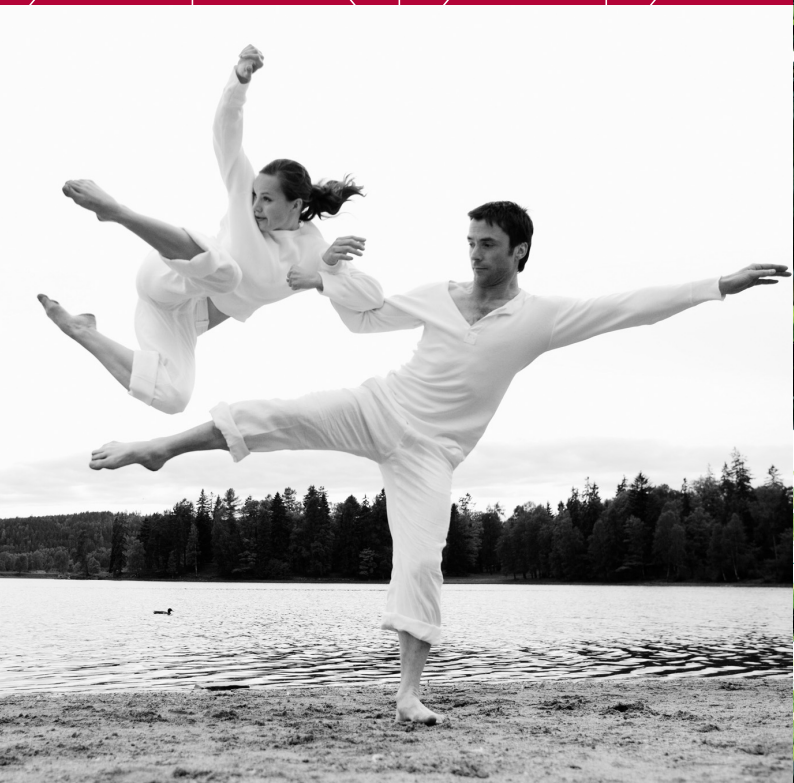
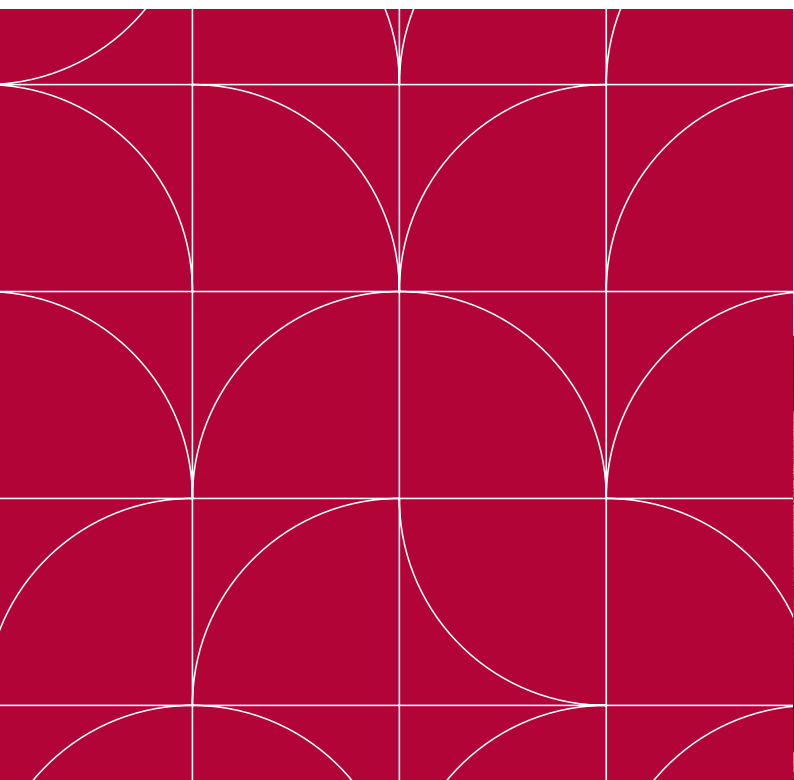


Storebrand Bank Group

1st Quarter 2006

 storebrand



Storebrand Bank Group

- results for Q1 2006 in accordance with IAS 34 – Interim Financial reporting

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

- Storebrand Bank Group reported a pre-tax profit of NOK 48 million for Q1
- Net income from loan loss provisions of NOK 15 million in Q1
- Gross lending increased by NOK 500 million in the quarter
- Lending syndicated to Storebrand Life Insurance increased by NOK 856 million in the quarter
- Reduction in defaulted and loss-exposed loans

Storebrand Bank Group reported ordinary operating profit for Q1 of NOK 34 million (NOK 72 million). After a net credit of NOK 15 million for write-backs of loan loss provisions and write-downs of financial assets, pre-tax profit for Q1 was NOK 48 million (NOK 72 million).

