Storebrand Bank
Annual Report 2009

COMPANY INFORMATION

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Other sources of information:
Annual Reports and interim reports of Storebrand Bank ASA are published on www.storebrand.no.

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KEY FIGURES STOREBRAND BANK GROUP

NOK MILLION	2009	2008
Profit and Loss account: *(as % of avg. total assets)*		
Net interest income [3]	0.95 %	1.17 %
Other operating income [4]	0.50 %	0.34 %
Main balance sheet figures:		
Total assets	42 985.6	45 645.0
Average total assets [1]	44 665.8	43 723.9
Total lending to customers	36 123.3	39 034.7
Deposits from and due to customers as % of gross lending	50.7 %	46.9 %
Equity	2 281.9	2 060.5
Other key figures:		
Total non-interest income as % of total income	34.59 %	22.74 %
Loan losses and provisions as % of average total lending	0.12 %	0.32 %
Individual impairment loss as % of gross defaulted loans [5]	31.65 %	50.46 %
Non-performing and loss-exposed loans as% of total lending	2.45 %	1.86 %
Costs as % of operating income banking activities	70.53 %	63.13 %
Costs as % of avg. total assets	1.19 %	1.16 %
Return on equity after tax [2]	0.90 %	0.94 %
Capital ratio	13.5 %	10.8 %

Definitions:

1) Average total assets is calculated on the basis of monthly total assets for the quarter and for the year to date respectively.
2) Annualised profit after tax adjusted for hedging ineffectiveness as % of average equity.
3) Annualised net interest income adjusted for hedging ineffectiveness.
4) Other operating income includes net fee and commission income.
5) Gross defaulted loans with identified loss of value.

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(Figures for 2008 shown in brackets)

MAIN FEATURES

Storebrand Bank AS is a wholly owned subsidiary of Storebrand ASA and one of five business units in the Storebrand Group. Storebrand Bank is a commercial bank and is authorised pursuant to the Securities Trading Act. The address of Storebrand Bank ASA's head office is Professors Kohts Vei 9, 1366 Lysaker, in Bærum.

Despite a normalisation of the global credit markets in 2009, the development of the result in Storebrand Bank was affected by weak economic conditions and a demanding market situation. This resulted in lending losses in excess of normal levels, low direct returns on equity, increased funding costs, squeezed deposit margins, and high costs associated with maintaining liquidity buffers above a normal level for the banking industry and Storebrand Bank. The Storebrand Bank Group's pre-tax profit amounted to NOK 35 million compared to NOK 33 million for 2008. A number of steps were taken in 2009 to ensure the bank has strong core (tier 1) capital, a robust funding structure, good liquidity, and a high quality lending portfolio.

Storebrand Bank ASA's vision is to be the "smart choice for the modern customer". The bank should be easy to deal with and offer products that are in demand at competitive prices, both to the retail and the corporate markets.

The bank has some of the most satisfied and loyal customers in the retail market, and its ambition is to establish the bank as Norway's best direct bank. The bank's role in the group is to contribute to customer growth by distributing the Storebrand Group's products to retail customers. The bank launched several new services in its online bank throughout 2009 as part of achieving its ambition in the retail market. The next milestone in the process will be the launch of Storebrand Bank's new online bank during H1 2010. Cross-sales of the bank's and the group's products to their own customer base are important success factors with respect to increasing earnings in the bank's retail segment and ensuring continued high satisfaction and loyalty. The competition situation in the retail segment is characterised by price continuing to be an important factor in the recruitment of new banking customers.

In the corporate customer segment, Storebrand Bank holds a strong position in the professional real estate market. Our ambition is to be a leading provider of advice, transaction services, and financing for cooperate customers within commercial real estate. The bank's competitive edges include its competence, comprehensive solutions, and good service. Activities within this segment include estate agency, lease brokering, valuations, corporate finance, and financing services. These services are gathered under the brand name "Eiendomshuset Storebrand Bank".

A weak market for new housing in 2009 resulted in poorer profitability for a number of property developers. This was one important reason why total individual and group write-downs in the corporate customer segment amounted to NOK 45 million in 2009.
The individual write-downs were primarily due to two individual projects involving the development of housing for the retail market.

At year-end 2009, the banking group had assets under management of NOK 43.0 billion and the total lending portfolio had decreased from NOK 39 billion in 2008 to NOK 36.1 billion in 2009. The bank prioritised growing deposits rather than lending in 2009 and maintained a deposit-to-loan ratio of more than 50 percent throughout the year.

Storebrand ASA owned all 64,037,183 shares in Storebrand Bank ASA as per 31 December 2009. In October 2009, a NOK 200 million private placement was carried out with the owner with an increase in the nominal value.

SUBSIDIARIES AND RELATIONSHIP WITH THE GROUP

Hadrian Eiendom AS represents the banking group's expertise within development properties and commercial property brokering. The company also offers appraisals and potential studies. The bank owns 90.0 percent of the shares in Hadrian Eiendom AS as well as 80 percent of the shares in its sister company Hadrian Utvikling AS, and also has an option to acquire the remaining shares in both companies. Hadrian Utvikling provides a range of advice services relating to the development of commercial property. The companies operate from their offices in Olav V's Gt. 1, Oslo.

The bank's ownership interest in its subsidiary Ring Eiendomsmegling AS was increased in 2009 from a stake of 99.6 percent to 100 percent. In December 2009, debt worth NOK 40 million was converted in the subsidiary. The company operates from it offices in Christian Frederiks Plass 4, Oslo.

In connection with the take over of collateral associated with a loss exposed commitment in the corporate market, Storebrand Bank ASA sold real estate under development to a subsidiary, Bjørndalen Panorama AS, which will complete the project. The bank also took over 100 percent of the shares in Bjørndalen Tomteselskap AS, formerly Vakås Eiendom AS, 89 percent of the shares in Ullensaker Boligbygg AS, and 89 percent of Ullensaker

Boligbygg KS in 2009. The bank took over these two companies to reduce the losses associated with the commitments.

Storebrand Bank ASA jointly owns the company Storebrand Baltic UAB together with Storebrand Livsforsikring AS. The bank owns 50 percent of the company, and the business in this company is integrated with the rest of the organisation in Storebrand Bank and it delivers services across large parts of the value chain, including group administration and support functions. The company acts as a resource centre for support services for the entire Storebrand Group, and is a key tool in the work on continuous improvement and streamlining.

The bank established a subsidiary, Storebrand Eiendomskreditt AS, in Q3 2009. The company holds a concession to issue covered bonds secured by mortgages in commercial property. Its sister company, Storebrand Boligkreditt AS, was established in 2008 and holds a concession to issue covered bonds secured by mortgages in residential property.

PROFIT AND LOSS ACCOUNT

The Storebrand Bank Group's result before losses amounted to NOK 80 million compared to NOK 155 million for 2008. Net recognised costs linked to losses from lending, guarantees, including taken over commitments, etc, amounted to NOK 46 million compared to NOK 122 million for 2008. The development of losses and the poor development of Ring Eiendomsmegling's result pulled the group result down. The banking group's result for the year after tax amounted to NOK 19 million, on a par with 2008.

Storebrand Bank ASA achieved a result after tax of NOK 30 million in 2009 compared to NOK 58 million for 2008.

Net interest income in the banking group amounted to NOK 423 million compared to NOK 512 million in 2008. Net interest income as a percentage of average total assets was 0.95 percent in 2009 compared to 1.17 percent in 2008. The reduction in net interest income in 2009 was primarily due to higher funding costs and lower direct returns on equity due to the lower interest rates.

Net commission income amounted to NOK 76 million for 2009 compared to NOK 62 million for 2008. Other income amounted to NOK 148 million for 2009 compared to NOK 89 million for 2008. Income from business acquired in 2008 is recognised in other income. The change in value associated with the banking group's liquidity portfolio in fixed income securities had a positive effect on the result of NOK 22 million in 2009 (negative by NOK 10 million).

The banking group's operating costs totalled NOK 567 million (NOK 508 million). The year's operating costs also include write-downs on investment properties amounting to NOK 35 million related to taken over loss exposed commitments as well as restructuring costs in the group totalling NOK 6 million.

Banking operating costs amounted to NOK 391 million (NOK 382 million), corresponding to a costs ratio of 70.5 percent in 2009 (63.1 percent). The bank has reduced staffing in the remaining business by 30 percent since the beginning of 2007. At the same time a number of tasks were transferred to Storebrand Baltic. These efficiency measures have so far not been fully reflected as reduced operating costs in the bank's financial statements. This is due to the fact that the services the bank now carries out on its own behalf, and which were previously delivered by other units in Storebrand, are recognised in net interest income. Corrected for this effect, there is an underlying reduction in costs in the banking group. The bank's streamlining work continues and the costs programme will result in an annual reduction in operating costs totalling NOK 50 million. The full effect is expected in 2011.

NON-PERFORMING AND LOSS EXPOSED COMMITMENTS

The bank changed its definition of non-performing and loss-exposed loans without impairment from and including Q4 2009. The banking group's volume of non-performing and loss-exposed loans without impairment calculated according to the new definition amounted to NOK 309 million at year-end 2009, and was reduced during the year.

The volume of non-performing and loss-exposed commitments in banking amounted to NOK 884 million as per 31 December 2009, 2.5 percent of gross lending. As per 31 December 2008, the volume was NOK 834 million , 2.1 percent of gross lending. Total write-downs in 2009 amounted to NOK 289 million, a reduction of NOK 62 million since 2008.

Net individual and group write-downs recognised as costs in 2009 amounted NOK 80 million in Storebrand Bank ASA, taking into account those established in the period and including individual write-downs in the bank's subsidiaries amounting to NOK 35 million. NOK 8 million of previously established losses were reversed in 2009. At year-end 2009, individual write-downs in the parent bank amounted to NOK 230 million, a reduction of NOK 33 million since 2008. Group write-downs increased from NOK 88 million to NOK 106 million in 2009.

1) Consists of Storebrand Bank ASA, Storebrand Boligkreditt AS and Storebrand Eiendomskreditt AS.

2) See note 44 in the Storebrand Bank Group and note 42 in Storebrand Bank ASA for new definition of the volume of non-performing and loss exposed loans.

3) Presented as a write-down in investment properties under operating costs in the banking group.

STATEMENT OF FINANCIAL POSITION AND CAPITAL SITUATION

The Storebrand Bank Group's assets under management amounted to NOK 43.0 billion as per 31 December 2009. The deposit-to-loan ratio at year-end 2009 was 50.7 percent, compared to 46.9 percent in 2008.

The bank has a balanced funding structure and bases its borrowing on customer deposits, issuing securities and financial institution bonds, both directly in the market and through the swap scheme with Norges Bank, as well as borrowing on the Norwegian and international capital markets. The maturity structure of the bank's debt improved in 2009. At year-end 2009, the bank had committed, unused drawing facilities amounting to EUR 220 million.

At year-end 2009, Storebrand Bank ASA had total assets of NOK 37.9 billion, which is on a par with year-end 2008. Gross lending in the parent bank fell by NOK 6.2 million due to the sale of lending in the retail market to its subsidiary Storebrand Boligkreditt AS and lending for commercial property to the subsidiary Storebrand Eiendomskreditt AS. An increase in the holding of covered bonds issued by subsidiaries in 2009 helped to ensure total assets were maintained at a level corresponding to that in 2008.

In October 2009, a capital increase was conducted to strengthen the bank's core (tier 1) capital through a NOK 200 million private placement with Storebrand ASA. At year-end 2009, the Storebrand Bank Group had net primary capital amounting to NOK 2.9 billion compared to NOK 2.7 billion at year-end 2008. This corresponds to capital adequacy of 13.5 percent and a core (tier 1) capital ratio of 10.4 percent. Storebrand Bank's core (tier 1) capital ratio target is 10 percent.

The Storebrand Bank Group had satisfactory solvency and very good liquidity as per 31 December 2009. The Board of Directors is of the opinion that the bank's equity is satisfactory.

BUSINESS AREAS

Retail market

The bank's customer base grew steadily in the retail market in 2009, and measurements carried out by the Norwegian Customer Barometer Survey show that the bank's retail customers are among the most satisfied and loyal in the market.

The retail area assumed responsibility for its own distribution in 2008, and a total of 49 person-years have been taken over from Storebrand Livsforsikring AS as part of this in the last two years. Distribution has been systematically integrated into the bank, and both costs and staffing have been reduced. At the same time, streamlining measures have been implemented that have reduced staffing by 55 person-years during the same period. Staffing levels in the business areas were reduced by a total of 19 person-years in 2009. Further production tasks were transferred to Storebrand Baltic during 2009 and this process will continue in 2010.

The retail business area experienced a fall in its lending portfolio of 7.5 percent in 2009 compared to growth of 9 percent in 2008. Deposits have declined by 2.7 percent compared to a growth in deposits of 25 percent in 2008. The focus on cross-sales has been successful so far and the bank's customer centre and advisers increased the rate of sales significantly in 2009. The bank will launch an upgraded online bank solution during Q1 2010. The aim of this is to take even better advantage of customer traffic.

Corporate market

The bank's main focus in the corporate market has been on the professional real estate market. The bank's competitive edges include its competence and ability to offer comprehensive solutions and good service. The real estate business has been collected under the brand name "Eiendomshuset Storebrand Bank" and is actively working to offer solutions for customers throughout the entire value chain. The corporate market business areas, together with other units in the Storebrand Group, also offer services to selected niches, including investors, the public sector and the SMB segment.

A weak market for new housing in 2009 resulted in poorer profitability for a number of property developers. This was one important reason why total individual and group write-downs in the corporate customer segment amounted to NOK 45 million in 2009. The development of losses principally related to two different individual projects involving housing developments.

Storebrand Markets

This business area includes advice and sales of currency and interest hedging products, stockbroking, corporate advice, and the facilitation of savings products. A special solution was established for purchases and sales of fund units in the online bank in November 2009. Stockbroking focuses on conducting larger transactions at competitive prices both on the Oslo Stock Exchange and on most other foreign exchanges. Online share trading developed well with respect to both the number of customers and transactions in 2009.

The corporate market business area's work includes handling the facilitation and implementation of syndicated real estate projects and facilitation for a number of the Storebrand Group's savings products such as, for example, Storebrand Eiendomsfond, Storebrand Optimér and Storebrand Infrastruktur.

Ring Eiendomsmegling AS

Despite a rise in the number of transactions in H2 2009, the market for real estate brokering was characterised by a generally low level of activity again in 2009 compared with previous years, and this was particularly true with respect to brokering new housing. Ring Eiendomsmegling sold a total of 2,296 homes in 2009 compared to 2,580 homes in 2008, and achieved total sales of NOK 85 million in 2009. Ring Eiendomsmegling implemented a series of measures during 2009 to reduce costs and increase the volume of sales in the chain. Increased competitiveness, closer cooperation with Storebrand Bank, and a clarification of Ring Eiendomsmegling's position in the market will be the main areas of focus in 2010.

Storebrand Boligkreditt AS
At year-end 2009, Storebrand Boligkreditt AS had 9,785 mortgages and credit loans secured by property worth NOK 12.8 billion on its statement of financial position. The quality of the portfolio is very good and covered bonds worth a net total of NOK 10.9 billion have been issued with terms of 2 to 10 years. NOK 5.3 billion worth of these were placed in the market, while the remaining NOK 5.6 billion were placed on Storebrand Bank ASA's statement of financial position and form part of the bank's liquidity portfolio. The bank has utilised NOK 7.6 billion in the covered bonds swap scheme administered by Norges Bank. At year-end 2009, 14 customers were not performing, corresponding to NOK 33 million. This amounted to 0.3 percent of the portfolio. The average loan-to-collateral value ratio was around 50 percent. The established lending programme has a Aaa rating from the rating agency Moody's.

Storebrand Eiendomskreditt AS
Storebrand Bank ASA established a new mortgage company, Storebrand Boligkreditt AS, in 2009 as an issuer of covered bonds secured by mortgages. At the end of September 2009, the company started normal operations buying loans secured by commercial property from Storebrand Bank ASA and in October started issuing covered bonds. The establishment of Storebrand Eiendomskreditt in 2009 was an important part of Storebrand Bank's work to establish access to new sources of funding and increase the terms to maturity of external funding.

At year-end 2009, the mortgage company had commercial loans worth NOK 2.2 billion on its statement of financial position. Covered bonds worth a net total of NOK 1.6 billion have been issued with terms of 5 and 7 years. The entire amount was placed on Storebrand Bank's statement of financial position and used in the government's covered bonds swap scheme. The portfolio is of good quality. The average loan-to-collateral value ratio was just under 55 percent.

DISPUTES AND COMPLIANCE
During 2009 Storebrand Bank registered an increase in the number of cases of attempted fraud against credit cards and its bank accounts. There were also a number of attempts to take out loans based on false information (ID theft and forged documents). These cases were handled professionally by the bank's security function.

In 2009, Storebrand Bank received a number of complaints about equity index linked bonds financed by loans. The cases are being dealt with in accordance with the group's principles and routines, and a continuous assessment is made of the financial effect of the cases.

The bank was party to two legal proceedings in city court concerning investments in two different equity-linked bonds in 2009. Judgements have been handed down in both cases and the bank was held not liable with respect to all points. Ten complaints against the bank have been dealt with by the complaints board for Norwegian bank customers and most of them resulted in a finding in the bank's favour or a settlement between the parties.

GUARANTEES AND COLLATERAL PLEDGED
The Storebrand Bank Group's guarantee portfolio amounted to NOK 248 million at year-end 2009. Most of the guarantees were issued for customers in connection with property development projects in Oslo and Akershus.

At year-end 2009, the bank had NOK 3.1 billion of securities at fair value deposited as collateral for drawing access to Norges Bank's overnight loan and F-loan facilities. In addition, NOK 7.1 billion had been pledged as collateral in connection with the swap scheme administered by Norges Bank.

Hadrian Eiendom AS and the real estate broking companies in Ring Eiendomsmegling AS have, in accordance with their licences for real estate broking activities, statutory insurance and guarantees. Storebrand Bank ASA and the Storebrand Bank Group had no other collateral pledged as of 31 December 2009.

FINANCIAL RISK
The financial risk in Storebrand Bank ASA and its subsidiaries Storebrand Boligkreditt AS and Storebrand Eiendomskreditt AS principally consists of credit, liquidity, interest and currency risk. Credit risk is regarded as the most important. The aim of Storebrand Bank's risk strategy is to maintain a moderate risk profile and, based on this, provide risk limits for the various business areas. Storebrand Bank ASA manages the lending portfolios of its subsidiaries Storebrand Boligkreditt AS and Storebrand Eiendomskreditt AS. Risk in the subsidiaries is monitored in the same way as risk in the parent company. Therefore, the following descriptions for Storebrand Bank ASA also apply to the mortgage companies.

Storebrand Bank utilises the standard method for credit risk in the capital adequacy regulations (pillar 1), the standard method for market risk, and the basic method for operational risk. In its ICAAP (pillar 2) the bank has assessed the total capital requirement for the banking group. Apart from credit, market and operational risk as calculated in pillar 1, the calculated capital requirement also takes into account extra capital requirements linked to concentration, liquidity, residual, market and reputation risk, among others. The bank is regarded as well capitalised in relation to the business' risk profile.

Credit risk
Storebrand Bank ASA places great importance on maintaining close relationships with its corporate customers and monitoring credit risk in this portfolio. The bank has set routines for reviewing credit. A significant proportion of Storebrand Bank's corporate lending is linked to real estate in the greater Oslo area.

The bank monitors economic conditions in the real estate market closely. Lending to corporate customers over a certain limit requires the approval of either a credit committee chaired by the bank's managing director or the bank's board. Credit risk is monitored through a risk classification system that ranks each customer by ability to pay, financial strength, and collateral. The risk classification system estimates the likelihood of a borrower defaulting (ability to pay/financial condition) and the likely loss given default (collateral).

The classification of collateral in the corporate portfolio was poorer at year-end 2009 than at year-end 2008. This was primarily due to lower market values for the collateral and the debtors' poorer liquidity and earnings. The market liquidity of larger commercial properties was poorer for large parts of 2009. This meant that in the review of commitments valuations were made on the basis of yield considerations and not actual transactions. A large proportion of the mortgages in the corporate market portfolio was assessed by external consultants in autumn 2009 in connection with the establishment of Storebrand Eiendomskreditt AS. These valuations were also made on the basis of yield considerations. Actual transactions towards year-end 2009 show that the values of the furnished collateral registered in the depository system are conservative. The bank's loan-to-collateral value ratio and collateral classifications therefore appear conservative.

Storebrand Bank employs separate credit approval processes for retail lending based on credit scoring combined with case-by-case evaluation of the borrower's ability to repay. The weighted loan-to-collateral value ratio for residential mortgages is between 55 percent and 60 per cent, and around 92 percent of mortgages for customers in the retail market were secured by mortgages in properties within 80 percent of market value. Around 60 percent of the mortgages are within 60 percent of the loan-to-collateral value ratio.

The financial crisis turned very serious in autumn 2008 and in the first-half of 2009. The economic consequences in Norway were not as serious as feared. Housing prices fell at the beginning of 2009, but have since risen and no material deterioration in the volume of non-performing and loss-exposed loans has been registered in the retail portfolio. Storebrand Bank has been relatively conservative in its lending practices in relation to calculating the customers' ability to pay. The collateral is still regarded as good since many loans were granted within 60 percent of the mortgage value and very few loans exceed an 80 percent loan-to-collateral value ratio. The risk in the mortgages portfolio is therefore regarded as low, while more losses than normal were experienced in credit portfolios without collateral and in relation to credit cards in 2009. These portfolios constitute approximately 1 percent of the lending volume in the retail market.

The portfolios in the bank's credit institutions are of high quality. The risk in the portfolios of Storebrand Boligkreditt AS and Storebrand Eiendomskreditt AS is considered low. The development of the lending portfolios in the parent bank and credit institutions is monitored using tools such as non-performance reports and risk reports, and measures and focus areas are continuously assessed based on the development of the portfolios. The bank's and credit institutions' counterparty risk associated with investments and exposure to other institutions is managed on the basis of credit ratings and the size of the commitment. The counterparty risk limits take account of both pure investments and settlement risk. The bank, residential mortgage company, and commercial property mortgage company institution have solid counterparties, and limit their exposure per counterparty in order to avoid losses and ensure high liquidity in their holdings of securities.

Other subsidiaries in the bank face limited credit risk beyond any outstanding fees. Age distributed customer lists are followed up regularly. In our experience the l osses from claims against these companies have been very low, but the weak market for sales of new housing meant that Ring Eiendomsmegling had to make provisions for losses of more than NOK 8 million during 2009, primarily in connection with amounts owed by customers in relation to sales of new housing projects.

Liquidity risk
Liquidity risk refers to the risk of the bank and its subsidiaries not being able to meet all of their financial obligations as they fall due for payment. The liquidity in the bank and credit institutions shall be sufficient to support statement of financial position growth and repay funding and deposits as they mature. The bank and credit institutions manage their liquidity positions based on a running liquidity gap, which shows the gap between expected and stress tested cash flows in and out on the date of the statement of financial position, long-term funding proportions, and liquidity reserves.

The liquidity indicators in Storebrand Bank ASA, Storebrand Boligkreditt AS and Storebrand Eiendomskreditt AS are within the internally set limits. The Storebrand Bank Group increased the average borrowing term in 2009 and will continue this work in 2010. One important funding source has been the government's swap scheme in which the bank swapped covered bonds issued by Storebrand Boligkreditt AS and Storebrand Eiendomskreditt AS for government paper. Liquidity in the covered bonds market improved in Q4 2009, while the market for senior bonds is still characterised by relatively high credit spreads and limited volumes.

The bank has established good liquidity buffers, and continuously monitors liquidity reserves against internal limits. Credit agreements have been established with other banks which the bank can use to obtain liquidity if necessary. Storebrand Bank ASA is rated by S&P and Moody's, and also emphasises having relationships with several international banks. This ensures access to the international capital market and broadens the group's sources of funding. Storebrand Bank ASA is rated A3 (negative outlook) by Moody's and BBB+ (stable outlook) by Standard & Poor's. Storebrand Boligkreditt AS' lending programme is rated Aaa by Moody's. The subsidiary Storebrand Eiendomskreditt AS will be rated during 2010.

Interest risk
Storebrand Bank ASA, Storebrand Boligkreditt AS and Storebrand Eiendomskreditt AS manage their exposure in the interest rate market to ensure that their interest rate sensitivity is as low as possible. This means Storebrand Bank has narrow limits for interest risk. Borrowing and fixed-rate lending are mostly swapped to three months variable NIBOR. Interest risk is monitored continuously and there are defined risk limits for the Storebrand Bank Group, Storebrand Bank ASA, Storebrand Boligkreditt AS and Storebrand Eiendomskreditt AS that are reported monthly to the bank's board of directors.

Currency risk
The policy of Storebrand Bank ASA and Storebrand Boligkreditt AS is to fully hedge its foreign currency exposure. The purpose of this is to minimise the foreign currency risk associated with investments, lending and borrowing in foreign currency. Storebrand Bank does not carry out own account trading in foreign currencies. Risk limits have been established and these are continuously monitored with monthly reporting to the bank's Board. Financial hedging is principally carried out by rolling short-term forward foreign exchange contracts.

Financial hedging/hedge accounting
All instruments with an interest rate fixing period in excess of six months are subject to a specific hedging policy. The policy's objective is to optimise the balance between risk and return and to ensure that the derivative contracts entered into by the bank are appropriate and properly documented in order to satisfy the accounting requirements for hedge accounting, or accounting using the fair value option if appropriate.

Operational risk
Operational risk management is an integral part of the management responsibilities in Storebrand Bank ASA's corporate governance structure, in which the risk is assessed against the organisation's ability to attain its goals. In 2009, the bank continued to adhere to the principles that follow from the group's risk assessment policy, introduced in 2005.

The objective of the risk review is to reach a common understanding of the overall risk picture for the group's activities, and in this way achieve a more complete basis for making decisions in connection with important prioritisations. Risk assessments are therefore an important part of the basis for adopting the banking group's strategy and approving the level of risk in the business plan. The risk assessment is integrated into the management system through linking risk assessments to the units' ability to achieve their business goals, comply with regulatory requirements and the degree to which the risk will affect Storebrand's reputation.

The bank's internal control activities in the form of risk assessments, monitoring and reporting satisfy the requirements of the Internal Control Regulations. The Board has in 2009, for the first time, conducted a review of itself and its competence in this area.

PERSONNEL, ORGANISATION, CORPORATE BODIES THE ENVIRONMENT
The Storebrand Bank Group complies with Storebrand's environmental standards in relation to minimising the environmental impact of its business activities.

Organisation
2009 was characterised by the implementation of a new strategy that resulted in structural changes in the bank, especially within the retail market. Good work is being done on continuous improvement throughout the entire organisation.

The bank again participated in the annual employee satisfaction surveys carried out by the Storebrand Group in 2009. The survey results for 2009 showed an improvement on 2008 and were satisfactory. Measures associated with the survey are also monitored by the criteria for employee satisfaction being implemented in the bank's scorecard. Storebrand Bank ASA's sick leave rate was 4.27 percent in 2009, which is a rise of 0.77 percentage points from 2008. This was primarily due to a rise in long-term sick leave.

In 2009, Storebrand was able to offer its employees an in-house health clinic with a comprehensive and interdisciplinary treatment concept. Other benefits on offer include a gym membership. Storebrand Sport is a sports club for the employees and offers 18 active kinds of sports and has no less than 600 members.

No injuries to people, property damage, or accidents of significance were reported in Storebrand Bank ASA in 2009.

Personnel
Storebrand believes employee development is very important at all levels. Storebrand also focused heavily on managerial development in 2009. All management groups have undergone 360 degree evaluation and managers are offered the group's established managerial training modules. In addition, all managers in the bank come together for extended managers meetings several times a year. Managers at all levels can arrange skills training for their own employees and each employee should have a specific development plan.

The cooperation with employee representatives is good and has been constructive in reducing the consequences of the restructuring processes that have been conducted in the organisation.

Equality opportunities/diversity
Storebrand is fully committed to increasing the number of women in senior management. As per 31 December 2009, Storebrand Bank ASA had a total of 170 employees, 54 percent of which are women and 46 percent men. The average age is 43 and the average length of service is 10 years. 43 percent of the members of the bank's Board are women, as are 16 percent of the group's executive management. 31 percent of the bank's managers with personnel responsibilities are women. The Storebrand Bank Group had 282 employees as per 31 December 2009. The bank hired four employees over the age of 45 in 2009.

The Storebrand Group's equal opportunities and diversity work is carried out through the work of the Diversity Committee and is anchored in the belief that this work is important with respect to reflecting the market and society we work in, securing the most competent candidates, and viewing decisions from various perspectives.

At year-end 2009, 39 percent of those with management responsibilities in the Storebrand Group were women. 40 percent of the members of the Board of Storebrand ASA are women, as are 20 percent of the group's executive management. Storebrand actively participates in an external mentor programme in which the majority of participants are women. Storebrand also participates in the financial industry's management training programme for women, Futura. The Storebrand Group has its own talent programme, and employee benefits such as flexible working hours and full pay if an employee, his or her child, or his or her parents are sick and during maternity leave form natural parts of its equal opportunities work. Salary statistics are produced at specified management levels in order to facilitate comparisons of salaries between male and female employees.

In addition to the equal opportunities perspective, diversity work forms part of the systematic job of including people from groups who are under-represented in the labour market, including people with disabilities and people from various ethnic backgrounds. The Board and management team of Storebrand Bank ASA maintain a systematic, proactive approach to promoting equal opportunities in the company.

Ethics regulations
The Storebrand Group put ethics at the top of the agenda in 2009. The group's ethics rules were revised and considered by the group's board. The group launched new group-wide guidelines for reporting and combating corruption on International Anti-Corruption Day. The reporting service has been expanded so that employees can also utilise a professional, external channel to bring up matters worthy of criticism anonymously. In addition, all employees can report to their manager, HR manager, the HR Director, the Executive Vice President, Corporate Responsibility, employee representatives, or the chair of the Working Environment Committee. It is also possible to ask questions about ethics issues via the intranet question and answer service for ethics issues.

Ethics are a standard feature of seminars for all new employees and are integrated into all managerial training modules. Employees can ask questions about ethics issues directly to the chair of the Audit Committee in Storebrand ASA or to external investigators. In 2009, overall responsibility for ethics, whistle blowing, anti-corruption, and internal fraud was gathered in the corporate responsibility unit. The group's sales staff in Norway have undergone extensive training including in ethics. In addition, the routines and guidelines for internal fraud, customer care, whistle-blowing and corruption were updated. All employees are monitored with respect to their compliance with the established group principles.

Changes to accounting policies
There were no changes to the Board's composition in 2009. Ida Helliesen retired from the Board on 1 January 2010 to take up a seat on Norges Bank's Executive Board. The Nomination Committee is currently working on the future composition of the Board.

External environment
Storebrand systematically strives to reduce the business operations' impact on the environment in relation to its own operations, investments, purchasing, and property management. It environmental measures include measuring water consumption, reducing energy and paper consumption, sorting waste, and recycling all electronic equipment. As Norway's first climate neutral financial market player, Storebrand purchases climate quotas to cover its total CO_2 emissions from business flights, energy consumption and company cars. The group's goal is to reduce the group's CO_2 emissions by a further 20 percent by year-end 2010.

Corporate responsibility
Storebrand's ambition is to be the Nordic region's leading financial group when it comes to corporate responsibility and socially responsible investments. As a key market player in the financial industry this involves, for example, setting strict requirements for investments with respect to the environment and social responsibility, and helping to uncover and prevent financial crime.
Corporate responsibility is high on Storebrand Bank's agenda, especially with respect to ordinary banking operations and day-to-day activities. The bank's management team continuously works to raise awareness of the bank's corporate responsibility.

The bank participates in the group's work on corporate responsibility, but has also established a separate action plan. The most important activities involve raising awareness and compliance with ethical guidelines in mandates, projects and routines. Anti-money laundering and financial crime measures are important in the bank's work. It is also important to continuously work on raising awareness in a way that allows corporate responsibility to provide a basis for a sustainable culture in the bank. We seek to address corporate responsibility in all operations so that the right attitudes are maintained in all units and processes.

The jointly controlled company Storebrand Baltic UAB complies with the same principles as the Storebrand Group. The companies Ring Eiendomsmegling AS, Hadrian Eiendom AS and Hadrian Utvikling AS also comply with the same principles.

STATEMENT CONCERNING THE ANNUAL FINANCIAL STATEMENTS

The Board confirms that the company meets the requirements for the financial statements to be prepared on a going concern basis, and the annual financial statements have therefore been prepared on this basis.

EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

Storebrand Bank is involved in ongoing legal proceedings and disputes as part of its day-to-day operations. The Board of Directors is unaware of any events that have occurred since the statement of financial position date that would be material to the annual financial statements and consolidated financial statements as presented.

STRATEGY AND OUTLOOK FOR 2010

Storebrand Bank will focus on improving profitability in all parts of its operations in 2010 through the launching of new products and services, increasing cross-sales of the Storebrand Group's products, and implementing the bank's costs programme, which will result in cost savings of NOK 50 million during 2011.

In the corporate customer segment, Storebrand Bank will continue the work on providing customers with value creating services and solutions based on the banking group's overall competence and service provision within commercial real estate. In the retail market, restructuring and clarifying value proposals and position will improve the customer and sales orientation, and help to realise the bank's vision of being the "smart choice for the modern customer".

The bank's ambition is to utilise in-house developed credit models to calculate capital requirements pursuant to Basel II and continuously enhance the models for the retail and corporate unit in order to apply to Finanstilsynet for IRB status at a later point in time. The bank still regards the economic situation as uncertain, especially internationally. The bank will therefore intensify its work on strengthening risk management in all work processes and at the same time continue to closely monitor the development of the volume of non-performing and loss-exposed loans. Customer growth, deposits, cross sales and implementing streamlining measures will be prioritised in 2010. Developments in the capital market, interest rate levels, unemployment and the property market are considered the most significant risk factors that could affect the Storebrand Bank Group's result in 2010.

ALLOCATION OF THE RESULT FOR THE YEAR

Storebrand Bank ASA (the parent bank) recorded a profit for the year of NOK 30 million for 2009.

The Board proposes that a group contribution of NOK 164 million before tax be distributed to Storebrand Bank ASA. This will amount to NOK 118 million after tax. The Board regards the group's capital situation as good in relation to its risk profile and proposes to the bank's Board of Representatives and annual general meeting the following application of the year's profit:

Amounts in NOK million:

Allocated group contribution after tax	118
Transferred to/from other equity	-88
Total allocated	**30**

The company's undistributable equity amounts to NOK 1,627 million as per 31 December 2009, which represents overcoverage of primary capital in relation to the capital adequacy regulations.

Lysaker, 16 February 2010
The Board of Directors of Storebrand Bank ASA

Translation – not to be signed

Idar Kreutzer Chairman	Stein Wessel-Aas Deputy Chairman	Kristine Schei Board Member
Odd Arild Grefstad Board Member	Roar Thoresen Board Member	Heidi Storruste Board Member

Klaus-Anders Nysteen
CEO

PROFIT AND LOSS ACCOUNT STOREBRAND BANK GROUP

1 January - 31 December

NOK MILLION	NOTE	2009	2008
Interest income		1 817.7	2 940.5
Interest expense		-1 394.4	-2 428.0
Net interest income	**6**	**423.3**	**512.5**
Fee and commission income from banking services		94.0	92.8
Fee and commission expense for banking services		-17.9	-30.8
Net fee and commission income	**7**	**76.1**	**62.0**
Net gains on financial instruments at fair value	6	34.9	1.1
Net income and gains from associated companies	19	-1.2	-1.6
Other income	9	114.0	89.4
Total other operating income		**147.8**	**88.9**
Staff expenses	10, 11	-220.9	-197.6
General administration expenses	11	-110.2	-114.4
Ohter operating costs	11, 28, 29	-201.0	-196.1
Unrealised loss real estate at fair value, assets repossessed	27	-34.9	
Total non-interest expenses		**-567.0**	**-508.1**
Operating profit before losses and other items		**80.2**	**155.2**
Write-downs for the period	8	-45.6	-121.8
Profit before tax		**34.5**	**33.3**
Tax	12	-15.4	-13.9
Profit for the year		**19.1**	**19.5**
Allocated to:			
Parent company		20.4	23.1
Minority interests		-1.3	-3.7

STATEMENT OF COMPREHENSIVE INCOME

NOK MILLION	NOTE	2009	2008
Pension experience adjustments		5.5	-3.4
Profit for the period		19.1	19.5
Total comprehensive income for the period		**24.6**	**16.1**
Allocated to:			
Shareholders		25.9	19.7
Minority interests		-1.3	-3.7
Total		**24.6**	**16.1**

STATEMENT OF FINANCIAL POSITION STOREBRAND BANK GROUP
31 December

NOK MILLION	NOTE	2009	2008
Assets			
Cash and deposits with central banks	14, 15	368.4	672.1
Loans to and deposits with credit institutions	14, 16, 17	424.3	333.7
Financial assets designated at fair value thorugh profit or loss:			
Equity instruments	14, 18, 42	1.1	1.5
Bonds and other fixed-income securities	14, 22, 23, 42, 44	4 484.7	3 439.5
Derivatives	14, 24, 42, 44	807.4	1 791.7
Other current assets	16, 31	544.8	367.6
Gross lending	14, 25, 42	36 123.3	39 034.7
Write-down of loans	26	-289.1	-350.7
Net lending to customers	14, 44	35 834.2	38 684.0
Investments in associated companies	19	25.9	27.1
Tangible assets	29	19.4	18.5
Real estate at fair value	27	165.2	
Intangible assets and goodwill	28	129.7	142.8
Deferred tax assets	12	180.6	166.6
TOTAL ASSETS		**42 985.6**	**45 645.0**

NOK MILLION	NOTE	2009	2008
Liabilities and equity			
Liabilities to credit institutions	14, 33, 42	10 211.8	6 517.1
Deposits from and due to customers	14, 34, 42	18 319.8	18 291.5
Other financial liabilities:			
Derivatives	14, 24, 42, 44	379.7	467.1
Commercial paper and bonds issued	14, 35	10 151.4	16 824.0
Other liabilities	14, 38	587.0	422.7
Provision for accrued expenses and liabilities	37	14.1	19.9
Pension liabilities	10	79.5	80.1
Subordinated loan capital	14, 36	960.4	962.0
TOTAL LIABILITIES		**40 703.8**	**43 584.5**
Share capital		960.6	916.6
Other paid-in share capital		556.3	400.3
Retained earnings		761.6	737.5
Minority interests	13	3.4	6.1
TOTAL EQUITY		**2 281.9**	**2 060.5**
TOTAL LIABILITIES AND EQUITY		**42 985.6**	**45 645.0**

Lysaker, 16 February 2010
The Board of Directors of Storebrand Bank ASA

Translation – not to be signed

Idar Kreutzer
Chairman

Stein Wessel-Aas
Deputy Chairman

Kristine Schei
Board Member

Odd Arild Grefstad
Board Member

Roar Thoresen
Board Member

Heidi Storruste
Board Member

Klaus-Anders Nysteen
CEO

CHANGES IN EQUITY

STOREBRAND BANK GROUP

	MAJORITY'S SHARE OF EQUITY								
	PAID-IN EQUITY				OTHER EQUITY				
NOK MILLION	SHARE CAPITAL	SHARE PREMIUM RESERVE	OTHER PAID-IN EQUITY	TOTAL PAID-IN EQUITY	REVENUE AND COST APPLIED TO EQUITY	OTHER EQUITY	TOTAL OTHER EQUITY	MINORITY INTEREST 1)	TOTAL EQUITY
Equity at 31.12.2007	**916.6**		**200.0**	**1 116.6**	**29.1**	**887.0**	**916.1**	**7.1**	**2 039.8**
Profit for the period						23.1	23.1	-3.7	19.5
Pension experience adjustments					-3.4		-3.4		-3.4
Total other comrehensive income	**0.0**	**0.0**	**0.0**	**0.0**	**-3.4**	**0.0**	**-3.4**	**0.0**	**-3.4**
Total comprehensive income for the period	**0.0**	**0.0**	**0.0**	**0.0**	**-3.4**	**23.1**	**19.8**	**-3.7**	**16.1**
Equity transactions with owners:									
Acquisitions								4.1	4.1
Purchase of minority interests								-3.9	-3.9
Dividend paid								2.7	2.7
Receipts of group contribution			200.3	200.3					200.3
Group contribution paid						-200.3	-200.3		-200.3
Other changes						2.1	2.1	-0.2	1.8
Equity at 31.12.2008	**916.6**	**0.0**	**400.3**	**1 316.8**	**25.7**	**711.9**	**737.6**	**6.1**	**2 060.5**
Profit for the period						20.4	20.4	-1.3	19.1
Pension experience adjustments					5.5		5.5		5.5
Total other comrehensive income	**0.0**		**0.0**	**0.0**	**5.5**	**0.0**	**5.5**	**0.0**	**5.5**
Total comprehensive income for the period	**0.0**		**0.0**	**0.0**	**5.5**	**20.4**	**25.8**	**-1.3**	**24.6**
Equity transactions with owners:									
Capital increase paid in	44.0	156.0		200.0					200.0
Acquisitions						-1.0	-1.0		-1.0
Purchase of minority interests								-1.5	-1.5
Other changes						-0.7	-0.7	0.0	-0.6
Equity at 31.12.2009	**960.6**	**156.0**	**400.3**	**1 516.8**	**31.2**	**730.6**	**761.7**	**3.4**	**2 281.9**

1) See note 13 Minority interests and note 21 Acquisition.

