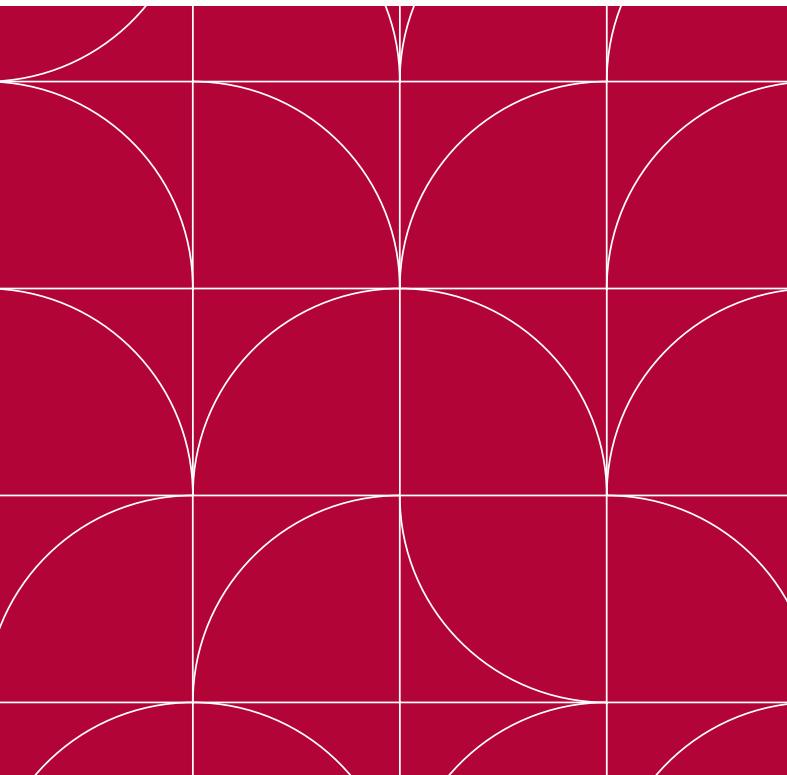


Storebrand Bank Group

2nd Quarter 2006

 storebrand



Storebrand Bank group

- Interim results for second quarter 2006

(Figures for the corresponding period in 2005 shown in brackets)

- Storebrand Bank reported consolidated pre-tax profit of NOK 59 million for Q2
- NOK 10 million gain on sale of shares in Bertel O. Steen Finans AS
- NOK 15 million write-back of earlier loan loss write-downs
- Increase of NOK 676 million in lending
- Decline in non-performing and loss-exposed loans continues as expected

Storebrand Bank group reported ordinary operating profit for Q2 2006 of NOK 44 million (NOK 46 million) before write-downs for loan losses. After a net write-back of earlier loan loss write-downs of NOK 15 million, pre-tax profit for Q2 was NOK 59 million (NOK 69 million).

Ordinary pre-tax profit for the first six months was therefore NOK 107 million (NOK 141 million).

Net interest income amounted to NOK 102 million (NOK 112 million) in Q2, bringing net interest income for the first six months to NOK 209 million (NOK 232 million). This represents an interest margin calculated on average total assets of 1.36% (1.69%). The decline in net interest income is due amongst others to reduced risk in the lending portfolio and strong competition in the market.

Non-interest income amounted to NOK 36 million in Q2 (NOK 16 million). This includes commission income approaching NOK 11 million on sales of real estate investment funds and an accounting gain of NOK 10 million on the sale of the bank's ownership interest in Bertel O. Steen Finans AS.

Operating expenses amounted to NOK 94 million in Q2 (NOK 82 million), which was largely as expected. Costs were driven higher by strong sales of real estate investment funds. The bank will seek to further reduce the level of its costs relative to its total assets and income.