Net interest income amounted to NOK 106 million in Q1 (NOK 120 million). This represents an interest margin calculated on average total assets of 1.41% (1.78%). The increased competition in the banking market as a whole continues to put pressure on the bank's net interest margin.

Operating expenses amounted to NOK 97 million in Q1 (NOK 88 million). The level of costs was affected by increased distribution costs due to strong sales of real estate fund. Other costs are level with last year.

Changes in loan loss provisions in Q1 resulted in a net write-back of NOK 15 million. This is due to a number of changes in the volume and value of loans with identified losses. Gross non-performing and loss-exposed loans totalled NOK 681 million at 31 March 2006, a reduction of NOK 73 million from the previous quarter. The bank's loan loss provisions totalled NOK 461 million at the end

of the quarter, of which grouped provisions accounted for NOK 82 million. This represents a level of provisioning relative to non-performing and loss-exposed loans of 64%, which is slightly higher than at the close of Q4 2005.

The bank's assets totalled NOK 31 billion at the end of Q1. Gross lending increased by NOK 500 million in Q1, of which lending to retail clients increased by NOK 817 million and corporate lending decreased by NOK 317 million. After taking into account lending booked through Storebrand Life Insurance's balance sheet, the change in corporate lending shows an increase of NOK 538 million. The deposit-to-loan ratio increased in Q1 to 47% at 31 March 2006. The bank's net primary capital amounted to NOK 2.0 billion at 31 March 2006. At the end of the quarter the bank's capital ratio was 10.3% and its core capital ratio was 8.1%.

The marketing activities and price measures implemented by Storebrand Bank in 2005 and so far in 2006 have greatly contributed to the positive trend seen in lending, and the growth in the number of new accounts has also continued in 2006. The bank has opened over 5000 new accounts for retail customers so far in 2006.

Oslo, 9 May 2006

The Board of Directors of Storebrand Bank ASA

Storebrand Bank Group

PROFIT AND LOSS ACCOUNT

NOK MILLION	GROUP		
	1.1.06 - 31.3.06	1.1.05 - 31.3.05	1.1.05 - 31.12.05
Interest income	278.9	279.6	1 036.4
Interest expense	-172.4	-159.7	-585.8
Net interest income	106.5	119.9	450.6
Fee and commission income from banking services	19.4	8.6	43.8
Fee and commission expenses for banking services	-4.1	-4.4	-15.1
Net income and gains from associated companies	1.6	0.0	6.4
Net gains on financial instruments at fair value	4.2	27.5	29.2
Other income	3.3	9.2	37.9
Total other operating income	24.3	40.9	102.4
Staff expenses and general administration expenses	-44.1	-41.9	-164.8
Other operating costs	-53.0	-46.5	-181.5
Total non-interest expenses	-97.1	-88.4	-346.3
Operating profit before losses and other items	33.7	72.4	206.6
Loan losses and provisions	14.6	-0.7	34.4
Profit before tax	48.3	71.6	241.1
Tax	-12.9	-15.4	-47.0
Minority interests	0.2	0.0	0.0
Profit for the year	35.5	56.2	194.1

Storebrand Bank Group

BALANCE SHEET

NOK MILLION	GROUP		
	31.3.06	31.3.05	31.12.05
Cash and deposits with central banks	707.3	130.6	423.9
Loans to and deposits with credit institutions	101.2	148.1	41.7
Financial assets designated at fair value through profit or loss:			
Equity instruments	10.9	10.8	8.8
Bonds and other fixed-income securities	2 412.3	2 421.8	1 703.1
Derivatives	515.4	371.3	515.0
Other current assets	229.1	198.0	185.4
Gross lending	27 257.3	23 558.5	26 757.7
- Write-downs of individual loans	-378.7	-470.8	-389.6
- Write-downs of groups of loans	-81.9	-115.7	-89.2
Net lending to customers	26 796.7	22 972.0	26 278.8
Investments in associated companies	39.9	37.9	38.3
Tangible assets	9.8	11.9	10.1
Intangible assets	30.9	18.7	26.0
Deferred tax assets	210.9	257.6	224.8
TOTAL ASSETS	31 064.4	26 578.7	29 455.9
Liabilities to credit institutions	1 389.7	1 622.8	1 464.6
Deposits from and due to customers	12 930.0	10 588.0	11 187.0
Other financial liabilities:			
Derivatives	497.6	352.4	452.3
Commercial paper and bonds issued	13 689.9	11 065.0	13 657.2
Other liabilities	267.0	221.6	217.3
Provision for accrued expenses and liabilities	4.0	4.2	4.9
Pension liabilities	101.3	98.6	101.3
Subordinated loan capital	659.3	655.7	658.9
TOTAL LIABILITIES	29 538.8	24 608.2	27 743.4
Share capital	916.6	1 315.9	916.6
Other equity	606.2	654.7	792.9
Minority interests	2.8	0.0	3.0
TOTAL EQUITY	1 525.6	1 970.6	1 712.5
TOTAL LIABILITIES AND EQUITY	31 064.4	26 578.7	29 455.9

