



STOREBRAND LIVSFORSIKRING AS

NOK 1,500,000,000

***Floating Rate Non-cumulative Perpetual Step-up Capital
Contribution Securities***

Issue price: 100.00 per cent.

The Floating Rate Non-cumulative Perpetual Step-up Capital Contribution Securities (the "Capital Securities") are being issued by Storebrand Livsforsikring AS (the "Issuer")

Interest on the Capital Securities will accrue from 29 May 2008 at a rate per annum equal to the sum of the Norwegian interbank offered rate for three-month Norwegian Kroner deposits and a margin of 4.00 per cent. per annum (in the case of Interest Periods ending before 29 May 2018 (the "Initial Call Date")) or 5.00 per cent. per annum (in the case of Interest Periods ending after the Initial Call Date), payable quarterly in arrear on the Interest Payment Dates falling in February, May, August and November of each year.

The Capital Securities will constitute unsecured, subordinated debt obligations of the Issuer and shall at all times rank *pari passu* without preference among themselves and at least *pari passu* with other outstanding Capital Securities of the Issuer and at least *pari passu* with any other obligations of the Issuer constituting or eligible as constituting Tier 1 Capital. The Capital Securities will at all times rank in priority to holders of any classes of share capital of the Issuer, both as regards the right to receive periodic payments and the right to receive repayment of capital on a bankruptcy or liquidation of the Issuer. See "Terms and Conditions of the Capital Securities — Status and Subordination".

On any Optional Interest Payment Date there may be paid the interest in respect of the Capital Securities accrued in the Interest Period ending on the day immediately preceding such date, but the Issuer may elect to defer such payment and any failure to pay shall not constitute a Violation for any purpose. Such deferred amounts shall be payable in the circumstances set out herein.

The Capital Securities have no stated maturity. The principal amount of the Capital Securities will only be payable in the event of a bankruptcy or liquidation of the Issuer or upon a redemption of the Capital Securities by the Issuer. The Capital Securities may be redeemed by the Issuer at its option on the Initial Call Date or on any date thereafter (each such date, a "Call Date") at their principal amount together with Accrued Interest (calculated as specified herein) and any Arrears of Interest, provided that, in either such case, the Norwegian Financial Supervisory Authority ("Kredittilsynet") has given its prior approval to such redemption. See "Terms and Conditions of the Capital Securities — Redemption and Repurchase — Optional Redemption". The Issuer will have the right, subject to the prior approval of Kredittilsynet, upon the occurrence of a Tax Event or Regulatory Event, to redeem the Capital Securities. See "Terms and Conditions of the Capital Securities — Redemption and Repurchase — Tax Event and Regulatory Event Redemption".

The Capital Securities will be rated Baa2 by Moody's Investors Service Limited ("Moody's") and BBB+ by Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. ("S&P"). The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Capital Securities. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

See "Risk Factors" on pages 12 to 23 of this Memorandum for certain matters that should be considered by prospective investors.

The Capital Securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or any state securities law, and may not be offered or sold within the United States or to, or for the account or benefit of, any U.S. Person (as defined in Regulation S under the Securities Act ("Regulation S")) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. See "Purchase and Transfer Restrictions".

The Capital Securities will be issued in uncertificated book entry form cleared through the Norwegian Central Securities Depository, the *Verdipapirsentralen ASA* (the "VPS"). Investors with accounts in Euroclear Bank S.A./N.V. ("Euroclear") or Clearstream Banking, société anonyme ("Clearstream, Luxembourg") may hold Capital Securities in their accounts with such clearing systems and the relevant clearing system will be shown in the records of the VPS as the holder of the relevant amount of the Capital Securities.

Application has been made to the Commission de Surveillance du Secteur Financier (the "CSSF") in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 (the "Luxembourg Act") on prospectuses for securities to approve this document as a prospectus and to the Luxembourg Stock Exchange for the listing of the Capital Securities on the Official List of the Luxembourg Stock Exchange and admission to trading on the Luxembourg Stock Exchange's regulated market. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of Directive 2004/39/EC (the Markets in Financial Instruments Directive).

Bookrunner and Joint Lead Manager

Nordea

Joint Lead Managers

JPMorgan

UBS Investment Bank

The date of this Offering Memorandum is 27 May 2008

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This Memorandum comprises a prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (the "Prospectus Directive") and for the purposes of the Luxembourg Act.

The Issuer and the joint lead managers identified under "Plan of Distribution" below (the "Joint Lead Managers") reserve the right to reject any offer to purchase Capital Securities, in whole or in part, for any reason and to allot to any prospective investor less than the full amount of Capital Securities sought by such investor. The Joint Lead Managers and certain related entities may acquire for their own account a portion of the Capital Securities offered hereby.

In making an investment decision regarding the Capital Securities offered hereby, prospective investors must rely on their own examination of the Issuer and the terms of the offering, including the merits and risks involved. The Joint Lead Managers have not independently verified any of the information contained in this Memorandum (financial, legal or otherwise) and assume no responsibility for the accuracy or completeness of any such information.

The information contained in this Memorandum has been furnished by the Issuer and other sources believed by the Issuer to be reliable. This Memorandum contains summaries, believed to be accurate, of certain terms of certain documents but reference is made to the actual documents, copies of which will be made available upon request, for the complete information contained therein. All such summaries are qualified in their entirety by this reference.

Having made all reasonable inquiries, the Issuer confirms that (i) this Memorandum contains all information with regard to the Issuer, its subsidiaries and the Capital Securities which is material in the context of the issue and offering of the Capital Securities; (ii) the information contained in this Memorandum is true and correct in all material respects and is not misleading; (iii) the opinions, expectations and intentions with regard to the Issuer expressed herein are true and honestly held, have been reached after considering all relevant circumstances, and are based on reasonable assumptions; and (iv) there is no other fact or matter with regard to the Issuer, its subsidiaries or the Capital Securities omitted from this Memorandum, the omission of which would, in the context of the issue and offering of the Capital Securities, make any statement herein misleading in any material respect. The Issuer accepts responsibility for the information contained in this Memorandum.

The Joint Lead Managers make no representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this Memorandum. Nothing in this Memorandum is, or shall be relied upon as, a promise or representation by the Joint Lead Managers as to the past or the future.

No person has been authorised to give any information or make any representation concerning the Issuer or the Capital Securities not contained in this Memorandum and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Joint Lead Managers. The information contained herein is as of the date hereof and subject to change, completion or amendment without notice. Neither the delivery of this Memorandum at any time nor any subsequent commitment to issue any Capital Securities shall, under any circumstances, create any implication that there has been no change in the information set forth herein or in the affairs of the Issuer since the date hereof.

Prospective investors are not to construe the contents of this Memorandum as investment, legal or tax advice. Each investor should consult its own counsel, accountant and other advisors as to legal, tax, business, financial and related aspects of a purchase of the Capital Securities. Neither the Issuer nor the Joint Lead Managers are making any representation to any offeree or purchaser of the Capital Securities regarding the legality of an investment therein by such offeree or purchaser under appropriate legal investment or similar laws.

The distribution of this Memorandum and the offer and sale of the Capital Securities may be restricted by law in certain jurisdictions. Persons possessing this Memorandum or any of the Capital Securities must inform themselves about, and observe, any such restrictions and comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers or sells Capital Securities or possesses or distributes this Memorandum and must obtain any consent, approval or permission required of it for the purchase, offer or sale by it of the Capital Securities under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales, and neither the Issuer nor the Joint Lead Managers shall have any responsibility therefor. See "Purchase and Transfer Restrictions".

This Memorandum does not constitute an offer to sell, or a solicitation of an offer to buy, any of the Capital Securities offered hereby in any jurisdiction in which it is unlawful to make such an offer or solicitation.

The Capital Securities are subject to restrictions on resale and transfer as described under "Purchase and Transfer Restrictions". By purchasing any Capital Securities, investors will be deemed to have made certain

acknowledgements, representations and agreements as described in that section of this Memorandum. Investors may be required to bear the financial risks of investing in the Capital Securities for an indefinite period of time.

THE CAPITAL SECURITIES DESCRIBED HEREIN HAVE NOT BEEN REGISTERED WITH, RECOMMENDED OR APPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "SEC") OR ANY OTHER FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY, NOR HAS THE SEC OR ANY SUCH COMMISSION OR REGULATORY AUTHORITY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

IN CONNECTION WITH THE ISSUE OF THE CAPITAL SECURITIES, NORDEA BANK NORGE ASA (THE STABILISING MANAGER) (OR PERSONS ACTING ON BEHALF OF THE STABILISING MANAGER) MAY OVER-ALLOT CAPITAL SECURITIES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE CAPITAL SECURITIES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILISING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILISING MANAGER) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE CAPITAL SECURITIES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE CLOSING DATE AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE CAPITAL SECURITIES. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE STABILISING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILISING MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES).

Financial Statements And Certain Other References

Unless the context otherwise requires, as used herein for definitional purposes only, the terms "Issuer" refers to Storebrand Livsforsikring AS on a non-consolidated basis, the term "Storebrand Life Group" refers to the Issuer and all subsidiaries of the Issuer over which the Issuer directly or indirectly exercises control.

The financial information set forth in a number of tables in this Memorandum has been rounded to the nearest whole number. Accordingly, in certain instances, the sum of the numbers in a column may not conform exactly to the total figure given for that column.

The term "Nordic" or "Nordic countries" as used throughout this document refers to Norway, Finland, Norway and Sweden. References to "Norway" are to the Kingdom of Norway.

Forward-Looking Statements

Certain statements in this Memorandum under the captions "Use of Proceeds", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Risk Factors" and "Business Description" and elsewhere constitute "forward-looking statements" within the meaning of the Securities Act. In particular, all statements (other than statements of historical fact) regarding the Issuer's financial condition, strategy, plans or objectives of management for future operations, or any statements preceded or followed by or that include the words "targets", "believes", "expects", "aims", "intends", "plans", "seeks", "will", "may", "anticipates", "would", "could", "continue", or similar expressions or the negative thereof, are forward-looking statements.

Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Storebrand Life Group, or industry results, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Such risks, uncertainties and other important factors include, among others: general economic and business conditions; industry trends; competition; currency fluctuations; the loss of any significant customers; changes in business strategy or development plans; availability, terms and deployment of capital; availability of qualified personnel; changes in, or the failure or inability to comply with, government regulation; and other factors referenced in this Memorandum.

Currency References

In this Memorandum, unless the context otherwise requires, all references to "Norwegian Kroner" or "NOK" are to Norwegian currency and all references to "SEK" are to Swedish Kronor.

Overview

The following overview is qualified in its entirety by, and is subject to, the more detailed information contained or referred to elsewhere in this Memorandum, the VPS Agency Agreement (as defined below) and the VPS Trustee Agreement (as defined below).

Storebrand Livsforsikring AS

The Issuer is a wholly-owned subsidiary of Storebrand ASA ("Storebrand ASA" and, together with its consolidated subsidiaries, the "Storebrand Group"). The Issuer's principal business areas are pensions and life insurance, where the Issuer is a leader in the Norwegian market. The Issuer's head office is in Oslo, and it has a network of branch offices throughout Norway. The Issuer has gradually increased its activities in the Swedish market in recent years, and currently offers occupational pension products and life insurance products through its branch in Sweden. The recent acquisition of SPP in the fourth quarter of 2007 greatly expands the Issuer's operations in Sweden, and gives the Issuer a strong presence in the Nordic market.

The Issuer offers a wide range of products for occupational pensions, individual pension savings, life insurance and health insurance for companies, public sector entities and private individuals. The Issuer reported a total pre-tax loss of NOK 276 million for the first quarter of 2008 based on Norwegian GAAP. In the Storebrand Group accounts, the Issuer reported a pre-tax profit of NOK 381 million for the first quarter of 2008. The Issuer is required by Norwegian law to report using Norwegian GAAP, however the Storebrand Group reports on an IFRS basis. The difference of NOK 657 million in reported result using the two methods, can largely be explained by:

- (i) Positive effects from the transition to the new life insurance legislation of approximately NOK 200 million, and additional positive effects of NOK 235 million in unrealised gains. These effects are taken directly to equity in Norwegian GAAP, but over profit in IFRS.
- (ii) NOK 376 million was drawn from additional statutory reserves in the first quarter of 2008. This is not recognised in Norwegian GAAP, as additional statutory reserves can only formally be drawn on at financial year end.
- (iii) Interest income from SPP of NOK 141 million has not been included in the reported pre-tax profit for the Issuer in the IFRS Storebrand Group accounts.

Total premiums written in the same period (excluding reserves transferred) by the Issuer amounted to NOK 6.4 billion. In 2007, the Issuer had a 30 per cent. market share in the Norwegian private occupational defined benefit pension market measured by new premiums written.

The Issuer's goal is to be the leading and most respected institution in the market for long-term savings and insurance. The Issuer is working to achieve this goal through a focus on operational excellence, customer orientation, growth and risk adjusted profitability and has developed detailed strategic and operating initiatives at every level within the Issuer to support these objectives. As a result of the acquisition of SPP, the Issuer's strategy is to pursue these goals on a pan-Nordic basis.

The Issuer believes it has a strong position in the long-term savings markets, based on a number of strategic and operating strengths. It has developed a range of initiatives to further strengthen its position as described below.

The Offering

Issuer	Storebrand Livsforsikring AS
Issue	NOK 1,500,000,000 aggregate principal amount of Floating Rate Non-cumulative Perpetual Step-up Capital Contribution Securities.
Interest	Interest on the Capital Securities will accrue from 29 May 2008 at a rate per annum equal to the sum of the Norwegian interbank offered rate for three-month Norwegian Kroner deposits and a margin of 4.00 per cent. per annum (in the case of Interest Periods ending before 29 May 2018 (the "Initial Call Date")) or 5.00 per cent. per annum (in the case of Interest Periods ending after the Initial Call Date), payable quarterly in arrear on the Interest Payment Dates falling in February, May, August and November of each year.

Deferral of Interest

Payments of interest on any Interest Payment Date may not exceed the Available Distributable Funds and, in any event, will not be made in case of a Breach or to the extent that such payment would cause a Breach.

Any interest not paid as a result of the limitation described above will be cancelled and the Issuer will have no obligation to make payment of such unpaid interest or to pay interest on such unpaid interest.

In addition to the limitation described above, on any Optional Interest Payment Date there may be paid the interest in respect of the Capital Securities accrued in the Interest Period ending on the day immediately preceding such date, but the Issuer may elect to defer such payment and any failure to pay shall not constitute a Violation for any purpose, provided that nothing in this provision shall be construed to permit the Issuer to defer any interest due and payable on any Interest Payment Date which is not an Optional Interest Payment Date.

Arrears of Interest

Any interest (save where cancelled as described above) in respect of the Capital Securities not paid on an Interest Payment Date, together with any other interest in respect thereof not paid on any other Interest Payment Date shall, so long as the same remains unpaid, constitute Arrears of Interest.

Any amount of Arrears of Interest shall not itself bear interest.

Payment of Arrears of Interest

Arrears of Interest may at the option of the Issuer be paid in whole or in part at any time but all Arrears of Interest shall become due and payable on whichever is the earlier of:

- (A) the date on which the Capital Securities are to be redeemed;
- (B) the commencement of a liquidation, administration, dissolution or other winding-up of the Issuer in Norway;
- (C) the next Interest Payment Date on which a payment of interest is made on the Capital Securities *provided that* Arrears of Interest shall be payable pursuant to this paragraph (C) only to the extent that the payment of such Arrears of Interest (i) would not result in a Breach; and (ii) is covered by Available Distributable Funds; and
- (D) subject as provided below, the date on which the Issuer or any other person declares or pays any distribution or dividend or makes any other payment on or in respect of any Junior Securities or Parity Securities, or the date on which any dividend or other distribution on or payment on or in respect of any class of Storebrand ASA's share capital is irrevocably declared *provided that* Arrears of Interest shall be payable pursuant to this paragraph (D) only to the extent that the payment of such Arrears of Interest (i) would not result in a Breach; and (ii) is covered by Available Distributable Funds.

Arrears of Interest shall not be due solely by virtue of any payment on any Parity Securities the terms of which do not allow the issuer of the relevant securities to defer, pass on or eliminate the relevant payment.

If notice is given by the Issuer of its intention to pay the whole or any part of Arrears of Interest the Issuer shall be obliged to do so upon the expiration of such notice.

In the event of any liquidation, administration, dissolution or other winding-up of the Issuer, unpaid interest in respect of the Capital Securities, including any Arrears of Interest shall rank *pari passu* with the principal of the Capital Securities.

Status

The Capital Securities will constitute unsecured, subordinated debt obligations of the Issuer and shall at all times rank *pari passu* without preference among themselves.

Interest Payments: To the extent the Issuer has Available Distributable Funds on any Interest Payment Date, the rights of holders of the Capital Securities to payments of interest due in respect of the Capital Securities shall rank in priority to payments to holders of all classes of share capital and any obligation of the Issuer ranking or expressed to rank junior to the Capital Securities.

Liquidation: Except after a recapitalisation as described below, in the event of the liquidation, dissolution, administration or other winding up of the Issuer by way of public administration or otherwise, there shall be payable the original principal amount of the Capital Securities and any other amounts including premium (if any) and interest due in respect of the Capital Securities (whether or not the whole or any part of the principal amount of the Capital Securities has previously been converted into conditional capital contributions as described below). Such amounts shall rank:

- (i) *pari passu* without any preference among themselves;
- (ii) at least *pari passu* with any other outstanding Capital Securities of the Issuer and at least *pari passu* with any other obligations of the Issuer constituting or eligible as constituting Tier 1 Capital;
- (iii) in priority to payments to holders of all classes of share capital of the Issuer and any obligations of the Issuer ranking or expressed to rank junior to the Capital Securities; and
- (iv) junior in right of payment to the payment of any present or future claims of (a) policyholders of the Issuer, (b) other unsubordinated creditors of the Issuer and (c) subordinated creditors of the Issuer in respect of Subordinated Indebtedness other than Capital Securities.

Recapitalisation: Notwithstanding the terms of "Liquidation" above, the principal amount of the Capital Securities shall be reduced to zero and the rights of the holders of the Capital Securities to payment of principal and any other amounts, including premium (if any) and interest due in respect of the Capital Securities, will be irrevocably cancelled upon the occurrence of all of the following events:

- (i) the share capital and reserves of the Issuer shall have been reduced to zero, the share capital shall have been cancelled by order of Kredittilsynet or pursuant to a resolution of the Issuer's shareholders, and the rights of holders of such share capital have been lost; and
- (ii) following the event described in (i) above, sufficient share and/or other capital of the Issuer shall have been subscribed so as to enable the Issuer to comply with solvency requirements set by Kredittilsynet and continue operations as an insurance company under the laws of Norway.

Conversion

On the occurrence of a Trigger Event, then either the Issuer, pursuant to a resolution passed by a general meeting of the Issuer's shareholders, or Kredittilsynet in writing, may decide that any Accrued Interest and the principal amount (or part thereof, as the case may be) of each Security will be made available to restore the regulatory capital of the Issuer by first writing down the part or whole of any Accrued Interest on the Capital Securities and then, to the extent that the amount of Accrued Interest so written down is not sufficient to cure a Trigger Event, by also writing down the part or whole of the principal amount of the Capital Securities to the

extent and by the amount (when aggregated with the amount of any Accrued Interest written down) required to cure a Trigger Event and converting such aggregate amount (a "Converted Amount") into a conditional capital contribution. The rights of the holders of the Capital Securities in respect of such Converted Amount will thereupon be converted into rights of providers of conditional capital contributions.

Write downs of Accrued Interest and the principal amount of the Capital Securities will occur on a proportionate basis with the share capital of the Issuer, any Parity Securities and any obligations of the Issuer ranking or expressed to rank junior to the Capital Securities.

The principal amount of the Capital Securities and any Accrued Interest (or any part thereof) will be available to restore the regulatory capital of the Issuer and may be converted on one or more occasions.

Interest will not accrue on the Converted Amount but holders of the Capital Securities may be compensated for loss of interest upon redemption by payment of an amount as described under (ii) under "Redemption" below.

Reinstatement of Converted Amounts

Subject to the sufficiency of Available Distributable Funds, the Issuer undertakes to reinstate all Converted Amounts as Securities upon the occurrence of any of the following events:

- (i) the Issuer or Storebrand ASA declares or makes a dividend (in the form of cash, stock or another instrument), an interest payment or any other payment on any share capital or any obligations of the Issuer ranking or expressed to rank junior to the Capital Securities; or
- (ii) the Issuer or Storebrand ASA (as applicable) redeems, repurchases or otherwise acquires any of its respective share capital, or any Parity Securities or any obligations of the Issuer ranking or expressed to rank junior to the Capital Securities or pays or makes available any moneys to a sinking fund or for redemption of any such share capital, Parity Securities or obligations, other than:
 - (a) by conversion into or in exchange for ordinary shares;
 - (b) in connection with the satisfaction by the Issuer or Storebrand ASA of its respective obligations under any existing or future employee benefit plans or similar arrangements with or for the benefit of employees, officers, directors or consultants of Storebrand ASA or any of its subsidiaries;
 - (c) as a result of a reclassification of the capital stock of the Issuer or Storebrand ASA or the exchange or conversion of one class or series of capital stock for another class or series of capital stock or the security being converted or exchanged; or
 - (d) Storebrand ASA acquiring additional share capital of the Issuer.

Redemption

The Capital Securities may be redeemed at the option of the Issuer (subject to the Issuer having received the prior consent of Kredittilsynet) in whole, but not in part, on the Initial Call Date or on any date thereafter (each such date, a "Call Date"), on giving not less than 30 and not more than 60 days' notice to the holders of the Capital Securities (which notice shall be irrevocable) at an amount equal to the principal amount of the Capital Securities, together with (i) any Arrears of Interest and (ii) Accrued Interest calculated as follows:

- (x) an amount calculated by reference to the original principal amount of the Capital Securities whether or not the actual principal amount

of the Capital Securities during such Interest Period has been greater or less than the original principal amount; plus

- (y) if the actual principal amount of the Capital Securities has been greater than the original principal amount of the Capital Securities for any period (the "Period") during such Interest Period, an amount calculated by reference to the Period and to the amount by which the actual principal amount of the Capital Securities exceeded the original principal amount of the Capital Securities, provided that the Issuer shall only be obliged to make such payment of Accrued Interest if the Issuer would otherwise be obliged to make payment of interest,

(such total, the "Redemption Amount").

See "Terms and Conditions of the Capital Securities — Redemption and Repurchase — Optional Redemption".

Special Event Redemption

Tax Event: The Issuer may, subject to the prior approval of Kredittilsynet, at its option, redeem all (but not some only) of the Capital Securities at any time prior to the Initial Call Date, if as a result of a Tax Event there is more than an insubstantial risk that (A) the Issuer is, or will be, subject to more than a *de minimis* amount of other taxes, duties or other governmental charges or civil liabilities with respect to the Capital Securities, (B) the treatment of any of the Issuer's items of income or expense with respect to the Capital Securities as reflected on the tax returns (including estimated returns) filed (or to be filed) by the Issuer will not be respected by a taxing authority, which subjects the Issuer to more than a *de minimis* amount of additional taxes, duties or other governmental charges or (C) the Issuer would be required to pay additional amounts as referred to in "Withholding Taxes" below.

Regulatory Event: The Issuer may, subject to the prior approval of Kredittilsynet, at its option, redeem all (but not some only) of the Capital Securities at any time prior to the Initial Call Date, if a Regulatory Event occurs.

Redemption Amount

Where the Capital Securities are redeemed prior to the Initial Call Date the redemption amount shall in each case be the Redemption Amount.

Events of Default

There are no events of default under the terms of the Capital Securities. A holder of a Capital Security is entitled to the full rights and remedies provided under English and Norwegian laws, as applicable, governing the terms of the Capital Securities.

Notwithstanding the absence of any events of default, in the event that the Issuer fails to pay principal, premium (if any) or interest when due on any Capital Security, the holders of such Capital Securities shall be entitled to bring proceedings against the Issuer for payment of such amounts.

Withholding Taxes

All amounts payable (whether in respect of principal, interest or otherwise) in respect of the Capital Securities will be made free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, assessments or other governmental charges of whatever nature or civil liabilities imposed or levied by or on behalf of any Tax Jurisdiction, unless the withholding or deduction of such taxes, duties, assessments or governmental charges or civil liabilities is required by law. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts receivable by the holder of the Capital Securities after such withholding or deduction shall equal the respective amounts which would have been receivable by such holder of the Capital Securities in the absence of such withholding or deduction; except that no such additional amounts shall be payable in relation to any payment in respect of any Capital Security in certain situations described

	under "Terms and Conditions of the Capital Securities — Withholding Taxes".
Form and Denomination	The Capital Securities will be offered and sold in minimum principal amounts of NOK 500,000. The Capital Securities will be issued in uncertificated book entry form, and will not be evidenced by any physical note or document of title. Entitlements to the Capital Securities will be evidenced by the crediting of the Capital Securities to accounts with the VPS.
Use of Proceeds	The net proceeds of the offering of the Capital Securities will be used by the Issuer for general corporate purposes.
Selling and Transfer Restrictions	Capital Securities have not been and will not be registered under the Securities Act and are subject to certain restrictions on transfer. See "Purchase and Transfer Restrictions".
Further Issues	The Issuer may from time to time, without the consent of any holder of Capital Securities, create and issue further securities having the same terms and conditions as the Capital Securities in all respects (or in all respects except the first payment of interest on them) so as to form a single series with the Capital Securities.
Governing Law	<p>The Capital Securities will be governed by and shall be construed in accordance with the laws of England, except for the provisions relating to Deferral of Interest, Recapitalisation, Conversion, Reinstatement of Converted Amounts, Status and Subordination, Events of Default, Liquidation, Tax Event and Regulatory Event Redemption and Form of Capital Securities, which shall be governed by and shall be construed in accordance with the laws of Norway.</p> <p>The Capital Securities must comply with the Norwegian Securities Register Act of 5 July 2002 no. 64, as amended from time to time, and the holders of Capital Securities will be entitled to the rights and subject to the obligations and liabilities which arise under this Act and any related regulations and legislation.</p>
VPS Agent	Nordea Bank Norge ASA
VPS Trustee	Norsk Tillitsmann ASA
Listing and admission to trading	Application has been made to the CSSF to approve this document as a prospectus and to the Luxembourg Stock Exchange for the listing of the Capital Securities on the Official List of the Luxembourg Stock Exchange and admission to trading on the Luxembourg Stock Exchange's regulated market.
Ratings	The Capital Securities will be rated Baa2 by Moody's and BBB+ by S&P. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Capital Securities. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.
Security Codes	<p>ISIN: NO0010430713</p> <p>Common Code: 036601680</p>
Luxembourg Listing Agent:	Dexia Banque Internationale à Luxembourg, société anonyme

Risk Factors

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Capital Securities. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with the Capital Securities are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Capital Securities, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Capital Securities may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding the Capital Securities are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Memorandum and reach their own views prior to making any investment decision.

Factors that may affect the Issuer's ability to fulfil its obligations under the Capital Securities.

In addition to the other information set out in this Memorandum, the following risk factors should be carefully considered by investors when deciding whether to make an investment in the Capital Securities. Any of the risks described below could have a material adverse impact on the Issuer's business, financial condition and results of operations and could therefore have a negative effect on the trading price of the Capital Securities and affect a prospective investor's investment. The information below does not purport to be exhaustive. Additional risks and uncertainties not presently known to the Issuer or that the Issuer currently deems immaterial may also have an adverse material effect on the Issuer's business, financial condition and operating results. If this occurs, the price of the Capital Securities may decline and investors could lose all or part of their investment.

The Issuer will encounter a variety of challenges, including integration and other management, administrative and financial challenges in achieving its key commercial objectives and realising expected benefits following the Transaction.

The Issuer will encounter numerous integration challenges resulting from its recent acquisition of SPP in the months to come, including, operational, technological, managerial, regulatory and other issues. Among the areas requiring integration are various information technology platforms, management information and financial control systems, marketing, sales forces and customer service units and product offerings. Integration will require focus on retaining SPP's senior management, clients, client advisors, investment managers and other key personnel, as well as retention of the Issuer's own clients and assets under management ("AuM"), client advisors, investment managers and other key personnel. The Issuer's management and resources may be diverted from its core business activities to assist in the integration process.

During the integration phase, the workforces of the Issuer and SPP will face uncertainties as the operations will be combined and the company and management cultures aligned. The workforces of both companies may need to learn to use new processes as work is integrated and streamlined. It is difficult to predict how long the integration phase will last.

The integration process may lead to temporary or sustained inefficiencies with the possibility of an increase in client complaints and/or regulatory actions, and negative publicity regarding the Transaction may result in damage to the Issuer's and/or SPP's reputation. Costs are involved in revising the systems and structures of SPP (including implementing potential outsourcing and infrastructure change). Furthermore, it may not prove possible to achieve the expected level of sales and synergy benefits on integration of the businesses of the Issuer and SPP, and/or the cost of delivering such benefits may exceed current estimates.

To the extent that the Issuer is unable to integrate operations effectively, realise cost reductions, retain qualified personnel or customers and avoid unforeseen costs or delay, there may be an adverse effect on the business results of operations and/or the financial condition of the Issuer. No assurance can be given that the integration process will deliver all or substantially all of the expected benefits.

The increase in scale of the Issuer as a consequence of the recent acquisition of SPP and the possible impact of the overall business separation and subsequent integration may expose the business to greater specific operational risks including, but not limited to, risks relating to the following areas:

- *limited management capacity;*
- *business continuity;*

- *IT systems integrity;*
- *customer data security; and*
- *internal control or compliance weaknesses.*

The occurrence of any or all of the above risk exposures could result in material reputational damage, the loss of customers and a consequent material adverse effect on the Issuer's business.

The Issuer will encounter separation challenges as a consequence of the Transaction which may adversely affect the Issuer's operations.

The Issuer will encounter risks connected with the separation of SPP from Handelsbanken. Handelsbanken currently performs certain functions for SPP including asset management, IT support and compensation, benefits and other human resources functions. Handelsbanken and SPP had made certain arrangements to separate some of these functions prior to the time Storebrand and Handelsbanken agreed that Storebrand would purchase SPP. Furthermore, certain employees, IT systems and legal obligations have been transferred from Handelsbanken to SPP and Storebrand.

The transfer and separation activities have not been completed. As a result, SPP and the Issuer depend on certain services and cooperation from Handelsbanken and will continue to do so for some period of time to facilitate a smooth transition and complete separation. SPP and Handelsbanken have entered into a Transitional Services Agreement relating, among other things, to the provision by Handelsbanken of certain services necessary to SPP's operations and the separation. Lack of cooperation, failure by Handelsbanken to perform under the agreement, unforeseen delays or complications in the transition and separation process could increase integration costs and could adversely affect the Issuer's operations.

If SPP does not perform according to the Issuer's expectations, the Issuer may be required to write-down the carrying value of its investment in SPP.

The Issuer expects to record a significant amount of goodwill as well as other intangible assets in connection with the Transaction. Under Norwegian GAAP, the Issuer is required to test the carrying value of these assets for impairment at least annually, and more frequently if the Issuer has reason to believe that cash flows generated by SPP following the Transaction are not in line with the Issuer's expectations. Should this occur, the Issuer may be required to write-down the carrying value of its investment in SPP. Any write-down could materially affect the Issuer's results of operations and financial condition.

The success of the Issuer is dependent on continued performance of outsourcing arrangements.

Key customer service, administration, IT and back office functions are provided by third party providers. Should the performance of these providers decline, the Issuer's results of operations could be materially affected. Additionally, the Issuer will depend on certain services and cooperation from Handelsbanken, which Handelsbanken has agreed to provide pursuant to a Transitional Services Agreement to facilitate the transition and complete the separation. The Issuer will be reliant in part on the continued performance and security of these providers.

The Issuer may discover contingent or other liabilities within SPP or other facts or circumstances of which the Issuer is not aware that could expose the Issuer to a loss.

Under the terms of the Transaction Agreement, Handelsbanken gave certain representations, warranties and indemnities regarding SPP in the Issuer's favour, and the Issuer has conducted general due diligence in connection with the Transaction. The Issuer may nevertheless discover issues relating to SPP's business as it continues to become integrated into the Issuer that may have a material adverse effect on the business, results of operations and financial condition of the Issuer. The Issuer's ability to recover any amounts in respect of those representations, warranties, indemnities and as well as certain covenants, however, is subject to certain minimum thresholds, deductibles and time limitations, as well as to a relatively low maximum amount. The Issuer may incur losses in excess of this maximum amount or the matters giving rise to the losses may not be recoverable against the warranties or indemnities or at all.

The Norwegian Ministry of Finance has granted an approval of the Transaction which is subject to certain conditions, which, if not fulfilled, may have a material adverse effect on the Issuer's financial condition.

The Norwegian Ministry of Finance has set as a condition for its approval of the Issuer's acquisition of SPP that Storebrand ASA, by end of 2009, shall file an application to maintain the group structure where Storebrand

Holding AB is directly owned by the Issuer. A change in the group structure imposed by the Norwegian authorities may have a material adverse effect on the financial condition of the Issuer.

The Issuer has guaranteed a minimum annual return on a significant portion of its assets. Failure to achieve an investment return sufficient to cover the guaranteed return could have a material effect on the Issuer's equity.

The Issuer has guaranteed a minimum annual return on a significant portion, approximately 90 per cent. in 2007, of its total insurance reserves. If its investment return in any year is lower than this guaranteed rate, then current legislation permits the equivalent of up to one year's guaranteed return to be met by transfer from additional statutory reserves. Any guaranteed return not covered by the reserves must be charged to the Issuer's equity. Guaranteed return is fixed for a number of years for each contract. In 2007, the total average guaranteed interest rate on existing contracts was 3.5 per cent. New business is currently written at a lower level (maximum permitted guarantee rate was 2.75 per cent. in 2007); however, this level might increase or decrease in the future.

The Issuer's income is partially dependent on investment return on assets under management.

Financial return above the guaranteed rate is limited by statute to a maximum share of the investment return which the Issuer is permitted to retain as profit. Thus, even if the guaranteed rate is exceeded, the Issuer's opportunity to achieve a desirable level of profitability for its owners and hence attract capital when necessary is limited by this factor.

The value of the Issuer's investment portfolios may be materially adversely affected by market factors such as interest rate volatility or a downturn in equity markets, among others, any of which may adversely impact its financial position and results of operations, and may result in volatility in its results.

Market levels and investment returns are important factors in the Issuer's overall profitability, and fluctuations in the financial markets, such as the fixed-income or equity markets, can have a material effect on the Issuer's consolidated results of operations. Changes in these factors can be very difficult to predict. Any adverse changes in the economies and/or financial markets in which funds under management are invested could have a material adverse effect on the Issuer's consolidated financial condition, results of operations and cash flows.

Fluctuations in interest rates affect returns on, and the market values of, Norwegian and international fixed-income investments in the shareholder, life insurance and general insurance portfolios. Generally, investment income may be reduced during sustained periods of lower interest rates as higher yielding fixed-income securities are called, mature or are sold and the proceeds reinvested at lower rates, even though prices of fixed-income securities tend to rise and gains realised upon their sale tend to increase. During periods of rising interest rates, prices of fixed-income securities tend to fall and realised gains upon their sale are reduced or realised losses increased.

The Issuer also invests a portion of its assets in Norwegian and international equities, which are generally subject to greater risks and more volatility than fixed-income securities. General economic conditions, stock market conditions and many other factors beyond the control of the Issuer can adversely affect the equity markets.

Declines in the equity markets and other financial markets may reduce unrealised gains or increase unrealised losses in the Issuer's various investment portfolios and reduce or eliminate the excess solvency margin of its insurance subsidiaries. Such declines could also lead to a mismatch between the liabilities to policyholders and the value of the underlying assets notionally backing those liabilities for financial management purposes and this can be exacerbated by market volatility. Although the Issuer seeks to minimise the adverse effects of periods of economic downturn and market volatility by diversifying its investments, there can be no assurance that this strategy will be successful.

Investment returns are also susceptible to changes in general economic conditions, including changes that impact the general creditworthiness of the issuers of debt securities and equity securities held in the business' portfolios. The value of fixed-income securities may be affected by, among other things, changes in an issuer's credit rating. Where the credit rating of an issuer of a debt security drops, the value of the security may also decline. Should the credit rating of an issuer drop to a level such that regulatory guidelines prohibit the holding of such securities to back insurance liabilities the resulting disposal may lead to a significant loss on the Issuer's investments.

The value of the Issuer's real estate portfolio may fluctuate as a result of both general economic conditions as well as other external factors outside its control.

The Issuer invests a portion of its AuM in real estate, mainly in Norway. As a result of the Transaction, the Issuer now also has a portion of its AuM invested in real estate in Sweden. Property investments are subject to various

risks. Rents and values are affected by changes in general economic conditions (such as interest rates and inflation activity), the condition of financial markets, changing supply within a particular area of competing space and attractiveness of real estate relative to other investment choices, among other factors. The value of the real estate portfolio may also fluctuate as a result of external factors, such as changes in general political conditions, potentially adverse tax consequences, changing environmental standards and higher accounting and control expenses. The geographical concentration of the real estate may make the Issuer vulnerable to changes in economic and other conditions in Norway and Sweden respectively. The Issuer's operating performance could be materially adversely affected by a downturn in the property market in terms of capital and/or rental values.

The Issuer's results of operations are subject to the impact of financial market fluctuations on consumer behaviour.

Fluctuations in interest rates and returns from equity markets have an impact on consumer behaviour, especially in the life and asset accumulation businesses, where demand for fixed-income products, such as fixed-return pension products, may decline when interest rates fall and equity markets are performing well. The demand for general insurance, particularly commercial lines, can also vary with the overall level of economic activity.

The level of and changes in interest rates (including changes in the difference between the levels of prevailing short-term and long-term rates) can affect the Issuer's life insurance results and interest payable on debt. Rising interest rates are likely to result in a decrease in fixed-income asset values for the life insurance companies which increases the risk of policyholder churn. Furthermore, financial market fluctuations can affect the availability of disposable income for investment in life insurance and other savings products, asset values, levels of bad debts, levels of investment income and gains and losses on investments, funding costs and interest margins.

The Issuer's results of operations are subject to fluctuations in exchange rates.

The Issuer presents its consolidated financial statements in Norwegian kroner. A significant proportion of the Issuer's operational earnings are denominated in Swedish kronor.

As a result of investments in assets other than Norwegian kroner, fluctuations in the relative value of Norwegian kroner to the euro, the U.S. Dollar, the Swedish kronor and other currencies could be significant to the Issuer and its shareholders because these fluctuations affect the translation of the results of the Issuer's non-Norwegian operations into Norwegian kroner. In addition, these fluctuations could, among other things:

- significantly affect the comparability of the Issuer's performance between financial periods;
- cause the Issuer's earnings to fluctuate;
- increase the amount, in Norwegian kroner, of the Issuer's debt denominated in other currencies;
- affect the impact of minority interests; and
- increase the Issuer's financing costs.

There can be no assurance that the Issuer's results of operations will not fluctuate significantly from year to year as a result of changes in exchange rates.

The Issuer is exposed to credit risk and reinsurance risk.

The Issuer has counterparty risk in relation to third parties. A failure by the Issuer's counterparties to meet their obligations could have a material impact on the Issuer's financial position. The Issuer is exposed to credit risk through, among other things, holdings of fixed-income debt instruments.

Concerns as to the credit worthiness of, or a default by, one institution could lead to significant liquidity problems, losses or defaults by other institutions because the commercial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships between the institutions. This risk may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges with which the Issuer interacts on a daily basis and, therefore, could adversely affect the Issuer.

The Issuer's life insurance and other insurance businesses also have exposure to reinsurers through reinsurance arrangements. The availability, amount and cost of reinsurance may vary significantly and may materially affect the Issuer's risk of loss. Furthermore, the inability or failure of reinsurers to meet their financial obligations could materially affect the Issuer's results of operations and financial condition.

The Issuer may be unable to match long-term fixed liabilities arising from the conduct of its life insurance business with long-term assets with similar durations and cash flow characteristics. This may materially affect the Issuer's financial condition and results of operations.

In order to reduce the volatility of the Issuer's net asset value, the Issuer seeks to match long-term fixed liabilities arising from the conduct of its life insurance business with long-term assets with similar durations and cash flow characteristics. The market prices of assets are subject to volatility, and certain assets may have a duration that is shorter than the average duration of the liabilities. This can give rise to a mismatch between the duration of the Issuer's liabilities and its assets. While the Issuer's asset and liability management processes are designed to mitigate these risks, there exists currently, and there will remain in the future, the risk that the Issuer will not be able to match its long-term liabilities and long-term assets. This could have a material adverse impact on the Issuer's financial conditions and results of operations and net asset value and eventually impact on the Issuer's ability to meet its liabilities as they fall due.

An increase in the interest rate level could lead to a decrease in the value of the fixed-income portfolio. As the majority of the Issuer's fixed-income investments are valued at fair value and the value of insurance liabilities is measured by a methodology which is equivalent to amortised cost, an accounting mismatch between assets and liabilities may arise that may have an adverse impact on the Issuer's results of operations and financial condition. This could potentially cause the financial markets, regulators or the public to question the Issuer's financial condition and results of operations.

The Issuer requires a significant amount of cash to service its debt, pension and insurance commitments. The Issuer's ability to generate sufficient cash depends on factors beyond the Issuer's control.

The Issuer's ability to make payments on and to refinance its debt, and to fund working capital and capital expenditures, will depend on future operating performance and ability to generate sufficient cash, including cash from the sale of investment assets. This depends, to some extent, on general economic, financial, competitive, market, legislative, regulatory and other factors, many of which are beyond the Issuer's control, as well as the other factors discussed in these "Risk Factors" and elsewhere in this Memorandum.

If the Issuer's future cash flows from operations and other capital resources are insufficient to pay obligations as they mature or to fund liquidity needs, the Issuer may be obliged to:

- reduce or delay its business activities and capital expenditures;
- sell assets;
- obtain additional debt or equity capital; or
- restructure or refinance all or a portion of its debt on or before maturity.

Any of these actions could have a material adverse effect on the Issuer's financial condition and results of operations.

Downgrades or the revocation of the Issuer's financial strength rating may adversely affect the Issuer's liquidity and the cost of raising capital.

Ratings are an important factor in the Issuer's competitive position. Rating organisations assign ratings based upon a number of factors. While most of the considered factors relate to the rated company, some of the factors relate to general economic conditions and circumstances outside the rated company's control.

As at the date of this Memorandum, the Issuer is rated A (negative outlook) by S&P and A2 (stable outlook) by Moody's.

The Issuer's S&P and Moody's ratings are subject to periodic review by, and may be reviewed downward or revoked at the sole discretion of, S&P and Moody's, respectively. These ratings are neither an evaluation directed to investors in the Capital Securities nor a recommendation to buy, sell or hold the Capital Securities.

According to S&P, the refinancing risk associated with the Transaction and reduction in the financial flexibility of the Storebrand Group add some short-term pressures to the Issuer's rating profile. The management resources of the Issuer will be stretched by the acquisition and there remains the risk that the Issuer may not be able to successfully integrate and leverage the newly acquired Swedish operations.

Any significant lowering of ratings could have a material adverse effect on the Issuer's ability to market products and retain current policyholders, and may affect market penetration and sales volumes. These consequences could, depending upon the extent thereof, have a material adverse effect on the liquidity and, under certain circumstances, the net income of the Issuer.

The terms on which the Issuer can raise debt and equity capital from the capital markets may be adversely affected by a reduction in the credit ratings of the Issuer's businesses.

Catastrophes, including natural disasters, pandemic diseases and terrorist-related events, could materially affect the Issuer's financial condition and results of operations.

The Issuer's life insurance and savings operations are exposed to the risk of catastrophic mortality events, such as a pandemic or other catastrophes that cause a large number of deaths. In the Issuer's group insurance operations, a localised event that affects the workplace of one or more of its group insurance customers could cause a significant loss due to mortality or morbidity claims. Consistent with industry practices, the Issuer establishes reserves for claim liabilities arising from a catastrophe only after assessing the probable losses arising from the event. The Issuer cannot be certain that the reserves it has established will be adequate to cover actual claim liabilities. From time to time, legislation having the effect of limiting the ability of insurers to manage risk has been passed, such as legislation restricting an insurers' ability to withdraw from catastrophe prone areas.

While the Issuer attempts to limit its exposure to acceptable levels, through purchasing reinsurance, utilising selective underwriting practices and monitoring risk accumulation, subject to restrictions imposed by insurance regulatory authorities, a catastrophic event or multiple catastrophic events could have a material adverse effect on the Issuer's business, results of operations and financial condition.

The Issuer's ability to manage this risk and the profitability of its life insurance businesses depends in part on its ability to obtain catastrophe reinsurance, which may not be available at commercially acceptable rates in the future.

Gross claims under terrorist events based on certain scenarios could result in claims in excess of the Issuer's reinsurance cover. If such a terrorist event should occur, claims resulting therefrom could have a material adverse effect on the Issuer's results of operations and financial condition.

If catastrophes affecting risks insured by the Issuer occur with greater frequency or severity than what has historically been the case, related claims could have a material adverse effect on the Issuer's financial condition, results of operations and/or cash flows, as well as its costs of reinsurance.

Failure to comply with regulatory and minimum capital requirements could lead to intervention by the applicable regulator which could, among other measures, require the Issuer to take steps for the security of policyholders with a view to restoring regulatory capital to acceptable levels.

The Issuer is subject to government regulation primarily in Norway and Sweden, but also in other jurisdictions in which it conducts business. Regulatory agencies have broad jurisdiction over many aspects of these businesses, including, but not limited to, capital adequacy, premium rates, marketing and selling practices, advertising, licensing agents, policy forms, terms of business and permitted investments.

Regulatory proceedings or investigations could result in adverse publicity for, or negative perceptions regarding, the Issuer, as well as diverting management's attention away from the day-to-day management of the business. A significant regulatory action against the Issuer could have a material adverse effect on the business of the Issuer, its results of operations and/or financial condition.

In addition, financial services laws, regulations and policies currently affecting the Issuer may change at any time having a material adverse effect on the Issuer's business. Furthermore, the Issuer will not always be able to predict the impact of future Norwegian, Swedish or other relevant overseas legislation or regulation or changes in the interpretation or operation of existing legislation or regulation on its business, results of operations and/or financial condition. Further changes to Norwegian, Swedish or other relevant applicable overseas financial services legislation or regulations may be enacted and such changes could have a material adverse effect on the Issuer's business, results of operations and/or financial condition and may result in increased costs to the Issuer due to it being required to set up additional compliance controls or due to the direct costs of compliance.

Changes in government policy, legislation or regulatory interpretation applying to the financial services industry in the markets in which the Issuer operates may adversely affect the Issuer's product range, distribution channels, capital requirements and, consequently, reported results and financing requirements, and may result in increased costs to the Issuer due to it being required to set up additional compliance controls or due to the direct costs of compliance. These changes include possible changes in government pension requirements and policies, the regulation of selling practices and solvency or other capital-related requirements.

There have been significant changes in the legislation and regulations affecting the Issuer. Various new reforms to the relevant legislation and regulations have also been proposed, and such reforms could involve significant implementation costs and may create uncertainty in the application of relevant laws or regulations.

The legislation and regulations affecting the Issuer govern matters with respect to a wide number of areas. The Issuer will write new life insurance and pensions business and will be exposed to the associated legislative and regulatory risks, including regulation by overseas regulators.

New insurance legislation entered into force in Norway from 1 January 2008 (the "New Insurance Act")¹. Under the New Insurance Act, the cost of providing pensions and life insurance must, as a general principle, be fixed and paid in advance. This means the end of the current arrangements for profit sharing between an insurance company and its customers in important product areas such as defined benefit pensions and defined contribution products with a guaranteed return. The various aspects of a pension scheme must be priced separately, and the price must include the fees earned by the insurance company.

The New Insurance Act will have a significant impact on the Issuer's insurance business. Failure by the Issuer to adopt appropriate changes in its business as a result of the New Insurance Act could result in non-compliance or have other adverse consequences. Other future changes in legislation or regulation, including Solvency II, may also involve significant cost or have other adverse effects on the Issuer's insurance business.

Despite the fact that the Issuer is undertaking the necessary preparation of its products and solutions to adapt to the introduction of the New Insurance Act, the Issuer is unable to predict accurately the exact impact that this will have on the Issuer's financial condition.

Potential intervention by regulators on industry-wide issues may lead to changes in the Issuer's practice which could materially affect the Issuer's results of operations.

From time to time issues and disputes arise from the way in which the insurance industry has sold or administered an insurance policy or otherwise treated policyholders, either individually or collectively. These issues and disputes may typically, for individual policyholders, be resolved by the Issuer or through litigation. However, where larger groups or matters of public policy are concerned, the applicable regulator may intervene directly. The applicable regulator may identify future industry-wide mis-selling issues which could affect the Issuer. This may lead from time to time to changes in the Issuer's practices which benefit policyholders at a cost to shareholders.

Changes in taxation law or the interpretation of taxation law may impact the Issuer and the decisions of policyholders.

The corporate tax positions of insurance companies in both Norway and Sweden are generally considered favourable. There can be no assurance that this will not change adversely. To the extent corporate tax rules change, this could have both a prospective and retrospective impact on the Issuer, both of which could be material.

Norwegian and Swedish taxation laws have a variety of effects on the Issuer's businesses and taxation of policyholders. In general, changes to, or in the interpretation of, existing Norwegian and Swedish tax laws, amendments to existing tax rates, or the introduction of new tax legislation in Norway or Sweden may adversely impact the business, results of operations and financial condition of the Issuer and the savings decisions of the policyholders. Further, changes to specific Norwegian or Swedish legislation that governs the taxation of life insurance companies and the pension savings of individuals might adversely affect the Issuer's business. The Norwegian Central Tax Office for Large Enterprises has given notice that it is considering a more restrictive interpretation of one of the provisions in the Norwegian Tax Act of 26 March 1999 no. 14 regarding appropriations for tax purposes. If a more restrictive view is in fact implemented, this will adversely affect the Issuer. Although such risks may impact on the insurance sector as a whole, the impact on the Issuer in particular would depend upon the mix of business within its portfolio and other relevant circumstances at the time of the change.

The effect of future changes in tax legislation on specific products may have a material adverse effect on the financial condition of the relevant long-term fund of the Issuer and may lead policyholders to attempt to seek redress where they allege that a product fails to meet the reasonable expectations of the policyholder.

The design of long-term insurance products is predicated on tax legislation existent at that time. However, future changes in tax legislation or the interpretation of the legislation may, when applied to these products, have a

¹ The New Insurance Act itself entered into force on 1 July 2006, but the transitional regulations mean that the new business rules came into effect on 1 January 2008.

material adverse effect on the financial condition of the relevant long-term fund of the Issuer in which the business was written and, therefore, have a negative impact on policyholder returns.

Long-term product design, including new business, will take into account risks, benefits, charges, expenses, investment return (including bonuses) and taxation, among other things. A policyholder or group of policyholders may seek legal redress where the product fails to meet the reasonable expectations of the policyholder or policyholders. It is possible that an adverse outcome in some matters could have a material adverse effect on the Issuer's business, results of operations and/or financial condition arising from the penalties imposed, together with the costs of defending any action.

Success of the long-term insurance business within the Issuer depends to a significant extent on the amount of claims paid in the future relative to the assets accumulated to cover claims.

Typically, over the lifetime of an insurance contract, premiums and investment returns exceed claim costs in the early years and it is necessary to set aside these amounts to meet future obligations. The amount of such future obligations is assessed on actuarial principles by reference to assumptions with regard to the development of interest rates, mortality rates, persistency rates (being the extent to which policies remain in force and are not for any reason surrendered or transferred prior to maturity) and future levels of expenses. These assumptions may turn out to be incorrect.

In addition, it is necessary for the boards of directors of the relevant companies to make decisions, based on actuarial advice, which ensure an appropriate build-up of assets and liabilities relative to one another. These decisions include the allocation of investments among equity, fixed-income, real estate, other internal and external unlisted investments and other asset classes, the setting of policyholder bonus rates (some of which are guaranteed) and the setting of surrender terms. While the board of directors of the Issuer seeks to ensure that such decisions are consistent with its regulatory obligations, there is a risk that policyholders may argue that their interests or reasonable expectations have been adversely affected by such decisions.

Changes in actuarial assumptions used by the Issuer may lead to changes in the level of capital required to be maintained.

Although the Issuer monitors its actual experience against the actuarial assumptions it uses and applies the outcome to refine its long-term assumptions, actual amounts may vary from estimates, particularly when those payments do not occur until well into the future.