The equity changes with the result for the individual period, equity transactions with the owners and items that are entered directly on the statement of financial position. Share capital, the share premium reserve and other equity is evaluated and managed together. The share premium reserve may be used to cover a loss, and other equity may be used in accordance with the provisions of the Public Limited Liabilities Company Act.
Storebrand Bank pays particular attention to the active management of equity in the banking group. This management is tailored to the business-related financial risk and capital requirements in which the composition of its business areas and their growth will be an important driver for the group's capital requirements. The goal of the capital management is to ensure an effective capital structure and reserve an appropriate balance between internal goals in relation to regulatory and the rating companies' requirements. If there is a need for new equity, this must be procured by the holding company Storebrand Bank ASA.
Storebrand Bank is a financial group subject to statutory requirements regarding primary capital under the capital adequacy regulations. Primary capital encompasses both equity and subordinated loan capital. For Storebrand Bank, these legal requirements carry the greatest significance in its capital management.
The banking group's goal is to achieve a core (tier 1) capital ratio of 10% over time. In general, the equity of the banking group can be managed without material restrictions if the capital requirements are met and the respective legal entities have adequate solidity. Capital can be transferred from foreign legal entities with the consent of local supervisory authorities.
For further information on the group's fulfilment of the capital requirements, see note 41.

CASH FLOW STATEMENT STOREBRAND BANK GROUP

1 January - 31 December

NOK MILLION	NOTE	2009	2008
Cash flow from operations			
Receipts of interest, commissions and fees from customers		1 966.5	3 072.2
Payments of interest, commissions and fees to customers		-592.5	-1 071.0
Net disbursement/payments on customer loans		2 773.1	-2 001.5
Net receipts/payments of deposits from banking customers		31.1	814.3
Net receipts/payments - securities at fair value		-925.5	-746.0
Net receipts/payments - real estate at fair value		-94.7	
Payments - taxes		-5.9	
Payments of operating costs		-460.5	-616.7
Net receipts/payments on other operating activities		192.6	
Net cash flow from operating activities		**2 884.2**	**-548.6**
Cash flow from investment activities			
Net receipts from sale of subsidiaries and associated companies			2.0
Net payments on purchase/sale of fixed asets etc.		-22.2	-40.1
Net cash flow from investment activities		**-22.2**	**-38.0**
Net cash flow from investment activities		**-22.2**	**-38.0**
Payments - repayments of loans and issuing of bond debt		-6 607.1	-11 543.2
Receipts - new loans and issuing of bond debt		269.5	9 821.1
Payments - interest on loans		-694.3	-1 356.2
Payments - repayments of subordinated loan capital			-55.9
Payments - interest on subordinated loan capital		-36.9	-68.2
Net receipts/payments of liabilities to credit institutions		3 789.7	3 436.7
Receipts - issuing of share capital and other equity		200.0	
Receipts - group contribution			200.3
Payments - group contribution / dividends			-278.2
Net cash flow from financing activities		**-3 079.1**	**156.4**
Net cash flow in period		**-217.0**	**-430.3**
Net cash flow in period		-217.0	-430.3
Cash and bank deposits at the start of the period		3.9	
Cash and bank deposits at the start of the period for new companies		1 005.8	1 436.1
Cash and bank deposits at the end of the period		**792.7**	**1 005.8**
Cash and deposits with central banks	15	368.4	672.1
Loans to and deposits with credit institutions	17	424.3	333.7
Total cash and bank deposits in the balance sheet		**792.7**	**1 005.8**

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

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

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

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

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

NOTES TO THE ACCOUNTS

Note 0: Accounting policies

The accounting policies used in the consolidated financial statements of Storebrand Bank ASA are described below. The policies are applied consistently to similar transactions and to other events involving similar circumstances.

Basic policies

- The consolidated financial statements of Storebrand Bank ASA are prepared in accordance with the EU-approved International Financial Reporting Standards (IFRS) and accompanying interpretations, as well as the other Norwegian disclosure obligations pursuant to the law and regulations.

Use of estimates in preparing the annual financial statements

The preparation of the annual financial statements in accordance with IFRS requires the management to make valuations, estimates and assumptions that affect assets, liabilities, revenue, costs, the notes to the financial statements and information on potential liabilities. The final values realised may differ from these estimates. See note 1 for further information about this.

No changes to the accounting policies were made in 2009.

New and amended standards

The following accounting standard has been amended: IAS 1 Presentation of Financial Statements. The reconciliation of changes in equity was presented as a note to the financial statements in 2008, but is now presented as a table after the statement of financial position. A new result term has also been introduced: "total comprehensive income". "Total comprehensive income" includes, in addition to the result for the year, items that were previously recognised directly against equity, with the exception of transactions with owners.

IFRS 8 Operating Segments

IFRS 8 Operating Segments, which replaces IAS 14 Segment Reporting, is based to a greater degree on the management's internal monitoring. Storebrand Bank's segment reporting was previously also based on the management's internal monitoring and the transition to IFRS 8 therefore entails no changes in segment reporting. Nor have any changes been made to the measurement of the segment results, which is based on principles used in IFRS in the financial statements.

The changes to IAS 1 and IFRS 8 came into force on 1 January 2009, but the changes have no effect on the measurement or periodising of the items in the financial statements for the accounting period.

New accounting standards and amendments and interpretations of standards exist that did not enter into force in the year ended on 31 December 2009. These have not been applied in the preparation of these consolidated financial statements. Their application is not expected to have a material effect on the consolidated financial statements.

Consolidation

The consolidated financial statements combine Storebrand Bank ASA and companies where Storebrand Bank ASA has the power to exercise a controlling influence. A controlling influence is normally achieved where the group owns, directly or indirectly, more than 50 percent of the shares in a company and the group has the power to exercise control over the company. Minority interests are included in the group's equity.

Investments in associated companies (normally investments of between 20 percent and 50 percent of the associated companies' equity) where the company exercises significant influence are consolidated in accordance with the equity method. Interests in joint ventures are consolidated in accordance with the proportional consolidation method, i.e. by including the proportion of revenue, costs, assets and liabilities in the appropriate lines in the financial statements.

Elimination of internal transactions

Internal receivables and payables, internal profits and losses, interest and dividends, etc between group companies are eliminated in the consolidated financial statements.

Integration of business

The acquisition method is used when business is acquired. The acquisition cost is measured at its fair value after taking into account any equity instruments as well as direct expenses with respect to the acquisition. Any share issue expenses are not included in the acquisition cost, but are charged to equity.

Identified materials and intangible assets and liabilities that have been taken over are valued as their fair value at the time of acquisition. If the acquisition cost exceeds the value of the identified assets and liabilities, the difference is recognised in the financial statements as goodwill. If the acquisition cost is less than the identified assets and liabilities, the difference is recognised in the profit and loss account at the time of the transaction. In the event of acquisitions of less than a 100 percent of a company, 100 percent of the extra value or shortfall in market value is recognised in the statement of financial position, with the exception of goodwill of which only Storebrand's share is recognised.

Segment reporting

The group is organised into the following business areas: corporate, retail, markets and Ring Eiendomsmegling. Segment information is presented for business areas. Business areas are the group's primary reporting segments. Financial information in respect of these segments is presented in note 3.

Tangible fixed assets

The group's tangible fixed assets comprise equipment, fixtures and fittings, vehicles, IT systems and properties used by the group for its own activities.

Equipment, fixtures and fittings, and vehicles are valued at acquisition cost reduced by accumulated depreciation and any write-downs.

The depreciation period and the method of depreciation are reviewed annually to ensure that the method and period used correspond with the financial lifetime of the asset in question. This also applies to the disposal value.

Assets are assessed for impairment if there are indications of a fall in its value. Any write-downs are recognised as the difference between the value recognised in the statement of financial position and the recoverable amount. The recoverable amount is the highest of fair value less deductions for selling expenses and the value in use. Whether or not any previous write-downs of non-financial assets can be reversed must be assessed on every reporting date.

Intangible assets
Intangible assets with limited useable lifetimes are valued at acquisition cost reduced by accumulated depreciation and any write-downs. The depreciation period and the method of depreciation are reviewed annually. New intangible assets are only capitalised if it can be demonstrated that it is likely that the group will gain future commercial benefit that is directly applicable to the asset in question. In addition, it must be possible to estimate the cost price of the asset reliably. The value of an intangible asset is tested for impairment if there are indications of a fall in its value; otherwise intangible assets are subject to write-downs and reversals of write-downs in the same manner described for tangible fixed assets.

The depreciation period and the method of depreciation are reviewed annually to ensure that the method and period used correspond with the financial lifetime of the intangible asset in question. This also applies to the disposal value.

Goodwill
Excess value arising from the acquisition of business activities that cannot be allocated to specific asset or liability items at the date of acquisition is classified as goodwill in the statement of financial position. Goodwill is valued at its acquisition cost at the time of acquisition. Goodwill acquired by acquiring subsidiaries is classified as intangible assets. Goodwill acquired through interests in associated companies is included in the investment in the associated company and is tested for impairment as part of the value of the write-down recognised in the investment.

Goodwill is not amortised, but is tested annually for impairment. If the relevant discounted cash flow is lower than the book value, goodwill is written down to fair value. Write-downs of goodwill are never reversed, even if there is information in future periods that the impairment no longer exists or is of a lesser amount. Gains or losses on the sales of companies in the group include the goodwill related to the company in question.

Goodwill is allocated to the relevant cash flow generating units that are expected to benefit from the acquisition so that it can subsequently be tested for impairment. Cash flow generating units are identified in relation to operational segments.

Pension liabilities for own employees
Storebrand's pension scheme for its own employees is a defined benefit pension scheme.
Pension costs and pension liabilities for defined benefit pension schemes are calculated using a linear accrual of entitlement to pension and expected final salary, based on assumptions for discount rate, future salary increases, pensions and benefits from the national insurance fund, the future return on pension assets and actuarial assumptions on mortality, disability and early leavers. The discount rate is equivalent to the risk-free interest rate taking into account the average remaining period for accrual of pension entitlement. The net pension cost for the period is made up of the sum of pension entitlement accrued in the period, interest cost on the calculated pension liability and the expected return on pension assets.

Estimate deviations and the effect of changed assumptions are recognised in total comprehensive income in the period they occur. The effects of changes to the pension scheme are recognised in the profit and loss account as they are incurred, unless the change is conditional on future accrual of pension entitlement. In such a case, the effect is amortised linearly over the time until the entitlement is fully earned. Employer's social security contributions are included in pension liability and in experience adjustments shown in equity.

Storebrand has both insured and uninsured pension arrangements. The insured scheme in Norway is insured with Storebrand Livsforsikring AS (Storebrand Life Insurance), which is a company in the Storebrand group.

Tax
The tax charge in the profit and loss account consists of tax payable for the accounting year and changes in deferred tax. Tax is recognised in the profit and loss account, except when it relates to items that are recognised directly against total comprehensive income. Deferred tax and deferred tax assets are calculated on the basis of differences between accounting and tax values of assets and liabilities. Deferred tax assets are recorded in the statement of financial position to the extent it is considered likely that the companies in the group will have sufficient taxable profit in the future to make use of the tax asset.

Allocated dividend and group contribution
Pursuant to IAS 10, which deals with events after the statement of financial position date, the proposed dividend shall be classified as equity until such time as it is approved by the general meeting.

FINANCIAL INSTRUMENTS

General policies and definitions

Recognition and derecognition
Financial assets and liabilities are included in the statement of financial position from such time Storebrand becomes party to the instrument's contractual terms and conditions. Normal purchases and sales of financial instruments are booked on the transaction date. When a financial asset or a financial liability is first recognised in the financial state-

ments, it is valued at fair value. First time recognition includes transaction costs directly related to the acquisition or issue of the financial asset or the financial liability if it is not a financial asset or a financial liability at fair value in the profit and loss account.

Financial assets are derecognised when the contractual right to the cash flow from the financial asset expires, or when the company transfers the financial asset to another party in a transaction by which all, or virtually all, the risk and reward associated with ownership of the asset is transferred.

Financial liabilities are derecognised in the statement of financial position when they cease to exist, i.e. once the contractual liability has been fulfilled, cancelled or has expired.

Definition of amortised cost
Subsequent to inception, hold to maturity financial assets, loans and receivables as well as financial liabilities not at fair value in the profit and loss account, are valued at amortised cost using the effective interest method. The calculation of the effective interest rate involves estimating all cash flows and all contractual terms of the financial instruments (for example early repayment, call options and equivalent options). The calculation includes all fees and margins paid or received between the parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Definition of fair value
Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, voluntary parties in an arm's length transaction. The fair value of financial assets listed on a stock exchange or in another regulated market place in which regular trading takes place is determined as the bid price on the last trading day up to and including the statement of financial position date, and in the case of an asset that is to be acquired or a liability that is held, the offer price.

If a market for a financial instrument is not active, fair value is determined by using valuation techniques. Such valuation techniques make use of recent arm's length market transactions between knowledgeable and independent parties where available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis, and options pricing models. If a valuation technique is in common use by participants in the market and this method has proved to provide reliable estimates of prices actually achieved in market transactions, this method is used.

The fair value of loans, which is recognised at amortised cost, is estimated on the basis of the current market rate of interest on similar lending. Write-downs of loans are taken into account both in the amortised cost and when estimating fair value. When estimating the fair value of a loan, consideration is also given to the development of the associated credit risk in general.

Impairment of financial assets
In the case of financial assets that are not recognised at fair value, consideration is given on each statement of financial position date to whether there are objective signs that the value of a financial asset or a group of financial assets is impaired.

If there is objective evidence that impairment has occurred, the amount of the loss is measured as the difference between the asset's book value and the present value of estimated cash flows (excluding future credit losses that have not occurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate calculated at the time of inception). The book value of the asset is reduced either directly or by using a provision account. The amount of the loss is recognised in the profit and loss account.

Losses that are expected to occur as a result of future events are not included in the financial statements; regardless of how likely it is that the loss will occur.

Classification and measurement of financial assets and liabilities

Financial assets are classified into one of the following categories:
- held for sale
- at fair value through profit or loss in accordance with the fair value option (FVO)
- loans and receivables

Held for sale
A financial asset is classified as held for sale if it is:
- acquired or incurred principally for the purpose of selling or repurchasing it in the near term, is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking, or
- it is a derivative except for a derivative that is a designated as an effective hedging instrument.

With the exception of derivatives, only a limited proportion of Storebrand's financial assets fall into this category.

Held for sale financial assets are measured at fair value on the statement of financial position date. Changes in fair value are recognised in the profit and loss account.

At fair value through profit or loss in accordance with the fair value option (FVO)
A significant proportion of Storebrand's financial instruments are classified as at fair value through profit and loss because:
- such classification reduces a mismatch that would otherwise have occurred in measurement or recognition as a result of different rules for measurement of assets and liabilities, or because
- the financial assets form part of a portfolio that is managed and reported on a fair value basis.

The accounting treatment is equivalent to that for held for sale assets.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, with the exception of such assets that the company intends to sell immediately or in the short term that are classified as held for sale and such assets that the company designates at inception as assets at fair value in the profit and loss account.

Loans and receivables are valued at amortised cost using the effective interest method.

Loans and receivables that are designated as hedged items are subject to measurement in accordance with the requirements of hedge accounting.

Accounting treatment of derivatives that are not hedging
Derivatives that do not meet the criteria for hedge accounting are treated as available for sale financial instruments. The fair value of such derivatives is classified as either an asset or a liability with changes in fair value in the profit and loss account.

The major part of derivatives used routinely for asset management fall into this category.

Accounting treatment of derivatives for hedging
Fair value hedging
Storebrand uses fair value hedging, where the items hedged are financial assets and financial liabilities measured at amortised cost. Derivatives that fall within this category are recognised at fair value in the profit and loss account, while changes in the value of the hedged item that relate to the risk hedged are applied to the book value of the item and are recognised in the profit and loss account.

Financial hedging for fixed-rate deposits and lending in Storebrand Bank uses this type of hedge accounting. Due to of the unified policies for measuring hedged items and hedging instruments in the other parts of the group, this hedging reflects the group's ordinary valuation rules.

Financial liabilities
Subsequent to inception, all financial liabilities are measured at amortised cost using an effective interest method.

Structured products
Storebrand Bank has issued equity index linked bonds. These products principally comprise the issue of a bond and the sale of an equity index option. At the time of issue, the equity index option is measured at fair value since the option is a derivative that is not closely related to the bond issue. The bonds issued are simultaneously measured at amortised cost. No gain is recognised in respect of structured gains at the time of issue ("day 1 gains").

Commercial paper/bonds
The accounting treatment applied is the same as for structured products.

Interest income and interest expense banking
Interest income and interest expense are charged to profit and loss at amortised cost using the effective interest method. The effective interest method includes set-up charges.

Note 1: Important accounting estimates and judgements

Estimates and judgements are continually evaluated on the basis of historical experience and anticipated future events. In the future, actual experience may deviate from these accounting estimates, but the estimates are based on best judgement at the time the financial statements are produced.

In general the following factors will often play a key role in the generation of the result:

- Development of interest rate and equity markets
- Risk management, and changes to the assets' composition over the year
- Development of the real estate market
- Development of costs

Important estimates and assumptions that can result in material adjustments to the recognised values are discussed below.

Financial instruments
The situation in the financial markets in 2008 and 2009 meant that the proportion of financial instruments that can be valued on the basis of observable prices or assumptions decreased in relation to the past. The uncertainty in valuations is higher for the types of securities priced on the basis of non-observable assumptions. Any changes to the assumptions could affect the recognised values.
Please also refer to note 2 and note 42 in which the valuation of financial instruments is described in more detail.
Financial instruments valued at amortised costs are assessed on the statement of financial position date to see whether or not there are objective indications that the financial asset or a group of financial assets have fallen in value. In the case of banking group lending, both individual and group write-downs are used. Group write-downs on lending are calculated separately for commercial and retail loans. Changes in the debtors' ability to pay, collateral/loan-to-asset value ratio and other business-related risk factors can affect the recognised write-downs.

Intangible assets
Goodwill and intangible assets with undefined usable lifetimes are tested for impairment annually. Goodwill is allocated to the group's cash flow generating units identified by the relevant country in which one is carrying out activities. The test's valuation involves estimating the cash flows that arise in the relevant cash flow generating units and applying a relevant discount rate.
Fixed assets and other intangible assets are assessed annually to ensure the method and period being used correspond with economic realities.

Pensions own employees
The discounted current value of pension liabilities depends on the economic and demographic assumptions used in the calculation. The assumptions used must be realistic, mutually consistent and kept up to date in the sense that they should be based on uniform expectations of future economic conditions. The pension liabilities as per 31 December 2009 were calculated by actuaries. Any changes associated with the expected growth in pay and the discount rate, etc, could have a significant effect on the recognised pension obligations relating to our own employees (IAS 19).

Note 2: Valuation of financial instruments at fair value

The group categorises financial instruments valued at fair value on three different levels, which are described in more detail below. The levels express the differing degree of liquidity and different measuring methods:

Level 1: Financial instruments valued on the basis of quoted priced for identical assets in active markets
This category includes listed equities. Based on this, the equities are regarded as sufficiently liquid to be encompassed by this level. Bonds, certificates or equivalent instruments issued by national governments are generally classified as level 1. In the case of derivatives, standardised equity-linked and interest rate futures will be encompassed by this level.

Level 2: Financial instruments valued on the basis of observable market information not covered by level 1
This category encompasses financial instruments that are valued on the basis of market information that can be directly observable or indirectly observable. Market information that is indirectly observable means that prices can be derived from observable, related markets. Level 2 encompasses equities or equivalent equity instruments for which market prices are available, but where the turnover volume is too limited to meet the criteria in level 1. Equities on this level will normally have been traded during the last month. Bonds and equivalent instruments are generally classified as level 2. Interest rate and currency swaps are also classified as level 2.

Level 3: Financial instruments valued on the basis of information that is not observable pursuant to by level 2
Equities classified as level 3 encompass investments in primarily unlisted/private companies. The Storebrand Bank Group has no material financial instruments covered by level 3.
Please also see note 42 for a specification of financial instruments at various levels.

Note 3: Segment information

Analysis of profit and loss account by activity:

NOK MILLION	CORPORATE 2009	CORPORATE 2008	RETAIL 2009	RETAIL 2008	MARKETS 2009	MARKETS 2008	REAL ESTATE BROKING 2009	REAL ESTATE BROKING 2008	TREASURY/OTHER 2009	TREASURY/OTHER 2008	TOTAL 2009	TOTAL 2008
Profit and loss items:												
Net external interest income	174.7	264.1	307.0	262.8	7.4	11.8	-3.8	0.8	-62.0	-27.0	423.3	512.5
Net internal interest income												
Net interest income	**174.7**	**264.1**	**307.0**	**262.8**	**7.4**	**11.8**	**-3.8**	**0.8**	**-62.0**	**-27.0**	**423.3**	**512.5**
Net external fee and commission income	12.1	12.0	34.5	22.1	29.4	26.4	0.0	0.0	0.1	1.5	76.1	62.0
Net internal fee and commission income												
Net fee and commission income	**12.1**	**12.0**	**34.5**	**22.1**	**29.4**	**26.4**	**0.0**	**0.0**	**0.1**	**1.5**	**76.1**	**62.0**
Other external operating income	13.8	12.4	4.6	4.2	31.1	39.4	85.2	71.8	13.1	-38.9	147.8	88.9
Other internal operating income												
Total other operating income	**13.8**	**12.4**	**4.6**	**4.2**	**31.1**	**39.4**	**85.2**	**71.8**	**13.1**	**-38.9**	**147.8**	**88.9**
Operating costs	-63.9	-92.6	-257.2	-215.8	-68.7	-82.5	-118.9	-117.2	-23.4	0.0	-532.1	-508.1
Unrealised loss real estate at fair value, assets repossessed									-34.9	0.0	-34.9	0.0
Total operating costs	**-63.9**	**-92.6**	**-257.2**	**-215.8**	**-68.7**	**-82.5**	**-118.9**	**-117.2**	**-58.3**	**0.0**	**-567.0**	**-508.1**
Operating profit before loan losses	136.7	195.9	88.9	73.3	-0.8	-4.9	-37.5	-44.6	-107.1	-64.5	80.2	155.2
Loan losses and write-downs	-61.6	-113.5	-18.9	-8.3	0.0	0.0	0.0		34.9	0.0	-45.6	-121.8
Ordinary profit from continuing operations	**75.1**	**82.4**	**70.0**	**65.0**	**-0.8**	**-4.9**	**-37.5**	**-44.6**	**-72.2**	**-64.5**	**34.5**	**33.4**
Ordinary profit from businesses discontinued	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Balance sheet items:												
Gross lending	11 249.0	11 973.4	25 009.0	27 032.1					-134.7	29.2	36 123.3	39 034.7
Lendring write-downs	-237.1	-281.6	-83.5	-69.1					31.5	0.0	-289.1	-350.7
Net customer lending	**11 011.9**	**11 691.8**	**24 925.5**	**26 963.0**	**0.0**	**0.0**	**0.0**	**0.0**	**-103.2**	**29.2**	**35 834.2**	**38 684.0**
Other assets									7 151.4	6 961.0	7 151.4	6 961.0
Total assets	**11 011.9**	**11 691.8**	**24 925.5**	**26 963.0**	**0.0**	**0.0**	**0.0**	**0.0**	**7 048.2**	**6 990.2**	**42 985.6**	**45 645.0**
Deposits from and due to customers	6 565.0	5 998.5	11 628.0	11 946.4					126.8	346.6	18 319.8	18 291.5
Other liabilities	3 456.6	4 697.1	12 404.3	14 047.3					6 523.0	6 548.6	22 383.9	25 293.0
Equity	990.3	996.2	893.2	969.3					398.4	95.0	2 281.9	2 060.5
Total liabilities and equity	**11 011.9**	**11 691.8**	**24 925.5**	**26 963.0**	**0.0**	**0.0**	**0.0**	**0.0**	**7 048.2**	**6 990.2**	**42 985.6**	**45 645.0**
Key figures:												
Cost as % of income	32 %	32 %	74 %	75 %	101 %	106 %	146 %	161 %	-119 %	0 %	88 %	77 %
Deposits from and due to customers as % of gross lending	58 %	50 %	46 %	44 %					-94 %	1187 %	51 %	47 %

Business segments are the company's primary reporting segments.

Description of the segments:

Commercial Banking: This segment comprises deposits from and lending to commercial customers, principally real estate investors/developers.
The segment includes the affiliated company Seilduksgaten 25/31 AS. The bank's share is 50% and net profit as of 31 December is minus NOK 1.2 million.
The subsidiaries Bjørndalen Panorama and Ullensaker Boligbygg are also in this segment.
Changes in value of repossessed assets are presented in the profit and loss account by item. In the note on segment changes are reported under provision of losses in accordance with internal procedure. The reclassification is adjusted for under the segment treasury/other.

Retail Banking: Deposits from and lending to retail customers, including credit cards. Lending is principally mortgage lending secured against residential real estate.
The segment include deposits from and lending to retail customers in Storebrand Boligkreditt AS.
The segment also includes the bank's share in Storebrand Baltic UAB in Lithuaina on 50%. The ownership interest is classified as a jointly venture. Net profit as of 31 December is NOK 0.5 million.

Markets: This business area includes all the bank's activities in structured products, real estate funds, Storebrand Optimér ASA, Storebrand Infrastruktur ASA and stockbroking activities. The subsidiaries Hadrian Eiendom AS and Hadrian Utvikling AS are also included in this area, where the bank respectively had a 90.9% ownership interst and 86.15% ownership interest at the close of 2009. Net profit for Hadrian Eiendom AS and Hadrian Utivkling AS are respectively NOK 4.5 million and minus NOK 1.5 million in 2009.

Real estate broking: This segment solely comprises Ring Eiendomsmegling AS with subsidiaries in which the bank owns 100.0% of the company at the close of 2009.

Indirect income and indirect costs have been allocated on the basis of estimated use of resources.
Elimination of double counting applies principally to customer transactions carried out in collaboration between Markets and the relevant customer segment.
The effects of financial hedging and the investment portfolio are not allocated between business areas and are reported solely as part of the item treasury/others.

Note 4: Close associates

Transactions with group companies:

	2009 OTHER GROUP COMPANIES 1)	2008 OTHER GROUP COMPANIES 1)
Interest income		
Interest expense	0.2	0.6
Services sold	6.4	5.5
Services purchased	82.6	60.8
Due from	5.0	271.9
Liabilities to	14.7	41.5

Transactions with group companies are based on the principle of transactions at arm's length.

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

Transfers of lending between Storebrand Bank ASA and Storebrand Livsforsikring AS.
Storebrand Bank ASA has concluded an agreement concerning the sale of loans secured by mortgages in commercial property to Storebrand Livsforsikring AS. The portfolio of loans amounted to NOK 367.3 million. An agreement has also been concluded regarding Storebrand Bank ASA buying loans secured by mortgages in commercial property for NOK 414.3 million from Storebrand Livsforsikring AS. The transactions were executed to increase the volume of loans in Storebrand Eiendomskreditt AS. The loans will be used as collateral for use in the swap scheme established by Norges Bank.
The loans sold to Storebrand Livsforsikring AS have different characteristics to the loans that shall be used in the swap schemes, but do not have a lower value or higher risk. The transfer was executed on commercial terms.

Transactions with other related parties
Storebrand Bank ASA defines Storebrand Optimér ASA as a related party as the company's objective is to offer alternative savings products to the bank's customers. Storebrand Optimér ASA has no employees and the company has entered into an agreement with Storeband Bank ASA to carry out the day-to-day operation of the company. The bank also acts as a Manager for issues of shares carried out by Storebrand Optimér ASA.
The bank has recognized NOK 7.8 million to profit in the accounts for 2009 and the bank has a receivable due from the company of NOK 1.5 million as of 31.12.09.
The fees paid to the bank are based on the arm's length principle.

Storebrand Bank ASA also defines Storebrand Infrastruktur ASA as a related party since the general manager of Storebrand Infrastruktur ASA is an employee of Storebrand Bank ASA and the company's objective is to offer alternative savings products to the bank's customers. Storebrand Infrastruktur ASA has no employees and the company has entered into an agreement with Storeband Bank ASA to carry out the day-to-day operation of the company. The bank also acts as a Manager for issues of shares carried out by Storebrand Infrastruktur ASA.
The bank has recognized NOK 0.4 million to profit in the accounts for 2009 and the bank has a receivable due from the company of NOK 0.5 million as of 31.12.09. The fees paid to the bank are based on the arm's length principle.

Loans to employees:

NOK MILLION	2009	2008
Loans to employees of Storebradn Bank ASA	165.3	137.6
Loans to employees of Storebradn Bank group	1 628.7	1 813.4

Loans to employees are granted in part on the normal terms and conditions for loans to employees, i.e. loan to an individual of up to NOK 1.7 million at 80% of normal market interest rate. Loans in excess of NOK 1.7 million are granted on normal commercial terms and conditions. The bank has not provided guarantees or security for borrowing by employees.

Headaccount and personnel information:

	2009	2008
Number of employees at 31 December 1)	282	286
Number of employees expressed as full-time equivalent positions 1)	276	280

1) Includes employees and person-years in Storebrand Bank ASA, Ring Eiendomsmegling AS, Hadrian Eiendom AS, Hadrian Utvikling AS and 50 percent of employees and person-years in Storebrand Baltic UAB.
The number of employees and person-years in the Storebrand Bank Group has changed in relation to what was stated in the 2008 annual report in which the number of employees/person-years related to franchisees in Ring Eiendomsmegling was included.

Note 5: Remuneration of the auditor

Remuneration excluding value added tax:

NOK 1000	2009	2008
Statutory audit	2 124	2 208
Other reporting duties	1 277	254
Taxation advice	30	8
Other non-audit services	296	328
Total	**3 727**	**2 799**
Of which remuneration to Deloitte AS (excl. VAT):		
Statutory audit	1 976	1 207
Other reporting duties	1 255	254
Taxation advice	23	5
Other non-audit services	296	91
Total	**3 550**	**1 558**

Note 6: Net income from financial instruments

NOK MILLION	2009	2008
Net interest income		
Interest and other income on loans to and deposits with credit institutions	28.3	66.8
Interest and other income on loans to and due from customers	1 662.1	2 686.9
Interest on commercial paper, bonds and other interest-bearing securities	115.6	175.5
Other interest income and related income	11.7	11.2
Total interest income 1)	**1 817.7**	**2 940.5**
Interest and other expenses on debt to credit institutions	-277.7	-180.3
Interest and other expense on deposits from and due to customers	-606.5	-1 003.6
Interest and other expenses on securities issued	-410.4	-1 070.9
Interest and expenses on subordinated loan capital	-38.9	-68.2
Other interest expenses and related expenses	-60.8	-105.0
Total interest expense 2)	**-1 394.4**	**-2 428.0**
Net interest income	**423.3**	**512.5**
1) *Of which total interest income on financial assets that are not at fair value through profit or loss*	*1 675.0*	*2 747.2*
2) *Of which total interest expenses on financial liabilities that are not at fair value through profit or loss*	*-1 227.0*	*-2 395.8*

Interest expense and changes in value of funding FVO:

NOK MILLION	2009	2008
Interest expense funding FVO	-167.4	-63.2
Changes in value of funding FVO	15.9	-5.9
Net expense funding FVO	**-151.5**	**-69.0**

Net income and gains from financial assets and liabilities at fair value:

NOK MILLION	2009	2008
Equity instruments		
Dividends received from equity investments		
Net gain/losses on realisation of equity investments	2.3	
Net change in fair value of equity investments	-0.2	-0.5
Total equity investments	**2.1**	**-0.5**
Commercial paper and bonds		
Realised gain/loss on commercial paper and bonds	3.6	-3.7
Unrealised gain/loss on commercial paper and bonds	18.9	-6.4
Total gain/loss on commercial paper and bonds	**22.5**	**-10.1**

Continues next page

Note 6: Net income from financial instruments *Continued*

NOK MILLION	2009	2008
Financial derivatives and foreign exchange		
Realised gain/loss on financial derivatives, held for trading	3.8	28.7
Unrealised gain/loss on financial derivatives, held for trading	6.5	-17.0
Total financial derivatives and foreigh exchange	10.3	11.7
Net income and gains from financial assets and liabilities at fair value	**34.9**	**1.1**
Net gain/loss on financial assets at fair value through profit or loss:		
Financial assets designated at fair value upon initial recognition	49.4	
Financial assets classified as held for trading	-7.8	
Changes in fair value of assets due to changes in credit risk	45.4	
Net gain/loss on financial liabilities at fair value through profit or loss:		
Financial liabilities designated at fair value upon initial recognition	15.9	-4.5
Financial liabilities classified as held for trading		

Note 7: Net commission income

NOK MILLION	2009	2008
Money transfer fees	22.6	24.4
Service charges on deposit accounts	24.4	23.7
Guarantee commissions receivable	3.4	3.9
Commissions from sale of group products	1.1	
Commissions from real estat fund	16.3	17.2
Commissions from structured products	0.3	0.8
Commissions from stockbroking	5.9	5.0
Commissions from Storebrand Optimér ASA	7.8	8.4
Commissions from Storebrand Infrastruktur ASA	0.4	1.2
Fees from loans	1.3	1.1
Management of loan portfolios	6.4	5.6
Other commission income	4.0	1.5
Total fees and commissions receivable 1)	**94.0**	**92.8**
Money transfer fees	-13.8	-13.0
Fee on securities to Norwegian Registry of Securities	0.0	-2.1
Commissions real estate fund	-0.7	-0.3
Commissions stockbroking	-0.5	-0.4
Commissions Storebrand Optimér ASA	-1.3	-4.0
Commissions Storebrand Infrastruktur ASA	0.0	-1.1
Commission for distribution of the bank's products	-1.6	-9.4
Other commission expenses		-0.5
Total fees and commissions payable 2)	**-17.9**	**-30.8**
Net commission income	**76.1**	**62.0**
1) *Of which total fees and commission income on book value of financial assets and liabilities that are not at fair value through profit or loass*	*55.1*	*55.6*
2) *Of which total fees and commission expense on book value of financial assets and liabilities that are not at fair value through profit or loass*	*-15.4*	*-22.4*

Other fee and commission income and fee and commission expense are related to charges on services bought and sold.

Note 8: Losses on loans and guarantees

NOK MILLION	2009	2008
Write-downs of loans and guarantees for the period		
Change in individual write-downs for the period	67.4	-15.3
Change in grouped write-downs for the period	-18.8	-30.3
Other corrections to write-downs	-9.9	0.7
Realised losses in period on commitments specifically provided for previously	-92.1	-79.9
Realised losses on commitments not specifically provided for previously	-0.3	-0.6
Recoveries on previously realised losses	8.0	3.5
Write-downs of loans and guarantees for the period	**-45.6**	**-121.8**
Interest recognised to profit on loans subject to write-downs	7.4	7.6

Note 9: Other income

NOK MILLION	2009	2008
Net gain/loss on sale/close down of subsidiaries		-0,1
Income from real estate broking	101.0	85.7
Services related to Storebrand Baltic UAB	4.1	0.0
Income from Markets	0.6	2.4
Gain on sale of real estate	7.7	
Other income	0.6	1.4
Total other income	**114.0**	**89.4**

Note 10: Pensions

Employees of Storebrand Bank ASA are assured a retirement pension equivalent to 70% of pensionable salary at the time of retirement. The ordinary retirement age is 65. Staff pensions are provided by a group pension scheme, primarily with Storebrand Livsforsikring AS, in accordance with the rules on private occupational pension schemes. Pension payments from the this scheme come into effect from the pension age, which is 67. Pension payments between 65 and 67 and pensions in excess of 12 G are paid directly by the company. A guarantee has been pledged for earned pensions for salaries of more than 12 G upon retirement before 65 years old. As of 31 December 2009, 12 G amounts to NOK 874,572. Pension rights are part of the group's collective employment agreement. The company has a duty to operate an occupational pension scheme pursuant to the Act on mandatory occupational pensions. The company's pension scheme satisfies the requirements of the Act.

Reconciliation of pension assets and liabilities in the balance sheet:

NOK MILLION	2009	2008
Present value of insured pension liability	117.0	116.5
Pension assets at fair value	-82.4	-74.0
Net pension liability/surplus for the insured schemes	34.6	42.5
Present value of uninsured pension liability	44.9	37.6
Net pension liabilities in the statement of financial position	**79.5**	**80.1**

Includes employer's NI contributions on net underfunded liabilities.

Experience adjustments applied to equity

NOK MILLION	2009	2008
Year's change in experience adjustments included in equity after tax	5.5	-3.4
Accumulated experience adjustments included in equity	31.2	25.7

Changes in the net defined benefits pension liabilities in the period

NOK MILLION	2009	2008
Net pension liability at 01.01.	154.2	147.6
Net pension cost recognised in the period	16.8	13.9
Interest on pension liabilities	6.4	6.5
Experience adjustments	-11.5	-11.8
Pensions paid	-2.8	-2.0
Reversed employer's NI contributions	-1.3	
Net pension liability at 31.12.	**161.9**	**154.2**

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Note 10: Pensions *Continued*

Changes in the fair value of pension assets

NOK MILLION	2009	2008
Pension assets at fair value at 01.01.	74.0	78.1
Expected return	4.5	4.5
Experience adjustments	-3.8	-16.4
Premium paid	9.3	9.2
Pensions paid	-1.5	-1.4
Net pension assets at 31.12.	**82.4**	**74.0**

Expected premium payments (pension assets) in 2010: NOK 9.4 million.

Pension assets are based on the financial assets held by Storebrand Livsforsikring composed as of 31.12.

NOK MILLION	2009	2008
Properties and real estate	15 %	14 %
Bonds at amortised cost	26 %	13 %
Secured and other lending	2 %	2 %
Equities and units	15 %	15 %
Bonds	39 %	46 %
Commercial paper	1 %	2 %
Other short-term financial assets	2 %	8 %
Total	**100 %**	**100 %**

The tabel shows the percentage asset allocation of pension assets at year-end managed by Storebrand Livsforsikring.
The book (realised) return on the assets was 5.0 % in 2009, 2.0 % in 2008 and 8.9 % in 2007.

Net pension cost booked to profit and loss account specified as follows:

NOK MILLION	2009	2008
Current service cost including employer's national insurance contributions	16.8	13.1
Interest on pension liabilities	6.4	6.5
Expected retunr on pension assets	-4.5	-4.5
Accrued employer's national insurance contributions	0.0	2.1
Net pension cost booked to profit and loss account in the period	**18.8**	**17.2**

Net pension cost includes national insurance contributions and is included in the item "Staff and general administration expenses". See note 11.

