri & Skipsbanken Invest I AS *)	Oslo	100.0%	100.0%	0.1	2.9	1.4
Finansbanken AS	Copenhagen	100.0%	100.0%	142.1	270.3	207.2
Finansbanken Forvaltning AS *)	Oslo	100.0%	100.0%	0.9	188.8	42.8
Finansbanken Aktiv Invest ASA *)	Oslo	100.0%	100.0%	10.0	11.9	10.1
Finansbanken Index ASA *)	Oslo	100.0%	100.0%	1.0	16.2	8.4
Skipsinvest I	Oslo	100.0%	100.0%	0.1	0.1	0.1
Storebrand Finans AS	Oslo	100.0%	100.0%	20.1	95.9	23.5
Delphi SMB II AS *)	Oslo	100.0%	100.0%	1.0	1.0	1.0
Total investments in subsidiaries – parent bank					618.1	306.3
Associated companies						
Morningstar Norge AS **)	Oslo	49.0%	49.0%	0.3	3.3	1.4
Bertil O. Steen Finans AS	Lørenskog	50.0%	50.0%	0.2	5.0	5.8
Total investments in associated companies – parent bank					8.3	7.2

*) In liquidation

**) Sold 16 February 2004

Note 19: Companies accounted for by the equity method

Company	Acquisition cost	Share of profit 2003	Book value 31.12.03
NOK mill.			
Morningstar Norge AS	3.3	-0.6	1.4
Bertil O. Steen Finans AS	5.0	3.7	5.8
Total companies accounted for by the equity method		3.1	7.2

Notes

Note 20: Fixed assets

Parent bank

NOK mill.	2003				2002			
	Machinery, equipment etc.	Real estate	Goodwill	Intangible assets	Machinery, equipment etc.	Real estate	Goodwill	Intangible assets
Cost at 01.01	166.2	1.0	5.5	5.3	150.3	0.9	0.0	9.4
Additions in the year	13.9	5.6	0.0	0.0	16.2	0.1	5.5	0.9
Disposals in the year	-24.6	0.0	0.0	0.0	-0.3	0.0	0.0	0.0
Depreciation and write-downs at 31.12*)	-128.3	-0.9	-5.5	-4.0	-124.9	-0.7	-1.1	-7.4
Book value at 31.12	27.2	5.7	0.0	1.3	41.3	0.3	4.4	2.9
Ordinary depreciation for the year	19.3	0.3	1.1	1.6	28.4	0.1	1.1	2.5
Estimated economic life of asset	3-4 years	15 years	5 years	3 years	3-4 years	15 years	3 years	3 years

*) Goodwill has been written down by NOK 3.3 million in 2003.

Group

NOK mill.	2003				2002			
	Machinery, equipment etc.	Real estate	Goodwill	Intangible assets	Machinery, equipment etc.	Real estate	Goodwill	Intangible assets
Cost at 01.01	178.0	1.0	124.2	5.3	180.0	0.9	156.5	10.0
Additions in the year	14.4	5.6	0.0	0.0	13.7	0.1	10.0	1.4
Disposals in the year	-27.7	0.0	-0.6	0.0	-8.2	0.0	-42.3	0.0
Depreciation and write-downs at 31.12*)	-134.6	-0.9	-123.6	-4.0	-137.8	-0.7	-84.9	-7.7
Book value at 31.12	30.1	5.7	0.0	1.3	47.7	0.3	39.3	3.7
Ordinary depreciation for the year	20.5	0.3	4.8	1.6	32.8	0.1	10.7	2.6
Estimated economic life of asset	3-4 years	15 years	3-20 years	3 years	3-4 years	15 years	3-20 years	3 years

*) Goodwill has been written down by NOK 33.9 million in 2003.

Note 21: Other assets

NOK mill.	Group		Parent bank	
	2003	2002	2003	2002
Receivables Storebrand group companies	23.9	11.6	23.9	11.6
Group contribution from subsidiaries	0.0	0.0	0.6	1.6
Market value on options related to equity index linked bonds	264.5	121.1	264.5	121.1
Money transfer services	91.8	28.9	91.8	28.9
Deposit relating to lease of premises	2.5	2.5	0.0	0.0
Interest accrued	4.2	12.4	0.0	0.0
Capitalised costs decorating leased premises	0.6	0.0	0.0	0.0
Other assets	17.8	2.8	6.3	2.3
Total other assets	405.3	179.3	387.1	165.5

Notes

Note 22: Analysis of Customer Deposits

Parent bank

NOK mill.

	2003		2002	
	NOK	%	NOK	%
Sector and industry classification:				
Central government	0.9	0.0%	10.0	0.1%
County and municipal authorities	1.4	0.0%	20.0	0.2%
Agriculture, forestry, fishing etc.	6.9	0.1%	1.9	0.0%
Oil and gas	7.5	0.1%	0.2	0.0%
Industry and mining	79.3	0.7%	111.6	0.9%
Water and power supply, building and constructions	46.3	0.4%	15.4	0.1%
Wholesale/retail trade, hotels and restaurants	284.5	2.4%	173.2	1.4%
International shipping and pipelines	205.5	1.8%	224.0	1.8%
Other transportation and communications	47.9	0.4%	79.3	0.6%
Services and real estate operations	2 721.9	23.4%	3 314.7	26.6%
Other service industries	454.3	3.9%	238.9	1.9%
Retail customers	7 260.2	62.3%	7 635.9	61.3%
Others	116.0	1.0%	165.3	1.3%
Foreign	413.0	3.5%	472.5	3.8%
Total	11 645.6	100.0%	12 462.9	100.0%

Geographic distribution:

Eastern Norway	8 201.5	70.4%	11 243.3	90.2%
Western Norway	1 347.5	11.6%	432.1	3.5%
Southern Norway	1 020.4	8.8%	210.0	1.7%
Mid-Norway	366.5	3.1%	53.6	0.4%
Northern Norway	296.7	2.5%	51.4	0.4%
Foreign	413.0	3.5%	472.6	3.8%
Total	11 645.6	100.0%	12 462.9	100.0%

Group

NOK mill.