Occupational pension business constitutes the main part of the Issuer portfolio. Three major actuarial factors affect the results for this business: mortality, disability and morbidity. Should the Issuer fail to assess any sudden negative change in these three parameters, it could have a considerable negative impact on the Issuer's results.

Should the mortality in the portfolio increase, this could lead to adverse results through triggering increased pension claims, for instance by the surviving spouses and children. The effect, however, would to a large extent be countered by reduced payments under the old-age pensions. Another, and possibly more important, aspect of the development in mortality rates is the risk of longevity. Should the average life span increase beyond the actuarial expectations, this would have a material adverse effect on the results for the occupational pension business, by far outweighing the reduced payments to the surviving spouses and children.

A factor of major concern to the Norwegian insurance market over the past decades is the adverse development in disability insurance. A further, unexpected deterioration in the development of disability insurance could adversely affect the Issuer results. Any emergence of new diseases, including pandemics, or a severe increase in general morbidity, could also have a material adverse effect on the Issuer's performance.

With respect to the workers' compensation insurance, the emergence of new, work-related diseases could result in an adverse development in the Issuer economics. There is also reason to believe that a downward trend in the economy could enhance a corresponding development in the frequency of disability claims. This would also apply to the occupational pension business.

To the extent that actual claims experience is less favourable than the underlying assumptions, or it is necessary to increase provisions in anticipation of a higher rate of future claims, the amount of additional capital required (and therefore the amount of capital which can be released from the businesses) and the ability of the Issuer to manage its businesses in an efficient manner, may be materially adversely affected.

In a closed/in-force book, any divergence in persistency rates from those assumed may have a greater impact (whether positive or negative) than in an open book, where other factors may offset some of this risk. Additionally, different persistency rates across certain types or classes of policyholders may have a greater impact than across others.

If the assumptions underlying the reserving basis were shown to be incorrect, the Issuer may have to increase the amount of its reserves or the amount of risk reinsured, or increase the amount of additional capital required (reducing the amount of capital which can be released from the businesses). If the Issuer's reserves prove to be inadequate to cover the actual loss experience, this would lead to unpredictable and volatile results. Although reserves are raised on a case-by-case basis they do not represent an exact calculation of liability but rather are estimates of the expected cost of the ultimate settlement. As they are estimates, reserves can be inaccurate in situations such as the following:

- a high claims inflation environment;
- a high interest rate environment;
- a deteriorating Norwegian kroner, or Swedish kronor, against world currencies; and
- an increase in the litigious nature of society as a whole.

Failure by the Issuer in its actuarial assumptions and/or reserves could have a material adverse impact on the Issuer's business, results of operations and/or financial condition.

The Issuer's life insurance reserves depend on the guaranteed minimum annual return, mortality assumptions, regulatory requirements regarding disability and other liabilities, as well as other factors.

The Issuer maintains reserves for its life insurance business to cover its estimated ultimate liabilities. Changes in guaranteed minimum annual return impact the discounted, booked value of reserves, and hence shareholders' equity. Although the Issuer believes its economic risk is reduced by the matching of durations of assets and liabilities, guaranteed minimum annual return may not change in line with market yields and may result in sudden changes in the reported amounts even if there was no corresponding change in investment yields and the value of assets. Moreover, changes in mortality assumptions may significantly impact annuity and other reserves. Loss reserves do not represent an exact calculation of ultimate liabilities, but rather are estimates of the expected liabilities. Furthermore, disability and other reserves depend on regulatory requirements as well as subjective factors, which may cause actual liabilities to differ from estimates. Likewise, annuity reserves may change significantly due to regulatory changes and other factors. Any insufficiencies in loss reserves for future claims and any change in reserves required as a result of changes in interest rates, mortality assumptions or other factors could adversely affect the extent to which new business may be written and may adversely affect the results of operations or financial condition of the Issuer.

Loss of customer mandates may have a material adverse effect on the Storebrand Group's business.

In the event that the Storebrand Group's asset management business does not provide satisfactory or appropriate investment returns in the future, the Issuer's customers may decide to reduce or liquidate their investment or, alternatively, where relevant, transfer to other life insurance and pension providers, and new customers may not be attracted. If the Issuer underperforms its competitors or relevant benchmarks, there may be a material adverse effect on the Issuer's business, results of operations and/or financial conditions due to existing customers reducing or liquidating mandates or moving mandates to other managers and to an inability to sell new products to existing or new customers.

The markets in which the Issuer operates are highly competitive and competition is likely to intensify.

The markets in which the Issuer operates are highly competitive, with several factors affecting the Issuer's ability to sell its products, including prices and yields offered, financial strength and ratings, range of product lines and product quality, brand strength and name recognition, and investment management performance. The Issuer faces competitors that have greater financial resources or a greater market share, or offer a broader range of products.

The Issuer believes competition will intensify across all products it intends to offer, in response to consumer demand, technological advances, the impact of consolidation, regulatory actions and other factors. The Issuer's ability to generate an appropriate return depends significantly upon its capacity to anticipate and respond appropriately to these competitive pressures.

The Issuer is highly reliant on the integrity and operation of its computer and communication systems and the internet.

The Issuer is highly reliant on computer systems for its business operations. Any failure or interruption of these systems could materially harm the Issuer's ability to carry out its business operations. The Issuer is also dependent on its ability to adapt its computer systems to new products and business needs. The implementation of new

requirements resulting from the New Insurance Act also raises particular challenges during the transitional period. Increasing transaction volumes is also a challenge for the stability of the current systems.

The Issuer is also highly reliant on the networking infrastructure, including the Internet, for both the sale of products and its operations. In addition, the Issuer's business may be materially adversely affected by computer hacking, distributed denial of service attacks and other forms of cyber crime. Technical failures either internally or by suppliers could lead to severe loss of revenue and reputation.

The Issuer is vulnerable to adverse market perception as it must display a high level of integrity and have the trust and the confidence of its customers.

The Issuer must display a high level of integrity and have the trust and the confidence of its customers. Any mismanagement, fraud or failure to satisfy fiduciary or regulatory responsibilities, or the negative publicity resulting from such activities or allegations of such activities associated with the Issuer or a relevant industry sector generally could have a material adverse effect on the Issuer's business, results of operations and/or financial condition.

The Issuer offers defined benefit pension schemes and other insurance products to its employees with which inherent funding risks are associated.

There are inherent funding risks associated with the Issuer's defined benefit pension schemes and other insurance products offered to its employees. Specifically, certain factors could result in the funding position of the schemes being materially reduced, and, in some cases, a deficit between the scheme's assets and liabilities could occur.

These factors include: (i) poor investment performance of pension fund investments, including equities, bonds and other forms of investment; (ii) employees' exceeding assumed life expectancies (which will make pensions payable for longer and therefore more expensive to provide, whether paid directly from the defined benefit schemes or secured by the purchase of annuities); (iii) adverse annuity rates (which tend in particular to depend on prevailing interest rates and life expectancy) which make it more expensive to secure benefits with an insurance company; and (iv) other events occurring which make past service benefits more expensive than predicted in the actuarial assumptions by reference to which funding requirements have been assessed.

The Issuer's success will depend upon its ability to motivate and retain key personnel.

The continued success of the business of the Issuer depends on its ability to attract, motivate and retain highly skilled management, employees and sales personnel. As a result, the inability to retain the necessary highly skilled and other personnel could have a material adverse effect on the Issuer's business, results of operations and/or financial condition.

In addition, if the Issuer loses any of its key investment managers it may also lose certain investment management mandates and funds and/or be "put on hold" by consultants and other controllers of investments, making the retention and winding up of mandates and funds more difficult.

The Issuer faces the risk of litigation or other proceedings in relation to its business.

The Issuer faces the risk of litigation and other proceedings in relation to its business. Even if the Issuer believes it has appropriately provided for the financial effects of litigation or other proceedings, the outcomes of any litigation may differ from management expectations exposing the Issuer to unexpected costs and losses, reputational and other non-financial consequences and diverting management attention. For example, the outcome of litigation and other proceedings may not correspond to the way the outcome is perceived by the market, and the Issuer's reputation may be impacted in a way which adversely affects its results of operations and financial conditions.

In addition, such proceedings relating to the Issuer's regulated businesses may expose it to increased regulatory scrutiny and oblige it to accept constraints which involve additional cost or otherwise put them at a competitive disadvantage. Whether or not these or other proceedings are commenced or are successful, the Issuer is exposed to the risk of negative publicity and press speculation which, whether with or without any foundation, could cause damage to its reputation and other damage to its business, including the risk that it will be subjected to greater regulatory scrutiny.

Risks related to the Capital Securities

If the Issuer's financial condition were to deteriorate materially, holders of Capital Securities could lose all or part of their investment.

The Capital Securities will constitute Tier 1 Capital of the Issuer in accordance with applicable Norwegian law (currently, the Norwegian Secondary Regulation of 22 December 2006 No 1616). The Capital Securities will

constitute unsecured, deeply subordinated obligations of the Issuer and, upon issuance, will be the most junior debt instruments of the Issuer, ranking behind claims of policyholders of the Issuer, other unsubordinated creditors of the Issuer and subordinated creditors of the Issuer in respect of Subordinated Indebtedness other than Capital Securities. Upon issuance, the Capital Securities will rank in priority only to all classes of share capital of the Issuer.

Consequently, if the Issuer's financial condition were to deteriorate materially, holders of the Capital Securities could suffer direct and materially adverse consequences, including non-payment or deferral of interest payments and conversion of all or a portion of any outstanding principal amount of each of the Capital Securities and any unpaid interest payable thereon. In such event, the holders of the Capital Securities could lose their entire investment.

Holders of Capital Securities will have their interest payments cancelled if the Issuer is in Breach (or if such payments would result in the Issuer being in Breach) or to the extent that the Issuer does not have sufficient Available Distributable Funds.

Interest payments that would otherwise be payable will not be made if the Issuer is in Breach on any Interest Payment Date (or if the making of such payments would result in the Issuer being in Breach on such date). In addition, the Issuer will only make partial or no interest payments on any Interest Payment Date to the extent that the Issuer does not have sufficient Available Distributable Funds. The right of holders of the Capital Securities to receive accrued but unpaid interest will be lost. Accordingly, the Issuer will have no obligation to make such payments of such accrued but unpaid interest or to pay interest thereon.

Interest payments may be deferred on any Optional Interest Payment Date and such deferred interest payments will not themselves accrue interest.

Interest payments that would otherwise be due and payable may be deferred on any Optional Interest Payment Date at the option of the Issuer. The deferral of such interest shall not constitute a Violation.

Deferred interest payments will constitute Arrears of Interest. Arrears of Interest will not itself bear interest and Arrears of Interest will be payable (in whole or in part) at the option of the Issuer or (in whole) in the mandatory circumstances set out in "Deferral of Interest — Payment of Arrears of Interest".

Conversion and recapitalisation.

On the occurrence of a Trigger Event, then either the Issuer, pursuant to a resolution passed by a general meeting of the Issuer's shareholders, or Kredittilsynet in writing, may decide that any Accrued Interest and the principal amount (or part thereof, as the case may be) of each Security will be made available to restore the regulatory capital of the Issuer by first writing down the part or whole of any Accrued Interest on the Capital Securities and then, to the extent that the amount of Accrued Interest so written down is not sufficient to cure a Trigger Event, by also writing down the part or whole of the principal amount of the Capital Securities to the extent and by the amount (when aggregated with the amount of any Accrued Interest written down) required to cure a Trigger Event and converting such aggregate amount (a "Converted Amount") into a conditional capital contribution. The rights of the holders of the Capital Securities in respect of such Converted Amount will thereupon be converted into rights of providers of conditional capital contributions. Interest will not accrue on the Converted Amount and Converted Amounts will only be reinstated in the circumstances set out herein.

In addition, the principal amount of the Capital Securities shall be reduced to zero and the rights of the holders of the Capital Securities to payment of principal and any other amounts, including premium (if any) and interest due in respect of the Capital Securities, will be irrevocably cancelled upon the occurrence of all of the following events: (i) the share capital and reserves of the Issuer shall have been reduced to zero, the share capital shall have been cancelled by order of Kredittilsynet or pursuant to a resolution of the Issuer's shareholders, and the rights of holders of such share capital have been lost; and (ii) following the event described in (i) above, sufficient share and/or other capital of the Issuer shall have been subscribed so as to enable the Issuer to comply with solvency requirements set by Kredittilsynet and continue operations as an insurance company under the laws of Norway. In such event, holders of the Capital Securities could lose their entire investment.

The Issuer may redeem the Capital Securities at any time upon the occurrence of certain tax or regulatory events.

The Issuer will have the right, subject to the prior approval of Kredittilsynet, upon the occurrence of a Tax Event or Regulatory Event, to redeem the Capital Securities at their principal amount plus any Accrued Interest (calculated as specified herein) and any Arrears of Interest.

The Capital Securities may also be redeemed by the Issuer at its option on the Initial Call Date or on any date thereafter at their principal amount together with Accrued Interest (calculated as specified herein) and any Arrears of Interest.

There can be no assurance that the holders of the Capital Securities will be able to reinvest the amounts received upon redemption at a rate that will provide the same rate of return as their investment in the Capital Securities.

Holders of Capital Securities have no voting rights.

The Capital Securities are non-voting. Consequently, the holders of Capital Securities cannot influence, *inter alia*, any decisions by the Issuer's shareholders to convert part or all of the outstanding principal amount of each of the Capital Securities and any Accrued Interest thereon or any other decisions by the Issuer's shareholders concerning the capital structure of the Issuer.

The Issuer may issue further debt.

The Issuer may issue further debt ranking *pari passu* with or senior to the Capital Securities. The Capital Securities do not limit the ability of the Issuer to incur indebtedness.

There has been no prior public market for the Capital Securities.

The Capital Securities will constitute a new issue of securities. Prior to this offering, there has been no public market for the Capital Securities. Although application has been made to list the Capital Securities on the Official List of the Luxembourg Stock Exchange and to admit the Capital Securities to trading on the Luxembourg Stock Exchange's regulated market, there can be no assurance that an active public market for the Capital Securities will develop, and if such a market were to develop, the Joint Lead Managers are under no obligation to maintain such a market. The liquidity and the market prices for the Capital Securities can be expected to vary with changes in market and economic conditions, the financial condition and prospects of the Issuer and other factors that generally influence the market prices of securities. Such fluctuations may significantly affect the liquidity and the market prices of the Capital Securities, which may trade at a discount to the price at which a purchaser purchased the Capital Securities.

Regulatory authorities have oversight powers over the Storebrand Life Group.

Kredittilsynet or its respective successors, regulatory authorities in the EEA and regulatory authorities in other countries have oversight powers over the Issuer and its subsidiaries. Under certain circumstances, any of such regulatory authorities could make determinations or take decisions in the future with respect to any such entities or a portion of their respective operations or assets that could adversely affect the ability of the Issuer to, among other things, make payment to its security holders, engage in transactions with affiliates, purchase or transfer assets, pay obligations and make any redemption or liquidation payments to its security holders.

Meeting of the Noteholders, Modification and waivers.

The Conditions of the Capital Securities contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Holders of the Capital Securities including Holders of the Capital Securities who did not attend and vote at the relevant meeting and Holders of the Capital Securities who voted in a manner contrary to the majority.

The VPS Trustee Agreement provides that the VPS Trustee may, without the consent of the holders of the Capital Securities, make certain modifications to the Conditions of the Capital Securities or the VPS Trustee Agreement or the VPS Agency Agreement without the prior consent or sanction of such holders of Capital Securities, as further detailed in the Conditions and the VPS Trustee Agreement. Except in the case of amendments which, in the opinion of the Trustee, are not materially prejudicial to the interest of the holders of Capital Securities, the VPS Trustee must notify the holders of Capital Securities of a proposal to effect such modification and the holders of Capital Securities then have at least five Business Days to protest. If a protest is made, then the relevant modification will not be made. If there is no protest, then the relevant modification will be and will be binding on the holders of Capital Securities.

Use Of Proceeds

The net proceeds from the offering of Capital Securities pursuant to this Memorandum are expected to amount to approximately NOK 1,488,750,000 after deduction of underwriting discounts and commissions, and will be used by the Issuer for general corporate purposes.

Business Description

1 Business Description

1.1 Overview

The Issuer is a wholly-owned subsidiary of Storebrand ASA ("Storebrand ASA" and, together with its consolidated subsidiaries, the "Storebrand Group"). The Issuer's principal business areas are pensions and life insurance, where the Issuer is a leader in the Norwegian market. The Issuer's head office is in Oslo, and it has a network of branch offices throughout Norway. The Issuer has gradually increased its activities in the Swedish market in recent years, and currently offers occupational pension products and life insurance products through its branch in Sweden. The recent acquisition of SPP in the fourth quarter of 2007 greatly expands the Issuer's operations in Sweden, and gives the Issuer a strong presence in the Nordic market.

The Issuer offers a wide range of products for occupational pensions, individual pension savings, life insurance and health insurance for companies, public sector entities and private individuals. The Issuer reported a total pre-tax loss of NOK 276 million for the first quarter of 2008 based on Norwegian GAAP. In the Storebrand Group accounts, the Issuer reported a pre-tax profit of NOK 381 million for the first quarter of 2008. The Issuer is required by Norwegian law to report using Norwegian GAAP, however the Storebrand Group reports on an IFRS basis. The difference of NOK 657 million in reported result using the two methods, can largely be explained by:

- (i) Positive effects from the transition to the new life insurance legislation of approximately NOK 200 million, and additional positive effects of NOK 235 million in unrealised gains. These effects are taken directly to equity in Norwegian GAAP, but over profit in IFRS.
- (ii) NOK 376 million was drawn from additional statutory reserves in the first quarter of 2008. This is not recognised in Norwegian GAAP, as additional statutory reserves can only formally be drawn on at financial year end.
- (iii) Interest income from SPP of NOK 141 million has not been included in the reported pre-tax profit for the Issuer in the IFRS Storebrand Group accounts.

Total premiums written in the same period (excluding reserves transferred) by the Issuer amounted to NOK 6.4 billion. In 2007, the Issuer had a 30 per cent. market share in the Norwegian private occupational defined benefit pension market measured by new premiums written.

The Issuer's goal is to be the leading and most respected institution in the market for long-term savings and insurance. The Issuer is working to achieve this goal through a focus on operational excellence, customer orientation, growth and risk adjusted profitability and has developed detailed strategic and operating initiatives at every level within the Issuer to support these objectives. As a result of the acquisition of SPP, the Issuer's strategy is to pursue these goals on a pan-Nordic basis.

The Issuer believes it has a strong position in the long-term savings markets, based on a number of strategic and operating strengths. It has developed a range of initiatives to further strengthen its position as described below.

1.1.1 Capture Growth Opportunities in a Fast-Growing, Highly Attractive Market

Based on macro-economic trends, such as demographic development, increasing wealth and changes in state pension coverage, the Issuer believes that the long-term savings markets in the Nordic region in general, and the occupational pensions market in particular, are highly attractive. In the period from 2003 to 2006, AuM in the Norwegian private occupational pensions market has shown a CAGR of 6.8 per cent. The growth rate for premium income in Sweden has been 2 per cent. per annum for the competitive market.

The Issuer is well-positioned to achieve additional future growth due to its brand strength, high levels of customer satisfaction, its strong and diversified product and distribution platform, and the considerable skill base among its employees.

Examples of various growth initiatives and opportunities include:

- Increasing its leading position in the Norwegian mandatory occupational pension ("MOP") market through focusing on product innovation, customer segmentation and efficient distribution;
- Focusing on risk products, particularly health insurance and group life insurance as well as individual risk products, benefiting from strong underlying market growth in these areas;
- Responding to legislative changes in the past few years that have created increased opportunities in the attractive and growing public sector pension market; and

- Implementing initiatives including worksite marketing to increase cross-selling of products across the Storebrand Group.

1.1.2 Optimise Multi-Channel Distribution Platform

The Issuer has established a broad, multi-channel distribution platform in Norway in order to optimise its ability to attract business from corporate and private clients, selling products for the entire Storebrand Group. In the corporate segment, products are distributed through a captive sales force, through brokers, trade organisations and through both an in- and outbound call-centre. In the retail segment products are distributed through independent financial advisors, third party distributors, a captive and an agent advisory sales force, work-site distribution and direct channels (in- and outbound call centre and Internet). The Issuer believes that it has built strong capabilities to serve the fast-growing brokers/independent financial advisors/third party channels, and will continue to develop these channels.

Recent distribution-related initiatives include:

- Distribution through employer organisations and trade associations, such as the Confederation of Norwegian Enterprise, which is the main representative body for Norwegian employers and currently has a membership of more than 17,000 companies ranging from small family-owned businesses to multinational companies;
- Sales effectiveness programmes, based on the Issuer's lean methodology (see "Achieve Operational Excellence through Investment in People and Continuous Process Improvement" below); and
- Work-site marketing programmes, including direct marketing, work-site conferences and an employee web-site, promoting the Issuer's and the Storebrand Group's products.

1.1.3 Achieve Operational Excellence through Investment in People and Continuous Process Improvement

The Issuer's employees, their skills and expertise and their job satisfaction play a central role in the Issuer's ability to achieve its business objectives. The Issuer is a preferred employer within the Norwegian financial services industry and has for a long time focused on training and appropriately incentivising its employees and agents. The Issuer implemented, among other initiatives, a mandatory training programme for management in 2006, and further strengthened its focus on professional development by recruiting and investing in web-based training facilities. The Issuer believes that this focus will contribute positively to retention levels and operating results.

The Issuer's objective is to develop its core processes to make them more efficient, more responsive and more customer friendly than those of comparable financial institutions in the Nordic region. Repetitive processes are automated through solutions, such as the self-service portal provided to all corporate clients, which are supported by effective work flow systems. In general the systems are flexible and allow the Issuer also to tailor solutions to customers with complex needs, to support new products, to support process innovations, and to accommodate new legislation. To further improve core processes, the Issuer has adapted and tailored a lean methodology programme. The lean methodology focuses on customer quality, process quality, culture, management and productivity. The programme was launched across the Issuer in 2006, and is expected to have more than 80 per cent. coverage of the Issuer's employees by 31 December 2008. The Issuer's overall target is to raise productivity by 20 per cent. when the programme is completed. The experience so far is ahead of initial expectations.

1.1.4 Tailor Products and Distribution to Customer Needs and Leverage Regulatory and Other Developments

The Issuer's pension, health and life insurance product offerings are tailored to the distinct needs of SMEs, large corporations and municipalities. In order to align with SMEs' expectations and financial strengths, the Issuer has developed standardised and effective distribution and administrative solutions. The Issuer provides extensive and tailored solutions to large corporations in order to become the preferred provider to corporate clients.

1.1.5 Optimise Risk Capital in a Dynamic and Evolving Environment

The life insurance sector is evolving away from capital requirements based on simple but inflexible charges against technical reserves and sums insured towards capital requirements which are increasingly driven by qualitative and economic factors. The recent introduction of the New Insurance Act and the eventual introduction of Solvency II, expected to be in 2012, are key milestones in this regard.

The Issuer believes these changes will have a significant impact on the competitive environment across the life and pensions sector, and has undertaken preparatory work to position itself accordingly, including product development, client advisory and tailored investment management. The Issuer is participating in discussions with

Norwegian and European regulators as part of the preparatory processes leading up to the introduction of Solvency II. The Issuer expects a number of consequences for the industry from these developments, including:

- Improved ability for insurers to adjust pricing and policy terms to reflect actual, economic risks;
- Increasing benefit of diversification between products and geographies will favour larger pension providers and life insurance companies with broader product and geographic ranges through lower resulting capital charges;
- Increasing IT and other costs relating to risk management governance systems, compliance, financial reporting and product development further highlight the need for scale; and
- The greater financial flexibility of listed insurers to more easily participate in consolidation is expected to improve their competitive position compared to mutuals.

As part of the Issuer's initiatives to optimise its risk capital as well as its internal and external financial reporting, economic capital and economic value are becoming critical management tools and metrics and are increasingly used for performance measurement, product development and pricing and other processes internally. An increasing emphasis on market consistent valuation techniques also supports the Issuer's preparations for Solvency II and other regulatory changes which increasingly focus on realistic views of risk and capital.

1.1.6 Achieve Top-Tier Investment Returns

Achieving attractive investment returns is a critical success factor for the majority of the Issuer's products. Storebrand Investments carries out asset management on behalf of the Issuer, and the company has a strong track record of generating attractive investment returns, with achieved returns comparing favourably against relevant benchmark indices. Storebrand Investments offers a full range of asset management services including discretionary management of Norwegian and international securities, global specialist products with a target absolute return and cost-effective management of market risk.

1.1.7 Maintain Focus on Customer Satisfaction

Customer satisfaction is a critical success factor and is central to the Issuer's objective to be the leading and most respected institution in the Nordic market for long-term savings and life insurance. The Issuer has invested significantly over the last four years in systematically monitoring the views and attitudes among customers through independent market studies. The Issuer has the highest customer satisfaction in the occupational pensions market of all Norwegian market competitors according to the Norwegian National Customer Satisfaction Barometer (*Norsk Kundebarometer*) (the "National Customer Satisfaction Barometer").

1.1.8 Maintain Strong Commitment to Corporate Social Responsibility

The Issuer's commitment to corporate responsibility represents a long-term strategy that is firmly anchored in the Issuer's corporate vision and values.

The Issuer's detailed corporate responsibility policies provide that the Issuer's AuM will not be invested in companies that the Issuer believes to be involved in serious violations of human rights, corruption, severe environmental damage, or the production of cluster munitions, landmines, nuclear weapons or tobacco.

1.2 History of the Issuer

The following table summarises the history of the Issuer:

1767	Norges Brannkasse (UNI) is established.
1847	Christiania Almindelige Brandforsikrings- Selskab for Varer og Effecter (Storebrand) is established.
1861	Idun Life, the first private life insurance company in Norway is established.
1917	Occupational pension is launched in Norway.
1983	The Norden group and the Issuer merge to create a significant life insurance company in Norway.
1984	Norske Folk and Norges Brannkasse form UNI Forsikring.
1990	UNI Forsikring and Storebrand merge to create UNI Storebrand, which retained its name until the change to Storebrand in 1996. From its creation, the new group was a significant participant in both the life insurance and the non-life insurance markets in Norway.
2006	MOP is introduced in the Norwegian market. A change in Norwegian legislation allows for the merger of the unit-linked provider Storebrand Fondsforsikring AS (wholly owned by Storebrand ASA) and the Issuer.
2007	The Issuer acquires SPP to create a leading life and pensions group in the Nordic region.

1.3 Recent Developments

1.3.1 Acquisition of SPP

On 21 December 2007, the Issuer acquired from Svenska Handelsbanken AB (publ.) ("Handelsbanken") (i) SPP Livförsäkring ("SPP"), including its existing subsidiaries, (ii) Handelsbanken Life & Pension Limited (formerly Euroben) ("Handelsbanken Life & Pension"), (iii) SPP Fonder AB ("SPP Fonder"), (iv) Handelsbanken Varumärkes AB ("Handelsbanken Varumärkes") and (v) 50 per cent. of the preference shares in Nordben Life and Pension Insurance Co. Ltd. ("Nordben"), for a net purchase price of SEK 16.0 billion (NOK 13.6 billion), excluding interest. The acquisition is referred to herein as the "Transaction".

In addition, the Issuer acquired the asset management of SPP's occupational pension assets (traditional life insurance and unit-linked) as well as the mutual funds that are approved by the Premium Pension Authority in Sweden (the "PPM") and certain other SPP mutual funds, which are currently performed by Handelsbanken Asset Management. These asset management services will continue to be performed by Handelsbanken Asset Management for the 12 months following closing of the Transaction.

The following provides a brief description of the principal entities acquired by Storebrand:

- SPP is a leading Swedish life insurance and occupational pension provider active within all product and service areas. SPP provides both unit-linked products, traditional insurance with guaranteed interest rate and defined benefit products as well as consulting services covering occupational pensions, and insurance and administrative solutions for municipalities and other organisations;
- Handelsbanken Life & Pension is a Dublin-based entity that offers larger companies tailor-made pension plan solutions. This company is currently owned by Handelsbanken Liv Försäkringsaktiefbolag ("Handelsbanken Life");
- SPP Fonder is a limited liability company, currently with no active operations or employees;
- Handelsbanken Varumärkes is the company owning the trademark SPP and is currently a subsidiary of Handelsbanken Life; and
- Nordben is a Guernsey-based niche company offering flexible group and individual life and pension insurance solutions for expatriates, foreign nationals employed by Nordic companies, and internationally mobile employees.

In addition, the asset management of SPP's occupational pension assets (traditional life insurance and unit-linked) as well as its PPM mutual funds and certain other SPP mutual funds (together with the entities described in the previous paragraph, the "SPP Business") are also included in the Transaction. On 31 March 2008, the SPP Business had AuM of SEK 141.0 billion (NOK 119.9 billion), of which SEK 89.1 billion (NOK 75.7 billion) were traditional life assets, SEK 27.2 billion (NOK 21.3 billion) were unit-linked assets and SEK 24.7 billion (NOK 21.0 billion) were in mutual funds (PPM and other mutual funds excluding unit-linked). SPP's asset management is currently performed by Handelsbanken Asset Management. An asset management agreement has been put in place between SPP and Handelsbanken for a transitional period, whereby Handelsbanken will continue to manage SPP's investment assets for a period of 12 months from closing of the Transaction. Selected Handelsbanken funds will be distributed by Storebrand, and Handelsbanken funds will be included in Storebrand's unit-linked portfolio offering.

Handelsbanken and SPP have entered into an agreement governing the provision of certain transitional services for a period of 24 months from the closing of the Transaction, with an option for Storebrand to extend for a further period of up to a maximum of 18 months.

As part of the Transaction, Storebrand has been granted a two year exclusive right from the closing of the Transaction to acquire Handelsbanken Life's occupational pension business through a portfolio transfer. The purchase price shall equal 1.2 times the embedded value of the portfolio at the closing date of the Transaction. Furthermore, Storebrand will have a three year exclusive distribution agreement with Handelsbanken for the sale of occupational pensions through the Handelsbanken network from the closing of the Transaction. The parties have undertaken to negotiate in good faith to enter into a more detailed agreement in relation to this.

1.4 Business Description of the Issuer

The Issuer is one of the largest life insurance companies in Norway, and enjoys a leading position in the Norwegian long-term savings market (with a market share of 24.3 per cent. based on premium income for 2007),² principally

² Source: Table 1a, Norwegian Financial Services Association's ("FHN", website address: www.fnh.no) life statistics as at 31 December 2007.

through its pension products. The Issuer offers a wide range of products for occupational pensions, individual pension savings, life insurance and health insurance for companies, public sector entities and private individuals. For the year ended 31 December 2007, the Issuer's pension insurance accounted for 73 per cent. of the Issuer's policyholders' funds, with individual pensions and life insurance products representing 27 per cent. of total customer funds under management. In terms of premiums, occupational pension products accounted for 63 per cent. and individual pension and life insurance products accounted for 34 per cent., respectively, for 2007.

As at 31 March 2008, the Issuer managed approximately NOK 164.5 billion in customer funds (including unit-linked). The Issuer had a 27 per cent. share of the total Norwegian life insurance market measured in terms of customer funds under management as at 31 December 2007. The market share in the private occupational pensions market was approximately 43 per cent. as at 31 December 2007 based on customer funds under management, which represent amongst others in excess of 24,500 corporate customers with 570,000 employees. In addition, the Issuer serves some 300,000 individual customers. The Issuer also has more than 425,000 paid-up policies as at 31 March 2008. Many of the largest companies in Norway are customers of the Issuer.

Important growth areas for the Issuer in recent years include defined contribution pensions for the corporate market, pension schemes for Norwegian municipalities and independent public sector entities such as utilities and public transportation. The Issuer has also opened a branch office in Sweden, which offers pension and mutual fund products to the Swedish market. The recent acquisition of SPP in the fourth quarter of 2007 greatly expands the Issuer's operations in Sweden, and gives the Issuer a strong presence in the Nordic market.

1.4.1.1 Corporate Life

Occupational Pensions Market

The Issuer's occupational pension products consist of defined benefit products, defined contribution products and paid-up policies, each of which is more fully described below.

Key success factors for the occupational pension market include:

- *High customer satisfaction:* The Issuer believes that having satisfied customers is a key to profitability and long-term growth. In 2007, the Issuer was for the fourth year in a row the highest-scoring company in the National Customer Satisfaction Barometer of customer satisfaction and loyalty in the occupational pensions market;
- *Asset management with high performance:* Excess investment return in the long term is key to the success of a pension scheme. The Issuer's pension assets are managed by Storebrand Investments, in accordance with guidelines issued by the Issuer. The Issuer achieved a value adjusted return of -1.6 per cent. in the first quarter of 2008, and a booked return of 0.7 per cent. for the same period;
- *Broad and flexible product range:* The Issuer offers a complete range of occupational pension products as further described in this Section;
- *High quality and efficient administration:* Many changes occur within a pension scheme during a single year, such as salary changes, new members and claims generation processes that require accurate premium and benefit calculations. Incorrect or late calculations may result in economic losses for the Issuer and dissatisfied customers. The Issuer has set up Internet portals for both employers and employees as a tool for self-administration of the pension schemes and fund savings. In addition, internal work processes have been reengineered to address the new products and the changed requirements with many small enterprises as customers; and
- *Efficient distribution to SMEs and highly qualified advisors for large clients:* To distribute its products, the Issuer makes use of its internal sales force, a financial advisor network and insurance brokers. In the SME-market, the Issuer focuses on collaboration and agreements with employers' organisations and trade associations. Storebrand has entered into agreements with the Confederation of Norwegian Enterprise, the Federation of Norwegian Commercial and Service Enterprises and the Norwegian Association of Authorised Accountants. These agreements have increased the efficiency of distribution of the Issuer's products and have played a significant role in strengthening the Issuer's position in the market. For larger clients, the Issuer has allocated significant resources to develop and maintain highly qualified key account managers.

The Issuer's success in this market reflects its experience and expertise, the quality and competitiveness of its pension products and its straightforward service solutions, combined with collaboration and agreements with the most important trade associations and employers' organisations in Norway.

In the occupational pensions market, the value of total assets under management was NOK 464 billion as at 31 December 2007. This number includes AuM for all life companies which are members of FNH. From 2000 to 2007, the Compound Annual Growth Rate (CAGR) was 19 per cent.³

Mandatory Occupational Pensions

Following the introduction of MOP in 2006, the Issuer reinforced its position for defined contribution occupational pension schemes. The Issuer, in Norway, achieved a 33 per cent. market share based on new premiums written in 2006 and a 34 per cent. market share based on new premiums written for 2007 for defined contribution occupational pensions. The new requirements for MOP caused a significant increase in the number of companies offering products in this area. However, sales figures demonstrate that the established pension suppliers have obtained most of the new business in this market. The Issuer's success has been based on distribution through employer and trade associations, easy-to-understand products and efficient administration. Storebrand has a total client base in defined contribution schemes of approximately 17,000 corporate clients with more than 240,000 employees as at 31 March 2008. A number of large companies such as Norgesgruppen, Manpower, ICA and Statoil Detalj have chosen Storebrand as their supplier for MOP products. Annual premium for MOP schemes as at 31 March 2008 was NOK 1.8 billion.⁴ The number includes savings only. In addition, in MOP there is a mandatory waiver of contribution premium.

Storebrand also believes that MOP has increased the awareness of the need for private savings. Storebrand believes that this customer base will be important for the Issuer's business in the retail market in future years. By closely following up with its corporate customers and offering their employees attractive solutions for their insurance needs as well as building up their own savings, the Issuer will seek to build a life-long collaboration with both corporations and their employees.

Following the introduction phase of MOP in 2006, the Issuer has focused on the market for transfers between pension suppliers, selling MOP to new companies and exploiting cross-selling opportunities.

Defined Benefit Products

The Issuer currently enjoys a leading market position in private occupational defined benefit products with a market share in Norway, as at 31 December 2007, of 30 per cent. based on new premiums written.

In defined benefit plans, the employer designates the level of pension benefits as a percentage of the employee's salary (typically between 60 and 70 per cent.). A portion of the pension is paid out under the national pension scheme, directly from the state, with the occupational pension supplier, such as the Issuer, providing a fixed portion based on the estimated state pension pay-out. For an explanation of a Defined Benefit Product see the definition below.

The Issuer offers various types of defined benefit schemes that meet different objectives. For example, the Issuer offers a tax-favourable scheme for all part-time employees above the age of 20 who work a minimum of 20 per cent. of statutory full-time. Storebrand also offers a pre-retirement scheme or a pension scheme for employees with high salaries (above approximately NOK 800,000 a year). Premiums paid to the two latter scheme types are taxable for the members when they are paid.

The defined benefit schemes offered by Storebrand include old-age pensions, spousal pensions, child pensions, disability pensions and a waiver of premium. The product is modularised, which means that the customer chooses what benefit coverage should be included, the level of the benefit and the length of the payout period. A spousal pension is payable to the spouse on the death of a member. The pension is usually paid for life. A child pension is payable to the children of a member upon the death of such a member. The pension is usually paid until the child reaches a specified age, usually 18 or 21. A disability pension is paid to the member after a specified period of absence from work because of disability. This period is at least one year. The pension is usually defined as a percentage of salary and is payable until the member reaches the normal retirement age or returns to work. The spousal, child and disability pensions normally increase annually during any payment period.

Since 1 January 2008, the Issuer has offered various ways of investing in pension reserves. Customers may now choose from a predefined set of investment portfolios. The investment return achieved depends on the investment choices made by the Issuer.

Prior to 1 January 2008, active defined benefit programmes (i.e. non-paid up policies) had a profit-sharing model where the employer and the Issuer shared any returns in excess of the guaranteed policy amounts. However, after the changes to the New Insurance Act which took effect on 1 January 2008, any excess profit return is, by law, only allocated to the employer (see "The Issuer's Response to the New Insurance Act" below for a further

³ Source: Calculated based on FNH figures.

⁴ Source: Storebrand, estimated annual premium based on information registered on each MOP contract.

description of the New Insurance Act). This change in the profit-sharing model requires providers of defined benefit products to carefully price their plans. Rather than receiving a share of profits, the occupational pension provider needs to ensure that the product price covers the investment risk as well as any other fee. The Issuer believes it is well-positioned for this change and has developed a new generation of defined benefit products in response to the new legislation (see "The Issuer's Response to the New Insurance Act" below for a further description of these products).

In recent years, many companies that operate defined benefit pension schemes have been re-evaluating their pension arrangements. Around 300 of Storebrand's corporate customers, representing some 7,900 employees in total, transferred from defined benefit to defined contribution schemes during 2007. The Fafo Institute for Labour and Social Research has recently estimated that the number of employers in Norway operating defined contribution schemes will outstrip the number of defined benefit schemes in 2007. In 2002, by contrast, defined contribution pensions accounted for only 2 per cent. of the occupational pensions market. Despite this shift, in terms of the value of customer funds under management, defined benefit schemes will continue to dominate for many years to come.

This movement away from defined benefit plans requires less capital to be tied up by occupational pension providers, such as the Issuer. In defined contribution plans, the occupational pension provider has less risk since it does not provide any guarantees with regard to the pension pay out amount on the policy, in contrast to defined benefit plans, where the occupational pension providers guarantee the pay-out amount on the policy.

The population of Norway is ageing with fewer children being born. The share of the population above 67 years old is expected to grow from 13 per cent. in 2007 to over 18 per cent. by 2030, while the population between 16 and 66 is expected to decline from 66 per cent. to 63 per cent. in 2030. This will lead to a growing imbalance between the size of the workforce and the number of people not working. This development has consequences for both the public pension scheme and private sector pension schemes, and a change in the overall pension system is expected. The Norwegian government has therefore decided that the public pension scheme will be reformed in 2010. Similarly, Norwegian life insurance companies have, through the Norwegian Financial Services Organisation, decided to use updated population statistics as a base for price changes which began in 2008. The current premiums paid to a defined benefit scheme are mainly based on statistics from late the 1950s with heavy safety margins.

Consequences for the defined benefit schemes due to the various regulatory changes include the following:

- Life-long retirement pensions will be more expensive as people live longer;
- Spousal pensions/benefits will be less expensive because fewer people get married;
- Child pensions/benefits become less expensive as Norwegians have fewer children and they are born later in life; and
- Disability pensions will not change significantly in price.

Definition of Defined Benefit Product (defined contribution pension scheme): A defined benefit pension scheme helps to reduce the loss of income experienced at retirement, and represents an important supplement to the public pension scheme. The pension is structured so that the national insurance scheme and defined benefit pensions in total represent a certain percentage of leaving wage at retirement. 66 per cent. of leaving wage is considered a good level, and this is similar to the pension received by public sector employees.

In a defined benefit pension scheme there are also insurances baked into the pension product to ensure that employees have a financial safety net for themselves and their families — both before and after retirement. The Issuer offers various insurance covers, which can be combined based on the customers' need and wishes.

In case of disability:

Disability pension secures monthly payments for employees to compensate for loss of income if the person becomes unable to work. Disability pension should have a similar level to the retirement pension. It is based on salary at the time of disability, and as if the employee had stayed with the company until retirement. In case of partial disability the pension payments are proportionately adjusted to reflect the degree of disability.

The employer does not make payments in respect of future retirement pension, spouse pension and/or child pension whilst the employee is disabled. The employees can also be insured so that a one-off payment is made in the case of permanent disability (group life insurance).

At death:

Spouse/partner pension secures monthly payments to the employee's surviving dependants in case of death. The level of spouse/partner pension is often 60 per cent. of retirement pension. If the member dies before retirement, the spouse/partner pension is calculated based on salary at the time of death, and as if the employee had stayed with the company until retirement. Child pension secures monthly payments for the employee's children until they reach the age of 21 in case of death. The level of child pension is usually 50 per cent. of the company's retirement pension level. The employees can also be insured so that the surviving dependants receive a one-off payment in the event of death (group life insurance).

Pensions are paid monthly from retirement, disability and/or to dependants. It is usually paid for the rest of a person's life, but the customer can also arrange for the pension to be paid for only a limited period, minimum 10 years. Pension payments are taxed as ordinary income.

Defined Contribution Products

The Issuer currently enjoys a leading market position in defined contribution occupational pension products with a market share, as at 31 December 2007, of 34 per cent. based on new premiums written.

Defined contribution plans, in which a percentage of the employee's salary is invested in selected funds, with payout amounts corresponding to investment performance, did not receive favourable tax treatment prior to 2001 in Norway. However, the majority of employers setting up pension schemes to meet the MOP requirements have chosen the defined contribution alternative, under which the employees contribute at least 2 per cent. of each employee's salary to the scheme.

In defined contribution plans, the employer generally decides what suite of investment choices will be offered to its employees, and the investment return achieved depends on the investment choices made by the company or the individual employees. The Issuer offers a wide range of funds and investments portfolios. Externally managed funds are also included in the set of available funds. All expenses, including fund investment fees, are to be paid by the employer, while the gross investment returns are earned by employees. Most companies with these schemes allow their employees to choose between three investment alternatives with different risk profiles. In response to the introduction of MOP. The Issuer has developed a new standard defined contribution product, Storebrand Folkepension, which was specifically designed for companies required to establish an occupational pension scheme for their employees in 2006. The Storebrand Folkepension product offers a choice of three profiles with differing exposures to equities: Cautious (approximately 20 per cent. equities), Balanced (approximately 50 per cent. equities) and Aggressive (approximately 80 per cent. equities). The product provides a solution that makes it relatively easy for companies to administer their pension arrangements. For an explanation of a Defined Contribution Product see the definition below.

If a member of a defined contribution scheme dies, the pension capital is paid out to the member's beneficiaries. A defined contribution scheme with tax benefits is required to contain a waiver of contribution cover. This is a disability coverage that ensures a member's pension contributions are paid while the member is disabled.

Just as it does with defined benefit schemes, the Issuer offers defined contribution pension schemes meeting the legal requirements for tax-favourable pension schemes. In addition, the Issuer offers product solutions for pre-retirement pension and employees with high salaries.

The defined contribution schemes offered include old-age pension, spousal pension, child pension, disability pension and a waiver of contribution. Again, as with defined benefit schemes, the defined contribution product is modularised, meaning that the customer chooses what benefit coverage should be included, the level of the contribution and the length of the payment out period.

Definition of Defined Contribution Product (defined contribution pension scheme): Issuer defined contribution pension is a pension paid for by the company at agreed contribution levels. The savings are held in funds or on the life insurance company's general pension asset pool and the contributions are paid to a personal pension account for each employee. This pension product secures predictable pension costs for companies both today and in the future.

The company contributes an agreed amount for each employee or a percentage of each employee's salary. The contribution is paid to an individual pension account in the Issuer. Beyond paying the agreed contribution the company has no financial commitments, and thus has good control of current and future pension costs. The amount of the retirement pension paid from age 67 depends on the size of the contribution and return achieved until retirement. The pension scheme is also tax efficient for the employees. The amount saved can vary from 2 to 8 per cent. of the employees gross salary, subject to certain rules and limitations.

The Issuer offers two different asset management options for defined contribution pension customers:

Individual investment choice: The employee makes his or her own investment choice, and can in this way influence the size of their future pension to some extent. The pension funds are invested in mutual funds, and the Issuer offers both Norwegian and international equity funds as well as various bond funds and bank funds.

Guaranteed return: The employee's pension assets are invested in the Issuer's life insurance asset pool and the employee has no say in how the assets are managed. The pension funds are secured by an annual guarantee against loss.

Paid-Up Policy Products

A paid-up policy is a confirmation of the pension rights earned from a company's occupational pension plan. An employee who leaves a company before retirement age will receive a paid-up policy unless the employee's plan membership lasted for less than 12 months. Alternatively, paid-up policies result when an employer changes pension plan, i.e. from defined benefit to defined contribution. When such a switch occurs, the employee receives a paid-up policy for the defined benefit pension plan that is no longer active. All paid-up policies have an annual minimum interest rate guarantee. Storebrand had as at 31 March 2008 more than 425,000 paid-up policies (from defined benefit policies) with pension reserves totalling NOK 47 billion.⁵

The Issuer expects the market for paid-up policies to grow strongly and become more competitive in future years as a result of the introduction of MOP and the increase in the number of companies transferring from defined benefit to defined contribution schemes. This market has already attracted new participants in Norway, such as Silver and Gjensidige. The Issuer meets this competition by offering products with competitive prices and investment returns, emphasising its long experience in managing pension assets, and ensuring financial security for the customer. Over recent years, the Issuer has achieved significant savings in the cost of managing paid-up policies through improved efficiency, and this increases the expected level of pension accruing in a paid-up policy. The Issuer works continuously on measures to raise the pension benefits accruing in paid-up policies. In 2006, the Issuer offered customers with more than one paid-up policy the opportunity to automatically combine their policies. This not only simplifies the customer's pension arrangements but also reduces costs and thereby increases pension benefits. Customers are also offered simple procedures to transfer paid-up policies from other companies and combine them with their paid-up policy with the Issuer.

There is also a small but growing market for paid-up policies from defined contribution pension schemes. If an employee's membership in a defined contribution pension scheme is terminated, the employee retains the right to the pension capital accrued on the date the employee withdraws from the scheme unless the plan membership has lasted for less than 12 months. A pension capital certificate, which is the defined contribution scheme equivalent of a paid-up policy for a defined benefit scheme, is issued to the employee. Storebrand expects the market for paid-up policies to grow strongly in future years following the introduction of MOP due to the fact that more employees now have occupational pensions and that the employees covered by MOP typically have a higher employment turnover than others.

Storebrand had as at 31 March 2008 approximately 52,000 pension capital certificates (from defined contribution policies), with customer funds totalling NOK 738 million. Storebrand believes that there in Norway will be a strong growth with regard to total customer funds for pension capital certificates over the next 5 to 10 years. PA Consulting Group expects that the total Norwegian market will be NOK 20 billion in 2012 and NOK 50 billion in 2017. The growth is driven by a high number of companies transferring from defined benefit to defined contribution, high employment turnover (assumes 4.5 years of average service) and the level of annual investment return (assumes 6.5 per cent.)⁶

Public Sector Pension Products

In Norway, a public sector employee has the right to a defined benefit pension plan equal to 66 per cent. of his or her final salary upon completing 30 years of service. These rights include disability, spousal and child pensions. Public sector pensions, including rights of previous employees, are increased annually, roughly in line with general wage growth. Any pension rights exceeding the expected state pension amount are insured with life insurance companies or with pension funds. By regulation, these rights must be fully funded at all times. Although the majority of funded public sector pension products are bought by municipalities there are also a number of independent public sector entities buying these products.

The main pension product is strictly defined in the agreement between the employer and employees in the public sector and includes spousal pension, child pension, disability pension and a waiver of premium.

⁵ Source: Storebrand.

⁶ Source: PA Consulting Issuer report: Perspective on Norwegian Pension Industry Q3 2007.

In the case of defined benefit schemes under the New Insurance Act, the Issuer has from 1 January this year offered various ways of investing the pension reserves. The customer may choose from a predefined set of investment portfolios and the investment return achieved depends on the investment choices made by the customer.

Other than the Norwegian government in its capacity as an employer, public sector employers may transfer their pension schemes. For municipalities, buying is done through a tender process following public procurement rules and normally only occurs once per year. The Issuer currently competes against two other life insurance companies in the public sector market: KLP and Vital. KLP currently dominates the market, with each of the Issuer and Vital holding smaller percentages. However, the Issuer aims to significantly grow its market share by positioning itself as an economically superior alternative to KLP.

The Issuer's market share for defined benefit schemes in the Norwegian public sector as at 31 December 2007 amounts to 11 per cent. based on gross premiums and 8 per cent. based on customers funds under management.

Corporate Life Insurance Market

Group Risk Insurance and Worker's Compensation

The Issuer offers its customers in the corporate market group life insurance for their employees at disability and/or death. In addition, the Issuer also offers coverage of death to the employee's spouse or partner. The compensation is paid as a lump-sum in the amount determined in the insurance policy, and compensation payments are not subject to income tax. The insurance premium is divided by the number of employees and taxed as income for each of the insured employees. The Issuer's market share in the segment for group life insurance is 25 per cent. based on gross premiums as at 31 December 2007. The market has been relatively stable in recent years.

Corporate customers can also buy worker's compensation insurance for employees from the Issuer. Worker's compensation insurance is a legal requirement for companies. Minimum requirements in respect of cover and compensation amount are determined by law and include compensation for medical invalidity, disability and death. For these types of insurance the insurance event (accident or illness) must occur at the work place. Storebrand's market share in Norway is approximately 3 per cent. based on gross premiums.⁷

Group risk insurance and worker's compensation plans are annually renewable contracts and the premiums may therefore vary from year to year.

Group Health Insurance

The Issuer offers its customers health insurance for their employees. Health insurance covers prompt access to treatment and the cost of such treatment.

1.4.1.2 Individual Life Insurance and Pensions

Savings Related Insurance Products

After 2 to 3 years of record sales by the Issuer of savings-related life insurance products with guaranteed minimum return ("Livkonto"), sales in this area levelled off in 2006 partly due to increased general interest rates. Nonetheless, sales of Livkonto by the Issuer totalled more than NOK 3.7 billion in 2007 (including payments from existing customers), and as at 31 December 2007 the Issuer managed NOK 14.3 billion of investments in this product. Market share as at 31 December 2007 was 39 per cent. and 41 per cent. for sales and investments managed respectively.

Storebrand also has a long history in individual pension plan products. In 2006, the Norwegian government decided to abolish the favourable treatment of private pension savings. As a result, contributions to personal pension plans ("IPA Pensions") are no longer tax deductible and life annuity policies are no longer exempt from wealth tax. As at 31 December 2007, the Issuer managed some NOK 20.3 billion of IPA Pensions and life annuity policy assets and contributions to IPA Pension and life annuity policies totalled NOK 1.3 billion in 2007 (including payments from existing customers). Market share as at 31 December 2007 was 26 per cent. and 32 per cent. for assets under management and contributions respectively. A new tax-efficient pension savings product is expected to be available to customers in 2008.

The Issuer also offers unit-linked based pension savings products. As at 31 December 2007, Storebrand managed 1.0 billion in individual endowment insurance (Fondskonto Link) in addition to NOK 3.9 billion in unit-linked based pension savings products. The Issuer had a market share of 10 per cent. and 17 per cent. respectively as at 31 December 2007 in Norway.

⁷ Source: Storebrand estimate. Total market gross premium has been captured from FNH.

Life and Disability Insurance

The Issuer has a long tradition in individual life and disability insurance and offers a wide range of products in the retail market. Individual risk insurance has been highly focused in Storebrand the last year, and the Issuer has seen approximately a 50 per cent. increase in sales of individual risk insurance in 2007 compared to in 2006.