Main assumptions used when calculating net pension liability at 31.12

NOK MILLION	2009	2008
Discount rate	4.4 %	4.3 %
Expected return on pension fund assets in the period	6.0 %	6.3 %
Expected earnings growth	4.0 %	4.3 %
Expected annual increase in social security pensions	4.0 %	4.3 %
Expected annual increase in pensions payment	2.0 %	2.0 %
Disability table	KU	KU
Mortality table	K2005	K2005

Standardised assumptions on mortality/disability and other demographic factors as produced by the Norwegian Financial Services Association. Average employee turnover rate of 2 - 3% of entire workforce.
The disability table was developed by Storebrand Livsforsikring AS.

Net pension liability at 31.12

NOK MILLION	2009	2008	2006	2005	2004
Discounted current value of defined benefit pension liabilities	161.9	154.2	147.6	146.1	111.7
Fair value of pension assets	82.4	74.0	78.1	76.0	58.3
Deficit (surplus)	79.5	80.1	69.5	70.1	53.4
Fact based adjustments liabilities	-4.6	-23.7			
Fact based adjustments pension assets	-3.8	-16.4			

Sensitivity analysis pension calculations

NOK MILLION	2009	2008
Change in discounting rate	1 %	-1 %
Percentagewise change in pension:		
Pension liabilities	-18.7 %	19.9 %
The period's net pension costs	-21.3 %	22.6 %

The pension liabilities are specifically sensitive to changes in the discounting rate. A reduction in discounting rate seen in isolation would result in an increase in the pension liabilities.

Note 11: Operating expenses

NOK MILLION	2009	2008
Ordinary wages and salaries	151.0	145.5
Employer's social security contributions	24.5	21.3
Other staff expenses	25.5	12.8
Pension cost (ses note 10) [1]	19.9	18.1
Total staff expenses	**220.9**	**197.6**
IT costs	90.1	84.6
Printing, postage etc.	10.1	14.8
Travel, entertainment, courses, meetings	5.5	8.6
Other sales and publicity costs	4.5	6.3
Total general administration expenses	**110.2**	**114.4**
Depreciation fixed assets and intangible assets (see note 28 and 29)	36.6	38.3
Contract personnel	24.7	23.3
Operating expenses on rented premises	28.7	27.7
Inter-company charges for services	51.4	60.7
Other operating expenses	59.5	46.2
Total other operating expenses	**201.0**	**196.1**
Total operating expenses	**532.1**	**508.1**

[1]) Pension costs include NOK 1.1 million recognized by subsidiaries that operate defined contribution pension schemes.

Note 12: Tax

TAX CHARGE FOR THE YEAR

NOK MILLION	2009	2008
Tax payable for the period	46.7	8.2
Changes in deferred tax/deferred tax asset	-31.3	5.7
Total tax cost	**15.4**	**13.9**

Reconciliation of expected and actual tax charge

NOK MILLION	2009	2008
Ordinary pre-tax profit	34.5	33.3
Expected tax on income at nominal rate	9.7	9.3
Tax effect of:		
Realised shares		-0.2
Realised options related to equity index linked bonds		-0.2
Associated companies		0.5
Permanent differences	-3.7	4.4
Write-downs of deferred tax assets	-13.4	
Reversal of recognised provision for group contribution between parent bank and it's subsidiaries	22.9	
Tax charge	**15.4**	**13.9**
Tax payable	46.7	8.2
- tax effect of group contribution paid		-2.2
Tax payable in the statement of financial position (note 38)	**46.7**	**6.0**

Continues next page

Note 12: Tax *Continued*

ANALYSIS OF THE TAX EFFECT OF TEMPORARY DIFFERENCES AND TAX LOSSES CARRIED FORWARD

NOK MILLION	2009	2008
Tax increasing timing differences		
Operating assets	44.7	0.0
Financial instruments		1 486.1
Other	6.9	43.4
Total tax increasing timing differences	**51.6**	**1 529.5**
Tax reducing timing differences		
Pensions	-79.5	-84.8
Operating assets		26.8
Provisions	-24.5	-10.0
Fees and commissions		-9.0
Financial instruments	-528.1	-1 810.9
Other		-0.4
Total tax reducing timing differences	**-632.2**	**-1 888.2**
Losses/allowances carried forward	-110.5	-246.4
Net base for deferred tax/tax assets	-691.1	-605.1
Write-down of deferred tax asset	46.0	5.5
Net base for deferred tax and deferred tax asset	-645.1	-599.6
Net deferred asset/liability	**180.6**	**167.9**
Change in deferred tax, not applied to profit and loss		-1.3
Net deferred asset/liability in the balance sheet	**180.6**	**166.6**

Analysis of tax payable and deferred tax applied directly to equity:

	2009	2008
Pension experience adjustments	-2.1	-1.3
Total	**-2.1**	**-1.3**

Deferred tax assets principally relate to tax reducing temporary differences on fixed assets, pension liabilities and financial instruments. The bank produces an annual profit, and this is expected to continue in future years.
Deferred tax assets in respect of Storebrand Bank ASA are capitalised to the extent that it is considered likely that it will be possible to make use of the assets.

Note 13: Minority interests

NOK MILLION	2009	2008
Minority interests at 1.1.	6.1	7.1
Share of profits due to minority interests	-1.3	-3.7
Minority share of equity at acquisition		3.7
Share issue against the minority interests in the period		2.8
Purchase of minority interests	-1.5	-4.1
Minority interests share of intangible assets on acquisition of Hadrian Eiendom AS		0.4
Minority interests at 31.12.	**3.4**	**6.1**

Relates to minority interests in Hadrian Eiendom AS, Hadrian Utvikling AS and Sørlandsbygg Holding AS where Storebrand Bank ASA held 90.9%, 86.15% and 70% resprectively at 31.12.2009.
Storebrand Bank ASA purchased the remaining shares in Ring Eiendomsmegling AS in 2009 and owns 100% of the company.

Note 14: Classification of financial instruments

Classification of financial assets		2009		2008	
NOK MILLION	NOTE	BOOK VALUE	FAIR VALUE	BOOK VALUE	FAIR VALUE
Kontanter og fordringer på sentralbanker	15				
Cash and deposits with central banks at amortised cost, loans and receivables		368.4	368.4	672.1	672.1
Total cash and deposits with central banks		*368.4*	*368.4*	*672.1*	*672.1*
Net loans to and deposits with credit institutions	**17**				
Loans to and deposits with credit institutions at amortised cost, loans and receivables		424.3	424.3	333.7	333.7
Total loans to and deposits with credit institutions		*424.3*	*424.3*	*333.7*	*333.7*
Equity instruments	**18**				
Financial assets at fair value, FVO 1)		1.1	1.1	1.5	1.5
Total equity instruments		*1.1*	*1.1*	*1.5*	*1.5*
Bonds and other fixed income securities	**22**				
Commercial paper and bonds at fair value, FVO 1)		4 484.7	4 484.7	3 439.5	3 439.5
Total bonds and other fixed income securities		*4 484.7*	*4 484.7*	*3 439.5*	*3 439.5*
Derivatives	**24**				
Financial derivatives at fair value, held for trading		807.4	807.4	1 791.7	1 791.7
Total derivatives		*807.4*	*807.4*	*1 791.7*	*1 791.7*
Net lending to customers					
Lending to customers at fair value, FVO 1)	25	758.3	758.3	282.9	282.9
Lending to customers at amortised cost, loans and receivables	25	35 365.1	35 321.3	38 751.8	38 457.8
Total lending before individual write-downs and write-downs of groups of loans		36 123.4	36 079.6	39 034.7	38 740.7
- Write-downs on individual loans	26	-182.0	-182.0	-262.4	-262.4
- Write-downs on groups of loans	26	-107.2	-107.2	-88.3	-88.3
Total net lending to customers		35 834.2	35 790.4	38 684.0	38 390.0
Other assets	**31**				
Other assets, amortised cost		544.8	544.8	367.6	367.6
Total other assets		*544.8*	*544.8*	*367.6*	*367.6*
Total financial assets		**42 464.9**	**42 421.1**	**45 290.1**	**44 996.1**
Financial assets summarised by classification					
Financial assets at fair value, FVO 1) 2)		5 244.1	5 244.1	3 724.0	3 724.0
Financial assets at fair value, held for trading		807.4	807.4	1 791.7	1 791.7
Financial assets at amortised cost, loans and recievables		36 413.4	36 369.6	39 774.4	39 480.4
Total financial assets		**42 464.9**	**42 421.1**	**45 290.1**	**44 996.1**

Classification of financial liabilities					
Liabilities to credit institutions	33				
Deposits from and due to credit institutions, FVO 1)		6 841.4	6 841.4	1 977.6	1 977.6
Deposits from and due to credit institutions at amortised cost		3 370.4	3 380.2	4 539.5	4 463.8
Total liabilities to credit institutions		*10 211.8*	*10 221.6*	*6 517.1*	*6 441.4*
Deposits from and due to customers	34				
Deposits from and due to customers at fair value, FVO 1)		173.0	173.0	167.9	167.9
Deposits from and due to customers at amortised cost		18 146.8	18 146.8	18 123.6	18 123.6
Total deposits from and due to customers		*18 319.8*	*18 319.8*	*18 291.5*	*18 291.5*
Other financial liabilities					
Derivatitves, held for trading	24	379.7	379.7	467.1	467.1
Commercial paper and bonds issued at fair value, FVO 1)	35	0.0	0.0	934.1	934.1
Commercial paper and bonds issued at amortised cost	35	10 151.4	10 324.6	15 890.0	15 742.1
Other liabilities, amortised cost	38	587.0	587.0	422.7	422.7
Total other financial liabilities		*11 118.2*	*11 291.4*	*17 713.9*	*17 566.0*
Subordinated loan capital	36				
Subordinated loan capital at amortised cost		960.4	948.9	962.0	782.8
Total subordinated loan capital		*960.4*	*948.9*	*962.0*	*782.8*
Total financial liabilities		**40 610.1**	**40 781.7**	**43 484.6**	**43 081.7**
Financial liabilities summarised by classification					
Financial liabilities at fair value, FVO 1) 3)		7 014.4	7 014.4	3 079.6	3 079.6
Financial liabilities at fair value, held for trading		379.7	379.7	467.1	467.1
Financial liabilities at amortised cost, Loans and receivables		33 216.0	33 387.5	39 937.8	39 535.0
Total financial liabilities		**40 610.1**	**40 781.7**	**43 484.6**	**43 081.7**

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Note 14: Classification of financial instruments *Continued*

NOK MILLION	NOTE	2009 BOOK VALUE	2009 FAIR VALUE	2008 BOOK VALUE	2008 FAIR VALUE
1) FVO = Fair Value Option					
2) Of which financial assets designated at fair value upon initial recognition		5 244.1	5 244.1	3 723.8	3 723.8
Of which financial assets classified as held for tranding					
3) Of which financial liabilities designated at fair value upon initial recognition		4 892.3	4 892.3	3 079.6	3 079.6
Of which financial liabilities classified as held for tranding					

4) The bank's terms for lending are largely an administrative running fixed margin. The management of Storebrand Bank believes amortised cost is a good estimate of market value for most of the loans in the statement of financial position. The margin is fixed for some loans during the term of the loan. At year-end 2009, the bank had NOK 1.8 billion in which the setting of the interest rate is based on a margin added to the NIBOR 3 months rate with an expected term of 4 years in which there are no immediate plans to change the credit margin. This part of the portfolio, primarily corporate market loans, today has a margin that is lower than what the bank will require for new loans to borrowers of equivalent quality and security. The present value of the margin difference has been calculated at minus NOK 44 million based on the expected loan value and a discount rate of 3 percent.

Note 15: Cash and deposits with central banks

NOK MILLION	2009	2008
Cash	1.6	4.9
Deposits with central banks at amortised cost, loans and receivables	366.9	667.2
Total cash and deposits with central banks	**368.4**	**672.1**

Note 16: Balances held for customers and liability to customers

NOK MILLION	2009	2008
Balances held for customers	269.7	456.6
Liability to customers	246.4	435.3
Over/under cover	**23.3**	**21.3**

Balances held for customers and liability to customers arise in respect of the activities of Ring Eiendomsmegling AS and Hadrian Eiendom AS, which are authorised to operate as real estate brokers. Over/under cover is included in the item 'Other current assets' and the item 'Loans to and deposits with credit institutions'.

Note 17: Loans to and deposits with credit institutions

NOK MILLION	2009	2008
Total loans to and deposits with credit institutions without fixed maturity at amortised cost	424.3	333.7
Total loans to and deposits with credit institutions at amortised cost	**424.3**	**333.7**

Note 18: Shares and other equity instruments

NOK MILLION	OWNERSHIP INTEREST	FAIR VALUE 2009	FAIR VALUE 2008
Storebrand Institusjonelle Investor ASA	5.15%	0.7	0.9
Others		0.3	0.5
Total		**1.1**	**1.5**
Of which			
Listed shares			
Unlisted shares		1.1	1.5

Shares and other equity instruments are classified as financial assets at fair value through profit and loss.

Note 19: Investments in associated companies and joint ventures

Associated companies
Main accounting figures for associated companies - figures shown are the share of Storebrand Bank Group.

NOK MILLION	2009	2008
Revenue:		
Seilduksgaten 25/31 AS	2.0	0.8
Profit & Loss:		
Seilduksgaten 25/31 AS	-1.2	-1.6
Assets:		
Seilduksgaten 25/31 AS	16.3	12.0
Liailities:		
Seilduksgaten 25/31 AS	18.7	13.8

Investments in associated companies are accounted for on the equity method

Ownership interests in associated companies

NOK MILLION	OWNESHIP	ACQUISITION COST	BALANCE SHEET VALUE AT 1.1.	ADDITIONS/ DISPOSALS	SHARE IN PROFIT	BALANCE SHEET VALUE AT 31.12.
Seilduksgaten 25/31 AS	50 %	27.1	27.1	0.0	-1.2	25.9
Total		**27.1**	**27.1**	**0.0**	**-1.2**	**25.9**

Joint ventures
Overview of companies included in the accounts - figures shown are the share of Storebrand Bank Group:

NOK MILLION	2009	2008
Revenue:		
Storebrand Baltic UAB	6.3	5.6
Profit & Loss:		
Storebrand Baltic UAB	0.5	0.9
Assets:		
Storebrand Baltic UAB	2.1	1.3
Liabilities:		
Storebrand Baltic UAB	0.8	0.5

Joint ventures are businesses the bank group operates together with Storebrand Livsforsikring As.
Investments are recognised through proportional consolidation.

Ownership interests in joint ventures

NOK MILLION	OWNERSHIP INTEREST	ACQUISITION COST	BOOK VALUE PER 31.12.09	PROFIT 2009
Storebrand Baltic UAB	50 %	0.4	0.5	0.5
Total		**0.4**	**0.5**	**0.5**

The figures shown relates to the proportion owned by Storebrand Bank ASA.

Note 20: Changes in the composition of the group

New companies / acquisitions
The subsidiary Start Up 102 AS changed its name to Bjørndalen Panorama AS, which has purchased a real estate project from Storebrand Bank ASA. The real estate project was taken over by the bank in connection with the takeover of collateral. The real estate project is classified as an investment property and is included in real estate at fair value.
Storebrand Bank has in connection with a loss exposed commitment taken over shares, among other things, in the company Vakås Utvikling AS, which changed its name to Bjørndalen Tomteselskap AS, and which from and including Q1 2009 has been consolidated into the Storebrand Bank Group. The cost price for the shares was NOK 20 million, which corresponds to the value adjusted equity in the company at the time of its takeover. The company owns the site associated with the property project in Bjørndalen Panorama AS.
In May 2009, the bank took over collateral in the form of shares in the company Ullensaker Boligbygg AS and units in Ullensaker Boligbygg KS. The companies were consolidated into the Storebrand Bank Group's financial statements from andincluding 1 May 2009. The shares are valued at NOK 100 and the KS units are also valued at NOK 100, of which the bank owns 89%.

Other changes
The subsidiary Storebrand Kredittforetak AS changed its name to Bjørndalen Boligkreditt AS, and the subsidiary Start Up 104 AS has changed its name to Storebrand Eiendomskreditt AS. Storebrand Eiendomskreditt AS' capital has been increased by NOK 700 million and the company bought commercial mortgages from Storebrand Bank ASA from and including October 2009.
The company issued covered bonds of NOK 1.6 billion in October 2009.

Specification of acquisitions in 2009 1)

	ACQUISITION	OWNER SHIP 1)	COST PRICE
Bjørndalen Tomteselskap AS	31.03.09	100 %	NOK 20 mill.
Ullensaker Boligbygg AS	01.05.09	89 %	NOK 100.-
Ullensaker Boligbygg KS	01.05.09	89 %	NOK 100.-

1) The companies are bought in connection with the takeover of collateral (repossessed assets) in first half of 2009.
2) Ownership is determined by the number of voting shares at 31.12.2009.

Note 21: Acquisitions

Analysis of goodwill and excess value by business acquisition 1)

NOK MILLION	GOODWILL	EXCESS VALUE
Bjørndalen Tomteselskap AS		-1.4
Ullensaker Boligbygg AS		2.1
Ullensaker Boligbygg KS		-9.1
Total	**0.0**	**-8.4**

1) Based on provisional acquisition analysis.

The companies are bought in connection with the takeover of collateral (repossessed assets) in first half of 2009. The shares in Bjørndalen Tomteselskap AS are valued to NOK 20 million in Storebrand Bank ASA, whilst the shares in Ullensaker Boligbygg AS are valued to NOK 100 and the units in Ullensaker Boligbygg KS are valued to NOK 100, in both companies the ownership are 89%.

Book values prior to the acquisitions were based on accounting principles that compiled with IFRS and that were consistent with Storebrand's accounting principles. Assets and liabilities acquired were valued at fair value.

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

Note 22: Bonds and other fixed income securities at fair value through profit and loss

NOK MILLION	COMMERCIAL PAPER	BONDS	2009 TOTAL	2008 TOTAL
Commercial paper and bonds, book value	1 534.8	2 949.9	4 484.7	3 439.5
Of which listed	1 534.8	2 949.9	4 484.7	3 439.5
Nominal value	1 541.0	2 933.0	4 474.0	3 445.0
Analysis by sector of issuer:				
Asset backed securities	-	493.2	493.2	101.2
Finance, Bank and Insurance	-	1 604.1	1 604.1	1 762.0
Sovereign and Government Guaranteed	1 534.8	501.8	2 036.6	1 274.5
Local authorities, county	-	350.8	350.8	301.9
Total	**1 534.8**	**2 949.9**	**4 484.7**	**3 439.5**
Modified duration	0.22	0.13	0.16	0.23
Average effective yield per 31.12.	1.88 %	2.29 %	2.15 %	5.89 %

All securities are denominated in NOK.
The effective yield for each security is calculated using the observed market price. Calculated effective yields are weighted to give an average effective yield on the basis of each security's share of the total interest rate sensitivity.

Note 23: Transferred financial assets (swap agreements)

NOK MILLION	2009	2008
Covered bonds:		
Booked value	7 239.3	2 002.3
Booked value associated with financial liabilities	6 841.4	1 969.6

Transferred financial assets consist of swap agreements with the state through the Ministry of Finance concerning the posting of financial collateral (see note 39). The swap agreements are entered into through auctions that are administrated by Norges Bank. Int the swap agreement, the state sells state treasury bills to the bank through a time/restricted swap for covered bonds. The bank can either keep the state treasury bill and receive payment from the state when the swap falls due for repayment, or it may sell the treasury bill in the market. When the bills become due within the term of the swap agreement, the bank must purchase new bills from the state at the price that is determined by the market price for treasury bills. This roll/over will be on/going throughout the entire term of the agreement. Upon expiry of the swap agreement, the bank is obligated to purchase the covered bonds back from the state at the same price that the state purchased them for. Storebrand Bank ASA will receive the returns on the transferred covered bonds. All risk concerning the covered bonds continues to lie with Storebrand Bank ASA.

Note 24: Financial derivatives

Nominal volum
Financial derivative contracts are related to underlying amounts which are not capitalised in the balance sheet. In order to quantify a derivative position, reference is made to underlying amounts such as nominal principal, nominal volume, etc. Nominal volume is calculated differently for different classes of derivative, and gives an indication of the size of the position and risk the derivative creates. Gross nominal volume principally indicates the size of the exposure, whilst net nominal volume gives an indication of the risk exposure. However nominal volume is not a measure which necessarily provides a comparison of the risk represented by different types of derivative.
In contrast to gross nominal volume, net nominal volume also takes into account the direction of the instruments' market risk exposure by differentiating between long (asset) positions and short (liability) positions.
A long position in an equity derivative produces a gain in value if the share price increases. For interest rate derivatives, a long position produces a gain if interest rates fall, as is the case for bonds. A long position in a currency derivative produces a gain if the currency strengthens against the NOK.
Average gross nominal volume is based on monthly calculations of gross nominal volume.

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Note 24: Financial derivatives *Continued*

2009

NOK MILLION	GROSS NOM. VALUE 2)	AVERAGE NOM. VALUE 3)	NET NOM. VALUE 2)	FAIR VALUE 2) ASSET	FAIR VALUE 2) LIABILITY	OF WHICH FAIR VALUE-HEDGING ASSET	OF WHICH FAIR VALUE-HEDGING LIABILLITY
Equity options	572.2	859.5	57.1	4.1	3.8		
Interest rate swaps 1)	37 268.5	34 624.0	6 262.6	655.3	316.9	403.8	90.8
Basis swaps	2 668.6	2 364.6	1 865.6	105.4			
Forward foreign exchange contracts	5 192.8	4 617.3	561.4	42.6	59.0		
Total derivatives	**45 702.0**	**42 465.3**	**8 746.6**	**807.4**	**379.7**	**403.8**	**90.8**

2008

NOK MILLION	GROSS NOM. VALUE 2)	AVERAGE NOM. VALUE 3)	NET NOM. VALUE 2)	FAIR VALUE 2) ASSET	FAIR VALUE 2) LIABILITY	OF WHICH FAIR VALUE-HEDGING ASSET	OF WHICH FAIR VALUE-HEDGING LIABILLITY
Equity options	1 128.1	1 310.2	27.6	18.3	17.8		
Interest rate swaps 1)	29 508.9	23 629.3	6 099.2	552.8	300.5	352.5	0.9
Basis swaps	3 950.0	3 950.0	3 950.0	914.8			
Forward foreign exchange contracts	5 189.4	6 922.5	1 499.5	305.8	148.8		
Total derivatives	**39 776.4**	**35 812.0**	**11 576.3**	**1 791.7**	**467.1**	**352.5**	**0.9**

1) Interest rate swaps are included acrued interest.

2) Value at 31.12. As per 31 December 2009, derivative contracts earmarked for hedge accounting are presented on the derivatives line under assets and liabilities on the balance sheet. The previous years figures have not been restated and derivatives earmarked for hedging are presented together with the hedging object as per 31 December 2008.

3) Average for the year.

Note 25: Analysis of loan portfolio and guarantees

NOK MILLION	LENDING TO CUSTOMERS 2009	LENDING TO CUSTOMERS 2008
Lending to customers at amortised cost	35 365.0	38 751.8
Lending to customers at fair value	758.3	282.9
Total gross lending to customers	**36 123.3**	**39 034.7**
Write-downs on individual loans (see note 26)	-182.0	-262.4
Write-downs on groups of loans (see note 26)	-107.2	-88.3
Net lending to customers	**35 834.2**	**38 683.9**

NOK MILLION	LENDING TO CUSTOMERS 2009	LENDING TO CUSTOMERS 2008	GUARANTEES 2009	GUARANTEES 2008
Sector and industry classification: 1)				
Financial auxilaries		0.3	2.0	
Mine operations and mining	7.2	16.8		0.4
Industry	1.0			
Electriciy, gas, steam and hot water supply	1.1			
Development of building projects	1 436.3	13.2	110.8	1.9
Wholesale and retail trade, motor vehicle repair	14.7	23.6	0.5	0.4
Haulage and storage	37.3	66.7	0.2	1.4
Accommodation and hospitality	15.0			
Information and communications	6.6		1.7	
Sale and operation of real estate	7 292.6	10 725.4	92.9	359.1
Professional and financial services	585.0		1.2	
Business services	702.2		0.1	
Other service providers	34.0	49.0		0.9
Wage-earners	25 690.5	27 877.4	1.2	1.8
Other	0.1	0.2	37.1	0.4
Foreign	299.876	262.0		
Total	**36 123.3**	**39 034.7**	**247.7**	**366.4**

1) The statement in 2009 complies with the new business code segmentation. The previous years figures have not been restated in line with the new segmentation.

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Note 25: Analysis of loan portfolio and guarantees *Continued*

NOK MILLION	LENDING TO CUSTOMERS 2009	2008	GUARANTEES 2009	2008
Geographic distribution:				
Eastern Norway	29 189.9	30 822.9	247.5	365.7
Western Norway	3 878.6	4 903.3	0.2	0.7
Southern Norway	482.8	564.0		
Mid-Norway	1 537.2	1 633.3		
Northern Norway	733.5	849.1		
Foreign	301.4	262.0		
Total	**36 123.3**	**39 034.7**	**247.7**	**366.4**
Analysis of guarantee liabilities:				
Payment guarantees			90.6	166.6
Performance guarantees			153.9	191.9
Other guarantee liability			3.3	7.8
Total (see note 39)			**247.7**	**366.4**

Note 26: Write-downs of loans and guarantees

NOK MILLION	2009	2008
Write downs om individual loans 01.01	262.4	247.1
Losses realised in the period on individual loans previously written down	-92.1	-79.9
Write-downs of individual loans for the period	71.8	106.8
Reversals of write-downs of individual loans for the period	-69.0	-18.6
Other corrections to write-downs 1)	8.9	7.1
Write-downs of individual loans at 31.12	**182.0**	**262.4**
Write-downs of groups of loans and guarantees 01.01	88.4	58.1
Grouped write-downs for the period	18.8	30.2
Write-downs of groups of loans and guarantees etc. 31.12	**107.2**	**88.3**
Total write-downs	**289.1**	**350.7**

1) Other corrections to write-downs relates to effects of amortisation.

The bank has no provision for guarantees as at 31.12.09 and as at 31.12.08.

Note 27: Real estate at fair value

NOK MILLION	2009	2008
Book value at 01.01.		
Supply due to purchases	94.3	
Supply due to addition	79.2	
Supply due to taken over properties	26.6	
Disposals	0.0	
Net wirte-ups/write-downs	-34.9	
Book value at 31.12	**165.2**	**0.0**

In connection with the take over of collateral associated with loss exposed commitments in the corporate market, Storebrand Bank and Storebrand Bank's subsidiaries activated real estate under development. Storebrand Bank ASA has taken over shares in companies with loan commitments, and the companies are consolidated as subsidiaries in Storebrand Bank Group.

Note 28: Intangible assets and goodwill

NOK MILLION	CURRENT PROJECTS	BRAND NAME	IT-SYSTEMS	ORDER BACKLOG	CUSTOMER LISTS	GOOD-WILL	TOTAL 2009
Acquistion cost at 01.01.	1.0	30.7	123.4	10.0	1.1	61.8	228.0
Additions in the period:						1.2	1.2
Purchased separately			13.8				13.8
Purchased through merger, acquistion or similar							0.0
Disposals in the period						0.4	0.4
Acquisition cost at 31.12.	**1.0**	**30.7**	**137.3**	**10.0**	**1.1**	**63.3**	**243.4**
Accumulated depreciation and write-downs at 01.01.	1.0		69.3	6.8	1.0	7.0	85.2
Depreciation in the period			19.9			5.9	25.8
Write-downs in the period				2.8			2.8
Accumulated depreciation and write-downs at 31.12.	**1.0**	**0.0**	**89.2**	**9.6**	**1.0**	**12.9**	**113.7**
Book value at 31.12.	**0.0**	**30.7**	**48.1**	**0.4**	**0.1**	**50.4**	**129.7**

NOK MILLION	CURRENT PROJECTS	BRAND NAME	IT-SYSTEMS	ORDER BACKLOG	CUSTOMER LISTS	GOOD-WILL	TOTAL 2008
Acquistion cost at 01.01.	1.0	30.7	112.6			20.6	164.9
Additions in the period:			10.9				10.9
Purchased separately							0.0
Purchased through merger, acquistion or similar				10.0	1.1	45.5	56.6
Disposals in the period						-4.4	-4.4
Acquisition cost at 31.12.	**1.0**	**30.7**	**123.4**	**10.0**	**1.1**	**61.7**	**228.0**
Accumulated depreciation and write-downs at 01.01.	0.3		50.2				50.5
Depreciation in the period	0.8		19.1	6.8	1.0		27.7
Write-downs in the period						7.0	7.0
Accumulated depreciation and write-downs at 31.12.	**1.0**	**0.0**	**69.3**	**6.8**	**1.0**	**7.0**	**85.2**
Book value at 31.12.	**0.0**	**30.7**	**54.1**	**3.2**	**0.1**	**54.7**	**142.8**

For each class of intangible assets:

Depreciation method	Linear method	Linear method	Linear method	Linear method
Economic life	4 months	3 - 8 years	2 years	2 years
Rate of depreciation	25%	12.5%-33.33%	50%	50%

Intangible assets are depreciated on a linear basis over periods from four months to eight years. The brand name identified on the acquisition of Hadrian Eiendom AS is not subject to depreciation. Depreciation and write-downs of intangible assets are included in the line "Other operating costs" in the profit and loss account. IT systems in this note refers to the development of systems, data warehouses, user licenses to systems, etc. All capitalised expenses in respect of systems development relate to work carried out by external resources. The estimate of economic liftetime are reviewed annually.

Analysis of goodwill by business acquisition

NOK MILLION	ACQUISITION COST 01.01.	ACCUMULATED DEPRECIATION 01.01.	BOOK VALUE 01.01.	ADDITIONS / DISPOSALS	WRITE-DOWNS	BOOK VALUE 31.12.
Hadrian Eiendom AS	15.7		15.7	0.4		16.1
Skansen Eiendomsmegling AS	0.7	-0.5	0.2	-0.2		0.0
Ringen Aker Brygge AS	0.7	-0.4	0.3	-0.3		0.0
Ringen Lysaker Brygge AS	1.6	-0.7	0.9		-0.9	0.0
Naper Ringen AS	1.6		1.6			1.6
Trygg Eiendomsmegling AS	3.3		3.3			3.3
Eiendomsringen Skedsmo AS	5.0		5.0			5.0
Værnes & Eckmann Eiendom AS	4.7	-2.0	2.7			2.7
Bodø Eiendomsmegling AS	3.0		3.0			3.0
Nordre Aker Eiendomsmegling AS	2.0	-1.0	1.0	-1.0		0.0
Akershus Eiendomsmegling AS	10.9		10.9	3.3	-4.1	10.1
GA Eiendomsmegling AS	5.4	-2.0	3.4			3.4
Utenlands megleren AS	0.9	-0.5	0.4	-0.5		0.0
Indre Østfold Eiendomsmegling AS	1.0		1.0	-0.1	-0.9	0.0
Hadrian Utvikling AS	5.4		5.4			5.4
Total	**61.7**	**-7.0**	**54.7**	**1.6**	**-5.9**	**50.4**

Note 29: Fixed assets

NOK MILLION	VEHICLES, FIXTURES AND FITTINGS	IT	REAL ESTATE 1)	TOTAL 2009	VEHICLES, FIXTURES AND FITTINGS	IT	REAL ESTATE 1)	TOTAL 2008
Book value at 01.01.	8.9	5.7	6.1	20.6	3.7	2.5	4.3	10.5
Additions	8.3	0.0	0.0	8.3	1.4	4.3	0.0	5.6
Additions by acquisition	0.0	0.0	0.0	0.0	5.9	0.0	0.0	5.9
Disposals	-1.4	0.0	0.0	-1.4	0.0	0.0	0.0	0.0
Depreciation	-2.4	-1.7	-0.4	-4.5	-2.0	-1.1	-0.4	-3.6
Write-downs in the period	-3.6	0.0	0.0	-3.6	0.0	0.0	0.0	0.0
Book value at 31.12.	**9.8**	**4.0**	**5.7**	**19.4**	**8.9**	**5.7**	**3.9**	**18.5**
Opening acquisition cost	21.0	6.8	9.0	36.9	9.4	2.6	6.8	18.7
Closing acquisition cost	74.2	6.8	7.9	89.0	16.6	6.8	6.8	30.3
Opening accumulated depreciation and write-downs	14.2	1.2	2.9	18.4	5.9	0.1	2.5	8.4
Closing accumulated depreciation and write-downs	10.9	2.9	2.3	16.1	7.9	1.2	2.9	12.0

For each class of fixed assets:

Method for measuring cost price	Acquisition	Acquisition	Acquisition		Acquisition	Acquisition	Acquisition	
Depreciation method	cost lineær	cost lineær	cost lineær		cost lineær	cost lineær	cost lineær	
Depreciation period and economic life	3 - 10 years	4 - 6 years	15 years		3 - 10 years	4 - 6 years	15 years	

1) Holiday cabins valued on the cost method.

Depreciation of fixed assets is included in the line "Other operating costs" in the profit and loss account.
There are no restrictions on rights to fixed assets. No fixed assets have been pledged as collateral for liabilities.

Note 30: Operational leasing

Payments due under irrevocable operational leasing agreements fall due for payment as follows:

NOK MILLION	2009	2008
Under one year	21.1	25.43
Between one and five years	53.4	33.7
Over five years	57.5	74.0
Total	**132.0**	**133.1**
Calculated cost in the profit and loss account for operational leasing contracts	28.7	26.9

Costs are included in the lines "General administration expenses" and "Other operating costs".
Lease contracts relate to copying machines with a normal lease period of 36 months, as well as a lease of motor cars and office premises with an third party external to the group that runs more than 5 years. Lease contract related to office premises in Storebrand's new head-office at Lysaker runs to 31.10.2019.
Companies in the group also have lease contracts related to franking machine, printers, computers and projectors, but are not included in this note as the amounts are considered to have no material effect in the accounts.

Note 31: Other current assets

NOK MILLION	2009	2008
Interest accrued	98.7	178.0
Commissions accrued on real estate funds and Storebrand Optimèr ASA	10.7	5.5
Other accrued income	7.9	13.9
Due from customers	7.4	6.4
Due form group companies	5.0	
Due from stockbrokers	57.9	62.4
Due from customers stockbrokerage	331.0	81.6
Balances held for customers and liability to customers, real estate broking (note 16)	5.9	0.4
Other assets	20.3	19.4
Total other current assets	**544.8**	**367.6**

Note 32: Hedge accounting

The bank uses fair value hedging to hedge interest rate risk. Hedging effectiveness is monitored at the individual item level except for structured bond loans where hedging effectiveness is monitored at the portfolio level. Each portfolio comprises swaps and hedged items with maturity within the same half year period.

NOK MILLION	2009 CONTRACT/ NOMINAL VALUE	2009 FAIR VALUE 1) ASSETS	2009 FAIR VALUE 1) LIABILITIES	2008 CONTRACT/ NOMINAL VALUE	2008 FAIR VALUE 1) ASSETS	2008 FAIR VALUE 1) LIABILITIES
Interest rate swaps	7 026.5	403.8	90.8	10 497.0	351.7	0.0
Total interest rate derivatives	7 026.5	403.8	90.8	10 497.0	351.7	0.0
Total derivatives	7 026.5	403.8	90.8	10 497.0	351.7	0.0

NOK MILLION	2009 CONTRACT/ NOMINAL VALUE	2009 FAIR VALUE 1) ASSETS	2009 FAIR VALUE 1) LIABILITIES	2008 CONTRACT/ NOMINAL VALUE	2008 FAIR VALUE 1) ASSETS	2008 FAIR VALUE 1) LIABILITIES
Bond loans	6 194.5		6 323.0	8 930.0		9 191.5
Structured bond loans	341.1		336.8	877.8		857.8
Tier 1 hybrid capital	107.0		107.1	107.0		108.0
Fixed interest loans given by Norges Bank	500.0		503.3	500.0		506.8
Total underlying items	7 142.6	0.0	7 270.2	10 414.8	0.0	10 664.0
Hedging effectiveness - prospective			93 %			98 %
Hedging effectiveness - retrospective			104 %			96 %

Gain/loss on fair value hedging: 2)

NOK MILLION	2009 GAIN / LOSS	2008 GAIN / LOSS
On hedging instruments	-151.0	375.5
On items hedged	165.5	-378.8

1) Book value at 31.12. As per 31 December 2009, derivative contracts earmarked for hedge accounting are presented on the derivatives line under assets and liabilities on the balance sheet. The previous years figures have not been restated and derivatives earmarked for hedging are presented together with the hedging object as per 31 December 2008.
2) Amounts included in the line "Net interest income".

Hedging effectiveness when the hedge is created measures the relationship between changes in the hedged value of the interest rate hedging instrument and the item hedged in the event of a 2-percentage point interest rate shock.
Subsequently, hedging effectiveness is measured on the basis of the simple Dollar Offset method for both prospective and retrospective calculations. Hedging it is expected to be highly efficient in the period.

Note 33: Liabilities to credit institutions

NOK MILLION	2009	2008
F-loan:		
Maturity 2009		1 000,0
Maturity 2010	527.3	505.3
Maturity 2012	1 009.0	
Loan with fixed interest rate:		
Maturity 2009		275.0
Loan with floating interest rate:		
Maturity 2010	1 128.1	2 022.3
Maturity 2011	83.2	98.7
Maturity 2012	350.0	350.0
Maturity 2013	250.0	250.0
Total liabilities to credit institutions with fixed maturity at amortised cost	**3 347.6**	**4 501.3**
Borrowings under the Norwegian Government's Swap arrangement:		
Maturity 2010	992.1	994.1
Maturity 2011	2 359.8	981.5
Maturity 2013	2 500.9	
Maturity 2014	988.6	
Total liabilities to credit institutions with fixed maturity at fair value (FVO)	**6 841.4**	**1 975.6**
Total liabilities to credit institutions	**10 211.8**	**6 517.1**

Undrawn credit facilities totalled EUR 220 million at 31.12.2009

The loan agreements contain standard covenants. Storebrand Bank ASA, Storebrand Boligkreditt AS and Storebrand Eiendomskreditt AS were in compliance with all relevants terms in 2009.

Note 34: Deposits from customers

NOK MILLION	2009	2008
Deposits from customers	17 733.2	14 783.1
Term loans and deposits from customers	586.7	3 508.4
Total deposits from customers	**18 319.8**	**18 291.5**

Deposits with agreed maturity relate to deposits for a contractually agreed period. Deposits without agreed maturity relates to deposits with no fixed period where the customer has unrestricted access to the deposit.

Deposits from customers per sector and industry classification and geographical distribution:

NOK MILLION	2009	2008
Sector and industry classification: [1]		
County councils and local authorities	349.9	89.2
Farming, forestry, fishing and hunting	17.7	8.7
Mine operators and mining	0.1	
Raw oil and natural gas extraction related services	8.6	0.3
Industry	72.9	87.7
Ship and boat building	1.7	
Electricity, gas, steam and hot water supply	3.7	
Water supply, sewage and refuse activities	2.5	
Development of building projects	193.7	
Building and construction	129.9	87.0
Wholesale and retail trade, motor vehicle repair	414.4	361.7
Shipping and pipe transport	40.7	38.6
Haulage and storage	46.4	74.0
Accommodation and hospitality	8.4	
Information and communications	276.6	
Sale and operation of real estate	1 850.6	4 687.2
Professional and financial services	1 986.7	
Business services	353.5	
Other service providers	468.0	337.5
Wage-earners	11 010.5	11 343.6
Other	634.5	692.9
Foreign	448.7	483.0
Total	**18 319.8**	**18 291.5**
Geographic distribution:		
Eastern Norway	14 081.1	14 227.2
Western Norway	2 201.1	2 131.6
Southern Norway	250.5	359.8
Mid-Norway	520.9	539.9
Northern Norway	817.5	549.9
Foreign	448.7	483.0
Total	**18 319.8**	**18 291.5**

1) The statement in 2009 complies with the new business code segmentation. The previous years figures have not been restated in line with the new segmentation.