Changes in loan loss write-downs in Q2 resulted in a net write-back of NOK 15 million. This is due to a reduction in the volume of loans with identified impairment and the performance of these loans. Gross non-performing and loss-exposed loans totalled NOK 630 million at 30 June 2006, a reduction of NOK 51 million from the

previous quarter and a reduction of NOK 124 million from the beginning of the year. The bank's loan loss write-downs (both individual and grouped write-downs) totalled NOK 443 million at the end of Q2, of which grouped write-downs accounted for NOK 83 million. This represents a level of provisioning relative to non-performing and loss-exposed loans of 70% (58%), an increase of 2 percentage points from Q1.

The bank's assets totalled NOK 31 billion at the close of Q2. Gross lending increased by NOK 676 million in Q2 bringing the increase for the first six months to NOK 1.2 billion. The increase in Q2 was made up of an increase of NOK 663 million in lending to retail clients and an increase of NOK 13 million in corporate lending. Lending by Storebrand Life Insurance managed by Storebrand Bank ASA increased by NOK 267 million in Q2. The bank's deposit-to-loan ratio increased in Q2 to 48% at 30 June 2006.

The bank's net primary capital amounted to NOK 2 billion at the close of Q2. The bank's capital ratio at the end of Q2 was 9.84% and its core capital ratio was 7.61%. The calculation of capital ratio for Q2 does not include a proportion of profit for the year to date. The level of capital ratio is in line with expectations given the growth in the bank's total assets.

The marketing activities and pricing changes implemented by Storebrand Bank in 2005 and so far in 2006 have played an important role in continuing the positive trend seen for the loan portfolio. The number of new accounts opened has accordingly continued to grow in 2006. The bank has opened over 9,000 new accounts for retail customers so far in 2006.

Oslo, 9. august 2006

The Board of Directors of Storebrand Bank ASA

Storebrand Bank Group

PROFIT AND LOSS ACCOUNT

NOK MILLION	01.01.06 -30.06.06	GROUP	
		01.01.05 -30.06.05	01.01.05 -31.12.05
Interest income	570.0	516.1	1 036.4
Interest expense	-361.2	-284.0	-585.8
Net interest income	208.8	232.1	450.6
Fee and commission income from banking services	20.0	18.3	43.8
Fee and commission expenses for banking services	-7.7	-8.4	-15.1
Net income and gains from associated companies	11.4	4.2	6.4
Net gains on financial instruments at fair value	7.9	30.6	29.2
Other income	28.5	12.0	37.9
Total other operating income	60.0	56.6	102.4
Staff expenses and general administration expenses	-82.1	-80.8	-164.8
Other operating costs	-109.1	-89.5	-181.5
Total operating expenses	-191.2	-170.2	-346.3
Operating profit before losses and other items	77.6	118.5	206.6
Loan losses and provisions	29.7	22.0	34.4
Profit before tax	107.4	140.6	241.1
Tax	-26.0	-36.0	-47.0
Minority interests	0.1	0.0	0.0
Profit for the year	81.4	104.6	194.1