Critical Illness

The Issuer was the first company in Norway to launch critical illness insurance in 1995. With a market share of 47 per cent., based on premium income for 2007, the Issuer is the market leader in Norway. In May 2007, Storebrand was the first company in Norway to offer cancer insurance. This type of insurance cover is sold mainly through the Internet and call centres and has a simplified underwriting process. From its launch to 31 December 2007, Storebrand has sold approximately 3,400 cancer insurance policies.

Child Insurance

The Issuer offers life and disability insurance coverage for children in Norway. Approximately 37,000 children are insured by the Issuer, which amounts to a market share of 12 per cent. in the Norwegian market based on premium income as at 31 December 2007.

1.4.1.3 Swedish Operations

The Issuer opened its Swedish branch office in September 2005. The Issuer's Swedish branch has so far focused on sales of traditional life and pension insurance products with guaranteed returns. The products are regulated by Norwegian insurance legislation, meaning that the Issuer, in contrast to its Swedish competitors, offers an attractive guarantee structure as well as a statutory right to transfer, which are not currently available for policies governed by Swedish law. In autumn 2006, the Issuer launched a pension-backed mortgage product in collaboration with Ikano Bank, representing its first product of this type available in the Swedish retail market. In 2007, it has expanded its activities to include unit-linked products leading to the Issuer being positioned as an alternative supplier in the Swedish market with a wide range of products, including an innovative combination of traditional insurance-based savings and unit-linked products. The launch of the Swedish branch and sales in the Swedish market also provide an important stimulus in developing Storebrand's pensions business in Norway, not least by providing experience from operating under a different national framework.

In December 2007, the Issuer acquired SPP. SPP is a leading Swedish life insurance and pension provider with a 17.9 per cent.⁸ market share in the competitive Swedish occupational pensions market in 2007 based on premium income. SPP has a leading position in the conventional segment with a 24.0 per cent.⁸ market share and in the tick-the-box market with a 5.4 per cent. market share. In addition, SPP has a 3.9 per cent. market share in the private pension segment.⁹ Based on new sales of (APE) occupational pensions, the SPP Business had a market share in the Swedish occupational pensions market of 8.0 per cent. for 2007. Corresponding figures for 2006 was 7.1 per cent.¹⁰ SPP also provides advanced consulting services covering occupational pensions, as well as insurance and administrative solutions for municipalities and organisations. Sales mainly occur via SPP's internal sales team, insurance agents and direct marketing. SPP currently purchases IT services and asset management from its parent company Handelsbanken.

SPP is active in all segments of the Swedish life insurance market, including the tick-the-box occupational pensions market, the conventional occupational pensions market, and private life insurance market is also the only company represented within all products and service areas with both unit-linked, traditional insurance with guaranteed interest rate, defined benefit products, and additional consulting and administrative services. SPP has the ability to provide a "one stop shop" for all the pension needs of its customers, providing a strong competitive advantage. SPP's extensive experience and customer base in all sectors is expected to provide scope for increasing its market share.

SPP's key products are defined contribution pensions, defined benefits pensions, unit-linked pensions and occupational health insurance products ("disability insurance") and pension advisory services.

1.4.1.4 The Issuer's Response to the New Insurance Act

The main provisions in the New Insurance Act have been in force since 1 January 2008. The New Insurance Act, with some exemptions, applies to all life insurance and pension products. The main changes include:

⁸ Includes the transfer of SAS-business from Alecto to Euroben. Excluding this one-off business the market share would be 10.1 per cent. instead of 17.9 per cent., and 12.7 per cent. instead of 24.0 per cent.

⁹ Source for market shares in this paragraph: Handelsbanken/SPP based on statistics from Sveriges Försäkringsförbund (The Swedish Insurance Federation).

¹⁰ Source: Handelsbanken.

- a new profit model;
- a clear split between assets of the policyholders and the insurance company;
- transparent pricing with all prices invoiced up front;
- the separation of all prices into administration fees, asset management fees, price of interest guarantee and risk cover premiums; and
- more flexible and individualised investment portfolios for defined benefit pension products.

In the corporate market, the new profit model applies to all group risk products, defined benefit pension products, public sector pension products and defined contribution products. A modified profit-sharing model applies to paid-up policies.

In the individual market, the new profit model applies to all new life insurance products and pension products offered by the Issuer. For traditional individual pension products, the Issuer continues to apply its current profit-sharing model under the new legislation. However, it is not allowed to make new sales on such products.

During late 2006, the Issuer established a group initiative on the New Insurance Act, with a core group of representatives from all business and staff units influenced by the new legislation. A comprehensive set of programmes were initiated, with the core group acting as the coordinating and governing body. Key responsibilities within the various units have been:

- *Corporate Market*: Develop products and solutions to address changes in the profit-sharing model, new pricing structures and investment choices for defined benefit schemes in the public and private sectors;
- *Individual Market*: Introduce new generation of guaranteed pension products for individuals to replace the current products;
- *Asset Management*: Distinguish between the assets of the policyholders and the insurance company and explore asset management solutions and operations; and
- *Issuer Finance*: Develop portfolio structures and risk management principles, profitability assessments and accounting.

Since 1 January 2008, the Issuer has offered a new generation of guaranteed pension products for individuals, a specific investment portfolio for paid-up policies and defined benefit solutions with standardised investment choices and various lengths of interest rate guarantees. The new products were developed during the 18 months period leading up to the implementation of the New Insurance Act through an innovative process with a clear market focus with regular follow-up from the Issuer management. To ensure that the new product generation strengthens the Issuer's market position, it has developed a set of scenarios and monitored the market development to provide a basis for input on overall priorities on product design and IT strategy. Based on feedback from current and potential new customers, the Issuer believes that it has prepared well for the New Insurance Act.

1.4.2 Storebrand Real Estate

Storebrand Real Estate is a wholly owned subsidiary of the Issuer which manages, amongst others, the real estate portfolio of the Issuer.

Storebrand Real Estate offers a full range of real estate management services, including transaction management, asset management and property management. As at 31 March 2008, Storebrand Real Estate had 25 employees, all located at the head office in Oslo. Storebrand Real Estate's main focus is value creation for the clients. This is achieved through actively managing the portfolio to maximise long-term rental value and actively managing the portfolios risks. Storebrand Real Estate is also focused on being a frontrunner in energy-saving initiatives and all issues regarding health and safety in the properties managed by Storebrand Real Estate.

1.4.3 Storebrand Real Estate Holding

Storebrand Real Estate Holding is a wholly owned subsidiary of the Issuer. It acts as a holding company for a large portion of the Issuer's real estate investment portfolio. The Issuer portfolio is one of Norway's largest real estate portfolios with a total value as at 31 March 2008 of NOK 26.1 billion. The gross annual rental income was NOK 1.4 billion. The portfolio consists of the following:

- *Office buildings in Oslo*: The office portfolio represents 44 per cent. of the value of the total portfolio. The largest part of the portfolio is in the central business district. Storebrand Real Estate Holding is also represented in other office locations in Oslo such as Nydalen, Skøyen and Lysaker;

- *Retail*: The retail portfolio represents 39 per cent. of the value of the total portfolio. The portfolio consists mainly of large shopping centres. These shopping centres are managed by Steen & Strøm ASA, which is a leading Norwegian operator of shopping centres;
- *International real estate funds*: The fund portfolio represents 10 per cent. of the value of total portfolio. The portfolio consists of 18 funds in Europe and one in Asia. All the funds are non-listed and all except one are closed-ended;
- *Logistics*: The logistics portfolio represents 5 per cent. of the value of Storebrand Real Estate Holding's total portfolio. The portfolio consists of logistics facilities in prime logistics locations; and
- *Others*: The real estate portfolio also consists of office buildings in locations other than Oslo as well as some residential developments. These represent about 2 per cent. of the value of total portfolio.

The Storebrand Group rents its headquarters at Filipstad Brygge in the central business district in Oslo from Storebrand Real Estate Holding. As a cost saving measure, and to accommodate for growth, the Storebrand Group has decided that it will move its headquarters to Lysaker Park in the second half of 2009. The new headquarters is also owned by Storebrand Real Estate Holding and is currently undergoing major renovation. All office lease contracts between the Storebrand Group and Storebrand Real Estate Holding are managed by Storebrand Real Estate and entered into on arm's-length terms.

1.4.4 Distribution of the Issuer's Corporate and Retail Products and the Storebrand Group's Retail Products

To comply with the MiFID requirements, the Issuer has established the investment company, Storebrand Finansiell Rådgivning AS ("Storebrand Financial Advisory"). Storebrand Financial Advisory offers the investment services "reception and transmission of orders in relation to one or more financial instruments" and "investment advice" mostly to private individuals. Storebrand Financial Advisory consists of approximately 120 financial advisers transferred from the Issuer in the fourth quarter of 2007, in addition to distribution through tied agents. Storebrand Financial Advisory sells products to the retail market on behalf of Storebrand Group, and Storebrand Group pays commissions negotiated on arm's-length basis for products sold.

1.4.4.1 Distribution of Occupational Pensions

Distribution in the Norwegian occupational pension market is handled through independent brokers, "tied" agents and the Issuer's internal sales force. Brokers and "tied" agents have a market share of the Issuer's sales of approximately 40 per cent., while approximately 60 per cent. of the sales are handled through the Issuer's internal sales force.

In line with other market participants, the Issuer no longer pays commissions to insurance brokers since 1 January 2008. Instead brokers invoice their customers for the customer services they provide. Customers that decide to use an insurance broker are then charged a slightly lower administration fee from the Issuer than those customers who have purchased their pension schemes directly from the Issuer and have their customer service relationship here.

The Issuer has divided its own sales force into different market segments in order to specialise in the different target markets. The market consists of small businesses (1-20 employees), medium size businesses (20-250 employees) and key accounts (above 250 employees). In the smallest market segment, the Issuer reaches the market through a call centre while there are approximately 80 specialised sales people and key account managers in the other market segments. Key account managers are responsible for both new business sales and servicing of existing accounts. In addition to the distribution of pension products, the Issuer also uses its internal sales force for the distribution of health insurance. It will also play an instrumental role in cross-selling to employees in the company pension schemes.

An important initiative in the corporate market is the establishment of agreements with the various employer organisations. The two biggest agreements are through NHO and HSH. The Issuer considers this an important way to gain market share, especially in the small business segment.

1.4.4.2 Retail Distribution for the Storebrand Group

The Issuer distributes its retail products and the retail products of other Storebrand Group companies through four channels: exclusive financial advisors, direct sales, tied agents and non-exclusive external distributors.

The financial adviser channel is the Issuer's largest and most important distribution channel, with approximately 160 advisers located in 40 company-owned offices throughout Norway and offers customers comprehensive financial advice on savings and banking as well as insurance. Approximately 40 of the advisers are bank and

insurance advisers currently employed by the Issuer, the remaining approximately 120 financial advisers have been transferred to Storebrand Financial Advisory. The Issuer's financial advisors handle the majority of the Storebrand Group's long-term savings customers and the largest share of its life insurance customers.

The direct sales channel serves customers through a customer centre staffed by around 60 advisers handling both incoming and outgoing calls. The Storebrand Group's website is also a part of the direct sales channel.

Tied agents are independent insurance brokers who have exclusive distribution agreements with the Storebrand Group, but who are not employed by the Issuer. Tied agents service the Issuer's life insurance customers as well as the Storebrand Group's long-term savings customers. There are currently approximately 60 tied agents.

Sales through non-exclusive external distributors are an important part of the Storebrand Group's focus on the retail market. The share of new sales to the retail market arranged through this channel, including tied agents, was almost 40 per cent. in the first nine months of 2007. In order to further increase its distribution capacity in this market, the Issuer has invested in selected external distributors as a part owner. The Issuer owns 48 per cent. of Caveo ASA, an investment firm with approximately 100 advisers working from 15 offices around Norway. This includes in Økonomiforvaltning AS, which Caveo ASA acquired in 2007. Caveo ASA acts as an independent distributor, but collaborates with the Issuer both operationally and strategically.

The insurance agents and the external distributors receive transaction-based fees plus portfolio-based fees. The Issuer and Storebrand Financial Advisory receive commissions on sales of products for other Storebrand Group companies through their distribution channels.

1.4.4.3 Distribution in Sweden

In Sweden, Storebrand has adapted to the Swedish market's business practices. Distribution is carried out using brokers who are paid a fee for the services they provide. The broker-controlled nature of the Swedish market involves brokers establishing long-term marketing plans for the life insurance companies and fund managers they wish to sell products for over a three to five year horizon. This in turn means that life insurance companies are dependent on being included in the marketing plans of larger brokers to avoid exclusion from the broker market for at least the next three years. Storebrand's branch office in Sweden has been included in the marketing plans of several large insurance brokers in Sweden, including AON and Söderberg, and Storebrand's launch of unit-linked products in the Swedish market and simple, customer-friendly purchase and service solutions have increased the company's attractiveness to brokers.

Storebrand believes SPP has strong distribution capabilities through a highly experienced sales force as well as separate specialist organisations for municipalities and international businesses. The direct and Internet distribution channels are also considered important by SPP and it is currently seeking to reinvigorate its participation in the broker channel, providing it with access to all key distribution channels. SPP's own sales force comprises approximately 117 people in six regions: Umeå, Gävle, Stockholm, Linköping, Göteborg and Malmö. SPP is one of the few companies in the Swedish market with the capability to serve municipalities and to offer a full range of product solutions. The Electum brand is important to SPP when serving the municipality segment.

1.4.5 Breakdown of Total Revenue

The table below specifies the Issuer's total operation income by activity and geographic split (including SPP from 2008). The information has been derived from the Issuer's interim and annual reports from the actual periods.

NOK million	31.03.2008	2007	2006	2005
	<i>(unaudited)</i>		<i>(audited)</i>	
Life insurance activities, of which:	7,123	32,230	33,106	30,538
Norway	10,720	32,113	33,045	30,532
Sweden	(3,597)	117	61	6

1.4.6 Investments

1.4.6.1 The Issuer (excluding SPP)

The Issuer (excluding SPP) achieved a weighted book return on investment of 0.7 per cent. during the quarter for the customer portfolios with a guaranteed return. The weighted market return was minus 1.6 per cent. for the quarter compared with a value adjusted return of 2.1 per cent. in Q1 2007. The development in asset allocation in Q1 has been characterised by market turbulence since the start of the year. Weighted equity exposure for customer portfolios with a guaranteed return was reduced by 9 per cent. (taking into account derivative positions) to 17 per cent. during Q1.

The Issuer's total assets under management increased by NOK 4.8 billion to stand at NOK 201.4 billion at the end of Q1 2008. The increase in the quarter was driven by the net transferred premium reserve, among other things.

During Q1 the company's risk capital was reduced by NOK 7.5 billion to NOK 8.0 billion due to changes in the allocation of the full year's profit, and changes in the market value adjustment reserve and additional statutory reserves. The additional statutory reserves were reduced by NOK 376 million in order, among other things, to cover accrued guaranteed interest and amounted to NOK 5.4 billion at the end of Q1 2008. The additional statutory reserves still covers around one year's guaranteed interest. Unrealised gains on current assets in the group portfolio were reduced by around NOK 4.0 billion in Q1 2008 and amounted to minus NOK 456 million at the end of the quarter. The fall was due to the poor financial markets. The market value adjustment reserve cannot be negative and this deficit was booked in the accounts. The fair value of bonds held to maturity increased by NOK 171 million in the quarter and the unrealised gain on bonds held to maturity amounted to NOK 211 million at the end of Q1. These unrealised gains are not included in the accounts.

As at 31 March 2008, the Issuer had an investment portfolio, including bank accounts, amounting to NOK 193 billion in total. The investment portfolio was split between Norwegian equities (5 per cent.), foreign equities (16 per cent.), real estate (12 per cent.), money market instruments (9 per cent.), bonds held to maturity (21 per cent.), other bonds (25 per cent.), loans (1 per cent.) and other financial assets (5 per cent.). The Issuer also held assets in defined contribution and unit-linked amounting to NOK 10.8 billion (6 per cent.).

The company experienced positive margins in relation to all regulatory capital requirements. Storebrand Life Insurance Group's capital adequacy for Q1 was 10.0 per cent. The solvency margin was 131 per cent. at the end of Q1 compared with 136 per cent. at the end of 2007.

Following the acquisition of SPP the regulatory key figures have been affected by consolidation effects, and the solvency margin and tier 1 capital ratio are somewhat below the Issuer's internal targets. The Board of Storebrand ASA has therefore decided to supply the Issuer with NOK 450 million through a targeted share issue¹¹. The injection of capital will strengthen the Issuer's solvency margin and tier 1 capital ratio. Based on the key figures at the end of Q1, the Issuer's solvency margin and tier 1 capital ratio will be 135 per cent. and 6.0 per cent. respectively after the share issue.

1.4.6.2 SPP

The total return in SPP's investment portfolios was for the defined benefit portfolio minus 3.99 per cent. and for the defined contribution portfolio minus 3.75 per cent. Profit sharing in SPP takes place when the return is higher than the guaranteed interest, which varies from 2.5 per cent. to 5.2 per cent. SPP is then entitled to up to 10 per cent. of the investment result and no upper limit exists for allocations to the owner. The poor return in Q1 allowed no profit to be allocated to the owner.

SPP's solvency margin at the end of Q1 was 164 per cent. There were sufficient buffers to cover the negative return in the period for the majority of contracts.

At the start of 2008 the customer portfolio in both defined benefit and defined contribution consisted of 40.5 per cent. equities. During the quarter, SPP implemented dynamic risk management in accordance with the same principles applied by the Issuer. As a consequence of the risk management shares were sold down during the quarter, such that the equity proportion was reduced by 9.8 and 7.5 per cent. for the defined benefit and defined contribution portfolios respectively. There were fewer changes for other classes of assets during the period, with the exception of the increase in interest bearing assets due to the lower weighting of shares.

Conditional bonuses (the insurance customers' buffer capital) at the end of Q1 amounted to NOK 10.2 billion. This represents a reduction of NOK 3.5 billion and was due to the poor market development and a negative total return. The total insurance reserves amounted to NOK 101.6 billion compared with NOK 103.1 billion at the start of the year. As per Q1 NOK 23.3 billion of the reserves were placed in unit-linked fund insurance compared with NOK 23.9 billion at the start of the year.

As at 31 March 2008, SPP had an investment portfolio, including bank accounts, amounting to NOK 98.2 billion in total. The investment portfolio was split between Swedish equities (8 per cent.), foreign equities (15 per cent.), nominal bonds (45 per cent.), real interest bonds (6 per cent.) real estate (0.3 per cent.), and other financial assets (26 per cent., of which 24 percentage points relate to Unit Linked).

¹¹ On 2 May 2008 the Issuer increased its capital through a share issue to owner Storebrand ASA. The number of shares increased by 4,500,000 to a total of 24,304,200 shares, each with a face value of NOK 100. Total paid in share capital following the share issue is NOK 2,430,420,000.

The following two tables show the split of the bond investment portfolio of the Issuer by credit rating of the investments as at 31 March 2008:

Issuer Marked to Market long bond positions as at 31 March 2008

NOK billion	AAA	AA	A	BBB	Total
Issuer					
Agency	1.1	0.1	—	—	1.2
Asset Backed	1.2	0.0	—	—	1.3
Banking	0.1	4.6	7.4	9.2	21.2
Basic Industry	0.0	—	—	0.1	0.1
Collateralised Loan Obligation	0.2	—	—	—	0.2
Commercial Mortgage Backed	1.0	—	0.1	—	1.0
Communications	—	—	—	0.3	0.3
Consumer non-cyclical	—	—	0.1	—	0.1
Energy	—	—	0.2	—	0.2
Finance & Investment	—	0.2	1.3	0.1	1.7
Government Guaranteed	0.7	0.6	0.1	—	1.5
Local-Authority Guaranteed	—	0.0	—	—	0.0
Pfandbriefe	0.1	0.2	—	—	0.4
Real Estate	—	—	—	0.2	0.2
Residential Mortgage Backed	3.1	0.1	0.0	—	3.2
Sovereign	9.8	0.4	2.6	—	12.8
Supranational	0.2	—	—	—	0.2
Utility	—	—	—	0.1	0.1
Total	17.6	6.2	11.9	10.0	45.6

Issuer Hold to Maturity bonds as at 31 March 2008

NOK billion	AAA	AA	A	Total
Issuer				
Banking	0.9	4.5	—	5.4
Finance & Investment	0.8	—	—	0.8
Government Guaranteed	18.0	—	—	18.0
Local-Authority	2.0	0.4	—	2.4
Local-Authority Guaranteed	—	0.9	—	0.9
Pfandbriefe	0.6	—	—	0.6
Sovereign	11.3	—	2.1	13.3
Total	33.5	5.8	2.1	41.4

SPP Marked to Market long bond positions as at 31 March 2008

SEK billion	AAA	AA	A	BBB	Total
Issuer					
Agency	0.2	—	—	—	0.2
Asset Backed	—	—	—	—	—
Banking	—	6.0	1.7	—	7.7
Basic Industry	—	—	1.1	—	1.1
Collateralised Loan Obligation	—	—	—	—	—
Commercial Mortgage Backed	—	—	—	—	—
Communications	—	—	0.1	—	0.1
Consumer non-cyclical	—	—	—	—	—
Energy	—	—	—	—	—
Finance & Investment	0.7	0.2	0.8	—	1.8
Government Guaranteed	0.9	—	—	—	0.9
Pfandbriefe	10.4	—	—	—	10.4
Real Estate	—	0.9	—	—	0.9
Residential Mortgage Backed	—	—	—	—	—
Sovereign	—	—	—	—	—
Supranational	0.9	—	—	—	0.9
Utility	—	0.1	0.2	—	0.3
Total	13.1	7.3	4.0	—	24.4

1.4.7 Risk Management

The Issuer is exposed to various categories of risk. Identifying and managing operational risk is an integrated part of management responsibility throughout the organisation. In addition, the management groups within the Issuer carry out an annual risk evaluation in order to produce an overall risk summary and recommendations for improvement.

The majority of savings-related life insurance products incorporate a guaranteed minimum return. These savings products currently offer an average annual guaranteed return of approximately 3.5 per cent. for the Issuer's Norwegian portfolio. The average guaranteed return is falling since, under current regulations, the return guaranteed on new policies cannot exceed 2.75 per cent. The Issuer seeks to optimise investment returns for its customers, whilst minimising the risk that such returns fall below the guaranteed minimums. This places particular demands on how the Issuer invests in financial securities and other assets, and on the quality of its risk management. To manage these demands, every year in December the Issuer presents an investment strategy to the Board of Directors, which is monitored continuously and revised every June. The investment strategy establishes risk limits for the Issuer and client buffer capital exposure. The allocation of assets by the mandated investment teams is using the limits and guidelines for credit and counterparty exposure, foreign exchange risk and the use of derivatives, set forth in the investment strategy.

Continuous monitoring of the investment portfolio allows the Issuer to take risk management actions on a daily basis if necessary, creating value for both customers and the Issuer. The investment risk management of the Issuer primarily focuses on the potential for a drastic decline in equity markets, a drop in interest rates lasting for a long period of time and an increase in the volatility in financial assets. A fall in equity markets increases the likelihood that investment returns fall below pre-determined limits. These limits, as well as the allowed probability for the return to fall below them, are set on an annual basis at the beginning of each calendar year. In accordance with The Issuer's investment strategy the financial assets portfolio is being evaluated on a daily basis to address the then current investment risk, including entering into necessary transactions to retain the risk bearing capacity.

Since the acquisition of SPP, the investment strategy and monitoring of the investment portfolio now also includes investments held by SPP.

Low interest rates reduce the interest earned on the proportion of financial assets invested in interest-bearing securities, and make it more difficult to generate the guaranteed minimum annual interest without recourse to the Issuer's additional statutory reserves and market value adjustment reserves. Sharply rising interest rates, on the other hand, causes losses in the form of lower prices for interest-bearing securities such as commercial paper and bonds. However, higher interest rates both in Norway and internationally have the effect of improving the Issuer's risk-bearing capacity. The Issuer has invested a significant proportion of its financial assets in bonds classified as hold to maturity with a running yield of over 5 per cent. The Issuer's weighted booked return on its customer portfolios with a guaranteed return was 8.9 per cent. in 2007 and 0.7 per cent. for the first quarter of 2008. Under current legislation and regulations, the technical insurance reserves that the Issuer is required to hold are not affected by changes in market interest rates.

The Issuer manages this risk exposure in several ways. First, it attaches considerable importance to building sufficient risk capital to absorb losses. Second, risk exposure is diversified as much as possible through investment in assets that are not expected to cause losses at the same time. Third, risk bearing capacity is managed dynamically through changes to asset allocation between debt and equity securities. Finally, hedging instruments, such as options, are used.

In early 2004, the Norwegian parliament approved a number of significant changes to the New Insurance Act, aiming to make pricing more transparent and providing a clearer separation between customers' assets and the insurance companies' assets. The change in regulation gives the Issuer the opportunity to establish different asset allocation profiles for different clients. With regards to risk management, this has led to segregated risk management in these different asset allocation profiles, and as such the risk management actions becomes more tailored under the new legislation. It also allows for separation of customer's capital and the insurer's capital; increasing the opportunity to tailor the overall risk management operation. The New Insurance Act came into effect from 1 January 2008 (the New Insurance Act itself came into force on 1 July 2006, but the transitional regulations mean that the new business rules came into effect from 1 January 2008).

The Norwegian authorities specify that the Issuer's risk capital is the total of the market value adjustment reserve, additional statutory reserves core capital in excess of the regulatory minimum and accrued earnings. Risk exposure is monitored using stress testing that estimates potential loss in the event of extreme market movements. The Issuer ensures that it meets all regulatory requirements, such as capital ratio and solvency capital ratio, by a satisfactory margin. The target solvency margin set by the Issuer is 150 per cent.

Insurance policies are long-term agreements, and involve uncertainty in respect of assumptions about future rates of mortality and invalidity. The Issuer uses tariffs drawn up on the basis of statistical experience, and these tariffs are notified to the authorities. Insurance risk is separately monitored for every line of insurance in the current insurance portfolio. The risk result (the result arising from the incidence of mortality and/or disability during a period deviating from the assumptions used for tariff premiums) for each product group is broken down into the elements of death, accident and disability. The development of risk result is followed throughout the

year. For each type of risk, the ordinary risk result for a period represents the difference between the risk premiums the Issuer has collected for the period and the sum of provisions and payments that must be made for insured events that occur in that period. The risk result takes into account insured events that have not yet been reported but which, on the basis of its experience, assumes will have occurred. The Issuer follows developments in mortality and invalidity rates very closely, and adjusts its reserves in accordance with these trends.

The Issuer currently has reinsurance programmes in place, including proportional treaties for life and pension business and for workmen's compensation business. The Issuer has also bought extensive excess of loss reinsurance. All reinsurance is bought from the world's major reinsurance companies with Swiss Re and Munich Re leading the major programmes. The Issuer does not have significant outstanding balances from reinsurers.

Liquidity Risk Management

The Issuer has established good liquidity buffers in the Issuer's investment portfolios, including significant holdings in liquid money market portfolios, and continuously monitors liquidity reserves against internal requirements.

1.4.7.1 Operational Risk Management

The Issuer has regularly tested business continuity plans which are considered adequate and requires its material outsourcers to maintain similar arrangements. Additionally, the Issuer has core controls in place to maintain integrity and efficiency of its IT systems. The Issuer also has procedures and structures in place to monitor the internal control and compliance environments including risk management, internal audit and compliance functions throughout the Issuer.

2 Regulatory overview

2.1 Norway

2.1.1 General

The Issuer is subject to the supervision of *Kredittilsynet* (the "Norwegian FSA") and regulated by the Norwegian Insurance Act (Act 10 June 2005 no. 44 (*Norwegian forsikringsloven*)), the Financial Institutions Act (*Norwegian finansieringsvirksomhetsloven*) and furthermore to various regulatory regimes.

The most relevant Norwegian regulatory legislation applicable to Norwegian insurance companies are:

- the Insurance Act (Act 10 June 2005 no. 44 (*Norwegian forsikringsloven*)); regulating, *inter alia*, the authorisation of insurance companies, organisational requirements, insurance activity, winding-up of insurance companies, foreign insurance companies (the "Insurance Act");
- the Insurance Contracts Act (Act 16 June 1989 no. 69 (*Norwegian forsikringsavtaleloven*)); regulating the relationship between the insurance company, the policyholder and the insured;
- the Financial Institutions Act (Act 10 June 1988 no. 40 (*Norwegian finansieringsvirksomhetsloven*)); regulating, *inter alia*, the authorisation of financial institutions, organisational requirements, finance activity, capital adequacy requirements; and
- the Financial Supervision Act (Act 7 December 1956 no. 1 (*Norwegian Kredittilsynsloven*)); regulating the supervision of *inter alia* financial institutions and investment firms by the FSA.

Detailed secondary regulations have been given by the Ministry of Finance and the Norwegian FSA pursuant to each of the above acts.

The Insurance Act distinguishes between life insurance and non-life insurance. The Insurance Act requires that life insurance must be carried out by a life insurance company, and that non-life insurance must be performed by a non-life insurance company. Hence, life and non-life insurance activity may not be carried out by the same entity. Life and non-life insurance companies are subject to similar organisational requirements, while the rules governing the insurance activity (rules on premiums and insurance technical allocations) differ. The Norwegian FSA may however authorise non-life insurance companies to write life insurance in the form of pure risk insurance contracts of a maximum of one year's duration and reinsurance in the field of life insurance.

According to Section 6-1 of the Insurance Act an insurance company may only carry out insurance activity and activities that are naturally associated with insurance activity. This prohibition implies, among other things, that an insurance company is subject to restrictions from borrowing money to finance its activities.

According to Section 6-2 of the Insurance Act an insurance company may not own, or by voting represent, more than 15 per cent. of the shares or interests in a company carrying on activities which pursuant to Section 6-1 may

not be carried on by insurance companies. This prohibition does not apply where the overall value of such investments is less than the assets of the insurance company that remain after deduction of technical provisions covering the insurance liabilities, provided that the financial risks related to the investment are limited to the value of the investment in question. The Ministry of Finance can consent to exceptions from the above prohibition. Exceptions may however only be granted in special cases and can be made subject to conditions. The provisions of Section 6-2 do, however, not apply to the right of insurance companies to own shares or interests in other financial institutions. This also includes broker firms, estate agencies, asset management companies and foreign financial institutions.

2.1.2 Authorisations and Approvals

Authorisation to conduct insurance activity is granted by the Norwegian Ministry of Finance. Such authorisation will include a licence to perform insurance activity in one or more insurance classes, or part of a class, and may be subject to conditions set by the Ministry of Finance. An authorisation cannot be withheld unless there is reason to assume that the company will not fulfil the requirements set by or pursuant to the law, or that the initial capital is not in reasonable proportion to the planned activity, or that authorisation will otherwise adversely affect the policyholders or groups of policyholders.

Pursuant to the Financial Institutions Act, acquisition of qualifying holdings in a financial institution is subject to prior approval by the Ministry of Finance or the Norwegian FSA. A qualifying holding is a holding that represents 10 per cent. or more of the capital or voting rights in a financial institution or allows for the exercise of significant influence on the management of the institution and its business. Approval may only be granted if the acquirer is considered appropriate according to the Financial Institutions Act (the so-called "fit and proper" evaluation). Furthermore, new approvals are required for holdings that reach or exceed certain thresholds (20 per cent., 25 per cent., 33 per cent. and 50 per cent.). If an acquisition applied for will give the acquirer a holding equal to or exceeding 25 per cent., authorisation will be refused unless it is irrefutably documented to the Ministry of Finance that the acquirer will be fit and proper. Approvals to acquire 25 per cent. but less than 100 per cent. of a financial institution have only been granted in a very limited number of cases.

In the event of a reduction of holdings, any person proposing to dispose of a qualifying holding or to reduce such a holding so that it falls below the equivalent thresholds is required to notify the Norwegian FSA.

An owner's overall holding is computed on the basis of the owner's holdings of shares and (i) holdings which the owner is entitled by an agreement to acquire on its own initiative, (ii) holdings for which the owner is entitled by agreement to exercise voting rights (but not voting rights proxy as mentioned in Section 5-2 in each of the Norwegian Public Limited Companies Act and the Norwegian Private Limited Companies Act when no compensation is given for that proxy and (iii) holdings which a person or institution closely linked (family or institution owned or controlled by the holder) owns or is entitled to acquire or to exercise voting rights for. Agreements on acquisition subject to authorisation under the financial legislation shall not be included for the purpose of calculating holdings as mentioned above, unless the agreement in question entails that (i) the owners are entitled to compensation equalling more than 5 per cent. of the market value of the shares at the time of the offering, (ii) the owners are entitled to a loan from the offeror or (iii) the owners' right to exercise voting rights attached to the shares are restricted.

Moreover, pursuant to the Financial Institutions Act formation of a financial group (a group of companies consisting of mainly financial institutions) and any amendments to the structure of such group are subject to approval from the Norwegian FSA. This requirement is in addition to the licence requirement related to the activity of the individual entities in the group. Furthermore, the formation of a financial group that includes an insurance company is also subject to an approval requirement pursuant to the Insurance Act.

2.1.3 Insurance Activity and Related Activities

In order to secure the insurance companies' ability to cover their liabilities, the business activities of the insurance companies are subject to various regulations. These regulations are implementations into Norwegian law of EU directives. The most relevant regulations in relation to the insurance activity and related activities are:

- regulations on how the company shall estimate and collect its insurance premiums;
- regulations on how the insurance company shall assess its liabilities towards the policyholders and the insured and ensure coverage of those liabilities;
- regulations on how the insurance company shall manage its capital (capital management); and
- regulations that require the insurance company to have a certain amount and type of capital in place (capital adequacy requirements and solvency margin capital).

2.1.4 Premiums, Insurance Technical Allocations and Asset Management

According to the Insurance Act a non-life insurance company shall determine premiums that are in reasonable proportion to the risk it assumes and the services the company offers. It is the insurance company that is responsible for setting the premiums, and under Norwegian law there is no advance approval requirement of the premiums charged by the companies. However, the Norwegian FSA shall, pursuant to the Insurance Act, supervise the premiums to ensure that they fulfil the requirements under the Insurance Act. According to the requirements the premiums must be reasonable and proportionate, and moreover sufficient to ensure coverage of the liabilities under the insurance contracts. The insurance company may not charge premiums that discriminate unfairly between products, combinations of products or groups of customers.

The Ministry of Finance may prohibit the use of premiums that are deemed to be unsatisfactory or unreasonable by the Ministry of Finance.

Insurance companies are also required to make insurance allocations to cover the liabilities derived from the company's insurance activity. This means that the company must calculate its insurance liabilities and ensure that the company has the necessary assets to cover such liabilities. The assets must meet the requirements in the regulations issued by the Ministry of Finance under the Insurance Act. Further, these assets must provide coverage of the company's calculated total liabilities with regard to the insurance technical allocations.

An insurance company shall provide for prudent asset management. The asset management concerning such company's assets that cover the insurance technical allocations is subject to detailed rules set forth in a regulation adopted under the Insurance Act.

2.1.5 Capital Requirements

Insurance companies within the EU and EEA are subject to solvency margin requirements.

The solvency margin expresses the risk related to an insurance company's insurance liabilities, and the insurance company must at all times maintain sufficient equity capital to meet its required solvency margin. An insurance company must calculate its solvency margin either based on their incoming premiums or based on their claims payments over the last three years. If the solvency margin exceeds the minimum solvency margin, the solvency margin capital shall be equal to the actual solvency margin.

The EU is currently preparing new rules for solvency margin capital requirement (Solvency II). These rules are expected to be adopted at the earliest in 2010.

Pending the adoption and implementation of Solvency II, Norwegian insurance companies are subject to both capital adequacy requirements and the mentioned solvency margin requirements. According to the Insurance Act, insurance companies shall at all times have a capital adequacy which constitutes at least 8 per cent. of the company's assets and the company's off balance sheet liabilities, calculated in accordance with principles for risk-weighting that apply to banks under the Basel I regime. Qualifying capital can be in the form of core and supplementary capital. Core capital will typically consist of equity capital, while supplementary capital can be subordinated loan capital.

The capital requirements must be complied with at all times. Insurance companies are obligated to document their fulfilment of the requirements by reporting to the Norwegian FSA on a quarterly basis.

The principles for risk-weighting of insurance companies' commitments are set out in a regulation issued under the Insurance Act. This regulation also states that if an insurance company, subject to this regulation, has ownership interests that amount to 20 per cent. or more of the share capital or voting rights in another financial institution (i.e. in a financial group), the capital adequacy requirements shall also be applicable on a consolidated basis.

2.1.6 Other Requirements and Regulations

Chapter 13 of the Insurance Act regulates the winding-up and merger of insurance companies. A resolution to wind up or dissolve an insurance company must be approved by the Ministry of Finance. When it is decided to wind up the company, writing of new and old (renewal) insurance contracts shall not take place.

Insurance companies are not subject to ordinary bankruptcy rules. Instead, they are governed by the Act on Guarantee Schemes for Banks and Public Administration (Act 6 December 1996 no. 75) (*Norwegian Banksikringsloven*). Subject to this act, the Ministry of Finance can decide that an insurance company shall be subject to public administration if it does not meet the capital requirements or is unable to meet its liabilities as they come due. The same applies if there is reason to believe that the company is not solvent and that there is no basis for further sound management of the company.

If an insurance company comes under public administration its corporate bodies are replaced by an administration board appointed by the Norwegian FSA and the business of the company is suspended, either temporarily until the situation has been rectified or permanently by liquidation. In such a situation, no new insurance policies are to be issued and existing insurance policies must be transferred to another insurance company or written down, in the case of life insurance, or terminated with three months' notice, in the case of non-life insurance. Payments to policyholders and other creditors shall be subject to consent from the Norwegian FSA.

2.2 Sweden

As regards life insurance, Storebrand has a life insurance branch in Sweden and has recently acquired SPP through the Transaction. Both SPP and Storebrand's Swedish branch offer corporate life, occupational pension and retail life insurance products.

Storebrand's branch is subject to the supervision of the Norwegian FSA. The branch office's activities in Sweden must however be carried on in compliance with Swedish law as regards for example the marketing of insurance products.

2.2.1 Regulation of Swedish Insurance Companies

2.2.1.1 Overview of Relevant Legislation

This Section focuses on Swedish legislation applicable to life insurance companies. The most relevant Swedish legislation applicable to insurance companies are:

- the Swedish Insurance Business Act (SFS 1982:713) (*Swedish försäkringsrörelselagen*) (the "Insurance Business Act") which regulates the conducting of an insurance business, including, *inter alia*, authorisation of insurance companies, organisational requirements, capital requirements, winding-up of insurance companies, etc.;
- the Act on Foreign Insurers' and Occupational Pension Providers' Operations in Sweden (SFS 1998:293) (*Swedish lagen om utländska försäkringsgivares och pensionsinstituts verksamhet i Sverige*) which regulates the activities of foreign insurers' secondary establishments in Sweden; and
- the Swedish Insurance Contracts Act (SFS 2005:194) (*Swedish försäkringsavtalslagen*) regulating the relationship between the insurance company and the policyholder and the insured.

The legislation is supplemented by detailed regulations given by the Swedish Financial Supervisory Authority (*Swedish Finansinspektionen*) (the "Swedish FSA").

As at 1 July, 1995, the Swedish insurance legislation was adapted to the EU's Third Non-Life and Life Insurance Directives, and since 1 January, 1996, the EU regulations for annual and consolidated accounts in insurance undertakings have been part of Swedish law.

Similar to the Norwegian regulations, the Insurance Business Act distinguishes between life and non-life insurers. In general terms, a life insurer cannot carry on non-life business and vice versa. There are some exceptions, though: certain critical illness- and accident insurance policies (*Swedish lång sjuk- och olycksfallsförsäkring*) can be issued by both life- and non-life insurers.

As regards corporate regulations and the general conduct of business, there are only minor differences between the two categories. For obvious reasons, the regulations differ in the context of technical provisions.

As in Norway, insurance companies may only engage in other business that has a natural connection with insurance activities, such as accident prevention and third party claims handling. The borrowing of monies is, in general terms, prohibited but the Swedish FSA may grant exemptions.

The rather complex risk spreading regulations in Section 7 of the Insurance Business Act prohibit an insurance company from investing more than certain fractions of its assets matching the technical reserves in other companies, unless the investment is considered as "strategic", i.e. in an entity that carries on business that has a natural connection with the insurance business.

2.2.1.2 Authorisations and Approvals

In order to establish an insurance company or expand a company's product portfolio, a concession (authorisation) is required. Such authorisations are normally issued by the Swedish FSA but in matters of principle or of great importance, the application will be referred to the Swedish government (i.e. the Department of Finance) for a final decision. An application is granted if the insurance company is deemed to be able to satisfy the requirements

for sound insurance operations. Authorisation is obtained in one or more direct insurance classes and/or for reinsurance. The company must apply for registration with the Swedish Companies Registration Office within 6 months from obtaining authorisation. The failure to do so will result in the revocation of the authorisation. When the company is registered, it can commence its insurance business activities.

A qualified direct or indirect holding in an insurance company is subject to the approval of the Swedish FSA. A qualified holding is defined as a direct or indirect holding of 10 per cent. or more of the share capital or the voting rights of the company or a holding that otherwise entails a substantial influence over the management of the company (Section 1, Art. 9 a in the Insurance Business Act).

The management of an insurance company is subject to the approval of the Swedish FSA. The management of the company comprises the members of the board that are elected by the general meeting of shareholders, the managing director (*Swedish verkställande direktör*) and the deputy managing director(s), if any. The same applies to the management of the parent company, if the parent company is an insurance holding company, which is defined as a company, not being an insurance company itself, that has the main purpose of owning and administering shares in subsidiary insurance companies (Section 7 a, Art. 9 a and Section 1, Art. 9 e of the Insurance Business Act).

The insurance company shall establish guidelines for the calculation of the technical provisions, which shall be submitted to the Swedish FSA prior to the commencement of its business.

2.2.1.3 Capital Requirements

As in Norway, the Swedish insurance companies must comply with the solvency margin requirements established by the European Union.

Furthermore, the Insurance Business Act contains regulations on capital adequacy. An insurance company must at all times have enough capital to fulfil its liabilities towards the policyholders. The technical provisions, including provisions for claims cost, claims handling costs and administrative costs and guaranteed and conditional returns, shall equal the company's corresponding liabilities. In all calculations, and especially calculations related to occupational pension insurances, all applied methods shall be prudent.

The insurance company shall hold assets that at all times cover its liabilities (i.e. the technical provisions), net of reinsurance. The Insurance Business Act contains very detailed regulations on the kind of assets to be used for coverage. The regulations, based on risk spreading principles, weigh different types of assets and set forth the fractions to which they may be used as matching assets. The assets shall be registered in a separate ledger, which shall evidence each asset and its value at any given moment. The company shall appoint an individual to be responsible for keeping the ledger and that person shall be reported to the Swedish FSA.

Information on the technical provisions shall be reported to the Swedish FSA on a quarterly basis.

The board of directors of the company shall establish asset management guidelines. The company (i.e. generally the managing director) shall appoint an asset management committee, which shall supervise the asset management and to which managerial queries may be addressed.

The capital base of the company consists of core capital (equity), supplementary capital (subordinated loans and shareholder's contributions), and untaxed reserves. The capital base may not be less than EUR 3 million.

2.2.1.4 Winding-up and Bankruptcy

The regulations on winding-up and bankruptcy of insurance companies do not materially differ from those of regular limited liability companies.

The general meeting of shareholders may decide that the company shall be wound-up. If the equity is less than one third of the registered share capital, the board of directors and the shareholders must take appropriate actions to either strengthen the capital base or to wind up the company.

When an insurance company is declared in bankruptcy by a court decision, an official receiver is appointed, with the objective to liquidate the company's assets. The Swedish FSA may appoint an independent receiver.

2.2.1.5 Other Requirements and Regulations

The insurance company shall make necessary arrangements for the handling of personal data and sensitive personal information (e.g. information in medical journals) and appoint an officer designated to personal data matters.

The company must establish efficient complaints handling procedures and appoint an officer responsible for the complaints handling.

Furthermore, the company must adopt various policies and guidelines, e.g. a reinsurance policy, a policy on governance and internal control, a policy for the reporting of incidents of significant importance, guidelines for the handling of conflicts of interest, and a policy for the prevention of money laundering and financing of serious crimes. The company shall also establish internal functions for compliance, risk control and independent monitoring (internal audit).

The Swedish FSA shall appoint one or more auditors, unless the insurance company's business activities are of minor proportions. The auditor's tasks are set forth in an instruction established by the Swedish FSA and such tasks are conducted in cooperation with the auditor(s) elected by the general meeting of shareholders.

The Act on Supervision over Financial Conglomerates (SFS 2005:531), based on the EU conglomerate directives, sets forth the joint supervision over companies belonging to the same group within the financial sector in the EEA. The Swedish FSA coordinates the supervision if the ultimate parent company is, *inter alia*, a Swedish insurance company or a Swedish insurance holding company. Furthermore, the said act sets forth that the joint capital base and capital adequacy requirements for financial conglomerates shall be calculated according to the relevant sector regulation. If the ultimate parent company is an insurance company, the basis for calculation shall be Method 2 as set forth in Appendix 1 to the Conglomerate directive (the joint and account method).

3 Legal Information, Organisation and Management

3.1 Company details

Storebrand Livsforsikring AS is a private limited liability company incorporated on 30 October 1990 under the laws of the Kingdom of Norway. Storebrand Livsforsikring AS is registered in the Norwegian Register for Business Enterprises, company registration number 958995369.

Storebrand Livsforsikring AS employs approximately 1,017 people and has its headquarters in Oslo.

Registered address:

Storebrand Livsforsikring AS
Filipstad Brygge 1
N-0114 Oslo Norway

Postal address:

Storebrand Livsforsikring AS
P.O. Box 1380 Vika
N-0114 Oslo Norway

Telephone number: +47 22 31 50 50.

3.2 Ownership and Control

Storebrand Livsforsikring AS is a wholly owned subsidiary of Storebrand ASA. Storebrand ASA is a company listed on the Oslo Stock Exchange, ticker code STB. For shareholder information on Storebrand ASA, please see the investor relations website of the Storebrand Group at: <http://www.storebrand.no/ir>.

3.3 Major Shareholders

Storebrand ASA is the sole shareholder of Storebrand Livsforsikring AS, with full voting rights and control at the general meeting.

3.4 Laws and regulations

The principal acts regulating the activities of Storebrand Livsforsikring AS are the Norwegian Insurance Act, the Financial Institutions Act, the Norwegian Private Limited Companies Act, the Norwegian Securities Trading Act and the Norwegian Act on Guarantee Arrangements and Public Administration, etc. of Financial Institutions.

Storebrand Livsforsikring AS is regulated by the Norwegian FSA (Norwegian: *Kredittilsynet*). In accordance with Norwegian financial and insurance regulation, Storebrand Livsforsikring AS must maintain a minimum capital ratio of 8 per cent. and is also subject to minimum solvency margin capital requirements.

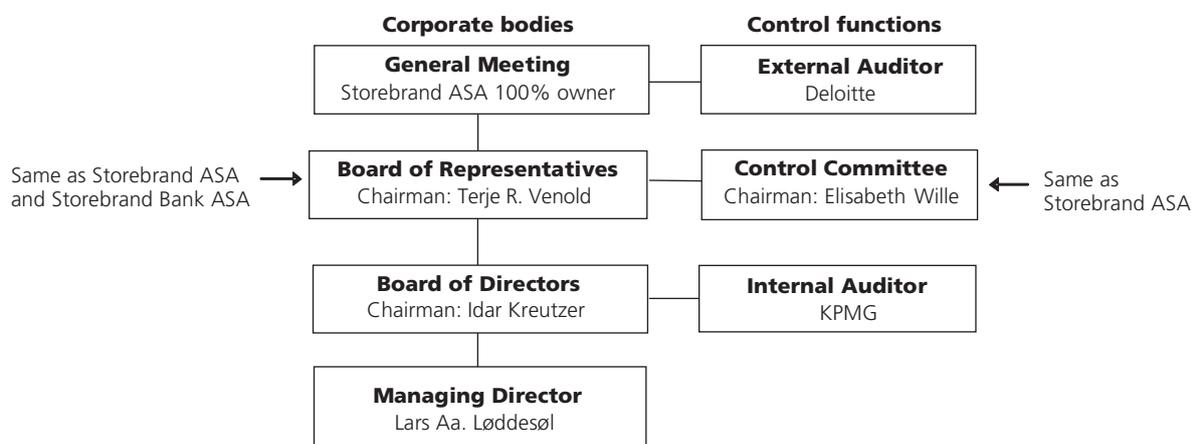
The Norwegian Ministry of Finance has set as a condition of its approval of the Storebrand Group's acquisition of SPP that if, for the financial years ending 31 December 2007 and 31 December 2008, the core (tier 1) capital ratio falls below 6 per cent., or if the solvency margin falls below 150 per cent. for Storebrand Livsforsikring AS (on a

consolidated level), the Norwegian FSA may impose restrictions on distributions of dividend from Storebrand Livsforsikring AS.

Any credit facility extended to Storebrand Livsforsikring AS is subject to approval in credit committee and from the Board of Directors, and must meet credit policy requirements in respect of (amongst others) collateral and creditworthiness.

3.5 Organisational Structure

Storebrand Livsforsikring AS organisational and corporate governance structure is summarised as follows:



4 Members of Administrative, Management and Supervisory Bodies

4.1 The Board of Directors

The Board of Directors is responsible for the administration of Storebrand Livsforsikring AS on behalf of its shareholder. The Board of Directors must also ensure that Storebrand Livsforsikring AS is organised and operates in a satisfactory manner and in compliance with all applicable laws, regulations and mandates. Three members of the Board of Directors must be elected by and among Storebrand Livsforsikring AS employees. The remaining members of the Board of Directors are elected by the Board of Representatives.

The Board of Directors of Storebrand Livsforsikring AS currently has the following members:

Name	Function	Significant Outside Activity (where significant with respect to Storebrand Livsforsikring AS)
Idar Kreutzer	Chairman	CEO, Storebrand ASA
Andreas Enger	Member	CFO & Senior Vice president Norske Skogindustrier ASA
Nina Udnes Tronstad	Member	CEO Aker Kværner Verdal AS
Maalfrid Brath	Member	Exec. VP Storebrand ASA
Inger-Johanne Strand	Member (employee elected)	Employee Storebrand Livsforsikring AS
Gorm Leiknes	Member (employee elected)	Employee Storebrand Livsforsikring AS

There are no potential conflicts of interest between the members of the Board of Directors' duties to Storebrand Livsforsikring AS and their private interests and/or other duties.

The business address of each member of the Board of Directors is:

The Board of Directors of Storebrand Livsforsikring AS

Attn.: Chairman, Idar Kreutzer

Filipstad Brygge 1

P.O. Box 1380 Vika

N-0114 Oslo

Norway

4.2 The Board of Representatives

The Board of Representatives gives recommendations to the general meetings of shareholders (the "General Meeting") concerning approval of the profit and loss statement and balance sheet proposed by the Board of Directors, in addition to the allocation of profit or the manner of covering losses. The Board of Representatives also elects directors, including the chairman of the Board of Directors, and determines the directors' fees, and appoints members to the election committee. Finally, the Board of Representatives issues instructions concerning

the activities of the Control Committee and receives their reports. The Board of Representatives for Storebrand Livsforsikring AS has the same members as the Board of Representatives of Storebrand ASA.

The Board of Representatives of Storebrand Livsforsikring AS currently has the following members:

Name	Function	Significant Outside Activity (where significant with respect to Storebrand Livsforsikring AS)
Terje Richard Venold	Chairman	Board of Representatives, Storebrand ASA; CEO Veidekke ASA
Inger Lise Gjrv	Deputy Chairman	Board of Representatives, Storebrand ASA; County Governor of Nord-Trndelag
Lydur Gudmundsson	Member	Executive Chairman, Exista
Trond Vidar Bjrgan	Member	Board of Representatives, Storebrand ASA; CEO Kollektivtransportproduksjon AS
Johan Henrik Andersen Jr.	Member	Board of Representatives, Storebrand ASA; CEO Ferd AS
Arvid Gundekjn	Member	Board of Representatives, Storebrand ASA; Independent industrialist
Vibeke Hammer Madsen	Member	Board of Representatives, Storebrand ASA; Managing Director Federation of Norwegian Commercial and Service Enterprises
Merete Egelund Valderhung	Member	Board of Representatives, Storebrand ASA; Financial director in Coop Norge AS
Marius Steen	Member	CEO, Bertel O. Steen AS
Roar Engeland	Member	Board of Representatives, Storebrand ASA; Group director in Orkla ASA
Olaug Johanne Svarva	Member	Board of Representatives, Storebrand ASA; Managing Director of the Government Pension Fund
Karen Helen Ulltveit-Moe	Member	Board of Representatives, Storebrand ASA; Professor in economics at the University of Oslo
Randi Synnve Paulsrud	Member (employee elected)	Board of Representatives, Storebrand ASA; Chief Consultant, Oslo Reinsurance Company ASA
Rune Pedersen	Member (employee elected)	Board of Representatives, Storebrand ASA
Arild Thoresen	Member (employee elected)	Board of Representatives, Storebrand ASA
Paul Eggen Jr.	Member (employee elected)	Board of Representatives, Storebrand ASA
Unn Kristin Johnsen	Member (employee elected)	Board of Representatives, Storebrand ASA; Financial Consultant, Storebrand Bank
Tor Haugom	Member (employee elected)	Board of Representatives, Storebrand ASA

There are no potential conflicts of interest between the members of the Board of Representatives' duties to Storebrand Livsforsikring AS and their private interests and/or other duties.