Note 35: Securities issued

NOK MILLION	2009	2008
Commercial paper		1 907.9
Bond loans	10 151.4	14 916.1
Total securities issued	**10 151.4**	**16 824.0**

Change in securities issued

NOK MILLION	BOOK VALUE 31.12.08	NEW ISSUES / BOUGHT BACK	REPAY-MENTS	EXCHANGE RATE CHANGE	PAPER PRICE CHANGES	AMORTI-SATION	BOOK VALUE 31.12.09
Commercial paper	1 907.9	192.0	-2 099.9				0.0
Bond loans	14 058.3	-1 510.8	-2 539.2	-531.0	293.1	30.5	9 800.9
Structured bond loans	857.8	0.0	-545.1		-4.0	41.9	350.6
Total securities issued	**16 824.0**	**-1 318.8**	**-5 184.2**	**-531.0**	**289.1**	**72.4**	**10 151.4**

The column Amortisation include accrued interest expenses.

Specification of bond loans

NOK MILLION	ISSUER	NET NOMINAL VALUE	CURRENCY	INTEREST	MATURITY	BOOK VALUE 31.12.09
ISIN nummer						
Bond loans						
NO001029117	Storebrand Bank ASA	624.5	NOK	Fixed	22.11.2010	631.2
NO001035009	Storebrand Bank ASA	273.0	NOK	Fixed	16.06.2010	275.9
NO001043982	Storebrand Bank ASA	310.0	NOK	Fixed	04.06.2015	317.0
NO001045553	Storebrand Bank ASA	327.0	NOK	Fixed	03.09.2012	332.4
NO001051323	Storebrand Bank ASA	300.0	NOK	Fixed	25.05.2016	294.1
NO001025224	Storebrand Bank ASA	325.0	NOK	Floating	14.01.2010	325.1
NO001047340	Storebrand Bank ASA	408.0	NOK	Floating	21.11.2013	416.6
NO001049263	Storebrand Bank ASA	900.0	NOK	Floating	20.02.2012	900.5
NO001050777	Storebrand Bank ASA	548.0	NOK	Floating	30.04.2014	552.8
NO001054848	Storebrand Bank ASA	500.0	SEK	Floating	26.01.2012	404.5
Accrued interest expenses						52.9
Total bond loans						**4 502.9**
Covered bonds						
XS0366475662	Storebrand Boligkreditt AS	141	EUR	Fixed	28.05.2010	1 188.1
NO0010428584	Storebrand Boligkreditt AS	1 000	NOK	Fixed	06.05.2015	1 048.5
NO0010428592	Storebrand Boligkreditt AS	640	NOK	Floating	02.05.2011	639.5
NO0010466071	Storebrand Boligkreditt AS	1 250	NOK	Fixed	24.04.2014	1 295.4
NO0010548373	Storebrand Boligkreditt AS	1 000	NOK	Fixed	28.10.2019	992.7
Accrued interest expenses						133.7
Total covered bonds						**5 297.9**
Structured bond loans						
NO001029838	Storebrand Bank ASA	81.3	NOK	Zero coupon	25.03.2010	81.0
NO001030481	Storebrand Bank ASA	31.1	NOK	Zero coupon	26.11.2010	30.5
NO001032252	Storebrand Bank ASA	20.0	NOK	Zero coupon	06.09.2010	19.7
NO001032930	Storebrand Bank ASA	73.7	NOK	Zero coupon	27.10.2010	72.0
NO001034110	Storebrand Bank ASA	60.0	NOK	Zero coupon	16.12.2010	58.5
NO001034675	Storebrand Bank ASA	75.0	NOK	Zero coupon	22.12.2010	73.0
NO001035920	Storebrand Bank ASA	17.0	NOK	Zero coupon	23.05.2011	15.9
Total structured bonds						**350.6**
Total bonds issued						**10 151.4**

The loan agreements contain standard covenants.
Storebrand Bank ASA, Storebrand Boligkreditt AS and Storebrand Eiendomskreditt AS were in compliance with all relevants terms in 2009.

Note 36: Subordinated loan capital

NOK MILLION	2009	2008
Dated subordinated loan capital	674.7	676.826
Other subordinated loan capital	9.3	9.323
Tier 1 hybrid capital	276.4	275.875
Total subordinated loan capital	**960.4**	**962.0**

Endring i ansvarlig lånekapital

NOK MILLION	BOOK VALUE 31.12.08	NEW ISSUES	PAY-MENTS	EXCHANGE RATE CHANGE	PAPER PRICE CHANGES	AMORTI-SATION	BOOK VALUE 31.12.09
Dated subordinated loan capital	676.8					-2.1	674.7
Other subordinated loan capital	9.3						9.3
Tier 1 hybrid capital	275.9				-0.8	1.3	276.4
Sum ansvarlig lånekapital	**962.0**	**0.0**	**0.0**	**0.0**	**-0.8**	**-0.8**	**960.4**

The column Amortisation include accrued interest expenses.

Specification of subordinated loan capital

NOK MILLION	ISSUER	NET NOMINAL VALUE	CURRENCY	INTEREST	CALL DATE	BOOK VALUE 31.12.09
ISIN nummer						
Dated subordinated loan capital						
NO001027568	Storebrand Bank ASA	175.0	NOK	Floating	15.07.2010	175.0
NO001034566	Storebrand Bank ASA	100.0	NOK	Floating	22.12.2011	99.9
NO001036427	Storebrand Bank ASA	250.0	NOK	Floating	08.05.2012	249.8
NO001040278	Storebrand Bank ASA	150.0	NOK	Floating	17.12.2012	150.0
Dated subordinated loan capital						
NO00177116	Storebrand Bank ASA	9.3	NOK	Fixed		9.3
Tier 1 hybrid capital						
NO001024206	Storebrand Bank ASA	107.0	NOK	Fixed	29.10.2014	107.1
NO001024207	Storebrand Bank ASA	168.0	NOK	Floating	29.10.2014	167.1
Accrued interest expenses						2.1
Total subordinated loan capital						**960.4**

NOK MILLION	2009	2008
Subordinated loan capital included in capital adequacy calculation	960.4	959.3
Interest expense		
Interest expense booked in respect of subordinated loan capital	68.2	53.3

All subordinated loans are denominated in NOK.

Note 37: Provisions

NOK MILLION	PROVISIONS FOR RESTRUCTURING 2009	2008
Provisions 1 January	7.1	
Provisions during the period	6.0	7.1
Provisions using during the period	-6.1	
Total provisions 31 December	**7.0**	**7.1**
Classified as:		
Provision for accrued expenses and liabilities	7.0	7.1

Provisions concern restructuring in Storebrand Bank ASA carried out in 2008 and 2009. Expected settlement time for the provision is partly in 2010 and partly in the period 2010-2013.

Note 38: Other liabilities

NOK MILLION	2009	2008
Payable to Storebrand group companies	7.1	31.9
Money transfers	15.1	27.9
Accrued interest expenses financial debt	5.3	84.7
Accrued expenses and prepaid income	64.3	66.9
Accounts payable	51.0	55.5
Payable to stockbrokers	143.1	21.9
Payable to customers stockbrokerage	233.4	120.3
Tax payable [1])	46.0	9.9
Other debt	21.5	3.7
Total other liabilities	**587.0**	**422.7**

[1]) See also note 12.

Note 39: Off balance sheet liabilities and contingent liabilities

NOK MILLION	2009	2008
Guarantees	247.7	366.4
Undrawn credit limits	3 096.3	3 345.0
Total contingent liabilities	**3 344.0**	**3 711.4**

Guarantees are mainly payment guarantees and contract guarantees. See also note 25.
Undrawn credit limits relate to the unused portion of credit limits approved on overdraft accounts and credit cards, as well as the unused portion of lending limits on residential mortgage loans.

Note 40: Collateral

Collateral pledged and received
The subsidiary Hadrian Eiendom AS has concluded an agreement concerning the pledging of collateral via the Norwegian Association of Real Estate Agents and TrygVesta amounting to NOK 30 million with the limit of NOK 10 million per channeling per claimant. Otherwise, the banking group has not received any collateral except securities pledged as collateral for F-loans in Norges Bank and securities pledged as collateral in connection with the scheme for swapping covered bonds for government papers (see table below).

Collateral and security pledged

NOK MILLION	2009	2008
Booked value of bonds pledged as collateral for the bank's lending from Norges Bank	3 143.5	3 087.6
Booked value of bonds pledged as collateral for swap agreement of state paper for covered bonds	6 841.4	2 002.3
Total	**9 984.9**	**5 089.9**

Securities pledged as collateral are linked to lending access in Norges Bank for which, pursuant to the regulations, the loans must be fully guaranteed with collateral in interest-bearing securities and/or the bank's deposits in Norges bank.
Storebrand Bank ASA has a F-loan for NOK 1.5 billion in Norges Bank as per 31.12.2009.

In connection with the package of measures by the authorities concerning the banks, Storebrand Bank ASA has entered into an agreement involving the following amounts to conditions and terms for a swap agreement of covered bonds for state treasury bills:

NOK 985.8 million which runs from 3 December 2008 to 15 September 2010. Interest rate conditions are NIBOR minus 20bp.
NOK 979.2 million which runs from 17 December 2008 to 21 December 2011. Interest rate conditions are NIBOR minus 20bp.
NOK 1,385.5 million which runs from 28 January 2009 to 21 December 2011. Interest rate conditions are NIBOR minus 20bp.
NOK 496.5 million which runs from 6 May 2009 to 19 March 2014. Interest rate conditions are NIBOR minus 20bp.
NOK 493.8 million which runs from 4 June 2009 to 19 March 2014. Interest rate conditions are NIBOR minus 20bp.
NOK 493.5 million which runs from 17 June 2009 to 20 March 2013. Interest rate conditions are NIBOR minus 20bp.
NOK 491,5 million which runs from 9 September 2009 to 18 December 2013. Interest rate conditions are NIBOR plus 24bp.
NOK 1,487.9 million which runs from 21 October 2009 to 18 September 2013. Interest rate conditions are NIBOR plus 70bp.

Note 41: Capital Adequacy

Capital adequacy is calculated in accordance with the new capital adequacy regulation (Basel II). The company uses the standard method for credit risk and market risk, and the basic method for operational risk. The minimum requirement for the capital ratio is 8%. Basel II is divided into three pillars (areas). Pillar 1 deals with the minimum requirement for capital adequacy and represents a continuation of the former regulations pursuant to Basel I. Pillar 2 deals with supervisory evaluation of capital requirement and supervisory monitoring (ICAAP), while Pillar 3 deals with the requirements for publication of financial information. The introduction of the new regulatory framework has caused changes to the calculation base for capital adequacy. Calculation of operational risk is a new element of the Basel II regulations.
Management of market risk is only affected by the transition to the Basel II regulations to a minor extent.

Net primary capital

NOK MILLION	2009	2008
Share capital	960.6	916.6
Other equity	1 321.3	1 143.9
Total equity	**2 281.9**	**2 060.5**
Deductions:		
Minority's share of equity		-6.1
Goodwill	-50.4	-54.7
Intangible assets	-79.3	-88.1
Deferred tax asset	-180.6	-166.6
Addition:		
Perpetual subordinated bonds	276.4	275.9
Proportion of pension experience adjustments not amortised		13.0
Core capital	**2 248.0**	**2 033.8**
Supplementary capital	684.0	683.9
Deductions		
Net primary capital	**2 932.0**	**2 717.7**

Minimum capital requirement

NOK MILLION	2009	
Credit risk	1 653.1	1 935.8
Of which:		
Local and regional authorities	1.6	1.6
Institutions	56.1	50.8
Corporates	545.6	838.0
Loans secured on real estate	846.4	777.0
Retail market	77.5	133.6
Loans past-due	77.7	32.9
Covered bonds	4.0	4.0
Other	44.3	97.8
Total minimum requirement for credit risk	**1 653.1**	**1 935.8**
Total minimum requirement for market risk	**0.0**	**0.0**
Operational risk	91.9	84.0
Deductions		
Write-downs of groups of loans	-8.6	-7.0
Minimum requirement for capital base	**1 736.4**	**2 012.8**

Capital adequacy

	2009	2008
Capital ratio	13.5 %	10.8 %
Core capital ratio	10.4 %	8.1 %

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

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

Note 42: Valuation

Specification of financial assets to fair value - Storebrand Bank Group

Shares

NOK MILLION	QUOTED PRICES	OBSERVABLE CONDITIONS	NON OBSERVABLE PRE-CONDITIONS	BOOK VALUE 31.12.2009	BOOK VALUE 31.12.2008
Shares		1.1		1.1	1.5
Total	**0.0**	**1.1**	**0.0**	**1.1**	**1.5**

Lending to customers

NOK MILLION	QUOTED PRICES	OBSERVABLE CONDITIONS	NON OBSERVABLE PRE-CONDITIONS	BOOK VALUE 31.12.2009	BOOK VALUE 31.12.2008
Lending to customers		758.3		758.3	282.9
Total	**0.0**	**758.3**	**0.0**	**758.3**	**282.9**

Bonds and other fixed-income securities

NOK MILLION	QUOTED PRICES	OBSERVABLE CONDITIONS	NON OBSERVABLE PRE-CONDITIONS	BOOK VALUE 31.12.2009	BOOK VALUE 31.12.2008
Asset backed securities		100.5		100.5	101.1
Finance, Bank and Insurance		2 222.8		2 222.8	1 762.4
Sovereign and Government Guaranteed		1 810.7		1 810.7	1 274.1
Local authorities		350.8		350.8	301.9
Total	**0.0**	**4 484.7**	**0.0**	**4 484.7**	**3 439.5**

Derivatives

NOK MILLION	QUOTED PRICES	OBSERVABLE CONDITIONS	NON OBSERVABLE PRE-CONDITIONS	BOOK VALUE 31.12.2009	BOOK VALUE 31.12.2008
Equity options	0.2			0.2	0.5
Forward foreign exchange contracts	-16.4			-16.4	157.0
Basis swaps		105.4		105.4	914.8
Interst rate swaps		338.5		338.5	603.9
Total derivatives	-16.2	443.9	0.0	427.7	1 676.2
- Derivatives designated to hedge accounting [1])					351.6
Total derivatives excl. hedge accounting	**-16.2**	**443.9**	**0.0**	**427.7**	**1 324.6**
Derivatives with a positive fair value	46.6	760.7		807.4	1 791.7
Derivatives with a negative fair value	-62.9	-316.9		-379.7	-467.1
Total	**-16.2**	**443.9**	**0.0**	**427.7**	**1 324.6**

[1]) As per 31 December 2009, derivative contracts earmarked for hedge accounting are presented on the derivatives line under assets and liabilities on the balance sheet. The previous years figures have not been restated and derivatives earmarked for hedging are presented together with the hedging object as per 31 December 2008.

Specification of financial liabilities to fair value

NOK MILLION	QUOTED PRICES	OBSERVABLE CONDITIONS	NON OBSERVABLE PRE-CONDITIONS	BOOK VALUE 31.12.2009	BOOK VALUE 31.12.2008
Liabilities to credit institutions		6 841.4		6 841.4	1 977.6
Deposits from and due to customers		173.0		173.0	167.9
Commercial paper and bonds issued				0.0	934.1
Total	**0.0**		**0.0**	**7 014.4**	**3 079.6**

Changes between quoted prices and observable pre-conditions

NOK MILLION	2009
From quoted prices to observable pre-conditions	0.0
From observable pre-condtitions to quoted prices	0.0

Below follows a description of the financial instruments booked in the balance sheet as per 31 December 2009 and the basis for measuring their fair value.

Equities
Unlisted equities and units are measured at fair value based on valuation techniques.

Lending to customers classified at FVO
Lending to customers is measured at fair value based on valuation techniques. The valuation techniques use interest rate curves from Reuters and credit spreads for equivalent new loans as per the end of December. See note 14 for calculation of fair value.

Bonds and other fixed-income securities
Norwegian bonds and other fixed-income securities are measured at fair value based on valuation techniques. The valuation techniques use interest rate curves and credit spreads from external providers and are quality assured using price checks at year-end, primarily through comparing prices against other price providers.

Derivatives
Equity-linked bonds are priced on the basis of received, tradeable market prices from our counterparties as per 29 December 2009. Foreign exchange contracts are translated to NOK based on Norges Bank's exchange rates as per 29 December 2009. Interest rate swaps and base rate swaps are measured at fair value based on valuation techniques. Interest rate curves from external providers are used in the valuation techniques.

Financial liabilities
Financial liabilities are measured at fair value based on valuation techniques. The valuation techniques use interest rate curves and credit spreads from external providers.

Note 43: Risk Management

Risk management in Storebrand Bank covers the areas of credit, market, liquidity and operational risk. Specific risk management policies have been drawn up for credit, market and liquidity risk, which have been approved by Storebrand Bank's board of directors and are subject to annual review. A balance sheet management committee has been established to help provide effective and rational decision-making support to the bank's management in their asset and liability management. The balance sheet management committee is an advisory body for the bank's management and holds monthly meetings.

Storebrand Bank utilises the standard method for credit risk in the capital adequacy regulations (pillar 1), the standard method for market risk, and the basic method for operational risk. In its ICAAP (pillar 2) the bank has assessed the total capital requirement for the banking group.
Apart from credit, market and operational risk as calculated in pillar 1, the calculated capital requirement also takes into account extra capital requirements linked to concentration, liquidity, residual, market and reputation risk, among others, The bank is regarded as well capitalised in relation to the business' risk profile.

The bank changed its definition of non-performing and loss-exposed loans without impairment from and including Q4 2009. The new definition is significantly stricter in a number of ways and complies with all the requirements of the capital adequacy regulations.

Credit risk/counterparty risk

Storebrand Bank is exposed to credit risk in connection with lending and counterparty risk in connection with other financial instruments.

Storebrand Bank ASA places great importance on maintaining close relationships with its corporate customers and monitoring credit risk in this portfolio. The bank has set routines for reviewing credit. A significant proportion of Storebrand Bank's corporate lending is linked to real estate in the greater Oslo area. Storebrand monitors economic conditions and the real estate market closely.
All credit approvals over a certain limit in the corporate segment must be approved by either a credit committee chaired by the bank's managing director or the bank's board of directors. Credit risk is monitored through a risk classification system that ranks each customer by ability to pay, financial strength, and collateral. The risk classification system estimates the likelihood of a borrower defaulting (ability to pay/financial condition) and the likely loss given default (collateral).

Separate credit approval processes are used for retail lending. Retail lending is approved on the basis of credit scoring, combined with case-by-case evaluation of the borrower's ability to repay. Loans are primarily granted with collateral in housing.
In January 2008, the bank decided to no longer offer loan financing secured by collateral in structured products in the retail market.

The bank manages its exposure to counterparty risk when placing its liquidity or through other exposure on the basis of the counterparty's credit rating and size.

Market risk

Market risk is the risk that unexpected and adverse movements in interest or exchange rates reduce the value of the bank's assets. Storebrand Bank manages is exposure in the interest rate market to ensure that the net interest rate sensitivity of assets and liabilities is as small as possible. Interest rate hedging shall be structured such that it has a moderate accounting effect. All instruments and products with a maturity period in excess of six months are subject to a specific hedging policy for financial and accounting hedging.

The interest risk is measured by shocking the interest rate curve by 2 percentage points in an unfavourable direction for all balance sheet items. The interest rate shock in combination with VaR is used to manage the interest risk in the sub-portfolios, investment portfolios, borrowing in certificates and the bond market at fixed rates (over six months), and lending to customers. The hedging is included in the risk measurement of the portfolios.

Storebrand Bank's policy is to fully hedge currency risks, and positions must be covered continuously as they become large enough for this to be financially appropriate within set limits.

Derivatives

Derivatives shall primarily be used to adjust the interest rate sensitivity position, currency position, liquidity position and manage the price risk associated with structured products. Derivatives will also be an integral part of the activities in Storebrand Markets. The bank thus has no trading portfolio consisting of derivatives. The derivatives that can be used in hedging situations are interest rate swaps, interest rate currency swaps, currency swaps, future interest rate agreements, interest rate futures, buy back agreements, interest rate options, currency options, and options linked to structured products.

In this way Storebrand Bank's markets risk is kept marginal in relation to the bank's total activities.

Market risk is reported monthly to the balance sheet management committee and the board of directors.

Continues next page

Note 43: Risk Management *Continued*

Liquidity risk

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

Liquidity risk refers to the risk that the bank is not able to meet all its financial liabilities as they fall due for payment.
The liquidity in the bank and credit institutions shall be sufficient to support balance sheet growth and repay funding and deposits as they mature. The bank and credit institutions manage their liquidity positions based on a running liquidity gap, which shows the gap between expected and stress tested cash flows in and out on the date of the balance sheet, long-term funding proportions, and liquidity reserves.

The liquidity policy shall take account of and ensure sufficient funding to avoid liquidity problems in situations such as, for example:

- Uncertainty surrounding owner/group companies.
- Uncertainty among investors about the banking sector in general, including losses or financial criminality.
- Downgrading of the bank's rating.
- Unplanned reductions in deposits.
- Falls in market values in the investment portfolio (liquidity portfolio).
- The bank experiencing funding problems due to distrust of the bank in the market without downgrading of the bank's rating.

The bank's liquidity is primarily affected by changes in deposits and lending, as well as financial activities.
In order to ensure a proper liquidity situation, the bank must maintain a minimum holding of liquid assets and ensure stable access to varied and cost effective funding that is tailored to the bank's asset side. The ways in which Storebrand Bank must maintain good liquidity include by:

- Attracting a large proportion of reasonable and stable core deposits from customers.
- Maintaining a minimum holding of liquid assets in the form of short-term investments in banks and tradeable securities.
- Having access to stable and long-term funding to reduce the need for continuous short-term borrowing.
- Maintaining a broad funding structure to ensure it is not dependent on a few major investors.
- Maintaining a broad term to maturity structure to avoid concentrations of large repayments and in this way be able to avoid having to take up large new loans when funding spreads are high. Due dates for new borrowing must also be planned to achieve the bank's goal of always having, in stressed situations, sufficient liquidity to cover all borrowed amounts due for a minimum of 3 months without having far too large a liquidity portfolio.
- Ensuring uncommitted lines of credit to cover current liquidity needs.
- Ensuring committed credit lines to cover unforeseen needs. It is a goal that committed credit lines and available unused covered bonds should be able to cover losses of certificate funding and other short-term borrowing, as well as deposits.

The liquidity position is managed with the aid of indicators, minimum liquidity holdings, Financial Indicator I (i.e. short-term funding indicators are measured in unstressed and stressed situations in which goals are set for stressed situations) and Financial Indicator II (i.e. long-term funding indicators). The minimum liquidity holding describes the liquidity holding the bank must have to ensure that it always has sufficiently liquidity to cover ordinary day-to-day transaction volumes and at the same time take account of the liquidity requirement that is necessary for the bank to stay within the green limits under the goal in Financial Indicator I (short-term financial indicator) in a stressed situation. Financial Indicator I describes the liquidity reserve the bank has in ordinary and stressed situations. This goal takes into account situations caused by the market in general and the company specifically, or a combination of these. Financial Indicator II shows the proportion of long-term funding over 1 and 3 years respectively.

The liquidity position and financial indicators are reported monthly.
Liquidity management is carried out by treasury in the bank on a day-to-day basis and controlled by the risk management department. A separate risk management system, Quantitative Risk Management, is used to manage and measure the liquidity risk.

Operational risk

Operational risk management is an integral part of the management responsibilities in Storebrand Bank corporate governance structure, in which the risk is assessed against the organisation's ability to attain its goals as part of the value-based management model. The bank has continued to adhere to the principles that follow from the group's risk assessment policy (introduced in 2005). The objective of the risk review is to reach a common understanding of the overall risk picture for the group's activities, and through this contribute to a broader basis for making decisions in connection with important prioritisations. Risk assessments are therefore an important part of the basis for adopting the group's strategy and approving the level of risk in the business plan. Risk assessments take the current situation and how the risk owner experiences risk, based on the existing internal control, as their starting point. After this an assessment is made of the assumed risk after planned improvement measures have been implemented. This assumes that the risk owner implicitly confirms how the internal control functions (cf. the Internal Control Regulations). Risk assessments are integrated into the value-based management system through linking risk assessments to the units' ability to achieve their business goals, comply with regulatory requirements and the degree to which the risk will affect Storebrand's reputation.

The bank's internal control activities in the form of risk assessments, monitoring and reporting satisfy the requirements of the Internal Control Regulations.

Note 44: Credit risk

Analysis of credit risk by type of financial instrument

NOK MILLION	MAXIMUM CREDIT EXPOSURE 2009	2008
Liquidity portfolio	4 484.7	3 439.3
Net loans to and due from customers 1)	42 624.7	43 114.2
Equity options	4.1	18.3
Interest rate swaps	655.3	904.4
Basis swaps	105.4	914.8
Forward foreign exchange contracts	42.6	305.8
Total	**47 916.8**	**48 696.7**
1) Of which net loans to and amounts due form customers measured at fair value:	758.3	282.9

The amounts stated for the various financial instruments constitute the value recognised in the balance shett, with the exception of net lending to and receivables from customers, which also includes unused drawing facility and guarantees.
(See "Credit exposure for lending activities" below).

Credit risk liquidity portfolio

Credit risk per counterparty
Short-term holdings of interest-bearing securities
Issuer category

NOK MILLION	AAA FAIR VALUE	AA FAIR VALUE	A FAIR VALUE	BBB FAIR VALUE	NIG FAIR VALUE	TOTAL 2009 FAIR VALUE	TOTAL 2008 FAIR VALUE
Asset backed securities		401,6		100,5		502.0	101.1
Finance, Bank and Insurance	65.7	103.2	1 331.7	100.1	0.1	1 600.9	1 762.4
Sovereign and Government Guaranteed	1 960.9	30.1				1 991.0	1 274.1
Local authorities, county	290.6	100.2				390.8	301.9
Total	**2 317.2**	**635.1**	**1 331.7**	**200.6**	**0.1**	**4 484.7**	**3 439.5**
Rating classes are based on Standard & Poors.							
Change in vaule:							
Total change in value balance sheet	-0.2	3.4	7.8	0.3		11.3	-15.4
Change in vaule recognised in the profit and loss during period	8.4	5.8	9.4	0.9		24.5	-13.9

Credit risk on loans to and deposits with credit institutions and central bank

Credit risk per counterparty

NOK MILLION	AAA FAIR VALUE	AA FAIR VALUE	A FAIR VALUE	BBB FAIR VALUE	NIG FAIR VALUE	TOTAL 2009 FAIR VALUE	TOTAL 2008 FAIR VALUE
Norway	368.4					368.4	672.1
Total deposits with central bank	**368.4**					**368.4**	**672.1**
Norway		401.1			22.4	423.5	333.0
Lithuainia					0.7	0.7	0.7
Total loans to and deposits with credit institutions		**401.1**			**23.1**	**424.3**	**333.7**
Total loans to and deposits with credit institutions and central bank	**368.4**	**401.1**			**23.1**	**792.7**	**1 005.8**

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Note 44: Credit risk *Continued*

Credit exposure for lending activities
Storebrand Bank classifies all corporate market customers and selected retail customers (including private investors, etc) in order to identify risk in the bank's lending portfolio. The commitments are classified both when first established and whenever changes are made. In addition to this, corporate market customers are reclassified annually or whenever circumstances indicate the need for such a review. The classifications thus provide a picture of the current risk exposure in the portfolio at any given time. Most of the non-performing loans have a loan-to-collateral value ratio of less than 80 percent. Other new lending largely has a loan-to-collateral value ratio of less than 90 percent.

Retail customers are subject to the overall limits for loan-to-collateral value ratio and ability to pay (as defined by the bank's credit policy for the segment) that apply to this portfolio. The average weighted loan-to-collateral value ratio in the parent bank is around 64 percent for residential mortgages, and 90 percent of residential mortgages are within an 80 percent loan-to-collateral value ratio. Around 40 percent of the mortgages are within a 60 percent loan-to-collateral value ratio in the parent bank. In the mortgage company, the weighted average loan-to-collateral value ratio for all the loans is 50.75 percent. The portfolio's credit risk is regarded as low.

The collateral is principally investments/commercial property in the corporate market portfolio and housing in the retail portfolio.
A classification model is used for borrowers in the real estate sector in order to determine their debt servicing capacity. The model comprises both qualitative and quantitative elements. The qualitative element systematically evaluates the qualitative factors of the project and the borrower that are deemed important. The factors evaluated include management, structure, board of directors, history, market, political risk, and tenants. These are known as internal/external factors in the former/existing system. This provides a qualitative classification.

The quantitative element is evaluated differently for building loans and debt instrument loans. Building loans are evaluated on the basis of the contingency reserve for unforeseen costs, sales buffer, off-plan sales, and project management. Debt instrument loans are evaluated quantitatively by means of cash flow analysis and various key figures. Cash flow is calculated over the lifetime of the project. Risk classification for lending to corporate customers takes the form of credit scores on a scale of 1 to 5, where 1 represents the best score. The first score is for the borrower's ability to pay (debt servicing capacity). The second score is for the quality of the collateral (collateral ratio/loan-to-collateral value ratio).

Retail customers are evaluated according to their ability and willingness to repay the loan. In addition to ability to pay, customers undergo checks with respect to the policy rules and are given scores in a scoring model.

The collateral for non-performing loans without impairment for retail customers is essentially good. The average loan-to-collateral ratio for these loans is 67 percent. Residential mortgages accounted for around NOK 225 million of the volume of non-performing and loss exposed loans. Around NOK 170 million of the loans are within an 80 loan-to-collateral value ratio, and around NOK 215 million are within a 90 percent loan-to-collateral value ratio. The collateral for residential mortgages that are between 1 and 90 days past due is also good.

The collateral for non-performing and loss exposed loans without impairment over 90 days past due in the corporate market is good. The highest loan-to-collateral value ratio for these loans is 70 percent. The same assessment applies for loans in arrears. The collateral for non-performing and loss exposed loans with impairment in the corporate market is regarded as good enough. The losses that have been taken are regarded as sufficient for the bank to currently be of the opinion that new losses must not arise from these customers.

The majority of the loans to "Real estate and other commercial services" are instalment loans/debt instrument loans secured by real estate. Building loans comprise approx. NOK 850 million in gross lending, and a total commitment of approx. NOK 1,110 million. The majority of these development projects will be completed in 2010. Around 80 percent of the corporate market loans have a loan-to-collateral value ratio of less than 80 percent.

The greatest risk for the instalment loans/debt instrument loans is the tenant risk. In the case of building loans the two greatest risks are associated with building costs and off-plan sales. These are closely monitored by the bank.

The definition of non-performing and loss-exposed loans was changed in 2009 which resulted in a higher volume of non-performing and loss-exposed loans, cf.note 43.

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Note 44: Credit risk *Continued*

Commitments per customer group 2009

NOK MILLION	LOANS TO AND DUE FROM CUSTOMERS	GUARAN-TEES	UNDRAWN CREDIT LIMITS	TOTAL COMMIT-MENTS	NON-PERFORMING LOANS WITHOUT EVIDENCE OF IMPAIRMENT	NON-PERFORMING ANDLOSS-EXPOSED LOANS WITH EVIDENCE OF IMPAIMENT	GROSS NON-PERFORMING LOANS	WRITE-DOWNS OF INDIVI-DUAL LOANS	NET NON-PERFORMING LOANS
Financial auxiliaries		1.0		1.0					
Mine operators and mining	7.2			7.2					
Industry	1.0			1.0					
Elelctricity, gas, steam and hot water supply	1.1			1.1					
Development of building projects	1 436.3	127.1	149.2	1 712.6	0.0	17.5	17.6	6.6	11.0
Wholesale and retail trade, motor vehicle repair	14.7	0.5		15.2	1.0	0.3	1.3	0.2	1.1
Haulage and storage	37.3	0.2		37.5					
Accommodation and hospitality	15.0			15.0					
Information and communications	6.6	1.7	2.0	10.3	0.0		0.0		0.0
Sale and operation of real estate	7 292.5	159.2	120.5	7 572.2	2.5	376.8	379.3	53.1	326.2
Professional and financial services	585.0	2.0	3.1	590.1	0.0	5.8	5.8	5.8	-0.1
Business services	702.2	0.1	0.5	702.7		2.5	2.5	2.8	-0.3
Other service providers	34.0	0.4	0.1	34.5					
Wage-earners	25 690.5	1.2	2 794.8	28 486.5	299.8	148.8	448.6	89.9	358.6
Other	0.1	37.1		37.2					
Foreign	299.9		26.5	326.4	5.7	23.2	28.9	23.5	5.4
Total	36 123.3	330.4	3 096.6	39 550.4	309.1	574.8	883.9	182.0	702.0
Write-downs of groups of loans	-107.2			-107.2					
+ Other changes in vaule									
Total loans to and due from customers	**36 016.1**	**330.4**	**3 096.6**	**39 443.2**	**309.1**	**574.8**	**883.9**	**182.0**	**702.0**

Commitments per customer group 2008

NOK MILLION	LOANS TO AND DUE FROM CUSTOMERS	GUARAN-TEES	UNDRAWN CREDIT LIMITS	TOTAL COMMIT-MENTS	NON-PERFORMING LOANS WITHOUT EVIDENCE OF IMPAIRMENT	NON-PERFORMING ANDLOSS-EXPOSED LOANS WITH EVIDENCE OF IMPAIMENT	GROSS NON-PERFORMING LOANS	WRITE-DOWNS OF INDIVI-DUAL LOANS	NET NON-PERFORMING LOANS
Financial auxiliaries	0.3			0.3					
Industry and mining	16.8	0.4		17.2					
Water and power supply building and construction	13.2	1.9	2.1	17.2		0.2	0.2	0.3	-0.1
Wholesale/retail trade, hotels and restaurants	23.6	0.4	0.2	24.2		0.9	0.9	0.8	0.1
International shipping and pipelines	41.1	0.2		41.3					
Other transportation and communications	25.6	1.2		26.8					
Services and real estate operations	10 725.4	359.1	656.0	11 740.5	5.5	323.3	328.8	117.5	211.3
Other service providers	49.0	0.9		49.9		0.9	0.9	0.9	0.0
Wage-earners	27 877.5	1.8	2 662.7	30 542.0	183.5	144.6	328.1	100.9	227.2
Other	0.2	0.4	3.0	3.6		26.1	26.1	17.7	8.4
Foreign	262.1		21.6	283.6	1.2	23.9	25.1	24.3	0.8
Total	39 034.7	366.4	3 345.6	42 746.6	190.2	519.9	710.1	262.4	447.7
Write-downs of groups of loans	-88.3			-88.3					
+ Other changes in vaule	-33.6			-33.6					
Total loans to and due from customers	**38 912.8**	**366.4**	**3 345.6**	**42 624.7**	**190.2**	**519.9**	**710.1**	**262.4**	**447.7**

The classification into customer groups is based on Statistics Norway's satndard for sector and business classification. The individual customer's classification is determined by the customer's primary activity.

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Note 44: Credit risk *Continued*

Average size of total commitments per customer group 2009

NOK MILLION	AVERAGE SIZE LOANS TO AND DU FROM CUSTOMERS	AVERAGE SIZE GUARANTEES	AVERAGE SIZE UNDRAWN CREDIT LIMITS	AVERAGE SIZE TOTAL COMMITMENTS
Industry	1.2			1.2
Elelctricity, gas, steam and hot water supply	1.2			1.2
Development of building projects	1 565.2	126.8	112.3	1 804.3
Wholesale and retail trade, motor vehicle repair	8.4	0.5		8.9
Haulage and storage	65.3	1.2		66.5
Accommodation and hospitality	15.0	2.4		17.4
Information and communications	5.8	0.4		6.2
Sale and operation of real estate	7 786.7	185.2	282.8	8 254.7
Professional and financial services	1 077.5	36.3	11.0	1 124.8
Business services	170.5	1.0	0.8	172.3
Other service providers	46.2	0.4	0.1	46.7
Wage-earners	26 962.9	1.1	2 781.0	29 745.0
Other	0.2			0.2
Foreign	275.2		19.2	294.4
Total loans to and due from customers	**37 981.3**	**355.3**	**3 207.3**	**41 543.9**

Average size of total commitments per customer group 2008

NOK MILLION	AVERAGE SIZE LOANS TO AND DU FROM CUSTOMERS	AVERAGE SIZE GUARANTEES	AVERAGE SIZE UNDRAWN CREDIT LIMITS	AVERAGE SIZE TOTAL COMMITMENTS
Financial auxiliaries	0.3			0.3
Industry and mining	19.5	0.4	1.2	21.1
Water and power supply, building and construction	30.0	2.5	0.3	32.8
Wholesale/retail trade, hotels and restaurants	26.0	0.8		26.8
International shipping and pipelines	61.1			61.1
Other transportation and communications	45.1	1.2		46.3
Services and real estate operations	10 776.6	361.0	676.5	11 814.1
Other service providers	53.7	1.0		54.7
Wage-earners	26 807.7	5.4	2 095.4	28 908.5
Other	0.9	0.4	11.2	12.5
Foreign	267.7		15.9	283.6
Total loans to and due from customers	**38 088.7**	**372.7**	**2 800.5**	**41 261.9**

Given the relatively even development of the statement of financial position and changes to business codes in 2009, the size of the commitment in the middle of 2009 is a best estimate for the average of the portfolio.