	2003		2002	
	NOK	%	NOK	%
Sector and industry classification:				
Central government	0.9	0.0%	10.0	0.1%
County and municipal authorities	1.4	0.0%	20.0	0.2%
Agriculture, forestry, fishing etc.	6.9	0.1%	1.9	0.0%
Oil and gas	7.5	0.1%	0.2	0.0%
Industry and mining	79.3	0.6%	111.6	0.8%
Water and power supply, building and constructions	46.3	0.4%	15.4	0.1%
Wholesale/retail trade, hotels and restaurants	284.5	2.3%	173.2	1.3%
International shipping and pipelines	205.5	1.7%	224.0	1.7%
Other transportation and communications	47.9	0.4%	79.3	0.6%
Services and real estate operations	2 721.9	22.0%	3 314.7	25.1%
Other service industries	394.7	3.2%	193.0	1.5%
Retail customers	7 260.2	58.7%	7 635.9	57.9%
Others	116.0	0.9%	165.3	1.3%
Foreign	1 189.4	9.6%	1 254.5	9.5%
Total	12 362.4	100.0%	13 199.0	100.0%

Geographic distribution:

Eastern Norway	8 141.9	65.9%	11 197.4	84.8%
Western Norway	1 347.5	10.9%	432.1	3.3%
Southern Norway	1 020.4	8.3%	210.0	1.6%
Mid-Norway	366.5	3.0%	53.6	0.4%
Northern Norway	296.7	2.4%	51.4	0.4%
Foreign	1 189.4	9.6%	1 254.5	9.5%
Total	12 362.4	100.0%	13 199.0	100.0%

Notes

Note 23: Bonds issued and holdings of own bonds

NOK mill.	Parent bank	
	2003	2002
Total nominal value of own bonds issued	6 329.3	7 196.2
Nominal value of own bonds repurchased	1 252.2	1 068.3
Market value of own bonds repurchased	1 243.1	1 063.9

Note 24: Other debt

NOK mill.	Group		Parent bank	
	2003	2002	2003	2002
Payable to Storebrand group companies	3.6	5.2	33.1	5.2
Market value of options related to equity index linked bonds	264.5	121.1	264.5	121.1
Money transfers	143.1	80.2	143.1	112.5
Accrued operating expenses and interest expenses	14.2	14.5	0.0	0.0
Other debt	21.3	21.5	16.4	13.1
Total other debt	446.7	242.5	457.1	251.9

Note 25: Provisions for accrued commitments and expenses

NOK mill.	Group		Parent bank	
	2003	2002	2003	2002
Specific loss provisions for guarantee liabilities	0.3	0.0	0.3	0.0
General loss provisions for guarantee liabilities	1.6	1.6	1.6	1.6
Pension liabilities *)	21.7	19.7	21.7	19.7
Provisions for restructuring costs	10.3	20.8	10.3	20.8
Other provisions	4.6	12.4	2.9	1.8
Total provisions for accrued commitments and expenses	38.5	54.5	36.8	43.9

*) See note 5 - Pension cost and pension liabilities

Note 26: Intra-group transactions and accounts receivable/payable - parent bank

Balance sheet items NOK mill.	Subsidiaries		Other group companies	
	2003	2002	2003	2002
Accrued not received		2.6		
Other receivables		110.3	23.9	11.6
Total intra-group accounts receivable	0.0	112.8	23.9	11.6
Other debt	29.5	32.3	33.1	5.2
Deposits from and due to customers	56.6	45.9		
Total intra-group accounts payable	86.1	78.1	33.1	5.2
Profit and loss account items NOK mill.	Subsidiaries		Other group companies	
	2003	2002	2003	2002
Interest income	2.4	7.3		0.1
Interest expenses	-0.8	-5.2	-0.1	-1.1
Other operating income	1.5	0.4	210.9	223.7
Other operating expenses	-0.5	-4.9	-50.0	-45.6
Group contributions received	0.6	1.6		
Intra-group transactions	3.2	-0.9	160.8	177.1

Notes

Note 27: Foreign currency exposure

Parent bank		31.12.03				
NOK mill.	Assets	Liabilities	Net assets	Forward FX contracts	FX options	Net positions
CHF	623.8		623.8	-626.4		-2.6
DKK	326.0	113.2	212.8	-212.8		-0.1
EUR	161.2	2 743.1	-2 581.9	2 585.1		3.2
GBP	7.7	13.5	-5.9	6.4		0.6
JPY	97.0		97.0	-97.7		-0.7
SEK	305.8	7.6	298.2	-299.9		-1.7
USD	965.9	754.8	211.1	-209.5		1.6
CAD	1.1		1.1	-1.1		0.0
Others	1.4	2.0	-0.6	-0.5		-1.1
Total	2 489.7	3 634.1	-1 144.4	1 143.6	0.0	-0.8