Storebrand Bank Group

BALANCE SHEET

NOK MILLION	30.06.06	30.06.05	GROUP 31.12.05
Cash and deposits with central banks	341.5	1 179.7	423.9
Loans to and deposits with credit institutions	137.4	500.1	41.7
Financial assets designated at fair value through profit or loss:			
Equity instruments	11.4	10.7	8.8
Bonds and other fixed-income securities	2 052.8	1 407.8	1 703.1
Derivatives	581.4	569.0	515.0
Other current assets	425.0	514.2	185.4
Gross lending	27 933.2	24 506.0	26 757.7
- Write-downs of individual loans	-359.9	-433.1	-389.6
- Write-downs of groups of loans	-83.1	-93.4	-89.2
Net lending to customers	27 490.3	23 979.5	26 278.8
Investments in associated companies	30.0	42.1	38.3
Tangible assets	9.1	11.7	10.1
Intangible assets	35.3	18.2	26.0
Deferred tax assets	184.3	224.6	211.4
TOTAL ASSETS	31 298.4	28 457.5	29 442.5
Liabilities to credit institutions	1 539.7	1 029.5	1 464.6
Deposits from and due to customers	13 476.7	11 952.3	11 187.0
Other financial liabilities:			
Derivatives	509.9	486.8	452.3
Commercial paper and bonds issued	13 129.6	12 397.3	13 657.2
Other liabilities	318.7	218.4	217.3
Provision for accrued expenses and liabilities	4.0	4.4	4.9
Pension liabilities	53.4	56.4	53.4
Subordinated loan capital	659.8	661.2	658.9
TOTAL LIABILITIES	29 691.8	26 806.4	27 695.5
Share capital	916.6	916.6	916.6
Other equity	687.1	732.7	827.4
Minority interests	2.9	1.9	3.0
TOTAL EQUITY	1 606.6	1 651.1	1 747.0
TOTAL EQUITY AND LIABILITIES	31 298.4	28 457.5	29 442.5

Storebrand Bank Group

RECONCILIATION OF CHANGES IN EQUITY

NOK MILLION	GROUP							
	30.06.06				30.06.05			
	MAJORITY'S SHARE OF EQUITY			TOTAL EQUITY	MAJORITY'S SHARE OF EQUITY			TOTAL EQUITY
PAID IN CAPITAL	OTHER EQUITY	MINORITY INTEREST	PAID IN CAPITAL		OTHER EQUITY	MINORITY INTEREST		
Equity as at 31.12.05 / 31.12.04	916.6	793.0	3.0	1 712.6	1 315.9	659.3	0.8	1 976.0
New accounting principle for pensions		34.5		34.5		30.4		30.4
Equity at the beginning of the period	916.6	827.5	3.0	1 747.1	1 315.9	689.7	0.8	2 006.4
Profit for the period		81.4	-0.1	81.3		104.6		104.6
Equity transactions with the owner:								
Dividend paid		-222.4		-222.4		-61.7		-61.7
Reduction in equity				0.0	-399.3			-399.3
Other changes		0.6		0.6		1.1		1.1
Equity at 30.06.06 / 30.06.05	916.6	687.1	2.9	1 606.6	916.6	732.6	1.9	1 651.1

ANALYSIS OF CASH FLOW

NOK MILLION	GROUP		
	30.06.06	30.06.05	31.12.05
Cash flow from operations			
Net receipts/payments of interest, commissions and fees from customers	178.4	281.2	534.1
Net disbursement/payments on customer loans	-1 277.4	-671.6	-2 600.6
Net receipts/payments of deposits from banking customers	2 364.9	-633.0	-963.2
Net receipts/payments on other operational activities	-585.5	125.0	84.3
Net cash flow from operational activities	680.4	-898.4	-2 945.4
Cash flow from investment activities			
Net receipts from sale of subsidiaries	9.5	250.1	250.1
Net payments on purchase/sale of fixed assets etc.	1.0	12.2	12.6
Net cash flow from investment activities	10.5	262.3	262.7
Cash flow from financing activities			
Net receipts/payment from borrowing	-550.9	1 745.5	3 036.3
Dividend/group contribution payments	-222.4	-61.7	-61.7
Paid back share capital	0.0	-399.3	-399.3
Net cash flow from financing activities	-773.3	1 284.5	2 575.3
Net cash flow in period	-82.4	648.4	-107.4
Cash and cash equivalent assets at the start of the period	423.9	531.3	531.3
Cash and cash equivalent assets at the end of the period	341.5	1 179.7	423.9

Notes to the accounts

NOTE 1 ACCOUNTING PRINCIPLES

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

The annual report and accounts of Storebrand Bank ASA for 2005 is available on request from the company's registered office at Filipstad Brygge 1, Oslo, and is also available at www.storebrand.no. Information on the accounting principles used in the interim accounts can be found in the accounting principles note to the 2005 accounts, with the exception of the change in accounting principles set out in note 2 below.