Continues next page

Note 44: Credit risk *Continued*

Commitments per geographical area 2009

NOK MILLION	LOANS TO AND DUE FROM CUSTOMERS	GUARAN-TEES	UNDRAWN CREDIT LIMITS	TOTAL COMMIT-MENTS	NON-PERFORMING LOANS WITHOUT EVIDENCE OF IMPAIRMENT	NON-PERFORMING ANDLOSS-EXPOSED LOANS WITH EVIDENCE OF IMPAIMENT	GROSS NON-PERFORMING LOANS	WRITE-DOWNS OF INDIVI-DUAL LOANS	NET NON-PERFORMING LOANS
Eastern Norway	29 189.9	330.2	2 388.7	31 908.8	218.2	501.6	719.8	134.1	585.6
Western Norway	3 878.6	0.2	451.5	4 330.2	55.5	20.1	75.6	9.2	66.4
Southern Norway	482.8		72.5	555.4	3.9	8.6	12.5	4.6	7.9
Mid-Norway	1 537.2		97.0	1 634.2	15.2	3.6	18.8	1.7	17.1
Northern Norway	733.4		60.3	793.8	10.6	13.1	23.7	4.2	19.5
Foreign	301.4		26.5	327.9	5.8	27.8	33.6	28.1	5.5
Total	**36 123.3**	**330.4**	**3 096.5**	**39 550.2**	**309.1**	**574.8**	**883.9**	**182.0**	**702.0**

Commitments per geographical area 2008

NOK MILLION	LOANS TO AND DUE FROM CUSTOMERS	GUARAN-TEES	UNDRAWN CREDIT LIMITS	TOTAL COMMIT-MENTS	NON-PERFORMING LOANS WITHOUT EVIDENCE OF IMPAIRMENT	NON-PERFORMING ANDLOSS-EXPOSED LOANS WITH EVIDENCE OF IMPAIMENT	GROSS NON-PERFORMING LOANS	WRITE-DOWNS OF INDIVI-DUAL LOANS	NET NON-PERFORMING LOANS
Eastern Norway	30 822.9	365.7	2 640.0	33 828.5	135.3	461.0	596.3	224.4	371.9
Western Norway	4 903.4	0.7	461.8	5 365.8	26.4	21.7	48.1	10.2	37.9
Southern Norway	564.0	0.0	66.9	630.9	2.0	4.6	6.6	0.5	6.1
Mid-Norway	1 633.3		92.5	1 725.9	11.0	0.4	11.4	0.1	11.3
Northern Norway	849.1		58.9	908.0	13.7	6.6	20.3	1.5	18.8
Foreign	262.1		25.5	287.5	1.8	25.7	27.5	25.7	1.8
Total	**39 034.7**	**366.4**	**3 345.6**	**42 746.6**	**190.2**	**519.9**	**710.1**	**262.4**	**447.8**

Total commitments secured by mortgages 2009

NOK MILLION	LOANS TO AND DUE FROM CUSTOMERS	GUARANTEES	UNDRAWN CREDIT LIMITS	TOTAL COMMITMENTS
Financial auxiliaries		1.0		1.0
Mine operators and mining	7.0			7.0
Industry	1.0			1.0
Elelctricity, gas, steam and hot water supply	1.1			1.1
Development of building projects	1 436.2	124.5	149.2	1 709.9
Wholesale and retail trade, motor vehicle repair	14.1			14.1
Haulage and storage	37.2			37.2
Accommodation and hospitality	15.0			15.0
Information and communications	6.6	1.7	2.0	10.3
Sale and operation of real estate	7 226.3	153.7	119.1	7 499.1
Professional and financial services	584.6	1.2	3.1	588.8
Business services	700.9	0.0	0.5	701.3
Other service providers	34.0	0.0		34.0
Wage-earners	25 378.3	1.2	1 876.6	27 256.0
Other	0.1			0.1
Foreign	290.3		14.8	305.0
Total	**35 732.7**	**283.2**	**2 165.1**	**38 181.0**

Total commitments secured by mortgages 2008

NOK MILLION	LOANS TO AND DUE FROM CUSTOMERS	GUARANTEES	UNDRAWN CREDIT LIMITS	TOTAL COMMITMENTS
Industry and mining	16.8	0.0		16.8
Water and power supply, building and construction	11.8	3.5	2.1	17.3
Wholesale/retal trade, hotels and restaurants	23.0		0.2	23.1
International shipping and pipelines	21.5			21.5
Other transportation and communications	25.5	1.1		26.6
Services and real estate operations	10 518.3	360.5	640.8	11 519.6
Other services providers	366.6	0.0		366.6
Wage-earners	27 866.4	1.3	1 748.4	29 616.1
Other	1.4			1.4
Foreign	88.7		7.5	96.1
Total	**38 940.0**	**366.4**	**2 398.9**	**41 705.3**

Continues next page

Note 44: Credit risk *Continued*

Total engagement amount by remaining term to maturity 2009

NOK MILLION	LOANS TO AND DUE FROM CUSTOMERS	GUARANTEES	UNDRAWN CREDIT LIMITS	TOTAL COMMITMENTS
Up to 1 month	352.0	28.9	18.8	399.7
1 - 3 months	636.3	39.3	34.5	710.0
3 months - 1 year	1 609.3	27.9	126.1	1 763.3
1 - 5 years	2 679.9	191.4	339.2	3 210.5
More than 5 years	30 845.9	42.9	2 578.0	33 466.8
Total	**36 123.3**	**330.4**	**3 096.6**	**39 550.3**

Total engagement amount by remaining term to maturity 2008

NOK MILLION	LOANS TO AND DUE FROM CUSTOMERS	GUARANTEES	UNDRAWN CREDIT LIMITS	TOTAL COMMITMENTS
Up to 1 month	1 230.0	95.2	147.1	1 472.3
1 - 3 months	284.4	42.4	50.5	377.3
3 months - 1 year	2 186.4	27.4	434.4	2 648.2
1 - 5 years	3 442.1	193.6	385.1	4 020.8
More than 5 years	31 891.8	7.8	2 328.4	34 228.0
Total	**39 034.7**	**366.4**	**3 345.6**	**42 746.6**

Age distribution of overdue engagements without write-downs 2009

NOK MILLION	LOANS TO AND DUE FROM CUSTOMERS	GUARANTEES	UNDRAWN CREDIT LIMITS	TOTAL COMMITMENTS
Overdue 1 - 30 days	2 155.3		21.3	2 176.5
Overdue 31 - 60 days	138.5		0.6	139.1
Ovedue 61- 90 days	29.4		0.2	29.6
Overdue more than 90 days	307.6		1.5	309.1
Total	**2 630.8**		**23.6**	**2 654.3**
Engagements overdue more than 90 days by geographical area:				
Eastern Norway	217.0		1.1	218.2
Western Norway	55.2		0.3	55.5
Southern Norway	3.9		0.0	3.9
Mid-Norway	15.1		0.0	15.1
Northern Norway	10.5		0.1	10.6
Foreign	5.8			5.8
Total	**307.6**		**1.5**	**309.1**

Age distribution of overdue engagements without write-downs 2008

NOK MILLION	LOANS TO AND DUE FROM CUSTOMERS	GUARANTEES	UNDRAWN CREDIT LIMITS	TOTAL COMMITMENTS
Overdue 1 - 30 days	2 272.0	6.2	6.1	2 284.3
Overdue 31 - 60 days	430.0	19.0	0.9	449.9
Ovedue 61- 90 days	95.6			95.6
Overdue more than 90 days	190.2		2.3	192.5
Total	**2 987.8**	**25.3**	**9.3**	**3 022.4**
Engagements overdue more than 90 days by geographical area:				
Eastern Norway	135.3		2.2	137.5
Western Norway	26.4		0.0	26.4
Southern Norway	2.0			2.0
Mid-Norway	11.0			11.0
Northern Norway	13.7			13.7
Foreign	1.8			1.8
Total	**190.2**		**2.3**	**192.6**

Continues next page

Note 44: Credit risk *Continued*

Only non-performing and loss-exposed loans are classified by geographical area in this overview.
The same definition is used for due commitments as the one in the capital requirements regulations, however the number of days in the definition equals the age distribution.

The definition of non-performing and loss exposed was changed in Q4 2009. Commitments are regarded as non-performing and loss exposed:
- when a credit facility has been overdrawn for more than 90 days
- when a repayment loan has arrears older than 90 days
- when a credit card has arrears older than 90 days and the credit limit has been overdrawn. If a repayment plan has been agreed with the customer and is being adhered to, the overdraft is not regarded a non-performance.

When one of the three situations described above occurs, the commitment and the rest of the customer's commitments are regarded as non-performing and loss exposed. The number of days is counted from when the arrears exceed NOK 2,000.
The account is given a clean bill of health when there are no longer any arrears. The amount in arrears at the time of reporting can be less than NOK 2,000. The new definition is stricter than the previous version and results in more commitments being classed as non-performing and loss exposed. Comparabale figures for 2008 have note been changed.

Credit risk by customer group 2009

NOK MILLION	TOTAL VALUE IMPAIRED ENGAGEMENTS	TOTAL DUE ENGAGEMENTS	TOTAL VALUE CHANGES	TOTAL WRITE-DOWNS	TOTAL VALUE CHANGE RECOGNISED IN PROFIT AND LOSS DURING PERIOD
Development of building projects	17.5	0.0		6.6	9.3
Wholesale and retail trade, repair of motor vehicle	0.3	1.0		0.2	
Information and communications		0.0			
Sale and operation of real estate	376.8	2.5		53.1	-27.3
Professional and financial services	5.8	0.0		5.8	-0.3
Business services	2.5			2.8	2.6
Wage-earners	148.8	299.8		89.9	-19.9
Other					-1.4
Foreign	23.2	5.7		23.5	4.3
Total	**574.8**	**309.1**		**182.0**	**-32.7**

Credit risk by customer group 2008

NOK MILLION	TOTAL VALUE IMPAIRED ENGAGEMENTS	TOTAL DUE ENGAGEMENTS	TOTAL VALUE CHANGES	TOTAL WRITE-DOWNS	TOTAL VALUE CHANGE RECOGNISED IN PROFIT AND LOSS DURING PERIOD
Water and power supply, building and construction	0.2			0.3	
Wholesale/retail trade, hotels and restaurants	0.9			0.8	
Services and real estate operations	323.3	5.5		117.5	91.0
Other service providers	0.9			0.9	
Wage-earners	144.6	183.5	-33.6	100.9	6.3
Other	26.1			17.7	-6.1
Foreign	23.9	1.2		24.3	0.9
Total	**519.9**	**190.2**	**-33.6**	**262.4**	**92.0**

Taken over pledged assets
Storebrand Bank Group had no taken over pledged assets at year-end 2009.

Continues next page

Note 44: Credit risk *Continued*

Fiancial assets at fair value through profit and loss (FVO)

NOK MILLION	LENDING TO CUSTOMERS 2009	LENDING TO CUSTOMERS 2008	LIQUIDITY PORTFOLIO 2009	LIQUIDITY PORTFOLIO 2008
Book value	758.3	282.9	4 487.7	3 439.5
Maximum exposure to credit risk	758.3	282.9	4 487.7	3 439.5
Book value of related credit derivatives that reduce credit risk				
This year's change in fair value of financial assets due to change in credi risk			19.3	-39.3
Accumulated change in fair value of financial assets due to change in credit risk			18.9	-39.3
This year's change in their value of related credit derivatives				
Accumulated change in their valure of related credit derivatives				

Lending to customers is measured at fair value based on valuation techniques. The valuation techniques use interest rate curves from Reuters and credit spreads for equivalent new loans as per the end of December.

Financial assets are earmarked at fair value through the profit and loss account in accordance with the fair vaule option (FVO) the first time they are recognised in those cases another measurement would result in an inconsistency in the profit and loss account.

Financial liabilities at fair value through profit and loss (FVO))

NOK MILLION	2009	2008
The year's change in fair value of liabilities due to changes in credit risk	10.4	0.2
Difference between book value of liabilities and contractual amount due at maturity	11.4	-1.2
Accumaulated change in fair value of liabilities fue to changes in credit risk	10.4	0.2
Difference between book value of liabilities and contractual amount due at maturity	11.4	-1.2

Credit risk liquidity portfolio

Credit risk per counterparty

NOK MILLION	AAA FAIR VALUE	AA FAIR VALUE	A FAIR VALUE	BBB FAIR VALUE	NON-INVEST-MENT GRADE FAIR VALUE	TOTAL 2009 FAIR VALUE	TOTAL 2008 FAIR VALUE
France							11.0
England		1.4	184.5			185.9	89.0
Norway		111.5	264.1		214.7	590.3	1 638.8
Sweden			31.2			31.2	51.6
Denmark							1.5
Total		**112.9**	**479.8**		**214.7**	**807.4**	**1 791.7**
Change in value:							
Total change in value balance sheet		112.9	570.5		214.7	898.1	1 791.7
Change in vaule recognised in the profit and loss during period	-10.5	-138.8	55.4		-392.8	-486.8	349.0

Equity options, interest rate swaps, basis swaps and forward foreign exchange contracts
Derivatives are entered into for hedging purposes. Derivative transactions are entered into with counterparties that are "investment grade" rated.

Note 45: Liquidity risk

Non-discounted cash flows - financial liabilties 2009

NOK MILLION	0 - 6 MONTHS	6 - 12 MONTHS	1 - 3 YEARS	3 - 5 YEARS	MORE THAN 5 YEARS	TOTAL	BOOK VALUE
Liabilities to credit institutions	1 524.2	1 111.7	4 829.3	3 503.6	0.3	10 969.2	10 211.8
Deposits from and due to customers	18 311.4	7.9	0.5	0.0	0.0	18 319.8	18 319.8
Commercial paper and bonds issued	2 744.1	2 139.6	6 664.0	3 076.6	6 932.4	21 556.8	10 151.4
Other liabilities	587.0	0.0	0.0	0.0	0.0	587.0	587.0
Subordinated loan capital	14.0	197.4	571.8	309.2	0.0	1 092.3	960.4
Undrawn credit limits	4 388.8	0.0	0.0	0.0	0.0	4 388.8	
Lending commitments	467.8	0.0	0.0	0.0	0.0	467.8	
Total financial liabilities	**28 037.3**	**3 456.7**	**12 065.6**	**6 889.4**	**6 932.7**	**57 381.7**	**40 230.4**

The amounts includes accrued interests.

Non-discounted cash flows - financial liabilties 2008

NOK MILLION	0 - 6 MONTHS	6 - 12 MONTHS	1 - 3 YEARS	3 - 5 YEARS	MORE THAN 5 YEARS	TOTAL	BOOK VALUE
Liabilities to credit institutions	1 085.2	46.3	5 474.9	337.1	0.0	6 943.5	6 517.1
Deposits from and due to customers	18 171.2	120.3	0.0	0.0	0.0	18 291.5	18 291.5
Commercial paper and bonds issued	2 552.6	3 111.5	12 194.3	2 264.7	2 761.5	22 884.6	16 824.0
Other liabilities	419.8	0.0	0.0	0.0	0.0	419.8	422.7
Subordinated loan capital	24.9	23.0	79.8	112.3	1 101.3	1 341.3	962.0
Undrawn credit limits	4 091.6	0.0	0.0	0.0	0.0	4 091.6	
Lending commitments	418.9	0.0	0.0	0.0	0.0	418.9	
Total financial liabilities	**26 764.2**	**3 301.1**	**17 749.0**	**2 714.1**	**3 862.8**	**54 391.2**	**43 017.3**

The amounts includes accrued interests.

The due overview included interest. Implicit forward interest rates based on the yield curve on 31 December 2009 are used to calculate interest costs for lending with FRN conditions. The due overview was set up using the ORM risk management system.

Note 46: Foreign exchagen risk

Financial assets and liabilities in foreign currency

	STATEMENT OF FINANCIAL POSITION ITEMS		CURRENCY FORWARDS	NET POSITION	
BELØP I MILLIONER	ASSETS	LIABILITIES	NET SALE	IN CURRENCY	IN NOK
CHF	67.7	0.5	67.2		
DKK	3.5	3.5			
EUR	25.2	881.8	-856.6	-0.7	-5.4
GBP	2.9	3.5	-0.6		
JPY	7.2		7.2	-0.5	
SEK	474.7	415.0	59.7	0.2	0.2
USD	63.7	29.8	33.9	0.1	0.5
Andre	0.1	0.1			
Total 2009					**-4.8**
Total 2008					-2.0

Storebrand Bank ASA hedges the net currency position in its balance sheet with forward contracts, accordingly forward sales and forward purchases are not shown separately in respect of assets and liabilities.

Note 47: Sensitivity analyses - financial assets and liabilities

In the event of market risk changes that occur during the first year, the affect on the result and equity will be as shown below based on the balance sheet as of 31 December 2009:

Effect on income

NOK MILLION	AMOUNT
Interest rate -1.5%	13.8
Interest rate +1.5%	-13.7

Effect on net profit/equity

NOK MILLION	AMOUNT
Interest rate -1.5%	13.8
Intersest rate +1.5%	-13.7

The note demonstrates the accounting effect over a 12-month period of an immediate parallel change in interest rates of +1.5 percentage points and -1.5 percentage points. Account has been taken of the one-time effect such an immediate change in interest rates would have on the items recognised at fair value and hedging value and of the effects the change in interest rates would have on the result for the remainder of the interest rate duration period before the change in interest rate has income and cost related effects. The sensitivity calculation was carried out using the ORM risk management system.
Items affected by one-time effects and which are recognised at fair value are the liquidity portfolio, fixed rate lending, borrowing via the government swap scheme, deposits with equity returns, and derivatives. The item affected by one-time effects and which is subject to hedge accountingis fixed rate borrowing.

See also note 46 regarding foreign exchange risk.

PROFIT AND LOSS ACCOUNT STOREBRAND BANK ASA

1 January - 31 December

NOK MILLION	NOTE	2009	2008
Interest income		1 529.4	2 633.4
Interest expense		-1 215.4	-2 146.4
Net interest income	**6**	**314.0**	**486.9**
Fee and commission income from banking services		101.1	98.1
Fee and commission expense for banking services		-14.7	-30.8
Net fee and commission income	**7**	**86.4**	**67.2**
Net gains on financial instruments at fair value	6	56.3	-2.7
Net income and gains from associated companies	17	-1.2	-1.6
Other income	9	74.3	31.6
Total other operating income		**129.4**	**27.3**
Staff expenses	10, 11	-151.9	-134.3
General administration expenses	11	-96.9	-97.8
Ohter operating costs	11, 26, 27	-159.6	-145.4
Total non-interest expenses		**-408.4**	**-377.6**
Operating profit before losses and other items		**121.5**	**203.9**
Write-downs for the period	8	-80.1	-121.2
Profit before tax		**41.3**	**82.7**
Tax	12	-10.9	-24.8
Profit for the year		**30.5**	**57.9**
Transfers and allocations:			
Transferred to/from other equity		-87.9	57.9
Provision for group contribution		118.4	
Total transfers and allocations		**30.5**	**57.9**

STATEMENT OF COMPREHENSIVE INCOME

NOK MILLION	NOTE	2009	2008
Pension experience adjustments		5.5	-3.4
Profit for the period		30.5	57.9
Total comprehensive income for the period		**35.9**	**54.5**

STATEMENT OF FINANCIAL POSITION STOREBRAND BANK ASA

31 December

NOK MILLION	NOTE	2009	2008
Assets			
Cash and deposits with central banks	13, 14	368.4	672.1
Loans to and deposits with credit institutions	13, 15	2 320.0	1 306.9
Financial assets designated at fair value thorugh profit or loss:			
Equity instruments	13, 16	1.0	1.4
Bonds and other fixed-income securities	13, 20, 40, 42	11 402.8	6 610.4
Derivatives	13, 22, 40, 42	390.2	876.9
Other current assets	13, 29	2 223.6	1 025.6
Gross lending	13, 23, 40	21 301.1	27 463.7
Write-down of loans	24	-336.0	-350.1
Net lending to customers	**13, 42**	**20 965.1**	**27 113.7**
Investments in associated companies	17	26.4	27.6
Tangible assets	27	15.7	13.3
Intangible assets and goodwill	26	48.1	54.1
Deferred tax assets	12	175.7	155.9
TOTAL ASSETS		**37 937.0**	**37 858.1**

NOK MILLION	NOTE	2009	2008
Liabilities and equity			
Liabilities to credit institutions	13, 31, 40	10 355.5	6 517.1
Deposits from and due to customers	13, 32, 40	18 344.7	18 305.0
Other financial liabilities:			
Derivatives	13, 22, 40, 42	289.0	467.1
Commercial paper and bonds issued	13, 33	4 853.5	8 999.8
Other liabilities	13, 36	730.4	433.1
Provision for accrued expenses and liabilities	35	14.1	19.9
Pension liabilities	10	79.5	80.1
Subordinated loan capital	13, 34	960.4	962.0
TOTAL LIABILITIES		**35 627.2**	**35 784.2**
Share capital		960.6	916.6
Other paid-in share capital		156.0	
Retained earnings		518.7	400.3
Minority interests		674.6	757.0
TOTAL EQUITY		**2 309.8**	**2 073.9**
TOTAL LIABILITIES AND EQUITY		**37 937.0**	**37 858.1**

Lysaker, 16 February 2010
The Board of Directors of Storebrand Bank ASA

Translation - not to be signed

Idar Kreutzer
Chairman

Stein Wessel-Aas
Deputy chairman

Kristine Schei
Board Member

Roar Thoresen
Board Member

Odd Arild Grefstad
Board Member

Heidi Storrukste
Board Member

Klaus-Anders Nysteen
Managing Director

CHANGES IN EQUITY

STOREBRAND BANK ASA

NOK MILLION	PAID-IN EQUITY				OTHER EQUITY			
	SHARE CAPITAL	SHARE PREMIUM RESERVE	OTHER PAID-IN EQUITY	TOTAL PAID-IN EQUITY	REVENUE AND COSTS APPLIED TO EQUITY	OTHER EQUITY	TOTAL OTHER EQUITY	TOTAL EQUITY
Equity at 31.12.2007	**916.6**		**400.3**	**1 316.9**	**27.1**	**688.3**	**715.4**	**2 032.3**
Profit for the period				0.0		57.9	57.9	57.9
Pension experience adjustments					-3.4		-3.4	-3.4
Total other comrehensive income	**0.0**		**0.0**	**0.0**	**-3.4**	**0.0**	**-3.4**	**-3.4**
Total comprehensive income for the period	**0.0**		**0.0**	**0.0**	**-3.4**	**57.9**	**54.6**	**54.6**
Equity transactions with owners:								
Group contribution paid				0.0		-13.0	-13.0	-13.0
Equity at 31.12.2008	**916.6**	**0.0**	**400.3**	**1 316.9**	**23.7**	**733.3**	**757.0**	**2 073.9**
Profit for the period				0.0		30.5	30.5	30.5
Pension experience adjustments					5.5		5.5	5.5
Total other comrehensive income	**0.0**	**0.0**	**0.0**	**0.0**	**5.5**	**0.0**	**5.5**	**5.5**
Total comprehensive income for the period	**0.0**	**0.0**	**0.0**	**0.0**	**5.5**	**30.5**	**35.9**	**35.9**
Equity transactions with owners:								
Capital increase paid in	44.0	156.0		200.0			0.0	200.0
Receipts of group contribution			118.4	118.4			0.0	118.4
Group contribution paid				0.0		-118.4	-118.4	-118.4
Equity at 31.12.2009	**960.6**	**156.0**	**518.7**	**1 635.3**	**29.2**	**645.3**	**674.6**	**2 309.8**

The entire share capital of NOK 960.6 million made up of 64,037,183 shares (of nominal value NOK 15) is owned by Storebrand ASA.

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

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

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

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

For further information on the company's fulfilment of the capital requirements, see note 39.

CASH FLOW STATEMENT

1 January - 31 December

NOK MILLION	NOTE	2009	2008
Cash flow from operations			
Cash flow from operations			
Receipts of interest, commissions and fees from customers		1 436.6	2 660.0
Payments of interest, commissions and fees to customers		-592.5	-1 035.0
Net disbursement/payments on customer loans		6 182.1	9 569.7
Net receipts/payments of deposits from banking customers		31.1	735.3
Net receipts/payments - securities at fair value		-4 468.3	-3 891.6
Payments - taxes		5.7	
Payments of operating costs		-348.5	-481.3
Net receipts/payments on other operating activities		138.9	
Net cash flow from operating activities		**2 385.0**	**7 557.1**
Cash flow from investment activities			
Net receipts from sale of subsidiaries and associated companies			2.0
Net payments on purchase/capitalisation of subsidiaries		-823.1	-520.5
Net payments on purchase/sale of fixed assets etc.		-21.1	-16.3
Net cash flow from investment activities		**-844.2**	**-534.7**
Cash flow from financing activities			
Payments - repayments of loans and issuing of bond debt		-5 209.6	-11 641.2
Receipts - new loans and issuing of bond debt		954.0	3 005.9
Payments - interest on loans		-540.5	-1 074.0
Payments - repayments of subordinated loan capital		-36.9	-55.9
Payments - interest on subordinated loan capital			-68.2
Net receipts/payments of liabilities to credit institutions		3 789.7	3 436.7
Receipts - issuing of share capital and other equity		200.0	
Receipts - group contribution		24.9	212.1
Payments - group contribution / dividends		-13.0	-279.1
Net cash flow from financing activities		**-831.4**	**-6 463.7**
Net cash flow in period		**709.4**	**558.6**
Net cash flow in period		709.4	558.6
Cash and bank deposits at the start of the period for new companies		1 979.0	1 420.4
Cash and bank deposits at the end of the period		**2 688.4**	**1 979.0**
Cash and deposits with central banks	14	368.4	672.1
Loans to and deposits with credit institutions	15	2 320.0	1 306.9
Total cash and bank deposits in the balance sheet		**2 688.4**	**1 979.0**

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

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

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

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

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

NOTES TO THE ACCOUNT

Note 0: Accounting policies

The accounting policies used in the unconsolidated financial statements of Storebrand Bank ASA are described below. The policies are applied consistently to similar transactions and to other events involving similar circumstances.

Basic policies

- The unconsolidated financial statements of Storebrand Bank ASA are prepared in accordance with section 1-5 of the annual accounts regulations for banks, financial undertakings, etc. that deal with the "simplified application of international accounting standards", as well as the additional Norwegian information requirements that follow from laws and regulations (hereafter referred to as simplified IFRS).

- Simplified IFRS permits recognition to profit and loss of provisions for dividend and group contribution, and allows the Board of Director's proposal for dividend and group contribution to be recognized as a liability on the balance sheet date. The full application of IFRS stipulates that dividend and group contribution must remain part of equity until approved by the company's general meeting. Other than this, simplified IFRS requires the use of the same accounting principles as the full application of IFRS.

Use of estimates in preparing the annual financial statements

The preparation of the annual financial statements in accordance with IFRS requires the management to make valuations, estimates and assumptions that affect assets, liabilities, revenue, costs, the notes to the financial statements and information on potential liabilities. The final values realised may differ from these estimates. See note 1 for further information about this.

No changes to the accounting policies were made in 2009.

New and amended standards

The following accounting standard has been amended: IAS 1 Presentation of Financial Statements. The reconciliation of changes in equity was presented as a note to the financial statements in 2008, but is now presented as a table after the statement of financial position. A new result term has also been introduced: "total comprehensive income". "Total comprehensive income" includes, in addition to the result for the year, items that were previously recognised directly against equity, with the exception of transactions with owners.

IFRS 8 Operating Segments

IFRS 8 Operating Segments, which replaces IAS 14 Segment Reporting, is based to a greater degree on the management's internal monitoring. Storebrand Bank's segment reporting was previously also based on the management's internal monitoring and the transition to IFRS 8 therefore entails no changes in segment reporting. Nor have any changes been made to the measurement of the segment results, which is based on principles used in IFRS in the financial statements.

The changes to IAS 1 and IFRS 8 came into force on 1 January 2009, but the changes have no effect on the measurement or periodising of the items in the financial statements for the accounting period.

New accounting standards and amendments and interpretations of standards exist that did not enter into force in the year ended on 31 December 2009. These have not been applied in the preparation of these unconsolidated financial statements. Their application is not expected to have a material effect on the unconsolidated financial statements.

Segment reporting

The company is organised into own departments. The management's segment reporting for Storebrand Bank is only done at a group level. See note 3 under the Storebrand Bank Group.

Tangible fixed assets

The company's tangible fixed assets comprise equipment, fixtures and fittings, vehicles, IT systems and properties used by the group for its own activities.

Equipment, fixtures and fittings, and vehicles are valued at acquisition cost reduced by accumulated depreciation and any write-downs.

The depreciation period and the method of depreciation are reviewed annually to ensure that the method and period used correspond with the financial lifetime of the asset in question. This also applies to the disposal value.

Assets are assessed for impairment if there are indications of a fall in its value. Any write-downs are recognised as the difference between the value recognised in the statement of financial position and the recoverable amount. The recoverable amount is the highest of fair value less deductions for selling expenses and the value in use. Whether or not any previous write-downs of non-financial assets can be reversed must be assessed on every reporting date.

Intangible assets

Intangible assets with limited useable lifetimes are valued at acquisition cost reduced by accumulated depreciation and any write-downs. The depreciation period and the method of depreciation are reviewed annually. New intangible assets are only capitalised if it can be demonstrated that it is likely that the group will gain future commercial benefit that is directly applicable to the asset in question. In addition, it must be possible to estimate the cost price of the asset reliably. The value of an intangible asset is tested for impairment if there are indications of a fall in its value; otherwise intangible assets are subject to write-downs and reversals of write-downs in the same manner described for tangible fixed assets.

The depreciation period and the method of depreciation are reviewed annually to ensure that the method and period used correspond with the financial lifetime of the intangible asset in question. This also applies to the disposal value.

Pension liabilities for own employees
Storebrand's pension scheme for its own employees is a defined benefit pension scheme.
Pension costs and pension liabilities for defined benefit pension schemes are calculated using a linear accrual of entitlement to pension and expected final salary, based on assumptions for discount rate, future salary increases, pensions and benefits from the national insurance fund, the future return on pension assets and actuarial assumptions on mortality, disability and early leavers. The discount rate is equivalent to the risk-free interest rate taking into account the average remaining period for accrual of pension entitlement. The net pension cost for the period is made up of the sum of pension entitlement accrued in the period, interest cost on the calculated pension liability and the expected return on pension assets.

Estimate deviations and the effect of changed assumptions are recognised in total comprehensive income in the period they occur. The effects of changes to the pension scheme are recognised in the profit and loss account as they are incurred, unless the change is conditional on future accrual of pension entitlement. In such a case, the effect is amortised linearly over the time until the entitlement is fully earned. Employer's social security contributions are included in pension liability and in experience adjustments shown in equity.

Storebrand has both insured and uninsured pension arrangements. The insured scheme in Norway is insured with Storebrand Livsforsikring AS (Storebrand Life Insurance), which is a company in the Storebrand group.

Tax
The tax charge in the profit and loss account consists of tax payable for the accounting year and changes in deferred tax. Tax is recognised in the profit and loss account, except when it relates to items that are recognised directly against total comprehensive income. Deferred tax and deferred tax assets are calculated on the basis of differences between accounting and tax values of assets and liabilities. Deferred tax assets are recorded in the statement of financial position to the extent it is considered likely that the companies in the group will have sufficient taxable profit in the future to make use of the tax asset.

Allocated dividend and group contribution
Simplified IFRS, used in the unconsolidated accounts, allows companies to recognise the provision for dividends and group contribution as income and recognise the board's proposed dividend and group contribution as a liabilithy on the balance sheet date. According to full IFRS, dividends and group contributions are classified as equity until the general meeting decides.

FINANCIAL INSTRUMENTS

General policies and definitions

Recognition and derecognition
Financial assets and liabilities are included in the statement of financial position from such time Storebrand becomes party to the instrument's contractual terms and conditions. Normal purchases and sales of financial instruments are booked on the transaction date. When a financial asset or a financial liability is first recognised in the financial statements, it is valued at fair value. First time recognition includes transaction costs directly related to the acquisition or issue of the financial asset or the financial liability if it is not a financial asset or a financial liability at fair value in the profit and loss account.

Financial assets are derecognised when the contractual right to the cash flow from the financial asset expires, or when the company transfers the financial asset to another party in a transaction by which all, or virtually all, the risk and reward associated with ownership of the asset is transferred.

Financial liabilities are derecognised in the statement of financial position when they cease to exist, i.e. once the contractual liability has been fulfilled, cancelled or has expired.

Definition of amortised cost
Subsequent to inception, hold to maturity financial assets, loans and receivables as well as financial liabilities not at fair value in the profit and loss account, are valued at amortised cost using the effective interest method. The calculation of the effective interest rate involves estimating all cash flows and all contractual terms of the financial instruments (for example early repayment, call options and equivalent options). The calculation includes all fees and margins paid or received between the parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Definition of fair value
Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, voluntary parties in an arm's length transaction. The fair value of financial assets listed on a stock exchange or in another regulated market place in which regular trading takes place is determined as the bid price on the last trading day up to and including the statement of financial position date, and in the case of an asset that is to be acquired or a liability that is held, the offer price.

If a market for a financial instrument is not active, fair value is determined by using valuation techniques. Such valuation techniques make use of recent arm's length market transactions between knowledgeable and independent parties where available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis, and options pricing models. If a valuation technique is in common use by participants in the market and this method has proved to provide reliable estimates of prices actually achieved in market transactions, this method is used.

The fair value of loans, which is recognised at amortised cost, is estimated on the basis of the current market rate of interest on similar lending. Write-downs of loans are taken into account both in the amortised cost and when estimating fair value. When estimating the fair value of a loan, consideration is also given to the development of the associated credit risk in general.

Impairment of financial assets
In the case of financial assets that are not recognised at fair value, consideration is given on each statement of financial position date to whether there are objective signs

that the value of a financial asset or a group of financial assets is impaired.

If there is objective evidence that impairment has occurred, the amount of the loss is measured as the difference between the asset's book value and the present value of estimated cash flows (excluding future credit losses that have not occurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate calculated at the time of inception). The book value of the asset is reduced either directly or by using a provision account. The amount of the loss is recognised in the profit and loss account.

Losses that are expected to occur as a result of future events are not included in the financial statements; regardless of how likely it is that the loss will occur.

CLASSIFICATION AND MEASUREMENT OF FINANCIAL ASSETS AND LIABILITIES

Financial assets are classified into one of the following categories:
- held for sale
- at fair value through profit or loss in accordance with the fair value option (FVO)
- loans and receivables

Held for sale
A financial asset is classified as held for sale if it is:

- acquired or incurred principally for the purpose of selling or repurchasing it in the near term, is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking, or
- it is a derivative except for a derivative that is a designated as an effective hedging instrument.

With the exception of derivatives, only a limited proportion of Storebrand's financial assets fall into this category.

Held for sale financial assets are measured at fair value on the statement of financial position date. Changes in fair value are recognised in the profit and loss account.

At fair value through profit or loss in accordance with the fair value option (FVO)
A significant proportion of Storebrand's financial instruments are classified as at fair value through profit and loss because:
- such classification reduces a mismatch that would otherwise have occurred in measurement or recognition as a result of different rules for measurement of assets and liabilities, or because
- the financial assets form part of a portfolio that is managed and reported on a fair value basis.

The accounting treatment is equivalent to that for held for sale assets.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, with the exception of such assets that the company intends to sell immediately or in the short term that are classified as held for sale and such assets that the company designates at inception as assets at fair value in the profit and loss account.

Loans and receivables are valued at amortised cost using the effective interest method.

Loans and receivables that are designated as hedged items are subject to measurement in accordance with the requirements of hedge accounting.

Accounting treatment of derivatives that are not hedging
Derivatives that do not meet the criteria for hedge accounting are treated as available for sale financial instruments. The fair value of such derivatives is classified as either an asset or a liability with changes in fair value in the profit and loss account.

The major part of derivatives used routinely for asset management fall into this category.

Accounting treatment of derivatives for hedging

Fair value hedging
Storebrand uses fair value hedging, where the items hedged are financial assets and financial liabilities measured at amortised cost. Derivatives that fall within this category are recognised at fair value in the profit and loss account, while changes in the value of the hedged item that relate to the risk hedged are applied to the book value of the item and are recognised in the profit and loss account.

Financial hedging for fixed-rate deposits and lending in Storebrand Bank uses this type of hedge accounting. Due to of the unified policies for measuring hedged items and hedging instruments in the other parts of the group, this hedging reflects the group's ordinary valuation rules.

Financial liabilities
Subsequent to inception, all financial liabilities are measured at amortised cost using an effective interest method.

Structured products
Storebrand Bank has issued equity index linked bonds. These products principally comprise the issue of a bond and the sale of an equity index option. At the time of issue, the equity index option is measured at fair value since the option is a derivative that is not closely related to the bond issue. The bonds issued are simultaneously measured at amortised cost. No gain is recognised in respect of structured gains at the time of issue ("day 1 gains").

Commercial paper/bonds
The accounting treatment applied is the same as for structured products.

Interest income and interest expense banking
Interest income and interest expense are charged to profit and loss at amortised cost using the effective interest method. The effective interest method includes set-up charges.

Note 1: Important accounting estimates and judgements

Estimates and judgements are continually evaluated on the basis of historical experience and anticipated future events. In the future, actual experience may deviate from these accounting estimates, but the estimates are based on best judgement at the time the financial statements are produced.

In general the following factors will often play a key role in the generation of the result:

- Development of interest rate and equity markets
- Risk management, and changes to the assets' composition over the year
- Development of the real estate market
- Development of costs

Important estimates and assumptions that can result in material adjustments to the recognised values are discussed below.

Financial instruments
The situation in the financial markets in 2008 and 2009 meant that the proportion of financial instruments that can be valued on the basis of observable prices or assumptions decreased in relation to the past. The uncertainty in valuations is higher for the types of securities priced on the basis of non-observable assumptions. Any changes to the assumptions could affect the recognised values.
Please also refer to note 2 and note 40 in which the valuation of financial instruments is described in more detail.
Financial instruments valued at amortised costs are assessed on the statement of financial position date to see whether or not there are objective indications that the financial asset or a group of financial assets have fallen in value. In the case of banking group lending, both individual and group write-downs are used. Group write-downs on lending are calculated separately for commercial and retail loans. Changes in the debtors' ability to pay, collateral/loan-to-asset value ratio and other business-related risk factors can affect the recognised write-downs.

Intangible assets
Intangible assets with undefined usable lifetimes are tested for impairment annually. Fixed assets and other intangible assets are assessed annually to ensure the method and period being used correspond with economic realities.

Pensions own employees
The discounted current value of pension liabilities depends on the economic and demographic assumptions used in the calculation. The assumptions used must be realistic, mutually consistent and kept up to date in the sense that they should be based on uniform expectations of future economic conditions. The pension liabilities as per 31 December 2009 were calculated by actuaries. Any changes associated with the expected growth in pay and the discount rate, etc, could have a significant effect on the recognised pension obligations relating to our own employees (IAS 19).

Note 2: Valuation of financial instruments at fair value

The group categorises financial instruments valued at fair value on three different levels, which are described in more detail below. The levels express the differing degree of liquidity and different measuring methods:

Level 1: Financial instruments valued on the basis of quoted priced for identical assets in active markets
This category includes listed equities. Based on this, the equities are regarded as sufficiently liquid to be encompassed by this level. Bonds, certificates or equivalent instruments issued by national governments are generally classified as level 1. In the case of derivatives, standardised equity-linked and interest rate futures will be encompassed by this level.

Level 2: Financial instruments valued on the basis of observable market information not covered by level 1
This category encompasses financial instruments that are valued on the basis of market information that can be directly observable or indirectly observable. Market information that is indirectly observable means that prices can be derived from observable, related markets. Level 2 encompasses equities or equivalent equity instruments for which market prices are available, but where the turnover volume is too limited to meet the criteria in level 1. Equities on this level will normally have been traded during the last month. Bonds and equivalent instruments are generally classified as level 2. Interest rate and currency swaps are also classified as level 2.

Level 3: Financial instruments valued on the basis of information that is not observable pursuant to by level 2
Equities classified as level 3 encompass investments in primarily unlisted/private companies. Storebrand Bank ASA has no material financial instruments covered by level 3.

Please also see note 40 for a specification of financial instruments at various levels.

Note 3: Segment

The management's segment reporting for Storebrand Bank is only done at a group level.
See note 3 under the Storebrand Bank Group.