Group

Group		31.12.03				
NOK mill.	Assets	Liabilities	Net assets	Forward FX contracts	FX options	Net positions
CHF	1 274.9	11.9	1 262.9	-447.3	-820.6	-5.0
NOK	0.2	26.6	-26.4	30.4	-2.1	1.9
DKK	326.0	113.2	212.8	-212.8	0.0	-0.1
EUR	261.7	2 864.2	-2 602.5	2 644.7	-42.3	-0.1
GBP	17.6	23.4	-5.8	6.4	0.0	0.6
JPY	124.2	2.5	121.7	-84.5	-37.9	-0.7
SEK	307.9	35.1	272.8	-272.5	0.0	0.3
USD	982.2	861.8	120.4	210.5	-329.2	1.8
CAD	1.8	10.7	-8.9	9.5	-0.6	0.0
Others	7.9	39.3	-31.4	43.7	-11.0	1.3
Total	3 304.4	3 988.7	-684.3	1 928.1	-1 243.8	0.0

Note 28: Foreign exchange exposure

The bank's Foreign Exchange, Treasury and Capital Markets department is responsible for monitoring the bank's overall foreign exchange exposure.

The bank's foreign exchange exposure is subject to limits set by the Board of Directors, and the bank's exposure in relation to these limits is measured daily and reported to the Board of Directors on a monthly basis.

The net foreign exchange position for each currency is calculated as the total of assets, liabilities and other foreign exchange receivables and payables (financial derivatives) denominated in that currency.

Long and short positions in the various currencies are aggregated separately. The net aggregate foreign currency position is the higher of the total of all long positions and the total of all short positions.

The relevant net aggregate foreign currency positions are as follow:

NOK mill.	Average		Average	
	2003	2003	2002	2002
Net aggregate FX position - parent bank	3.5	10.1	6.1	32.0
Net aggregate FX position - group	5.1	6.1	10.1	40.8

The aggregate foreign exchange position is calculated on the basis of daily figures.

The risk of loss primarily arises from changes in exchange rates relative to the bank's foreign exchange positions. Based on the bank's control procedures the risk of loss is considered to be limited.

Notes

Note 29: Subordinated loan capital

SUBORDINATED LOAN CAPITAL > 10% OF TOTAL PRIMARY CAPITAL

NOK mill.	Book value	2003	Book value	2002
		Average interest rate		Average interest rate
Subordinated loan capital with conversion rights				
Perpetual subordinated loan 1995, 8.5% coupon	9.3	8.5%	9.3	8.5%
Other subordinated loan capital				
Subordinated loan 2000-2010 USD 10 million, LIBOR + 1.3%, call 2005	66.8	2.6%	69.7	3.4%
Subordinated loan 2000-2010, NIBOR + 1.3%, call 2005	110.0	5.0%	110.0	8.2%
Subordinated loan 2002-2012, 3 month NIBOR +2.0%, call 2007	100.0	6.0%	100.0	9.0%
Subordinated loan 1998-2008, 6.31% coupon, call 2003			109.0	6.3%
Subordinated loan 1998-2008, NIBOR + 1.05%, call 2003			91.0	8.0%
Subordinated loan 1999-2009, 7.75 % coupon, call 2004	35.0	7.8%	35.0	7.8%
Subordinated loan 2003-2013, NIBOR +2.25%, call 2008	100.0	7.0%		
Total	421.1		524.0	

NOK mill.	2003	2002
Subordinated loan capital included in capital adequacy calculation	421.1	524.0
Profit/loss		
Subordinated loan capital in foreign currency	66.8	69.7
Subordinated loan capital in foreign currency, book value	66.8	69.7
Interest expense		
Subordinated loan interest charged in the accounts	30.0	38.7

Note 30: Change in equity capital

NOK mill.	Parent bank							
	2003				2002			
	Share capital	Share premium reserve	Other reserves	Total equity	Share capital	Share premium reserve	Other reserves	Total equity
Opening balance at 01.01	1 315.9	714.5	40.8	2 071.2	1 198.4	597.0	402.7	2 198.1
New shares issued	0.0	0.0	0.0	0.0	117.5	117.5	0.0	235.0
Profit for the year	0.0	0.0	-94.3	-94.3	0.0	0.0	-361.9	-361.9
Total equity at 31.12	1 315.9	714.5	-53.5	1 976.9	1 315.9	714.5	40.8	2 071.2

NOK mill.	Group							
	2003				2002			
	Share capital	Share premium reserve	Other reserves	Total equity	Share capital	Share premium reserve	Other reserves	Total equity
Opening balance at 01.01	1 315.9	714.5	-15.2	2 015.2	1 198.4	596.9	337.8	2 133.1
New shares issued	0.0	0.0	0.0	0.0	117.5	117.5	0.0	235.0
Profit for the year	0.0	0.0	-45.9	-45.9	0.0	0.0	-352.9	-352.9
Total equity at 31.12	1 315.9	714.5	-61.1	1 969.3	1 315.9	714.4	-15.1	2 015.2

The entire share capital of NOK 1 315.9 million made up of 91 937,183 shares (of nominal value NOK 14 313) is owned by Storebrand ASA.

