

Storebrand Kredittforetak AS Annual Report 2007

 storebrand



ANNUAL REPORT 2007

BUSINESS ACTIVITIES

Storebrand Kredittforetak AS (formerly Storebrand II AS) is a wholly-owned subsidiary of Storebrand Bank ASA and did not carry out any business activities in 2007. The company is located at Storebrand's Head Office at Filipstad brygge 1, Oslo.

ACCOUNTS

The accounts cover the period from the company's incorporation on 20 November 2006 to 31 December 2007.

The accounts of Storebrand Kredittforetak AS show an annual profit for 2007 of NOK 350,309. The company's revenue relates principally to interest income on bank deposits following the share issue carried out in November 2007.

The company's equity capital at the close of the year, following group contribution paid, was NOK 80,083,800. The increase in share capital approved by a general meeting of the company on 13 November 2007 was registered with the Register of Business Enterprises (Foretaksregisteret) on 28 January 2008. The Board will ensure that the company maintains at all times a level of equity capital that is prudent in relation to its activities.

The Board is of the opinion that the profit and loss account, balance sheet and notes to the accounts presented provide satisfactory information on the company's activities and condition as at 31 December 2007.

STATEMENT OF GOING CONCERN COMPLIANCE FOR THE ANNUAL ACCOUNTS

The Board confirms that the company meets the requirements for the accounts to be prepared on a going concern basis, and the annual accounts for 2007 have therefore been prepared on this basis.

FINANCIAL RISK

Over the course of the accounting period the company was only exposed to risk associated with the interest rate terms on the company's bank account. Once the

company starts its authorised activities in 2008, it will principally be exposed to the same risks as its parent company, Storebrand Bank ASA.

EMPLOYEES

The company had no employees at the close of 2007. Accordingly, no measures were implemented in respect of the working environment.

GENDER EQUALITY

Three members of the board are male and one member of the board is female. The Board and management will continue to work actively to promote employment equality.

EXTERNAL ENVIRONMENT

The Storebrand group is committed to reducing its impact on the environment. This includes measuring the group's consumption of water, reducing energy consumption and paper usage, sorting waste and recycling all electronic equipment.

OTHER MATTERS

The Board is not aware of any matters that have arisen since the accounts were prepared that have a significant effect on the company's earnings or financial condition.

FUTURE PROSPECTS

Storebrand Kredittforetak was granted conditional authorisation in autumn 2007 to operate as a credit institution and issue covered bonds, and the Norwegian Financial Supervisory Authority (Kredittilsynet) granted final approval for these activities in early January 2008. The work to establish Storebrand Kredittforetak as a credit institution will be completed during the first quarter of 2008, and the company expects to issue its first covered bonds in March/April 2008.

ALLOCATION OF THE RESULT FOR THE YEAR

The company reports a profit for the year of NOK 350,309. The Board proposes that the entire annual profit should be paid to Storebrand Bank ASA as a group contribution with tax deduction.

Allocation of the result:

Transferred to other equity	NOK	0
Group contribution to parent company (post-tax)	NOK	350 309
Total allocations	NOK	350 309

The company's undistributed reserves following the group contribution paid amount to NOK 0.

Oslo, 15 February 2008
The board of Directors of Storebrand Kredittforetak AS

Translation - not to be signed

Klaus-Anders Nysteen
Chairman

Thor Bendik Weider

Mikkel Andreas Vogt

Inger Roll-Matthiesen

Åse Jonassen
Managing Director

PROFIT AND LOSS ACCOUNT

20 November 2006 - 31 December 2007

NOK	NOTE	2007
Operating revenue		
Other operating revenue		
Total operating revenue		0
Operating costs		
Other operating costs	7	-14 963
Total operating costs		-14 963
Operating profit		-14 963
Financial income		
Other financial income	4	501 503
Total financial income		501 503
Net financial items		501 503
Profit before tax		486 541
Tax	6	-136 231
Profit for the year		350 309
Allocated to:		
Group contribution paid	3	-350 309
To/from other equity		0
Total allocations		-350 309

BALANCE SHEET

31 December 2007

NOK	NOTE	2007
ASSETS		
Current assets		
Bank deposits	4	80 571 297
Total current assets		80 571 297
Total assets		
		80 571 297
LIABILITIES AND EQUITY		
Equity		
<i>Paid in capital</i>		
Share capital	3	100 000
Share premium reserve	3	44 000
Capital increase paid in but not registered	3	79 939 800
<i>Retained earnings</i>		
Other equity	3	0
Total equity		80 083 800
Current liabilities		
Tax payable	6	0
Group contribution	4	486 539
Liabilities to group companies	4	957
Total current liabilities		487 497
Total liabilities and equity		
		80 571 297

Oslo, 15 February 2008

The board of Directors of Storebrand Kredittforetak AS

Translation - not to be signed

Klaus-Anders Nysteen
Chairman

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Managing Director

NOTES TO THE ACCOUNTS

NOTE 1: Accounting principles

The annual accounts have been prepared in accordance with the Accounting Act and Norwegian generally accepted accounting principles.