The Business address of each member of the Board of Representatives is:

The Board of Representatives of Storebrand Livsforsikring AS
 Attn.: Chairman Terje Richard Venold
 Filipstad Brygge 1
 P.O. Box 1380 Vik
 N-0114 Oslo
 Norway

4.3 The Control Committee

The Control Committee exercises supervision over the activities of Storebrand Livsforsikring AS. The committee's task is to ensure that Storebrand Livsforsikring AS complies with the laws, regulations, and the Articles of Association and resolutions adopted by the decision-making bodies in the company. The Control Committee may take up for consideration any issue concerning Storebrand Livsforsikring AS.

The Control Committee of Storebrand Livsforsikring AS currently has the following members:

Name	Function	Significant Outside Activity (where significant with respect to Storebrand Livsforsikring AS)
Elisabeth Wille	Chairman	Control Committee member, Storebrand ASA; Lawyer
Harald Moen	Member	Control Committee member, Storebrand ASA; Independent adviser
Ida Hjort Kraby	Member	Control Committee member, Storebrand ASA; Attorney, Office of the Attorney General
Ole Meidel Klette	Member	Control Committee member, Storebrand ASA; Independent adviser

There are no potential conflicts of interest between the members of the Control Committee's duties to Storebrand Livsforsikring AS and their private interests and/or other duties.

The business address of each member of the Control Committee is:

The Control Committee of Storebrand Livsforsikring AS

Attn. : Chairman Elisabeth Wille

Filipstad Brygge 1

P.O. Box 1380 Vika

N-0114 Oslo

Norway

4.4 Auditors

Deloitte AS are the external auditors to the Storebrand Group. KPMG AS are the internal auditors.

External auditors:

Deloitte AS

Karenslyst alle 20

P.O. Box 347 Skøyen

N-0213 Oslo

Norway

Deloitte is a member of The Norwegian Institute of Public Accountants

Internal auditors:

KPMG AS

KPMG Huset

Sørkedalsveien 6

P.O. Box 7000 Majorstuen

N-0306 Oslo

Norway

KPMG is a member of The Norwegian Institute of Public Accountants.

Terms and Conditions Of The Capital Securities

The following are the Terms and Conditions of the Capital Securities (the "Conditions"), being securities cleared through the Norwegian Central Securities Depository, the *Verdipapirsentralen* (the "VPS"). The Capital Securities will not be evidenced by any physical note or document of title other than a statement of account made by the VPS. Ownership of Capital Securities will be recorded and transfer effected only through the book entry system and register maintained by the VPS.

The Capital Securities are issued in accordance with and subject to the trustee agreement (such trust agreement as modified and/or supplemented and/or restated from time to time, the "VPS Trustee Agreement") dated 27 May 2008 made between the Issuer and Norsk Tillitsmann ASA (the "VPS Trustee", which expression shall include any successor as VPS Trustee).

The Capital Securities have the benefit of an agreement (the "VPS Agency Agreement") dated 27 May 2008 between the Issuer and Nordea Bank Norge ASA (the "VPS Agent"). The Capital Securities will be created and held in uncertificated book entry form in accounts with the VPS. The VPS Agent will act as agent of the Issuer in respect of all dealings with the VPS in respect of Capital Securities as detailed in the VPS Agency Agreement.

The VPS Trustee acts for the benefit of the holders for the time being of the Capital Securities, in accordance with the provisions of the VPS Trustee Agreement and these Conditions.

Copies of the VPS Agency Agreement and the VPS Trustee Agreement are available for inspection during normal business hours at the specified office of the VPS Agent being on 27 May 2008 at Essendropsgate 7, NO-0368 Oslo, Norway and at the registered office for the time being of the VPS Trustee being on 27 May 2008 at Haakon VII Gate 1, 0161 Oslo, Norway.

The holders of the Capital Securities are deemed to have notice of, and are entitled to the benefit of, all the provisions of the VPS Agency Agreement and the VPS Trustee Agreement which are applicable to them. The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the VPS Agency Agreement and the VPS Trustee Agreement.

Words and expressions defined in the VPS Agency Agreement shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the VPS Trustee Agreement and the VPS Agency Agreement, the VPS Trustee Agreement will prevail, and in the event of inconsistency between the VPS Trustee Agreement or the VPS Agency Agreement and these Conditions, these Conditions will prevail.

General

The Capital Securities will amount to NOK 1,500,000,000 aggregate principal amount. The Capital Securities are subordinated and unsecured obligations of the Issuer, and will have no stated maturity and may not be repaid except in accordance with the provisions set forth below under "Redemption and Repurchase — Optional Redemption", "— Tax Event and Regulatory Event Redemption — Tax Event" and "— Tax Event and Regulatory Event Redemption — Regulatory Event".

Interest will accrue on the Capital Securities from 29 May 2008 (the "Issue Date") and will be payable, subject to certain conditions set forth herein, quarterly in arrear on 28 February (unless the interest payment falls to be made in a leap year, in which case it shall be payable on 29 February), 29 May, 29 August and 29 November of each year provided that if any such date would otherwise fall on a date which is not an Oslo Business Day, payment shall be postponed to the next day which is an Oslo Business Day unless it would fall in the next calendar month, in which event it shall be brought forward to the immediately preceding Oslo Business Day (such date, an "Interest Payment Date").

The Capital Securities will rank *pari passu* without preference or priority among themselves and at least *pari passu* with other outstanding Capital Securities of the Issuer and at least *pari passu* with any other obligations of the Issuer constituting or eligible as constituting Tier 1 Capital. See "Status and Subordination" below.

Form of Capital Securities

The Capital Securities will be offered and sold in minimum principal amounts of NOK 500,000.

The Capital Securities are in uncertificated book entry form in the denomination of NOK 500,000 and will be registered with a separate securities identification code in the VPS.

The holder of a Capital Security will be the person evidenced as such by a book entry in the records of the VPS. The Issuer and the VPS Trustee may rely on a certificate of the VPS or one issued on behalf of the VPS by an account-carrying institution as to a particular person being a holder of a Capital Security.

Title to the Capital Securities will pass by registration in the VPS between the direct or indirect accountholders at the VPS in accordance with the rules and procedures of the VPS that are in force from time to time. Where a nominee is so evidenced, it shall be treated by the Issuer as the holder of the relevant Capital Security.

Each person who is for the time being shown in the records of the VPS as the holder of a particular nominal amount of such Capital Securities shall be treated by the Issuer, the VPS Trustee and the VPS Agent, as the holder of such nominal amount of such Capital Securities for all purposes. Capital Securities will be transferable only in accordance with the rules and procedures for the time being of the VPS.

Status and Subordination

The Capital Securities constitute unsecured, subordinated debt obligations of the Issuer and shall at all times rank *pari passu* without preference among themselves.

Interest: To the extent the Issuer has Available Distributable Funds on any Interest Payment Date, the rights of holders of the Capital Securities to payments of interest due in respect of the Capital Securities shall rank in priority to payments to holders of all classes of share capital and any obligation of the Issuer ranking or expressed to rank junior to the Capital Securities.

Liquidation: Except after a recapitalisation described under "Recapitalisation" below, in the event of the liquidation, dissolution, administration or other winding up of the Issuer by way of public administration or otherwise, the rights of the holders of the Capital Securities to payments of the original principal amount of the Capital Securities and any other amounts including premium (if any) and interest due in respect of the Capital Securities (whether or not the whole or any part of the principal amount of the Capital Securities has previously been converted into conditional capital contributions as described below and such conditional capital contributions have not been reinstated as provided below) shall rank:

- (i) *pari passu* without any preference among themselves;
- (ii) at least *pari passu* with any other outstanding Capital Securities of the Issuer and at least *pari passu* with any other obligations of the Issuer constituting or eligible as constituting Tier 1 Capital;
- (iii) in priority to payments to holders of all classes of share capital of the Issuer and any obligations of the Issuer ranking or expressed to rank junior to the Capital Securities; and
- (iv) junior in right of payment to the payment of any present or future claims of (a) policyholders of the Issuer, (b) other unsubordinated creditors of the Issuer and (c) subordinated creditors of the Issuer in respect of Subordinated Indebtedness other than Capital Securities.

For the avoidance of doubt, the "original principal amount" of the Capital Securities referred to herein shall be the principal amount of the Capital Securities at the time of the original issue not taking into account any writing down of the principal amount and any reinstatement as Capital Securities of any Converted Amount pursuant to "Reinstatement of Converted Amounts" below.

Recapitalisation

Notwithstanding the terms of "Liquidation" above, the principal amount of the Capital Securities shall be reduced to zero and the rights of the holders of the Capital Securities to payment of principal and any other amounts, including premium (if any) and interest due in respect of the Capital Securities, will be irrevocably cancelled (a "Recapitalisation") upon the occurrence of all of the following events:

- (i) the share capital and reserves of the Issuer shall have been reduced to zero, the share capital shall have been cancelled by order of Kredittilsynet or pursuant to a resolution of the Issuer's shareholders, and the rights of holders of such share capital have been lost; and
- (ii) following the event described in (i) above, sufficient share and/or other capital of the Issuer shall have been subscribed so as to enable the Issuer to comply with solvency requirements set by Kredittilsynet and continue operations as an insurance company under the laws of the Kingdom of Norway ("Norway").

Set-off

No holder of the Capital Securities or provider of any conditional capital contribution under the Capital Securities shall be entitled to exercise any right of set-off or counterclaim against moneys owed by the Issuer in respect of the Capital Securities or conditional capital contributions held or provided by such holder of the Capital Securities.

Issuance of further Capital Securities

The Issuer reserves the right to issue other Capital Securities in the future; provided, however, that any such obligations may not in the event of liquidation, dissolution, administration or other winding up of the Issuer by way of public administration or otherwise rank in priority to the Capital Securities.

Conversion

Write down: In the event that a Trigger Event occurs, then either the Issuer (pursuant to a resolution passed by a general meeting of the Issuer's shareholders) or Kredittilsynet in writing, may decide that any Accrued Interest (as defined below) and the principal amount (or part thereof, as the case may be) of each Capital Security will be made available to restore the regulatory capital of the Issuer by first writing down the part or whole of any Accrued Interest on the Capital Securities and then, to the extent that the amount of Accrued Interest so written down is not sufficient to cure a Trigger Event, by also writing down the part or whole of the principal amount of the Capital Securities to the extent and by the amount (when aggregated with the amount of any Accrued Interest written down) required to cure a Trigger Event and converting such aggregate amount (a "Converted Amount") into a conditional capital contribution. The rights of the holders of the Capital Securities in respect of such Converted Amount will thereupon be converted into rights of providers of conditional capital contributions as set out herein.

The principal amount of the Capital Securities and any Accrued Interest (or any part thereof) will be made available to restore the regulatory capital of the Issuer and may be converted as described above on one or more occasions.

Upon conversion of a Converted Amount into a conditional capital contribution, the Issuer shall give notice to the holders of the Capital Securities in accordance with "Notices" below.

The Capital Securities and any Accrued Interest may only be written down on a proportionate basis with the share capital of the Issuer, any Parity Securities and any obligations of the Issuer ranking or expressed to rank junior to the Capital Securities. In addition, where pursuant to this section "Conversion", writing down and conversion applies to part only of either any Accrued Interest on or the principal amount of the Capital Securities, the part of such Accrued Interest on or principal amount of each Capital Security to be subject to such writing down and conversion shall bear the same proportion to the total amount of such Accrued Interest or principal amount in respect of such Capital Security as the aggregate amount of such Accrued Interest on or principal amount of all the Capital Securities to be subject to such writing down and conversion bears to the aggregate Accrued Interest on or aggregate outstanding principal amount of all the Capital Securities, respectively. Any reinstatement as provided below will be made on the same basis.

Interest will not accrue on the Converted Amount but holders of the Capital Securities may be compensated for loss of interest upon redemption to the extent described in paragraph (ii) of "Optional Redemption" below.

Reinstatement of Converted Amounts

The Issuer undertakes to reinstate all Converted Amounts as Capital Securities upon the occurrence of any of the following events:

- (i) the Issuer or Storebrand ASA declares or makes a dividend (in the form of cash, stock or another instrument), an interest payment or any other payment on any share capital or any obligations of the Issuer ranking or expressed to rank junior to the Capital Securities; or
- (ii) the Issuer or Storebrand ASA (as applicable) redeems, repurchases or otherwise acquires any of its respective share capital, or any Parity Securities or any obligations of the Issuer ranking or expressed to rank junior to the Capital Securities or pays or makes available any moneys to a sinking fund or for redemption of any such share capital, Parity Securities or obligations, other than (a) by conversion into or in exchange for ordinary shares, (b) in connection with the satisfaction by the Issuer or Storebrand ASA of its respective obligations under any existing or future employee benefit plans or similar arrangements with or for the benefit of employees, officers, directors or consultants of Storebrand ASA or any of its subsidiaries, (c) as a result of a reclassification of the capital stock of the Issuer or Storebrand ASA or the exchange or conversion

of one class or series of capital stock for another class or series of capital stock or the security being converted or exchanged or (d) Storebrand ASA acquiring additional share capital of the Issuer.

If and to the extent that any Converted Amount (whether it was previously accrued but unpaid interest on a Capital Security or the principal amount of the Capital Security) has been reinstated as a Capital Security, such amount shall be reinstated as principal (notwithstanding that, in the former case, it was previously accrued but unpaid interest) and shall be added to the principal amount of such Capital Security for all purposes thereafter (and references to "principal" and "principal amount" (but not references to "original principal amount") shall be construed accordingly) and interest shall start to accrue on such amount and become payable in accordance with the terms of the Capital Securities as from the date of such reinstatement.

Reinstatement (in whole or in part) as a Capital Security of the Converted Amount may only be made out of Available Distributable Funds of the Issuer according to the Issuer's most recently adopted audited balance sheet at the time of such reinstatement and subject to a resolution of the Board of Directors of the Issuer.

Reinstatement shall first be made in respect of perpetual/undated subordinated debt (other than Capital Securities) issued by the Issuer that may have been converted into conditional capital contributions and shall only be made in respect of Capital Securities if at the time no Trigger Event exists.

Reinstatement as a Capital Security of the Converted Amount shall be made *pro rata* with any amounts converted in respect of Parity Securities. For the avoidance of doubt, amounts converted in respect of Capital Securities ranking or expressed to rank junior to the Capital Securities shall be reinstated as Capital Securities with the same status they had prior to their conversion only after the Converted Amount (and any other amounts converted in respect of the Capital Securities and other Parity Securities) has been so reinstated as a Capital Security.

Upon reinstatement of a Converted Amount as a Capital Security as described above, the Issuer shall give notice to holders in accordance with "Notices" below.

Liquidation

Except after a Recapitalisation as described above, upon commencement of proceedings to liquidate, dissolve, place under administration or otherwise wind up the Issuer, there shall be payable by the Issuer in respect of each Capital Security the original principal amount of the Capital Securities, together with any Arrears of Interest and Accrued Interest in accordance with the priority of payments set forth in "Status and Subordination" above.

Interest

Calculation of Interest Rate

Interest on the Capital Securities will be payable quarterly in arrear on each Interest Payment Date.

The period beginning on, and including, the Issue Date, and ending on, but excluding, the first Interest Payment Date thereafter and each successive period beginning on, and including, an Interest Payment Date and ending on, but excluding, the next succeeding Interest Payment Date is herein called an "Interest Period".

The rate of interest payable in respect of each Interest Period (the "Rate of Interest") will be determined by the Calculation Agent in accordance with the following provisions, on the second Oslo Business Day (as defined below) prior to the commencement of each Interest Period (each, an "Interest Determination Date"):

- (i) The Calculation Agent will ascertain the offered rate for three-month Norwegian Kroner deposits in the Oslo interbank market which appears on the Reuters Page NIBR as at 12:00 noon (Oslo time) on such Interest Determination Date. The Rate of Interest for such Interest Period shall be the rate per annum equal to the sum of the rate so determined by the Calculation Agent and the Margin (as defined below).
- (ii) If the offered rate so appearing is replaced by the corresponding rates of more than one bank then subparagraph (i) shall be applied, with any necessary consequential changes, to the arithmetic mean (rounded upwards if necessary to the fifth decimal place) of the rates (being at least two) which so appear as determined by the Calculation Agent. If for any other reason such offered rate does not appear on the Reuters Page NIBR, or if the Reuters Page NIBR is unavailable, the Calculation Agent will request each of the banks whose offered rates would have been used for the purposes of the relevant page if the event leading to the application of this sub-paragraph (ii) had not happened or the principal Oslo office of each of four major banks in the Oslo interbank market as selected by the Calculation Agent (the "Reference Banks") to provide the Calculation Agent with its offered quotation (expressed as a rate per annum) for three-month Norwegian Kroner deposits to leading banks in the Oslo interbank market at approximately 12:00 noon (Oslo time) on the Interest Determination Date in question. The Rate of Interest for such Interest Period shall

be the rate per annum equal to the sum of the arithmetic mean (rounded as aforesaid if necessary) of such offered quotations, as determined by the Calculation Agent, and the Margin.

- (iii) If on any Interest Determination Date two or more but not all of the Reference Banks provide the Calculation Agent with such quotations, the Rate of Interest for the relevant Interest Period shall be determined in accordance with sub-paragraph (ii) above on the basis of the quotations of those Reference Banks providing such quotations.
- (iv) If on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such offered quotations, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determined to be the sum of the arithmetic mean (rounded upwards if necessary to the fifth decimal place) of the lowest Norwegian Kroner offered rates which four major banks in Oslo selected by the Calculation Agent are quoting at approximately 12:00 noon (Oslo time) on such Interest Determination Date to leading European banks for a period of three months, and the Margin.

For the purposes hereof:

“Margin” means 4.00 per cent. per annum. in the case of Interest Periods ending before the Initial Call Date or 5.00 per cent. per annum in the case of Interest Periods ending after the Initial Call Date.

“Reuters Page NIBR” means the display designated as page no. NIBR on Reuters (or such other replacement page on that service for the purpose, *inter alia*, of displaying Oslo interbank offered rates for Norwegian Kroner deposits).

The Calculation Agent will, as soon as practicable after 12:00 noon (Oslo time) on each Interest Determination Date, determine the Rate of Interest and calculate the amount of interest (the “Interest Amount”) payable for the relevant Interest Period. The Interest Amount shall be calculated by applying the Rate of Interest to the principal amount of the Capital Securities, multiplying such product by the actual number of days in the Interest Period concerned divided by 360 and rounding the resulting figure to the nearest øre (half an øre being rounded upwards). The determination of the Rate of Interest and the Interest Amount by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

Where the Capital Securities are to be redeemed pursuant to “Redemption and Repurchase”, Accrued Interest for the period ending on but excluding the due date of redemption shall be calculated as provided in “Optional Redemption” below.

The Calculation Agent will cause the Rate of Interest and the Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the VPS Agent, the VPS Trustee and the Luxembourg Stock Exchange and to be notified to the holders of Capital Securities as soon as possible after their determination but in no event later than the fourth Oslo Business Day thereafter. The notification of any rate or amount, if applicable, shall be made to the VPS in accordance with and subject to the VPS rules and regulations for the time being in effect.

If for any reason at any relevant time the Calculation Agent defaults in its obligation to determine the Rate of Interest, the VPS Trustee shall determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition), it shall deem fair and reasonable in all the circumstances or, as the case may be, the VPS Trustee shall calculate the Interest Amount in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Calculation Agent.

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this part “Calculation of Interest Rate”, by the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on all parties and (in the absence as aforesaid) no liability shall attach to the Calculation Agent or the VPS Trustee (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

The Issuer shall procure that there shall at all times be a Calculation Agent for so long as any Capital Security is outstanding. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Period or to calculate any Interest Amount or to comply with any other requirement, the Issuer shall (with the prior approval of the VPS Trustee) appoint a leading bank or investment banking firm engaged in the Oslo interbank market to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

Interest accruing after the due date for redemption in certain circumstances

Each Capital Security will cease to bear interest from the due date for redemption unless payment of principal is improperly withheld or refused, in which case it will continue to bear interest at such rate until whichever is the earlier of (a) the day on which all sums due in respect of such Capital Security up to that day are received by or on behalf of the relevant holder of the Capital Securities and (b) the day which is seven days after the VPS Agent has notified the holders of the Capital Securities that it has received all sums due in respect of the Capital Securities up to such seventh day.

Sufficiency of Available Distributable Funds and interest payment restriction

Payments of interest on any Interest Payment Date may not exceed the Available Distributable Funds. To the extent that, on any Interest Payment Date, Available Distributable Funds are insufficient to pay or provide for payment in full of all accrued but unpaid interest under the Capital Securities and any Parity Securities (in each case falling due on that Interest Payment Date), the Issuer will make partial payment of all accrued but unpaid interest under the Capital Securities and such Parity Securities *pro rata* to the extent of such Available Distributable Funds. If, and to the extent that, Available Distributable Funds are insufficient or non-existent and the Issuer makes partial payment of, or does not pay, accrued but unpaid interest, the right of the holders of the Capital Securities to receive accrued but unpaid interest in respect of the relevant Interest Period will be lost. The Issuer will have no obligation to make such payments of unpaid interest or to pay interest thereon, whether or not payments of interest in respect of subsequent Interest Periods are made, and such unpaid interest will not be deemed to have "accrued" or been earned for any purpose.

Subject to the availability of sufficient Available Distributable Funds, the Issuer covenants that, to the extent any interest payments or payments of additional amounts are made on any Parity Securities, the Issuer will make a *pro rata* payment on the Capital Securities.

In any event, payments of interest on any Interest Payment Date may not be made in the case of a Breach or to the extent that such payment would cause a Breach.

If the Issuer deems that it does not have sufficient Available Distributable Funds to pay Accrued Interest on the Capital Securities on the next Interest Payment Date or if the Issuer is in Breach or such payment will result in a Breach, the Issuer shall give not less than five days' prior notice to the holders of the Capital Securities in accordance with "Notices" below.

The Issuer is responsible for determining whether it has Available Distributable Funds or whether it is in Breach or any payment will result in a Breach and, on any occasion when it determines it has insufficient Available Distributable Funds to pay Accrued Interest on the next Interest Payment Date or that it is in Breach or any payment will result in a Breach, it will procure that two of its directors certify this to be the case and a copy of such certificate will be available for inspection at the office of the VPS Agent.

Deferral of Interest

In addition to the limitation described in "*Sufficiency of Available Distributable Funds and interest payment restriction*" and subject to the paragraph below, on any Optional Interest Payment Date there may be paid the interest in respect of Capital Securities accrued in the Interest Period ending on the day immediately preceding such date, but the Issuer may elect to defer such payment and any failure to pay shall not constitute a Violation for any purpose provided that nothing in this paragraph shall be construed to permit the Issuer to defer any interest due and payable on any Interest Payment Date which is not an Optional Interest Payment Date. Any interest in respect of the Capital Securities not paid on an Interest Payment Date, together with any other interest in respect thereof not paid on any other Interest Payment Date, shall (save where cancelled as described in "*Sufficiency of Available Distributable Funds and interest payment restriction*"), so long as the same remains unpaid, constitute "Arrears of Interest".

On any Optional Interest Payment Date with respect to which a Regulatory Event has occurred and is continuing but subject always to the limitation described in "*Sufficiency of Available Distributable Funds and interest payment restriction*", the Issuer shall be obliged to pay the interest accrued in the Interest Period which ends on that Interest Payment Date.

Any amount of Arrears of Interest shall not itself bear interest.

Payment of Arrears of Interest

Arrears of Interest may at the option of the Issuer be paid in whole or in part at any time but all Arrears of Interest shall become due and payable on whichever is the earlier of:

- (A) the date on which the Capital Securities are to be redeemed;
- (B) the commencement of a liquidation, administration, dissolution or other winding-up of the Issuer in Norway;
- (C) the next Interest Payment Date on which a payment of interest is made on the Capital Securities *provided that* Arrears of Interest shall be payable pursuant to this paragraph (C) only to the extent that the payment of such Arrears of Interest (i) would not result in a Breach; and (ii) is covered by Available Distributable Funds; and
- (D) subject as provided below, the date on which the Issuer or any other person declares or pays any distribution or dividend or makes any other payment on or in respect of any Junior Securities or Parity Securities, or the date on which any dividend or other distribution on or payment on or in respect of any class of Storebrand ASA's share capital is irrevocably declared *provided that* Arrears of Interest shall be payable pursuant to this paragraph (D) only to the extent that the payment of such Arrears of Interest (i) would not result in a Breach; and (ii) is covered by Available Distributable Funds.

Arrears of Interest shall not be due solely by virtue of any payment on any Parity Securities the terms of which do not allow the issuer of the relevant securities to defer, pass on or eliminate the relevant payment.

If notice is given by the Issuer of its intention to pay the whole or any part of the Arrears of Interest, the Issuer shall be obliged to do so upon the expiration of such notice.

In the event of any liquidation, administration, dissolution or other winding-up of the Issuer, unpaid interest in respect of the Capital Securities, including any Arrears of Interest shall rank *pari passu* with the principal of the Capital Securities.

Notice of Deferral of Interest and Payment of Arrears of Interest

The Issuer shall give not more than 14 nor less than 5 Oslo Business Days' prior notice to the VPS Agent and the VPS Trustee and to holders in accordance with "Notices":

- (A) of any Interest Payment Date on which, pursuant to the provisions of "Deferral of Interest", interest will not be paid; and
- (B) of any date upon which amounts in respect of Arrears of Interest shall become due any payable or of any date on which the Issuer shall otherwise elect to pay any such amounts.

Notice of any mandatory or optional payment of amounts in respect of Arrears of Interest having been given by the Issuer in accordance with this section, the Issuer shall be bound to make such payment to which such notice refers.

Partial Payment of Arrears of Interest

If amounts in respect of Arrears of Interest become partially payable:

- (A) Arrears of Interest accrued for any period shall not be payable until full payment has been made of all Arrears of Interest that have accrued during any earlier period; and
- (B) the amounts of Arrears of Interest payable in respect of any Capital Security shall be *pro rata* to the total amount of all unpaid Arrears of Interest.

Events of Default

There are no events of default under the terms of the Capital Securities. A holder of the Capital Securities is entitled to the full rights and remedies provided under English and Norwegian laws, as applicable, governing the terms of the Capital Securities.

Notwithstanding the absence of any events of default, in the event that the Issuer fails to pay principal, premium (if any) or interest when due on any Capital Security, the VPS Trustee shall be entitled to bring proceedings against the Issuer for payment of such amounts.

Withholding Taxes

All amounts payable (whether in respect of principal, interest or otherwise) in respect of the Capital Securities will be made free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, assessments or other governmental charges of whatever nature or civil liabilities imposed or levied by or on behalf of any Tax Jurisdiction, unless the withholding or deduction of such taxes, duties, assessments or

governmental charges or civil liabilities is required by law. In that event, the Issuer will pay such additional amounts ("Additional Amounts") as may be necessary in order that the net amounts receivable by the holder of the Capital Securities after such withholding or deduction shall equal the respective amounts which would have been receivable by such holder of the Capital Securities in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable in relation to any payment in respect of any Capital Security:

- (i) which would not have been so imposed but for the existence of any present or former connection between such holder (or between a fiduciary, settlor, beneficiary, member or shareholder of such holder, if such holder is an estate, a trust, a partnership, or a corporation) and the relevant Tax Jurisdiction, including, without limitation, such holder (or such fiduciary, settlor, beneficiary, member or shareholder) being or having been a citizen or resident thereof or being or having been engaged in a trade or business or present therein or having, or having had, a permanent establishment therein other than (a) the mere holding of such Capital Securities or (b) the receipt of principal, interest, or other amounts in respect of such Capital Security; or
- (ii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Union Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (iii) to or on behalf of a holder of the Capital Securities who would not be liable or subject to the withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority or by complying with certification, information or other reporting requirements concerning the nationality, residence or identity of the holder or beneficial owner of such Capital Security, if such compliance is required by statute or by regulation of a Tax Jurisdiction, as a precondition to relief or exemption from such tax, following a written request by the Issuer addressed to the holder or beneficial owner to make such declaration or certification.

The payments of Additional Amounts are subject to the same restrictions as payments of interest stated in "Interest".

Whenever reference is made to "principal", "interest" and "Arrears of Interest" such term shall (unless the context otherwise requires) include any Additional Amounts payable thereon.

For the purposes of this section "Tax Jurisdiction" means Norway or any political subdivision thereof or any authority or agency therein or thereof having power to tax or any other jurisdiction or any political subdivision thereof or any authority or agency therein or thereof, having power to tax in which the Issuer or any successor entity is treated as being resident in, or having a permanent establishment, under the income tax laws of such jurisdiction.

Redemption and Repurchase

Optional Redemption

The Capital Securities may be redeemed at the option of the Issuer (subject to the Issuer having received the prior consent of Kredittilsynet) in whole, but not in part, on the Initial Call Date or on any date thereafter (each such date, a "Call Date"), on giving not less than 30 and not more than 60 days' notice to the holders of the Capital Securities (which notice shall be irrevocable) at an amount equal to the principal amount of the Capital Securities, together with (i) any Arrears of Interest and (ii) Accrued Interest calculated as follows:

- (x) an amount calculated by reference to the original principal amount of the Capital Securities whether or not the actual principal amount of the Capital Securities during such Interest Period has been greater or less than the original principal amount; plus
- (y) if the actual principal amount of the Capital Securities has been greater than the original principal amount of the Capital Securities for any period (the "Period") during such Interest Period, an amount calculated by reference to the Period and to the amount by which the actual principal amount of the Capital Securities exceeded the original principal amount of the Capital Securities,

provided that the Issuer shall only be obliged to make such payment of Accrued Interest if the Issuer would otherwise be obliged to make payment of interest (such total, the "Redemption Amount").

The Issuer shall not redeem the Capital Securities until all Converted Amounts have been reinstated as Capital Securities in full.

All Capital Securities which are redeemed will forthwith be cancelled by causing such Capital Securities to be deleted from the records of the VPS and accordingly may not be reissued or sold and the obligations of the Issuer in respect of such Capital Securities shall be discharged.

The Capital Securities will not be subject to redemption prior to the Initial Call Date, except as set forth below.

Tax Event and Regulatory Event Redemption

Tax Event

The Issuer may, subject to the prior approval of Kredittilsynet, redeem all (but not some only) of the Capital Securities at any time prior to the Initial Call Date, if, as a result of a Tax Event there is more than an insubstantial risk that (A) the Issuer is, or will be, subject to more than a *de minimis* amount of other taxes, duties or other governmental charges or civil liabilities with respect to the Capital Securities, (B) the treatment of any of the Issuer's items of income or expense with respect to the Capital Securities as reflected on the tax returns (including estimated returns) filed (or to be filed) by the Issuer will not be respected by a taxing authority, which subjects the Issuer to more than a *de minimis* amount of additional taxes, duties or other governmental charges, or (C) the Issuer would be required to pay Additional Amounts in accordance with "Withholding Taxes" above.

Regulatory Event

The Issuer may, subject to the prior approval of Kredittilsynet, redeem all (but not some only) of the Capital Securities at any time prior to the Initial Call Date, if a Regulatory Event occurs.

Redemption Amount

Where the Capital Securities are redeemed prior to the Initial Call Date, upon the occurrence of a Tax Event or a Regulatory Event, the due date of redemption shall be the "Special Event Redemption Date".

Where the Capital Securities are redeemed prior to the Initial Call Date, upon the occurrence of a Tax Event or a Regulatory Event, the redemption amount, per Capital Security, on the Special Event Redemption Date shall be equal to the Redemption Amount.

The Issuer shall not redeem the Capital Securities until all Converted Amounts have been reinstated as Capital Securities in full.

All Capital Securities which are redeemed pursuant to a Tax Event or Regulatory Event will forthwith be cancelled by causing such Capital Securities to be deleted from the records of the VPS and accordingly may not be reissued or resold and the obligations of the Issuer in respect of such Capital Securities shall be discharged.

Purchase and Reissue of Capital Securities

The Issuer or any of its subsidiaries may, subject to consent thereto having been obtained from Kredittilsynet, at any time purchase Capital Securities in the open market or otherwise and at any price. Any Capital Securities repurchased by the Issuer or any of its affiliates will be held by the Issuer, or may be cancelled by causing such Capital Securities to be deleted from the records of the VPS.

Payments

Payment of interest will be made by wire transfer in immediately available funds to a Norwegian Kroner account maintained by such holder with a bank in Norway.

Any payment of principal or interest required to be made on the Capital Securities on a day that is not an Oslo Business Day need not be made on such day, but may be made on the next succeeding Oslo Business Day with the same force and effect as if made on the date for payment of such principal or interest, and no interest shall accrue in respect of such amount for the period after such day.

Payments of principal and interest in respect of the Capital Securities and notification thereof to holders of the Capital Securities will be made to the holders of the Capital Securities shown in the records of the VPS and will be effected through and in accordance with and subject to the rules and regulations from time to time governing the VPS. The VPS Agent and the Calculation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any holder of any Capital Security. The Issuer reserves the right at any time with the approval of the VPS Trustee to vary or terminate the appointment of the VPS Agent or the Calculation Agent and to appoint additional or other agents, provided that the Issuer shall at all times maintain (i) a VPS Agent authorised to act as an account operating institution with the VPS, and (ii) a Calculation Agent.

Notice of any such change or of any change of any specified office shall promptly be given to the holders of the Capital Securities in accordance with "Notices" below.

Merger, Consolidation and Sale of Assets

The Issuer will not consolidate with, or merge with or into, or sell, or convey all or substantially all its assets in one transaction or a related series of transactions, unless (i) either the Issuer is the surviving corporation, or the surviving, resulting or transferee entity (the "successor entity") irrevocably submits to the jurisdiction of the English courts, and expressly assumes the due and punctual payment of all obligations on all the Capital Securities and the due and punctual performance of all the covenants and obligations of the Issuer under the Capital Securities, the VPS Agency Agreement and the VPS Trustee Agreement, by a supplemental agreement satisfactory to the VPS Agent and the VPS Trustee, as applicable, and (ii) immediately after such event, the Issuer or such successor entity is not in breach of any covenants or obligations under the Capital Securities, the VPS Agency Agreement or the VPS Trustee Agreement, provided, however, that nothing herein stated shall prevent the Issuer from selling or conveying all or substantially all its assets in one transaction or related series of transactions in connection with any restructuring of the Issuer's assets or operations insofar as such transaction or transactions are required and approved by Kredittilsynet or other competent regulatory authority or are otherwise required by Norwegian law or regulations.

Meetings of holders of Capital Securities; Modification

The VPS Trustee Agreement contains provisions for convening meetings of the holders of the Capital Securities to consider any matter affecting their interests, including sanctioning by a majority of votes (as more fully set out in the VPS Trustee Agreement) a modification of the Capital Securities or any of the provisions of the VPS Trustee Agreement (or, in certain cases, sanctioning by a majority of two thirds of votes). Such a meeting may be convened by the Issuer, the VPS Trustee or by holders of Capital Securities holding not less than 10 per cent. of the Voting Capital Securities. For the purpose of this Condition, "Voting Capital Securities" means the aggregate nominal amount of the total number of Capital Securities not redeemed or otherwise deregistered in the VPS, less the Capital Securities owned by the Issuer, any party who has decisive influence over the Issuer or any party over whom the Issuer has decisive influence.

The quorum at a meeting for passing a resolution is one or more persons holding at least one half of the Voting Capital Securities or at any adjourned meeting one or more persons being or representing holders of Voting Capital Securities whatever the nominal amount of the Capital Securities so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Capital Securities or the VPS Trustee Agreement (including modifying any date for payment of interest on the Capital Securities, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Capital Securities, altering the currency of payment of the Capital Securities or to modify the provisions of the Capital Securities relating to status and subordination, conversion, deferral of interest or events of default in any manner adverse to holders of the Capital Securities), the quorum shall be one or more persons holding or representing not less than two-thirds in aggregate nominal amount of the Voting Capital Securities for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in aggregate nominal amount of the Voting Capital Securities. A resolution passed at any meeting of the holders of the Capital Securities shall be binding on all the holders of the Capital Securities, whether or not they are present at such meeting.

The VPS Trustee Agreement provides that:

- (i) the VPS Trustee may in certain circumstances, without the consent of the holders of the Capital Securities, make decisions binding on all holders of Capital Securities relating to these Conditions, the VPS Trustee Agreement or the VPS Agency Agreement or that is not, in the Trustee's opinion, materially prejudicial to the interests of the holders of the Capital Securities; and
- (ii) that the Trustee may reach decisions binding for all holders of the Capital Securities.

The VPS Trustee Agreement contains provisions for the indemnification of the VPS Trustee and for its relief from responsibility. Holders of the Capital Securities are deemed to have accepted and will be bound by these Conditions and the terms of the VPS Trustee Agreement.

Further Issues

The Issuer may from time to time, without the consent of any holder of Capital Securities, create and issue further securities having the same terms and conditions as the Capital Securities in all respects (or in all respects except the first payment of interest on them) so as to form a single series with the Capital Securities.

Transfer and Exchange of Capital Securities

Settlement of sale and purchase transactions in respect of Capital Securities will take place three Oslo Business Days after the date of the relevant transaction. Capital Securities may be transferred between accountholders at the VPS in accordance with the procedures and regulations, for the time being, of the VPS.

Holders of Capital Securities will not be required to bear the costs and expenses of effecting any registration, transfer or administration in relation to the register maintained by the VPS, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

Repayment of Monies

Any monies paid by the Issuer to the VPS Agent or held by the VPS Agent, or held by the Issuer in a segregated account for the benefit of the holders of the Capital Securities for any payment (whether in respect of principal, interest or otherwise) in respect of the Capital Securities and remaining unclaimed after the expiration of two years following the date on which such payment becomes due and payable shall, if held by the VPS Agent, be returned to the Issuer, or if held by the Issuer, be discharged from such segregated account, and the holders of such Capital Securities, as unsecured general creditors, shall thereafter look only to the Issuer for the payment thereof and all liability of the VPS Agent with respect to such monies shall thereafter cease, without, however, limiting in any way the obligations of the Issuer to make payments in respect of the Capital Securities as such payments become due, subject to any applicable periods of limitation as set forth under English law. No payments (whether in respect of principal, interest or otherwise) in respect of the Capital Securities shall be made unless claim for payment is made within a period of six years following the relevant payment date.

Governing Laws and Jurisdiction

The Capital Securities are governed by and shall be construed in accordance with the laws of the England except for the provisions relating to Deferral of Interest, Recapitalisation, Conversion, Reinstatement of Converted Amounts, Status and Subordination, Events of Default, Liquidation, Tax Event and Regulatory Event Redemption and Form of Capital Securities, which are governed by and shall be construed in accordance with the laws of Norway.

The VPS Trustee Agreement and the VPS Agency Agreement are governed by and shall be construed in accordance with the laws of Norway. The Capital Securities must comply with the Norwegian Securities Register Act of 5 July 2002 No. 64, as amended from time to time, and the holders of the Capital Securities will be entitled to the rights and are subject to the obligations and liabilities which arise under this Act and any related regulations and legislation.

The Issuer will irrevocably submit to the non-exclusive jurisdiction of any English court with respect to any suit, action or proceeding by a holder of Capital Securities solely to enforce such Capital Security other than suit, actions or proceedings seeking, or in connection with, the bankruptcy or liquidation of the Issuer ("Proceedings"). The Issuer will also irrevocably waive, to the fullest extent permitted by law, any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

The Issuer will irrevocably appoint Clifford Chance Secretaries Limited at 10 Upper Bank Street, London E14 5JJ, United Kingdom as its agent in England to receive service of process in any Proceedings in England. If for any reason the Issuer does not have such an agent in England, it will promptly appoint a substitute process agent and notify the holders of the Capital Securities of such appointment.

Rights of Third Parties

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Capital Securities, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

Notices

Notices to the holders of the Capital Securities shall be valid if the relevant notice is given to the VPS for communication by it to the holders of the Capital Securities and shall be deemed to have been given on the date two days after delivery to the VPS. So long as the Capital Securities are admitted to trading on, and listed on the Official List of, the Luxembourg Stock Exchange and the rules of that exchange so require, notices to holders of the Capital Securities will also be published on the date of such mailing either on the website of the Luxembourg

Stock Exchange (www.bourse.lu) or in a leading newspaper of general circulation in Luxembourg (which is expected to be the *Luxemburger Wort* or the *Tageblatt*) or in such other manner as permitted by the Luxembourg Stock Exchange.

Glossary

“Accrued Interest” means, in respect of the Capital Securities, interest accrued from the immediately preceding Interest Payment Date or, if none, the Issue Date, to the time of such redemption, conversion, payment, liquidation, dissolution, administration or winding-up.

“Available Distributable Funds” means that amount, in respect of the Issuer, which under the laws of Norway is available as of the end of any fiscal year according to the Issuer’s latest audited balance sheet adopted at a shareholders’ meeting to be distributed by the Issuer, to its shareholders, adjusted for any loss incurred or foreseeable thereafter.

“Breach” means that the Issuer’s Tier 1 Capital ratio or total capital ratio is below, or following any payment of interest would be below, the then current minimum capital requirement applicable to the Issuer plus a margin of 0.20 per cent.

“Calculation Agency Agreement” means the calculation agency agreement dated 27 May 2008 between the Issuer and the Calculation Agent.

“Calculation Agent” means Nordea Bank Norge ASA and shall include any successor calculation agent appointed in respect of the Capital Securities.

“Capital Securities” means any subordinated and undated debt instruments of the Issuer which are recognised as Tier 1 Capital from time to time by Kredittilsynet including, where the context so requires, the Capital Securities.

“Initial Call Date” means 29 May 2018.

“Junior Securities” means any class of the Issuer’s share capital together with any other securities of any member of the Storebrand Life Group ranking or expressed to rank junior to the Capital Securities either issued directly by the Issuer or, where issued by a Subsidiary, where the terms of the securities benefit from a guarantee or support agreement entered into by the Issuer which ranks or is expressed to rank junior to the Capital Securities.

“Kredittilsynet” means the Financial Supervisory Authority of Norway (or any successor thereto in Norway or if the Issuer becomes domiciled in a jurisdiction other than Norway, the relevant regulatory body in such jurisdiction).

“Optional Interest Payment Date” means any Interest Payment Date:

- (i) where no declaration or payment of any distribution or dividend or other payment on or in respect of any Junior Securities or Parity Securities has been made by the Issuer or any other person (other than any payment on any Parity Securities the terms of which do not allow the issuer of the relevant securities to defer, pass on or eliminate the relevant payment) at or since the annual general meeting of shareholders of the Issuer immediately prior to that Interest Payment Date; and
- (ii) no dividend or other distribution on or payment on or in respect of any class of Storebrand ASA’s share capital was irrevocably declared at or since the annual general meeting of its shareholders immediately prior to that Interest Payment Date).

“Oslo Business Day” means a day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in Oslo.

“Parity Securities” means any securities of the Issuer together with any other securities of any member of the Storebrand Life Group ranking or expressed to rank *pari passu* with the Capital Securities, either issued directly by the Issuer or, where issued by a Subsidiary, where the terms of the securities benefit from a guarantee or support agreement entered into by the Issuer which ranks or is expressed to rank *pari passu* with the Capital Securities.

“Regulatory Event” means the determination by the Issuer (such determination to be evidenced by a certificate signed by two directors of the Issuer and to be binding on the holders of the Capital Securities without further investigation), having been so advised by Kredittilsynet, that the Capital Securities are not eligible for inclusion in the Tier 1 Capital of the Issuer or the Storebrand Life Group (except as a result of any limitation in the amount of such capital).

“Storebrand Life Group” means the Issuer and its Subsidiaries.

“Subordinated Indebtedness” means any obligation, whether dated or undated, of the Issuer which by its terms is, or is expressed to be, subordinated in the event of liquidation, dissolution, administration or other winding up of the Issuer, by way of public administration or otherwise, to the claims of policyholders and all other unsubordinated creditors of the Issuer, but not constituting or eligible as constituting Tier 1 Capital.

“Subsidiary” means a subsidiary undertaking of the Issuer within the meaning of the Private Companies Act of Norway, section 1-3.

“Tax Event” means (i) any amendment to, clarification of, or change (including any announced prospective change) in the laws or treaties (or any regulations thereunder) of the Tax Jurisdiction or any political subdivision or taxing authority thereof or therein affecting taxation, (ii) any governmental action or (iii) any amendment to, clarification of, or change in the official position or the interpretation of such governmental action or any interpretation or pronouncement that provides for a position, in each case, by any legislative body, court, governmental authority or regulatory body, irrespective of the manner in which such amendment, clarification or change is made known, which amendment, clarification or change is effective or such pronouncement or decision is announced on or after 27 May 2008.

“Tier 1 Capital” means capital which is treated as issued Tier 1 capital by Kredittilsynet or any guarantee, indemnity or other contractual support arrangement entered into by the Issuer in respect of securities (regardless of name or designation) issued by a subsidiary of the Issuer which constitutes Tier 1 capital.

“Trigger Event” means Issuer’s Tier 1 Capital ratio or total capital ratio is below, or following an impending payment of interest would be below, the then current minimum capital requirement applicable to the Issuer (which is, at the date of this document, in the case of the Issuer’s Tier 1 Capital Ratio, 5 per cent. and, in the case of the Issuer’s total capital ratio, 8 per cent.).

“Violation” means the occurrence and continuation of the Issuer failing to comply, or not being in compliance, with any provision of the Capital Securities.

Book entry clearing in respect of the Capital Securities

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of the VPS currently in effect. The information in this section concerning the VPS has been obtained from sources that the Issuer believes to be reliable, but neither of the Issuer nor any Joint Lead Manager takes any responsibility for the accuracy thereof. Investors are advised to confirm the continued applicability of the rules, regulations and procedures of the VPS. The Issuer will not have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Capital Securities held through the facilities of the VPS or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Verdipapirsentralen (VPS)

Verdipapirsentralen ASA is a Norwegian public limited liability company which in 2003 was granted a licence to conduct the business of registering financial instruments in Norway in accordance with the Act of 5 July 2002 no. 64 on the Registration of Financial Instruments (the "VPS Act"). The VPS Act requires that, among other things, all notes and bonds issued in Norway shall be registered in the VPS (the "VPS Securities"), except notes and bonds issued by Norwegian issuers outside Norway and (i) denominated in Norwegian kroner with subscription limited to non-Norwegians and (ii) issued outside Norway in another currency than Norwegian kroner.

The VPS is a paperless securities registry and registration of ownership, transfer and other rights to financial instruments are evidenced by book entries in the registry. Any issuer of VPS securities will be required to have an account (issuer's account) where all the VPS securities are registered in the name of the holder and each holder is required to have her/his own account (investor's account) showing such person's holding of VPS securities at any time. Both the issuer and the holder of the VPS security will, for the purposes of registration in the VPS, have to appoint an account operator which will normally be a Norwegian bank or Norwegian investment firm.

It is possible to register a holding of VPS securities through a nominee.

The Capital Securities will be issued in uncertificated and dematerialised book - entry form. Legal title to the Capital Securities will be evidenced by book entries in the records of the VPS. On notification to the VPS of the subscribers and their VPS account details by the relevant Joint Lead Manager, the account operator acting on behalf of the Issuer will credit each subscribing account holder with the VPS with a nominal amount of Capital Securities equal to the nominal amount thereof for which it has subscribed and paid.

Settlement of sale and purchase transactions in respect of the Capital Securities in the VPS will take place three Oslo business days after the date of the relevant transaction. Transfers of interests in the Capital Securities will only take place in accordance with the rules and procedures for the time being of the VPS

Certain Tax Considerations

Taxation in Norway

Set forth below is a general summary of certain Norwegian tax considerations which are relevant in connection with the acquisition, ownership and disposition of the Capital Securities. This summary is a general summary and does not provide a complete description of all relevant Norwegian tax regulations. The summary is based on current law and practice. Persons considering the purchase of Capital Securities are advised to consult their own professional tax advisors with respect to the individual tax consequences of the purchase, ownership or disposition of Capital Securities.

Repayment of principal or payment of interest on debt to persons who have no connection with Norway other than the holding of such debt securities are not, under present Norwegian law, subject to Norwegian taxation.

Interest paid on instruments approved as Tier 1 capital (*Fondsobligasjoner*) by the Ministry of Finance, such as the Capital Securities, qualifies for an interest deduction for the payor. In addition, as interest payments made on the Capital Securities are treated as payments of interest for the payee and not as dividends, there will not be any Norwegian withholding tax on interest payments on the Capital Securities made to persons who are not resident in Norway for tax purposes.

For tax payers resident in Norway for tax purposes, any capital gain on the sale of Capital Securities is taxable as ordinary income at a rate of 28 per cent. Losses are deductible from ordinary income. Also, interest income is taxable at a rate of 28 per cent.

No Norwegian issue tax or stamp duty is payable in connection with the issue or the transfer of Capital Securities.

The Capital Securities will not be subject to any Norwegian wealth tax provided that the holder has no connection with Norway other than the holding of Capital Securities and provided that the Capital Securities have not been used in or attached to any business activities operated through a permanent establishment situated in Norway.

For individuals resident in Norway, the value of Capital Securities is included when computing the Norwegian wealth tax. Norwegian limited liability companies and certain other companies in a similar position are not subject to wealth tax. Currently, the marginal wealth tax rate is 1.1 per cent. of the value assessed.

Taxation in Luxembourg

The following summary is of a general nature and is included herein solely for information purposes. It is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors in the Capital Securities should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Withholding Tax

(i) Non-resident holders of Capital Securities

Under Luxembourg general tax laws currently in force and subject to the laws of 21 June 2005 (the "Laws") mentioned below, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Capital Securities, nor on accrued but unpaid interest in respect of the Capital Securities, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Capital Securities held by non-resident holders of Capital Securities.

Payments of interest under the Capital Securities coming within the scope of the Laws would at present be subject to withholding tax of 15 per cent.

(ii) Resident holders of Capital Securities

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005 (the "Law") mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Capital Securities, nor on accrued but unpaid interest in respect of Capital Securities, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Capital Securities held by Luxembourg resident holders of Capital Securities.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person

within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries) unless during such period those countries elect otherwise. A number of non-EU countries and territories including Switzerland have agreed to adopt similar measures (a withholding system in the case of Switzerland).

Plan Of Distribution

J.P. Morgan Securities Ltd., Nordea Bank Norge ASA and UBS Limited (together the "Joint Lead Managers") have, pursuant to a Purchase Agreement (the "Purchase Agreement") dated 27 May 2008, jointly and severally agreed to subscribe or procure subscribers for the Capital Securities at the issue price of 100.00 per cent. of the principal amount of Capital Securities, less a combined selling concession and management and underwriting commission of 0.75 per cent. of the principal amount of the Capital Securities. The Issuer will also reimburse the Joint Lead Managers in respect of certain of their expenses, and has agreed to indemnify the Initial Purchasers against certain liabilities incurred in connection with the issue of the Capital Securities. The Purchase Agreement may be terminated in certain circumstances prior to payment of the Issuer.

Purchase And Transfer Restrictions

Any Capital Securities redeemed or purchased by the Issuer or any of its affiliates will, pursuant to the terms of the Capital Securities, be held by the Issuer or may be cancelled by causing such Capital Securities to be deleted from the records of the VPS.

The Capital Securities have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Each Joint Lead Manager has agreed that, except as permitted by the Purchase Agreement, it will not offer, sell or deliver the Capital Securities (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the Closing Date within the United States or to, or for the account or benefit of, U.S. persons and that it will have sent to each dealer to which it sells any Capital Securities during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Capital Securities within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering, an offer or sale of Capital Securities within the United States by any dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

No offering material in relation to any Capital Securities has been or will be approved by the Oslo Stock Exchange.