In preparing the quarterly accounts, Storebrand Bank has used assumptions and estimates that affect reported amounts of assets, liabilities, revenues, costs and information in the notes to the accounts, as well as the information provided on contingent liabilities. Actual results may differ from these estimates.

NOTE 2 CHANGE IN ACCOUNTING PRINCIPLES

The Storebrand Bank group changed its accounting principles for the recognition of pension liabilities in the second quarter. The group previously amortised the effect of differences between assumptions and actual experience (experience adjustments) and changes in assumptions over the average remaining period for accrual of pensions entitlement to the extent that the effect exceeded 10% of the higher of either the pension liability or pension assets (corridor approach). With effect from Q2 2006, the effect of such differences is applied directly to equity, and changes will be reported in the reconciliation of changes in equity. Figures for previous periods have been restated to be comparable.

Storebrand Bank is of the view that this change in accounting principles will provide more reliable and relevant information since the effect of experience adjustments and changes in assumptions will now be shown in the balance sheet as part of pension liabilities. The change in accounting principles has caused changes in the following balance sheet items:

NOK MILLION	GROUP		
	30.06.06	30.06.05	31.12.05
Assets			
Deferred tax assets	-13.4	-11.8	-13.4
Equity and liabilities			
Pension liabilities	-48.0	-42.2	-48.0
Other equity	34.6	30.4	34.6

NOTE 3 DIVIDEND

Storebrand Bank ASA distributed a dividend of NOK 3.47 per share in March 2006 in respect of the 2005 financial year. The dividend amounts to NOK 222.4 million and has been deducted from consolidated equity in Q1.

NOTE 4 KEY FIGURES

NOK MILLION	GROUP		
	30.06.06	30.06.05	31.12.05
Profit and Loss account: (as % of avg. total assets)²⁾			
Net interest income	1.36 %	1.69 %	1.60 %
Total other operating income	0.39 %	0.41 %	0.36 %
Total non-interest expenses	-1.25 %	-1.24 %	-1.23 %
Operating profit before losses and other items	0.51 %	0.86 %	0.73 %
Profit before tax	0.70 %	1.02 %	0.86 %
Profit for the year	0.53 %	0.76 %	0.69 %
Main balance sheet figures:			
Total assets	31 298.4	28 457.5	29 442.5
Average total assets	30 597.3	27 437.7	28 124.0
Total lending to customers	27 933.2	24 506.0	26 757.7
Equity	1 606.6	1 651.1	1 747.0
Other key figures:			
Total non-interest income as % of total income	22.33 %	19.62 %	18.51 %
Loan losses and provision as % of average total lending	-0.22 %	-0.18 %	-0.13 %
Costs as % of operating income	71.12 %	58.95 %	62.62 %
Return on equity after tax ¹⁾	8.79 %	9.32 %	9.76 %

Definitions:

1) Annualised profit after tax as % of average equity.

2) Average total assets is calculated on the basis of quarterly total assets for the year to date

Notes to the accounts

NOTE 5 CAPITAL ADEQUACY 3)

NOK MILLION	30.06.06	GROUP 30.06.05	31.12.05
Core capital	1 514.3	1 673.7	1 528.0
Supplementary capital	444.4	410.2	430.5
Net primary capital	1 958.6	2 083.9	1 958.5
Total assets, other portfolio	19 955.9	17 201.1	18 858.8
Total off-balance sheet items, other portfolio	396.8	347.5	355.6
Foreign exchange risk and trading portfolio	1.5	65.0	9.9
Deduction for loss provisions, revaluation account	-446.9	-593.5	-482.8
Total risk-weighted assets	19 907.2	17 020.1	18 741.5
Capital ratio	9.84 %	12.24 %	10.45 %
Excess capital	366.0	722.3	459.1
Core capital ratio	7.61 %	9.83 %	8.15 %

3) Key figures are based on NGAAP as the Financial Supervisory Authority of Norway has not yet issued regulations in accordance with IFRS.