Note 4: Remuneration and close associates

Remunerations of senior employees and elected officiers at 31.12.09:

NOK 1000	REMUNER-ATION 9)	BONUS-BANK 1)	1/3 BONUS BANK 1)	POST-TERMINA-TION SALARY (MONTHS)	PENSION ACCRUED FOR THE YEAR	DISCOUNT PRESENT VALUE OF PENSION	NO. OF SHARES 2)	LOANS 3)	INTEREST RATE IN % AT 31.12.09	PAYMENT PERIOD 4)	OUT-STANDING AMOUNT 5)
Senior employees											
Klaus-Anders Nysteen (man.dir.)	3 532	81	360	18	757	2 419	50 999	3 254	3 2/2,8	2026/2017	
Monica Kristoffersen	1 563	77	126		256	2 366	1 100	2 519	3,20	2028	
Anne Grete T. Wardeberg	1 439	50	117		213	1 596	2 590				
Mikkel Andreas Vogt	1 948		200		425	1 033	3 732	1 970	3,2/2,8	2028/2013	
Trond Fladvad	1 950	55	152		408	1 140	3 619	5 273	3,65/3,2/2,8	2032/2017/2012	
Robert Fjelli	2 185		280		483	1 113	1 100	3 890	3,2/2,8	2039/2019	
Lars Syse Christiansen	1 183				154	314		1 653	2,80	2038	
Truls Nergaard	1 406	190	263		658	491					
Board of Directors 6)											
Idar Kreutzer 7)	5 820	4 232	1 411	24	893	15 401	93 355	12 242	3,49/2,8/3,19	2037/2025/2018	
Roar Thoresen 8)	3 548	381	694	18	902	6 895	28 282	3 763	3,64/2,8	2029/2013	
Heidi Storruste	145						1 228	2 761	3,2/2,8		
Steinar Wessel-Aas	145										
Kristine Schei	145										
Odd Arild Grefstad 8)	3 325	1 418	573	18	578	8 373	25 960	2 602	3,19/2,8	2024/2019	
Ida Helliesen	145										
Controll Committee											
Finn Myhre	168							1 169	3,19	2025/2014	
Maria Borch Helsengreen	120						50				
Tone Margrethe Reierselmoen	120						1 734	588	3,50	2021	
Jan Ljone	120										

1) *Outstanding in bonus bank at 31.12.09 less Storebrand's initial contribution. Senior executives are contractually entitled to performance related bonuses related to the group's value-based management system. The group's value creation finances the overall amount of the bonus, but individual performance determines what proportion of the bonus is allocated. The bonus allocated to an individual is credited to a bonus account, and 1/3 of the balance on the bonus account is paid each year. If the total annual payments exceed the total bonuses awarded and return this will result in parts of Storebrand's initial contribution forming part of the annual payment. Senior employees, with the exception of the Charirman of the Board, received an intitial contribution when the bonus bank was established. If the employee leaves the company, the positive amount of the initial deposit will be retained by Storebrand. The balance of the bonus account is exposed 50% to Storebrand's share price and 50% to the best interest rate paid by Storebrand Bank. Over time the balance in the "share bank" and "interest bank" will grow separately. In accordance with the annual general meeting's decision a long-term incentive scheme was established in 2008 for the group's management team and other senior employees. In connection with the establishment of this, the previously withheld bonuses earned from 2008 and before have been paid. Storebrand has also made an extra contribution that equals the size of this amount. The payment was reported as salary/bonus and taxed as income. The net payment less tax, was in its entirety spent on purchasing shares with a lock-in period of 3 years.*

2) *The summary shows the number of shares owned 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).*

3) *Loans to senior employees and members of the Board of Directors are granted in part on the normal terms and conditions for loans to employees, i.e. loan to an individual of up to NOK 1.7 million at 80% of normal market interest rate. Loans in excess of NOK 1.7 million are granted on normal commercial terms and conditions.*

4) *The years shown are the years in which the loans are contractually due to be repaid.*

5) *Loan payment due but not yet paid.*

6) *Remuneration paid represents remuneration paid in connection with the individual's appointment to the Board of Directors of Storebrand Bank ASA.*

7) *Idar Kreutzer, the Chairman of the Board, does not receive any remuneration from Storebrand Bank ASA for this appointment, and the company has no liability towards the Chairman of the Board in the event of termination of or change to this appointment. Idar Kreutzer is the Chief Executive Officer of Storebrand ASA. He is entitled to salary for 24 months after the expiry of the normal notice period. Such payments will be reduced by all work-related income during this period, including consultancy assignments. He is entitled to a performance-related bonus based on Storebrand's ordinary bonus scheme, payable in three instalments. The group's value creation finances the overall amount of the bonus, but individual performance determines allocation. Bonus entitlement is credited to a bonus account, and 1/3 of the balance on the bonus account is paid each year.*

8) *Neither Roar Thoresen nor Odd Arild Grefstad receives any remuneration from Storebrand Bank ASA for their appointments as members of the Board. The remuneration shown in the note relates to salary and benefits paid by Storebrand Livsforsikring AS in respect of their employment by the company.*

9) *Specification of remuneration*

NOK 1000	SALARY / FEE	BONUS	ADDITIONAL REMUNERATION	OTHER TAXABLE BENEFITS 1)	TERMINATION PAYMENT	TOTAL REMUNERATION
Senior employees						
Klaus-Anders Nysteen (man.dir.)	2 422	899		211		3 532
Monica Kristoffersen	1 022	428		113		1 563
Anne Grete T. Wardeberg	948	384		107		1 439
Mikkel Andreas Vogt	1 287	539		122		1 948
Trond Fladvad	1 310	521		119		1 950
Robert Fjelli	1 428	652		105		2 185
Lars Syse Christiansen	1 017	144		22		1 183
Truls Nergaard	1 257			149		1 406

1) *Comprises company car, telephone, insurance, concressionary interest rate and other contractual benefits.*

Continues next page

Note 4: Remuneration and close associates *Continued*

Remunerations of senior employees and elected officiers at 31.12.08

NOK 1000	REMUNERATION 9)	BONUS-BANK 1)	1/3 BONUS BANK 1)	POST-TERMINATION SALARY (MONTHS)	PENSION ACCRUED FOR THE YEAR	DISCOUNT PRESENT VALUE OF PENSION	NO. OF SHARES 2)	LOANS 3)	INTEREST RATE IN % AT 31.12.08	PAYMENT PERIOD 4)	OUTSTANDING AMOUNT 5)
Senior employees											
Klaus-Anders Nysteen (man.dir.)	4 104		274	18	926	2 072	49 403	3 382	5,60/6,65	2026/2017	
Monica Kristoffersen	1 336		98		256	2 124	1 100	2 653	6,65/6,70	2017/2028	
Anne Grete T. Wardeberg	1 237		97		253	1 657	2 590	0			
Mikkel Andreas Vogt	1 607		133		462	682	2 137	2 063	5,60/6,80	2028/2013	
Trond Fladvad	1 614		105		443	812	2 024	5 828	5,60/6,65/7,00	2032/2017/2017	
Robert Fjelli	1 867		206		525	707	1 100	221	6,65	2018	
Board of Directors 6)											
Idar Kreutzer 7)	9 100	3 028	1 009	24	955	15 561	91 760	12 543	5,60/6,79/6,95	2037/2025/2018	
Roar Thoresen 8)	5 875		477	18	924	6 184	26 686	1 660	5,60	2032	
Heidi Storruste	145						1 228	2 826	5,60/6,65	2037/2018	
Steinar Wessel-Aas	145							1 400	7,00	2021	
Kristine Schei	145										
Maalfrid Brath 8)	3 671				193	2 510	8 431	4 679	5,60/6,64	2035/2017	
Ida Helliesen	145										
Controll Committee											
Finn Myhre	155							1 303	6,79	2014/2025	
Maria Borch Helsengreen	110										
Tone Margrethe Reierselmoen	110						1 734	627	7,00	2021	
Jan Ljone	110										

1) *Outstanding in bonus bank at 31.12.08 less Storebrand's initial contribution. Senior executives are contractually entitled to performance related bonuses related to the group's value-based management system. The group's value creation finances the overall amount of the bonus, but individual performance determines what proportion of the bonus is allocated. The bonus allocated to an individual is credited to a bonus account, and 1/3 of the balance on the bonus account is paid each year. If the total annual payments exceed the total bonuses awarded and return this will result in parts of Storebrand's initial contribution forming part of the annual payment. Senior employees, with the exception of the Charirman of the Board, received an intitial contribution when the bonus bank was established. If the employee leaves the company, the positive amount of the initial deposit will be retained by Storebrand. The balance of the bonus account is exposed 50% to Storebrand's share price and 50% to the best interest rate paid by Storebrand Bank. Over time the balance in the "share bank" and "interest bank" will grow separately. In accordance with the annual general meeting's decision a long-term incentive scheme was established in 2008 for the group's management team and other senior employees. In connection with the establishment of this, the previously withheld bonuses earned from 2008 and before have been paid. Storebrand has also made an extra contribution that equals the size of this amount. The payment was reported as salary/bonus and taxed as income. The net payment less tax, was in its entirety spent on purchasing shares with a lock-in period of 3 years.*

2) *The summary shows the number of shares owned 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).*

3) *Loans to senior employees and members of the Board of Directors are granted in part on the normal terms and conditions for loans to employees, i.e. loan to an individual of up to NOK 1.7 million at 80% of normal market interest rate. Loans in excess of NOK 1.7 million are granted on normal commercial terms and conditions.*

4) *The years shown are the years in which the loans are contractually due to be repaid.*

5) *Loan payment due but not yet paid.*

6) *Remuneration paid represents remuneration paid in connection with the individual's appointment to the Board of Directors of Storebrand Bank ASA.*

7) *Idar Kreutzer, the Chairman of the Board, does not receive any remuneration from Storebrand Bank ASA for this appointment, and the company has no liability towards the Chairman of the Board in the event of termination of or change to this appointment. Idar Kreutzer is the Chief Executive Officer of Storebrand ASA. He is entitled to salary for 24 months after the expiry of the normal notice period. Such payments will be reduced by all work-related income during this period, including consultancy assignments. He is entitled to a performance-related bonus based on Storebrand's ordinary bonus scheme, payable in three instalments. The group's value creation finances the overall amount of the bonus, but individual performance determines allocation. Bonus entitlement is credited to a bonus account, and 1/3 of the balance on the bonus account is paid each year.*

8) *Neither Roar Thoresen nor Maalfrid Brath receives any remuneration from Storebrand Bank ASA for their appointments as members of the Board. The remuneration shown in the note relates to salary and benefits paid by Storebrand Livsforsikring AS in respect of their employment by the company.*

9) *Specification of remuneration*

NOK 1000	SALARY / FEE	BONUS	ADDITIONAL REMUNERATION	OTHER TAXABLE BENEFITS 1)	TERMINATION PAYMENT	TOTAL REMUNERATION
Senior employees						
Klaus-Anders Nysteen (man.dir.)	2 286	1 588		229		4 104
Monica Kristoffersen	1 009	213		114		1 336
Anne Grete T. Wardeberg	911	215		111		1 237
Mikkel Andreas Vogt	1 193	290		124		1 607
Trond Fladvad	1 266	229		119		1 614
Robert Fjelli	1 297	449		121		1 867

1) *Comprises company car, telephone, insurance, concressionary interest rate and other contractual benefits.*

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Note 4: Remuneration and close associates *Continued*

The Board of Storebrand ASA will submit a statement to the 2010 annual general meeting on the salary and other remuneration of senior employees, cf. Section 6-16a of the Public Limited Liabilities Companies Act, based on the group's previously adopted guidelines concerning remuneration for senior employees in the group.
A corresponding statement adopted by the Board of Storebrand ASA has been placed before the Board of Storebrand Bank ASA for approval in order to satisfy Section 6-16a of the Public Limited Liabilities Companies Act.

The Board's statement on fixing the salary and other remuneration for senior employees in Storebrand is provided below:

On the fixing of the salary and other remuneration for senior employees
The Board of Storebrand ASA has had a special Remuneration Committee since 2000. The Remuneration Committee is tasked with providing recommendations to the Board concerning all matters to do with the company's remuneration of the CEO. The Committee shall remain informed about and suggest guidelines for the fixing of remuneration for senior employees in the group. In addition the Committee is the advisory body for the CEO in relation to remuneration regimes that cover all employees in the Storebrand Group, including Storebrand's bonus system and pension scheme.

Advisory guidelines for the coming financial year
The Storebrand Group aims to base remuneration on competitive and stimulating principles that help to attract, develop and retain highly qualified staff. The aim is for total remuneration to move towards a lower proportion of fixed salary and a higher proportion of bonus over time. The salaries of senior employees are fixed on the basis of a position's responsibilities and complexity. Regular comparisons are made with corresponding positions in the market in order to adjust the pay level to the market. Storebrand Bank ASA does not wish to be a pay leader in relation to the sector. The fixed salaries shall be close to the median value for equivalent positions, the level of the fixed salary and expected bonus shall lie in the upper quartile for equivalent positions.
Senior employees in Storebrand Bank ASA can, in addition to their fixed salary, receive remuneration in the form of an annual bonus, participation in the group's group pension scheme, usual benefits in the form of free newspapers, telephone, company car scheme, and other personal benefits. Senior employees may also be entitled to an arrangement in which their salary is paid after the end of their employment. This guarantees salary less other income for a specific period of up to 24 months after the end of their employment.

Binding guidelines for shares, subscription rights, options, etc, for the coming financial year
The bonus system
The Storebrand group's bonus scheme, which is offered in addition to basic pay, is a performance-related bonus scheme linked to the group's value based management system. The value creation of the group finances the overall amount of the bonus, but the employees' performance determines how large a proportion of the financed bonus is awarded. Specific quantitative goals for how the value creation in the company will fund bonuses are set each year. Specific goals are also set each year with respect to the employees' performance. This is documented using a special monitoring system. Most employees' awarded bonuses are paid directly. However, bonus banks have been set up for senior employees and key employees. These employees' bonuses are credited to the bonus bank. The amount credited to the bonus bank is exposed 50 percent to Storebrand's share price and 50 percent to the bank interest rate respectively. 1/3 of the balance on the bonus account is paid each year. The bonus scheme described above has functioned unchanged since 2001.
A long-term incentive scheme has been established for members of the group's management team and some other senior employees, with the exception of the CEO. In this scheme half of the paid bonus after tax must be spent on purchasing Storebrand shares at market prices. These shares are subject to a lock-in period of 3 years, meaning that the participants' holding will, given reasonable assumptions, amount to around one year's salary in a 3-5 year perspective. In the case of the group's executive management the expected bonus level shall over time grow to a level of about 50 percent of fixed salary. The actual annual total bonus awarded, i.e. the credit to the bonus bank, should not exceed 100 percent of fixed salary. In other words, a ceiling of 200 percent of the expected bonus level. The bonus schemes in the group, including the long-term incentive scheme, will be reviewed and assessed in detail in 2010 with a view to making potential adjustments. Changes may be made on the basis of this, but only within the already established schemes that are described.

Share programme for employees
Like other employees in Storebrand, senior employees have an opportunity to purchase a limited number of shares in Storebrand ASA at a discount pursuant to the share programme for employees. The scheme is subject to a minimum contractual period.

The senior employee remuneration policy practised in 2009
The senior employee policy practised in 2009 was based on the statement regarding the fixing of the salary of senior employees that was dealt with by the annual general meeting in April 2009.
The average expected bonus for the group's executive management was calculated at approx. 37.5 percent of fixed salary.
The targets set for funding bonuses were not achieved in the 2008 qualifying period. Therefore no bonuses were awarded to senior employees based on results and performance in 2008.
Payments from the bonus bank in 2009 were made in accordance with the rules. This means that 1/3 of the existing balance in the bonus bank, after calculating the return using the bank interest rate and the development of the Storebrand share between 1 January 2008 and 31 December 2008 respectively, was paid out. The return on the balances in the bonus bank was approx. minus 37 percent for 2008.
On 10 June 2008 the board of Storebrand established a long-term incentive scheme for senior employees pursuant to the decision of the annual general meeting on 23 April 2008. The scheme applies to the group's management team and other selected key personnel. Because no bonuses were awarded in the general bonus scheme for the 2008 qualifying period, further build up of the deferred capital contribution will start in 2010 based on bonus accrual in 2009. There was a basis for ordinary bonus financing in the 2009 income year. Therefore [a/no] contribution was made to the bonus bank for senior employees. The average return in the bonus bank was approx. 70 percent for 2009.

Statement concerning the effects of share-based remuneration agreements for the company and shareholders
In accordance with the deferred capital contribution scheme, half of the executive vice presidents' net paid out bonus is used to purchase shares in Storebrand ASA at market prices with a 3 year lock-in period.
In the opinion of the Board of Directors of Storebrand ASA this has no negative consequences for the company and shareholders given the orientation of the scheme and the size of the individual executive vice presidents' portfolio of shares in Storebrand ASA.

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Note 4: Remuneration and close associates *Continued*

Transactions with group companies

	2009		2008	
NOK MILLION	SUBSIDIARIES	OTHER GROUP COMPANIES	SUBSIDIARIES	OTHER GROUP COMPANIES
Interest income	228.5		137.4	
Interest expense	1.1	0.2	2.1	0.6
Services sold	10.4	6.4	5.3	5.5
Services purchased	0.2	79.5		58.3
Due from	2 185.1	5.0	1 101.7	271.9
Liabilities to	169.7	10.3	53.8	41.5

Transaction with group companies are based on the principle of transactions at arm's length.

Lending transferred to Storebrand Boligkreditt AS and Storebrand Eiendomskreditt AS
Storebrand Bank ASA shall arrange the transfer and return of loans when changes have to be made, i.e. if there is a need to increase borrowing, change from variable to fixed interest, convert to empoloyee loan or convert to a mortgage loan. The costs form part of the contractual administration fees. The mortgages will be transferred on commercial terms.

Non-performing loans in Storebrand Boligkreditt AS and Storebrand Eiendomskreditt AS remain in the undertaking. These loans will, pursuant to the service agreement with Storebrand Bank ASA, be treated in the same way as non-performing loans in the bank. Specific non-performance reports are prepared for non-performing loans in Storebrand Boligkreditt AS and Storebrand Eiendomskreditt AS. These loans do not form part of the credit undertaking's total collateral.

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

Overview of transferred lending:

NOK MILLION	2009	2008
To Storebrand Boligkreditt AS	6 488.5	15 706.1
From Storebrand Boligkreditt AS	2 724.2	1 762.9
To Storebrand Eiendomskreditt AS	2 178.0	
From Storebrand Eiendomskreditt AS	127.3	

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

Transfers of lending between Storebrand Bank ASA and Storebrand Livsforsikring AS.
Storebrand Bank ASA has concluded an agreement concerning the sale of loans secured by mortgages in commercial property to Storebrand Livsforsikring AS. The portfolio of loans amounted to NOK 367.3 million. An agreement has also been concluded regarding Storebrand Bank ASA buying loans secured by mortgages in commercial property for NOK 414.3 million from Storebrand Livsforsikring AS. The transactions were executed to increase the volume of loans in Storebrand Eiendomskreditt AS. The loans will be used as collateral for use in the swap scheme established by Norges Bank. The loans sold to Storebrand Livsforsikring AS have different characteristics to the loans that shall be used in the swap schemes, but do not have a lower value or higher risk.
The transfer was executed on commercial terms.

Transactions with other related parties
Storebrand Bank ASA defines Storebrand Optimér ASA as a related party as the company's objective is to offer alternative savings products to the bank's customers. Storebrand Optimér ASA has no employees and the company has entered into an agreement with Storeband Bank ASA to carry out the day-to-day operation of the company. The bank also acts as a Manager for issues of shares carried out by Storebrand Optimér ASA. The bank has recognized NOK 7.8 million to profit in the accounts for 2009 and the bank has a receivable due from the company of NOK 1.5 million as of 31.12.09. The fees paid to the bank are based on the arm's length principle. Storebrand Bank ASA also defines Storebrand Infrastruktur ASA as a related party since the general manager of Storebrand Infrastruktur ASA is an employee of Storebrand Bank ASA and the company's objective is to offer alternative savings products to the bank's customers. Storebrand Infrastruktur ASA has no employees and the company has entered into an agreement with Storeband Bank ASA to carry out the day-to-day operation of the company. The bank also acts as a Manager for issues of shares carried out by Storebrand Infrastruktur ASA. The bank has recognized NOK 0.4 million to profit in the accounts for 2009 and the bank has a receivable due from the company of NOK 0.5 million as of 31.12.09. The fees paid to the bank are based on the arm's length principle.

Loans to employees

NOK MILLION	2009	2008
Loans to employees of Storebrand Bank ASA	165.3	137.6
Loans to employees of Storebrand group	1 161.1	1 072.7

Loans to employees are granted in part on the normal terms and conditions for loans to employees, i.e. loan to and individual of up to NOK 1.7 million at 80% of normal market interest rate. Loans in excess of NOK 1.7 million are granted on normal commercial terms and conditions. The bank has not provided guarantees or security for borrowing by employees.

Headaccount and personnel information:

	2009	2008
Number of employees at 31 December	170	163
Number of employees expressed as full-time equivalent positions	166	159

No. of employees as per 31 December 2009 in Storebrand Bank ASA includes 8 people subject to reorganisation measures with no work duties.

Note 5: Remuneration of the auditor

Remuneration excluding value added tax:

NOK 1000	2009	2008
Statutory audit	860	715
Other reporting duties	324	0
Taxation advice	16	0
Other non-audit services	108	40
Total	**1 308**	**755**

All remuneration for statutory auditing concerns Deloitte AS.

Note 6: Net income from financial instruments

NOK MILLION	2009	2008
Netto renteinntekter		
Interest and other income on loans to and deposits with credit institutions	69.3	172.1
Interest and other income on loans to and due from customers	1 167.2	2 255.1
Interest on commercial paper, bonds and other interest-bearing securities	281.2	197.1
Other interest income and related income	11.7	9.1
Total interest income [1])	**1 529.4**	**2 633.4**
Interest and other expenses on debt to credit institutions	-274.1	-180.2
Interest and other expenss on deposits from and due to customers	-607.2	-1 004.3
Interest and other expenses on securities issued	-234.4	-790.1
Interest and expenses on subordinated loan capital	-38.9	-68.2
Other interest expenses and related expenses	-60.8	-103.6
Total interest expenses [2])	**-1 215.4**	**-2 146.4**
Net interest income	**314.0**	**486.9**
[1]) *Of which total interest income on financial assets that are not at fair value through profit or loss*	*1 221.1*	*2 418.5*
[2]) *Of which total interest expenses on financial liabilities that are not at fair value through profit or loss*	*-1 048.0*	*-2 083.3*

Interest expense and changes in value of funding FVO:

NOK MILLION	2009	2008
Interest expense funding FVO	-167.4	-63.2
Changes in value of funding FVO	15.9	-5.9
Net expense funding FVO	**-151.5**	**-69.0**

Net income and gains from financial assets and liabilities at fair value:

NOK MILLION	2009	2008
Equity instruments		
Net gain/losses on realisation of equity investments	2.3	
Net change in fair value of equity investments	-0.2	-0.5
Total equity investments	*2.1*	*-0.5*
Commercial paper and bonds		
Realised gain/loss on commercial paper and bonds	3.5	-2.5
Unrealised gain/loss on commercial paper and bonds	42.9	-13.2
Total gain/loss on commercial paper and bonds	*46.4*	*-15.7*
Financial derivatives and foreign exchange		
Realised gain/loss on financial derivatives, held for trading	2.7	28.2
Unrealised gain/loss on financial derivatives, held for trading	5.2	-14.6
Total financial derivatives and foreigh exchange	*7.9*	*13.5*
Net income and gains from financial assets and liabilities at fair value	**56.3**	**-2.7**
Net gain/loss on financial assets at fair value through profit or loss:		
Financial assets designated at fair value upon initial recognition	48.4	-22.4
Financial assets classified as held for trading	-10.3	22.9
Changes in fair value of assets due to changes in credit risk	42.9	-37.3
Net gain/loss on financial liabilities at fair value through profit or loss:		
Financial liabilities designated at fair value upon initial recognition	15.9	-4.5
Financial liabilities classified as held for trading		

Note 7: Net commission income

NOK MILLION	2009	2008
Money transfer fees	22.6	24.4
Service charges on deposit accounts	24.4	23.7
Guarantee commissions receivable	3.4	3.9
Commissions from sale of group products	1.1	
Commissions from real estat fund	16.3	17.2
Commissions from structured products	0.3	0.8
Commissions from stockbroking	5.9	5.0
Commissions from Storebrand Optimér ASA	7.8	8.4
Commissions from Storebrand Infrastruktur ASA	0.4	1.2
Fees from loans	1.2	1.1
Management of loan portfolios	6.4	5.6
Management of loan portfolios Storebrand Boligkreditt AS	9.5	5.3
Management of loan portfolios Storebrand Eiendomskreditt AS	0.9	
Other commission income	4.0	1.5
Total fees and commissions receivable [1])	**104.3**	**98.1**
Money transfer fees	-13.8	-13.0
Fee on securities to Norwegian Registry of Securities		-2.1
Commissions real estate fund	-0.7	-0.3
Commissions stockbroking	-0.5	-0.4
Commissions Storebrand Optimér ASA	-1.3	-4.0
Commissions Storebrand Infrastruktur ASA	0.0	-1.1
Commission for distribution of the bank's products	-1.6	-9.4
Other commission expenses		-0.5
Total fees and commissions payable [2])	**-17.9**	**-30.8**
Net commission income	**86.4**	**67.2**
[1]) *Of which total fees and commission income on book value of financial assets and liabilities that are not at fair value through profit or loass*	*55.0*	*55.6*
[2]) *Of which total fees and commission expense on book value of financial assets and liabilities that are not at fair value through profit or loass*	*-15.4*	*-22.4*

Other fee and commission income and fee and commission expense are related to charges on services bought and sold.

Note 8: Losses on loans and guarantees

NOK MILLION	2009	2008
Write-downs of loans and guarantees for the period		
Change in individual write-downs for the period	32.5	-15.3
Change in grouped write-downs for the period	-18.4	-29.6
Other corrections to write-downs	-9.9	0.7
Realised losses in period on commitments specifically provided for previously	-92.1	-79.9
Realised losses on commitments not specifically provided for previously	-0.3	-0.6
Recoveries on previously realised losses	8.0	3.5
Write-downs of loans and guarantees for the period	**-80.1**	**-121.2**
Interest recognised to profit on loans subject to write-downs	7.4	7.6

Note 9: Other income

NOK MILLION	2009	2008
Net gain/loss on sale/close down of subsidiaries		-0.1
Receipts of group contribution from subsidiaries	81.7	24.9
Dividend from group companies		0.8
Services sold to Storebrand Baltic UAB	0.7	0.7
Income from Markets	0.6	4.6
Loss on sale of loans to fair value	-13.5	
Gain on sale of real estate	4.1	
Other income	0.6	0.8
Total other income	**74.3**	**31.6**

Note 10: Pensions

Employees of Storebrand Bank ASA are assured a retirement pension equivalent to 70% of pensionable salary at the time of retirement. The ordinary retirement age is 65. Staff pensions are provided by a group pension scheme, primarily with Storebrand Livsforsikring AS, in accordance with the rules on private occupational pension schemes. Pension payments from the this scheme come into effect from the pension age, which is 67. Pension payments between 65 and 67 and pensions in excess of 12G are paid directly by the company. A guarantee has been pledged for earned pensions for salaries of more than 12 G upon retirement before 65 years old. As of 31 December 2009, 12 G amounts to NOK 874,572. Pension rights are part of the group's collective employment agreement. The company has a duty to operate an occupational pension scheme pursuant to the Act on mandatory occupational pensions. The company's pension scheme satisfies the requirements of the Act.

Reconciliation of pension assets and liabilities in the balance sheet:

NOK MILLION	2009	2008
Present value of insured pension liability	117.0	116.5
Pension assets at fair value	-82.4	-74.0
Net pension liability/surplus for the insured schemes	34.6	42.5
Present value of uninsured pension liability	44.9	37.6
Net pension liabilities in the statement of financial position	**79.5**	**80.1**

Includes employeer's NI contributions on net underfunded liabilities.

Experience adjustments applied to equity

NOK MILLION	2009	2008
Year's change in experience adjustments included in equity after tax	5.5	-3.4
Accumulated experience adjustments included in equity	29.2	23.7

Changes in the net defined benefits pension liabilities in the period

NOK MILLION	2009	2008
Net pension liability at 01.01.	154.2	147.6
Net pension cost recognised in the period	16.8	13.9
Interest on pension liabilities	6.4	6.5
Experience adjustments	-11.5	-11.8
Pensions paid	-2.8	-2.0
Reversed employer's NI contributions	-1.3	
Net pension liability at 31.12.	**161.9**	**154.2**

Changes in the fair value of pension assets

NOK MILLION	2009	2008
Pension assets at fair value at 01.01.	74.0	78.1
Expected return	4.5	4.5
Experience adjustments	-3.8	-16.4
Premium paid	9.3	9.2
Pensions paid	-1.5	-1.4
Net pension assets at 31.12.	**82.4**	**74.0**

Expected premium payments (pension assets) in 2010: NOK 9.4 million.

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Note 10: Pensions *Continued*

Pension assets are based on the financial assets held by Storebrand Livsforsikring composed as of 31.12.

NOK MILLION	2009	2008
Properties and real estate	15 %	14 %
Bonds at amortised cost	26 %	13 %
Secured and other lending	2 %	2 %
Equities and units	15 %	15 %
Bonds	39 %	46 %
Commercial paper	1 %	2 %
Other short-term financial assets	2 %	8 %
Total	**100 %**	**100 %**

The tabel shows the percentage asset allocation of pension assets at year-end managed by Storebrand Livsforsikring.
The book (realised) return on the assets was 5.0 % in 2009, 2.0 % in 2008 and 8.9 % in 2007.

Net pension cost booked to profit and loss account specified as follows:

NOK MILLION	2009	2008
Current service cost including employer's national insurance contributions	16.8	13.1
Interest on pension liabilities	6.4	6.5
Expected retunr on pension assets	-4.5	-4.5
Accrued employer's national insurance contributions		2.1
Net pension cost booked to profit and loss account in the period	**18.8**	**17.2**

Net pension cost includes national insurance contributions and is included in the item "Staff and general administration expenses". See note 11.

Main assumptions used when calculating net pension liability at 31.12

	2009	2008
Discount rate	4.4 %	4.3 %
Expected return on pension fund assets in the period	6.0 %	6.3 %
Expected earnings growth	4.0 %	4.3 %
Expected annual increase in social security pensions	4.0 %	4.3 %
Expected annual increase in pensions payment	2.0 %	2.0 %
Disability table	KU	KU
Mortality table	K2005	K2005

Standardised assumptions on mortality/disability and other demographic factors as produced by the Norwegian Financial Services Association. Average employee turnover rate of 2 - 3% of entire workforce.
The disability table was developed by Storebrand Livsforsikring AS.

Net pension liability at 31.12

NOK MILLION	2009	2008	2006	2005	2004
Discounted current value of defined benefit pension liabilities	161.9	154.2	147.6	146.1	111.7
Fair value of pension assets	82.4	74.0	78.1	76.0	58.3
Deficit (surplus)	79.5	80.1	69.5	70.1	53.4
Fact based adjustments liabilities	-4.6	-23.7			
Fact based adjustments pension assets	-3.8	-16.4			

Sensitivity analysis pension calculations

NOK MILLION	2009	2008
Change in discounting rate	1 %	-1 %
Percentagewise change in pension:		
Pension liabilities	-18.7 %	19.9 %
The period's net pension costs	-21.3 %	22.6 %

The pension liabilities are specifically sensitive to changes in the discounting rate.
A reduction in discounting rate seen in isolation would result in an increase in the pension liabilities.

Note 11: Operating expenses

NOK MILLION	2009	2008
Ordinary wages and salaries	93.6	93.1
Employer's social security contributions	16.3	13.4
Other staff expenses	23.2	10.6
Pension cost (see note 10)	18.8	17.2
Total staff expenses	**151.9**	**134.3**
IT costs	86.3	80.7
Printing, postage etc.	7.0	11.0
Travel, entertainment, courses, meetings	2.2	4.0
Other sales and publicity costs	1.5	2.1
Total general administration expenses	**96.9**	**97.8**
Depreciation fixed assets and intangible assets (see note 28 and 29)	23.3	21.1
Contract personnel	26.0	22.2
Operating expenses on rented premises	16.9	17.5
Inter-company charges for services	49.0	58.3
Fee regarding sale of loans to Storebrand Boligkreditt AS	23.9	
Other operating expenses	20.5	26.3
Total other operating expenses	**159.6**	**145.4**
Total operating expenses	**408.4**	**377.6**

Note 12: Tax

TAX CHARGE FOR THE YEAR

NOK MILLION	2009	2008
Tax payable for the period	46.0	0.0
Changes in deferred tax/deferred tax asset	-35.2	24.8
Total tax cost	**10.9**	**24.8**

Reconciliation of expected and actual tax charge

NOK MILLION	2009	2008
Ordinary pre-tax profit	41.3	82.7
Expected tax on income at nominal rate	11.6	23.2
Tax effect of:		
Realised shares	0.4	-0.2
Realised options related to equity index linked bonds		-0.2
Associated companies	-0.5	0.5
Permanent differences	-0.6	1.5
Total tax charge	**10.9**	**24.8**
Tax payable		
- tax effect of group contribution paid		
Tax payable in the statement of financial position	**0.0**	**0.0**

ANALYSIS OF THE TAX EFFECT OF TEMPORARY DIFFERENCES AND TAX LOSSES CARRIED FORWARD

NOK MILLION	2009	2008
Tax increasing timing differences		
Operating assets	10.8	
Financial instruments	50.7	315.2
Other		41.0
Total tax increasing timing differences	**61.5**	**356.2**
Tax reducing timing differences		
Pensions	-79.5	-80.1
Operating assets		-0.9
Provisions	-24.5	-10.0
Fees and commissions		-9.0
Financial instruments	-585.0	-633.7
Total tax reducing timing differences	**-689.0**	**-733.6**
Losses/allowances carried forward		-179.4
Net base for deferred tax/tax assets	**175.7**	**155.9**
Net deferred tax/tax asset in the statement of financial position	**175.7**	**155.9**

Analysis of tax payable and deferred tax applied to equity	**2009**	**2008**
Pension experience adjustments	-2.1	-1.3
Total	**-2.1**	**-1.3**

Deferred tax assets principally relate to tax reducing temporary differences on fixed assets, pension liabilities and financial instruments. The bank produces an annual profit, and this is expected to continue in future years.
Deferred tax assets in respect of Storebrand Bank ASA are capitalised to the extent that it is considered likely that it will be possible to make use of the assets.

Note 13: Classification of financial instruments

Classification of financial assets		2009		2008	
NOK MILLION	NOTE	BOOK VALUE	FAIR VALUE	BOOK VALUE	FAIR VALUE
Cash and deposits with central banks	14				
Cash and deposits with central banks at amortised cost, loans and receivables		368.4	368.4	672.1	672.1
Total cash and deposits with central banks		*368.4*	*368.4*	*672.1*	*672.1*
Net loans to and deposits with credit institutions	15				
Loans to and deposits with credit institut. at amortised cost, loans and receiv.		2 320.0	2 320.0	1 306.9	1 306.9
Total loans to and deposits with credit institutions		*2 320.0*	*2 320.0*	*1 306.9*	*1 306.9*
Equity instruments	16				
Financial assets at fair value, FVO 1)		1.0	1.0	1.4	1.4
Total equity instruments		*1.0*	*1.0*	*1.4*	*1.4*
Bonds and other fixed income securities	20				
Commercial paper and bonds at fair value, FVO 1)		11 402.8	11 402.8	6 610.4	6 610.4
Total bonds and other fixed income securities		*11 402.8*	*11 402.8*	*6 610.4*	*6 610.4*
Derivatives	22				
Financial derivatives at fair value, held for trading		390.2	390.2	876.9	876.9
Total derivatives		*390.2*	*390.2*	*876.9*	*876.9*
Net lending to customers					
Lending to customers at fair value, FVO 1)	23	758.3	758.3	282.9	282.9
Lending to customers at amortised cost, loans and receivables 4)	23	20 542.8	20 503.4	27 180.8	26 886.8
Total lending before individual write-downs and write-downs of groups of loans		21 301.1	21 261.7	27 463.7	27 169.7
- Write-downs on individual loans	24	-229.9	-229.9	-262.4	-262.4
- Write-downs on groups of loans	24	-106.1	-106.1	-87.7	-87.7
Total net lending to customers		*20 965.1*	*20 925.7*	*27 113.7*	*26 819.7*
Other assets					
Other assets, amortised cost	29	697.9	698.0	372.4	372.4
Shares in subsidiaries, valued at cost	18, 29	1 525.3	1 525.3	653.2	653.2
Total other assets		*2 223.3*	*2 223.3*	*1 025.6*	*1 025.6*
Total financial assets		**37 670.8**	**37 631.4**	**37 607.1**	**37 313.1**
Financial assets summarised by classification					
Financial assets at fair value, FVO 1) 2)		12 162.1	12 162.1	6 894.8	6 894.8
Financial assets at fair value, held for trading		390.2	390.2	876.9	876.9
Financial assets at amortised cost, loans and receivables		25 118.5	25 079.1	29 835.4	29 541.4
Total financial assets		**37 670.8**		**37 607.1**	

Classification of financial liabilities		2009		2008	
NOK MILLION	NOTE	BOOK VALUE	FAIR VALUE	BOOK VALUE	FAIR VALUE
Liabilities to credit institutions	31				
Deposits from and due to credit institutions, FVO 1)		6 841.4	6 841.4	1 977.6	1 977.6
Deposits from and due to credit institutions at amortised cost		3 514.1	3 523.9	4 539.5	4 463.8
Total liabilities to credit institutions		*10 355.5*	*10 365.3*	*6 517.1*	*6 441.4*
Deposits from and due to customers	32				
Deposits from and due to customers at fair value, FVO 1)		173.0	173.0	167.9	167.9
Deposits from and due to customers at amortised cost		18 171.7	18 171.7	18 137.1	18 137.1
Total deposits from and due to customers		*18 344.7*	*18 344.7*	*18 305.0*	*18 305.0*
Other financial liabilities					
Derivatitves, held for trading	22	289.0	289.0	467.1	467.1
Commercial paper and bonds issued at fair value, FVO 1)	33			934.1	934.1
Commercial paper and bonds issued at amortised cost	33	4 853.5	4 996.9	8 065.7	7 993.4
Other liabilities, amortised cost	36	730.4	730.4	433.1	433.1
Total other financial liabilities		*5 872.9*	*6 016.3*	*9 900.0*	*9 827.7*
Subordinated loan capital	34				
Subordinated loan capital at amortised cost		960.4	948.9	962.0	782.8
Total subordinated loan capital		*960.4*	*948.9*	*962.0*	*782.8*
Total financial liabilities		**35 533.5**	**35 675.2**	**35 684.2**	**35 356.9**
Financial liabilities summarised by classification					
Financial liabilities at fair value, FVO 1) 3)		7 014.4	7 014.4	3 079.6	3 079.6
Financial liabilities at fair value, held for trading		289.0	289.0	467.1	467.1
Financial liabilities at amortised cost, Loans and receivables		28 230.1	28 371.8	32 137.5	31 810.2
Total financial liabilities		**35 533.5**	**35 675.2**	**35 684.2**	**35 356.9**

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Note 13: Classification of financial instruments *Continued*

Classification of financial liabilities

NOK MILLION	NOTE	2009 BOOK VALUE	2009 FAIR VALUE	2008 BOOK VALUE	2008 FAIR VALUE
1) FVO = Fair Value Option					
2) Of which financial assets designated at fair value upon initial recognition		12 162.1	12 162.1	6 894.8	6 894.8
Of which financial assets classified as held for tranding					
3) Of which financial liabilities designated at fair value upon initial recognition		7 014.4	7 014.4	3 079.6	3 079.6
Of which financial liabilities classified as held for tranding					

4) The bank's terms for lending are largely an administrative running fixed margin. The management of Storebrand Bank believes amortised cost is a good estimate of market value for most of the loans in the statement of financial position. The margin is fixed for some loans during the term of the loan. At year-end 2009, the bank had NOK 1.8 billion in which the setting of the interest rate is based on a margin added to the NIBOR 3 months rate with an expected term of 4 years in which there are no immediate plans to change the credit margin. This part of the portfolio, primarily corporate market loans, today has a margin that is lower than what the bank will require for new loans to borrowers of equivalent quality and security. The present value of the margin difference has been calculated at minus NOK 44 million based on the expected loan value and a discount rate of 3 percent.

Note 14: Cash and deposits with central banks

NOK MILLION	2009	2008
Cash	1.6	4.9
Deposits with central banks at amortised cos,. loans and receivables	366.9	667.2
Total cash and deposits with central banks	**368.4**	**672.1**

Note 15: Loans to and deposits with credit institutions

NOK MILLION	2009	2008
Total loans to and deposits with credit institutions without fixed maturity at amortised cost	2 320.0	1 306.9
Total loans to and deposits with credit institutions at amortised cost	**2 320.0**	**1 306.9**

Note 16: Shares and other equity instruments

NOK MILLION	OWNERSHIP INTEREST	FAIR VALUE 2009	FAIR VALUD 2008
Storebrand Institusjonelle Investor ASA	5.15%	0.7	0.9
Others		0.3	0.5
Total		**1.0**	**1.4**
Of which			
Listed shares			
Unlisted shares		1.0	1.4

Shares and other equity instruments are classified as financial assets at fair value through profit and loss.

Note 17: Investments in associated companies and joint ventures

Associated companies
Main accounting figures for associated companies - figures shown are the share of Storebrand Bank ASA.

NOK MILLION	2009	2008
Revenue:		
Seilduksgaten 25/31 AS	2.0	0.8
Profit & Loss:		
Seilduksgaten 25/31 AS	-1.2	-1.6
Assets:		
Seilduksgaten 25/31 AS	16.3	12.0
Liabilities:		
Seilduksgaten 25/31 AS	18.7	13.8

Investments in associated companies are accounted for on the equity method.