Storebrand Bank Group

CHANGE IN EQUITY

NOK MILLION	31.3.06	GROUP 31.3.05	31.12.05
Equity at the start of the period	1 712.5	1 976.0	1 976.0
Profit for the period	35.5	56.2	194.1
Dividend paid	-222.4	-61.7	-61.7
Received group contribution	0.0	0.0	0.0
Repayment of share capital	0.0	0.0	-399.3
Change in minority interests	-0.2	0.0	2.2
Other changes	0.2	0.0	1.2
Equity at the end of the period	1 525.6	1 970.6	1 712.5

ANALYSIS OF CASH FLOW

NOK MILLION	31.3.06	GROUP 31.3.05	31.12.05
Cash flow from operations			
Net receipts/payments of interest, commissions and fees from customers	78.1	157.1	534.1
Net disbursement/payments on customer loans	-455.1	655.1	-2 600.6
Net receipts/payments of deposits from banking customers	1 668.1	-1 404.0	-963.2
Net receipts/payments on other operational activities	-811.1	-410.2	84.3
Net cash flow from operational activities	480.0	-1 002.0	-2 945.4
Cash flow from investment activities			
Net receipts from sale of subsidiaries	0.0	250.1	250.1
Net payments on purchase/sale of fixed assets etc.	-0.2	5.4	12.6
Net cash flow from investment activities	-0.2	255.5	262.7
Cash flow from financing activities			
Net receipts/payment from borrowing	26.0	407.5	3 036.3
Dividend/group contribution payments	-222.4	-61.7	-61.7
Paid back share capital	0.0	0.0	-399.3
Net cash flow from financing activities	-196.4	345.8	2 575.3
Net cash flow in period	283.4	-400.7	-107.4
Cash and cash equivalent assets at the start of the period	423.9	531.3	531.3
Cash and cash equivalent assets at the end of the period	707.3	130.6	423.9

Notes to the accounts

NOTE 1 ACCOUNTING PRINCIPLES

The consolidated interim accounts for the first quarter have been prepared in accordance with IAS 34 Interim Financial Reporting. The accounting principles used in the interim accounts are the same as for the annual accounts and information on these can be found in the accounting principles note to the 2005 accounts.

In preparing the interim accounts, Storebrand has used assumption and estimates that affect reported amounts on assets, liabilities, income, costs, information in the notes to the accounts and information on contingent liabilities. Actual results may differ from these estimates.

NOTE 2 KEY FIGURES

NOK MILLION	31.3.06	GROUP 31.3.05	31.12.05
Profit and Loss account: (as % of avg. total assets)			
Net interest income	1.41 %	1.78 %	1.60 %
Total other operating income	0.32 %	0.61 %	0.36 %
Total non-interest expenses	-1.28 %	-1.32 %	-1.23 %
Operating profit before losses and other items	0.45 %	1.08 %	0.74 %
Profit before tax	0.64 %	1.07 %	0.86 %
Profit for the year	0.47 %	0.84 %	0.69 %
Main balance sheet figures:			
Total assets	31 064.4	26 578.7	29 455.9
Average total assets	30 260.1	26 887.6	28 103.2
Total lending to customers	27 257.3	23 558.5	26 757.7
Equity	1 525.6	1 970.6	1 712.5
Other key figures:			
Total non-interest income as % of total income	18.59 %	25.43 %	18.51 %
Loan losses and provision as % of average total lending	-0.22 %	0.01 %	-0.13 %
Costs as % of operating income	74.23 %	55.00 %	62.62 %
Return on equity after tax ¹⁾	8.77 %	11.38 %	10.86 %

Definitions:

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

NOTE 3 CAPITAL ADEQUACY ²⁾

NOK MILLION	31.3.06	GROUP 31.3.05	31.12.05
Core capital	1 542.9	2 052.4	1 528.0
Supplementary capital	427.9	382.6	430.5
Net primary capital	1 970.8	2 435.0	1 958.5
Total assets, other portfolio	19 223.0	16 283.0	18 858.8
Total off-balance sheet items, other portfolio	365.3	327.5	355.6
Foreign exchange risk and trading portfolio	5.2	28.3	9.9
Deduction for loss provisions, revaluation account	-451.8	-558.8	-482.8
Total risk-weighted assets	19 141.6	16 080.0	18 741.5
Capital ratio	10.30 %	15.14 %	10.45 %
Excess capital	439.4	1 148.6	459.1
Core capital ratio	8.06 %	12.76 %	8.15 %

²⁾ Key figures based on NGAAP as IFRS regulations are not finalised.

Notes to the accounts

NOTE 4 QUARTERLY PROFIT AND LOSS

Quarterly profit and loss - Group

NOK MILLION	Q1 2006	Q4 2005	Q3 3005	Q2 2005	Q1 1005
Interest income	278.9	275.7	244.4	256.5	259.7
Interest expense	-172.4	-162.9	-138.7	-144.4	-139.8
Net interest income	106.5	112.8	105.7	112.1	119.9
Fee and commission income from banking services	19.4	15.4	10.2	9.7	8.6
Fee and commission expenses for banking services	-4.1	-3.3	-3.4	-4.0	-4.4
Net income and gains from associated companies	1.6	0.5	1.8	4.2	0.0
Net gains on financial instruments at fair value	4.2	7.8	7.4	3.1	27.5
Other income	3.3	6.8	2.6	2.8	9.2
Total other operating income	24.3	27.1	18.5	15.8	40.9
Staff expenses and general administration expenses	-44.1	-45.7	-37.8	-39.4	-41.9
Other operating costs	-53.0	-50.8	-41.7	-42.4	-46.5
Total non-interest expenses	-97.1	-96.5	-79.5	-81.8	-88.4
Operating profit before losses and other items	33.7	43.4	44.7	46.1	72.4
Loan losses and provisions	14.6	15.4	-3.0	22.8	-0.7
Profit before tax	48.3	58.8	41.7	68.9	71.6
Tax	-12.9	0.7	-11.7	-20.6	-15.4
Minority interests	0.2	-0.1	0.1	0.0	0.0
Profit for the year	35.5	59.4	30.1	48.3	56.2

NOTE 5 LOSSES AND PROVISIONS FOR DEFAULTED AND DOUBTFUL LOANS, GUARANTEES ETC.

NOK MILLION	31.3.06	GROUP 31.3.05	31.12.05
Defaulted and doubtful loans			
Defaulted loans without evidence of losses	91.7	90.0	112.9
Defaulted and doubtful loans with evidence of losses	588.7	831.1	641.1
Gross defaulted and doubtful loans	680.4	921.2	754.0
Provisions for individual impairment losses	-378.7	-470.8	-389.6
Net defaulted and doubtful loans	301.7	450.4	364.4

NOK MILLION	1.1.06 - 31.3.06	GROUP 1.1.05 - 31.3.05	1.1.05 - 31.12.05
Losses on loans and guarantees etc. during period			
Change in individual impairment loss provisions	-8.5	-7.6	-26.5
Change in collective impairment loss provisions	-7.3	3.0	-107.5
Other write-down effects	1.0	0.0	19.3
Realised losses specifically provided for previously	0.0	0.0	81.9
Realised losses not specifically provided for previously	0.4	5.3	0.9
Recoveries on previous realised losses	-0.2	0.0	-2.5
Losses on loans and guarantees etc.	-14.6	0.7	-34.4
Breakdown of net loan losses by sector:			
Oil and gas	-0.1	0.0	0.0
Industry and mining	0.0	0.0	0.0
Water and power supply, building and construction	-3.0	0.0	0.0
Wholesale/retail trade, hotels and restaurants	-2.0	0.0	0.0
International shipping and pipelines	1.9	5.5	15.6
Other transportation and communications	0.0	0.0	0.0
Services and real estate operations	-10.3	-8.4	-3.7
Other service industries	0.2	0.0	0.0
Retail customers	6.6	1.7	-18.5
Foreign/other	-0.6	-1.0	-4.4
General loss provisions	-7.3	3.0	-23.5
Total loan losses	-14.6	0.7	-34.4