Each Joint Lead Manager has represented, warranted and undertaken that generally, it has complied with and will comply with all applicable provisions of the Norwegian Securities Trading Act, and any other applicable law, with respect to anything done by it in relation to any Capital Securities in, from or otherwise involving the Kingdom of Norway.

Each Joint Lead Manager has represented, warranted and undertaken and agreed that, except as permitted by the Purchase Agreement:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000) received by it in connection with the issue of the Capital Securities in circumstances in which Section 21(1) of the Financial Services and Markets Act 2000 does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 with respect to anything done by it in relation to the Capital Securities in, from or otherwise involving the United Kingdom.

The offering of the Capital Securities has not been registered pursuant to Italian securities legislation and, accordingly, no Capital Securities may be offered, sold or delivered, nor may copies of this Memorandum or of any other document relating to the Capital Securities be distributed in the Republic of Italy, except:

- (i) to the categories of qualified investors (*investitori qualificati*) set out in paragraph 2(1)(e)(i) to (iii) of the Prospectus Directive 2003/71/EC and pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the Financial Services Act) and the relevant implementing CONSOB regulations, as amended from time to time; or
- (ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 33, first paragraph, of CONSOB Regulation No. 11971 of 14 May 1999, as amended (Regulation No. 11971).

Any offer, sale or delivery of the Capital Securities or distribution of copies of this Memorandum or any other document relating to the Capital Securities in the Republic of Italy under (i) or (ii) above must be:

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the "Banking Act"); and

- (b) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information of the issue or the offer of securities in the Republic of Italy; and
- (c) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or other Italian authority.

Auditors

The external auditors of the Issuer are Deloitte AS, who have audited the Issuer's accounts, without qualification, in accordance with international auditing standards for each of the financial years ended on 31st December, 2006 and 31st December 2007.

Deloitte AS are members of The Norwegian Institute of Public Accountants (*DnR*). The Norwegian Institute of Public Accountants (*DnR*) is the professional body for registered public accountants (*registrert revisor*) and state authorised public accountants (*statsautorisert revisor*) in Norway.

Deloitte AS has no material interest in the Issuer.

General Information

Listing and admission to trading

Application has been made to the CSSF to approve this document as a prospectus.

Application has also been made to the Luxembourg Stock Exchange for the Capital Securities to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Directive on Markets in Financial Instruments (Directive 2004/39/EC).

The total expenses related to the admission to trading of the Capital Securities will be approximately €15,000.

For so long as any of the Capital Securities are admitted to trading on, and listed on the Official List of, the Luxembourg Stock Exchange and the rules of that exchange require, copies of the following documents, including any further amendments, may be inspected and obtained during normal business hours at the specified office of the listing agent in Luxembourg:

- the organisational documents of the Issuer;
- the most recent audited consolidated financial statements of the Storebrand Life Group and any interim financial statements published by the Storebrand Life Group;
- this Memorandum;
- the Purchase Agreement relating to the Capital Securities;
- the Calculation Agreement relating to the Capital Securities;
- the VPS Agency Agreement relating to the Capital Securities; and
- the VPS Trustee Agreement relating to the Capital Securities.

For so long as any of the Capital Securities are admitted to trading on, and listed on the Official List of, Luxembourg Stock Exchange and the rules of that exchange require, copies of the articles of association and other constitutional documents and the most recent non-consolidated financial statements of the Issuer will be available, free of charge, at the offices of the Issuer.

Clearing Information

The Capital Securities have been accepted for clearance through the VPS, with an ISIN of NO0010430713 and a Common Code of 036601680. The address of the VPS is Biskop Gennerus Gate, 14A CPost girobugget; 0185 OSLO, Norway. Investors with accounts in Euroclear or Clearstream, Luxembourg may hold Capital Securities in their accounts with such clearing systems and the relevant clearing system will be shown in the records of the VPS as the holder of the relevant amount of the Capital Securities.

Legal and Other Information

The Issuer is a private limited company organised under the laws of Norway. The address of the registered office of the Issuer is Filipstad Brygge 1, P.O. Box 1380 Vika, N-0114, Norway.

The creation and issue of the Capital Securities and the transactions described herein have been authorised by a duly adopted resolution of the Board of Directors of the Issuer dated 19 December 2007.

Neither the Issuer nor any of its subsidiaries is involved in any governmental, legal or arbitration proceedings (including any proceedings which are threatened of which the Issuer is aware) which may have or have had in the 12 months preceding the date of this document a significant effect on the financial position of the Issuer or any of its subsidiaries.

There has been no significant change in the financial or trading position of the Issuer or any of its subsidiaries and there has been no material adverse change in the financial position or prospects of the Issuer or any of its subsidiaries since 31 December 2007.

Capital Replacement Intent

If the Capital Securities are redeemed, it is the intention of the Issuer that they will be redeemed only to the extent that the aggregate redemption price is equal to or less than the net proceeds, if any, received by the Issuer or any of its Subsidiaries from new issuances to purchasers other than affiliates during the period commencing on the 180th calendar day prior to the date of redemption of any securities that have equal or greater equity characteristics as the Capital Securities.

Consolidated Financial Statements Of The Issuer

The consolidated audited financial statements and notes thereto for the years ended 31 December 2007 and 31 December 2006, extracted without material adjustment from the Annual Reports of the Issuer for the years ended 31 December 2007 and 31 December 2006, are set out on pages F-1 to F-129 of this Memorandum.

Report of the Board of Directors

MAIN FEATURES

Storebrand Livsforsikring carries out the major part of its activities in Norway and its head office is in Oslo. The company's main areas of focus are pensions and life insurance products for private individuals, companies and public sector bodies. Storebrand Livsforsikring's objective is to be recognised by customers as the most respected and customer-oriented life insurance provider in the Norwegian market. This can only be achieved and maintained by offering the highest quality advice, customer service and product range in the market. The Storebrand group is the only player in the Norwegian market that specialises in long-term savings and life insurance as its major area of activity, and Storebrand Livsforsikring intends to make the best possible use of this unique position.

The Norwegian life insurance market is facing a number of changes. Storebrand is making the appropriate preparations for this, including changes to product pricing, portfolio structure and risk management, as well as changes to internal systems.

SUBSIDIARIES AND ASSOCIATED COMPANIES

On 3 September 2007, Storebrand entered into an agreement with Handelsbanken (Sweden) to acquire SPP and its subsidiaries, including SPP Fonder and Euroben. The acquisition was approved by Storebrand's Board of Representatives and by a General Meeting in October 2007. Official approval was granted by the Ministry of Finance on 16 November 2007. The transaction was completed on 21 December. SPP is a leading Swedish life insurance and occupational pension provider. SPP offers unit-linked products, traditional insurance products and defined benefit pension products, as well as consulting services for occupational pensions. It also offers insurance and administrative solutions for municipalities and other organisations. This acquisition makes Storebrand and SPP the leading life insurance and pension provider in the Nordic region, with pro forma premium income of NOK 27 billion in 2007. Storebrand has a two-year option to acquire Handelsbanken's remaining occupational pension business in Handelsbanken Liv, and in addition Storebrand has entered into a three-year exclusive distribution agreement with Handelsbanken for the sale of occupational pensions through the Handelsbanken network. SPP's head office is in Stockholm.

Storebrand Livsforsikring owns 25% of Nordben Life and Pension Insurance Company Ltd. of Guernsey directly, and holds a further 50% indirectly through SPP. Storebrand also offers actuarial services, systems and a full range of operational services for pension funds through its subsidiaries Aktuar Systemer AS and Storebrand Pensjonjenester AS.

Storebrand opened a Swedish branch in 2005. The branch offers pension insurance in the Swedish market based on Norwegian insurance legislation. Sales are made through insurance brokers. The branch will be integrated with SPP during the first half of 2008.

Storebrand Finansiell Rådgivning (Storebrand Financial Advice) was established as a wholly-owned subsidiary in response to changes in the statutory requirements for financial advice services (MiFID requirements) that came into effect from 1 November 2007.

Storebrand Eiendomsholding AS has been incorporated as a holding company for real estate activities. The company is wholly owned by Storebrand Livsforsikring AS.

Sales through external distributors represent an important part of the company's focus on the retail market. In order to strengthen distribution capacity, Storebrand has increased its shareholding in Caveo ASA to 49%. This company has 100 advisers working from 12 offices around Norway. Caveo acquired Økonomiforvaltning AS in 2007.

Storebrand Livsforsikring owns 78% of Foran Real Estate in Latvia. The company invests in real estate in Latvia.

SALES

Following the introduction of mandatory occupational pensions in 2006, the occupational pension market has increasingly become a transfer market. The Norsk Kundebarometer survey showed that in 2007, for the fourth year in a row, Storebrand was the insurance company with the highest level of customer satisfaction among its corporate occupational pension customers. Storebrand is very competitive in this market, and as in 2006, was the most successful company in the transfer market for occupational pension schemes, with a net inflow (transfers notified) of NOK 4.1 billion.

A number of the company's corporate customers have either already switched from defined benefit pension schemes to defined contribution schemes, or are considering this alternative.

The market for Norwegian municipality pension schemes was characterised by little pension transfer activity in 2007. Only 8 municipalities invited competitive bidding for their pension arrangements in 2007, and 3 of these decided to change their pension provider. Storebrand did not win any municipality customers in 2007, but was successful in retaining its current customers. No municipality with a Storebrand pension scheme has yet moved its arrangements away from Storebrand.

The retail market saw good sales of personal pension products, savings products and personal risk products in 2007. The company faced the challenge in 2007 of retaining the investment assets of its annuity and life savings customers in the face of changes to the taxation rules for these products.

In May 2007, Storebrand Livsforsikring became the first Norwegian life insurance company to offer critical illness insurance for cancer. Following two marketing campaigns including TV and Internet advertising, Storebrand successfully introduced a new product that none of its competitors offer. Over 4,000 policies were sold in 2007.

ACQUISITION OF SPP

Financing

The consideration paid for SPP Livförsäkring AB and its subsidiaries and other activities totalled SEK 16.2 million after SPP paid an extraordinary dividend prior to the transaction. In addition, SEK 265 million of transaction costs were capitalised as part of the cost price of the shares. In connection with the purchase of the share capital of SPP, a holding company named Storebrand Holding AB has been incorporated in Sweden as a

wholly-owned subsidiary of Storebrand Livsforsikring. The shares in SPP have been purchased by Storebrand Holding AB. Storebrand Holding AB is financed by SEK 8.265 billion of equity and SEK 8.2 billion of subordinated loan from Storebrand Livsforsikring AS. The investment is financed by a NOK 9 billion rights issue carried out by Storebrand ASA, and the subsequent issue of NOK 9 billion of shares by Storebrand Livsforsikring AS. In addition, Storebrand ASA took up a short-term loan of EUR 580 million. Storebrand ASA has on-lent the proceeds of this loan to Storebrand Livsforsikring. This loan is a temporary financing solution that will be replaced by a long-term loan to be taken up by Storebrand Livsforsikring AS from external parties.

Purchase analysis

The purchase analysis that forms the basis for the annual accounts at 31 December 2007 is a provisional analysis. It must be expected that there will be some changes between the provisional analysis and the final analysis.

Implementation of the transaction in the accounts

The transaction was completed on 21 December. Since there were no material effects in the period to 31 December, the transaction was recognized for accounting purposes based on the consolidated equity of SPP at 31 December 2007. The acquisition therefore has no effect on the earnings reported for 2007. The consolidated balance sheet of Storebrand Livsforsikring AS at 31 December 2007 includes Storebrand Holding AB and the underlying companies.

FINANCIAL RESULTS

Storebrand Livsforsikring AS reported a profit for the year before allocation between policyholders and the owner of NOK 4,138 million, as compared to NOK 5,175 million for 2006. (Equivalent figures for the Storebrand Livsforsikring group are a profit of NOK 4,162 million in 2007 and NOK 5,176 million in 2006). Of the profit for the year, NOK 2,797 million was allocated to policyholders (of which NOK 400 million was transferred to additional statutory reserves) and NOK 1,341 million was allocated to the owner. The owner's profit included NOK 152 million from products not included in profit sharing with policyholders, (excluding insurance products with investment choice) as compared to NOK 135 million in 2006. Insurance products with investment choice generated a loss of NOK 44 million as compared to a loss of NOK 77 million in 2006. In addition, the profit to the owner is reported after integration costs of NOK 9 million in respect of SPP. The owner's profit after tax was NOK 1,340 million as compared to NOK 1,181 million for 2006.

Interest result is the difference between the booked return and the guaranteed return on policies. The average guaranteed return on insurance policies in 2007 was 3.6% as compared to 3.5% in 2006. Good investment returns on the assets managed for customers represent the most important element of profitability for savings-related products. The company produced a good book investment return in 2007. Net realised gains on securities totalled NOK 4,289 million as compared to NOK 3,402 million in

2006. The real estate portfolio was revalued upwards by a net total of NOK 2,975 million as compared to NOK 928 million in 2006. Interest result was NOK 7,887 million for 2007, as compared to NOK 5,523 million for 2006.

Risk result arises as a consequence of the incidence of mortality and disability during the period differing from that assumed for the premium tariffs. The risk result for 2007 was NOK 244 million as compared to NOK 220 million in 2006. Compared to 2006, the risk result was better in total for individual lines and for public sector group pension business, non-life lines in total were little changed and private sector group pension insurance and group life insurance was slightly lower.

Administration result shows the difference between the administration premium charged for the year and actual operating costs. The administration result was a deficit of NOK 669 million, representing a weakening of NOK 118 million from 2006. Higher administration income and lower investment management fees were not sufficient to fully offset the increase in other costs that included a charge of NOK 223 million for experience adjustments in respect of the company's own pension scheme.

New tariffs for premiums and reserves were introduced in 2008 to take into account the lower mortality rates among the insured population that have been observed in recent years. Complete calculations have not yet been finalised, so the accounting effect of the new tariffs can only be estimated, but on the basis of provisional calculations the company increased premium reserves by NOK 3,305 million at 31 December 2007. This amount is made up of NOK 2,605 million for private sector group pension business, including individual policies deriving from group business and group association business, NOK 350 million for public sector group pension business and NOK 350 million for personal pension insurance.

With effect from the 2005 accounting year, Storebrand has prepared its consolidated accounts in accordance with International Financial Reporting Standards (IFRS). Life insurance companies in Norway are not currently permitted to report in accordance with IFRS. Storebrand Livsforsikring AS/Group will therefore continue to produce its annual accounts in accordance with Norwegian accounting legislation and the accounting regulations for insurance companies.

Premium income: Storebrand Livsforsikring's total premium income for 2007, including policy transfers, was NOK 19,717 million. This represents an increase of 1% from 2006, when total premium income was NOK 19,619 million. The net inflow of premium reserves from transfers between companies was NOK 1,056 million as compared to NOK 5,260 million in 2006. Premiums written increased by 27% from 2006. In the case of products with investment choice, group pension insurance showed a 66% increase as a result of growth in customer numbers following the introduction of mandatory occupational pensions, but retail products showed a decline of 21%. Defined benefit group pension insurance and group life insurance showed

increases in premium income of 21% and 8% respectively. Individual endowment insurance showed an increase of 28%. Individual annuity/personal pension products showed an increase of 94% from 2006. Non-life insurance (products provided within the life insurance regulatory framework) showed an increase of 6%.

Investment return: Storebrand Livsforsikring produced a good investment return in 2007. The book value of the portfolio of investment properties was increased by NOK 2,975 million in 2007. The booked investment return was 8.9%, as compared to 7.1% for 2006. The value-adjusted return including gains on current asset investments was 7.3% as compared to 8.3% in 2006. At the close of 2007 unrealised gains on current asset investments totalled NOK 3,889 million, while unrealised gains on bonds held to maturity totalled NOK 40 million. 9 of the company's 19 discretionary investment mandates produced a better return than their benchmark index in 2007. The overall investment result fell short of its benchmark indices by NOK 376 million.

Costs: Storebrand Livsforsikring incurred operating costs of NOK 1,927 million in 2007 as compared to NOK 1,755 million in 2006. The increase of NOK 172 million reflected the net impact of lower investment management fees, some increase in other administration costs, higher administration income and a charge for experience adjustments in respect of the company's

own pension scheme. Policyholders' funds, excluding insurance products with investment choice, increased by 7% in 2007 and costs relative to average policyholders' funds were 1.21% in 2007, as compared to 1.10% in 2006.

Insurance claims and benefits: Claims and benefits paid for own account increased by 22% in 2007 to NOK 17,580 million. Outward transfers of customers' funds increased by NOK 746 million in 2007 to NOK 2,223 million, while cancellations and withdraws increased by NOK 2,302 million to NOK 8,544 million. The increase in withdrawals relates to savings-related products in the retail market. Other claims and benefits paid totalled NOK 6,706 million, an increase of NOK 77 million for the year, which is normal in relation to the total insurance portfolio.

Allocations to the insurance fund: Good net sales and a good investment return caused an increase in policyholders' funds of NOK 10 billion in 2007 to NOK 156.1 billion. Of the profit allocated to policyholders, NOK 1,165 million was allocated to the premium fund, which totalled NOK 6.3 billion at 31 December 2007. Additional statutory reserves are conditionally allocated customer funds that act as risk capital for fluctuations in the value of the investment portfolio. Additional statutory reserves were strengthened by NOK 400 million and totalled NOK 5.8 billion at 31 December 2007. This represents approximately NOK 0.6 billion in excess of the amount equivalent to one year's guaranteed return.

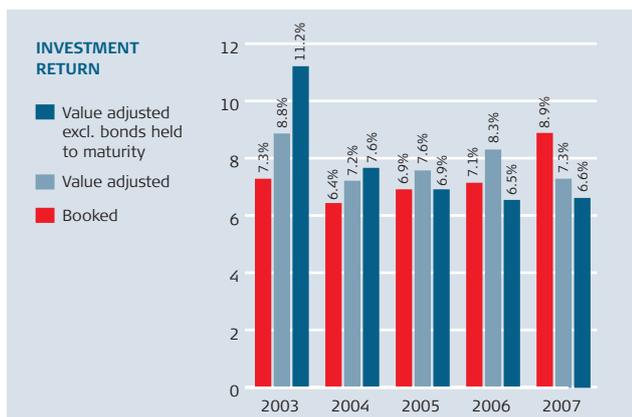
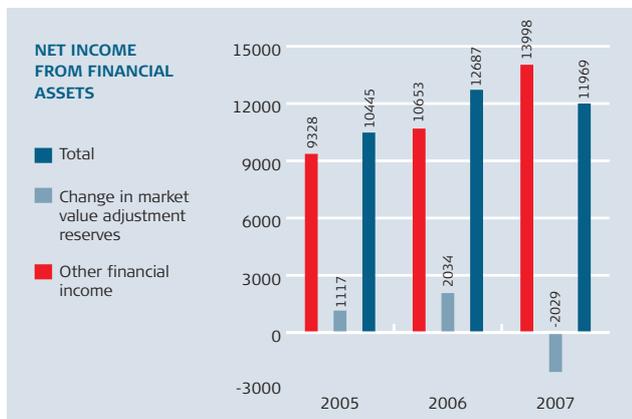
The Board confirms that the accounts have been prepared in accordance with the going concern assumption.

RISK MANAGEMENT AND CAPITAL ADEQUACY
Storebrand Livsforsikring

The majority of savings-related life insurance products incorporate a guaranteed minimum return. These savings products currently offer an average annual guaranteed return just over 3.5%. The average guaranteed return will fall over time since the return guaranteed on new policies cannot exceed 2.75%. The life company's financial risk relates on the whole to its ability to generate an investment return at least equal to the guaranteed minimum return. This places particular demands on how the life insurance company invests in different classes of securities and other assets, and on the quality of the company's risk management.

The allocation of financial assets is determined by the company's investment strategy. The investment strategy establishes guidelines for the composition of financial assets by setting limits and guidelines for the company's risk management. The strategy also includes limits and guidelines for credit and counterparty exposure, foreign exchange risk and the use of derivatives. The objective of active risk management is to maintain sound risk bearing capacity and to continuously adjust financial risk exposure to the company's solidity. Through this, the company expects to generate a good investment return both from year to year and over the longer term.

Insurance policies are long-term agreements, and involve uncertainty in respect of assumptions about future rates of mortality and invalidity. The company uses tariffs drawn up on



the basis of statistical experience, and these tariffs are notified to the authorities. The company follows developments in mortality and invalidity rates very closely, and adjusts its reserves in accordance with these trends. New tariffs for premiums and reserves were introduced in 2008 to take into account the lower mortality rates among the insured population that have been observed in recent years, and this led to an allocation to reserves in the 2007 accounts of NOK 3.3 billion.

The Norwegian parliament approved a number of significant changes to the Insurance Activities Act at the end of 2004. One important change is that insurance companies, for certain products, must charge the customer in advance for the guarantee of a minimum interest rate. The new business rules for insurance pursuant to the new legislation come into effect from 1 January 2008.

Increasing interest rates over the course of 2007 have contributed to improving Storebrand Livsforsikring's risk bearing capacity. The company has invested NOK 40.4 billion, a significant proportion of its financial assets, in bonds held to maturity with an average running yield in excess of 5%.

SPP Livförsäkring AB

SPP is to a large extent exposed to the same types of risks as Storebrand Livsforsikring, but the terms and conditions of insurance products it offers differ somewhat. SPP offers insurance products with a guaranteed return on premiums paid in and defined contribution/unit-linked products where customers assume the financial risk. SPP's defined benefit products include inflation-linked increases.

SPP was demutualised with effect from 1 January 2006. This caused the company to assume some of the financial risk previously carried by customers. This means that some customers can suffer a latent deficit. SPP maintains a reserve (deferred capital contribution) in its accounts to allow for this, and monitors the related risk through measures including Value at Risk.

In order to manage its exposure to various market risks, SPP's investment strategy defines a benchmark portfolio and specifies the risk management to be applied. Risk management is carried out by adjusting both the customer portfolio and the company's own assets. This may take the form of changing the allocation between asset classes or by using derivatives. The company's investment strategy also sets limits and guidelines for credit and counterparty exposure. Liquidity risk is limited since a considerable part of the financial investments held are invested in listed securities with good liquidity.

In order to ensure that insurance companies have sufficient capital to meet their liabilities, the Swedish Financial Supervisory Authority (Finansinspektionen) requires that insurance companies carry out stress tests of their entire insurance activities using predefined methods. The stress test applies to both the asset and liability sides of the balance sheet, but is defined differently for defined benefit pension business and defined contribution pension business with guarantees. This is known in Sweden as the traffic-light model. The capital requirement dictated by the stress test can be reduced by the available buffer capital, known in the Swedish system as conditional bonus reserve, giving a net capital adequacy requirement.

Storebrand Livsforsikring AS - Asset allocation

Bonds, commercial paper and investments in bond funds held as current assets totalled NOK 48 billion at the close of 2007, equivalent to 26% of financial assets.

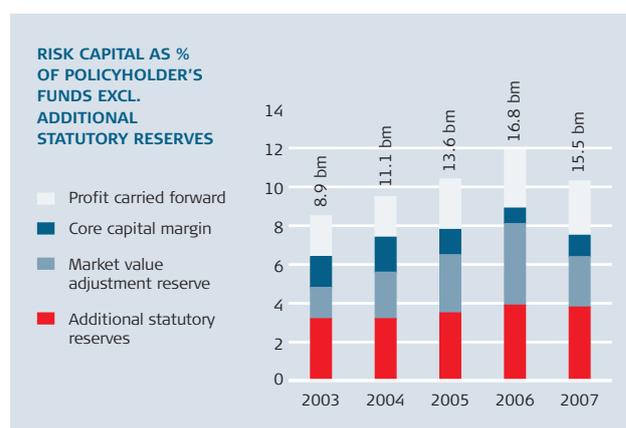
In accordance with its risk management policy, the company reduced its exposure to equities, including derivatives positions, from 28% to 26% over the course of 2007. Hedging programs were again used for the equity portfolio in 2007 so that risk capital would not be unnecessarily adversely affected in the event of a sudden sharp fall in equity markets. Investments in real estate account for 12% of financial assets.

The company's lending portfolio amounted to NOK 2.7 billion at 31 December 2007, representing an increase of NOK 0.4 billion in 2007. The portfolio is made up of corporate loans.

Capital adequacy

The company's risk capital decreased by NOK 1.3 billion in 2007 to NOK 15.5 billion, including NOK 0.6 billion of additional statutory reserves in excess of the amount required for one year's interest rate guarantee. Storebrand Livsforsikring satisfied all capital adequacy requirements in 2007 with a satisfactory margin. The Storebrand Livsforsikring group's solvency margin was 136.1% at 31 December 2007 as compared to 174.1% at 31 December 2006 (the minimum requirement is 100%). The Storebrand Livsforsikring group's capital ratio was 10.0% at 31 December 2007, representing an increase of 0.3 percentage points in 2007 (the minimum requirement is 8%). The core capital margin was 5.9%.

In response to the turbulent financial market conditions seen at the start of 2008, Storebrand Life Insurance, including SPP, has effected solvency-based risk management, and has accordingly markedly reduced the equity exposure of its investment portfolios. The proportion of equities held by Storebrand Life Insurance (Norway) was reduced from 26% at 31 December 2007 to 17% at 7 February 2008. As at 7 February, additional statutory reserves amounted to NOK 5.8 billion and the market value adjustment reserve stood at approximately NOK 1.5 billion. The equivalent proportion of equities held by SPP has been reduced from 40% at 31 December 2007



to 32% at 31 January 2008. SPP's conditional bonus reserve (policyholders' buffer capital) amounted to SEK 9.7 billion at 31 January 2008, a reduction from SEK 13.9 billion at the end of 2007.

At the close of 2007, Storebrand Livsforsikring AS was rated A ("negative outlook") by Standard & Poor's and A2 ("stable outlook") by Moody's.

Regulatory matters

Norwegian life insurance companies must satisfy two sets of capital adequacy requirements – one set that monitors the company's assets (Basle) and one set that monitors liabilities (Solvency I). With effect from 2008, life insurance companies in Norway are subject to new regulations on capital adequacy that are an adaptation of the new capital adequacy rules for banks (Basle II). Life insurance companies are expected to be subject to Basel II in combination with Solvency I until the harmonised European capital adequacy requirements of Solvency II come into effect. The EU is now working on the detailed provisions of Solvency II. Implementation of the new regulatory framework will present some particular challenges in the Norwegian market in respect of the limited size of the Norwegian bond market, the interrelation with the new Insurance Activities Act, the particular rules in Norway on transfers of business between companies and the level of buffer capital in Norwegian companies. The EU commission presented a proposed outline directive in 2007, and the final directive is due to be introduced in 2012.

As part of the preparation for the introduction of the principles of Solvency II, Kredittilsynet (the Financial Supervisory Authority of Norway) has produced risk modules adapted for the activities of insurance companies and principles for risk-based supervision. The methodology applied is to a large extent based on the current content of Solvency II with stress tests that also take into account the fair value of liabilities. The stress tests will not impose requirements for capital adequacy, but will lead to better measurement and management of risk by life insurance companies. It is assumed that regular reporting of risk-based supervision will be introduced with effect from the first quarter of 2008.

PERSONNEL, ORGANISATION AND CORPORATE BODIES

Storebrand Livsforsikring is a wholly owned subsidiary of Storebrand ASA. The Storebrand Livsforsikring group's headcount at the end of 2007 was 1,735 as compared to 1,083 at the start of the year. Of the total headcount, 1,180 employees work in Norway and 555 work abroad. The average age of the employees in the Storebrand group (excluding SPP and related companies) is 42 years, with an average length of service of 10 years. All Storebrand employees are treated equally, regardless of gender, age, disability, faith, cultural differences or sexual orientation. With effect from 2006, Storebrand has included the following statement in all its recruitment advertising: "We are committed to diversity, and encourage applications from all qualified candidates regardless of age, gender, disability or cultural background".

Competence

Storebrand attaches great importance to staff development at all levels, and intensified its work in this area in 2007. Storebrand's new expertise database with staff development plans for all employees is now fully developed, and special training in performance management and goal setting has been arranged for managers. Management training received particular focus in 2007. Virtually all managers have started to work through the compulsory module-based management program, and an internal mentor program has been established for new managers. In addition to this, Storebrand offers a focus training program known as the Young Professionals Program (YPP). The program for technical training has produced strong competence development. As a result of statutory changes to the requirements for financial advice (MiFID) and for occupational pensions (new Insurance Activities Act) training has been arranged for the relevant technical staff to achieve a comprehensive updating of expertise in these areas.

Equality/diversity

Storebrand focuses continually on increasing the number of female staff in leading management positions in the group. In 2007, 40% of the members of the board of directors of Storebrand Livsforsikring AS were female. 37% of the group's managers are female. The group implemented targeted measures in the period to encourage more women to take on management responsibility. This included the company's active participation in an external mentoring program for female staff, and 43% representation of female staff on internal management development programs. The group participated in 2006 in Futura, the Norwegian Financial Services Association's management training program for women. This continued in 2007, and will continue in 2008 at double the scale. Storebrand insists that external recruitment consultants put forward both male and female candidates on short lists for management recruiting. Employee benefits, such as flexi-working, extending full salary for sick leave to include attending to children or parents, and full salary for maternity leave, are seen as important measures in encouraging gender equality. Storebrand produces salary statistics at specified management levels to facilitate the comparison of salaries between male and female employees. Storebrand has a separate diversity committee which, in addition to its work on equality, carries out a systematic program of work to include people from groups that are under-represented in the labour market, including the disabled and people from various ethnic backgrounds.

Senior policy

Storebrand is committed to offering a good senior policy. The group had 34 employees over the pension age of 65 in 2007 as compared to 21 in 2006. 30 new members of staff over the age of 45 were recruited in 2007. An increasing proportion (40%) of older employees wish to continue working after reaching 65 years of age, and the responses of employees to the annual satisfaction survey showed that 75% believe that employees are fairly treated regardless

of age. Storebrand makes a sizeable number of presentations to external parties on its senior policy each year.

Ethical guidelines

Storebrand updated its ethical guidelines in 2007, and developed a new ethical rulebook that is also available on the Storebrand Intranet. In addition, ethical issues were a standard agenda item at all introduction meetings for new employees. Employees can seek advice anonymously from an ethics page on the Storebrand Intranet, and the company publishes its replies for all employees to see. The Intranet page can also be used for employees to anonymously communicate concerns directly to the Board of Directors. Storebrand's ethical guidelines have been distributed to and reviewed by all the financial advisers in the Storebrand group.

Absence due to illness

Storebrand has worked systematically to reduce absence due to illness over many years, and the group has participated in the 'Inclusive workplace' scheme since 2002. Absence due to illness in the Storebrand Livsforsikring group in 2007 was 4.8%, as compared to 5.1% in 2006. The target rate for 2008 has been set at 4.8%. The company has produced an internal guidance note "If you are sick" that is intended to help support the commitment to reducing absence due to illness.

Storebrand did not incur any reported personal injury, property damage or accidents of significance in 2007.

Management

Lars Aa Løddesøl succeeded Idar Kreutzer as the company's Managing Director with effect from 11 February 2008.

Changes to the Board Directors

The following changes were made to the Board of Directors in 2007. Nina Udnes Tronstad replaced Camilla Grieg, Anders Røed replaced Hans Henrik Klouman and Gorm Leiknes replaced Trond Wilhelmsen as employee representatives.

CORPORATE RESPONSIBILITY

We believe that industry winners in the future will be those who develop products and services in a way which unites global social and environmental challenges with the company's own profitable growth. Storebrand's most important contribution to resolving these challenges will therefore will take place through its core activities. The group has taken a further step in this direction by including the corporate responsibility area in the group's executive management team with effect from January 2008.

Storebrand's Corporate Responsibility Report for 2007-2008 describes the group's work on achieving its objectives in this area (see www.storebrand.no/samfunnsansvar). Some of the measures we might mention include increased investment in microfinancing, the launch of an ethical hedge fund, continuing to qualify for the sustainability indices Dow Jones Sustainability Index, FTSE4Good and Global 100, and Storebrand's inclusion in the list of the 100 most sustainable companies in the world. In addition, the group has a major commitment to environmental and human resource issues.

STOREBRAND'S IMPACT ON THE EXTERNAL ENVIRONMENT

2007 was a year of climate and environmental issues, not least for Storebrand. In addition to implementing measures to achieve its targets in areas such as energy, water and paper consumption, waste sorting and recycling, Storebrand took new steps to reduce the environmental impact of its business operations.

Working in collaboration with the environmental foundation GRIP, Storebrand produced and launched in June 2007 a unique classification of all models of car by environmental and security criteria. This makes Storebrand the first company in Norway to follow the EU standard for classification of cars by environmental criteria.

First climate-neutral financial institution

Storebrand signed up to the Climate Promise in 2007 – an action plan for business sponsored by the Ministry of the Environment.

In addition to taking active steps to reduce our CO₂ emissions and developing products and services that help to improve awareness of the challenge of climate change and reduce emissions, Storebrand has decided to purchase UN certified climate quota units equivalent to the group's direct emissions. This means that from January 2008, Storebrand is the first climate-neutral financial institution in the Nordic countries.

NEW LIFE INSURANCE LEGISLATION

The new Insurance Activities Act and related regulations came into force from 1 January 2008. The new Act represents considerable changes for life insurance companies. Storebrand is working intensively to strengthen its competitiveness by taking advantage of the new opportunities that are now available. The overall objective of the new legislation is to make the pricing of insurance products more predictable and transparent, and to make a clearer distinction between the assets of the insurance company and its policyholders. As an overall rule, the new legislation requires that premiums must be fixed and paid in advance.

New opportunities for asset management

Before the new legislation came into force, Storebrand was responsible for making decisions on behalf of its customers as to how the customer's pension policy assets were invested, and all customer assets were managed in the same portfolio. The new legislation allows companies with defined benefit pension schemes to exercise greater influence over the portfolio's asset allocation and risk profile. The new legislation also makes it possible for group pension policies to be divided into sub-portfolios with different asset allocation and risk profile.

Policies with a low interest rate guarantee and high buffer capital (additional statutory reserves and unrealised gains) may therefore be able to maintain a higher exposure to equities in their portfolio at the same price as similar policies that have a higher level of guaranteed interest or lower buffer capital. The basis for pricing the interest rate guarantee is the risk to which the available equity is exposed. This means that the customer can choose an investment profile with a lower equity exposure and therefore lower risk exposure in order to reduce the level of premium, although this will also reduce the expected return.

A higher exposure to equities represents a higher expected return and higher contributions to the premium fund, and it will also increase the price of the guaranteed return. Under the new Act, a shortfall in the return on the customer's policy can be met from the policy's additional statutory reserves, and the new rules allow greater flexibility in building up the level of additional statutory reserves.

Companies that choose to make their own investment choices now have greater freedom of choice. They can choose between using standardised risk profiles or making their own investment choices subject only to the limitations imposed by legislation and regulations. This means that a company can define its own investment policy more or less in the same way as if the funds were being managed through a separate company pension scheme.

The new legislation also permits a new type of long-term policy. The interest rate guarantee was previously linked to a single financial year, but it is now possible to agree a guaranteed return for periods of up to 5 years. The premium for a guaranteed return over a number of years will be lower than for annual guarantees over the same period. The employer's liabilities must still be supported by sufficient insurance reserves. If necessary, equity can be used to ensure satisfactory reserves during the agreed guarantee period. The new regulatory framework for longer periods of guaranteed return allows greater flexibility for the customer and insurance company to reach agreement on terms specific to the customer, such as allowing the customer to reduce premiums by assuming a larger share of investment risk.

New rules for profit sharing

In the case of defined benefit group pension schemes, as well as new policies for individual products with guaranteed return, the new legislation specifies that the customer will be entitled to the surplus generated by the policies. The various elements of pension products must now be priced separately in advance, and the pricing of each element can include the insurance company's remuneration.

The new legislation introduces a modified profit sharing model for new and old paid up policies, which means that the company can retain 20% of the surplus on these policies defined as a total of interest result and risk result. The modified profit sharing model also allows for any loss on risk result to be deducted from the customer's interest surplus. In addition, the company will receive the return on all capital in the balance sheet that does not belong to policyholders.

Individual products written before the new legislation came into force can continue to follow the profit-sharing rules that apply in 2008, and Storebrand intends to continue to manage this business in accordance with this profit-sharing model.

New rules for premium payments

Pricing of the interest rate guarantee

The premium is calculated for one year at a time, and is paid in advance unless the parties agree on payment by instalments.

The customer must pay for the interest guarantee in advance each year. This means that the company cannot be remunerated by retaining part of the interest surplus due to group pension policies at the end of the year. It will still be permissible to make transfers to additional statutory reserves, which can be used in years of low return to offset a shortfall in return for the group policies portfolio between 0% and the guaranteed return. Additional statutory reserves must be allocated to individual policies. The Act stipulates the maximum size of additional statutory reserves. The insurance company carries all the downside risk, and must carry reserves against the policy if the buffer is not sufficient or not available. The price charged for the interest guarantee will depend on factors such as the level of buffer capital associated with the policy, the level of exposure to equities in the portfolio, the level of the interest guarantee and the current market situation, including the level of interest rates. Prior to 2008 there was no specific premium for the interest rate guarantee and it was paid for through the allocation of profit between the life insurance company and its policyholders.

Risk pricing

The customer will receive any surplus from the risk result achieved on insurance cover for death, disability and dependants in the pension policy, but the insurance company will, in principle, be responsible for meeting any deficit on risk result. There is, however, provision for up to half of any risk surplus on a particular line of insurance to be held in a risk equalisation fund. Deficits in subsequent years can then be met out of the equalisation fund before the insurance company is required to contribute from its own equity.

Pricing for pension scheme administration

Administration costs must be charged in advance each year, and represent the final cost for the customer. The insurance company must then meet any deficit in the administration result, and similarly any surplus is retained by the insurance company. Where a policy's assets are managed in the investment choice portfolio, the price of asset management must also be shown as a separate element of the overall charge.

FUTURE PROSPECTS

Occupational pensions market

Following the introduction of mandatory occupational pensions in 2006, which led to some 700,000 employees becoming members of pension schemes, the majority of private sector employees are now members of defined contribution occupational pension schemes. Recent years have been characterised by an increasing trend for companies to move from offering defined benefit pensions in favour of defined contribution schemes. The main reason for this is the more predictable costs that companies achieve by following the defined contribution route.

Around 266 of Storebrand's corporate customers, representing some 6,041 employees in total, transferred from defined benefit to defined contribution schemes during 2007. Defined

contribution pensions accounted for only 2% of the occupational pensions market in 2002. Over the course of 2007, membership of defined contribution schemes moved ahead of membership of defined benefit schemes. However, in terms of the value of accumulated pension assets, defined benefit schemes will continue to dominate for the foreseeable future.

Paid-up policies

The market for paid-up policies is set to grow strongly in future years as a result of the introduction of mandatory employers' pensions and increasing numbers of companies switching from defined benefit to defined contribution schemes. This market is expected to become more competitive, and has attracted new participants. Storebrand intends to respond aggressively to this competition, offering a competitive product and long experience in managing pension assets to ensure financial security for the customer. Storebrand has made significant savings in the cost of managing paid-up policies through improved efficiency over recent years, and this benefits the level of pension accruing in a paid-up policy.

Pension reform

The Norwegian pension reform will be implemented in 2010. When the Norwegian parliament debated the future of pensions in spring 2007, there was broad agreement on how the new national insurance pension scheme would operate in terms of pension accrual and pension payment. The government has submitted proposals for the legislative changes required to implement the arrangements agreed. Once this new legislation has been approved, work will start on adapting occupational pension arrangements to reflect the terms of the new national insurance pension scheme. The changes that will affect occupational pensions include the new pension accrual rules, which make final salary less relevant as the basis for pensions payments, and flexibility in the choice of pension age.

New arrangements for individual pensions saving

The Norwegian parliament has also agreed the introduction of a new scheme for tax-incentivised individual pension savings (IPS). The scheme will be subject to a maximum annual contribution of NOK 15,000 with the same tax treatment as applied to the former individual pension arrangement (the IPA scheme), i.e. tax relief equivalent to 28% of contributions. It will also be possible to link individual pensions saving with occupational pension schemes. For example, the new arrangement will make it simple and straightforward for employees who are members of mandatory occupational pension schemes to supplement their employer's contribution with personal contributions. The new IPS arrangements come into effect from the 2008 tax year. Storebrand has set up a working project to develop its IPS product and ensure a good market position in this area.

Storebrand focuses on health and safety at work

Storebrand wishes to encourage its customers in both the private and public sectors to place greater emphasis on health and safety in the working environment (HSE).

Focus on HSE improves employees' job satisfaction and quality of life. For employers, focus on HSE reduces the cost of absenteeism and contributes to value creation as well as reducing insurance premiums. Moreover, a reduction in absenteeism and a lower incidence of disability pensions benefits society at large. Through HSE advice, Storebrand helps companies to work towards a better working environment and reduced sick leave. For public sector customers, Storebrand has established an HSE and senior policy fund. The fund can be used for various HSE measures, as well as training and education. In addition, Storebrand offers health insurance and HSE advice for municipalities and other public sector entities.

Acquisition of SPP

The Board believes that the acquisition will create substantial synergy benefits. The trends seen in the Nordic and European pension and life insurance markets strengthen the argument for cross-border business structures. As the operating environment and products become more harmonised between countries, this makes cross-border synergies more apparent and easier to realise. In addition, the new regulatory framework makes it possible to create synergies in the use of capital through geographic diversification. Specific effects have been identified in a number of areas which confirm that Storebrand and SPP will be able to make good use of each other's strengths and experience. By way of example, SPP will benefit from Storebrand's extensive experience in the pension transfer market since the Swedish market is expected to permit transfers of pension schemes from spring 2008. The scale of SPP's products and its experience with unit linked products will be beneficial for Storebrand as the emphasis in the Norwegian market shifts from traditional insurance products to unit linked products.

Storebrand Livsforsikring branch office in Sweden

Storebrand Livsforsikring opened its Swedish branch office in September 2005. Storebrand's products are marketed through Swedish brokers and financial advisers, and are based on Norwegian legislation. This means that Storebrand, in contrast to its Swedish competitors, offers a stronger guarantee structure with better security for customers, as well as a statutory right to transfer.

Storebrand's products and solutions have been well received in the Swedish market. Storebrand's Swedish branch has so far focused on sales of traditional life and pension insurance products with guaranteed returns. In 2007, it expanded its activities to include mutual fund products. The branch will continue to offer products based on Norwegian legislation for the Swedish market.

Insurance products for the private individual

2007 was a year of cross selling. Storebrand has increased the number of products it sells to each customer, and this focus will continue in 2008. We know that customer satisfaction, customer loyalty and the period we retain a customer increase with the number of Storebrand products the customer uses. By increasing the number of product links to each customer, we

can increase both customer satisfaction and earnings. Storebrand has gained 200,000 new customers over the last two years through the introduction of mandatory occupational pensions, and this provides a very good basis for successful cross selling. The new IPS product will be an important cross selling product in 2008 and subsequent years.

The implementation by the EU of the Markets in Financial Instruments Directive (MiFID) from 1 November 2007 affected all participants in the savings market. MiFID increases the level of protection for consumers in the savings market, and makes it compulsory for all providers of financial advice to be licensed. In addition, financial advisers are now obliged to investigate the customer's financial situation and to apply a variety of tests to determine which products are best suited for the customer. Storebrand carried out an extensive program of work over an 18-month period to prepare for MiFID, and its new procedures have been welcomed by both advisers and customers.

Improving efficiency

Work on improving the efficiency of systems for customer service, policy administration and settlement continued in 2007. The objective of this program is to address efficiency in all units before the start of 2009, and to improve efficiency by more than 20% in all these units. Improvements of over 30% have already been achieved on some of the business processes that have

been reviewed. Improving efficiency also plays a role in ensuring that the company can cope with increasing business volumes while at the same time improving customer satisfaction.

GROWTH

Storebrand Livsforsikring expects growth in its total portfolio in the corporate market of between 8% and 10% annually. The market for long-term savings continues to grow. The introduction of mandatory occupational pensions in 2006 has made Norwegians more aware of the need for personal saving. The group has gained around 16,000 new corporate customers, representing some 200,000 employees in total, and this inflow of customers will be of great importance for Storebrand's retail market activities in future years. Storebrand will offer its new customers attractive solutions for personal insurance and personal savings.

ALLOCATION OF THE RESULT FOR THE YEAR

Storebrand Livsforsikring AS reports a profit available for sharing between policyholders and the owner of NOK 4,138 million for the year. After allocating NOK 400 million to additional statutory reserves, the profit for the year was NOK 3,748 million. The company's distributable reserves amount to NOK 4,135 million. The Board proposes the following allocation of the profit for the year:

ALLOCATION NOK MILLION	TOTAL	TO THE OWNER		TO POLICYHOLDERS	
		TO THE OWNER	%	TO POLICYHOLDERS	%
Profit/loss for products not subject to profit allocation	99.9	99.9			
Profit/loss for products subject to profit allocation	3 638.4	1 241.0	34 %	2 397.4	66 %
Total	3 738.3	1 340.9		2 397.4	
The Board proposes that the owner's profit be allocation as follows:					
Tax		0.7			
Dividend		268.0			
Transfer to the equity		1 072.2			

Oslo, 11 February 2008
The Board of Directors of Storebrand Livsforsikring AS

Translation, not to be signed

Leiv L. Nergaard
Chairman

Nina Udnes Tronstad

Andreas Enger

Gorm Leiknes

Inger-Johanne Strand

Anders Røed

Idar Kreutzer
Managing Director

Profit and loss account Storebrand Livsforsikring

1 January – 31 December

STOREBRAND LIVSFORSIKRING GROUP				STOREBRAND LIVSFORSIKRING AS			
2005	2006	2007	NOK MILLION	NOTE	2007	2006	2005
TECHNICAL ACCOUNT:							
16 028.0	13 125.4	16 642.0	1.1 Gross premiums written		16 642.0	13 125.4	16 028.0
-28.3	-56.9	-64.3	1.2 Reinsurance premiums ceded		-64.3	-56.9	-28.3
2 317.8	6 550.0	3 139.1	1.3 Premium reserves transferred from other companies	7	3 139.1	6 550.0	2 317.8
18 317.5	19 618.5	19 716.8	1. Premiums for own account	4,5	19 716.8	19 618.5	18 317.5
	1.5		2.1 Income from shares and participations in group companies		-14.7	38.2	5.5
0.4	18.0	-18.8	2.2 Income from participations in associated companies		-25.3	19.2	0.4
1 052.9	1 347.3	1 401.8	2.3 Income from property and real estate investments		1 192.1	1 143.0	959.5
4 703.7	5 168.8	5 573.6	2.4 Income from other financial assets		5 590.6	5 168.8	4 702.0
263.7	967.2	2 975.6	2.5 Revaluation of property and real estate investments		2 975.6	967.2	263.7
1 116.8	2 033.9		2.6 Unrealised gains/reversals of unrealised losses on financial current assets			2 033.9	1 116.8
	39.7		2.7 Reversal of write-downs of financial assets			39.7	
10 987.7	11 050.7	14 489.6	2.8 Gains on sales of financial assets		14 489.6	11 035.7	10 987.7
18 125.2	20 627.1	24 421.8	2. Income from financial assets	9	24 207.9	20 445.7	18 035.6
	685.4	353.4	3. Net income from financial assets with investment choice		353.4	685.4	
18.2	33.4	85.8	4. Other insurance related income		85.8	33.4	18.2
-8 525.5	-12 906.3	-15 285.3	5.1 Gross claims paid		-15 285.3	-12 906.3	-8 525.5
13.8	5.9	2.1	5.2 Claims paid - reinsurance		2.1	5.9	13.8
-20.5	-47.7	-73.7	5.3 Gross change in claims reserve		-73.7	-47.7	-20.5
-1 830.9	-1 476.8	-2 223.3	5.4 Premium reserves etc. transferred to other companies	7	-2 223.3	-1 476.8	-1 830.9
-10 363.1	-14 424.9	-17 580.2	5. Claims for own account	4	-17 580.2	-14 424.9	-10 363.1
-11 223.5	-7 774.6	-8 629.0	6.1 To/from premium reserve in the insurance fund (gross)		-8 629.0	-7 774.6	-11 223.5
-125.4	-147.2	-157.6	6.2 Guaranteed return on premium/pension adjustment fund		-157.6	-147.2	-125.4
-950.0	-1 000.0	-400.0	6.3 Additional statutory allocations for the year		-400.0	-1 000.0	-950.0
43.2	-79.8	55.7	6.4 To/from additional statutory reserves in connection with claims/repurchase		55.7	-79.8	43.2
58.9	187.1	140.2	6.5 Transfers of additional statutory reserves from other companies		140.2	187.1	58.9
-10.6	-17.7	-18.4	6.6 To/from security reserve		-18.4	-17.7	-10.6
-15.2	-78.2	-63.3	6.7 To technical reserves for non-life insurance business		-63.3	-78.2	-15.2
	-1 561.1	-1 432.3	6.8 To/ from reserves for life insurance with investment choice		-1 432.3	-1 561.1	
-12 222.6	-10 471.5	-10 504.7	6. Changes in insurance reserves etc. for own account	4	-10 504.7	-10 471.5	-12 222.6
-509.5	-545.7	-722.7	7.1 Sales expenses (insurance)	6	-722.7	-545.7	-509.5
-757.8	-1 005.2	-1 111.3	7.2 Insurance related administration expenses	11	-1 111.3	-1 005.2	-757.8
-1 267.3	-1 550.9	-1 834.0	7. Insurance related operating expenses for own account		-1 834.0	-1 550.9	-1 267.3
-6.5	-7.5	-8.5	8.1 Administration expenses: properties and real estate investments		-8.5	-7.5	-6.5
-80.1	-196.4	-84.0	8.2 Administration expenses: other financial assets		-84.0	-196.4	-80.1
-7.3		-6.0	8.3 Interest expense arising from financial assets		-6.0		-6.2
-153.8	-265.9	-206.2	8.4 Other expenses arising from financial assets		-36.1	-53.4	-72.6
-232.8	-39.7	-0.8	8.5 Revaluation of properties and real estate investments		-0.8	-39.7	-232.8
		-2 028.9	8.6 Unrealised loss/reversals of unrealised gains on financial current assets		-2 028.9		
-4.7			8.7 Write-downs to other financial assets				-4.7
-7 325.1	-7 634.1	-10 211.2	8.8 Loss on disposal of financial assets		-10 211.2	-7 634.1	-7 325.1
-7 810.3	-8 143.6	-12 545.6	8. Expenses in respect of financial assets	9	-12 375.5	-7 931.1	-7 728.0

STOREBRAND LIVSFORSIKRING GROUP					STOREBRAND LIVSFORSIKRING AS		
2005	2006	2007	NOK MILLION	NOTE	2007	2006	2005
-100.7	-60.9	-163.0	9. Other insurance related expenses after reinsurance share		-163.0	-60.9	-100.7
-1 116.8	-2 033.9	2 028.9	10. To/from market value adjustment reserve		2 028.9	-2 033.9	-1 116.8
3 580.1	4 278.7	3 979.2	11. TECHNICAL INSURANCE RESULT		3 935.4	4 309.8	3 572.8
-1 054.8	-1 350.2	-1 232.0	12.1 Transfers to the premium reserve in the insurance fund		-1 232.0	-1 350.2	-1 054.8
-1 209.9	-1 643.9	-1 165.4	12.2 Transfers to the premium and pensioner's surplus fund		-1 165.4	-1 643.9	-1 209.9
-2 264.7	-2 994.1	-2 397.4	12. Funds transferred to policyholders	4	-2 397.4	-2 994.1	-2 264.7
1 315.4	1 284.6	1 581.8	13. BALANCE OF THE TECHNICAL ACCOUNT		1 538.0	1 315.7	1 308.1
			NON-TECHNICAL ACCOUNT:				
86.1	108.1	121.6	14. Other income				
-234.4	-210.4	-338.9	15. Other expenses		-197.1	-135.2	-141.6
1 167.1	1 182.3	1 364.5	16. PROFIT FROM ORDINARY ACTIVITIES		1 340.9	1 180.5	1 166.5
26.0	-0.7	-19.8	17. Tax	10,28	-0.7		26.6
	-1.1	-4.5	18. Minority interests' share of profit				
1193.1	1180.5	1 340.2	19. PROFIT FOR THE YEAR		1 340.2	1 180.5	1 193.1
			ALLOCATIONS:				
			20.1 Dividend paid		-268.0	-885.3	-775.4
			20.2 Transferred to other equity		-1 072.2	-295.2	-417.7
			20. Total allocated		-1 340.2	-1 180.5	-1 193.1