Valuation classification of assets and liabilities

Assets intended for permanent ownership or use are classified as fixed assets. Other assets are classified as current assets. Receivables that fall due within one year are classified as current assets. Equivalent criteria are applied to classify current liabilities and long-term liabilities.

Fixed assets are valued at acquisition cost, less a deduction for depreciation according to plan. If the recoverable value of a fixed asset is lower than its book value and the fall in value is not expected to be temporary, the asset is written down to its recoverable value. Fixed assets with finite economic life are subject to planned depreciation.

Receivables

Accounts receivable and other receivables are recognised in the accounts at nominal value after deducting a provision for expected losses. The provision for losses is determined by evaluating each receivable.

Accruals

Income and expenses are accrued in accordance with the underlying accounting principles.

NOTE 2: Establishing the business

The company was incorporated on 20 November 2006 as Storebrand II AS. The company did not publish annual accounts for 2006 and the accounts for 2007 therefore include all transactions from the date of incorporation to the end of 2007. At a general meeting held on 13 November 2007 it was resolved to increase the company's share capital and change its name to Storebrand Kredittforetak AS.

The general meeting also resolved to change the company's articles of association so that its business objectives is to grant or acquire residential mortgage loans or other loans secured by real estate and to finance lending activities. The company subsequently applied to the Norwegian Financial Supervisory Authority (Kredittilsynet) for authorisation to issue covered bonds. This authorisation had not yet been granted at the end of the financial year, and the company therefore did not carry out any activities in 2007. Final approval from Kredittilsynet to carry out such activities was received in early January 2008.

NOTE 3: Equity

NOK	SHARE CAPITAL	SHARE PREMIUM	OTHER EQUITY	2007
Equity at incorporation on 20 November 2006	100 000	44 000		144 000
Increase in share capital (Registered on 28.01.08)	49 900 000	30 039 800		79 939 800
Profit for the year			350 309	350 309
Group contribution paid			-350 309	-350 309
Equity at 31.12	50 000 000	30 083 800	0	80 083 800

The company has issued 500,000 shares each of nominal value NOK 100. Storebrand Bank ASA owns 100% of the company's share capital.

NOTE 4: Transactions with group companies

NOK	2007
Profit and loss account:	
Interest	501 503
Balance sheet:	
Current assets	80 571 297
Current liabilities	-487 496

The company has paid a group contribution of NOK 486,539 including tax. All the transactions mentioned above were entered into with the parent company, Storebrand Bank ASA.

NOTE 5: Remuneration of the managing director and elected officers

The managing director of the company, with effect from 1 January 2008, is Åse Frøydis Andrea Jonassen.

The Chairman of the Board holds 1,813 shares in Storebrand ASA.

The Chairman of the Board has been granted a loan of NOK 1,700,000 on favourable employee terms, currently at a rate of 4.76% and repayable in 2026, with a further balance of NOK 1,746,110 at an interest rate of 5.55% repayable in 2017.

The Chairman of the Board is an employee of the Storebrand group, but does not receive any remuneration from the company for his appointment as Chairman. No remuneration was paid to any member of the Board of Directors, whether internal or external, in the financial year.

The company has no commitments to the Chairman of the Board in respect of changes to or termination of the Chairman's appointment.

The company does not have a corporate assembly.

NOTE 6: Tax

NOK	2007
Tax charge	
Profit for the year	486 541
+/- Permanent differences	
+/- Change in temporary differences	
Tax base for the year	486 541
Calculated tax	136 231
Tax on group contribution paid	-136 231
Tax payable	0
Calculated tax	136 231
Net change in deferred tax/deferred tax asset	
Correction for tax in previous years	
Tax on ordinary result	136 231

The company had no temporary differences at 31.12.2007.

NOTE 7: Auditor's fee

The remuneration paid to Deloitte AS and co-operating companies for audit services in the period to 31.12.2007 totalled NOK 7,500 (excluding value added tax).

NOK	2007
Statutory audit	7 500
Other reporting services	0
Taxation advice	0
Other non-audit services	0

NOTE 8: Pension liabilities

The company had no employees at the close of 2007, and therefore did not operate any pension arrangements.

Translation from the original Norwegian version

To the Annual Shareholders' Meeting of Storebrand Kredittforetak AS

AUDITOR'S REPORT FOR 2007

We have audited the annual financial statements of Storebrand Kredittforetak AS as of 31 December 2007, showing a profit of NOK 350.309. 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 financial statements comprise the balance sheet, the statements of income and the accompanying notes. The rules of the Norwegian Accounting Act and generally accepted accounting practice in Norway have been applied to prepare the financial statements. 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 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 31 December 2007, and the results of its operations for the year then ended, in accordance with generally accepted accounting practice in Norway
- 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, 15 February 2008
Deloitte AS

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

COMPANY INFORMATION

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Norway

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Website: www.storebrand.no
E-mail address: bank@storebrand.no

Company registration number 990 645 515

Senior Management:

Åse Jonassen Managing Director

Board of Directors:

Klaus-Anders Nysteen	Chairman
Mikkel Andreas Vogt	Board Member
Thor Bendik Weider	Board Member
Inger Roll-Matthiesen	Board Member

Contact person:

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