Notes

Note 31: Analysis of guarantees issued

Parent bank

NOK mill.	2003		2002	
	NOK	%	NOK	%
Sector and industry classification:				
Financial aid agencies	92.6	14.7%	108.0	13.7%
Industry and mining	1.4	0.2%	8.5	1.1%
Water and power supply, building and constructions	6.1	1.0%	2.6	0.3%
Wholesale/retail trade, hotels and restaurants	4.5	0.7%	10.5	1.3%
International shipping and pipelines	30.2	4.8%	31.1	4.0%
Other transportation and communications	1.3	0.2%	5.9	0.8%
Services and real estate operations	270.9	43.1%	381.6	48.5%
Other service industries	12.0	1.9%	31.5	4.0%
Retail customers	4.4	0.7%	19.3	2.5%
Others	25.3	4.0%	0.0	0.0%
Foreign	180.2	28.7%	187.1	23.8%
Total	628.9	100.0%	786.1	100.0%

Geographic distribution:

Eastern Norway	403.9	64.2%	576.1	73.3%
Western Norway	7.8	1.2%	11.9	1.5%
Southern Norway	29.3	4.7%	0.0	0.0%
Mid-Norway	7.7	1.2%	11.0	1.4%
Northern Norway				
Foreign	180.2	28.7%	187.1	23.8%
Total	628.9	100.0%	786.1	100.0%

Analysis of guarantee liabilities:

Loan guarantees	0.3	0.0%	169.5	21.6%
Payment guarantees	217.8	34.6%	309.7	39.4%
Performance guarantees	317.6	50.5%	213.5	27.2%
Commercial Bank's Guarantee Fund	92.1	14.6%	92.1	11.7%
Other guarantee liabilities	1.1	0.2%	1.3	0.2%
Total	628.9	100.0%	786.1	100.0%

Group

NOK mill.	2003		2002	
	NOK	%	NOK	%
Sector and industry classification:				
Financial aid agencies	92.6	11.9%	108.0	12.4%
Industry and mining	1.4	0.2%	8.5	1.0%
Water and power supply, building and constructions	6.1	0.8%	2.6	0.3%
Wholesale/retail trade, hotels and restaurants	4.5	0.6%	10.5	1.2%
International shipping and pipelines	30.2	3.9%	31.1	3.6%
Other transportation and communications	1.3	0.2%	5.9	0.7%
Services and real estate operations	270.9	34.7%	381.6	44.0%
Other service industries	12.0	1.5%	31.5	3.6%
Retail customers	4.4	0.6%	19.3	2.2%
Others	25.3	3.2%	0.0	0.0%
Foreign	332.3	42.5%	269.0	31.0%
Total	781.0	100.0 %	868.0	100.0 %

Geographic distribution:

Eastern Norway	403.9	51.7%	576.1	66.4%
Western Norway	7.8	1.0%	11.9	1.4%
Southern Norway	29.3	3.8%	0.0	0.0%
Mid-Norway	7.7	1.0%	11.0	1.3%
Northern Norway	0.0	0.0%	0.0	0.0%
Foreign	332.3	42.5%	269.0	31.0%
Total	781.0	100.0%	868.0	100.0%

Analysis of guarantee liabilities:

Loan guarantees	126.4	16.2%	238.2	27.4%
Payment guarantees	241.8	31.0%	322.9	37.2%
Performance guarantees	319.7	40.9%	213.5	24.6%
Commercial Bank's Guarantee Fund	92.1	11.8%	92.1	10.6%
Other guarantee liabilities	1.1	0.1%	1.3	0.1%
Total	781.0	100.0%	868.0	100.0%

Notes

Note 32: Off-balance sheet liabilities and contingent liabilities

NOK mill.	Group		Parent bank	
	2003	2002	2003	2002
Guarantees	781.0	868.0	628.9	786.1
Book value of assets pledged as collateral for mortgage debt etc. *)	1 560.8	1 286.5	1 533.6	1 258.1
Other contingent liabilities	1.3	2.4	0.0	0.0
Total contingent liabilities	2 343.2	2 156.9	2 162.5	2 044.2

*) Assets pledged as collateral:

NOK mill.	Group		Parent bank	
	2003	2002	2003	2002
Book value of bonds lodged as collateral for overnight loans from Central Bank of Norway	1 533.6	1 258.1	1 533.6	1 258.1
Book value of bonds lodged as collateral to Central Bank of Denmark	27.2	28.4	0.0	0.0
Total	1 560.8	1 286.5	1 533.6	1 258.1

Note 33: Financial derivatives

Storebrand Bank ASA offers its customers various financial instruments to hedge foreign exchange and interest rate exposure. The same instruments are also used actively by the bank to hedge its own exposure. Derivative instruments serve as efficient tools in the asset/liability management process, and are primarily used to adjust interest rate sensitivity, foreign exchange positions, liquidity positions and to control risks connected with structured products.

The bank's Board of Directors has set limits for the bank's interest rate and foreign exchange positions, and procedures have been established which ensure that these limits are observed. The bank uses only liquid instruments and focuses on dealing in a small number of major currencies with reputable counterparties. Storebrand Bank ASA uses the following financial instruments:

Forward foreign exchange transactions:

These are agreements to buy or sell foreign currencies at an agreed exchange rate with settlement at a predetermined future date.

Interest rate agreements (FRA/Futures):

These are agreements relating to a fixed rate of interest on an agreed amount for a future period. At the commencement of the future period only the difference between interest calculated at the agreed rate of interest and the market rate is exchanged. FRAs are used to lock in a return or funding cost for a fixed period, and to cover interest rate swaps entered into with customers. Futures are used to adjust the bank's interest rate sensitivity.