Ownership interests in associated companies

NOK MILLION	OWNERSHIP INTEREST	ACQUISITION COST	STATEMENT OF FINANCIAL POSITION VALUE 01.01	ADDITIONS/ DISPOSALS	SHARE IN PROFIT	STATEMENT OF FINANCIAL POSTION VALUE 31.12
Seilduksgaten 25/31 AS	50 %	30.0	27.1	0.0	-1.2	25.9
Total		**30.0**	**27.1**	**0.0**	**-1.2**	**25.9**

Joint ventures
Overview of companies included in the accounts - figures shown are the share of Storebrand Bank ASA:

NOK MILLION	2009	2008
Revenue:		
Storebrand Baltic UAB	6.3	5.6
Profit & Loss:		
Storebrand Baltic UAB	0.5	0.9
Assets:		
Storebrand Baltic UAB	2.1	1.3
Liabilities:		
Storebrand Baltic UAB	0.8	0.5

Joint ventures are businesses the bank operates together with Storebrand Livsforsikring As.
Investments are recognised through proportional consolidation.

Ownership interests in joint ventures

NOK MILLION	OWNERSHIP INTEREST	ACQUISITION COST	BOOK VALUE AS AT 31.12.09	PROFIT 2009
Storebrand Baltic UAB	50 %	0.4	0.5	0.5
Total		**0.4**	**0.5**	**0.5**

Note 18: Investments in subsidiaries

NOK MILLION	REGISTERED OFFICE	OWNERSHIP INTEREST	SHARE OF VOTES	SHARE CAPITAL	COST PRICE	BOOK VALUE 31.12.09	BOOK VALUE 31.12.08
Storebrand Boligkreditt AS [1]	Oslo	100.0%	100.0%	350.0	550.1	596.7	550.1
Ring Eiendomsmegling AS	Oslo	100.0%	100.0%	55.0	96.8	97.1	56.5
Hadrian Eiendom AS [2]	Oslo	90.9%	90.9%	0.1	37.4	38.2	36.8
Hadrian Utvikling AS	Oslo	86.2%	86.2%	0.1	10.6	10.6	9.2
Filipstad Tomteselskap AS	Oslo	100.0%	100.0%	0.1	2.0	2.0	0.1
Bjørndalen Tomteselskap AS [5]	Oslo	100.0%	100.0%	1.1	20.0	20.0	0.0
Bjørndalen Panorama AS [4]	Oslo	100.0%	100.0%	1.1	10.1	10.1	0.1
Ullensaker Boligbygg AS [5]	Ullensaker	89.0%	89.0%	2.5	0.0	0.0	0.0
Ullensaker Boligbygg KS [5]	Ullensaker	89.0%	89.0%	45.0	0.0	0.0	0.0
Storebrand I AS	Oslo	100.0%	100.0%	0.2	0.2	0.4	0.2
Sørlandsbygg Holding AS	Kristiansand	70.0%	70.0%	0.3	1.5	0.2	0.2
Storebrand Eiendomskreditt AS [3]	Oslo	100.0%	100.0%	450.0	750.0	750.0	0.1
Total investments in subsidiaries					**1 478.6**	**1 525.3**	**653.2**

1) Formerly Storebrand Kredittforetak AS.

2) Storebrand Bank ASA has a call option to acquire the remaining shares in the company that can be exercised from 30.06.2011 to 31.12.2011. The option has no market value.

3) Formerly Start Up 104 AS.

4) Formerly Start Up 102 AS.

5) Taken over loss exposed commitments in 2009.

Note 19: Acquisitions

Analysis of goodwill and excess value by business acquisition [1]

NOK MILLION	GOODWILL	EXCESS VALUE
Bjørndalen Tomteselskap AS		-1.4
Ullensaker Boligbygg AS		2.1
Ullensaker Boligbygg KS		-9.1
Total	**0.0**	**-8.4**

1) Based on provisional acquisition analysis.
The companies are bought in connection with the takeover of collateral (repossessed assets) in first half of 2009. The shares in Bjørndalen Tomteselskap AS are valued to NOK 20 million in Storebrand Bank ASA, whilst the shares in Ullensaker Boligbygg AS are valued to NOK 100 and the units in Ullensaker Boligbygg KS are valued to NOK 100, in both companies the ownership are 89%.

Book values prior to the acquisitions were based on accounting principles that compiled with IFRS and that were consistent with Storebrand's accounting principles. Assets and liabilities acquired were valued at fair value.

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

Note 20: Bonds and other fixed income securities at fair value through profit and loss

NOK MILLION	COMMERCIAL PAPER	BONDS	2009 TOTAL	2008 TOTAL
Commercial paper and bonds, book value	1 534.8	9 868.0	11 402.8	6 610.4
Of which listed	1 534.8	9 868.0	11 402.8	6 610.4
Nominal value	1 541.0	9 806.0	11 347.0	6 595.0
Analysis by sector of issuer:				
Asset backed securities		7 757.5	7 757.5	3 582.9
Finance, Banking and Insurance		1 543.9	1 543.9	1 721.8
Sovereign and Government Guaranteed	1 534.8	215.8	1 750.6	1 003.9
Local authoriries, county		350.8	350.8	301.9
Total	**1 534.8**	**9 868.0**	**11 402.8**	**6 610.4**
Modified duration	0.22	0.12	0.14	0.17
Average effective yield per 31.12	1.88 %	2.47 %	2.39 %	6.16 %

All securities are denominated in NOK.
The effective yield for each security is calculated using the observed market price. Calculated effective yields are weighted to give an average effective yield on the basis of each security's share of the total interest rate sensitivity.

Note 21: Transferred financial assets (swap agreements)

NOK MILLION	2009	2008
Covered bonds:		
Book value coverd bonds	7 239.3	2 002.3
Book value associated with financial liabilities	6 841.4	1 969.6

Transferred financial assets consist of swap agreements with the state through the Ministry of Finance concerning the posting of financial collateral (see note 38). The swap agreements are entered into through auctions that are administrated by Norges Bank. Int the swap agreement, the state sells state treasury bills to the bank through a time/restricted swap for covered bonds. The bank can either keep the state treasury bill and receive payment from the state when the swap falls due for repayment, or it may sell the treasury bill in the market. When the bills become due within the term of the swap agreement, the bank must purchase new bills from the state at the price that is determined by the market price for treasury bills. This roll/over will be on/going throughout the entire term of the agreement. Upon expiry of the swap agreement, the bank is obligated to purchase the covered bonds back from the state at the same price that the state purchased them for. Storebrand Bank ASA will receive the returns on the transferred covered bonds. All risk concerning the covered bonds continues to lie with Storebrand Bank ASA.

Note 22: Financial derivatives

Nominal volum
Financial derivative contracts are related to underlying amounts which are not capitalised in the balance sheet. In order to quantify a derivative position, reference is made to underlying amounts such as nominal principal, nominal volume, etc. Nominal volume is calculated differently for different classes of derivative, and gives an indication of the size of the position and risk the derivative creates. Gross nominal volume principally indicates the size of the exposure, whilst net nominal volume gives an indication of the risk exposure. However nominal volume is not a measure which necessarily provides a comparison of the risk represented by different types of derivative.

In contrast to gross nominal volume, net nominal volume also takes into account the direction of the instruments' market risk exposure by differentiating between long (asset) positions and short (liability) positions. A long position in an equity derivative produces a gain in value if the share price increases. For interest rate derivatives, a long position produces a gain if interest rates fall, as is the case for bonds. A long position in a currency derivative produces a gain if the currency strengthens against the NOK. Average gross nominal volume is based on monthly calculations of gross nominal volume.

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Note 22: Financial derivatives *Continued*

2009

NOK MILLION	GROSS NOM. VALUE 2)	AVERAGE NOM. VALUE 3)	NET NOM. VALUE 2)	FAIR VALUE 2) ASSET	FAIR VALUE 2) LIABILITY	OF WHICH FAIR VALUE - HEDGING ASSET	OF WHICH FAIR VALUE - HEDGING LIABILITY
Equity options	572.2	859.5	57.1	4.1	3.8		
Interest rate swaps 1)	26 462.0	25 719.4	2 229.1	343.5	226.1	92.0	0.1
Forward foreign exchange contracts	5 192.8	4 617.3	561.4	42.6	59.0		
Total derivatives	**32 226.9**	**31 196.1**	**2 847.6**	**390.2**	**289.0**	**92.0**	**0.1**

2008

NOK MILLION	GROSS NOM. VALUE 2)	AVERAGE NOM. VALUE 3)	NET NOM. VALUE 2)	FAIR VALUE 2) ASSET	FAIR VALUE 2) LIABILITY	OF WHICH FAIR VALUE - HEDGING ASSET	OF WHICH FAIR VALUE - HEDGING LIABILITY
Equity options	1 128.1	1 310.2	27.6	18.3	17.8		
Interest rate swaps 1)	23 319.4	18 217.1	3 849.2	552.8	300.5	127.7	0.9
Forward foreign exchange contracts	5 189.4	6 922.5	1 499.5	305.8	148.8		
Total derivatives	**29 636.9**	**26 449.8**	**5 376.3**	**876.9**	**467.1**	**127.7**	**0.9**

1) Interest rate swaps are included acrued interest.

2) Value at 31.12. As per 31 December 2009, derivative contracts earmarked for hedge accounting are presented on the derivatives line under assets and liabilities on the balance sheet. The previous years figures have not been restated and derivatives earmarked for hedging are presented together with the hedging object as per 31 December 2008.

3) Average for the year.

Note 23: Analysis of loan portfolio and guarantees

NOK MILLION	LENDING TO CUSTOMERS 2009	LENDING TO CUSTOMERS 2008
Lending to customers at amortised cost	20 542,8	27 180,8
Lending to customers at fair value	758,3	282,9
Total gross lending to customers	**21 301,1**	**27 463,7**
Write-downs on individual loans (see note 24)	-229,9	-262,4
Write-downs on groups of loans (see note 24)	-106,1	-87,7
Net lending to customers	**20 965,1**	**27 113,7**

NOK MILLION	LENDING TO CUSTOMERS 2009	LENDING TO CUSTOMERS 2008	GUARANTEES 2009	GUARANTEES 2008
Sector and industry classification: 1)				
Financial auxilaries		0.3	2.0	
Mine operations and mining	7.2	16.8		0.4
Industry	1.0			
Electriciy, gas, steam and hot water supply	1.1			
Development of building projects	1 290.8	13.2	110.8	1.9
Wholesale and retail trade, motor vehicle repair	14.7	23.6	0.5	0.4
Haulage and storage	28.7	66.7	0.2	1.4
Accommodation and hospitality	15.0			
Information and communications	6.6		1.7	
Sale and operation of real estate	5 828.4	10 772.2	92.9	359.1
Professional and financial services	381.7		1.2	
Business services	572.7		0.1	
Other service providers	34.0	49.0		0.9
Wage-earners	12 912.2	16 348.4	1.2	1.8
Other	0.1	0.2	37.1	0.4
Foreign	206.9	173.3		
Total	**21 301.1**	**27 463.7**	**247.7**	**366.4**

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Note 23: Analysis of loan portfolio and guarantees *Continued*

	LENDING TO CUSTOMERS		GUARANTEES	
NOK MILLION	2009	2008	2009	2008
Geographic distribution:				
Eastern Norway	17 689.8	22 160.7	247.5	365.7
Western Norway	1 955.8	3 142.8	0.2	0.7
Southern Norway	245.5	342.7		
Mid-Norway	819.7	1 187.9		
Northern Norway	381.8	456.4		
Foreign	208.4	173.3		
Total	**21 301.1**	**27 463.7**	**247.7**	**366.4**
Analysis of guarantee liabilities:				
Payment guarantees			90.6	166.6
Performance guarantees			153.9	191.9
Other guarantee liability			3.3	7.8
Total			**247.7**	**366.4**

1) The statement in 2009 complies with the new business code segmentation. The previous years figures have not been restated been restated in line with the new segmentation.

Note 24: Write-downs of loans and guarantees

NOK MILLION	2009	2008
Write downs om individual loans 01.01	262.4	247.1
Losses realised in the period on individual loans previously written down	-92.1	-79.9
Write-downs of individual loans for the period	71.8	106.8
Reversals of write-downs of individual loans for the period	-21.1	-18.6
Other corrections to write-downs 1)	8.9	7.1
Write-downs of individual loans at 31.12	**229.9**	**262.4**
Write-downs of groups of loans and guarantees 01.01	87.7	58.1
Grouped write-downs for the period	18.4	29.6
Write-downs of groups of loans and guarantees etc. 31.12	**106.1**	**87.7**
Total write-downs	**336.0**	**350.1**

1) Other corrections to write-downs relates to effects of amortisation.

The bank has no provision for guarantees as at 31.12.09 and as at 31.12.08.

Note 25: Real estate at fair value

NOK MILLION	2009	2008
Book value at 01.01.		
Supply due to purchases		
Supply due to addition		
Supply due to taken over properties	87.0	
Disposals	-87.0	
Net wirte-ups/write-downs		
Book value at 31.12	**0.0**	**0.0**

In connection with the take over of collateral associated with a loss exposed commitment in the corporate market, Storebrand Bank ASA activated real estate under development. The building project was sold to a subsidiary of the bank, Bjørndalen Panorama AS, which will complete the project.

Note 26: Intangible assets

NOK MILLION	IT-SYSTEMS	TOTAL 2009	IT-SYSTEMS	TOTAL 2008
Acquisition cost at 01.01	123.4	123.4	112.6	112.6
Additions in the period:				
Purchased separately	13.8	13.8	10.9	10.9
Disposals in the period		0.0		0.0
Acquisition cost at 31.12.	**137.3**	**137.3**	**123.4**	**123.4**
Accumulated depreciation and write-downs at 01.01	69.3	69.3	50.2	50.2
Depreciation in the period	19.9	19.9	19.1	19.1
Accumulated depreciation and write-downs at 31.12	**89.2**	**89.2**	**69.3**	**69.3**
Book value at 31.12.	**48.1**	**48.1**	**54.1**	**54.1**

For each class of intangible assets:

Depreciation method	linear method	linear method
Economic life	3 - 8 years	3 - 8 years
Rate of depreciation	12.5% -33.33%	12.5% -33.33%

IT systems in this note refers to the development of systems, data warehouses, user licenses to systems, etc. All capitalised expenses in respect of systems development relate to work carried out by external resources. The estimate of economic liftetime are reviewed annually.

Note 27: Fixed assets

NOK MILLION	VEHICLE, FIXTURE AND FITTINGS	IT	REAL ESTATE 1)	TOTAL 2009	VEHICLE, FIXTURE AND FITTINGS	IT	REAL ESTATE 1)	TOTAL 2008
Book value at 01.01	3.8	5.7	3.9	13.3	3.2	2.5	4.3	10.0
Additions	7.3			7.3	1.1	4.3	0.0	5.4
Disposals	-1.4			-1.4				0.0
Depreciation	-0.7	-1.7	-0.4	-2.8	-0.5	-1.1	-0.4	-2.1
Book value at 31.12.	**8.3**	**4.0**	**3.5**	**15.7**	**3.8**	**5.7**	**3.9**	**13.3**
Opening acquisition cost	9.5	6.8	6.8	23.1	8.3	2.6	6.8	17.7
Closing acquisition cost	8.9	6.8	5.7	21.4	9.5	6.8	6.8	23.1
Opening accumulated depreciation and write-downs	5.7	1.2	2.9	9.7	5.1	0.1	2.5	7.7
Closing accumulated depreciation and write-downs	0.6	2.9	2.3	5.7	5.7	1.2	2.9	9.7

For each clas of fixed assets:

Method for measuring cost price	Acquisition cost	Acquisition cost	Acquisition cost	Acquisition cost	Acquisition cost	Acquisition cost
Depreciation method	Linear	Linear	Linear	Linear	Linear	Linear
Depreciation period and economic life	3 - 10 years	4 years	15 years	3 - 10 years	4 years	15 years

There are no restrictions on rights to fixed assets. No fixed assets have been pledged as collateral for liabilities.

1) Holiday cabins valued on the cost method.

Note 28: Operational leasing

Uoppsigelige operasjonelle leieavtaler forfaller til betaling i henhold til inngåtte kontrakter:

NOK MILLION	2009	2008
Under one year	12.5	17.9
Between one and five years	39.7	17.9
Over five years	56.9	73.7
Total	**109.1**	**109.5**
Calculated cost in the profit and loss account for operational leasing contracts	18.3	20.7

Costs are included in the lines "General administration expenses" and "Other operating costs".

Lease contract related to office premises in Storebrand's new head-office at Lysaker runs to 31.10.2019, and a lease of office premises with an third party external to the group runs to 31.7.2011.

Note 29: Other assets

NOK MILLION	2009	2008
Interest accrued	72.7	144.3
Commissions accrued on real estate funds and Storebrand Optimèr ASA	10.7	5.5
Other accrued income	3.9	9.5
Due from customers	1.8	1.9
Shares in subsidiaries 1)	1 525.3	653.2
Due form group companies	210.0	49.6
Due from stockbrokers	57.9	62.4
Due from customers stockbrokerage	331.0	81.6
Other assets	10.3	17.5
Total other assets	**2 223.6**	**1 025.6**

1) See note 18.

Note 30: Hedge accounting

The bank uses fair value hedging to hedge interest rate risk. Hedging effectiveness is monitored at the individual item level except for structured bond loans where hedging effectiveness is monitored at the portfolio level. Each portfolio comprises swaps and hedged items with maturity within the same half year period.

	2009			2008		
	CONTRACT/	FAIR VALUE 1)		CONTRACT/	FAIR VALUE 1)	
NOK MILLION	NOMINAL VALUE	ASSETS	LIABILITIES	NOMINAL VALUE	ASSETS	LIABILITIES
Interest rate swaps	2 666.5	92.0	0.1	4 297.0	126.8	
Total interest rate derivatives	2 666.5	92.0	0.1	4 297.0	126.8	0.0
Total derivatives	2 666.5	92.0	0.1	4 297.0	126.8	0.0
Bond loans	1 834.5		1 859.6	2 730.0		2 793.4
Structured bond loans	341.1		336.8	877.8		857.8
Tier 1 hybrid capital	107.0		107.1	107.0		108.0
Fixed interest loans given by Norges Bank	500.0		503.3	500.0		506.8
Total underlying items	2 782.6		2 806.8	4 214.8		4 265.9
Hedging effectiveness - prospective			89 %			95 %
Hedging effectiveness - retrospective			110 %			-101 %

Gain/loss on fair value hedging:

	2009	2008
NOK MILLION	GAIN / LOSS	GAIN / LOSS
On hedging instruments	-43.2	167.2
On items hedged	45.0	-157.4

1) Book value at 31.12. As per 31 December 2009, derivative contracts earmarked for hedge accounting are presented on the derivatives line under assets and liabilities on the balance sheet. The previous years figures have not been restated and derivatives earmarked for hedging are presented together with the hedging object as per 31 December 2008.

2) Amounts included in the line "Net interest income".

Hedging effectiveness when the hedge is created measures the relationship between changes in the hedged value of the interest rate hedging instrument and the item hedged in the event of a 2-percentage point interest rate shock.Subsequently, hedging effectiveness is measured on the basis of the simple Dollar Offset method for both prospective and retrospective calculations. Hedging it is expected to be highly efficient in the period.

Note 31: Liabilities to credit institutions

NOK MILLION	2009	2008
Total liabilities to credit institutions without fixed maturity at amortised cost	**166.5**	**40.2**
F-loan:		
Maturity 2009		1 000.0
Maturity 2010	527.3	505.3
Maturity 2012	1 009.0	
Loan with fixed interest rate:		
Maturity 2009		275.0
Loan with floating interest rate:		
Maturity 2010	1 128.1	2 022.3
Maturity 2011	83.2	98.7
Maturity 2012	350.0	350.0
Maturity 2013	250.0	250.0
Total liabilities to credit institutions with fixed maturity at amortised cost	**3 347.6**	**4 501.3**
Borrowings under the Norwegian Government's Swap arrangement:		
Maturity 2010	992.1	994.1
Maturity 2011	2 359.8	981.5
Maturity 2013	2 500.9	
Maturity 2014	988.6	
Total liabilities to credit institutions with fixed maturity at fair value (FVO)	**6 841.4**	**1 975.6**
Total liabilities to credit institutions	**10 355.5**	**6 517.1**

Undrawn credit facilities totalled EUR 220 million at 31.12.2009

The loan agreements contain standard covenants.
Storebrand Bank ASA was in compliance with all relevants terms in 2009.

Note 32: Deposits from customers

NOK MILLION	2009	2008
Deposits from customers	17 758.1	14 796.6
Term loans and deposits from customers	586.7	3 508.4
Total deposits from customers	**18 344.7**	**18 305.0**

NOK MILLION	2009	2008
Sector and industry classification: 1)		
County councils and local authorities	349.9	89.2
Farming, forestry, fishing and hunting	17.7	8.7
Mine operators and mining	0.1	
Raw oil and natural gas extraction related services	8.6	0.3
Industry	72.9	87.7
Ship and boat building	1.7	
Electricity, gas, steam and hot water supply	3.7	
Water supply, sewage and refuse activities	2.5	
Development of building projects	193.7	
Building and construction	129.9	87.0
Wholesale and retail trade, motor vehicle repair	414.4	361.7
Shipping and pipe transport	40.7	38.6
Haulage and/or storage	46.4	74.0
Accommodation and hospitality	8.4	
Information and communications	276.6	
Sale and operation of real estate	1 875.5	4 700.7
Professional and financial services	1 986.7	
Business services	353.5	
Other service providers	468.0	337.5
Wage-earners	11 010.5	11 343.6
Other	634.5	692.9
Foreign	448.7	483.0
Total	**18 344.7**	**18 305.0**
Geographic distribution:		
Eastern Norway	14 106.0	14 240.7
Western Norway	2 201.1	2 131.6
Southern Norway	250.5	359.8
Mid-Norway	520.9	539.9
Northern Norway	817.5	549.9
Foreign	448.7	483.0
Total	**18 344.7**	**18 305.0**

1) The statement in 2009 complies with the new business code segmentation. The previous years figures have not been restated in line with the new segmentation.

Note 33: Securities issued

NOK MILLION	2009	2008
Commercial paper	0.0	1 907.9
Bond loans	4 853.5	7 091.9
Total secutities issued	**4 853.5**	**8 999.8**

Change in securities issued

NOK MILLION	BOOK VALUE 31.12.08	NEW ISSUES/ BOUGHT BACK	REPAY- MENTS	EXCHANGE RATE CHANGE	PAPER PRICE CHANGES	AMORTI- SATION	BOOK VALUE 31.12.09
Commercial paper	1 907.9	192.0	-2 099.9				0.0
Bond loans	6 234.1	762.0	-2 539.2	0.2	-34.9	80.8	4 502.9
Structured bond loans	857.8	0.0	-545.1	0.0	-4.0	41.9	350.6
Total securities issued	**8 999.8**	**954.0**	**-5 184.2**	**0.2**	**-38.9**	**122.7**	**4 853.5**

The column Amortisation include accrued interest expenses.

Specification of bond loans

NOK MILLION	ISSUER	NET NOMINAL VALUE	CURRENCY	INTEREST	MATURITY	BOOK VALUE 31.12.09
ISIN code						
Bond loans						
NO001029117	Storebrand Bank ASA	624.5	NOK	Fixed	22.11.2010	631.2
NO001035009	Storebrand Bank ASA	273.0	NOK	Fixed	16.06.2010	275.9
NO001043982	Storebrand Bank ASA	310.0	NOK	Fixed	04.06.2015	317.0
NO001045553	Storebrand Bank ASA	327.0	NOK	Fixed	03.09.2012	332.4
NO001051323	Storebrand Bank ASA	300.0	NOK	Fixed	25.05.2016	294.1
NO001025224	Storebrand Bank ASA	325.0	NOK	Floating	14.01.2010	325.1
NO001047340	Storebrand Bank ASA	408.0	NOK	Floating	21.11.2013	416.6
NO001049263	Storebrand Bank ASA	900.0	NOK	Floating	20.02.2012	900.5
NO001050777	Storebrand Bank ASA	548.0	NOK	Floating	30.04.2014	552.8
NO001054848	Storebrand Bank ASA	500.0	SEK	Floating	26.01.2012	404.5
Accrued interest expenses						52.9
Total bond loans						**4 502.9**
Structured bond loans						
NO001029838	Storebrand Bank ASA	81.3	NOK	Zero coupon	25.03.2010	81.0
NO001030481	Storebrand Bank ASA	31.1	NOK	Zero coupon	26.11.2010	30.5
NO001032252	Storebrand Bank ASA	20.0	NOK	Zero coupon	06.09.2010	19.7
NO001032930	Storebrand Bank ASA	73.7	NOK	Zero coupon	27.10.2010	72.0
NO001034110	Storebrand Bank ASA	60.0	NOK	Zero coupon	16.12.2010	58.5
NO001034675	Storebrand Bank ASA	75.0	NOK	Zero coupon	22.12.2010	73.0
NO001035920	Storebrand Bank ASA	17.0	NOK	Zero coupon	23.05.2011	15.9
Total structured bonds						**350.6**
Total bonds issued						**4 853.5**

The loan agreements contain standard covenants.
Storebrand Bank ASA was in compliance with all relevants terms in 2009.

Note 34: Subordinated loan capital

NOK MILLION	2009	2008
Dated subordinated loan capital	674.7	676.8
Other subordinated loan capital	9.3	9.3
Tier 1 hybrid capital	276.4	275.9
Total subordinated loan capital	**960.4**	**962.0**

Changes in subordinated loan capital

NOK MILLION	BOOK VALUE 31.12.08	NEW ISSUES	REPAY-MENTS	EXCHANGE RATE CHANGE	PAPER PRICE CHANGES	AMORTI-SATION	BOOK VALUE 31.12.09
Dated subordinated loan capital	676.8					-2.1	674.7
Other subordinated loan capital	9.3						9.3
Tier 1 hybrid capital	275.9				-0.8	1.3	276.4
Total subordinated loan capital	**962.0**	**0.0**	**0.0**	**0.0**	**-0.8**	**-0.8**	**960.4**

The column Amortisation include accrued interest expenses.

Specification of subordinated loan capital

NOK MILLION	ISSUER	NET NOMINAL VALUE	CURRENCY	INTEREST	CALL-DATE	BOOK VALUE 31.12.09
ISIN nummer						
Dated subordinated loan capital						
NO001027568	Storebrand Bank ASA	175.0	NOK	Floating	15.07.2010	175.0
NO001034566	Storebrand Bank ASA	100.0	NOK	Floating	22.12.2011	99.9
NO001036427	Storebrand Bank ASA	250.0	NOK	Floating	08.05.2012	249.8
NO001040278	Storebrand Bank ASA	150.0	NOK	Floating	17.12.2012	150.0
Dated subordinated loan capital						
NO00177116	Storebrand Bank ASA	9.3	NOK	Fixed		9.3
Tier 1 hybrid capital						
NO001024206	Storebrand Bank ASA	107.0	NOK	Fixed	29.10.2014	107.1
NO001024207	Storebrand Bank ASA	168.0	NOK	Floating	29.10.2014	167.1
Accrued interest expenses						2.1
Total subordinated loan capital						**960.4**

NOK MILLION	2009	2008
Subordinated loan capital included in capital adequacy calculation	960.4	962.0
Interest expense		
Interest expense booked in respect of subordinated loan capital	38.9	68.2

All subordinated loans are denominated in NOK.

Note 35: Provisions

	PROVISIONS FOR RESTRUCTURING	
NOK MILLION	2009	2008
Provisions 1 January	5.3	
Provisions during the period	6.0	5.3
Provisions using during the period	-4.3	
Total provisions 31 December	**7.0**	**5.3**
Classified as:		
Provision for accrued expenses and liabilities	7.0	5.3

Provisions concern restructuring in Storebrand Bank ASA carried out in 2008 and 2009. Expected settlement time for the provision is partly in 2010 and partly in the period 2010-2013.

Note 36: Other liabilities

NOK MILLION	2009	2008
Payable to Storebrand group companies	32.5	58.6
Money transfers	15.1	27.9
Group contribution payable to group companies	211.9	13.0
Accounts payable	4.9	0.0
Payable to stockbrokers	143.1	21.9
Payable to customers stockbrokerage	233.4	120.3
Accrued interest expenses financial debt	5.3	84.7
Accrued expenses and prepaid income	47.5	54.6
Other debt	36.6	52.1
Total other liabilities	**730.4**	**433.1**

Note 37: Off balance sheet liabilities and contingent liabilities

NOK MILLION	2009	2008
Guarantees	247.7	366.4
Undrawn credit limits	8 826.1	11 593.7
Total contingent liabilities	**9 073.8**	**11 960.1**

Guarantees are mainly payment guarantees and contract guarantees. See also note 23.
Undrawn credit limits relate to the unused portion of credit limits approved on overdraft accounts and credit cards, as well as the unused portion of lending limits on residential mortgage loans.

Note 38: Collateral pledged

Received and pledged collateral
Storebrand Bank ASA has not received or pledged any collateral except securities pledged as collateral for F-loans in Norges Bank and securities pledged as collateral in connection with the scheme for swapping covered bonds for government papers (see table below).

Collateral and security pledged

NOK MILLION	2009	2008
Booked value of bonds pledged as collateral for the bank's lending from Norges Bank	3 195.6	3 087.6
Booked value of bonds pledged as collateral for swap agreement of state paper for covered bonds	6 841.4	2 002.3
Total	**10 037.0**	**5 089.9**

Securities pledged as collateral are linked to lending access in Norges Bank for which, pursuant to the regulations, the loans must be fully guaranteed with collateral in interest-bearing securities and/or the bank's deposits in Norges bank Storebrand Bank ASA has a F-loan for NOK 1.5 billion in Norges Bank as per 31.12.2009.

In connection with the package of measures by the authorities concerning the banks, Storebrand Bank ASA has entered into an agreement involving the following amounts to conditions and terms for a swap agreement of covered bonds for state treasury bills:

NOK 985.8 million which runs from 3 December 2008 to 15 September 2010. Interest rate conditions are NIBOR minus 20bp.
NOK 979.2 million which runs from 17 December 2008 to 21 December 2011. Interest rate conditions are NIBOR minus 20bp.
NOK 1,385.5 million which runs from 28 January 2009 to 21 December 2011. Interest rate conditions are NIBOR minus 20bp.
NOK 496.5 million which runs from 6 May 2009 to 19 March 2014. Interest rate conditions are NIBOR minus 20bp.
NOK 493.8 million which runs from 4 June 2009 to 19 March 2014. Interest rate conditions are NIBOR minus 20bp.
NOK 493.5 million which runs from 17 June 2009 to 20 March 2013. Interest rate conditions are NIBOR minus 20bp.
NOK 491,5 million which runs from 9 September 2009 to 18 December 2013. Interest rate conditions are NIBOR plus 24bp.
NOK 1,487.9 million which runs from 21 October 2009 to 18 September 2013. Interest rate conditions are NIBOR plus 70bp.

Note 39: Capital Adequacy

Capital adequacy calculations are subject to special consolidation rules in accordance with the Regulation on consolidated application of the capital adequacy rules etc. (the "Consolidation Regulation"). The Storebrand Bank group is defined pursuant to Section 5 of the Consolidation Regulation as a financial group comprising solely or mainly undertakings other than insurance companies. The valuation rules used in the company's accounts form the basis for consolidation. Consolidation is, in the main, carried out in accordance with the same principles as used in the accounts, with all internal transactions eliminated, including shares, loans and deposits as well as other receivables and liabilities. Companies in which the group has a minority interest are included on a proportional basis applying the percentage interest held by the group at 31 December 2009.
The figure for primary capital includes profit for the year.

Net primary capital

NOK MILLION	2009	2008
Share capital	960.6	916.6
Other equity	1 349.2	1 157.3
Total equity	**2 309.8**	**2 073.9**
Deductions:		
Intangible assets	-48.1	-54.1
Deferred tax asset	-175.7	-155.9
Addition:		
Perpetual subordinated loan capital	276.4	275.9
Proportion of pension experience adjustments not amortised		13.0
Core capital	**2 362.4**	**2 152.7**
Supplementary capital	684.0	683.9
Deductions		
Net primary capital	**3 046.4**	**2 836.5**

Minimum capital requirement

NOK MILLION	2009	
Credit risk	1 357.9	1 662.7
Of which:		
Local and regional authorities	1.6	1.6
Institutions	235.2	120.5
Corporates	389.5	836.5
Loans secured on real estate	469.0	453.8
Retail market	77.5	133.6
Loans past-due	75.0	32.2
Covered bonds	62.1	31.9
Other	48.0	52.5
Total minimum requirement for credit risk	**1 357.9**	**1 662.7**
Total minimum requirement for market risk	**0.0**	**0.0**
Operational risk	70.0	76.9
Deductions		
Write-downs of groups of loans	-8.5	-7.0
Minimum requirement for capital base	**1 419.4**	**1 732.6**

Capital adequacy

	2009	2008
Capital ratio	17.2 %	13.1 %
Core capital ratio	13.1 %	9.9 %

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

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

Note 40: Valuation

Specification of financial assets to fair value

Shares

NOK MILLION	QUOTED PRICES	OBSERVABLE PRE-CONDITIONS	NON-OBSERVABLE PRE-CONDITIONS	BOOK VALUE 31.12.2009	BOOK VALUE 31.12.2008
Shares		1.0		1.0	1.4
Total	**0.0**	**1.0**	**0.0**	**1.0**	**1.4**

Lending to customers

NOK MILLION	QUOTED PRICES	OBSERVABLE PRE-CONDITIONS	NON-OBSERVABLE PRE-CONDITIONS	BOOK VALUE 31.12.2009	BOOK VALUE 31.12.2008
Lending to customers		758.3		758.3	282.9
Total	**0.0**	**758.3**	**0.0**	**758.3**	**282.9**

Bonds and other fixed-income securities

NOK MILLION	QUOTED PRICES	OBSERVABLE PRE-CONDITIONS	NON-OBSERVABLE PRE-CONDITIONS	BOOK VALUE 31.12.2009	BOOK VALUE 31.12.2008
Asset backed securities		7 364.8		7 364.8	3 582.9
Finance, Banking and Insurance		1 936.6		1 936.6	1 722.3
Sovereign and Government Guaranteed		1 750.6		1 750.6	1 003.51
Local authorities, county		350.8		350.8	301.9
Total	**0.0**	**11 402.8**	**0.0**	**11 402.8**	**6 610.4**

Derivatives

NOK MILLION	QUOTED PRICES	OBSERVABLE PRE-CONDITIONS	NON-OBSERVABLE PRE-CONDITIONS	BOOK VALUE 31.12.2009	BOOK VALUE 31.12.2008
Equity options	0.2			0.2	0.5
Forward foreign exchange contracts	-16.4			-16.4	157.0
Interest rate swaps		117.4		117.4	379.1
Total derivatives	-16.2	117.4	0.0	101.2	536.6
- Derivatives derignated to hedge accounting [1])				0.0	126.8
Total derivatives excl. hedge accounting	-16.2	117.4	0.0	101.2	409.8
Derivatives with a positive fair value	46.6	343.5		390.2	876.9
Derivatives with a negative fair value	-62.9	-226.1		-289.0	-467.1
Total	**-16.2**	**117.4**	**0.0**	**101.2**	**409.8**

[1]) As per 31 December 2009, derivative contracts earmarked for hedge accounting are presented on the derivatives line under assets and liabilities on the balance sheet. The previous years figures have not been restated and derivatives earmarked for hedging are presented together with the hedging object as per 31 December 2008.

Specification of financial liabilities to fair value

NOK MILLION	QUOTED PRICES	OBSERVABLE PRE-CONDITIONS	NON-OBSERVABLE PRE-CONDITIONS	BOOK VALUE 31.12.2009	BOOK VALUE 31.12.2008
Liabilities to credit institutions		6 841.4		6 841.4	1 977.6
Deposits from and due to customers		173.0		173.0	167.9
Commercial paper and bonds issued					934.1
Total	**0.0**	**7 014.4**	**0.0**	**7 014.4**	**3 079.6**

Changes between quoted prices and observable pre-conditions

NOK MILLION	2009
From quoted prices to observable pre-conditions	0.0
From observable pre-condtitions to quoted prices	0.0

Below follows a description of the financial instruments booked in the balance sheet as per 31 December 2009 and the basis for measuring their fair value.

Equities
Unlisted equities and units are measured at fair value based on valuation techniques.

Lending to customers classified at FVO
Lending to customers is measured at fair value based on valuation techniques. The valuation techniques use interest rate curves from Reuters and credit spreads for equivalent new loans as per the end of December.

Bonds and other fixed-income securities
Norwegian bonds and other fixed-income securities are measured at fair value based on valuation techniques. The valuation techniques use interest rate curves and credit spreads from external providers and are quality assured using price checks at year-end, primarily through comparing prices against other price providers.

Derivatives
Equity-linked bonds are priced on the basis of received, tradeable market prices from our counterparties as per 29 December 2009.
Foreign exchange contracts are translated to NOK based on Norges Bank's exchange rates as per 29 December 2009.
Interest rate swaps and base rate swaps are measured at fair value based on valuation techniques. Interest rate curves from external providers are used in the valuation techniques. Financial liabilities Financial liabilities are measured at fair value based on valuation techniques. The valuation techniques use interest rate curves and credit spreads from external providers.

Note 41: Risk Management

Risk management in Storebrand Bank covers the areas of credit, market, liquidity and operational risk. Specific risk management policies have been drawn up for credit, market and liquidity risk, which have been approved by Storebrand Bank's board of directors and are subject to annual review. A balance sheet management committee has been established to help provide effective and rational decision-making support to the bank's management in their asset and liability management. The balance sheet management committee is an advisory body for the bank's management and holds monthly meetings.

Storebrand Bank utilises the standard method for credit risk in the capital adequacy regulations (pillar 1), the standard method for market risk, and the basic method for operational risk. In its ICAAP (pillar 2) the bank has assessed the total capital requirement for the banking group. Apart from credit, market and operational risk as calculated in pillar 1, the calculated capital requirement also takes into account extra capital requirements linked to concentration, liquidity, residual, market and reputation risk, among others, The bank is regarded as well capitalised in relation to the business' risk profile.

The bank changed its definition of non-performing and loss-exposed loans without impairment from and including Q4 2009. The new definition is significantly stricter in a number of ways and complies with all the requirements of the capital adequacy regulations.

Credit risk/counterparty risk
Storebrand Bank is exposed to credit risk in connection with lending and counterparty risk in connection with other financial instruments.

Storebrand Bank ASA places great importance on maintaining close relationships with its corporate customers and monitoring credit risk in this portfolio. The bank has set routines for reviewing credit. A significant proportion of Storebrand Bank's corporate lending is linked to real estate in the greater Oslo area. Storebrand monitors economic conditions and the real estate market closely.
All credit approvals over a certain limit in the corporate segment must be approved by either a credit committee chaired by the bank's managing director or the bank's board of directors. Credit risk is monitored through a risk classification system that ranks each customer by ability to pay, financial strength, and collateral. The risk classification system estimates the likelihood of a borrower defaulting (ability to pay/financial condition) and the likely loss given default (collateral).

Separate credit approval processes are used for retail lending. Retail lending is approved on the basis of credit scoring, combined with case-by-case evaluation of the borrower's ability to repay. Loans are primarily granted with collateral in housing.
In January 2008, the bank decided to no longer offer loan financing secured by collateral in structured products in the retail market.

The bank manages its exposure to counterparty risk when placing its liquidity or through other exposure on the basis of the counterparty's credit rating and size.

Market risk
Market risk is the risk that unexpected and adverse movements in interest or exchange rates reduce the value of the bank's assets. Storebrand Bank manages is exposure in the interest rate market to ensure that the net interest rate sensitivity of assets and liabilities is as small as possible. Interest rate hedging shall be structured such that it has a moderate accounting effect.
All instruments and products with a maturity period in excess of six months are subject to a specific hedging policy for financial and accounting hedging.

The interest risk is measured by shocking the interest rate curve by 2 percentage points in an unfavourable direction for all balance sheet items. The interest rate shock in combination with VaR is used to manage the interest risk in the sub-portfolios, investment portfolios, borrowing in certificates and the bond market at fixed rates (over six months), and lending to customers. The hedging is included in the risk measurement of the portfolios.