NOTE 6 QUARTERLY PROFIT AND LOSS

Quarterly profit and loss - Group

NOK MILLION	Q2 2006	Q1 2006	Q4 2005	Q3 2005	Q2 2005
Interest income	291.2	278.9	275.7	244.4	256.5
Interest expense	-188.8	-172.4	-162.9	-138.7	-144.4
Net interest income	102.4	106.5	112.8	105.7	112.1
Fee and commission income from banking services	9.3	10.7	15.4	10.2	9.7
Fee and commission expenses for banking services	-3.7	-4.1	-3.3	-3.4	-4.0
Net income and gains from associated companies	9.9	1.6	0.5	1.8	4.2
Net gains on financial instruments at fair value	3.7	4.2	7.8	7.4	3.1
Other income	16.5	12.0	6.8	2.6	2.8
Total other operating income	35.7	24.3	27.1	18.5	15.8
Staff expenses and general administration expenses	-38.0	-44.1	-45.7	-37.8	-39.4
Other operating costs	-56.2	-53.0	-50.8	-41.7	-42.4
Total operating expenses	-94.2	-97.1	-96.5	-79.5	-81.8
Operating profit before losses and other items	43.9	33.7	43.4	44.7	46.1
Loan losses and provisions	15.1	14.6	15.4	-3.0	22.8
Profit before tax	59.1	48.3	58.8	41.7	68.9
Tax	-13.1	-12.9	0.7	-11.7	-20.6
Minority interests	-0.1	0.2	-0.1	0.1	0.0
Profit for the year	46.0	35.5	59.4	30.1	48.3

Notes to the accounts

NOTE 7 OFF BALANCE SHEET LIABILITIES AND CONTINGENT LIABILITIES

NOK MILLION	30.06.06	GROUP 30.06.05	31.12.05
Guarantees	281.8	282.8	237.1
Undrawn credit limits	1 322.7	1 621.2	1 285.7
Total contingent liabilities	1 604.5	1 904.0	1 522.8
Book value of bonds pledged as security for the bank's			
D-loan facility with the Norwegian central bank	1 737.5	1 407.5	1 703.1
Total book value of off balance sheet liabilities	1 737.5	1 407.5	1 703.1

NOTE 8 LOSSES AND PROVISIONS FOR NON-PERFORMING AND LOSS-EXPOSED LOANS, GUARANTEES ETC.

NOK MILLION	30.06.06	GROUP 30.06.05	31.12.05
Non-performing and loss-exposed loans			
Non-performing loans without evidence of impairment	127.7	138.2	112.9
Non-performing and loss-exposed loans with evidence of impairment	502.1	773.0	641.1
Gross defaulted and loss-exposed loans	629.8	911.2	754.0
Provisions for individual impairment losses	-359.9	-433.1	-389.6
Provisions for grouped impairment losses	-83.1	-93.4	-89.2
Net defaulted and loss-exposed loans	186.8	384.7	275.1

Individual losses in respect of guarantees amount to NOK 4 million and are recognised in the balance sheet under "Provisions for accrued expenses and liabilities"

NOK MILLION	01.01.06 - 30.06.06	GROUP 01.01.05 - 30.06.05	01.01.05 - 31.12.05
Losses on loans and guarantees etc. during period			
Change in individual impairment loss provisions	-29.7	28.9	-26.5
Change in grouped impairment loss provisions	-6.1	-19.3	-107.5
Other write-down effects	5.2	0.0	19.3
Realised losses specifically provided for previously	0.0	-37.0	81.9
Realised losses not specifically provided for previously	1.3	5.3	0.9
Recoveries on previous realised losses	-0.4	0.1	-2.5
Losses on loans and guarantees etc.	-29.7	-22.0	-34.4