Interest rate swaps:

These are agreements to swap interest rate conditions for a future period. At the commencement of the future period only the difference between interest calculated at the agreed rate of interest and the market rate is exchanged. Interest rate swaps are used to adjust the bank's interest rate sensitivity and liquidity position, and to cover interest rate swaps entered into with customers.

Interest rate caps:

An interest rate cap is an instrument that places a cap on the interest rate paid under a floating interest rate agreement. Only the difference between interest calculated at the agreed maximum rate of interest and the market rate (if higher) is exchanged when the interest period occurs.

Foreign currency options:

Agreement that gives the purchaser the right to buy or sell foreign currency at an agreed rate and with settlement at a future date. Foreign currency options are used for proprietary trading and to cover currency options entered into with customers.

Equity options:

An agreement which gives the purchaser the right to buy or sell shares, equity indices, etc. at an agreed time and price and with settlement at a future date. Similarly, hedge fund options gives the purchaser the right to buy or sell hedgefund shares, portfolios etc. at an agreed time and price and with settlement at a future date. Equity and hedgefund options are used to secure the bank's exposure related to the sale of equity index linked bonds (structured bonds).

Main risk factors:

Where there is an open position related to a forward foreign exchange transaction or a foreign currency option, the bank runs the risk that both the exchange rate (the foreign exchange risk) and the interest rate differential (interest rate risk) between the currencies involved may change. The bank's activity in this area relates mainly to interest rates. Interest rate swaps are entered into for the sole purpose of reducing the exposure attached to the bank's balance sheet items. The bank incurs counterparty risk for all types of derivatives except for futures. The liquidity, credit and operational risks related to the various derivatives are considered to be limited based on the bank's established procedures.

Notes

Credit exposed value:

The credit exposed value is the credit risk expressed in numerical terms (risk-weighted volume) calculated in accordance with regulations set by the Financial Supervisory Authority of Norway. Credit risk is the risk that the contract counterparty fails to meet its contractual obligations. As can be seen from the table, the bank has a low credit exposure in respect of financial derivatives. The bulk of the bank's credit risk relates to the ordinary loan portfolio.

Nominal values:

The nominal value of forward foreign exchange transactions is based on the agreed settlement amounts in NOK applying exchange rates as at 31 December 2003. The nominal value of other instruments is based on the agreed amount forming the basis of the risk exposure calculation. In the case of share options, the nominal value is reflected in the nominal share price of the contract (strike-price) multiplied by the number of shares and calculated separately for options purchased and issued (sold). The figures in the table are stated gross since no legally binding netting agreements have been entered into.

The averages for 2002 and 2003 are based on month-end figures.

Parent bank

	Nominal amount								Credit equivalent value 31.12.03	Credit equivalent value 31.12.02	
	31.12.03		31.12.02		Average 2003		Average 2002				
	Bought	Sold	Bought	Sold	Bought	Sold	Bought	Sold			
NOK mill.											
Forward foreign exchange	-trading portfolio	1 874	1 678	3 012	2 854	2 249	2 138	2 304	1 841	98	93
	-other portfolio	4 733	3 786	2 458	3 570	3 707	3 720	2 086	3 483	148	101
Foreign currency options	-trading portfolio	0	0	0	10	0	0	0	0	0	0
	-other portfolio	0	0	0	0	0	0	0	0	0	0
Interest rate swaps	-trading portfolio	0	0	0	0	0	0	0	0	0	0
	-other portfolio	1 655	1 000	762	2 378	1 432	1 283	817	2 740	81	33
Interest rate caps	-trading portfolio	0	0	0	0	0	0	0	0	0	0
	-other portfolio	0	0	25	0	0	0	25	0	0	0
Forward rate agreement (FRA/futures)	-trading portfolio	0	0	0	0	0	0	0	0	0	0
	-other portfolio	550	585	0	0	0	0	0	0	3	0
Equity options	-trading portfolio	0	0	0	0	0	0	0	0	0	0
	-other portfolio	265	265	121	121	193	193	121	121	82	0

Group

	Nominal amount								Credit equivalent value 31.12.03	Credit equivalent value 31.12.02	
	31.12.03		31.12.02		Average 2003		Average 2002				
	Bought	Sold	Bought	Sold	Bought	Sold	Bought	Sold			
NOK mill.											
Forward foreign exchange	-trading portfolio	2 564	2 802	3 908	3 790	2 939	2 989	3 363	2 548	130	101
	-other portfolio	4 733	3 786	2 458	3 570	3 707	3 720	2 086	3 483	148	101
Foreign currency options	-trading portfolio	0	0	0	10	10	10	0	0	0	0
	-other portfolio	0	0	0	0	0	0	0	0	0	0
Interest rate swaps	-trading portfolio	20	0	30	0	20	0	22	0	1	0
	-other portfolio	1 655	1 000	762	2 378	1 432	1 283	817	2 740	81	33
Interest rate caps	-trading portfolio	0	0	0	0	0	0	0	0	0	0
	-other portfolio	0	0	25	0	0	0	25	0	0	0
Forward rate agreement (FRA/futures)	-trading portfolio	0	4	24	2	18	18	0	0	0	0
	-other portfolio	550	585	0	0	0	0	0	0	3	0
Equity options	-trading portfolio	0	0	0	0	3	3	0	0	0	0
	-other portfolio	265	265	121	121	193	193	121	121	86	0