Storebrand Bank's policy is to fully hedge currency risks, and positions must be covered continuously as they become large enough for this to be financially appropriate within set limits.

Derivatives
Derivatives shall primarily be used to adjust the interest rate sensitivity position, currency position, liquidity position and manage the price risk associated with structured products. Derivatives will also be an integral part of the activities in Storebrand Markets. The bank thus has no trading portfolio consisting of derivatives. The derivatives that can be used in hedging situations are interest rate swaps, interest rate currency swaps, currency swaps, future interest rate agreements, interest rate futures, buy back agreements, interest rate options, currency options, and options linked to structured products.

In this way Storebrand Bank's markets risk is kept marginal in relation to the bank's total activities.

Market risk is reported monthly to the balance sheet management committee and the board of directors.

Continues next page

Note 41: Risk Management *Continued*

Liquidity risk
Likviditetspolicyen gjelder for morbanken. Likviditetsgap og andel langsiktig funding beregnes i tillegg for bankkonsern.

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

Liquidity risk refers to the risk that the bank is not able to meet all its financial liabilities as they fall due for payment. The liquidity in the bank and credit institutions shall be sufficient to support balance sheet growth and repay funding and deposits as they mature. The bank and credit institutions manage their liquidity positions based on a running liquidity gap, which shows the gap between expected and stress tested cash flows in and out on the date of the balance sheet, long-term funding proportions, and liquidity reserves.

The liquidity policy shall take account of and ensure sufficient funding to avoid liquidity problems in situations such as, for example:
- Uncertainty surrounding owner/group companies.
- Uncertainty among investors about the banking sector in general, including losses or financial criminality.
- Downgrading of the bank's rating.
- Unplanned reductions in deposits.
- Falls in market values in the investment portfolio (liquidity portfolio).
- The bank experiencing funding problems due to distrust of the bank in the market without downgrading of the bank's rating.

The bank's liquidity is primarily affected by changes in deposits and lending, as well as financial activities. In order to ensure a proper liquidity situation, the bank must maintain a minimum holding of liquid assets and ensure stable access to varied and cost effective funding that is tailored to the bank's asset side. The ways in which Storebrand Bank must maintain good liquidity include by:

- Attracting a large proportion of reasonable and stable core deposits from customers.
- Maintaining a minimum holding of liquid assets in the form of short-term investments in banks and tradeable securities.
- Having access to stable and long-term funding to reduce the need for continuous short-term borrowing.
- Maintaining a broad funding structure to ensure it is not dependent on a few major investors.
- Maintaining a broad term to maturity structure to avoid concentrations of large repayments and in this way be able to avoid having to take up large new loans when funding spreads are high. Due dates for new borrowing must also be planned to achieve the bank's goal of always having, in stressed situations, sufficient liquidity to cover all borrowed amounts due for a minimum of 3 months without having far too large a liquidity portfolio.
- Ensuring uncommitted lines of credit to cover current liquidity needs.
- Ensuring committed credit lines to cover unforeseen needs. It is a goal that committed credit lines and available unused covered bonds should be able to cover losses of certificate funding and other short-term borrowing, as well as deposits.

The liquidity position is managed with the aid of indicators, minimum liquidity holdings, Financial Indicator I (i.e. short-term funding indicators are measured in unstressed and stressed situations in which goals are set for stressed situations) and Financial Indicator II (i.e. long-term funding indicators). The minimum liquidity holding describes the liquidity holding the bank must have to ensure that it always has sufficiently liquidity to cover ordinary day-to-day transaction volumes and at the same time take account of the liquidity requirement that is necessary for the bank to stay within the green limits under the goal in Financial Indicator I (short-term financial indicator) in a stressed situation. Financial Indicator I describes the liquidity reserve the bank has in ordinary and stressed situations. This goal takes into account situations caused by the market in general and the company specifically, or a combination of these. Financial Indicator II shows the proportion of long-term funding over 1 and 3 years respectively. The liquidity position and financial indicators are reported monthly. Liquidity management is carried out by treasury in the bank on a day-to-day basis and controlled by the risk management department. A separate risk management system, Quantitative Risk Management, is used to manage and measure the liquidity risk.

Operational risk
Operational risk management is an integral part of the management responsibilities in Storebrand Bank corporate governance structure, in which the risk is assessed against the organisation's ability to attain its goals as part of the value-based management model. The bank has continued to adhere to the principles that follow from the group's risk assessment policy (introduced in 2005). The objective of the risk review is to reach a common understanding of the overall risk picture for the group's activities, and through this contribute to a broader basis for making decisions in connection with important prioritisations. Risk assessments are therefore an important part of the basis for adopting the group's strategy and approving the level of risk in the business plan. Risk assessments take the current situation and how the risk owner experiences risk, based on the existing internal control, as their starting point. After this an assessment is made of the assumed risk after planned improvement measures have been implemented. This assumes that the risk owner implicitly confirms how the internal control functions (cf. the Internal Control Regulations). Risk assessments are integrated into the value-based management system through linking risk assessments to the units' ability to achieve their business goals, comply with regulatory requirements and the degree to which the risk will affect Storebrand's reputation.

The bank's internal control activities in the form of risk assessments, monitoring and reporting satisfy the requirements of the Internal Control Regulations.

Note 42: Credit risk

Analysis of credit risk by type of financial instrument

NOK MILLION	MAXIMUM CREDIT EXPOSURE 2009	2008
Liquidity portfolio	11 402.8	6 610.4
Net loans to and due from customers 1)	23 330.0	30 750.4
Equity options	4.1	18.3
Interest rate swaps	340.2	679.6
Forward foreign exchange contracts	42.6	305.8
Total	**35 119.6**	**38 364.5**
1) Of which net loans to and amounts due form customers measured at fair value:	758.3	282.9

The amounts stated for the various financial instruments constitute the value recognised in the balance shett, with the exception of net lending to and receivables from customers, which also includes unused drawing facility and guarantees.
(See "Credit exposure for lending activities" below).

Credit risk liquidity portfolio

Credit risk per counterparty
Short-term holdings of interest-bearing securities
Issuer category

NOK MILLION	AAA FAIR VALUE	AA FAIR VALUE	A FAIR VALUE	BBB FAIR VALUE	NON-INVEST-MENT GRADE FAIR VALUE	TOTAL 2009 FAIR VALUE	TOTAL 2008 FAIR VALUE
Asset backed securities		401.6		100.5		502.0	3 582.9
Finance, Bank and Insurance		103.2	1 331.7	100.1		1 535.1	1 722.3
Sovereign and Government Guaranteed	1 750.6					1 750.6	1 003.5
Local authorities, county	250.6	100.2				350.8	301.9
Covered bonds	5 637.4				1 626.9	7 264.3	0.0
Total	**7 638.5**	**605.0**	**1 331.7**	**200.6**	**1 626.9**	**11 402.8**	**6 610.4**
Rating classes are based on Standard & Poors.							
Change in vaule:							
Total change in value balance sheet	16.6	3.4	7.8	0.3	0.1	28.2	-14.7
Change in vaule recognised in the profit and loss during period	21.4	11.1	9.4	0.9	0.1	42.9	-13.2

Credit risk on loans to and deposits with credit institutions and central bank

Credit risk per counterparty

NOK MILLION	AAA FAIR VALUE	AA FAIR VALUE	A FAIR VALUE	BBB FAIR VALUE	NON-INVEST-MENT GRADE FAIR VALUE	TOTAL 2009 FAIR VALUE	TOTAL 2008 FAIR VALUE
Norway	368.4					368.4	672.1
Total deposits with central bank	**368.4**	**0.0**	**0.0**	**0.0**	**0.0**	**368.4**	**672.1**
Norway		2 320.0				2320.0	333.0
Lithuainia						0.0	0.7
Total loans to and deposits with credit institutions	**0.0**	**2 320.0**	**0.0**	**0.0**	**0.0**	**2 320.0**	**333.7**
Total loans to and deposits with credit institutions and central bank	**368.4**	**2 320.0**	**0.0**	**0.0**	**0.0**	**2 688.4**	**1 005.8**

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Note 42: Credit risk *Continued*

Credit exposure for lending activities

Storebrand Bank classifies all corporate market customers and selected retail customers (including private investors, etc) in order to identify risk in the bank's lending portfolio. The commitments are classified both when first established and whenever changes are made. In addition to this, corporate market customers are reclassified annually or whenever circumstances indicate the need for such a review. The classifications thus provide a picture of the current risk exposure in the portfolio at any given time.
Most of the non-performing loans have a loan-to-collateral value ratio of less than 80 percent. Other new lending largely has a loan-to-collateral value ratio of less than 90 percent.

Retail customers are subject to the overall limits for loan-to-collateral value ratio and ability to pay (as defined by the bank's credit policy for the segment) that apply to this portfolio. The average weighted loan-to-collateral value ratio in the parent bank is around 64 percent for residential mortgages, and 90 percent of residential mortgages are within an 80 percent loan-to-collateral value ratio. Around 40 percent of the mortgages are within a 60 percent loan-to-collateral value ratio in the parent bank. In the mortgage company, the weighted average loan-to-collateral value ratio for all the loans is 50.75 percent. The portfolio's credit risk is regarded as low.

The collateral is principally investments/commercial property in the corporate market portfolio and housing in the retail portfolio.

A classification model is used for borrowers in the real estate sector in order to determine their debt servicing capacity. The model comprises both qualitative and quantitative elements. The qualitative element systematically evaluates the qualitative factors of the project and the borrower that are deemed important. The factors evaluated include management, structure, board of directors, history, market, political risk, and tenants. These are known as internal/external factors in the former/existing system. This provides a qualitative classification.

The quantitative element is evaluated differently for building loans and debt instrument loans. Building loans are evaluated on the basis of the contingency reserve for unforeseen costs, sales buffer, off-plan sales, and project management. Debt instrument loans are evaluated quantitatively by means of cash flow analysis and various key figures. Cash flow is calculated over the lifetime of the project. Risk classification for lending to corporate customers takes the form of credit scores on a scale of 1 to 5, where 1 represents the best score. The first score is for the borrower's ability to pay (debt servicing capacity). The second score is for the quality of the collateral (collateral ratio/loan-to-collateral value ratio).

Retail customers are evaluated according to their ability and willingness to repay the loan. In addition to ability to pay, customers undergo checks with respect to the policy rules and are given scores in a scoring model.

The collateral for non-performing loans without impairment for retail customers is essentially good. The average loan-to-collateral ratio for these loans is 67 percent. Residential mortgages accounted for around NOK 225 million of the volume of non-performing and loss exposed loans. Around NOK 170 million of the loans are within an 80 loan-to-collateral value ratio, and around NOK 215 million are within a 90 percent loan-to-collateral value ratio. The collateral for residential mortgages that are between 1 and 90 days past due is also good.

The collateral for non-performing and loss exposed loans without impairment over 90 days past due in the corporate market is good. The highest loan-to-collateral value ratio for these loans is 70 percent. The same assessment applies for loans in arrears. The collateral for non-performing and loss exposed loans with impairment in the corporate market is regarded as good enough. The losses that have been taken are regarded as sufficient for the bank to currently be of the opinion that new losses must not arise from these customers.

The majority of the loans to "Real estate and other commercial services" are instalment loans/debt instrument loans secured by real estate. Building loans comprise approx. NOK 850 million in gross lending, and a total commitment of approx. NOK 1,110 million. The majority of these development projects will be completed in 2010. Around 80 percent of the corporate market loans have a loan-to-collateral value ratio of less than 80 percent.

The greatest risk for the instalment loans/debt instrument loans is the tenant risk. In the case of building loans the two greatest risks are associated with building costs and off-plan sales. These are closely monitored by the bank.

The definition of non-performing and loss-exposed loans was changed in 2009 which resulted in a higher volume of non-performing and loss-exposed loans, cf.note 41.

Continues next page

Note 42: Credit risk *Continued*

Commitments per customer group 2009

NOK MILLION	LOANS TO AND DUE FROM CUSTOMERS	GUARAN-TEES [1]	UNDRAWN CREDIT LIMITS	TOTAL COMMIT-MENTS	NON-PERFORMING LOANS WITHOUT EVIDENCE OF IMPAIRMENT	NON-PERFORMING AND LOSS-EXPOSED LOANS WITH EVIDENCE OF IMPAIRMENT	GROSS NON-PERFORMING LOANS	WRITE-DOWNS OF INDIVI-DUAL LOANS	NET NON-PER-FORMING LOANS
Financial auxiliaries		1.0		1.0					
Mine operators and mining	7.2			7.2					
Industry	1.0			1.0					
Elelctricity, gas, steam and hot water supply	1.1			1.1					
Development of building projects	1 290.8	127.1	149.2	1 567.1		17.5	17.6	19.6	-2.0
Wholesale and retail trade, motor vehicle repair	14.7	0.5		15.2	1.0	0.3	1.3	0.2	1.1
Haulage and storage	28.7	0.2		28.9					
Accommodation and hospitality	15.0			15.0					
Information and communications	6.6	1.7	2.0	10.3					
Sale and operation of real estate	5 828.4	159.2	120.5	6 108.1	2.5	537.0	539.5	88.0	451.5
Professional and financial services	381.7	2.0	3.1	386.8		5.8	5.8	5.8	-0.1
Business services	572.7	0.1	0.5	573.3		2.5	2.5	2.8	-0.3
Other service providers	34.0	0.4	0.1	34.5					
Wage-earners	12 912.2	1.2	1 516.0	14 429.4	246.4	162.8	409.1	89.9	319.2
Other	0.1	37.1		37.2					
Foreign	206.9		13.2	220.1	5.7	23.2	28.9	23.5	5.4
Total	21 301.1	330.4	1 804.5	23 436.1	255.7	749.0	1 004.7	229.9	774.8
Write-downs of groups of loans	-106.1			-106.1					
+ Other changes in vaule									
Total loans to and due from customers	**21 195.0**	**330.4**	**1 804.5**	**23 330.0**	**255.7**	**749.0**	**1 004.7**	**229.9**	**774.8**

1) Guarantees includes NOK 82.7 million regarding undrawn limits.

Commitments per customer group 2008

NOK MILLION	LOANS TO AND DUE FROM CUSTOMERS	GUARAN-TEES [1]	UNDRAWN CREDIT LIMITS	TOTAL COMMIT-MENTS	NON-PERFORMING LOANS WITHOUT EVIDENCE OF IMPAIRMENT	NON-PERFORMING AND LOSS-EXPOSED LOANS WITH EVIDENCE OF IMPAIRMENT	GROSS NON-PERFORMING LOANS	WRITE-DOWNS OF INDIVI-DUAL LOANS	NET NON-PER-FORMING LOANS
Financial auxiliaries	0.3			0.3					
Industry and mining	16.8	0.4		17.2					
Water and power-supply, building and construction	13.2	1.9	2.1	17.2		0.2	0.2	0.2	
Wholesale/retail trade, hotels and restaurants	23.6	0.4	0.2	24.2		0.9	0.9	0.8	0.1
International shipping and pipelines	41.1	0.2		41.3					
Other transportation and communications	25.6	1.2		26.8					
Services and real estate operations	10 772.2	359.1	656.0	11 787.4	5.5	323.3	328.8	117.5	211.4
Other service providers	49.0	0.9		49.9		0.9	0.9	0.9	
Wage-earners	16 348.4	1.8	1 924.3	18 274.5	177.7	144.6	322.2	100.9	221.4
Other	0.2	0.4	3.0	3.6		26.1	26.1	17.7	8.4
Foreign	173.3		14.1	187.4	1.2	23.9	25.1	24.3	0.8
Total	27 463.7	366.4	2 599.6	30 429.7	184.4	519.9	704.3	262.4	442.0
- Write-downs of groups of loans	-87.7			-87.7					
+ Other changes in value	-33.6			-33.6					
Total loans to and due from customers	**27 342.4**	**366.4**	**2 599.6**	**30 308.4**	**184.4**	**519.9**	**704.3**	**262.4**	**442.0**

The classification into customer groups is based on Statistics Norway's standard for sector and business classification.
The individual customer's classification is determined by the customer's primary activity.

Continues next page

Note 42: Credit risk *Continued*

Average size of total commitments per customer group 2009

NOK MILLION	AVERAGE SIZE LOANS TO AND DU FROM CUSTOMERS	AVERAGE SIZE GUARANTEES	AVERAGE SIZE UNDRAWN CREDIT LIMITS	AVERAGE SIZE TOTAL COMMITMENTS
Industry	1.2			1.2
Elelctricity, gas, steam and hot water supply	1.2			1.2
Development of building projects	1 565.2	126.8	112.3	1 804.3
Wholesale and retail trade, motor vehicle repair	8.4	0.5		8.9
Haulage and storage	65.3	1.2		66.5
Accommodation and hospitality	15.0	2.4		17.4
Information and communications	5.8	0.4		6.2
Sale and operation of real estate	7 786.7	185.2	282.8	8 254.7
Professional and financial services	1 077.5	36.3	11.0	1 124.8
Business services	170.5	1.0	0.8	172.3
Other service providers	46.2	0.4	0.1	46.7
Wage-earners	15 309.3	1.1	1 736.4	17 046.8
Other	0.2			0.2
Foreign	180.6		12.8	193.4
Total	**26 233.1**	**355.3**	**2 156.2**	**28 744.6**

Average size of total commitments per customer group 2008

NOK MILLION	AVERAGE SIZE LOANS TO AND DU FROM CUSTOMERS	AVERAGE SIZE GUARANTEES	AVERAGE SIZE UNDRAWN CREDIT LIMITS	AVERAGE SIZE TOTAL COMMITMENTS
Financial auxiliaries	0.3			0.3
Industry and mining	19.5	0.4	1.2	21.1
Water and power-supply, building and construction	30.0	2.5	0.3	32.8
Wholesale/retail trade, hotels and restaurants	26.0	0.8		26.8
International shipping and pipelines	61.1			61.1
Other transportation and communications	45.1	1.2		46.3
Services and real estate operations	10 776.6	361.0	676.5	11 814.1
Other service providers	53.7	1.0		54.7
Wage-earners	21 043.2	5.4	2 095.4	23 144.0
Other	0.9	0.4	11.2	12.5
Foreign	223.3		15.9	239.2
Total	**32 279.8**	**372.7**	**2 800.5**	**35 453.0**

Given the relatively even development of the statement of financial position and changes to business codes in 2009, the size of the commitment in the middle of 2009 is a best estimate for the average of the portfolio.

Continues next page

Note 42: Credit risk *Continued*

Commitments per geographical area 2009

NOK MILLION	LOANS TO AND DUE FROM CUSTOMERS	GUARAN-TEES	UNDRAWN CREDIT LIMITS	TOTAL COMMIT-MENTS	NON-PERFORMING LOANS WITHOUT EVIDENCE OF IMPAIRMENT	NON-PERFORMING AND LOSS-EXPOSED LOANS WITH EVIDENCE OF IMPAIRMENT	GROSS NON-PERFORMING LOANS	WRITE-DOWNS OF INDIVI-DUAL LOANS	NET NON-PER-FORMING LOANS
Eastern Norway	17 689.9	330.2	1 439.6	19 459.7	176.2	675.8	852.0	182.0	670.0
Western Norway	1 955.8	0.2	230.9	2 186.9	50.5	20.1	70.6	9.2	61.4
Southern Norway	245.5		39.3	284.8	3.9	8.6	12.5	4.6	7.9
Mid-Norway	819.7		43.1	862.8	10.0	3.6	13.6	1.7	11.9
Northern Norway	381.8		38.3	420.1	9.2	13.1	22.3	4.2	18.1
Foreign	208.4		13.2	221.6	5.8	27.8	33.6	28.1	5.5
Total	**21 301.1**	**330.4**	**1 804.5**	**23 436.0**	**255.7**	**749.0**	**1 004.7**	**229.9**	**774.8**

Commitments per geographical area 2008

NOK MILLION	LOANS TO AND DUE FROM CUSTOMERS	GUARAN-TEES	UNDRAWN CREDIT LIMITS	TOTAL COMMIT-MENTS	NON-PERFORMING LOANS WITHOUT EVIDENCE OF IMPAIRMENT	NON-PERFORMING AND LOSS-EXPOSED LOANS WITH EVIDENCE OF IMPAIRMENT	GROSS NON-PERFORMING LOANS	WRITE-DOWNS OF INDIVI-DUAL LOANS	NET NON-PER-FORMING LOANS
Eastern Norway	22 160.7	365.7	2 091.1	24 617.4	134.1	461.0	595.1	224.4	370.7
Western Norway	3 142.8	0.7	322.0	3 465.4	24.4	21.7	46.1	10.2	35.9
Southern Norway	342.7	0.0	57.4	400.1	2.0	4.6	6.6	0.5	6.1
Mid-Norway	1 187.9	0.0	64.7	1 252.6	8.4	0.4	8.8	0.1	8.7
Northern Norway	456.4	0.0	46.9	503.3	13.7	6.6	20.3	1.5	18.8
Foreign	173.3	0.0	17.5	190.8	1.8	25.7	27.5	25.7	1.8
Total	**27 463.7**	**366.4**	**2 599.6**	**30 429.7**	**184.4**	**519.9**	**704.3**	**262.4**	**442.0**

Total commitments secured by mortgages 2009

NOK MILLION	LOANS TO AND DUE FROM CUSTOMERS	GUARANTEES	UNDRAWN CREDIT LIMITS	TOTAL COMMITMENTS
Financial auxiliaries		1.0		1.0
Mine operators and mining	7.0			7.0
Industry	1.0			1.0
Elelctricity, gas, steam and hot water supply	1.1			1.1
Development of building projects	1 290.7	124.5	149.2	1 564.4
Wholesale and retail trade, motor vehicle repair	14.1			14.1
Haulage and storage	28.6			28.6
Accommodation and hospitality	15.0			15.0
Information and communications	6.6	1.7	2.0	10.3
Sale and operation of real estate	5 762.2	153.7	119.1	6 034.9
Professional and financial services	381.3	1.2	3.1	385.5
Business services	571.4	0.0	0.5	571.9
Other service providers	34.0	0.0		34.0
Wage-earners	12 600.0	1.2	597.8	13 199.0
Other	0.1			0.1
Foreign	197.3		1.4	198.8
Total	**20 910.5**	**283.2**	**873.0**	**22 066.7**

Total commitments secured by mortgages 2008

NOK MILLION	LOANS TO AND DUE FROM CUSTOMERS	GUARANTEES	UNDRAWN CREDIT LIMITS	TOTAL COMMITMENTS
Industry and mining	16.8	0.0	0.0	16.8
Water and power-supply, building and construction	11.8	3.5	2.1	17.3
Wholesale/retail trade, hotels and restaurants	23.0	0.0	0.2	23.1
International shipping and pipelines	21.5	0.0	0.0	21.5
Other transportation and communications	25.5	1.1	0.0	26.6
Services and real estate operations	10 518.3	360.5	640.8	11 519.6
Other service providers	366.6	0.0	0.0	366.6
Wage-earners	16 337.2	1.3	1 009.9	17 348.5
Other	1.4	0.0	0.0	1.4
Total	**27 322.1**	**366.4**	**1 653.0**	**29 341.5**

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Note 42: Credit risk *Continued*

Total engagement amount by remaining term to maturity 2009

NOK MILLION	LOANS TO AND DUE FROM CUSTOMERS	GUARANTEES	UNDRAWN CREDIT LIMITS	TOTAL COMMITMENTS
Up to 1 month	172.8	28.9	8.0	209.7
1 - 3 months	613.9	39.3	34.5	687.7
3 months - 1 year	1 547.2	27.9	126.1	1 701.2
1 - 5 years	2 273.6	191.4	339.2	2 804.2
More than 5 years	16 693.6	42.9	1 296.7	18 033.3
Total	**21 301.1**	**330.4**	**1 804.5**	**23 436.0**

Total engagement amount by remaining term to maturity 2008

NOK MILLION	LOANS TO AND DUE FROM CUSTOMERS	GUARANTEES	UNDRAWN CREDIT LIMITS	TOTAL COMMITMENTS
Up to 1 month	1 330.7	95.2	147.1	1 573.0
1 - 3 months	284.3	42.4	50.5	377.2
3 months - 1 year	2 199.9	27.4	434.4	2 661.7
1 - 5 years	3 320.2	193.6	385.1	3 898.9
More than 5 years	20 328.6	7.8	1 582.5	21 918.9
Total	**27 463.7**	**366.4**	**2 599.6**	**30 429.7**

Age distribution of overdue engagements without write-downs 2009

NOK MILLION	LOANS TO AND DUE FROM CUSTOMERS	GUARANTEES	UNDRAWN CREDIT LIMITS	TOTAL COMMITMENTS
Overdue 1 - 30 days	2 082.5		21.3	2 103.8
Overdue 31 - 60 days	110.0		0.6	110.6
Overdue 61- 90 days	23.5		0.2	23.7
Overdue more than 90 days	254.1		1.5	255.7
Total	**2 470.2**	**0.0**	**23.6**	**2 493.7**
Engagements overdue by more than 90 days by geographical area:				
Eastern Norway	175.1		1.1	176.2
Western Norway	50.2		0.3	50.5
Southern Norway	3.9		0.0	3.9
Mid-Norway	9.9		0.0	10.0
Northern Norway	9.2		0.1	9.2
Foreign	5.8		0.0	5.8
Total	**254.1**	**0.0**	**1.5**	**255.7**

Age distribution of overdue engagements without write-downs 2008

NOK MILLION	LOANS TO AND DUE FROM CUSTOMERS	GUARANTEES	UNDRAWN CREDIT LIMITS	TOTAL COMMITMENTS
Overdue 1 - 30 days	2 082.0	6.2	6.1	2 094.32
Overdue 31 - 60 days	403.9	19.0	0.8	423.74
Overdue 61- 90 days	95.6			95.60
Overdue more than 90 days	184.4		0.4	184.80
Total	**2 765.9**	**25.3**	**7.3**	**2 798.5**
Engagements overdue by more than 90 days by geographical area:				
Eastern Norway	134.1		0.4	134.5
Western Norway	24.4		0.0	24.4
Southern Norway	2.0			2.0
Mid-Norway	8.4			8.4
Northern Norway	13.7			13.7
Foreign	1.8			1.8
Total	**184.4**	**0.0**	**0.4**	**184.8**

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Note 42: Credit risk *Continued*

Only non-performing and loss-exposed loans are classified by geographical area in this overview. The same definition is used for due commitments as the one in the capital requirements regulations, however the number of days in the definition equals the age distribution.

The definition of non-performing and loss exposed was changed in Q4 2009. Commitments are regarded as non-performing and loss exposed:

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

When one of the three situations described above occurs, the commitment and the rest of the customer's commitments are regarded as non-performing and loss exposed. The number of days is counted from when the arrears exceed NOK 2,000. The account is given a clean bill of health when there are no longer any arrears. The amount in arrears at the time of reporting can be less than NOK 2,000. The new definition is stricter than the previous version and results in more commitments being classed as non-performing and loss exposed. Comparabale figures for 2008 have note been changed.

Credit risk per customer group 2009

NOK MILLION	TOTAL VALUE IMPAIRED ENGAGEMENTS	TOTAL DUE ENGAGEMENTS	TOTAL VALUE CHANGES	TOTAL WRITE-DOWNS	TOTAL VALUE CHANGE RECOGNISED IN PROFIT AND LOSS DURING PERIOD
Development of building projects	17.5			19.6	9.3
Wholesale and retail trade, motor vehicle repair	0.3	1.0		0.2	
Sale and operation of real estate	537.0	2.5		88.0	-27.3
Professional and financial services	5.8			5.8	-0.3
Business services	2.5			2.8	2.6
Wage-earners	162.8	246.4		89.9	-19.9
Other					-1.4
Foreign	23.2	5.7		23.5	4.3
Total	**749.0**	**255.7**	**0.0**	**229.9**	**-32.7**

Credit risk per customer group 2008

NOK MILLION	TOTAL VALUE IMPAIRED ENGAGEMENTS	TOTAL DUE ENGAGEMENTS	TOTAL VALUE CHANGES	TOTAL WRITE-DOWNS	TOTAL VALUE CHANGE RECOGNISED IN PROFIT AND LOSS DURING PERIOD
Water and power supply, building and construction				0.2	
Wholesale/retail trade	0.2			0.8	
International shipping and pipelines	0.9				
Services and real estate operations	323.3	5.5		117.5	91.0
Other service industries	0.9			0.9	
Wage-earners	144.6	177.7	-33.6	100.9	6.3
Other	26.1			17.7	-6.1
Foreign	23.9	1.2		24.3	0.9
Total	519.9	184.4	-33.6	262.4	92.0

Taken over pledged assets

Storebrand Bank ASA has no taken over pledged assets at year-end 2009.

Financial assets at fair value through profit and loss (FVO)

	LENDING TO CUSTOMERS		LIQUIDITY PORTFOLIO	
NOK MILLION	2009	2008	2009	2008
Book value	758.3	282.9	11 402.8	6 610.6
Maximum exposure to credit risk	758.3	282.9	11 402.8	6 610.6
Book value of related credit derivatives that reduce credit risk				
This year's change in fair value of financial assets due to change in credit risk			42.9	-37.3
Accumulated change in fair value of financial assets due to change in credit risk			42.9	-37.3
This year's change in their value of related credit derivatives				
Accumulated change in their value of related credit derivatives				

Lending to customers is measured at fair value based on valuation techniques. The valuation techniques use interest rate curves from Reuters and credit spreads for equivalent new loans as per the end of December.

Financial assets are earmarked at fair value through the profit and loss account in accordance with the fair vaule option (FVO) the first time they are recognised in those cases another measurement would result in an inconsistency in the profit and loss account.

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Note 42: Credit risk *Continued*

Financial liabilities at fair value through profit and loss (FVO)

NOK MILLION	2009	2008
The year's change in fair value of liabilities due to changes in credit risk	10.4	0.2
Difference between book value of liabilities and contractual amount due at maturity	11.4	-1.2
Accumulated change in fair value of liabilities due to changes in credit risk	10.4	0.2
Difference between book value of liabilities and contractual amount due at maturity	11.4	-1.2

Credit risk derivatives

Credit risk per counterparty

NOK MILLION	AAA FAIR VALUE	AA FAIR VALUE	A FAIR VALUE	BBB FAIR VALUE	NON-INVEST-MENT GRADE FAIR VALUE	TOTAL 2009 FAIR VALUE	TOTAL 2008 FAIR VALUE
Great Britain		1.4	2.7			4.1	7.2
Norway		111.5	28.7		214.7	355.0	858.7
Sweden			31.2			31.2	0.0
Total	**0.0**	**112.9**	**62.5**	**0.0**	**214.7**	**390.2**	**876.9**

Rating classes are based on Standard & Poors.

Change in value:							
Total change in value balance sheet	0.0	112.9	62.5	0.0	214.7	390.2	876.9
Change in value recognised in the profit and loss during period	-10.5	-138.8	55.4		-392.8	-486.8	876.9

Equity options, interest rate swaps, basis swaps and forward foreign exchange contracts
Derivatives are entered into for hedging purposes. Derivative transactions are entered into with counterparties that are "investment grade" rated.

Note 43: Liquidity risk

Non-discounted cash flows - financial liabilties 2009

NOK MILLION	0 - 6 MONTHS	6 - 12 MONTHS	1 - 3 YEARS	3 - 5 YEARS	MORE THAN 5 YEARS	TOTAL	BOOK VALUE
Liabilities to credit institutions	1 524.2	1 111.7	4 829.3	3 647.7	0.0	11 112.9	10 355.5
Deposits from and due to customers	18 336.3	7.9	0.5			18 344.7	18 344.7
Commercial paper and bonds issued	772.9	1 934.4	1 550.1	1 119.7	668.7	6 045.7	4 853.5
Other liabilities	730.4					730.4	730.4
Subordinated loan capital	14.0	197.4	571.8	309.2	0.0	1 092.3	960.4
Undrawn credit limits	3 096.7					3 096.7	
Lending commitments	467.8					467.8	
Total financial liabilities	**24 942.3**	**3 251.5**	**6 951.6**	**5 076.5**	**668.7**	**40 890.6**	**35 244.5**

The amounts includes accrued interests.

Non-discounted cash flows - financial liabilties 2008

NOK MILLION	0 - 6 MONTHS	6 - 12 MONTHS	1 - 3 YEARS	3 - 5 YEARS	MORE THAN 5 YEARS	TOTAL	BOOK VALUE
Liabilities to credit institutions	1 066.0	32.3	5 414.9	237.6		6 750.8	6 517.1
Deposits from and due to customers	18 171.2	120.3				18 291.5	18 305.0
Commercial paper and bonds issued	2 069.6	3 048.4	3 522.2	978.2	322.1	9 940.5	8 999.8
Other liabilities	433.1					433.1	433.1
Subordinated loan capital	24.9	23.0	79.8	112.3	1 101.3	1 341.3	962.0
Undrawn credit limits	3 345.7					3 345.7	
Lending commitments	418.9					418.9	
Total financial liabilities	**25 529.3**	**3 224.0**	**9 016.9**	**1 328.1**	**1 423.4**	**40 521.7**	**35 217.0**

The amounts includes accrued interests.

The due overview included interest. Implicit forward interest rates based on the yield curve on 31 December 2009 are used to calculate interest costs for lending with FRN conditions. The due overview was set up using the ORM risk management system.

Note 44: Foreign exchange risk

Financial assets and liabilities in foreign currency

	STATEMENT OF FINANCIAL POSITION ITEMS		CURRENCY FORWARDS	NET POSITION	
NOK MILLION	ASSETS	LIABILITIES	NET SALE	IN CURRENCY	IN NOK
CHF	67.7	0.5	67.2		
DKK	3.5	3.5			
EUR	25.2	740.7	-715.5	-0.7	-5.4
GBP	2.9	3.5	-0.6		
JPY	7.2	0.0	7.2	-0.5	
SEK	474.7	415.0	59.7	0.2	0.2
USD	63.7	29.8	33.9	0.1	0.5
Other	0.1	0.1			
Total 2009					**-4.8**
Total 2008					**-2.0**

Storebrand Bank ASA hedges the net currency position in its balance sheet with forward contracts, accordingly forward sales and forward purchases are not shown separately in respect of assets and liabilities.

Note 45: Sensitivity analyses - financial assets and liabilities

In the event of market risk changes that occur during the first year, the affect on the result and equity will be as shown below based on the balance sheet as of 31 December 2009:

Effect on income

NOK MILLION	AMOUNT
Interest rate -1.5%	-17.8
Interest rate +1.5%	11.7

Effect on net profit/equity

NOK MILLION	AMOUNT
Interest rate -1.5%	-17.8
Intersest rate +1.5%	11.7

The note demonstrates the accounting effect over a 12-month period of an immediate parallel change in interest rates of +1.5 percentage points and -1.5 percentage points. Account has been taken of the one-time effect such an immediate change in interest rates would have on the items recognised at fair value and hedging value and of the effects the change in interest rates would have on the result for the remainder of the interest rate duration period before the change in interest rate has income and cost related effects. The sensitivity calculation was carried out using the ORM risk management system.
Items affected by one-time effects and which are recognised at fair value are the liquidity portfolio, fixed rate lending, borrowing via the government swap scheme, deposits with equity returns, and derivatives. The item affected by one-time effects and which is subject to hedge accounting is fixed rate borrowing.

See also note 44 regarding foreign exchange risk.

Storebrand Bank ASA and the Storebrand Bank Group

- Declaration by the Board of Directors and the Managing Director

On this date, the Board and CEO have discussed and approved the annual report and annual financial statements for Storebrand Bank ASA and the Storebrand Bank Group for the 2009 financial year and as per 31 December 2009 (Annual Report 2009).

The consolidated financial statements are prepared in accordance with the EU-approved International Financial Reporting Standards (IFRS) and interpretations, as well as the other disclosure obligations stipulated in the Norwegian Accounting Act and the Norwegian regulations for the annual accounts of banks and finance companies and which must be applied as per 31 December 2009. The annual financial statements for the parent company were prepared in accordance with the Norwegian Accounting Act, the Norwegian regulations for the annual accounts of banks and finance companies and the additional requirements in the Norwegian Securities Trading Act. The annual report for the group and parent company complies with the requirements of the Norwegian Accounting Act, Norwegian Accounting Standard no. 16 and the Norwegian regulations for the annual accounts of banks and finance companies as per 31 December 2009.

In the best judgement of the Board and CEO the annual financial statements and consolidated financial statements for 2009 have been prepared in accordance with applicable accounting standards, and the information in the financial statements provides a fair and true picture of theassets, liabilities, financial standing and results as a whole of the parent company and the group as per 31 December 2009.
In the best judgement of the Board and CEO the annual report provides a fair and true overview of important events during the accounting period and their effects on the annual financial statements and consolidated financial statements. In the best judgement of the Board and CEO the descriptions of the most important risk and uncertainty factors the group faces in the next accounting period, as well as the descriptions of related parties' significant transactions, also provide a fair and true overview.

Lysaker, 16 February 2010
The Board of Directors of Storebrand Bank ASA

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Idar Kreutzer Chairman	Stein Wessel-Aas Deputy Chairman	Kristine Schei Board Member
Odd Arild Grefstad Board Member	Roar Thoresen Board Member	Heidi Storruste Board Member
	Klaus-Anders Nysteen CEO	

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Translation from the original Norwegian version

To the Annual Shareholders' Meeting of Storebrand Bank ASA

AUDITOR'S REPORT FOR 2009

We have audited the annual financial statements of Storebrand Bank ASA as of December 31, 2009 showing a profit of NOK 30,5 million for the parent company and a profit of NOK 19,1 million the group. We have also audited the information in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposal for the allocation of the profit. The annual financial statements comprise the parent company's financial statements and the group accounts. The parent company's financial statements comprise the statement of financial position, the statements of income, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the accompanying notes. Simplified application in accordance with the Norwegian Accounting Act § 3-9 of International Financial Reporting Standards as adopted by the EU has been applied to prepare the parent company's financial statements. The group accounts comprise the statement of financial position, the statement of income, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the accompanying notes. International Financial Reporting Standards as adopted by the EU have been applied to prepare the group accounts. These financial statements 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 on other information according to the requirements of the Norwegian Act on Auditing and Auditors.

We have conducted our audit in accordance with the Norwegian Act on Auditing and Auditors and generally accepted auditing practice in Norway, including standards on auditing adopted by Den norske Revisorforening. These auditing standards 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 estimates made by management, as well as evaluating the overall financial statement presentation. To the extent required by law and generally accepted auditing practice, 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.

In our opinion,

- the parent company's financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as of December 31, 2009, and the results of its operations and its cash flows and the changes in equity for the year then ended, in accordance with simplified application in accordance with the Norwegian Accounting Act § 3-9 of International Financial Reporting Standards as adopted by the EU
- the group accounts are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Group as of December 31, 2009, and the results of its operations and its cash flows and the changes in equity for the year then ended, in accordance with International Financial Reporting Standards as adopted by the EU
- the Company's management has fulfilled its duty to see to proper and well arranged recording and documentation of accounting information in accordance with law and generally accepted bookkeeping practice in Norway
- the information in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposal for the allocation of the profit, is consistent with the financial statements and complies with law and regulations.

Oslo, February 16, 2010
Deloitte AS

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

Control Committee's Statement for 2009

At its meeting on 8 March 2010, the Control Committee of Storebrand Bank ASA reviewed the Board of Directors' proposed Annual Report and Accounts for 2009 for Storebrand Bank ASA and the Storebrand Bank Group.

With reference to the auditor's report of 16 February 2010, the Control Committee recommends that the Annual Report and Accounts proposed be adopted as the Annual Report and Accounts of Storebrand Bank ASA and the Storebrand Bank Group for 2009.

Lysaker, 8 March 2010

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Finn Myhre
Chairman of the Control Committee

Board of Representatives' Statement 2009

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 the Storebrand Bank Group.

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

Lysaker, 16 March 2010

Translation - not to be signed

Terje Venold
Chairman of the Board of Representatives

storebrand

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