Balance sheet Storebrand Livsforsikring

at 31 December

STOREBRAND LIVSFORSIKRING GROUP				STOREBRAND LIVSFORSIKRING AS				
2005	2006	2007	NOK MILLION	NOTE	2007	2006	2005	
			ASSETS:					
24.9	8.2	9 578.4	1.1 Intangible assets	2,23	7.4	0.5		
	5.4	32.1	1.2 Deferred tax assets	28				
24.9	13.6	9 610.5	1. Intangible assets		7.4	0.5		
14 135.7	18 169.4	22 334.0	2.1 Properties and real estate	22,23	22 262.4	17 936.8	13 963.4	
			2.2 Shares and participations in group companies	13	7 187.5	272.4	341.2	
			2.3 Loan to group companies	29	6 889.0			
100.0	207.9	145.9	2.4 Shares and participations in associated companies	13	165.1	188.7	62.0	
	4.4	5.7	2.5 Shares and other equity investments	23	5.7	4.2		
40 671.6	43 098.8	40 380.1	2.6 Bonds to be held to maturity	15,23	40 380.1	43 098.8	40 671.6	
607.5	2 295.6	2 687.3	2.7 Secured lending		2 687.3	2 295.6	607.5	
48.6	44.2	15.5	2.8 Other lending		15.5	44.2	48.6	
		11.1	2.9 Other financial long term assets					
55 563.4	63 820.3	65 579.5	Long term financial assets		79 592.6	63 840.7	55 694.3	
39 338.4	45 515.7	74 408.9	2.10 Shares and other equity investments	12	44 521.1	45 515.7	39 336.8	
48 785.3	44 538.6	107 008.8	2.11 Bonds and other fixed income securities	14	48 008.5	44 538.6	48 785.3	
1 528.5	1 743.6	98.1	2.12 Money market placements		98.1	1 743.6	1 528.5	
438.7	858.8	3 545.4	2.13 Financial derivatives	16	1 749.0	858.8	438.7	
		4 989.3	2.14 Other financial current assets	21				
90 090.9	92 656.7	190 050.6	Financial assets held as current assets		94 376.7	92 656.7	90 089.3	
145 654.3	156 477.0	255 630.1	2. Total financial assets		173 969.3	156 497.4	145 783.6	
	3 028.7	4 562.5	3.1 Equityfund		1.2	3 028.7		
	127.0	326.4	3.2 Bondfund		1.0	127.0		
	1 094.7	817.9	3.3 Money market fund			1 094.7		
	2.0	20 087.1	3.4 Combination fund			2.0		
	3 111.7	13 289.5	3.5 Investments fund		8 926.6	3 111.7		
	7 364.1	39 083.4	3. Life insurance assets with investment choice	19.20	8 928.8	7 364.1		
1.5	2.1	3.4	4.1 Reinsurers' share of premiums not earned		3.4	2.1	1.5	
4.9	26.5	53.5	4.2 Reinsurers' share of gross claims reserve		53.5	26.5	4.9	
6.4	28.6	56.9	4. Total reinsurers' share of gross technical insurance reserves		56.9	28.6	6.4	
957.0	1 628.8	1 517.7	5.1 Receivables due from insurance customers (direct business)		1 509.8	1 628.8	957.0	
4.3	4.3	57.2	5.2 Receivables due arising from reinsurance		4.3	4.3	4.3	
1 498.8	777.6	1 167.8	5.3 Other receivables		166.5	617.9	1 383.2	
25.6	23.0	18.2	5.4 Intra-group receivables	31	340.6	41.1	241.6	
2 485.7	2 433.7	2 761.0	5. Total receivables		2 021.2	2 292.1	2 586.1	
26.5	28.2	37.2	6.1 Fixed assets	23	32.6	26.3	24.2	
1 777.6	4 057.2	18 941.6	6.2 Cash and bank		9 679.3	3 829.1	1 581.9	
		3.4	6.3 Other assets by type					
1 804.1	4 085.4	18 982.2	6. Total other assets		9 711.9	3 855.4	1 606.1	
1 697.0	1 996.7	2 895.0	7.1 Accrued but not received lease rentals, interest etc.		1 985.6	1 992.1	1 694.4	
6.5	10.3	155.0	7.2 Other prepaid costs and accrued income		10.2	10.3	6.5	
1 703.5	2 007.0	3 050.1	7. Total prepaid costs and accrued income		1 995.8	2 002.4	1 700.9	
151 678.9	172 409.4	329 174.2	TOTAL ASSETS		196 691.3	172 040.5	151 683.1	

STOREBRAND LIVSFORSIKRING GROUP				STOREBRAND LIVSFORSIKRING AS			
2005	2006	2007	NOK MILLION	NOTE	2007	2006	2005
EQUITY AND LIABILITIES:							
1 411.2	1 411.2	1 980.4	8.1 Share capital	34	1 980.4	1 411.2	1 411.2
726.5	870.6	9 270.6	8.2 Share premium	34	9 270.6	870.6	726.5
2 137.7	2 281.8	11 251.0	8. Total paid-in share capital		11 251.0	2 281.8	2 137.7
2 783.9	3 079.0	4 125.3	9.1 Other equity	34	4 135.3	3 079.1	2 783.9
2 783.9	3 079.0	4 125.3	9. Total accrued capital		4 135.3	3 079.1	2 783.9
12.7	13.8	130.1	10. Minority interests' share in equity				
2 875.4	2 961.7	8 813.8	11.1 Other subordinated loan capital		7 469.6	2 961.7	2 875.4
2 875.4	2 961.7	8 813.8	11. Total subordinated loan capital	29	7 469.6	2 961.7	2 875.4
3 884.0	5 917.8	3 888.9	12. Market value adjustment reserve		3 888.9	5 917.8	3 884.0
124 051.7	133 257.3	213 804.6	13.1 Premium reserve for own account		143 371.7	133 257.3	124 051.7
4 537.5	5 550.7	5 757.3	13.2 Additional statutory reserves		5 757.3	5 550.7	4 537.5
5 228.1	6 492.8	5 975.2	13.3 Premium fund		5 975.2	6 492.8	5 228.1
215.0	280.0	280.0	13.4 Pensioner's surplus fund		280.0	280.0	215.0
334.3	382.6	1 969.9	13.5 Claims reserve for own account		456.3	382.6	334.3
		13 699.4	13.6 Conditional bonus		0.0		
103.0	203.4	295.1	13.7 Other technical reserves	27	295.1	203.4	103.0
134 469.6	146 166.8	241 781.4	Insurance fund reserves for own account	26	156 135.6	146 166.8	134 469.6
159.2	179.0	197.4	13.8 Security reserve		197.4	179.0	159.2
134 628.8	146 345.8	241 978.8	13. Total insurance related reserves for own account	25	156 333.0	146 345.8	134 628.8
	7 188.5	38 900.3	14.1 Avsetning for premiereserve		8 620.9	7 188.5	
	175.6	307.9	14.2 Avsetning for innskuddsfond		307.9	175.6	
	7 364.1	39 208.2	14. Reserve for life insurance with investment choice		8 928.8	7 364.1	
245.1	207.6	736.5	15.1 Pension liabilities etc.	11	397.4	190.0	226.5
180.9	107.6	621.6	15.2 Deferred tax	28			
0.3	0.3	51.4	15.3 Other reserves		0.3	0.3	0.3
426.3	315.5	1 409.5	15. Total reserves for other risks and costs		397.7	190.3	226.8
724.4	385.2	1 041.1	16.1 Accounts payable in respect of direct insurance		656.0	385.2	724.4
111.6	86.9	173.2	16.2 Accounts payable in respect of reinsurance		97.1	86.9	111.6
684.1	626.8	2 382.3	16.3 Financial derivatives representing current liabilities	16	1 042.6	626.8	684.1
2 301.0	1 688.0	13 814.5	16.4 Other liabilities	30	1 536.2	1 463.6	2 441.9
776.6	885.3	268.0	16.5 Allocated to dividend		268.0	885.3	775.4
14.9	49.8	41.4	16.6 Due to group companies	31	135.6	49.8	119.3
4 612.6	3 722.0	17 720.5	16. Total liabilities		3 735.5	3 497.6	4 856.7
42.6	57.3	86.4	17.1 Prepayments received of lease rental. interest etc.		86.4	57.3	42.6
274.9	350.6	561.7	17.2 Other accrued costs and deferred income		465.0	344.9	247.2
317.5	407.9	648.1	17. Total accrued costs and deferred income		551.4	402.2	289.8
151 678.9	172 409.4	329 174.2	TOTAL EQUITY AND LIABILITIES		196 691.3	172 040.5	151 683.1
			Off-balance sheet contingent liabilities		4 661		

Oslo, 11 February 2008

The Board of Directors of Storebrand Livsforsikring AS

*Translation, not to be signed*Leiv L. Nergaard
Chairman

Nina Udnes Tronstad

Andreas Enger

Gorm Leiknes

Inger-Johanne Strand

Anders Røed

Idar Kreutzer
Managing Director

Cash flow analysis

1 January - 31 December

NOK MILLION	STOREBRAND LIVSFORSIKRING GROUP			STOREBRAND LIVSFORSIKRING AS		
	2007	2006	2005	2007	2006	2005
Cash flow from operations						
Net premiums received - direct insurance	20 088.7	10 554.3	15 096.7	13 686.4	10 554.3	15 096.7
Net claims/benefits paid - direct insurance	-15 086.1	-13 294.1	-8 288.9	-15 086.1	-13 294.1	-8 288.9
Net receipts/ payments - policy transfers	915.8	5 073.2	486.9	915.8	5 073.2	486.9
Net receipts/payments - lending to customers	-212.8	-1 610.0	-236.5	-195.1	-1 610.0	-236.5
Net receipts/payments - loans to and claims on other financial institutions				-6 886.3		
Net receipts/payments - customer deposits with the banking activities	292.1	121.6	106.1	276.6	118.3	104.8
Net receipts/payments - deposits from Norges Bank and other financial institutions						
Net receipts/payments - securities in the trading portfolio:						
Shares and other equity investments	2 739.9	243.3	-5 592.0	-4 484.9	328.7	-5 805.9
Bonds and other fixed income securities	4 900.7	6 072.4	-694.9	7 392.6	6 056.2	-697.9
Financial derivatives and other financial instruments	-3 965.4	-477.4	619.5	-491.4	-477.4	619.5
Dividend receipts form the trading portfolio						
Payments to suppliers for goods and services	-669.0	-731.9	-53.0	-816.5	-1 023.4	-80.8
Net receipts/payments - real estate activities	555.7	-2 015.9	-315.1	367.5	-1 950.0	-162.5
Payments to employees, pension scheme, employers' contribution etc.	-863.8	-804.5	-599.0	-845.6	-761.8	-576.7
Payments of tax, duties, etc.	-52.1	-79.3	26.7	-0.7		
Net receipts/payments - other operational activities						
Net cash flow from operations	8 643.7	3 051.7	556.5	-6 167.7	3 014.0	458.7
Cash flow from investment activities:						
Net receipts from sales of subsidiaries			0.1			0.1
Net payments on purchase/capitalisation of subsidiaries	-13 832.7					
Receipts from sales of property						
Payments on purchase of property	-316.9		-12.4	-329.3	-12.4	-12.4
Net receipts/payments on sale/purchase of fixed assets, etc.	-23.8	-31.9	-50.1	-19.7	-14.2	-31.9
Net cash flow from investment activities	-14 173.4	-31.9	-62.4	-349.0	-26.6	-44.2
Cash flow from financing activities						
Repayment of long term lending						
Receipts from taking up term loans						
Receipts from issuance of commercial paper/short-term loans						
Repayment of commercial paper/short-term loans						
Receipts from issuance of subordinated loan capital	4 604.5			4 604.5		
Repayment of subordinated loan capital						
Other intangible assets regarding SPP	-291.0	-48.9	-233.0	-293.7	-48.9	-233.0
Receipts from issue of bond loans and other long-term funding						
Repayment of bond loans and other long-term funding						
Receipts from issue of new share capital	9 000.0	53.5	0.1	9 000.0	53.5	0.1
Payments on redemption of share capital	-30.7			30.7		
Group contribution/dividend paid	-885.3	-775.4	-537.5	-885.3	-775.4	-538.7
Net cash flow from financing activities	12 397.5	-770.8	-770.4	12 456.2	-770.8	-771.6
Net cash flow for the period	6 867.8	2 249.0	-276.3	5 939.5	2 216.6	-357.1
Net change in cash and cash equivalent assets	6 867.9	2 248.9	-276.3	5 850.2	2 216.6	-357.1
Cash and cash equivalent assets at the start of the period for new companies	8 016.5					
Liquid assets 01.01	4 057.2	1 808.2	2 053.9	3 829.1	1 612.5	1 939.0
= Liquid assets at 31.12	18 941.6	4 057.2	1 777.6	9 679.3	3 829.1	1 581.9

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01 } ACCOUNTING PRINCIPLES

GENERAL

The Annual Accounts have been prepared in accordance with the Accounting Act of 1998, Norwegian generally accepted accounting practice, and the regulations on annual accounts of insurance companies.

In preparing the annual accounts, management has to use assumptions and estimates that will affect reported figures related to assets, liabilities, revenue and costs, as well as the information on contingent liabilities included in the notes to the accounts. The actual figures in question may differ from the original estimates.

CONSOLIDATION

The group accounts consolidate Storebrand Livsforsikring AS and all subsidiaries where Storebrand Livsforsikring AS exercises control directly or indirectly over more than 50% of the voting rights. The accounts of subsidiary companies are restated in accordance with the accounting principles that apply to life insurance companies if such restatement has a material affect. Shares in subsidiaries are eliminated in the consolidated accounts on the acquisition method. This means that the assets and liabilities are valued at actual value at the time of acquisition, and any excess value is classified as goodwill. All material transactions, receivables and payables between group companies are eliminated in the consolidated accounts.

Investments in companies where the group exercises significant influence (associated companies), are consolidated in accordance with the equity method. The equity method involves valuing the investment as Storebrand Livsforsikring's proportionate share of the associated company's equity, including any over-value or goodwill. Storebrand Livsforsikring's share of the associated company's annual profit, after deducting any goodwill depreciation, is recognised to profit and loss. Storebrand Livsforsikring is normally deemed to have significant influence over a company in which it owns between 20% and 50% of the voting capital. Interests in jointly controlled businesses 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 accounts.

Foreign companies are translated to Norwegian kroner (NOK) using the balance sheet date method. This means that assets, including any over-value on purchase, and liabilities are translated to NOK on the basis of the exchange rate prevailing on the date of the balance sheet, while the profit and loss accounts of such companies are translated to NOK at the average exchange rates for the year. Any translation differences are posted against the group's equity.

Assets and liabilities denominated in foreign currency

Liquid assets, other financial current assets and subordinated loans denominated in foreign currency are converted at the exchange rate prevailing on the date of the balance sheet. Currency derivatives are valued at actual value on the date of the balance sheet.

PROFIT AND LOSS ACCOUNT

Premium income

Gross premiums written comprise premium amounts which fall due during the year. The result from reinsurance ceded is shown separately as a sub account of premiums for own account. Accrual of premiums earned is made through allocations to premium reserve in the insurance fund.

Claims paid

Gross claims paid during the year. The result of reinsurance ceded and the year's change in claims reserve are shown separately under the heading of claims for own account. The reserve for claims not yet settled or not yet paid out is provided for in claims reserves for own account.

Income/expense arising from financial assets

Income and expense arising from financial assets, including any change in unrealised gains or losses, are shown as gross figures in the profit and loss account. Net unrealised gains/losses on financial assets classified as current assets are transferred to a market value adjustment reserve in the balance sheet, and therefore do not affect profit. Financial expense includes administration costs associated with the financial activities

Transfers of premium reserve etc. (policy transfers)

Transfers of insurance fund premium reserves resulting from transfers of policies between insurance companies are booked to profit and loss as premiums for own account in the case of reserves received and claims for own account in the case of reserves paid out. The recognition of cost/income takes place at the date the insured risk is transferred. The premium reserve in the insurance fund is increased/reduced at the same date. The premium reserve transferred includes the policy's share in additional statutory reserves, the market value adjustment fund and the year's profit. Transferred additional statutory reserves are not shown as part of premium income but are reported separately as changes in insurance reserves. Transfer amounts are classified as current assets/liabilities until such time as the transfer takes place. Interest arising in the time taken to complete transfer is recognised as part of the item 'other insurance related income and expenses'.

Movements in Reserve for life insurance with investment choice

Includes the total of all movements on customers' accounts during the course of the year that involve the purchase or sale of units, and can therefore include contributions paid in, benefits paid out, market value adjustments, fees and risk premiums charged and mortality profit credited.

Profit allocated to policyholders

The guaranteed yield on the premium reserve and on the premium/pension adjustment fund is recognised to profit and loss as part of the item changes in insurance reserves. Other

profit allocated to customers is shown under the item 'funds transferred to policyholders'.

FINANCIAL ASSETS

FINANCIAL LONG TERM ASSETS

Real estate

Properties and other real estate investments are valued at actual value. Accordingly no normal corporate depreciation is applied. Changes in valuation and gains/losses realised on the sale of properties in the year are recognised to profit and loss. Real estate assets held through a separate legal entity (limited company or general partnership) are classified and valued in the same way as directly owned properties.

Shares held as fixed assets

Investments in shares in subsidiaries and associated companies, with the exception of real estate held through a limited company or general partnership, are accounted for using the equity method.

Bonds held to maturity

Bonds acquired with the intention of holding to maturity are classified as financial fixed assets. Bonds are valued at amortised cost to the next interest fixing date using the effective yield method. Accrued premium/discount is shown in the accounts as part of income from other financial assets.

In the event of a significant adverse change in the credit standing of an issuer, the value of bonds held will be written down as necessary.

Mortgage loans – other lending

Loans are booked in the balance sheet at acquisition cost and the values are reduced by specific and general loan loss provisions in accordance with the Financial Supervisory Authority of Norway's regulations dated 21 December 2004.

FINANCIAL CURRENT ASSETS

Financial current assets are booked at actual value. The net unrealised gain or loss for the year is transferred to the market value adjustment reserve in the balance sheet. A description of the valuation methods applied to financial current assets and the market value adjustment reserve is given below.

Shares and other equity investments

For financial assets that are listed on a stock exchange or another regulated market place, fair value is determined as the bid price on the last trading day up to and including the balance sheet date.

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 willing 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.

Stock lending

A stock loan involves a transfer of shares from Storebrand to a borrower in return for the borrower pledging security in the form of cash or securities. At the maturity of the stock loan, the identical securities are returned to Storebrand. The borrower is required to compensate the lender for various events related to the shares lent, such as distributions of subscription rights, dividends etc. The borrower is entitled to exercise the voting rights of the shares during the period of the stock loan. Shares lent by Storebrand are not removed from the Storebrand balance sheet, and fees earned on stock lending are recognised to income as they are received. Reinvested collateral is recognised at its gross value in the balance sheet under the individual asset.

Bonds and other fixed income securities

Where trading prices from a liquid market are available for a security, the security is valued at the closing price on the last trading day immediately prior to or on the date of the balance sheet. In the case of securities where no traded price is available, a theoretical price is calculated on the basis of the yield curve for the particular market taking into account the credit standing of the issuer in question. The discount on zero-coupon securities is amortised as interest income over the period to maturity using the effective yield method. Changes in value caused by changes in the level of interest rates are treated as unrealised changes in value and are transferred to the market value adjustment reserve.

Financial derivatives

The calculation of actual value for derivatives is based on actual market values where these are available in a liquid market. If no market price is directly available, market value is calculated on the basis of the market price of the underlying instrument by using mathematical models generally accepted for pricing such instruments.

Equity options /Equity index options

Options are realised when they are exercised, mature, or are matched by an offsetting transaction.

Stock futures

Stock futures contracts (including stock index futures) are reconciled daily on the basis of the previous day's market prices. Changes in the values of futures contracts are recorded in the accounts as they occur as realised financial income or expense.

Interest-rate options/options on forward rate agreements (FRA)

The same accounting treatment is applied as for share options.

Interest rate futures

Interest rate futures are treated in the same way as stock futures.

Interest rate swaps

Interest income and expense arising from interest rate swaps is accrued to profit and loss. Current assets are recognised at market value.

Asset swap

The same accounting treatment is applied as for interest rate swaps.

FRA-Forward rate agreements

Forward rate agreements (FRA) are recognised at market value and are settled at the start of the interest rate period to which the agreement applies.

Forward foreign exchange contracts

Forward foreign exchange contracts are principally used to hedge holdings of securities, and other financial instruments. Unrealised gains or losses do not affect the market value adjustment reserve, but do affect the profit available for allocation between customers and the shareholder. Profit or loss arising from active currency positions is applied to the market value adjustment reserve.

Currency swaps

The same accounting treatment is applied as for forward foreign exchange contracts.

Credit derivatives

Credit derivatives are valued on the basis of a theoretical approach using recognised methods based on observable assumptions on the likelihood of default and recovery. ("Default rate" and "Recovery rate").

Net unrealised gains on financial current assets - market value adjustment reserve

Unrealised gains/losses for the current year on financial current assets are applied to the market value adjustment reserve in the balance sheet and are therefore not included in the profit for the year. If the total portfolio of financial current assets shows a cumulative unrealised loss, this loss is charged to profit and loss. If specific financial current assets are considered to have suffered a permanent loss in value, the change in value of the financial asset in question is charged to profit and loss.

Unrealised gains/losses for the current year on financial current assets denominated in foreign currencies that can be attributed to movements in exchange rates are not transferred to the market value adjustment reserve if the investment is hedged against currency movements. The change in the value of the hedging instrument is accordingly not transferred to the market value adjustment reserve, but is applied directly to profit and loss. The foreign exchange risk associated with investments denominated in foreign currencies is to a very large extent hedged through foreign exchange contracts on a portfolio basis.

Life insurance assets with investment choice

Total of customers' investments through Unit Linked contracts. This asset is booked at market value. This item is equal to the Reserve for life assurance with investment choice. The company is the owner of the units in which the customers have invested through the contracts.

Hedge accounting

Before a hedging transaction is carried out, the group's Finance Department evaluates whether hedging should be used:

- a) to hedge a future cash flow from a booked asset or liability, or a specific highly likely future transaction, or in the case of currency risk a certain liability; or
- b) to hedge the net investment in a foreign activity.

The group's criteria for classifying a derivative or other financial instrument as a hedging instrument are as follows:

- (1) the hedging must be expected to be highly effective in that it will offset changes in the fair value or cash flow of an identified object – hedging effectiveness must be expected to be in the range 80% to 125%;
- (2) it must be possible to measure the effectiveness of the hedging reliably;
- (3) there must be satisfactory documentation when entering into the hedging transaction that demonstrates inter alia the hedging effectiveness;
- (4) in the case of cash flow hedging, the transaction in question must be likely to occur; and
- (5) the hedging is regularly evaluated and has proved to be effective.

Cash flow hedging

The effective portion of changes in fair value of a hedging instrument is recognized directly to equity. The ineffective portion of the hedge instrument is recognized to profit and loss as it occurs.

If the expected transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or if an expected transaction in respect of a non-financial asset or non-financial liability becomes a certain liability that is hedged through fair value hedging, the accumulated gain or loss on the hedging instrument that was previously recognised directly to equity is removed from equity and is included in the initial cost of the non-financial asset or non-financial liability or the certain liability.

If the hedging of an expected transaction subsequently results in the recognition of a non-financial asset or non-financial liability, the related gain or loss on the hedging instrument is reclassified from equity to the profit and loss account for the period(s) in which the asset or liability affects the company's profit or loss.

In the case of cash flow hedging other than that mentioned above, the accumulated gain or loss is transferred from equity to the profit and loss account in the same period(s) as the hedged expected transaction affects profit and loss.

When a hedging instrument expires or is sold, cancelled or exercised, or if the company cancels the hedging relationship, even though the hedged transaction is still expected to occur,

the accumulated gain or loss at that time remains in equity, and is transferred to the profit and loss account in accordance with the guidelines mentioned above when the transaction occurs.

If the hedging arrangement no longer satisfies the criteria for hedge accounting as specified above, the accumulated gain or loss at that time remains in equity, and is transferred to the profit and loss account in accordance with the guidelines mentioned above when the transaction occurs.

If the hedged transaction is no longer expected to occur, the accumulated unrealised gain or loss on the hedging instrument that has been applied to equity is recognized to profit and loss immediately.

Hedging of net investment in foreign businesses

The hedging of net investment in foreign businesses is recognized in the accounts in the same way as cash flow hedging.

OTHER ASSETS

Intangible assets

Intangible assets acquired separately or as a group are valued at actual value at the time of acquisition. Intangible assets are depreciated linearly over their expected commercial life. If the value of an intangible asset is not limited in time and no commercial life can be estimated, the asset is not depreciated but is subject to an annual test of the need for a write-down.

Tangible fixed assets

Tangible fixed assets for own use are valued at acquisition cost reduced by accumulated depreciation. Fixed assets are written down if their realisable value is lower than book value. Realisable value is defined as the higher of net sale value and value in use calculated as a discounted cash flow.

Cash and bank

Cash and bank includes cash and bank deposits. Long-term deposits are classified as part of the item 'Money market placements'.

LONG-TERM LIABILITIES

Subordinated loan capital

Subordinated loan capital is valued at amortised cost using the effective yield method.

Subordinated loans denominated in foreign currency are hedged by forward foreign exchange purchases of the equivalent principal amount plus the interest which will accrue to the maturity of the forward contract. Both the loan and interest are recorded at the exchange rate prevailing on the date of the balance sheet, and the forward foreign exchange contract is recorded at current market value.

INSURANCE RESERVES - LIFE INSURANCE

The insurance fund

Premium reserve

Gross premium reserve represents the cash value of the company's total insurance obligations in accordance with the individual insurance contracts after deducting the cash value of

future premiums. This is equivalent to the total of the amounts credited to the policyholders' accounts, as well as allocated premium reserve for policies which are not booked individually (risks with no investment content, including group life schemes etc.).

Additional statutory reserves:

The company is permitted to make additional statutory allocations to the insurance fund in order to ensure the solidity of its life insurance business. The maximum additional allocation to statutory reserves is set at the difference between the premium reserve calculated on the basis of 3.5% guaranteed yield and the premium reserve calculated on the basis of actual guaranteed yield under the contracts. The Financial Supervisory Authority of Norway has specified a level for the additional statutory reserves that apply to each policy. This is defined as the premium reserve for the policy multiplied by twice the basic interest rate for the policy. The company is permitted to apply a higher multiple of the basic interest rate than that defined by the Financial Supervisory Authority of Norway. The allocation to additional statutory reserves is a conditional allocation to policyholders that is recognised in the profit and loss account as a statutory allocation and accordingly reduces net profit.

Additional statutory reserves can be used to meet a shortfall in the guaranteed return. This is shown in the profit and loss account after the technical (insurance) result as amounts released from additional statutory reserves to meet the shortfall in guaranteed return.

Premium fund

The premium fund contains premiums prepaid by policyholders on individual and collective pension insurance as a result of taxation regulations.

Pensioners' surplus fund

The pensioners' surplus fund contains surplus premium reserve amounts allocated in respect of pensions in payment that are part of group pension policies. The fund is applied each year as a single premium payment to secure additional benefits for pensioners.

Claims reserve

Amount reserved for claims settlement either not yet completed or not yet paid out (IBNR and RBNS). The reserve only covers amounts which might have been paid in the accounting year had the claim been settled.

Reserve for life insurance with investment choice

Total of customers' investments at market value. This item is equal to Life insurance assets with investment choice.

Security fund

The security fund consists of statutory security allocations to cover unexpected insurance risks. The calculations are made in accordance with regulations published by the Financial Supervisory Authority of Norway. It is possible to increase the reserve by 50% above the minimum allocation. In special

situations, the Financial Supervisory Authority of Norway may give permission for all or part of the reserve to be used to cover a fall in the value of bonds or of shares classed as current assets. The entire reserve is shown as a mandatory reserve in the accounts.

Pension liabilities in respect of own employees

The company uses the Norwegian standard for pensions accounting NRS 6A, which permits the use of IAS 19 (International Financial Reporting Standards) 'Employee Benefits'.

The net pension cost for the period consists of the sum of pension liabilities accrued in the period, the interest charge on the calculated liability and the expected return on pension fund assets. Pension costs and pension liabilities for defined benefit schemes are calculated using a linear profile for the accrual of pension entitlement and expected final salary as the basis for calculating the benefit obligation, based on assumptions on discount rate, future increases in salary, pensions and social security pension benefits, the future return on pension assets and actuarial assumptions on mortality, staff turnover etc. The discount rate used is the risk-free interest rate appropriate for the remaining maturity. Where a scheme is funded, the pension assets are valued at fair value and deducted to show the net liability in the balance sheet.

Experience adjustments previously recognised to profit and loss are included in pension liabilities at 31 December 2007, and the amount is consistent with the congruence principle for insurance recognized to profit and loss in the Accounting regulations for life insurance companies.

The effect of changes to the pension scheme is charged to the profit and loss account as incurred, unless the change is conditional on future accrual of pension entitlement. If this is the case, the effect is allocated on a linear basis over the period until the entitlement is fully earned. Social security contributions and any other employment taxes payable by the employer are included as part of the pension liability, and are included both in the balance sheet value of pension liabilities and in differences between assumptions and actual experience. The scheme is treated as an external insurance arrangement.

Deferred tax/deferred tax assets

The accounts reconcile tax cost with the accounting profit before tax. Tax in respect of equity transactions is applied directly to equity. The tax charge in the accounts consists of tax payable for the accounting year (tax on direct taxable income for the year) and changes in net deferred tax and deferred tax assets. Deferred tax and deferred tax assets are reported on a net basis in the balance sheet. Net deferred tax assets are capitalised to the balance sheet to the extent it is considered likely that future taxable income will be sufficient to make use of the benefit they represent.

SPP

Life insurance reserves

Life insurance liability represents the discounted current value of the company's future liabilities. The major part of the company's liabilities (approximately 95%) relates to defined

benefit pension business. Calculations of defined benefit pension exposure use conservative assumptions including the risk-free market rate of interest as the discount rate. Other assumptions are discounted with the highest interest rate permitted by the Swedish Financial Supervisory Authority.

Liability relating to insurance policies with a guaranteed yield is calculated for each individual policy as the higher of amount of the insurance capital or the guaranteed capital valued at a risk free current rate. In addition, the amortised cost is affected by yield tax, charges, mortality and other risk measurements.

Life insurance liability is calculated for each insurance policy on the basis of the risk-free rate of interest. The assumptions used on tax levy, fees, mortality and other risk elements affect the value of the life insurance liability.

The guaranteed yield and other assumptions are agreed when the policy is taken out. The company has different guaranteed yields in its portfolio, varying between 2.25% and 5.2%. The predominant rates are 3.5%, 3.0% and 5.2%. These three rates represent 47%, 23% and 19% respectively of the total insurance portfolio.

The assumption on charges varies with the products and is generally in line with the percentage charges applied. The assumption concerning tax varies depending when various insurance policies were taken out and the tax levy applicable at the time. The assumptions on tax and charges reduce the guaranteed yield applied.

Mortality risk

Mortality assumptions vary depending on when various insurance policies were taken out. The assumptions applied are based on joint industry statistics. For most of the portfolio, mortality assumptions are applied that were developed in 1990. During the course of the year, the life insurance industry produced new joint statistics known as DUS 06. SPP intends to start to apply DUS 06 for its calculations in the course of 2009 or 2010.

Reserve for insured events not notified

The reserve for claims incurred comprises reserves for disability pension, claims notified, claims not notified and the claims processing reserve. The reserve for disability pension is calculated using the risk-free market rate of interest, taking into account index linking of future payments. Insured events not notified relates to insured events that are not yet notified but are estimated to have occurred on the basis of statistical methods (IBNR). The claims processing reserve is the estimated operating cost that the company will incur to process the pending claims.

Conditional Bonus reserves

Conditional bonus reserves represent that part of the insurance capital which is not subject to guarantees. Included in this is capital set aside by the company as reserves to secure future guarantees.

02 } ACQUISITION OF NEW BUSINESS

On 3 September 2007, an agreement was signed between Storebrand Livsforsikring AS and Handelsbanken (Sweden) concerning the acquisition of SPP Livförsäkring AB, its subsidiaries, and some other companies directly owned by Handelsbanken. The purchase sum amounted to SEK 16.2 billion in total, while transactions costs of SEK 265 million were activated as part of the cost price of the shares. The purchase sum amounted to NOK 13.8 billion. The transaction was concluded on 21 December 2007. Since no significant effects arose during the period up to 31 December 2007, SPP was from an accounting point of view consolidated on the basis of its equity as per 31 December 2007. The acquisition therefore had no effect of the profit in 2007.

Storebrand Holding AB, which is a wholly owned subsidiary of Storebrand Livsforsikring AS, was established in connection with the purchase of the shares in SPP. The shares in SPP were purchased by Storebrand Holding AB. Storebrand Holding AB was financed with SEK 8.265 billion in equity and a SEK 8.2 billion subordinated loan from Storebrand Livsforsikring AS. The investment was financed by Storebrand ASA conducting a pre-emption rights issue worth NOK 9 billion. In addition, Storebrand ASA took out a bridging loan of EUR 580 million, due for repayment in September 2008. This loan is temporary financing and will be replaced by a long-term loan that Storebrand Livsforsikring AS will take out from external parties.

An interim acquisition analysis has been conducted, which is used as a basis for the annual accounts as per 31 December 2007 and is presented below. An estimated market value of the acquired insurance contracts was used in the identification of the extra value that was significantly lower than the book value. The difference between the book value and the market value represents the value of the existing portfolio (called the "value of business-in-force" or "VIF"). This value represents around NOK 7.7 billion and is recognised in the balance sheet as an intangible asset. Based on the expected duration of the insurance contracts this item will provisionally be amortised over a period of 20 years. This intangible value will be assessed in connection with the relevant insurance contracts with respect to whether the total value is sufficient to meet the relevant insurance liabilities, cf. the sufficiency test in IFRS 4 insurance contracts.

The intangible assets acquired in addition to VIF represent goodwill totalling NOK 900 million, as well as other intangible assets of NOK 1 billion in the form of brand names, customer lists, etc. Goodwill is not amortised. Instead it is subjected to regular testing for impairment. In the case of other intangible assets, the amortisation period is calculated by referring to future earnings and linear amortisation of around 10 years has been used. Intangible assets are included at their gross value with deferred tax. Changes can be expected in the acquisition analysis in 2008.

Interim acquisition analysis

NOK MILLION	TRANSACTION VALUES ENTERED IN THE BALANCE SHEET	TOTAL VALUE IN FORCE (VIF)	ADJUSTMENTS TO FAIR VALUE
Intangible assets	706.7	8 704.5	7 997.8
Financial assets	119 967.5	119 967.5	
Other assets	9 350.6	9 350.6	
Total assets	130 024.8	138 022.6	7 997.8
Technical insurance reserves	-109 522.9	-109 522.9	0.0
Deferred tax liability	0.0	-566.2	-566.2
Long-term liabilities	-1 344.2	-1 569.1	-224.9
Current liabilities	-13 418.6	-13 418.6	
Net assets	5 739.1	12 945.8	7 206.7
Goodwill		886.5	886.5
Net assets			5 739.1
Purchase sum			13 832.3

In the acquisition analysis VIF is classified as intangible assets.
The purchase sum was paid in cash.

03 } PROFORMA PROFIT 2007 OF STOREBRAND LIVSFORSIKRING INCLUDING SPP

A proforma profit has been prepared below in connection with Storebrand's acquisition of SPP, including subsidiaries as well as other units included in the acquisition (SPP).

The proforma profit was prepared to show what the profit could have been if the acquisition had actually taken place as per 1 January 2007. Proforma information is not necessarily indicative of future results. Proforma information describes a hypothetical situation and does not describe the Storebrand group's actual financial position or the actual merger of activities that has taken place. The proforma information is also based on several uncertain estimates and assumptions. The proforma information is based on a simplified statement of the results in Storebrand and SPP for the period 1 January 2007 up to 31 December 2007.

Storebrand's accounting principles pursuant to IFRS have been used in the preparation of the proforma profit. Known significant differences between IFRS and other accounting principles have been adjusted in the preparation of the proforma profit.

NOK MILLION	STOREBRAND LIVSFORSIKRING GROUP	SPP	PROFORMA ADJUSTMENTS	NOTE REFERENCE	PROFORMA EXPANDED GROUP
Interest result	7 887	214	-437	2	7 663
Risk result	244	188			432
Administration result	-669	72			-597
Other	-3 030		10	3	-3 020
Amortisation of intangible assets (VIF, etc)			-500	4	-500
Inflow of assets to ins. customers within life insurance	-2 797	-309			-3 106
Pre-tax profit	1 365	164	-706		822
Tax	-20	37	158	5	176
Profit/loss	1 345	201	-548	1	998

More information about proforma, assumptions and adjustments:

1. An average conversion rate for converting from Swedish SEK to Norwegian NOK of 0.8667 was used, based on exchange rates from Norges Bank.
2. The interest result includes interest costs associated with the external loan financing of the acquisition in which the loan in the calculations amounts to NOK 4,618 million (hybrid loan capital and other subordinated loan capital). The estimated interest costs amount to NOK 321 million and are based on interest rates of around 6.8 per cent to around 7.1 per cent. The estimated reduced financial income associated with the use of NOK 390 million of own funds amounts to NOK 35 million, in which the return interest rate is calculated at around 8.9 per cent. The amount also includes a calculated reduced return of NOK 67 million (3.85 per cent) for the entire year, related to the fact that SPP took out SEK 2 billion prior to the acquisition taking place.
3. The item Other includes interim estimated increased net income associated with the asset management activities of around NOK 206 million. Storebrand will take over the management of assets one year after the take-over. This net revenue is also dependent on whether the asset management function will be carried out within the life insurance group. If the organisational arrangements for the asset management function mean that it is not part of the life insurance group, this net revenue will not form part of the life insurance group's revenue. The item Other also includes a write-back of individual amortisation costs in SPP, as well as increased costs associated with VAT based on interim estimates.
4. The item Amortisation of intangible assets includes the amortisation of extra value associated with the acquired insurance contracts ("value of business in force" -VIF) of around NOK 398 million, which corresponds to linear amortisation over 20 years. It also includes the amortisation of other intangible assets of around NOK 102 million, which corresponds to a linear amortisation period over 10 years. These amortisation costs are based on an entirely interim acquisition analysis.
5. Storebrand Holding AB was financed with both equity and a subordinated loan of SEK 8.2 billion. A reduced tax cost of net NOK 158 million has been estimated for the Storebrand group for 2007. The reduced tax costs will be affected by the interest costs, organisation of the asset management activities, and the amortisation of intangible assets, etc, and this is an interim calculation.
6. It is assumed that the currency exposure associated with the investment in SPP and issued loans was hedged using relevant derivatives. It is assumed that hedge accounting was used.
7. One-time effects associated with the separation of IT systems and investments in IT are expected. The above profit does not include such costs, including estimations of the amounts associated with the amortisation of such IT investments and synergy effects.
8. It is assumed that no effects associated with the results from SPP or items associated with the acquisition and financing have affected the life insurance customers' profits (including the market value adjustment reserve) in Storebrand Livsforsikring AS.

04 } PROFIT AND LOSS STATEMENT BY CLASS OF BUSINESS: STOREBRAND LIVSFORSIKRING AS

NOK MILLION	GROUP	GROUP	GROUP	ENDOWMENT	ANNUITY/	NON-LIFE	TOTAL	OF THIS NOT ELIGIBLE FOR PROFIT ALLOCATION
	PENSION PRIVATE INSURANCE	PENSION PUBLIC INSURANCE	LIFE INSURANCE		PENSION INSURANCE			
1.1 Single premium	3 918.8	1 536.6			5.3		5 460.7	
1.2 Annual premiums	4 079.0	888.2	541.8	552.8	139.7	199.0	6 400.5	3 402.2
1.3 Account products				3 637.3	1 143.5		4 780.8	
Total premiums written	7 997.8	2 424.8	541.8	4 190.1	1 288.5	199.0	16 642.0	3 402.2
1.4 Reserve transfers received	2 672.0	160.2		11.0	295.9		3 139.1	240.3
1.5 Reinsurance ceded	-17.9		-4.2	-4.2	-0.3	-37.7	-64.3	-43.0
1 Premium income 2007	10 651.9	2 585.0	537.6	4 196.9	1 584.1	161.3	19 716.8	3 599.5
Premium income 2006	8 958.7	5 546.5	496.1	3 485.6	979.9	151.7	19 618.5	2 755.2
Premium income 2005	6 510.1	1 867.2	467.1	8 261.8	1 104.3	107.0	18 317.5	882.5
2 Income from financial assets	15 899.1	2 686.2	123.4	2 285.1	3 181.4	32.7	24 207.9	277.8
3 Income from financial assets with investment choice	139.3			51.3	162.8		353.4	353.4
4 Other insurance related income	41.3	3.2	0.1	9.2	32.0		85.8	56.2
5.1 Claims paid	-3 052.7	-1 090.5	-334.7	-518.4	-1 682.9	-61.8	-6 741.0	-1 616.6
5.2 Agreements terminated/withdrawals from endowment policies	-364.4			-6 393.9	-1 786.0		-8 544.3	
5.3 Re-insurance ceded				0.3		1.8	2.1	1.9
5.3 Movements in claims reserve	0.2	9.1	-56.1	-29.9	3.0		-73.7	-19.0
5.4 Reserve transfers disbursed	-1 712.5	-309.3		-5.5	-196.0		-2 223.3	-206.3
5 Claims 2007	-5 129.4	-1 390.7	-390.8	-6 947.4	-3 661.9	-60.0	-17 580.2	-1 840.0
Claims 2006	-4 451.2	-917.5	-314.8	-6 769.5	-1 929.5	-42.4	-14 424.9	-1 061.7
Claims 2005	-4 642.6	-671.4	-316.5	-3 141.6	-1 552.7	-38.3	-10 363.1	-451.4
6.1 Movements in premium reserve	-9 496.6	-1 994.1	-41.2	2 603.5	299.4		-8 629.0	-121.3
6.2 Guaranteed interest on premium/pensioners' surplus fund	-131.3	-19.7			-6.6		-157.6	
6.3 Additional statutory allocations for the year	-208.4	-51.5		-97.3	-42.8		-400.0	
6.4 Change in additional statutory allocations in the insurance fund	-32.9	-9.4		73.3	24.7		55.7	
6.5 Transfers of additional statutory allocations and market value adjustment reserve	119.5	10.0			10.7		140.2	
6.6 Movement in security reserve	-13.2	-2.1	-2.7	-1.1	0.7		-18.4	-11.0
6.7 Technical reserves for non-life insurance business						-63.3	-63.3	-63.3
6.8 To/ from reserves for life insurance with investment choice	-1 869.7			-170.5	607.9		-1 432.3	-1 432.4
6 Change in insurance related reserves 2007	-11 632.6	-2 066.8	-43.9	2 407.9	894.0	-63.3	-10 504.7	-1 628.0
Change in insurance related reserves 2006	-7 896.3	-4 957.1	-72.0	2 794.9	-262.8	-78.2	-10 471.5	-1 988.4
Change in insurance related reserves 2005	-4 818.8	-1 526.2	-8.2	-5 505.8	-348.4	-15.2	-12 222.6	-106.7
7 Insurance related operating costs	-811.8	-123.4	-76.6	-421.6	-298.4	-102.2	-1 834.0	-568.7
8.1 Admin. costs financial assets	-60.8	-10.3	-0.5	-8.7	-12.1	-0.1	-92.5	-1.1
8.2 Other costs financial assets	-8 065.9	-1 362.3	-62.5	-1 159.7	-1 616.0	-16.6	-12 283.0	-147.0
8 Costs related to financial assets	-8 126.7	-1 372.6	-63.0	-1 168.4	-1 628.1	-16.7	-12 375.5	-148.1
9 Other insurance related costs	-106.3	-21.6	-22.8	-5.4	-6.8	-0.1	-163.0	-23.8
10 To/from market value adjustment reserve	1 312.3	231.7	10.6	197.1	274.4	2.8	2 028.9	23.9
11 Funds transferred to policyholders	-1 356.1	-384.1		-339.9	-317.3		-2 397.4	
12 Technical result	881.0	146.9	74.6	264.8	216.2	-45.5	1 538.0	102.2
13 Other costs	-129.5	-21.8	-1.0	-18.6	-25.9	-0.3	-197.1	-2.3
14 Profit from ordinary operations	751.5	125.1	73.6	246.2	190.3	-45.8	1 340.9	99.9
15 Tax	-0.4	-0.1		-0.1	-0.1		-0.7	
16 PROFIT FOR THE YEAR	751.1	125.0	73.6	246.1	190.2	-45.8	1 340.2	99.9

continues next page

OF WHICH PRODUCTS WITH INVESTMENT CHOICE

NOK MILLION	2007				2006
	GROUP PENSION	ENDOWMENT INSURANCE	ANNUITY/PENSION	TOTAL	TOTAL
Premiums written	1 636.0	471.5	17.7	2 125.2	1 611.1
- hereby saving premium	1 628.5	463.6	-9.2	2 082.9	1 562.7
- hereby risk premium	-0.4	0.6	0.5	0.7	1.4
- hereby administration premium	20.5	7.3	26.4	54.2	47.0
Net transferes premium reserve	57.2	5.5	58.3	121.0	-2.8
Net income of financial investment	0.1			0.1	62.3
Net income of financial assets with investment choice	136.4	50.5	160.3	347.2	685.4
Other insurance related income	21.6	6.1	28.1	55.8	0.1
Claims paid	-6.3	-343.2	-815.0	-1 164.5	-489.9
Change in insurance related reserves	-1 791.9	-168.1	607.7	-1 352.3	-1 733.2
Insurance related operating costs	-115.0	-14.9	-46.5	-176.4	-209.8
Other insurance related costs			-0.1	-0.1	-0.1
Technical result	-61.9	7.4	10.5	-44.0	-76.9
Other income					
Other costs					
Tax					
PROFIT FOR THE YEAR	-61.9	7.4	10.5	-44.0	-76.9

05 } SALES OF INSURANCE (NEW BUSINESS) STORBRAND LIVSFORSIKRING AS

NOK MILLION	GROUP PENSION		GROUP LIFE INSURANCE	ENDOWMENT INSURANCE	ANNUITY/PENSION INSURANCE	NON-LIFE INSURANCE	TOTAL
	PRIVATE INSURANCE	PUBLIC INSURANCE					
2007	605.6	1.2	18.4	3 170.7	1 077.3	34.4	4 907.6
2006	1 344.3	1.3	21.2	2 485.5	441.5	71.9	4 365.7
2005	210.6	2.6	14.6	7 150.5	584.0	35.4	7 997.7

Sales consist of new and additional sales, with deductions for policies where the first premium has not been paid. Premium reserves transferred to the company (note 7) are not included in these figures.

Of which products with investment choice

MILLIONER KRONER	GROUP PENSION	ENDOWMENT	ANNUITY/PENSION	TOTAL
Sales of new business 2007	378.2	481.0	10.4	869.6
Sales of new business 2006	1 016.4	602.0	24.6	1 643.0

06 } SALES COSTS STOREBRAND LIVSFORSIKRING AS

NOK MILLION	2007	2006	2005
Salaries and other costs	-569.0	-360.2	-320.0
Commissions paid	-153.7	-185.5	-189.5
- of which commissions paid to other companies	-101.8	-101.2	-129.4
Total sales costs	-722.7	-545.7	-509.5

07 } MOVEMENTS OF RESERVES TO/FROM STOREBRAND LIVSFORSIKRING AS

NOK MILLION	GROUP PENSION PRIVATE INSURANCE	GROUP PENSION PUBLIC INSURANCE	ENDOWMENT INSURANCE	ANNUITY/ PENSION INSURANCE	TOTAL 2007	TOTAL 2006	TOTAL 2005
Funds received							
Premium reserve	2 672.0	160.2	11.0	295.9	3 139.1	6 550.0	2 317.8
Additional statutory reserves	119.5	10.0		10.7	140.2	187.1	58.9
Transfers of premium reserve etc.	2 791.5	170.2	11.0	306.6	3 279.3	6 737.1	2 376.7
Premium/Pension adjustment funds	179.8				179.8	216.2	97.4
Annual premium volume	175.7		0.3	11.8	187.8	481.4	263.7
Number of policies/customers	4 311	36	68	1 293	5 708	1 834	1 196
Funds transferred out							
Premium reserve	-1 602.5	-307.7	-5.5	-188.7	-2 104.4	-1 414.3	-1 742.2
Additional statutory reserves	-74.7	-0.7		-2.5	-77.9	-41.9	-62.7
Revaluation reserve	-35.3	-0.9		-4.8	-41.0	-20.6	-26.0
Transfers of premium reserve etc.	-1 712.5	-309.3	-5.5	-196.0	-2 223.3	-1 476.8	-1 830.9
Premium/Pension adjustment funds	-187.1			-1.7	-188.8	-244.5	-316.7
Annual premium volume	-94.4		-0.1	-1.4	-95.9	-369.5	-356.1
Number of policies/customers	-5 539	-8	-16	-328	-5 891	-2 577	-1 028

Of which products with investment choice

NOK MILLION	2007	2006
Funds received		
Transfers of premium reserve etc.	194.5	152.3
Funds transferred out		
Transfers of premium reserve etc.	-98.9	-155.1

08 } PROFITANALYSIS BY CLASS OF INSURANCE STOREBRAND LIVSFORSIKRING AS

NOK MILLION	LINE REFERENCE IN NOTE 4	GROUP PENSION PRIVATE INSURANCE	GROUP PENSION PUBLIC INSURANCE	GROUP LIFE INSURANCE	ENDOW- MENT INSURANCE	ANNUITY/ PENSION INSURANCE	NON-LIFE INSURANCE	TOTAL 2007	TOTAL 2006	TOTAL 2005
1. Financial income a)	2/3/4/8.2/9 10	9 146.5	1 532.2	70.3	1 354.0	1 974.9	18.6	14 096.5	11 191.4	9 123.4
2. Guaranteed yield - of which transferred to premium fund	6.2	-4 052.0	-615.7	-4.0	-622.8	-914.8		-6 209.3	-5 668.4	-4 764.3
3. Interest result		5 094.5	916.5	66.3	731.2	1 060.1	18.6	7 887.2	5 523.0	4 359.1
4. Risk premium		511.3	87.2	424.1	408.7	-94.1	161.3	1 498.5	1 302.6	1 245.0
5. Risk addition		-314.4	-63.3	-374.7	-271.9	56.1	-123.5	-1 091.7	-998.1	-798.0
6. Net reinsurance etc. a)	9	-96.0	0.0	-26.7	-4.0	-0.3	-35.9	-162.9	-84.1	-84.0
7. Risk result		100.9	23.9	22.7	132.8	-38.3	1.9	243.9	220.4	363.0
8. Administration premium		611.3	106.1	64.4	250.9	188.4	36.1	1 257.2	1 153.9	1 023.6
9. Operating expenses	7/8.1	-872.5	-133.7	-77.1	-430.4	-310.5	-102.3	-1 926.5	-1 705.1	-1 353.9
10. Administration result		-261.2	-27.6	-12.7	-179.5	-122.1	-66.2	-669.3	-551.2	-330.3
11. Change in premium/security reserve Reservestyrking		-13.2 -2 605.0	-2.1 -350.0	-2.7	-1.1	0.7 -350.0		-18.4 -3 305.0	-17.7	-10.6
12. Gross result for sector (3+7+10+11)	6.3/11/13	2 316.0	560.7	73.6	683.4	550.4	-45.7	4 138.4	5 174.5	4 381.2
13. Profit due to policyholders	6.3/11	-1 564.5	-435.6		-437.2	-360.1		-2 797.4	-3 994.1	-3 214.7
To equity capital:										
-net return on equity etc. b)								671.6	579.0	491.3
-0.40% of customers' funds								612.6	567.4	520.9
-risk return on equity								50.4	48.7	47.1
-other										
							6.3	-14.6	107.2	
14. Profit for the year	14							1 340.9	1 180.5	1 166.5

- a) The items other insurance-related income (line 4 in note 4) and other insurance-related costs (line 9 in note 4) are allocated in accordance with their purpose.
b) Includes: Security reserve, subordinated loan capital, equity at book value and liabilities.

OF WHICH PRODUCTS WITH INVESTMENT CHOICE

NOK MILLION	2007				2006
	GROUP PENSION	ENDOW- MENT	ANNUITY/ PENSION	TOTAL	TOTAL
Interest result	-2.8	-0.8	-2.6	-6.2	63.1
Risk result	-0.2	0.4	1.0	1.2	3.4
Administration result	-58.3	7.9	11.9	-38.5	-142.8
Change in security reserve		-0.7	0.2	-0.5	-0.5
Gross result for sector	-61.3	6.8	10.5	-44.0	-76.8

Surplus/ deficit on result elements solely for the company's account.