Notes

Note 34: Capital Adequacy

SPECIFICATION OF CAPITAL BASE

NOK mill.	Group		Parent bank	
	2003	2002	2003	2002
Equity	1 969.3	2 015.2	1 976.9	2 071.2
Intangible assets	310.1	291.1	297.4	287.9
Over-funding of pension commitments	3.1	5.6	3.1	6.4
Core capital	1 656.1	1 718.5	1 676.3	1 776.8
Subordinated loan capital less own holdings	421.1	524.0	421.1	524.0
Net primary capital (A)	2 077.2	2 242.5	2 097.4	2 300.8
Asset base for calculation (B)	16 913.7	19 636.2	16 049.9	19 139.7
Capital ratio (A/B)	12.28%	11.42%	13.07%	12.02%
Excess primary capital NOK million	724.0	671.6	813.4	769.6
Core capital ratio	9.79%	8.75%	10.44%	9.28%

SPECIFICATION OF ASSET BASE FOR CALCULATION

NOK mill.	Group		Parent bank	
	2003	2002	2003	2002
Total assets, other portfolio	17 131.9	19 769.6	16 422.5	19 322.0
Total off-balance sheet items, other portfolio	522.9	584.5	406.3	533.2
Foreign exchange risk and trading portfolio	100.1	100.4	43.9	80.3
Deduction for loss provisions, revaluation account	-841.3	-818.3	-822.8	-795.8
Basis of calculation	16 913.7	19 636.2	16 049.9	19 139.7

Note 35: Earnings per share

The accounting profit per share is calculated in order to arrive at a figure for the bank's earnings per share. The calculations are made in accordance with the Provisional Norwegian Accounting Standard for Earnings per Share.

Earnings per share is calculated by dividing the profit for the year by the time-weighted average number of shares. Shares arising from the conversion of subordinated loan capital during the year are included in the calculations with effect from 1 January since interest expense for the whole year lapses on the conversion of subordinated loans.

Similarly, diluted earnings per share is arrived at by taking account of all the potential outstanding shares during the period. The accounting result is adjusted for the pre-tax effect of the cessation of interest expense on the convertible share capital.

NOK mill.	Group	Parent bank
	2003	2003
Time-weighted average number of outstanding shares	91.9	91.9
No. Of shares as yet uncon. on subord. loan capital at 31.12		
Time-weighted average number of outstanding shares on full dilution	91.9	91.9
Profit for the year	-45.9	-94.3
Interest charge on conv. loan (less 28% tax)		
Profit for the year on full dilution	-45.9	-94.3
Earnings per share (NOK)	-499.5	-1 026.1
Diluted earnings per share (NOK)	-499.5	-1 026.1

Note 36: Main financial figures for subsidiaries

NOK mill.	Finansbanken Index ASA *)		Finansbanken Forvaltning AS *)		Finansbanken AS (Denmark)		Others	
	2003	2002	2003	2002	2003	2002	2003	2002
Pre-tax profit	0.1	2.1	0.3	-12.3	0.2	-27.3	0.8	2.1
Assets	7.5	10.8	36.8	52.9	1 142.0	1 024.4	54.5	55.8
Liabilities	0.1	3.4	0.0	9.0	934.7	927.4	1.3	3.0
Share capital	1.0	1.0	0.9	0.9	142.1	86.9	37.8	36.9
Other equity	7.4	6.4	35.9	43.0	65.1	10.1	15.4	15.8

*) In liquidation

Notes

Note 37: Liquidity risk at 31 December 2003 - Storebrand Bank Group

ANALYSIS OF BALANCE SHEET ITEMS BY REMAINING MATURITY*)

NOK mill.	<1 month	>1 month	>3 months	>1 year	>5 years	No fixed maturity	Total
	<3 months	<1 year	<5 years				
Cash and deposits with central banks	53.1	0.0	0.0	0.0	0.0	1.9	55.0
Loans to and receivables from credit institutions	284.4	0.0	0.0	0.0	0.0	0.0	284.4
Loans to and receivables from customers	13 785.1	633.7	1 041.2	1 387.6	5 831.0	-822.8	21 855.8
Bonds and short-term debt instruments	32.2	43.8	1 398.4	299.0	309.0	0.0	2 082.5
Other assets with fixed maturity	273.8	0.0	0.0	297.4	0.0	7.0	578.2
Assets without residual maturity	0.0	0.0	0.0	0.0	0.0	669.4	669.4
Total assets	14 428.5	677.6	2 439.6	1 984.1	6 140.0	-144.5	25 525.3
Debt to credit institutions	384.2	161.5	84.2	2 581.4	0.0	0.0	3 211.3
Deposits from and debt to customers	11 859.5	279.3	160.1	37.3	0.0	26.2	12 362.4
Securities issued	165.0	610.0	1 491.1	4 598.0	0.0	-10.8	6 853.3
Other debt with fixed maturity	206.9	0.0	0.0	0.0	0.0	0.5	207.4
Debt with no residual maturity	0.0	0.0	0.0	0.0	0.0	500.6	500.6
Subordinated loan capital	0.0	0.0	0.0	0.0	421.1	0.0	421.1
Equity	0.0	0.0	0.0	0.0	0.0	1 969.3	1 969.3
Total equity and liabilities	12 615.6	1 050.8	1 735.4	7 216.6	421.1	2 485.8	25 525.3
Net liquidity exposure of balance sheet items	1 812.9	-373.3	704.2	-5 232.5	5 718.9	-2 630.3	0.0
Net total all items	1 812.9	-373.3	704.2	-5 232.5	5 718.9	-2 630.3	0.0

*) Overdraft facilities are included in the category >1 month < 3 months. Instalments are included on the basis of maturity profiles.

ANALYSIS OF BALANCE SHEET ITEMS BY REMAINING MATURITY IN FOREIGN CURRENCY *)

NOK mill.	<1 month	>1 month	>3 months	>1 year	>5 years	No fixed maturity	Total
	<3 months	<1 year	<5 years				
Cash and deposits with central banks	30.6	0.0	0.0	0.0	0.0	0.3	30.9
Loans to and receivables from credit institutions	274.6	0.0	0.0	0.0	0.0	0.0	274.6
Loans to and receivables from customers	732.0	368.5	419.5	932.7	538.3	0.0	2 991.0
Bonds and short-term debt instruments	32.0	0.0	0.5	9.2	9.4	0.0	51.2
Other assets with fixed maturity	16.7	0.0	0.0	0.0	0.0	0.0	16.7
Assets without residual maturity	0.0	0.0	0.0	0.0	0.0	267.7	267.7
Total assets	1 085.9	368.5	420.1	941.9	547.7	268.0	3 632.2
Debt to credit institutions	327.4	161.5	84.2	2 081.4	0.0	0.0	2 654.5
Deposits from and debt to customers	860.3	68.9	61.7	37.3	0.0	26.2	1 054.4
Securities issued	0.0	0.0	758.0	0.0	0.0	0.0	758.0
Other debt with fixed maturity	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debt with no residual maturity	0.0	0.0	0.0	0.0	0.0	35.2	35.2
Subordinated loan capital	0.0	0.0	0.0	0.0	66.8	0.0	66.8
Equity	0.0	0.0	0.0	0.0	0.0	207.2	207.2
Total equity and liabilities	1 187.7	230.4	904.0	2 118.6	66.8	268.7	4 776.1
Net liquidity exposure of balance sheet items	-101.8	138.1	-483.9	-1 176.7	481.0	-0.6	-1 144.0
Net total all items	-101.8	138.1	-483.9	-1 176.7	481.0	-0.6	-1 144.0

*) Overdraft facilities are included in the category >1 month < 3 months. Instalments are included on the basis of maturity profiles.

Notes

Note 38: Residual interest rate fixing periods and interest rate risk at 31 December 2003 – Storebrand Bank Group

ANALYSIS OF BALANCE SHEET ITEMS BY PERIOD TO INTEREST RATE FIXING *)

NOK mill.	<1 month <3 months	>1 month >3 months <1 year	>3 months <1 year	>1 year <5 year	>5 year	No interest exposure	Total	Interest exposure p.a.
Cash and deposits with central banks	53.1	0.0	0.0	0.0	0.0	1.9	55.0	0.02
Loans to and receivables from credit institutions	284.4	0.0	0.0	0.0	0.0	0.0	284.4	0.11
Loans to and receivables from customers	2 362.7	19 811.4	414.7	93.3	0.0	-826.2	21 855.8	27.29
Bonds and short-term debt instruments	90.0	575.4	1 398.4	9.2	9.4	0.0	2 082.5	9.63
Other assets with fixed maturity	16.7	0.0	0.0	0.0	0.0	7.0	23.7	0.01
Assets without residual maturity	0.0	0.0	0.0	0.0	0.0	1 224.0	1 224.0	-
Total assets	2 806.8	20 386.7	1 813.2	102.5	9.4	406.7	25 525.3	37.05
Debt to credit institutions	468.4	2 658.7	84.2	0.0	0.0	0.0	3 211.3	3.8
Deposits from and debt to customers	11 919.1	279.3	160.1	37.3	0.0	-33.4	12 362.4	6.3
Securities issued	1 101.8	2 292.9	1 754.0	1 715.4	0.0	-10.8	6 853.3	0.0
Other debt with fixed maturity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debt with no residual maturity	0.0	0.0	0.0	0.0	0.0	672.7	672.7	0.0
Subordinated loan capital	100.0	276.8	35.0	0.0	9.3	35.3	456.4	0.7
Equity	0.0	0.0	0.0	0.0	0.0	1 969.3	1 969.3	0.0
Total equity and liabilities	13 589.3	5 507.7	2 033.3	1 752.7	9.3	2 633.2	25 525.3	10.7
Net interest rate exposure of balance sheet items	-10 782.5	14 879.1	-220.1	-1 650.1	0.1	-2 226.5	0.0	26.3
Financial derivatives affecting interest rate exp.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net interest rate exposure	-10 782.5	14 879.1	-220.1	-1 650.1	0.1	-2 226.5	0.0	26.3
Net interest rate exp. as % of average total assets	-40.4%	55.8%	-0.8%	-6.2%	0.0%	-8.4%	0.0%	0.1%

*) Period to interest rate fixing is the period up to the earliest possible date on which the bank can initiate a change in interest rate.