09 } FINANCIAL ASSETS INCOME AND EXPENSE STOREBRAND LIVSFORSIKRING GROUP

NOK MILLION	2007	2006	2005
Income from group and other related companies	-18.8	19.5	0.4
Income from properties and real estate	1 401.8	1 347.3	1 052.9
Interest income bonds	4 194.4	4 012.5	3 716.2
Interest income commercial paper	82.5	99.3	207.4
Interest income lending	150.9	73.7	21.0
Interest income cash and bank	276.6	118.3	104.8
Interest income other	7.3	58.2	17.1
Share dividends	861.9	743.6	637.2
Revaluation of real estate	2 975.6	967.2	263.7
Reversal of write-downs of financial assets		39.7	
Gain on sale of shares	13 173.9	10 598.5	10 051.6
Gain of sale of bonds	1 069.8	351.5	808.8
Gain on sale of commercial paper	12.9	85.5	122.2
Gain of sale of other investments	233.0	15.2	5.1
Unrealised gain on short term holdings of financial investments		2 033.9	1 116.8
Other income financial assets		63.2	
Financial assets income	24 421.8	20 627.1	18 125.2
Costs arising from real estate	-195.1	-36.2	-58.5
- of which administration costs	-8.5	-7.5	-6.5
Interest costs	-6.0		-7.3
Mark-to-market adjustment for financial assets			-4.7
Write-downs of real estate	-0.8	-39.7	-232.8
Loss on sale of shares including FX loss	-7 090.3	-7 024.1	-6 527.4
Loss on sale of bonds including FX loss	-2 952.1	-488.1	-662.6
Loss on sale of certificates	-151.8	-115.6	-135.1
Loss on sale of other investments	-17.0	-6.3	
Unrealised loss on short term holdings of financial investments	-2 028.9		
Financial assets: Other costs	-103.6	-433.6	-181.9
- of which administration costs	-84.0	-196.4	-80.1
Financial assets costs	-12 545.6	-8 143.6	-7 810.3
Financial assets net income	11 876.2	12 483.5	10 314.9
- of which administration costs	-92.5	-203.9	-86.6
Of which in subsidiaries			
Income from financial assets	1 603.1	181.4	250.5
Costs arising from financial assets	-194.5	-212.5	82.3
Other intangible assets regarding SPP			
NOK MILLION	2007	2006	2005
Profit on shares	5 211.9	6 895.6	5 626.0
Profit on bonds	1 998.0	3 391.4	3 510.3
Profit on commercial paper	-56.4	69.2	194.5
Profit on lending	133.9	67.4	21.0
Profit on real estate	4 190.0	2 251.9	1 037.6
Other profit	491.3	11.9	12.1
Financial assets net income	11 968.7	12 687.4	10 401.5
Financial assets administration costs	-92.5	-203.9	-86.6
Financial assets net income including administration costs	11 876.2	12 483.5	10 314.9

10 } TAX CHARGE

Storebrand Livsforsikring AS

NOK MILLION	2007	2006	2005
Profit before tax	1 340.9	1 180.5	1 166.5
+/- Permanent differences	-4 588.5	-5 353.7	-4 778.9
+/- Group contribution			
+/- Change in timing differences	-855.1	828.8	-1 369.6
Tax losses carried forward/deferred tax assets applied			
Tax base for the year			
Tax rate	28 %	28 %	28 %
Tax			
+/- Tax at source			
+/- Tax losses carried forward			
+/- Allowance for Norwegian dividend			
Tax payable on income			
Tax on group contribution			
Deferred tax - net change	-0.4		-26.6
Tax cost	-0.4		-26.6
Taxes payable			
Norway			
Overseas	-0.3		
Total tax payable	-0.3		
Deferred tax/ deferred tax assets			
Norway	-0.4		-26.6
Overseas			
Total deferred tax	-0.4		-26.6
Tax on capitalised items			
Tax on group contribution			
Tax cost	-0.7		-26.6

Storebrand Livsforsikring Group

NOK MILLION	2007	2006	2005
Pre-tax profit	1364.5	1182.3	1167.1
Tax payable	-0.3	-0.1	-0.3
Net change in deferred tax	-19.5	-0.6	26.3
Tax on group contribution			
Tax cost	-19.8	-0.7	26.0

11 } PENSION COSTS AND PENSION LIABILITIES

Storebrand Livsforsikring AS

Employees are assured a retirement pension 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 with Storebrand Livsforsikring AS. Pension payments from the scheme come into effect from the pension age, which is 67 for executives and 65 for underwriters. Pension payments to employees between 65 and 67 are paid directly by the company. Pension rights are part to the group's collective employment agreement. The company's pension scheme satisfies the requirements of this act

Reconciliation of pension assets and liabilities in the balance sheet:

NOK MILLION	2007	2006	2005
Present value of insured pension benefit obligations incl. employment taxes	725.4	845.2	614.6
Pension assets at fair value	-539.5	-551.4	-455.0
Net pension liability/ surplus for the insured schemes	185.9	293.8	159.6
Present value of uninsured pension benefit obligations incl. employment taxes	211.5	181.4	177.7
Experience adjustments and difference between actual and expected investment		-285.2	-110.7
Changes in plans			
Return not applied to profit and loss			
Net pension liability in the balance sheet	397.4	190.0	226.6

Reconciliation to show the change in net defined benefit pension liability in the period:

NOK MILLION	2007	2006	2005
Net pension liability at 1.1. including provision for employment taxes	1 026.6	794.2	773.9
Net pension cost recognised in the period including provision for employment taxes	67.0	72.1	52.8
Interest on pension liabilities	41.8	34.9	32.1
Experience adjustments	-34.4	143.3	-13.4
Pension paid	-21.5	-17.9	-9.7
Changes to the pension scheme			-43.4
Internal transision of pension liabilities			
Other changes	-142.4		
Net pension liability at 31.12.	937.1	1 026.6	792.2

Reconciliation to show the change in fair value of pension assets in the period:

NOK MILLION	2007	2006	2005
Fair value pension assets at 1.1.	551.4	455.8	423.2
Expected return	28.9	27.8	24.5
Experience adjustments	-29.8	-10.3	0.2
Premium paid	61.1	86.9	50.8
Changes to the pension scheme			-36.9
Net liabilities acquired by mergers, acquisitions etc			
Pension paid	-10.2	-8.8	-6.8
Other	-61.7		
Net pension assets at 31.12.	539.7	551.4	455.0

Pension assets are based on financial investments held by Storebrand Livsforsikrings, which had the following composition at 31.12.

NOK MILLION	2007	2006	2005
Properties and real estate	13 %	11 %	10 %
Bonds held to maturity	23 %	28 %	28 %
Loans	2 %	1 %	1 %
Shares and other equity investments	30 %	29 %	27 %
Bonds and other securities - fixed yield	26 %	28 %	29 %
Certificates	1 %		4 %
Other short term financial assets	5 %	2 %	1 %
Total	100 %	100 %	100 %

The tabel shows percentage asset allocation of pension assets managed by Storebrand Livsforsikring at year end. The booked (realised) investment return on assets managed by Storebrand Livsforsikring was 8.9 % in 2007 and 7.1 % in 2006.

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Net pension cost in the profit and loss account, specified as follows:

NOK MILLION	2007	2006	2005
Current service cost including provision for employment taxes	76.8	50.5	55.1
Interest on pension liabilities	38.8	34.9	32.0
Expected return on pension assets	-28.9	-27.8	-24.5
Experience adjustments	231.8	2.0	2.5
Changes to the pension scheme			-6.5
Effect of cancellation or reduction of pension plans			
Employment tax	13.4	9.1	8.2
Net pension cost booked to profit and loss in the period	331.9	68.8	66.8

Net pension cost is included in operating costs.

An estimate discrepancy of 223.3 million is expensed in the 2007 P&L due to a change in accounting principles.

Main assumptions used when calculating net pension liability at 31.12:

FINANCIAL:	2007	2006	2005
Discount rate	4.7 %	4.3 %	4.7 %
Expected return on pension fund assets in the period	5.8 %	5.6 %	6.0 %
Expected earnings growth	4.3 %	4.3 %	3.0 %
Expected annual increase in social security pensions	4.3 %	4.3 %	3.0 %
Expected annual increase in pensions in payment	1.9 %	1.7 %	2.0 %
Retirement rate	KU	K63	K63
Mortality table	K2005	K63	K63

Actuarial:

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 the entire workforce.

NET PENSION LIABILITY/ SURPLUS PR. 31.12:	2007	2006	2005
Discounted current value of defined benefit pension liabilities	-539.5	1 026.6	792.2
Fair value pension assets	185.9	-551.4	-455.0
Deficit	397.4	475.2	337.2

Storebrand Livsforsikring Group

Employees are insured through a defined benefit pension equivalent to 70 per cent of pensionable salary at the time of retirement. The ordinary retirement age is 65. Staff pensions are provided by a group pension scheme with Storebrand Livsforsikring AS. Pension payments from this scheme come into effect from the pension age, which is 67 for employees and 65 for underwriters. Pension payments to employees between 65 and 67 are paid directly by the company. The pension terms follow from the pension decisions in the Storebrand group.

The company is duty bound to have an occupational pension scheme pursuant to the Act relating to Mandatory Occupational Pensions. The company's pension scheme satisfies the requirements of this act.

The pension plan for employees in SPP follows the plan for bank employees. The ordinary retirement age is 65 in accordance with the pension agreement between the Employer's Association of the Swedish Banking Institutions (BAO) and the Union of Finance Sector Employees and between BAO and SACO (the Swedish Confederation of Professional Associations). The amount is 10 per cent of the annual salary up to 7.5 income base amounts. The retirement pension is 65 per cent of the annual salary for the portion of salary between 7.5-20 income base amounts, and 32.5 per cent of annual salary between 20-30 income base amounts. No retirement pension is paid for the portion of salary in excess of 30 income base amounts.

Reconciliation of pension assets and liabilities in the balance sheet:

NOK MILLION	2007	2006	2005
Present value of insured pension benefit obligations incl. employment taxes	888.6	902.2	658.4
Pension assets at fair value	-635.0	-589.1	-489.8
Net pension liability/ surplus for the insured schemes	253.6	313.1	168.6
Present value of uninsured pension benefit obligations incl. employment taxes	257.9	192.9	189.3
Experience adjustments and difference between actual and expected investment return not applied to profit and loss		-298.4	-112.8
Changes to the pension scheme			
Net pension liability regarding SPP	225.0		
Net pension liability in the balance sheet	736.5	207.6	245.1

Reconciliation to show the change in net defined benefit pension liability in the period:

NOK MILLION	2007	2006	2005
Net pension liability at 1.1. including provision for employment taxes	1 095.1	849.3	829.6
Net pension cost recognised in the period including provision for employment taxes	83.7	76.0	55.5
Interest on pension liabilities	45.3	37.3	33.9
Experience adjustments	-54.3	151.0	-18.4
Pension paid	-22.7	-18.6	-9.7
Changes to the pension scheme			-43.4
Net liabilities acquired by mergers, acquisitions etc			
Pension liability regarding SPP	479.0		
Net pension liability at 31.12.	1 626.1	1 095.0	847.5

Reconciliation to show the change in fair value of pension assets in the period:

NOK MILLION	2007	2006	2005
Fair value pension assets at 1.1.	589.1	490.6	457.5
Expected return	31.6	30.0	22.7
Experience adjustments	-40.1	-12.1	0.2
Premium paid	65.4	89.6	53.0
Changes to the pension scheme			-36.9
Pension paid	-10.4	-9.0	-6.8
Pension assets regarding SPP	254.0		
Net pension assets at 31.12.	889.6	589.1	489.7

Pension assets are based on financial investments which had the following composition at 31.12.

NOK MILLION	STOREBRAND LIVSFORSIKRING AS			SPP
	2007	2006	2005	2007
Properties and real estate	13 %	11 %	10 %	
Bonds held to maturity	23 %	28 %	28 %	
Loans	2 %	1 %	1 %	
Shares and other equity investments	30 %	29 %	27 %	42 %
Bonds and other securities - fixed yield	26 %	28 %	29 %	53 %
Certificates	1 %		4 %	
Other short term financial assets	5 %	2 %	1 %	5 %
Total	100 %	100 %	100 %	100 %

The booked (realised) investment return on assets managed by Storebrand Livsforsikring was 8.9 % in 2007 and 7.1 % in 2006.

Net pension cost in the profit and loss account, specified as follows:

NOK MILLION	2007	2006	2005
Current service cost including provision for employment taxes	83.2	53.1	58.2
Interest on pension liabilities	41.9	36.8	34.5
Expected return on pension assets	-30.6	-29.2	-26.6
Experience adjustments	282.0		2.5
Changes to the pension scheme			-6.5
Effect of cancellation or reduction of pension plans			
Employment tax	14.5	9.5	9.1
Net pension cost booked to profit and loss in the period	391.0	70.2	71.2

Net pension cost is included in operating costs.

An estimate discrepancy of NOK 273.3 million is expensed in the 2007 P&L due to a change in accounting principles.

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Main assumptions used when calculating net pension liability at 31.12:

FINANCIAL:	STOREBRAND LIVSFORSIKRING AS			SPP
	2007	2006	2005	2007
Discount rate	4.7 %	4.3 %	4.7 %	3.8 %
Expected return on pension fund assets in the period	5.8 %	5.6 %	6.0 %	0.0 %
Expected earnings growth	4.3 %	4.3 %	3.0 %	3.5 %
Expected annual increase in social security pensions	4.3 %	4.3 %	3.0 %	3.0 %
Expected annual increase in pensions in payment	1.9 %	1.7 %	2.0 %	2.0 %
Retirement rate	KU	K63	K63	
Mortality table	K2005	K63	K63	P94

Actuarial:

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 the entire workforce.

NET PENSION LIABILITY/ SURPLUS PR. 31.12:	2007	2006	2005
Discounted current value of defined benefit pension liabilities	1 371.5	1 095.1	847.5
Fair value pension assets	-635.0	-589.1	-489.7
Deficit	736.5	506.0	357.8

As fund investments represent an increasing proportion of the company's assets, indirect investments in fund where Storebrand Kapitalforvaltning manages allocation and risk are reported in all relevant notes to the accounts in 2007.

12 } SHARES AND OTHER EQUITY INVESTMENTS

NOK MILLION	STOREBRAND LIVSFORSIKRING AS				STOREBRAND LIVSFORSIKRING GROUP			
	NUMBER HELD	ACQUISITION COST*)	MARKET VALUE	MARKET VALUE INCLUDE INDIRECT INVESTMENT IN FUND	NUMBER HELD	ACQUISITION COST*)	NUMBER HELD	MARKET VALUE INCLUDE INDIRECT INVESTMENT IN FUND
Norwegian finance industry								
DnB NOR	4 832 324	392.4	401.1	404.2	4 832 324	392.4	401.1	404.2
ABG Sundal Collier	9 512 007	136.0	119.9	119.9	9 512 007	136.0	119.9	119.9
Proserv Group Preferanse	1 542 870	43.3	48.1	48.1	1 542 870	43.3	48.1	48.1
Proserv Group Ordinær	122 601	7.7	39.8	39.8	122 601	7.7	39.8	39.8
Metafil	19 213	15.0	17.0	17.0	19 213	15.0	17.0	17.0
Help Forsikring AS	1 478 651	21.9	16.6	16.6	1 478 651	21.9	16.6	16.6
VERDANE CAPITAL III	7 500	1.4	0.0	0.0	7 500	1.4	0.0	0.0
Acta	-	0.0	0.0	-11.3	0	0.0	0.0	-11.3
Total Norwegian finance industry		617.7	642.5	634.5		617.7	642.5	634.5
Other Norwegian shares								
StatoilHydro ASA	7 613 768	1 292.4	1 286.7	1 267.8	7 734 939	1 314.7	1 307.2	1 288.3
Orkla	7 653 040	551.1	805.5	810.1	7 653 040	551.1	805.5	810.1
Telenor	4 703 368	566.2	610.3	614.9	4 811 023	578.5	624.2	628.9
Yara International	1 899 953	343.2	477.8	478.0	1 899 953	343.2	477.8	478.0
Norwegian Property	900 000	90.0	90.0	90.0	900 000	90.0	90.0	90.0
Hansa Property Group	3 539 400	177.0	141.6	141.6	3 539 400	177.0	141.6	141.6
Amfi Eiendom ASA	935 163	359.2	360.0	360.0	935 163	359.2	360.0	360.0
Norsk Hydro	3 841 702	260.8	298.1	300.3	3 841 702	260.8	298.1	300.3
SeaDrill Ltd	1 745 648	175.6	231.3	252.4	1 745 648	175.6	231.3	252.4
Petroleum Geo-Services	1 123 072	157.7	177.2	210.0	1 123 072	157.7	177.2	210.0
Renewable Energy Corporation	751 529	121.3	207.4	208.5	751 529	121.3	207.4	208.5
Veidekke	2 807 910	28.5	142.5	142.5	2 807 910	28.5	142.5	142.5
Storebrand Privat Investor ASA	9 864 131	91.2	132.2	132.2	9 864 131	91.2	132.2	132.2
Sevan Marine	1 600 490	87.4	131.2	131.3	1 600 490	87.4	131.2	131.3
Tandberg	1 011 160	129.5	114.8	121.6	1 011 160	129.5	114.8	121.6
Wavefield Inseis	1 806 457	66.0	76.4	101.1	1 806 457	66.0	76.4	101.1
Schibsted	335 244	73.6	78.9	84.1	335 244	73.6	78.9	84.1
Green Resources	2 400 000	65.0	72.0	72.0	2 400 000	65.0	72.0	72.0
Reservoir Exploration Technology-B	926 065	46.5	55.6	61.0	926 065	46.5	55.6	61.0
Nordic Capital Partner II	22 811 976	38.5	59.1	59.1	22 811 976	38.5	59.1	59.1
Revus Energy	596 000	46.1	47.1	58.5	596 000	46.1	47.1	58.5
Deep Ocean	1 655 775	47.3	47.2	55.7	1 655 775	47.3	47.2	55.7
Norske Skogindustrier A	968 981	47.2	43.8	43.8	968 981	47.2	43.8	43.8
Aker Kvaerner	481 600	72.3	69.6	43.2	481 600	72.3	69.6	43.2
Kongsberg Gruppen	126 006	30.0	42.7	42.7	126 006	30.0	42.7	42.7
Glava	65 000	42.6	42.3	42.3	65 000	42.6	42.3	42.3
Roxar ASA	5 981 000	37.1	41.3	41.3	5 981 000	37.1	41.3	41.3
StepStone	1 657 220	33.5	39.8	39.8	1 657 220	33.5	39.8	39.8
TGS Wavefield ASA	513 334	60.3	38.3	38.3	513 334	60.3	38.3	38.3
Marine Harvest	9 024 812	57.4	31.5	36.8	9 024 812	57.4	31.5	36.8
Oceanteam ASA	431 975	22.2	35.4	35.4	431 975	22.2	35.4	35.4
Songa Offshore	479 550	32.9	35.2	35.3	479 550	32.9	35.2	35.3
SalMar	677 100	19.2	29.8	29.8	677 100	19.2	29.8	29.8
DNO International ASA	2 954 196	33.5	29.8	29.8	2 954 196	33.5	29.8	29.8
Fast Search & Transfer	1 920 000	31.6	27.1	27.1	1 920 000	31.6	27.1	27.1
Saferoad AS (Ørsta Gruppen)	25 291	17.4	25.3	25.3	25 291	17.4	25.3	25.3
SeaBird Exploration BVI	1 190 310	36.6	23.9	24.1	1 190 310	36.6	23.9	24.1
Ementor	574 993	23.1	23.7	23.7	574 993	23.1	23.7	23.7
Elixia Holding AS A-aksjer	1 387 474	23.1	23.1	23.1	1 387 474	23.1	23.1	23.1
Subsea 7	183 199	25.2	22.3	22.3	183 199	25.2	22.3	22.3
Wilh. Wilhelmsen A	104 730	16.6	22.2	22.2	104 730	16.6	22.2	22.2
Aker	59 674	22.9	20.2	20.2	59 674	22.9	20.2	20.2
Other		466.0	365.5	387.5	0	466.0	365.5	387.5
Total Norwegian mutual funds		5 964.8	6 675.6	6 786.6		5 999.4	6 710.0	6 821.0
Norwegian shares and other equity investments								
	-	6 582.5	7 318.1	7 421.0		6 617.2	7 352.6	7 455.5
Of which listed Norwegian equities		5 429.2	6 150.7	6 209.5		5 463.8	6 185.2	6 243.9

NOK MILLION	STOREBRAND LIVSFORSIKRING AS				STOREBRAND LIVSFORSIKRING GROUP			
	NUMBER HELD	ACQUISITION COST*)	MARKET VALUE	MARKET VALUE INCLUDE INDIRECT INVESTMENT IN FUND	NUMBER HELD	ACQUISITION COST*)	NUMBER HELD	MARKET VALUE INCLUDE INDIRECT INVESTMENT IN FUND
Australia								
BHP Billiton	201 004	36.5	38.5	90.1	201 004	36.5	38.5	90.1
Commonwealth Bank of Australia	72 711	14.4	20.5	47.7	72 711	14.4	20.5	47.7
National Australian Bank	108 959	21.9	19.6	41.5	108 959	21.9	19.6	41.5
Rio Tinto	19 090	9.8	12.2	40.2	19 090	9.8	12.2	40.2
Aust & Nz Bank Group	108 219	15.5	14.2	30.3	108 219	15.5	14.2	30.3
Westpac Banking Corp	108 617	14.1	14.5	30.0	108 617	14.1	14.5	30.0
Woolworth Australia	46 014	4.3	7.5	25.7	46 014	4.3	7.5	25.7
Westfield Group	89 170	8.9	8.9	20.0	89 170	8.9	8.9	20.0
QBE Insurance Group	55 649	6.4	8.8	17.1	55 649	6.4	8.8	17.1
Woodside Petroleum	34 587	7.8	8.3	15.7	34 587	7.8	8.3	15.7
St.George Bank	57 226	9.1	8.6	14.2	57 226	9.1	8.6	14.2
Macquarie GP LTD	18 804	7.6	6.8	12.8	18 804	7.6	6.8	12.8
Wesfarmers	28 560	5.0	5.5	12.3	28 560	5.0	5.5	12.3
CSL (AU0000CSLDA0)	35 502	5.1	6.2	11.8	35 502	5.1	6.2	11.8
Amp Ltd.	135 886	4.4	6.4	11.6	135 886	4.4	6.4	11.6
		170.8	186.5	421.2		170.8	186.5	421.2
Belgium								
Fortis B	126 739	17.9	18.1	40.5	126 739	17.9	18.1	40.5
Delhaize le Lion					17 332	8.0	8.3	8.3
Fortis					5 407	0.6	0.8	0.8
KBC Bancass					15 551	11.7	11.9	11.9
Kredietbank	12 181	9.2	9.3	21.0	12 181	9.2	9.3	21.0
Interbrew	17 824	8.6	8.1	15.8	17 824	8.6	8.1	15.8
Dexia	40 838	7.6	5.6	12.1	40 838	7.6	5.6	12.1
Groupe Bruxelles Lambert	8 403	6.1	5.9	11.8	8 403	6.1	5.9	11.8
		49.3	46.9	101.1		69.6	67.9	122.1
Bermuda								
Golden Ocean Group Ltd	1 291 800	43.8	43.6	43.6	1 291 800	43.8	43.6	43.6
Jinhui Shipping and Transportation	699 510	35.3	41.3	41.3	699 510	35.3	41.3	41.3
Invesco Ltd USA	29 173	3.1	5.0	16.4	29 173	3.1	5.0	16.4
		82.2	89.8	101.3		82.2	89.8	101.3
Canada								
Research in Motion	38 500	22.1	23.7	93.9	38 500	22.1	23.7	93.9
Royal Bank of Canada	75 158	22.0	21.0	50.5	75 158	22.0	21.0	50.5
Manulife Financial	94 620	20.5	21.1	46.9	94 620	20.5	21.1	46.9
Suncor Energy	30 286	15.0	18.0	40.9	30 286	15.0	18.0	40.9
Encana	49 036	15.8	18.2	39.2	49 036	15.8	18.2	39.2
Bank of Nova Scotia	59 275	16.8	16.4	38.9	59 275	16.8	16.4	38.9
Potash Corp Saskatchewan	21 217	7.9	16.7	38.0	21 217	7.9	16.7	38.0
Barrick Gold	72 070	15.3	16.6	36.5	72 070	15.3	16.6	36.5
Northland Resources Inc	2 023 290	43.9	32.8	32.8	2 023 290	43.9	32.8	32.8
CanadaN Nat. Resources	37 484	12.7	15.0	31.2	37 484	12.7	15.0	31.2
Nortel Networks Corp	32 078	4.0	2.6	-31.1	32 078	4.0	2.6	-31.1
Toronto - Dominion Bank	47 446	18.7	18.0	25.6	47 446	18.7	18.0	25.6
Oilexco Inc.				23.4				23.4
Sun Life Financial Inc	39 455	11.1	12.1	22.5	39 455	11.1	12.1	22.5
Petro-Canada	33 821	9.4	9.9	21.5	33 821	9.4	9.9	21.5
Bank of Montreal	33 662	12.5	10.4	21.2	33 662	12.5	10.4	21.2
Canadian National Railway	36 703	10.3	9.4	20.3	36 703	10.3	9.4	20.3
Canadian Imperial Bank of Commerce	24 491	12.3	9.5	19.9	24 491	12.3	9.5	19.9
Imperial Oil	26 092	6.5	7.8	19.0	26 092	6.5	7.8	19.0
TransCanada	43 168	9.0	9.6	17.7	43 168	9.0	9.6	17.7
Talisman Energy	75 705	7.8	7.7	17.5	75 705	7.8	7.7	17.5
Brookfield Asset Management	42 618	8.4	8.3	16.9	42 618	8.4	8.3	16.9
Rogers Communications B	37 879	7.4	9.4	15.9	37 879	7.4	9.4	15.9
Crew Gold Corporation	1 619 995	20.0	15.4	15.4	1 619 995	20.0	15.4	15.4
Teck Cominco Ltd B	43 673	9.4	8.5	15.0	43 673	9.4	8.5	15.0
Nexen Inc	37 517	6.3	6.6	14.8	37 517	6.3	6.6	14.8
Power Corp. of Canada	34 263	6.8	7.6	13.6	34 263	6.8	7.6	13.6
Finning International	24 889	3.8	3.9	13.3	24 889	3.8	3.9	13.3
Bombardier B	105 977	3.4	3.5	12.4	105 977	3.4	3.5	12.4
Cameco Corp	26 860	6.4	5.8	12.1	26 860	6.4	5.8	12.1
Telus Corp	20 576	7.0	5.6	12.0	20 576	7.0	5.6	12.0
		372.6	371.2	768.0		372.6	371.2	768.0

NOK MILLION	STOREBRAND LIVSFORSIKRING AS				STOREBRAND LIVSFORSIKRING GROUP			
	NUMBER HELD	ACQUISITION COST*)	MARKET VALUE	MARKET VALUE INCLUDE INDIRECT INVESTMENT IN FUND	NUMBER HELD	ACQUISITION COST*)	NUMBER HELD	MARKET VALUE INCLUDE INDIRECT INVESTMENT IN FUND
Denmark								
Novo-Nordisk B	19 653	4.1	7.0	51.1	41 154	11.9	14.7	58.8
Superfos Industries	287 074	31.2	48.4	48.4	287 074	31.2	48.4	48.4
A.P Moeller - Maersk A/S	142	8.3	8.2	19.7	142	8.3	8.2	19.7
Vestas Wind System	14 278	3.5	8.4	18.9	14 278	3.5	8.4	18.9
Danisco	-			-16.5				-16.5
Dangaard					415 468	3.2	13.4	13.4
Den Danske Bank	33 879	7.8	7.2	14.2	33 879	7.8	7.2	14.2
		54.9	79.2	135.7		65.9	100.3	156.8
Finland								
Nokia A	249 431	38.5	52.5	119.3	511 595	90.8	107.7	174.5
Kone Cranes					28 707	6.6	5.4	5.4
Luvata (Eco)					618 947	4.8	4.9	4.9
Metso					23 400	6.5	6.9	6.9
Tietoenator	-	0.0	0.0	-29.1	0	0.0	0.0	-29.1
Dynea Oy A	218 687	30.2	20.4	20.4	218 687	30.2	20.4	20.4
Fortum	29 341	5.8	7.2	17.2	29 341	5.8	7.2	17.2
Metso Corporation	15 767	4.5	4.7	16.1	15 767	4.5	4.7	16.1
Nokian Renkaat	14 152	2.9	2.7	11.7	14 152	2.9	2.7	11.7
		81.9	87.4	155.5		152.1	159.8	227.9
France								
Sanofi-Aventis	61 225	33.3	30.6	68.8	61 225	33.3	30.6	68.8
France Telecom	115 974	20.2	22.7	56.5	191 333	33.9	37.4	71.2
Axa	81 845	19.1	17.8	55.0	258 553	60.7	56.2	93.5
Suez (FR-line)	67 532	22.6	25.0	54.5	67 532	22.6	25.0	54.5
Arcelor (fransk line) NVP	60 839	24.6	25.6	54.3	60 839	24.6	25.6	54.3
ArcelorMittal					23 979	10.2	10.1	10.1
Alcatel-Lucent					126 012	6.6	5.0	5.0
BNP Paribas					100 333	59.7	59.1	59.1
Christian Dior					14 355	10.3	10.2	10.2
Essilor International					31 101	10.8	10.8	10.8
Sanofi Synthelaboratoires					45 454	21.4	22.7	22.7
Total Fina Elf					117 793	51.0	53.1	53.1
Vivendi					116 494	27.1	29.0	29.0
Alstom	7 487	6.4	8.7	49.5	17 994	18.9	21.0	61.7
Vivendi	84 226	21.6	21.0	45.4	84 226	21.6	21.0	45.4
Societe Generale	23 486	26.9	18.4	43.3	52 193	53.0	41.0	65.8
Air France	10 718	3.2	2.0	-40.8	10 718	3.2	2.0	-40.8
Carrefour	37 221	17.2	15.7	35.2	66 809	28.4	28.3	47.7
Renault	15 980	11.9	12.3	30.8	15 980	11.9	12.3	30.8
Danone	29 174	14.3	14.2	29.2	29 174	14.3	14.2	29.2
Atos Origin				-28.9				-28.9
L Oreal	19 134	13.5	14.9	28.9	19 134	13.5	14.9	28.9
Schneider Electric	18 391	15.2	13.5	26.6	47 547	36.3	35.0	48.1
LVMH-Moet-Hennessy Louis	20 183	13.8	13.2	25.2	20 183	13.8	13.2	25.2
Cie De St Gobain	25 833	15.6	13.2	25.0	25 833	15.6	13.2	25.0
Air Liquide	15 752	11.8	12.7	24.2	15 752	11.8	12.7	24.2
Michelin B	14 658	10.6	9.1	24.2	14 658	10.6	9.1	24.2
Veolia Environment	23 592	10.8	11.7	24.0	23 592	10.8	11.7	24.0
Veritas Cie Gen Geophysique - SP ADR				-23.4				-23.4
Vinci	29 153	13.8	11.7	23.3	29 153	13.8	11.7	23.3
Lafarge	12 128	11.5	12.0	22.7	32 463	29.7	32.1	42.8
Natixis				-20.7				-20.7
Peugeot	20 093	9.4	8.3	20.3	20 093	9.4	8.3	20.3
Credit Agricole	44 989	10.9	8.2	18.1	44 989	10.9	8.2	18.1
Pernod-Ricard	7 678	9.6	9.6	16.9	21 102	25.5	26.5	33.8
Bouygues	19 586	9.4	8.9	16.6	19 586	9.4	8.9	16.6
Electricite de France (EDF)	16 107	10.6	10.4	15.8	37 607	24.5	24.3	29.7
Unibail-Rodamco	5 594	9.0	6.7	14.2	5 594	9.0	6.7	14.2
Vallourec	4 596	7.2	6.8	14.1	4 596	7.2	6.8	14.1
Soitec				-13.1				-13.1
Alcatel-Lucent	152 026	11.7	6.0	12.8	152 026	11.7	6.0	12.8
		415.8	391.2	748.5		787.4	764.1	1 121.4

NOK MILLION	STOREBRAND LIVSFORSIKRING AS				STOREBRAND LIVSFORSIKRING GROUP			
	NUMBER HELD	ACQUISITION COST*)	MARKET VALUE	MARKET VALUE INCLUDE INDIRECT INVESTMENT IN FUND	NUMBER HELD	ACQUISITION COST*)	NUMBER HELD	MARKET VALUE INCLUDE INDIRECT INVESTMENT IN FUND
Greece								
Coca-Cola HBC	13 728	2.5	3.2	35.9	13 728	2.5	3.2	35.9
Fourlis Holdings					107 652	21.9	23.2	23.2
National Bank of Greece	28 044	9.8	10.5	27.7	28 044	9.8	10.5	27.7
EFG Eurobank Ergasias	22 932	3.6	4.4	18.1	22 932	3.6	4.4	18.1
Bank Of Piraeus	22 912	4.0	4.9	13.0	22 912	4.0	4.9	13.0
Hellenic Telecom	24 568	4.2	4.9	12.8	24 568	4.2	4.9	12.8
		24.1	27.8	107.6		46.0	51.0	130.7
Hongkong								
Hong Kong Exchanges & Clearing	64 500	2.1	9.9	25.3	64 500	2.1	9.9	25.3
Sun Hung Kai Properties	115 000	8.2	13.3	23.4	115 000	8.2	13.3	23.4
Cheung Kong Holdings	100 000	7.5	10.0	19.8	100 000	7.5	10.0	19.8
Hutchison Whampoa	146 000	8.6	9.0	19.1	146 000	8.6	9.0	19.1
Esprit Holdings	67 700	4.1	5.5	16.7	67 700	4.1	5.5	16.7
Hang Lung Properties	134 000	1.9	3.3	12.0	134 000	1.9	3.3	12.0
Kingboard Chemical Holdings				11.8				11.8
Li & Fung	145 400	2.3	3.2	11.7	145 400	2.3	3.2	11.7
		34.7	54.2	139.7		34.7	54.2	139.7
Ireland								
Allied Irish Bank UK	65 991	11.8	8.2	15.6	65 991	11.8	8.2	15.6
Anglo Irish Bank CRH					143 539	13.9	12.5	12.5
CRH					82 978	15.7	15.7	15.7
Smurfit Kappa CRH					72 238	6.7	6.4	6.4
CRH	40 415	10.6	7.7	15.2	40 415	10.6	7.7	15.2
		22.4	15.9	30.8		58.6	50.5	65.4
Italy						0.0	0.0	0.0
ENI	214 331	43.7	42.6	114.5	382 274	77.6	76.0	147.9
UniCredito Italiano	558 665	30.6	25.2	59.1	558 665	30.6	25.2	59.1
Landi Renzo					239 190	6.1	4.3	4.3
Unicredito					1 212 195	54.9	54.7	54.7
Intesa SanPaolo	455 543	21.6	19.6	46.2	455 543	21.6	19.6	46.2
Enel	223 659	15.2	14.4	35.4	223 659	15.2	14.4	35.4
Assicurazioni General	61 179	14.9	15.1	34.1	61 179	14.9	15.1	34.1
Telecom Italia Spa	631 228	11.8	10.6	23.7	1 983 228	30.4	28.1	41.2
Fiat	74 886	12.4	10.5	21.0	74 886	12.4	10.5	21.0
Mediaset	83 101	5.6	4.6	-19.5	83 101	5.6	4.6	-19.5
Gruppo Editoriale L Espresso				-16.8				-16.8
		155.7	142.5	297.8		269.2	252.3	407.6
Japan								
Mitsubishi UFJ Holdings Group	549 280	45.0	28.0	61.6	549 280	45.0	28.0	61.6
Nintendo	5 900	13.8	19.2	43.3	5 900	13.8	19.2	43.3
Sony	63 300	18.9	19.1	42.1	63 300	18.9	19.1	42.1
Takeda Pharmaceutical	52 800	20.1	16.9	40.1	52 800	20.1	16.9	40.1
Canon	69 100	21.7	17.5	39.1	69 100	21.7	17.5	39.1
Nikon	25 000	4.2	4.7	-37.8	25 000	4.2	4.7	-37.8
Mizuho Financial Group	630	31.7	16.4	36.9	630	31.7	16.4	36.9
Sumitomo Mitsui Financial Group	407	23.9	16.6	36.8	407	23.9	16.6	36.8
Panasonic Corporation	121 000	16.2	13.6	28.9	121 000	16.2	13.6	28.9
Rohm	8 800	5.6	4.2	-27.3	8 800	5.6	4.2	-27.3
Nissan Motor	203 700	13.0	12.2	26.7	203 700	13.0	12.2	26.7
Mitsubishi	87 000	13.5	12.9	26.3	87 000	13.5	12.9	26.3
Nippon Steel	373 000	15.2	12.5	26.2	373 000	15.2	12.5	26.2
Mitsui	106 000	12.8	12.2	24.7	106 000	12.8	12.2	24.7
Nomura Holdings	128 700	14.5	11.9	23.6	128 700	14.5	11.9	23.6
Seven and I holdings	78 700	16.1	12.5	23.4	78 700	16.1	12.5	23.4
Tokyo Electric Power	78 900	14.9	11.1	22.7	78 900	14.9	11.1	22.7
Jfe Holdings	39 900	14.4	11.0	22.6	39 900	14.4	11.0	22.6
Sumitomo Metal Industries	343 000	11.8	8.7	21.3	343 000	11.8	8.7	21.3
Denso	46 000	10.7	10.2	21.3	46 000	10.7	10.2	21.3
Millea	61 200	12.9	11.2	21.2	61 200	12.9	11.2	21.2
East Japan Railway	213	9.5	9.5	20.9	213	9.5	9.5	20.9
Mitsubishi Estate	76 000	12.3	10.0	20.3	76 000	12.3	10.0	20.3
Shin-Etsu Chemical	29 700	12.6	10.1	20.1	29 700	12.6	10.1	20.1
NTT DoCoMo	1 009	10.2	9.1	20.0	1 009	10.2	9.1	20.0

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Hitachi	221 000	9.2	8.9	18.5	221 000	9.2	8.9	18.5
NTT	291	9.4	7.9	17.6	291	9.4	7.9	17.6
Komatsu	57 300	9.9	8.5	17.5	57 300	9.9	8.5	17.5
Itochu Corp	120 000	8.2	6.4	17.2	120 000	8.2	6.4	17.2
Astellas PharmaR	35 100	10.0	8.3	16.7	35 100	10.0	8.3	16.7
Toshiba	194 000	9.8	7.9	16.3	194 000	9.8	7.9	16.3
Daiichi Sankyo	46 200	7.3	7.7	15.8	46 200	7.3	7.7	15.8
Fujifilm	32 000	8.3	7.4	15.3	32 000	8.3	7.4	15.3
Mitsui Fudosan	68 000	11.3	8.0	15.2	68 000	11.3	8.0	15.2
Sharp	83 000	9.3	8.1	14.9	83 000	9.3	8.1	14.9
Orix	9 270	14.3	8.6	14.9	9 270	14.3	8.6	14.9
Suzuki Motor	46 600	7.8	7.6	14.8	46 600	7.8	7.6	14.8
Aisin Seiki	33 700	6.9	7.6	14.5	33 700	6.9	7.6	14.5
Mitsubishi Electric	118 000	6.6	6.7	14.2	118 000	6.6	6.7	14.2
Toyota Industries	36 600	10.8	8.1	14.0	36 600	10.8	8.1	14.0
Kansai Elec Power	51 300	7.2	6.5	13.9	51 300	7.2	6.5	13.9
Fanuc	12 000	7.3	6.3	13.9	12 000	7.3	6.3	13.9
Central Japan Railway	173	11.5	8.0	13.8	173	11.5	8.0	13.8
Mitsui Sumitomo Insurance	79 000	6.2	4.2	13.8	79 000	6.2	4.2	13.8
Chubu Electric Power	46 200	7.3	6.5	13.5	46 200	7.3	6.5	13.5
Sumitomo Electric	75 000	7.2	6.5	13.0	75 000	7.2	6.5	13.0
Kao	37 000	6.6	6.0	12.7	37 000	6.6	6.0	12.7
Sumitomo	92 100	10.0	7.1	12.6	92 100	10.0	7.1	12.6
Softbank Corp	57 300	8.4	6.4	11.8	57 300	8.4	6.4	11.8
Hoya Corporation	35 300	8.6	6.1	11.7	35 300	8.6	6.1	11.7
		614.8	502.6	973.0		614.8	502.6	973.0
Cyprus								
Prosafe	2 261 975	196.0	213.8	224.0		196.0	213.8	224.0
		196.0	213.8	224.0		196.0	213.8	224.0
Lichtenstein								
LGT CEBO II						21.7	21.4	21.4
Luxembourg								
Aceryg	1 259 787	159.5	152.7	153.4	1 259 787	159.5	152.7	153.4
		159.5	152.7	153.4		159.5	152.7	153.4
Holland								
Koninklijke KPN	114 193	11.2	11.3	76.0	114 193	11.2	11.3	76.0
Tomtom				68.6				68.6
CTA Ing Groep					227 584	55.6	48.3	48.3
Wolters Kluwer					83 732	14.1	14.9	14.9
Ing-Group	112 293	30.0	23.8	56.8	112 293	30.0	23.8	56.8
Unilever NL	107 027	19.2	21.4	50.2	107 027	19.2	21.4	50.2
Philips Electronics (Koninklijke)	73 693	17.5	17.3	41.4	73 693	17.5	17.3	41.4
ASML Holding NV	31 729	5.5	5.5	-27.3	31 729	5.5	5.5	-27.3
TNT NV	28 843	7.6	6.5	-24.6	28 843	7.6	6.5	-24.6
Koninklijke Ahold	85 577	6.3	6.5	23.5	85 577	6.3	6.5	23.5
ASM International NV				19.8				19.8
Aegon	94 081	11.5	9.1	19.4	333 315	37.3	32.1	42.4
Akzo Nobel	18 389	8.4	8.0	15.7	18 389	8.4	8.0	15.7
Heineken	21 353	7.2	7.5	14.7	21 353	7.2	7.5	14.7
Reed Elsevier	62 519	6.9	6.8	12.5	62 519	6.9	6.8	12.5
		131.4	123.6	346.7		226.9	209.8	433.0
New Zealand								
Taumata Plantations Ltd.	150 000 000	637.6	661.6	661.6	150 000 000	637.6	661.6	661.6
Telecom New Zealand	162 061	3.1	2.9	11.7	162 061	3.1	2.9	11.7
		640.7	664.6	673.4		640.7	664.6	673.4
Portugal								
Energias De Portugal	148 875	5.0	5.3	12.6	148 875	5.0	5.3	12.6
		5.0	5.3	12.6		5.0	5.3	12.6
Russia								
Gazprom						19.8	23.8	23.8
		0.0	0.0	0.0		19.8	23.8	23.8

NOK MILLION	STOREBRAND LIVSFORSIKRING AS				STOREBRAND LIVSFORSIKRING GROUP			
	NUMBER HELD	ACQUISITION COST*)	MARKET VALUE	MARKET VALUE INCLUDE INDIRECT INVESTMENT IN FUND	NUMBER HELD	ACQUISITION COST*)	NUMBER HELD	MARKET VALUE INCLUDE INDIRECT INVESTMENT IN FUND
Singapore								
EOC Ltd	959400	20.1	21.1	30.7	959 400	20.1	21.1	30.7
Singapore Telecom	685 400	8.2	10.3	23.7	685 400	8.2	10.3	23.7
Keppel Corp	106 000	2.5	5.2	14.9	106 000	2.5	5.2	14.9
United Overseas Bank	87 000	5.5	6.5	12.8	87 000	5.5	6.5	12.8
Development Bank Singapore	86 000	7.0	6.7	12.6	86 000	7.0	6.7	12.6
		43.3	49.9	94.7		43.3	49.9	94.7
Spain								
Telefonica	271 182	38.3	47.8	112.3	560 645	86.8	98.9	163.4
Inditex					21 711	8.1	7.2	7.2
Banco Santander	371 372	41.2	43.6	100.3	842 401	92.4	98.9	155.6
BBVA (Bilbao Vizcaya Argentaria)	229 585	35.8	30.5	67.4	637 576	89.8	84.8	121.6
Iberdrola	224 175	11.3	18.5	44.3	224 175	11.3	18.5	44.3
Industria De Deseno Textil	15 212	5.8	5.1	37.3	15 212	5.8	5.1	37.3
Repsol Ypf	72 493	14.2	14.0	36.4	72 493	14.2	14.0	36.4
Sogecable				-21.6				-21.6
Antena 3 Television				-19.0				-19.0
Gamesa Corp Tecnologica	15 921	3.5	4.0	13.2	15 921	3.5	4.0	13.2
		150.2	163.6	370.6		311.9	331.5	538.5
Great Britain								
Royal Dutch Shell A ord	372 935	79.1	85.1	197.8	372 935	79.1	85.1	197.8
Vodafone Group	3 119 338	49.3	63.3	186.8	5 640 193	98.6	114.5	238.0
BP Plc	1 118 501	76.3	74.4	157.2	1 118 501	76.3	74.4	157.2
HSBC Holdings GB	683 165	73.1	62.2	142.1	683 165	73.1	62.2	142.1
GlaxoSmithkline	331 936	57.8	45.9	107.5	331 936	57.8	45.9	107.5
BG Group	205 990	17.3	25.6	84.2	372 537	33.8	46.3	104.9
BP Amoco					934 204	64.4	62.1	62.1
Kingfisher					1 568 260	30.3	24.7	24.7
Punch Taverns					71 401	7.9	5.9	5.9
Rio Tinto					45 454	22.4	26.1	26.1
Wolseley					148 015	17.9	11.9	11.9
AMEC	26 666	1.0	2.4	76.5	26 666	1.0	2.4	76.5
Rio Tinto	58 780	20.1	33.8	73.3	58 780	20.1	33.8	73.3
Royal Bank of Scotland	584 747	69.2	28.1	67.9	1 167 388	103.0	56.0	95.9
Anglo American Plc	79 474	19.9	26.5	59.7	139 112	42.1	46.3	79.5
Tesco	520 215	21.1	26.8	59.6	520 215	21.1	26.8	59.6
Diageo	203 155	21.1	23.7	50.5	203 155	21.1	23.7	50.5
BHP Billiton	135 604	16.5	22.7	48.8	245 930	39.0	41.1	67.3
Reuters Group	95 161	4.2	6.6	48.7	95 161	4.2	6.6	48.7
Barclays Bank	386 095	27.6	21.0	47.8	811 931	56.4	44.2	71.0
HBOS	220 508	24.0	17.5	41.5	387 972	40.2	30.8	54.8
Lloyds Bank	339 158	20.6	17.3	38.6	339 158	20.6	17.3	38.6
Unilever GB	84 136	12.0	17.2	37.8	84 136	12.0	17.2	37.8
BT Group	486 329	13.3	14.3	37.2	486 329	13.3	14.3	37.2
Rolls Royce	164 942	8.4	9.7	33.6	164 942	8.4	9.7	33.6
National Grid Plc	171 951	11.8	15.5	33.0	171 951	11.8	15.5	33.0
Capita Group	53 758	3.0	4.1	29.9	53 758	3.0	4.1	29.9
Xstrata	38 172	8.6	14.6	29.3	64 489	18.8	24.7	39.4
Reckitt Benckiser	42 431	10.0	13.4	28.8	72 099	19.5	22.7	38.1
Prudential	132 374	8.9	10.2	27.6	132 374	8.9	10.2	27.6
Arm Holdings	-	0.0	0.0	27.3	0	0.0	0.0	27.3
Yell Group Plc	67 696	3.9	2.9	-26.9	67 696	3.9	2.9	-26.9
Royal Dutch Shell B shares	5 568	1.2	1.3	26.0	258 917	59.1	59.1	83.8
Trinity Mirror	-	0.0	0.0	-24.2	0	0.0	0.0	-24.2
SabMiller PLC	76 488	8.5	11.7	23.5	76 488	8.5	11.7	23.5
Aviva PLC	150 403	13.8	10.9	23.5	440 006	37.5	32.0	44.6
Scottish & Southern Energy	55 921	7.6	9.9	22.4	55 921	7.6	9.9	22.4
Rexam	80 259	4.7	3.6	-20.5	80 259	4.7	3.6	-20.5
Cadbury Schweppes	149 166	9.8	10.0	20.4	149 166	9.8	10.0	20.4
HMV Group	-	0.0	0.0	-19.1	0	0.0	0.0	-19.1
Standard Chartered	81 263	16.8	16.2	19.1	81 263	16.8	16.2	19.1
British Airways	-	0.0	0.0	-18.5	0	0.0	0.0	-18.5
Johnston Press Plc	-	0.0	0.0	-18.4	0	0.0	0.0	-18.4
Centrica	238 762	7.6	9.3	18.1	238 762	7.6	9.3	18.1

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Marks & Spencer	111 763	7.5	6.8	-17.0	291 188	19.9	17.6	-6.1
Man Group	126 622	7.9	7.8	16.2	126 622	7.9	7.8	16.2
Dana Petroleum Plc	-	0.0	0.0	14.5	0	0.0	0.0	14.5
DSG International	-	0.0	0.0	-14.3	0	0.0	0.0	-14.3
Reed Elsevier Plc	100 452	6.3	7.4	14.2	100 452	6.3	7.4	14.2
Weir Group Plc	-	0.0	0.0	13.0	0	0.0	0.0	13.0
Imperial Chemical Industries	99 000	4.9	7.1	13.0	99 000	4.9	7.1	13.0
Scottish & Newcastle	75 363	4.6	6.0	12.5	75 363	4.6	6.0	12.5
British Energy Group	65 926	4.0	3.9	12.1	65 926	4.0	3.9	12.1
WPP Group	90 998	6.1	6.4	11.9	90 998	6.1	6.4	11.9
		789.6	803.0	1 874.5		1 235.3	1 217.5	2 289.0
Switzerland								
Nestle	24 845	51.1	62.0	189.3	49 949	110.6	124.6	251.9
Roche Holding Genuss	41 723	42.4	39.1	89.9	93 606	92.9	87.8	138.6
UBS	120 728	40.6	30.3	71.3	216 422	69.7	54.4	95.4
Logitech	14 061	1.7	2.8	65.9	14 061	1.7	2.8	65.9
Nycomed					2 462 251	18.7	19.5	19.5
Swatch Group	3 314	3.5	5.4	63.9	3 314	3.5	5.4	63.9
Sonova Holding AG	3 625	1.7	2.2	53.1	3 625	1.7	2.2	53.1
Credit Suisse Group RG	67 579	23.5	22.1	52.3	67 579	23.5	22.1	52.3
Novartis	136 394	47.0	40.6	49.5	291 548	91.5	86.8	95.7
Sulzer AG	296	1.4	2.4	45.9	296	1.4	2.4	45.9
Zurich Financial Services Group	9 014	13.1	14.4	35.6	24 565	38.8	39.2	60.4
Petroplus Holdings AG	-	0.0	0.0	28.8	0	0.0	0.0	28.8
Compagnie Financie	35 580	10.0	13.3	27.4	35 580	10.0	13.3	27.4
Holcim	16 449	7.7	9.6	23.6	16 449	7.7	9.6	23.6
Swiss Reinsurance	22 341	9.4	8.6	22.7	22 341	9.4	8.6	22.7
Syngenta	7 205	6.0	10.0	20.5	7 205	6.0	10.0	20.5
		258.9	262.7	839.9		487.1	488.6	1 065.8
Sweden								
Duni Holding	105 711	29.9	30.4	30.4	105 711	29.9	30.4	30.4
Ericsson B	970 795	21.0	12.4	26.3	32 601 182	483.1	415.8	429.7
Nordea Bank AB	136 528	11.2	12.4	26.0	4 178 776	370.2	379.2	392.7
Volvo B	138 000	9.7	12.6	22.3	2 940 247	267.8	268.0	277.7
AarhusKarlshamn					55 772	6.1	5.5	5.5
ABB Ltd SDB					925 915	139.0	143.9	143.9
Acando B					103 558	1.2	1.2	1.2
Alfa Laval					193 152	59.9	59.1	59.1
Angpanneföreningen B					24 599	3.6	3.5	3.5
Assa Abloy B					569 779	61.8	62.1	62.1
AstraZeneca SDB					652 715	163.2	151.9	151.9
Atlas Copco B					1 293 752	98.6	95.9	95.9
Autoliv SDB					26 266	7.7	7.7	7.7
Axfood					263 791	58.7	57.7	57.7
Axis					453 615	43.9	60.6	60.6
Bergvik Skog					578	242.8	542.7	542.7
Bilia A					18 844	1.6	1.6	1.6
Billerud					25 441	1.4	1.4	1.4
Boliden					868 193	77.5	59.3	59.3
Boss Media					80 191	0.9	1.0	1.0
Broström B					21 356	0.9	0.9	0.9
Bure					57 167	1.8	1.8	1.8
Capio AB					2 959 844	23.0	23.5	23.5
Cardo					222 416	48.2	37.6	37.6
Carnegie					557 793	62.0	58.8	58.8
Castellum					302 744	16.6	17.1	17.1
Cision					140 804	2.2	2.0	2.0
Clas Ohlson B					6 279	0.7	0.7	0.7
Concordia B					12 562	0.3	0.3	0.3
Electrolux B					613 695	54.0	55.9	55.9
Elekta B					146 388	12.9	13.3	13.3
Enea					572 504	1.0	1.0	1.0
ENIRO					280 844	13.6	13.7	13.7
Fabege					273 706	15.0	15.2	15.2