ANALYSIS OF WHICH BALANCE SHEET ITEMS IN FOREIGN CURRENCY BY PERIOD TO INTEREST RATE FIXING

NOK mill.	<1 month <3 months	>1 month >3 months <1 year	>3 months <1 year	>1 year <5 year	>5 year	No interest exposure	Total	Interest exposure p.a.
Cash and deposits with central banks	30.6	0.0	0.0	0.0	0.0	0.0	30.6	1%
Loans to and receivables from credit institutions	274.6	0.0	0.0	0.0	0.0	0.0	274.6	11%
Loans to and receivables from customers	1 504.5	978.4	414.7	93.3	0.0	0.0	2 991.0	523%
Bonds and short-term debt instruments	32.0	0.0	0.5	9.2	9.4	0.0	51.2	20%
Other assets with fixed maturity	16.7	0.0	0.0	0.0	0.0	0.0	16.7	1%
Assets without residual maturity	0.0	0.0	0.0	0.0	0.0	267.4	267.4	0%
Total assets	1 858.5	978.4	415.3	102.5	9.4	267.4	3 631.5	5.6
Debt to credit institutions	411.7	2 158.3	84.2	0.0	0.0	0.0	2 654.2	318%
Deposits from and debt to customers	860.3	68.9	61.7	37.3	0.0	26.3	1 054.5	117%
Securities issued	0.0	758.0	0.0	0.0	0.0	0.0	758.0	87%
Other debt with fixed maturity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0%
Debt with no residual maturity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0%
Subordinated loan capital	0.0	66.8	0.0	0.0	0.0	35.2	102.0	8%
Equity	0.0	0.0	0.0	0.0	0.0	207.2	207.2	0%
Total equity and liabilities	1 271.9	3 052.0	145.9	37.3	0.0	268.8	4 775.9	5.3
Net interest rate exposure of balance sheet items	586.6	-2 073.6	269.3	65.2	9.4	-1.4	-1 144.4	0.3
Financial derivatives affecting interest rate exp.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net interest rate exposure	586.6	-2 073.6	269.3	65.2	9.4	-1.4	-1 144.4	0.3
Net interest rate exp. as % of average total assets	2.2%	-7.8%	1.0%	0.2%	0.0%	0.0%	-4.3%	0.0%

INTEREST RATE RISK

Throughout 2003 Storebrand Bank ASA endeavoured to maintain a low or neutral interest rate exposure in relation to both Norwegian krone and foreign currencies. The bank's interest rate exposure relates mainly to holdings of securities, securities issued by the bank and financial derivatives. The bank seeks to neutralise its interest rate exposure through active use of hedging transactions to hedge interest rates in both the trading portfolio and other portfolios. The effect that any changes in the yield curve in the various currencies might have on the bank's results is thereby minimised.



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To the Supervisory Board an the Annual Shareholders' Meeting of Storebrand Bank ASA

AUDITOR'S REPORT FOR 2003

Respective Responsibilities of Directors and Auditors

We have audited the annual financial statements of Storebrand Bank ASA as of 31 December 2003, showing a loss of NOK 94.292.304 for the parent company and a loss of NOK 45.909.409 for the group. We have also audited the information in the Directors' report concerning the financial statements, the going concern assumption, and the proposal for the coverage of the loss. The financial statements comprise the balance sheet, the statements of income and cash flows, the accompanying notes and the group accounts. These financial statements and the Directors' report are the responsibility of the Company's Board of Directors and Managing Director. Our responsibility is to express an opinion on these financial statements and other information according to the requirements of the Norwegian Act on Auditing and Auditors.

Basis of Opinion

We conducted our audit in accordance with the Norwegian Act on Auditing and Auditors and auditing standards and practices generally accepted in Norway. Those standards and practices require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant accounting estimates made by management, as well as evaluating the overall financial statement presentation. To the extent required by law and auditing standards and practices an audit also comprises a review of the management of the Company's financial affairs and its accounting and internal control systems. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion,

- the financial statements have been prepared in accordance with law and regulations and present the financial position of the Company and of the Group as of 31 December 2003, and the results of its operations and its cash flows for the year then ended, in accordance with accounting standards, principles and practices generally accepted in Norway
- the Company's management has fulfilled its obligation in respect of registration and documentation of accounting information as required by law and accounting standards, principles and practices generally accepted in Norway
- the information in the Directors' report concerning the financial statements, the going concern assumption, and the proposal for the coverage of the loss is consistent with the financial statements and comply with the law and regulations.

Oslo, 19 February 2004

KPMG AS
Geir Moen
State Authorised Public Accountant

Note: This translation of the Norwegian statutory Audit Report has been prepared for information purposes only



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Storebrand Bank ASA

Control Committee's Statement 2003

The Control Committee of Storebrand Bank ASA has reviewed the Board of Directors' proposed Annual Report and Accounts for 2003.

With reference to the auditor's report of 19 February 2004 the Control Committee recommends that the Annual Report and Accounts proposed be adopted as the Annual Report and Accounts of Storebrand Bank ASA for 2003.

Oslo, 27 February 2004

Translation - not to be signed

Finn Myhre
Chairman of the Control Committee

Storebrand Bank ASA

Board of Representatives' Statement 2003

The Board of Directors' proposal for the Annual Report and Accounts, together with the Auditor's report and the Control Committee's statement have, in the manner required by law, been presented to the Board of Representatives. The Board of Representatives recommends that the Annual General Meeting approve the Board of

Directors' proposal for the Annual Report and Accounts of Storebrand Bank ASA and Storebrand Bank Group.

The Board of Representatives raises no objections to the Board's proposal regarding the allocation of the 2003 profit for the year of Storebrand Bank ASA.

Oslo, 2 March 2004

Translation - not to be signed

Sven Ullring
Chairman of the Board of Representatives



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