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Getinge B					288 348	41.8	42.0	42.0
Gunnebo					65 045	3.7	3.6	3.6
Hakon Invest					465 399	53.4	51.8	51.8
Haldex					7 537	0.7	0.7	0.7
Hexagon B					281 855	32.4	32.1	32.1
HIQ International					78 067	2.1	2.2	2.2
Holmen B					129 746	25.7	26.2	26.2
Hufvudstaden A					927 249	60.9	48.3	48.3
Husqvarna B					501 504	30.1	32.3	32.3
Höganäs B					10 049	1.2	1.2	1.2
IBS B					142 202	1.5	1.6	1.6
IFS B					386 897	1.9	2.0	2.0
Industrivärden A					313 867	29.7	29.9	29.9
Industrivärden C					293 373	25.5	25.9	25.9
Indutrade					4 396	0.4	0.5	0.5
Intrum Justitia					105 352	9.3	10.2	10.2
Investor A					243 233	29.1	29.2	29.2
Investor B					949 716	115.7	117.3	117.3
JM					397 669	60.0	44.3	44.3
KappAhl					7 537	0.5	0.5	0.5
Kaupthing Bank					117 371	9.0	9.0	9.0
Kinnevik B					368 695	44.7	45.5	45.5
Klövern					26 068	0.5	0.6	0.6
Know IT					18 586	0.9	0.9	0.9
Kungsleden					234 005	13.6	14.2	14.2
LB International					96 124	2.6	2.3	2.3
Lundbergs B					59 324	18.4	18.3	18.3
Lundin Mining					218 272	10.4	11.2	11.2
Lundin Petroleum					389 806	21.9	22.1	22.1
Meda					278 603	19.3	18.7	18.7
Mekonomen					7 850	1.0	1.0	1.0
Menigo Hold					386 842	3.0	3.1	3.1
Micronic					5 653	0.2	0.2	0.2
Millicom SDB					105 517	63.0	66.3	66.3
MTG B					86 157	30.9	32.9	32.9
Munters					12 249	0.7	0.8	0.8
NCC B					339 392	52.9	39.6	39.6
Nefab AB					492 063	3.8	3.9	3.9
New Wave B					7 850	0.5	0.4	0.4
Nibe Industier B					6 279	0.4	0.4	0.4
Nobia					268 382	12.6	13.0	13.0
Nocom B					180 565	0.6	0.6	0.6
Nolato B					7 537	0.3	0.3	0.3
OMX AB					172 729	37.9	37.9	37.9
ORC Software					17 523	2.2	2.4	2.4
Oriflame					270 489	75.1	93.9	93.9
PA Resour					203 403	8.4	8.7	8.7
PEAB B					62 190	3.3	3.3	3.3
Q-Med					8 166	0.5	0.6	0.6
Ratos B					476 351	77.1	70.4	70.4
Rezidor Hotel Group					152 765	4.7	5.0	5.0
Rottneros					104 909	0.2	0.2	0.2
SAAB B					29 209	3.2	3.2	3.2
SAS					179 319	12.8	12.5	12.5
SCA B					1 180 488	109.6	113.6	113.6
Scania B					1 106 041	135.1	143.1	143.1
SEB A					1 014 002	143.1	141.0	141.0
Securitas B					612 761	43.9	46.3	46.3
Securitas Direkt					515 702	11.2	11.2	11.2
Securitas System					522 927	8.9	10.1	10.1
Semcon					20 710	1.4	1.4	1.4
SHB A					934 539	158.2	162.5	162.5
Sigma B					99 310	0.6	0.5	0.5
Skanska B					760 249	78.6	77.9	77.9

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SKF B					1 174 806	116.7	108.1	108.1
Skistar B					35 049	3.2	2.9	2.9
SSAB A					354 928	51.4	52.5	52.5
SSAB B					129 582	16.9	17.3	17.3
Stora Enso R					529 562	51.6	43.3	43.3
Swedbank					925 396	143.8	142.3	142.3
Swedish Match					456 570	58.5	59.3	59.3
Tanganyika Oil					82 847	5.3	5.3	5.3
Tele2 B					605 042	65.2	65.8	65.8
Teleca B					109 807	1.3	1.3	1.3
Telelogic					421 369	6.6	6.6	6.6
Thule AB					3 033 591	23.4	24.1	24.1
Tietoenator SDB					33 222	4.0	4.0	4.0
Tradedoubler					43 547	5.2	5.1	5.1
Transcom B					68 444	2.5	2.8	2.8
Trelleborg B					31 723	3.6	3.6	3.6
Unibet Group					37 246	6.5	7.0	7.0
Wallenstam B					85 028	8.2	8.6	8.6
West Siberian					1 761 065	6.7	6.3	6.3
Wihlborgs Fastigheter					6 908	0.7	0.7	0.7
Volvo A					845 479	77.3	76.7	76.7
Vostok Gas SDB					69 895	31.8	30.8	30.8
Öresund Investment AB					65 852	7.2	7.2	7.2
Hennes & Mauritz B	30 196	7.3	10.0	20.9	1 111 882	352.5	367.6	378.5
Sandvik	74 617	3.6	7.0	15.4	2 398 407	221.8	224.2	232.6
Teliasonera - Se	150 483	5.8	7.6	14.5	5 823 670	281.3	296.0	302.8
Atlas Copco A	70 535	4.2	5.7	13.4	1 307 852	102.1	105.9	113.6
		92.7	98.0	169.1		5 779.2	6 018.0	6 089.1
Turkey								
Garanti Banka					0.1	7.0	7.0	7.0
Isbank					0.3	9.0	9.0	9.0
Tyrkiye Garanti Bankasi					0.2	8.9	8.9	8.9
Yapi Kredi Koray					0.3	4.5	4.5	4.5
						30.8	29.5	29.5
Germany								
EON	39 884	35.8	46.1	109.4	83 782	79.6	96.8	160.1
Bayer	50 303	20.5	25.0	104.9	114 896	49.5	57.0	137.0
Allianz SE (Societas Europaeae)	27 875	36.2	32.7	80.3	65 220	81.9	76.6	124.2
Basf	33 521	24.4	27.0	61.0	76 269	55.7	61.4	95.4
Rwe	28 856	19.1	22.0	56.4	50 997	34.6	38.9	73.2
C quadrat					10 212	3.7	3.4	3.4
Deutsche Bank	33 607	29.2	23.9	53.4	86 240	65.8	61.2	90.8
Siemens					42 454	30.7	36.7	36.7
Pfleiderer					60 870	6.6	6.9	6.9
Praktiker Bau und Heimwerkermärkte					94 543	17.9	15.3	15.3
Fresenius					121 248	51.7	54.8	54.8
Henkel					32 262	8.9	9.8	9.8
Hypo Real Estate					43 260	14.4	12.4	12.4
Merck					17 066	10.7	12.0	12.0
Daimler-Chrysler					15 031	8.9	7.9	7.9
TUI	20 663	3.3	3.1	50.6	20 663	3.3	3.1	50.6
Deutsche Telecom	180 624	19.7	21.5	49.3	180 624	19.7	21.5	49.3
Deutsche Boerse	14 114	10.8	15.2	39.5	14 114	10.8	15.2	39.5
Muenchener Rueckversicherungs RG	14 637	15.5	15.4	37.4	24 179	25.7	25.5	47.5
Hochtief	4 441	2.8	3.2	37.2	4 441	2.8	3.2	37.2
Sap AG	57 632	16.9	16.3	33.5	212 865	62.5	60.0	77.2
Volkswagen	12 150	15.3	15.1	29.8	12 150	15.3	15.1	29.8
SGL Carbon AG	-	0.0	0.0	27.1	0	0.0	0.0	27.1
ThyssenKrupp	31 332	10.3	9.5	25.4	68 669	22.2	20.9	36.7
Deutsche Post	56 032	10.7	10.5	21.5	56 032	10.7	10.5	21.5
Hugo Boss Pref	-	0.0	0.0	20.9	0	0.0	0.0	20.9

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Commerzbank	47 244	13.1	9.8	20.9	178 823	44.4	37.3	48.3
Continental	15 815	12.9	11.2	19.9	60 838	47.3	43.0	51.7
Man AG	9 271	6.9	8.4	19.6	9 271	6.9	8.4	19.6
Linde	9 137	6.1	6.6	17.4	9 137	6.1	6.6	17.4
Bayerische Mot Werke	34 174	11.5	11.5	-15.3	34 174	11.5	11.5	-15.3
Hotel. De AG				13.3				13.3
Adidas AG	16 814	6.1	6.8	13.2	127 747	43.4	52.0	58.4
Solarworld AG	7 823	2.7	2.6	12.8	7 823	2.7	2.6	12.8
Salzgitter	3 813	3.8	3.1	12.5	3 813	3.8	3.1	12.5
		333.3	346.5	952.0		859.5	890.6	1 496.1
USA								
Exxon Mobil	329 537	164.9	167.6	364.2	329 537	164.9	167.6	364.2
General Electric	604 068	132.3	121.6	278.1	604 068	132.3	121.6	278.1
Microsoft	514 171	86.5	99.4	228.4	514 171	86.5	99.4	228.4
Apple Inc	51 055	46.5	54.9	197.4	51 055	46.5	54.9	197.4
AT&T Inc	355 606	79.9	80.2	189.2	355 606	79.9	80.2	189.2
Google Class A	13 484	46.9	50.6	180.8	13 484	46.9	50.6	180.8
Powershares				-178.5				-178.5
Procter & Gamble	187 994	73.4	74.9	172.7	187 994	73.4	74.9	172.7
Chevron Corp	128 181	63.0	65.0	153.5	128 181	63.0	65.0	153.5
Johnsen & Johnsen	170 919	61.4	61.9	141.6	170 919	61.4	61.9	141.6
Bank of America Corp	257 004	70.1	57.6	134.0	257 004	70.1	57.6	134.0
Cisco Systems	360 107	62.7	52.9	122.9	360 107	62.7	52.9	122.9
Pfizer	411 855	55.3	50.8	119.2	411 855	55.3	50.8	119.2
International Business Machine (IBM))	81 824	50.9	48.0	116.1	81 824	50.9	48.0	116.1
Intel	340 805	47.3	49.3	115.5	340 805	47.3	49.3	115.5
J.P Morgan Chase and Co	199 762	49.7	47.3	110.5	199 762	49.7	47.3	110.5
Citigroup	285 822	69.1	45.7	107.9	285 822	69.1	45.7	107.9
Coca-Cola	123 711	39.4	41.2	97.7	123 711	39.4	41.2	97.7
Pepsico Inc	96 666	38.0	39.8	94.5	96 666	38.0	39.8	94.5
Schlumberger	72 437	41.7	38.7	94.4	72 437	41.7	38.7	94.4
Merck & Co	128 043	37.8	40.4	94.3	128 043	37.8	40.4	94.3
American International Group	129 337	46.1	40.9	91.9	129 337	46.1	40.9	91.9
EMC	129 860	15.4	13.1	89.5	129 860	15.4	13.1	89.5
Verizon Communications	167 729	41.0	39.8	87.5	167 729	41.0	39.8	87.5
Oracle Corporation	255 661	30.6	31.3	71.4	255 661	30.6	31.3	71.4
Hewlett-Packard Co	156 963	43.5	43.0	69.5	156 963	43.5	43.0	69.5
Wells Fargo	188 477	35.8	30.9	68.4	188 477	35.8	30.9	68.4
Garmin	8 638	5.3	4.5	64.7	8 638	5.3	4.5	64.7
Abbott Laboratories	94 573	27.3	28.8	64.6	94 573	27.3	28.8	64.6
Broadcom	31 935	6.5	4.5	63.8	31 935	6.5	4.5	63.8
McDonalds	78 546	24.4	25.1	63.7	78 546	24.4	25.1	63.7
United Health Group	81 980	22.5	25.9	63.0	81 980	22.5	25.9	63.0
Occidental Petroleum	52 801	19.9	22.0	62.0	52 801	19.9	22.0	62.0
Monsanto	33 641	17.1	20.4	57.6	33 641	17.1	20.4	57.6
NVIDIA	32 949	5.1	6.1	56.9	32 949	5.1	6.1	56.9
Wachovia Corp	117 000	30.6	24.2	56.7	117 000	30.6	24.2	56.7
Goldman Sachs	21 724	27.2	25.4	55.7	21 724	27.2	25.4	55.7
Take-Two Interactive Software				54.4				54.4
Sandisk Corp	16 409	4.1	3.0	53.5	16 409	4.1	3.0	53.5
Vmware Inc - Class A				52.4				52.4
Bank of New York Mellon	69 369	17.2	18.4	52.4	69 369	17.2	18.4	52.4
Time Warner	229 535	23.0	20.6	51.7	229 535	23.0	20.6	51.7
Noble Corp	21 607	5.7	6.6	51.0	21 607	5.7	6.6	51.0
Qualcomm	104 959	23.9	22.4	50.7	104 959	23.9	22.4	50.7
Verifone Holdings Inc				48.5				48.5
Wellpoint Inc	38 980	17.0	18.6	48.2	38 980	17.0	18.6	48.2
Computer Sciences Corp				-48.2				-48.2
Exelon	45 167	19.5	20.0	47.9	45 167	19.5	20.0	47.9
Metlife	47 999	17.7	16.1	46.8	47 999	17.7	16.1	46.8
Walt Disney	112 503	21.2	19.7	46.0	112 503	21.2	19.7	46.0
Emerson Electric	56 631	16.5	17.4	45.8	56 631	16.5	17.4	45.8
Wyeth	80 385	20.1	19.3	45.6	80 385	20.1	19.3	45.6
Diamond Offshore Drilling	6 513	4.5	5.0	45.6	6 513	4.5	5.0	45.6

NOK MILLION	STOREBRAND LIVSFORSIKRING AS				STOREBRAND LIVSFORSIKRING GROUP			
	NUMBER HELD	ACQUISITION COST*)	MARKET VALUE	MARKET VALUE INCLUDE INDIRECT INVESTMENT IN FUND	NUMBER HELD	ACQUISITION COST*)	NUMBER HELD	MARKET VALUE INCLUDE INDIRECT INVESTMENT IN FUND
Transocean	4 004	2.8	3.1	45.5	4 004	2.8	3.1	45.5
Medtronic	72 188	21.5	19.7	44.7	72 188	21.5	19.7	44.7
3M CO	43 948	21.9	20.1	43.9	43 948	21.9	20.1	43.9
Deere & Co	29 236	12.1	14.8	43.7	29 236	12.1	14.8	43.7
Rockwell Collins	34 185	13.5	13.4	43.7	34 185	13.5	13.4	43.7
Cognizant Tech Solutions	23 328	5.3	4.3	43.5	23 328	5.3	4.3	43.5
US Bancorp	105 719	18.7	18.2	42.6	105 719	18.7	18.2	42.6
Salesforce.Com Inc				-42.6				-42.6
Prudential Financial Inc	29 815	16.0	15.1	42.4	29 815	16.0	15.1	42.4
Lilly Eli	61 793	19.1	17.9	41.7	61 793	19.1	17.9	41.7
Marathon Oil Corp.	44 806	14.0	14.8	41.0	44 806	14.0	14.8	41.0
Citrix				40.8				40.8
Verisign				-40.3				-40.3
Dell Inc.	131 902	20.0	17.6	40.3	131 902	20.0	17.6	40.3
Bristol-Myers Squibb	121 366	19.4	17.5	39.9	121 366	19.4	17.5	39.9
Intuit				-39.7				-39.7
Apache Corp	23 143	12.1	13.5	39.4	23 143	12.1	13.5	39.4
Target Corporation	56 804	19.0	15.4	38.6	56 804	19.0	15.4	38.6
CVS/Caremark	97 344	21.1	21.0	38.3	97 344	21.1	21.0	38.3
Home Depot	103 731	18.1	15.2	38.2	103 731	18.1	15.2	38.2
Amgen	69 152	21.6	17.4	38.0	69 152	21.6	17.4	38.0
American Express	64 102	21.6	18.1	37.7	64 102	21.6	18.1	37.7
CA Inc	43 984	6.3	6.0	-37.7	43 984	6.3	6.0	-37.7
Caterpillar	41 740	17.6	16.4	37.4	41 740	17.6	16.4	37.4
Sirf Technology Holdings Inc				37.0				37.0
Morgan Stanley	57 040	19.9	16.4	36.8	57 040	19.9	16.4	36.8
Riverbed Technology				35.4				35.4
Brocade				-35.3				-35.3
Western Digital Corp				-35.3				-35.3
Medco Health Solutions	19 467	9.9	10.7	34.8	19 467	9.9	10.7	34.8
Lexmark Intaernational				-34.7				-34.7
The Traveler Companies Inc	43 036	12.5	12.6	34.4	43 036	12.5	12.6	34.4
Qlogic Corp				-34.3				-34.3
Skyworks Solutions Inc				-34.2				-34.2
Gilead Sciences Inc	57 737	13.6	14.4	33.5	57 737	13.6	14.4	33.5
United Parcel Services	41 803	17.2	16.1	32.5	41 803	17.2	16.1	32.5
Conocophilips				-32.3				-32.3
Baxter International	43 699	13.6	13.8	32.3	43 699	13.6	13.8	32.3
Merrill Lynch	49 743	19.2	14.5	31.4	49 743	19.2	14.5	31.4
F5 Networks Inc				31.3				31.3
National Oilwell Varco Inc.	22 793	6.0	9.1	30.6	22 793	6.0	9.1	30.6
Chubb Corp	28 806	8.5	8.5	30.5	28 806	8.5	8.5	30.5
DuPont (E.I) De Nemours	61 935	16.2	14.8	30.3	61 935	16.2	14.8	30.3
Aflac Inc.	21 230	6.8	7.2	30.2	21 230	6.8	7.2	30.2
Kraft Foods	99 897	18.3	17.7	30.2	99 897	18.3	17.7	30.2
Schwab (Charles)	68 082	8.4	9.4	29.7	68 082	8.4	9.4	29.7
Public Service Enterprise Gp	19 853	9.9	10.6	29.4	19 853	9.9	10.6	29.4
Pride International	21 147	4.1	3.9	29.4	21 147	4.1	3.9	29.4
Aetna	34 092	9.9	10.7	29.4	34 092	9.9	10.7	29.4
Motorola	157 367	15.7	13.7	29.4	157 367	15.7	13.7	29.4
Archer-Daniels-Midland	38 006	7.4	9.6	28.8	38 006	7.4	9.6	28.8
Dow Chemical	63 344	15.6	13.6	28.7	63 344	15.6	13.6	28.7
News Corporation B	86 364	10.4	10.0	28.5	86 364	10.4	10.0	28.5
Wallgreen	63 551	13.4	13.1	28.2	63 551	13.4	13.1	28.2
CME Group Inc.	3 328	12.3	12.4	28.2	3 328	12.3	12.4	28.2
Textron	35 069	11.9	13.6	28.0	35 069	11.9	13.6	28.0
Burlington Northern Santa Fe	22 307	10.1	10.1	28.0	22 307	10.1	10.1	28.0
Corning	100 215	13.8	13.1	27.8	100 215	13.8	13.1	27.8
ITT Corporation	29 528	10.6	10.6	27.8	29 528	10.6	10.6	27.8
Baker Hughes	23 719	11.7	10.4	27.3	23 719	11.7	10.4	27.3
PP&L Resources	33 859	9.2	9.6	27.2	33 859	9.2	9.6	27.2
Anheuser Busch	52 962	15.1	15.1	27.2	52 962	15.1	15.1	27.2
Alcoa	60 072	12.2	11.9	26.5	60 072	12.2	11.9	26.5
Dominion Resources	44 885	11.3	11.6	26.4	44 885	11.3	11.6	26.4

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Fannie Mae	58 015	18.6	12.6	26.4	58 015	18.6	12.6	26.4
Eaton Corp	14 880	7.6	7.8	26.3	14 880	7.6	7.8	26.3
Praxair	23 436	10.6	11.3	26.2	23 436	10.6	11.3	26.2
Entergy	16 520	10.4	10.7	26.2	16 520	10.4	10.7	26.2
Kimberly-Clark	34 762	13.2	13.1	26.2	34 762	13.2	13.1	26.2
ACE Ltd	23 531	7.9	7.9	26.1	23 531	7.9	7.9	26.1
Sprint Nextel Group	170 824	16.2	12.2	25.5	170 824	16.2	12.2	25.5
Lehman Brothers	27 804	9.5	9.9	25.4	27 804	9.5	9.9	25.4
Southern	57 773	11.6	12.2	25.3	57 773	11.6	12.2	25.3
Rowan	-	0.0	0.0	-25.0	0	0.0	0.0	-25.0
Devon Energy	29 016	13.7	14.0	24.9	29 016	13.7	14.0	24.9
Ebay	65 288	13.6	11.8	24.8	65 288	13.6	11.8	24.8
Genentech	29 409	12.2	10.7	24.7	29 409	12.2	10.7	24.7
Lowe's Cos Inc	95 388	14.3	11.7	24.7	95 388	14.3	11.7	24.7
Hartford Financial Services	21 603	11.2	10.2	24.6	21 603	11.2	10.2	24.6
Allstate Corp	37 367	11.6	10.6	24.2	37 367	11.6	10.6	24.2
Accenture	47 293	10.3	9.3	-23.9	47 293	10.3	9.3	-23.9
Schering-Plough Corp	96 965	14.7	14.0	23.5	96 965	14.7	14.0	23.5
Automatic Data Processing	45 620	11.8	11.0	23.5	45 620	11.8	11.0	23.5
Air Products & Chemicals	17 547	9.2	9.4	23.4	17 547	9.2	9.4	23.4
Costco Wholesale	36 824	12.6	13.9	23.4	36 824	12.6	13.9	23.4
Danaher Corp	22 817	10.2	10.9	23.3	22 817	10.2	10.9	23.3
XTO Energy	33 797	9.5	9.4	23.1	33 797	9.5	9.4	23.1
Johnson Controls	50 383	11.3	9.9	23.1	50 383	11.3	9.9	23.1
Duke Energy Corp	106 315	11.1	11.6	23.1	106 315	11.1	11.6	23.1
American Elec Power	37 527	9.8	9.5	22.9	37 527	9.8	9.5	22.9
Union Pacific Corp	16 207	10.6	11.1	22.7	16 207	10.6	11.1	22.7
Amazon Com	18 527	5.8	9.3	22.7	18 527	5.8	9.3	22.7
EOG Resources	20 179	8.9	9.8	22.3	20 179	8.9	9.8	22.3
Adobe Systems	44 256	10.9	10.3	21.8	44 256	10.9	10.3	21.8
State Street	25 129	9.7	11.1	21.6	25 129	9.7	11.1	21.6
Fedex Corp	19 109	10.8	9.3	21.6	19 109	10.8	9.3	21.6
Viacom INC ClassB	42 932	9.5	10.2	21.5	42 932	9.5	10.2	21.5
Stryker Corp	22 051	8.8	8.9	21.3	22 051	8.8	8.9	21.3
Ingersoll-Rand Corp	24 220	6.8	6.1	21.0	24 220	6.8	6.1	21.0
Applied Materials	87 570	9.6	8.4	21.0	87 570	9.6	8.4	21.0
Sun Microsystems	60 790	7.8	6.0	-20.9	60 790	7.8	6.0	-20.9
General Mills	25 725	8.1	8.0	20.8	25 725	8.1	8.0	20.8
Cummins	8 307	4.0	5.7	20.4	8 307	4.0	5.7	20.4
Patterson-Uti Energy	22 566	2.6	2.4	-20.3	22 566	2.6	2.4	-20.3
Hess Corp	21 220	7.8	11.6	20.1	21 220	7.8	11.6	20.1
Fluor Corp	6 188	5.2	4.9	20.0	6 188	5.2	4.9	20.0
Parker Hannifin	17 481	7.4	7.1	19.9	17 481	7.4	7.1	19.9
Cardinal Health	26 975	9.3	8.5	19.7	26 975	9.3	8.5	19.7
Yahoo	71 637	10.9	9.0	19.7	71 637	10.9	9.0	19.7
Comcast Corp-Special	74 280	9.0	7.3	19.7	74 280	9.0	7.3	19.7
Research in Motion	-	0.0	0.0	19.6	0	0.0	0.0	19.6
Franklin	12 663	9.3	7.9	19.2	12 663	9.3	7.9	19.2
Anadarko Petroleum	34 049	9.9	12.1	19.0	34 049	9.9	12.1	19.0
EnSCO International Inc	14 596	4.1	4.7	-18.7	14 596	4.1	4.7	-18.7
Illinois Tool Works	39 274	12.6	11.4	18.7	39 274	12.6	11.4	18.7
Halliburton	60 568	13.5	12.5	18.6	60 568	13.5	12.5	18.6
Suntrust Banks	23 258	9.2	7.9	18.4	23 258	9.2	7.9	18.4
Sysco Corp	45 956	8.4	7.8	18.2	45 956	8.4	7.8	18.2
Loews Corp	46 058	12.3	12.6	18.2	46 058	12.3	12.6	18.2
Covidien	38 392	8.6	9.2	18.0	38 392	8.6	9.2	18.0
Best Buy	27 396	7.3	7.8	18.0	27 396	7.3	7.8	18.0
Prologis	21 272	7.9	7.3	17.9	21 272	7.9	7.3	17.9
Comcast Corp A	117 616	15.0	11.7	17.9	117 616	15.0	11.7	17.9
Avon Products	35 928	7.6	7.7	17.9	35 928	7.6	7.7	17.9
Plum Creek Timber	-	0.0	0.0	17.7	0	0.0	0.0	17.7
Norfolk Southern Corp	26 430	7.6	7.2	17.6	26 430	7.6	7.2	17.6
Electronic Arts	23 956	7.8	7.6	17.6	23 956	7.8	7.6	17.6
Nike B	29 489	9.5	10.3	17.5	29 489	9.5	10.3	17.5

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Omnicom Group	27 147	7.5	7.0	17.5	27 147	7.5	7.0	17.5
PG&E Corp.	32 376	8.4	7.6	17.5	32 376	8.4	7.6	17.5
Paccar	32 318	9.6	9.6	17.1	32 318	9.6	9.6	17.1
Weyerhaeuser	17 557	6.9	7.0	17.1	17 557	6.9	7.0	17.1
Kroger	46 865	7.5	6.8	17.0	46 865	7.5	6.8	17.0
Tyco International	42 387	10.2	9.1	17.0	42 387	10.2	9.1	17.0
Progress Energy					6 476	0.0	0.0	0.0
Reliant Resources	27 507	4.0	3.9	17.0	27 507	4.0	3.9	17.0
Marriott Intl	28 597	6.1	5.3	16.9	28 597	6.1	5.3	16.9
McGraw Hill	25 324	7.0	6.0	16.8	25 324	7.0	6.0	16.8
Precision Castparts	15 754	12.4	11.9	16.8	15 754	12.4	11.9	16.8
Williams Companies	44 746	8.4	8.7	16.7	44 746	8.4	8.7	16.7
Lincoln National Corp	20 582	7.4	6.5	16.6	20 582	7.4	6.5	16.6
Freddie Mac	42 522	12.5	7.9	16.6	42 522	12.5	7.9	16.6
Staples	53 350	6.3	6.7	16.6	53 350	6.3	6.7	16.6
Yum Brands	43 456	8.8	9.0	16.6	43 456	8.8	9.0	16.6
Ultra Petroleum Corp	14 122	5.1	5.5	16.5	14 122	5.1	5.5	16.5
US Steel Corp	9 397	5.3	6.2	16.4	9 397	5.3	6.2	16.4
Agilent Technologies	32 310	6.5	6.4	16.4	32 310	6.5	6.4	16.4
Memc Electronic Materials	13 598	4.7	6.5	16.4	13 598	4.7	6.5	16.4
Clear Channel Communications	36 522	7.0	6.8	16.3	36 522	7.0	6.8	16.3
Capital One Financial	25 093	8.9	6.4	16.2	25 093	8.9	6.4	16.2
Hercules Offshore	-	0.0	0.0	-16.2	0	0.0	0.0	-16.2
Firstenergy	-	0.0	0.0	16.1	0	0.0	0.0	16.1
Nucor Corp	20 940	6.4	6.7	16.0	20 940	6.4	6.7	16.0
PPG Industries	17 923	7.4	6.8	15.8	17 923	7.4	6.8	15.8
Newmont Mining	35 646	9.3	9.5	15.6	35 646	9.3	9.5	15.6
Thermo Fisher Scientific Inc	30 330	8.8	9.5	15.6	30 330	8.8	9.5	15.6
Spektra Energy Corp	58 555	8.1	8.2	15.6	58 555	8.1	8.2	15.6
Flextronics Intl Ltd	68 673	4.5	4.5	15.5	68 673	4.5	4.5	15.5
Celgene Corp	24 797	9.7	6.2	15.5	24 797	9.7	6.2	15.5
Safeway	32 711	6.1	6.1	15.3	32 711	6.1	6.1	15.3
Peabody Energy	19 600	5.2	6.6	15.2	19 600	5.2	6.6	15.2
Safeco Corp	12 513	4.0	3.8	15.2	12 513	4.0	3.8	15.2
Tyco Electronics	39 020	7.8	7.9	15.2	39 020	7.8	7.9	15.2
Western Union	49 873	5.5	6.6	15.2	49 873	5.5	6.6	15.2
Juniper Networks	35 148	6.7	6.3	-15.1	35 148	6.7	6.3	-15.1
Simon Property Group	18 990	10.6	9.0	14.9	18 990	10.6	9.0	14.9
Zimmer Holdings	17 171	7.3	6.2	14.8	17 171	7.3	6.2	14.8
Conagra	39 623	5.3	5.1	14.7	39 623	5.3	5.1	14.7
Progressive Corp	52 510	5.5	5.5	14.7	52 510	5.5	5.5	14.7
Macys Inc.	38 902	6.7	5.5	14.5	38 902	6.7	5.5	14.5
Murphy Oil	18 359	7.7	8.5	14.5	18 359	7.7	8.5	14.5
Colgate Palmolive	34 028	15.1	14.4	14.4	34 028	15.1	14.4	14.4
Kohls Corp	26 333	8.3	6.5	14.3	26 333	8.3	6.5	14.3
CBS Corp class B	49 073	7.9	7.3	14.3	49 073	7.9	7.3	14.3
International Paper	32 670	6.2	5.7	14.2	32 670	6.2	5.7	14.2
Dover	22 781	6.1	5.7	14.1	22 781	6.1	5.7	14.1
Intl Game Technology	23 777	5.6	5.7	13.9	23 777	5.6	5.7	13.9
Vulcan Materials	8 706	4.2	3.7	13.9	8 706	4.2	3.7	13.9
Intercontinentalexchange Inc	4 282	3.8	4.5	13.8	4 282	3.8	4.5	13.8
TJX Companies	39 147	6.4	6.1	13.8	39 147	6.4	6.1	13.8
Nothern Trust	-	0.0	0.0	13.8	0	0.0	0.0	13.8
Goodrich Corp	35 579	14.3	13.6	13.6	35 579	14.3	13.6	13.6
Chesapeake Energy Corp	32 730	6.7	7.0	13.5	32 730	6.7	7.0	13.5
PNC Financial Services	22 752	8.6	8.1	13.5	22 752	8.6	8.1	13.5
Genzyme Corp	18 462	7.1	7.5	13.5	18 462	7.1	7.5	13.5
Mckesson	20 559	6.7	7.3	13.4	20 559	6.7	7.3	13.4
Gap	46 307	4.8	5.4	13.1	46 307	4.8	5.4	13.1
Constellation Energy	13 854	7.7	7.7	13.1	13 854	7.7	7.7	13.1
Edison International	27 181	8.0	7.9	12.9	27 181	8.0	7.9	12.9
Coventry Health Care	13 829	4.6	4.4	12.9	13 829	4.6	4.4	12.9
NII Holdings Inc	11 299	4.0	3.0	12.7	11 299	4.0	3.0	12.7
Consol Energy	13 897	3.9	5.4	12.7	13 897	3.9	5.4	12.7

NOK MILLION	STOREBRAND LIVSFORSIKRING AS				STOREBRAND LIVSFORSIKRING GROUP			
	NUMBER HELD	ACQUISITION COST*)	MARKET VALUE	MARKET VALUE INCLUDE INDIRECT INVESTMENT IN FUND	NUMBER HELD	ACQUISITION COST*)	NUMBER HELD	MARKET VALUE INCLUDE INDIRECT INVESTMENT IN FUND
Harley-Davidson	18 067	4.8	4.6	12.7	18 067	4.8	4.6	12.7
American Tower Corp A	27 551	6.5	6.4	12.6	27 551	6.5	6.4	12.6
Biogen Idec Inc	19 017	7.0	5.9	12.6	19 017	7.0	5.9	12.6
J.C. Penney	21 148	6.5	5.1	12.5	21 148	6.5	5.1	12.5
Masco	38 540	4.8	4.5	12.3	38 540	4.8	4.5	12.3
Waste Mangement	41 232	8.5	7.3	12.3	41 232	8.5	7.3	12.3
Marsh & McLennan Cos	40 978	5.7	5.9	12.2	40 978	5.7	5.9	12.2
Equity Residential Properties	-	0.0	0.0	12.2	0	0.0	0.0	12.2
Boston Scientific	94 091	7.4	5.9	12.1	94 091	7.4	5.9	12.1
Xerox	70 760	6.6	6.2	12.1	70 760	6.6	6.2	12.1
Nisource Inc	42 610	4.6	4.4	12.0	42 610	4.6	4.4	12.0
Price (T. Rowe) Group	20 377	6.4	6.7	12.0	20 377	6.4	6.7	12.0
BB&T Corp	40 464	8.7	6.7	11.7	40 464	8.7	6.7	11.7
McDermott	17 491	5.8	5.6	11.7	17 491	5.8	5.6	11.7
		3 725.6	3 607.1	8 432.9		3 725.6	3 607.1	8 432.9
Austria								
Raiffeisen International Bank Holding					11 877	9.8	9.8	9.8
Omv	18 219	7.0	8.0	21.4	18 219	7.0	8.0	21.4
		7.0	8.0	21.4		16.9	17.8	31.2
Other shares not specified								
Other Oceania		672.8	559.2	1 275.2		672.8	559.2	1 275.2
Other Europe		654.2	599.2	1 242.8		654.2	599.2	1 242.8
Other North-America		809.6	707.8	1 428.3		809.6	707.8	1 428.3
Other contry		75.7	73.9	138.7		75.7	73.9	138.7
		2 212.3	1 940.1	4 084.9		2 212.3	1 940.1	4 084.9
Total foreign shares		10 824.9	10 434.3	22 230.3		18 695.4	18 532.1	30 328.1
Of which listed international equities			9 652.2	21 448.2			16 437.0	28 233.0
Mutual investments manages by Storebrand Kapitalforvaltning								
SBL Vintage 1999 Ltd - Class B-1	184 300 511	247.7	285.7	285.7	184 300 511	247.7	285.7	285.7
Storebrand Nord Amerika I	6 814 967	4 974.7	5 142.1	5 142.1	6 814 967	4 974.7	5 142.1	5 142.1
Storebrand Europa I	2 120 978	3 015.8	3 407.0	3 407.0	2 120 978	3 015.8	3 407.0	3 407.0
Storebrand Global Quant Equity	2 000 000	2 000.0	1 797.4	1 797.4	2 000 000	2 000.0	1 797.4	1 797.4
Storebrand Asia Pacific Indeks I	1 538 764	1 494.0	1 460.4	1 460.4	1 538 764	1 494.0	1 460.4	1 460.4
Storebrand Alpha SICAV-Europe Class M	102 587	856.3	971.9	971.9	102 587	856.3	971.9	971.9
Storebrand Alpha SICAV-Global Technology Class I	117 822	772.1	762.2	762.2	117 822	772.1	762.2	762.2
Storebrand Alpha SICAV-Global Energy Class I	102 919	610.6	620.4	620.4	102 919	610.6	620.4	620.4
Storebrand Investment Fund - Storebrand TA Fund	758 035	613.4	570.0	570.0	758 035	613.4	570.0	570.0
Storebrand WGA Health Care	60 865	66.7	70.5	70.5	60 865	66.7	70.5	70.5
Storebrand Global Institusjon	41 048	54.0	53.4	53.4	41 048	54.0	53.4	53.4
Storebrand Energi	24 493	23.6	45.5	45.5	24 493	23.6	45.5	45.5
Storebrand Futura 2	10 000	10.0	10.5	10.5	10 000	10.0	10.5	10.5
Other mutual investments				2 942.6		0.0	0.0	2 942.6
Total		14 738.8	15 197.0	18 139.5		14 738.8	15 197.0	18 139.5
Mutual investements manages by SPP Fondförsäkring EK								
SPP Generation 40-tal					112 371	17.7	18.3	18.3
SPP Generation 50-tal					233 577	50.7	55.7	55.7
SPP Generation 60-tal					215 072	55.1	62.5	62.5
SPP Generation 70-tal					104 004	11.5	13.1	13.1
SPP gen FIF 40-tal					101 431	8.5	9.1	9.1
SPP gen FIF 50-tal					101 428	8.5	9.9	9.9
SPP gen FIF 60-tal					101 428	8.5	10.3	10.3
SPP gen FIF 70-tal					101 427	8.5	10.4	10.4
SPP gen FIF 80-tal					101 427	8.5	10.4	10.4
Total						177.6	199.8	199.8

NOK MILLION	STOREBRAND LIVSFORSIKRING AS				STOREBRAND LIVSFORSIKRING GROUP			
	NUMBER HELD	ACQUISITION COST*)	MARKET VALUE	MARKET VALUE INCLUDE INDIRECT INVESTMENT IN FUND	NUMBER HELD	ACQUISITION COST*)	NUMBER HELD	MARKET VALUE INCLUDE INDIRECT INVESTMENT IN FUND
Other mutual investments								
Aberdeen ESPF					300 000	232.7	238.2	238.2
AIPP Asia					796 464	44.4	40.7	40.7
Cert Europé					51 723	765.2	730.6	730.6
Cert EWZ ETF					307 873	131.3	134.8	134.8
DB X MSCI EM					5 012 328	1 201.3	1 204.6	1 204.6
DB X-Trackers MSCI Emerging index fund					603 482	144.6	145.0	145.0
Handelsbanken Aktieindexfond					13 185	54.5	68.8	68.8
Handelsbanken Europafond index					287 635	21.7	23.9	23.9
Handelsbanken Reavinstfond					256 675	266.7	228.4	228.4
Handelsbanken Småbolagsfond					309 080	158.2	135.0	135.0
HB Asset Management Pan Europé Fund					2 907	307.1	309.4	309.4
HBF Hedgefond					9 559 370	807.9	763.9	763.9
HBF NordSmå A1					3 293 874	1 428.1	1 227.0	1 227.0
HBF Reavinst A1					2 024 398	1 988.7	1 801.8	1 801.8
HBF SverigeSel					6 526 399	870.3	793.2	793.2
Ishares Brazil					112 640	46.2	49.4	49.4
Ishares FTSE China 25 index fund					19 383	20.1	18.0	18.0
Ishares MSCI India index fund					221 274	10.0	11.5	11.5
Ishares MSCIEmM					684 753	437.5	558.8	558.8
LUX PAN EUROPE					18 031	1 887.9	1 919.0	1 919.0
LUX Sic II SEK					8 793 606	738.9	749.0	749.0
Merril Lynch New Energy					2 855 503	206.9	249.5	249.5
MSCI China 25					223 624	149.9	207.2	207.2
MSCI India					2 534 578	83.3	131.4	131.4
Morgan Stanley Cert Japan					1 515 009	190.9	161.0	161.0
Perles S&P Val					9 898	162.0	150.7	150.7
Powershares QQQ					786 475	210.2	218.8	218.8
Powershares QQQ Nasdaq 100					26 075	6.9	7.3	7.3
Standard & Poor Depository Receipt					8 830 775	7 333.4	7 016.3	7 016.3
Topix ETF					20 207 468	1 817.3	1 463.4	1 463.4
XACT FTSE Euro					593 724	304.4	301.8	301.8
XACT FTSE RAFI Fundamental Euro					96 305	49.7	49.0	49.0
XACT FTSE RAFI Fundamental Sweden					5 795 245	270.1	226.2	226.2
XACT OMXSB					782 123	268.7	222.1	222.1
Storebrand Multi Strategy Limited - class C-3	2 532 973	1 202.7	1 426.0	1 426.0	2 532 973	1 202.7	1 426.0	1 426.0
Storebrand Special Opportunities Ltd. - B3	984 011 311	1 000.0	1 277.9	1 277.9	984 011 311	1 000.0	1 277.9	1 277.9
Storebrand Special Opportunities II Ltd. - B3	182 096 292	1 000.3	1 004.3	1 004.3	182 096 292	1 000.3	1 004.3	1 004.3
Storebrand International Private Equity V Ltd - B3	686 023 459	658.4	681.9	681.9	686 023 459	658.4	681.9	681.9
Storebrand International Private Equity VI Ltd -B3	634 351 823	600.0	574.1	574.1	634 351 823	600.0	574.1	574.1
JPMorgan Infrastructure Investments Fund (IIF)	101 406 250	574.8	550.6	550.6	101 406 250	574.8	550.6	550.6
BelAir (Lux) Sustain. Altern. SRI FUND Class BB	1 000 000	535.7	548.1	548.1	1 000 000	535.7	548.1	548.1
Storebrand International Private Equity IV - B2	361 174 069	375.0	524.1	524.1	361 174 069	375.0	524.1	524.1
AIPP Active - Partial Draw Down	50 001 666	405.3	428.7	428.7	50 001 666	405.3	428.7	428.7
Storebrand International Private Equity VII Ltd-B3	365 716 324	360.0	354.0	354.0	365 716 324	360.0	354.0	354.0
Outlet Mall Fund	37 840 373	314.9	351.5	351.5	37 840 373	314.9	351.5	351.5
Storebrand Selecta Limited - Class C-3	564 594	236.4	326.3	326.3	564 594	236.4	326.3	326.3
Macquarie European Infrastructure Fund II - Eqfund	28 359 776	229.9	225.1	225.1	28 359 776	229.9	225.1	225.1
Abn Amro Infrastructure Capital Equity Partners	24 814 589	201.4	197.0	197.0	24 814 589	201.4	197.0	197.0
Storebrand Norwegian Private Equity 2006 Ltd. - B3	168 506 292	165.0	196.3	196.3	168 506 292	165.0	196.3	196.3
Grainger unitholder No.1 Limited	16 094 031	194.1	193.1	193.1	16 094 031	194.1	193.1	193.1

NOK MILLION	STOREBRAND LIVSFORSIKRING AS				STOREBRAND LIVSFORSIKRING GROUP			
	NUMBER HELD	ACQUISITION COST*)	MARKET VALUE	MARKET VALUE INCLUDE INDIRECT INVESTMENT IN FUND	NUMBER HELD	ACQUISITION COST*)	NUMBER HELD	MARKET VALUE INCLUDE INDIRECT INVESTMENT IN FUND
European Office Income Venture	18 923 021	152.4	187.8	187.8	18 923 021	152.4	187.8	187.8
European Retail Income Venture	19 553 087	159.4	167.6	167.6	19 553 087	159.4	167.6	167.6
Pradera European Retail Fund	19 148 709	157.4	167.2	167.2	19 148 709	157.4	167.2	167.2
CBRE Strategic Property Partners UK	13 566 278	158.3	165.7	165.7	13 566 278	158.3	165.7	165.7
API Eiendomsfond Norge	234	127.6	158.4	158.4	234	127.6	158.4	158.4
Lasalle Euro Growth II	15 460 968	123.1	148.5	148.5	15 460 968	123.1	148.5	148.5
Henderson PFI	12 009 237	145.8	145.4	145.4	12 009 237	145.8	145.4	145.4
TransEuropean Property Ltd. Partnership III	13 673 727	110.5	130.3	130.3	13 673 727	110.5	130.3	130.3
Carlye Europe Real Estate Partners L.P. II	15 341 212	122.5	125.4	125.4	15 341 212	122.5	125.4	125.4
Storebrand Emerging Private Equity Markets 2007 B3	119 349 828	120.0	125.4	125.4	119 349 828	120.0	125.4	125.4
Heitman European Property Partners III	11 373 796	92.9	98.4	98.4	11 373 796	92.9	98.4	98.4
Carlye Europe Real Estate Partners L.P.	9 686 669	78.0	86.9	86.9	9 686 669	78.0	86.9	86.9
Storebrand Emerging Private Equity Markets B3	98 072 736	90.0	78.9	78.9	98 072 736	90.0	78.9	78.9
Global Health Care Equity Portfolio	-	0.0	0.0	69.8	0	0.0	0.0	69.8
Apax France VI	5 244 852	43.1	67.5	67.5	5 244 852	43.1	67.5	67.5
Menlo Ventures IX	10 586 244	72.4	66.7	66.7	10 586 244	72.4	66.7	66.7
Frogmore Real Estate Partners L.P.	4 955 412	61.7	58.4	58.4	4 955 412	61.7	58.4	58.4
EQT IV ISS Co-Investment LP	5 000 000	39.5	58.3	58.3	5 000 000	39.5	58.3	58.3
Aker Asset Management Absolute Return Company plc	420 444	50.0	57.7	57.7	420 444	50.0	57.7	57.7
Storebrand Norwegian Private Equity 2007 Ltd. - B3	61 091 013	60.0	55.9	55.9	61 091 013	60.0	55.9	55.9
Ferd Private Equity (GP-I) Limited	6 484 811	6.5	54.7	54.7	6 484 811	6.5	54.7	54.7
Bain Capital Fund	5 066 309	34.9	54.2	54.2	5 066 309	34.9	54.2	54.2
HealthCap III. KB	79 454 881	68.2	53.5	53.5	79 454 881	68.2	53.5	53.5
European Property Invesators	9 671 849	77.1	50.7	50.7	9 671 849	77.1	50.7	50.7
Wand Partners	93	70.2	48.9	48.9	93	70.2	48.9	48.9
Apax Europe V - E, L.P.	4 225 358	34.6	40.4	40.4	4 225 358	34.6	40.4	40.4
Bridgepoint - The Second European PE Fund E	3 998 268	32.0	33.9	33.9	3 998 268	32.0	33.9	33.9
Apax France V	84	9.8	31.2	31.2	84	9.8	31.2	31.2
FSN Capital Limited Partnership II	3 277 635	25.7	30.5	30.5	3 277 635	25.7	30.5	30.5
J.W. Childs III, L.P.	4 385 587	28.0	29.9	29.9	4 385 587	28.0	29.9	29.9
Macquarie Global Property Advisors Asia Fund III	3 794 965	21.7	21.6	21.6	3 794 965	21.7	21.6	21.6
Storebrand International Private Equity III KB	3 000 000	2.7	20.4	20.4	3 000 000	2.7	20.4	20.4
Other		184.6	92.2	92.2	0	184.6	92.2	92.2
Total other mutual investments		10 614.6	11 571.8	11 641.6		33 231.4	33 127.5	33 197.3
Total shares and participations (short term holdings)		42 760.8	44 521.1	59 432.4		73 460.4	74 408.9	89 320.2
Acquisition cost at the exchange rate applicable on the balance sheet date		40 212.9						

*) Equal to acquisition cost in historical currency. The acquisition cost of shares held as fixed assets is also the book value. Uncalled commitment to subscribe capital to Limited Partnerships amounted to NOK 4,661 million at 31.12.07.

EXPOSURE IN THE STOCK MARKET 2007

Storebrand Livsforsikring AS

Storebrand Livsforsikring has throughout the year reduced its exposure in the stock market. The stock exposure including derivatives, represented 28 percent of total asset under management at the beginning of the year, compared to 26 percent at year end.

The company's stock investments are divided between the four regions: Norway, Europe, North America and Asia. The investments will be distributed over these regions base on ratios stated in the company's investment policy, unless the asset manager's market vision suggests other alternatives. The risk and return related to departure from the investment policy is carefully monitored.

Material positions in non-listed stocks will only be found in the company's "private equity" investment portfolio. Such investments are considered to be more risky and have a higher return compared to more conventional investments in listed companies, and will normally have a lower degree of liquidity in the period prior to its introduction to a stock exchange listing. At year end, the "private equity" portfolio had a market value of approx. NOK 6 billion.

SPP

The stock exposure in SPP was just under 40 percent, allocated on between Swedish, Nordic and international stocks. As part of SPP's investment strategy, a dynamic risk management model is developed and the portion of stocks will vary relative to the solidity of the company. This means that investments in risky assets will be limited to the proper portion of the company's risk bearing means at all times.

13 } PARENT COMPANY'S HOLDING OF SHARES IN SUBSIDIARIES AND CONNECTED COMPANIES

NOK MILLION COMPANY	EQUITY METHOD		BOOK VALUE 31.12.	INTEREST IN %	VOTING INTEREST IN %	BOOK VALUE 1.1.	RECOGNISED PROFIT 2007
	ACQUISITION COST	BOOK EQUITY					
Aktuar Systemer AS, Filipstad br.1, 0114 Oslo	13.6	-9.7	3.9	100.0%	100.0%	4.8	0.6
Storebrand Pensjonstjenester AS, Filipstad br.1, 0114 Oslo	10.1	-5.3	4.8	100.0%	100.0%	6.8	10.8
AS Værdalsbruket, 7660 Vuku	0.1	44.5	44.6	74.9%	74.9%	41.4	4.8
Storebrand Eiendom AS, Filipstad br.1, 0114 Oslo	2.0	-1.2	0.8	100.0%	100.0%	4.0	1.5
Storebrand Holding AB, Stockholm	7 015.6	-99.0	6 916.6	100.0%	100.0%		-17.0
Storebrand Finansiell Rådgivning, Filipstad Brygge 1, 0114 Oslo	75.3	-32.0	43.3	100.0%	100.0%		-27.6
Foran Real Estate, Latvia	163.4	10.0	173.4	77.7%	77.7%		9.7
Subsidiaries	7 280.1	-92.7	7 187.4			57.0	-17.2
Sjølyst Eiendom AS, Sjølyst Plass 2, 0278 Oslo						155.4	2.5
Jointly-controlled companies						155.4	2.5
Shares and participations in associated companies	7 280.1	-92.7	7 187.4			212.4	-14.7
Nordben Life and Pension Insurance Co. LTD	21.1	44.7	65.8	25.0%	25.0%	75.8	6.5
Active Travel AS	2.0		2.0	40.0%	40.0%		
Norsk Pensjon AS	5.0	-1.5	3.6	25.0%	25.0%	2.5	-1.5
Caveo ASA	124.1	-30.3	93.7	48.7%	48.7%	89.3	-30.3
Associated companies Storebrand Livsforsikring AS	152.2	12.9	165.1			75.8	-25.3

For notes on properties owned through a limited company see Note 22- Real estate.

Shares in Caveo ASA were acquired on 11 December 2006. Further acquisitions made at 26 September 2007.

Total ownership amounts to 48.7%. Goodwill is amortized by 8,6 million and written down by 15 million during the year.

Recorded goodwill amounts to 35.5 million kroner at 31.12.07.

Associated companies Storebrand Livsforsikring Group

NOK MILLION	ACQUISITION COST	BOOK VALUE 1.1.	ADDITION/ DISPOSAL	RECOGNISED PROFIT 2007	BOOK VALUE 31.12.	INTEREST IN %
Norben Life and Pension Insurance CO. Ltd *)	29.5	75.8		6.4		75.0 %
Caveo ASA	21.1	89.3	34.7	6.5	93.7	48.7 %
Norsk Pensjon AS	2.5	2.5	2.5	-1.4	3.6	25.0 %
InnTre Holding AS	2.2	40.2		6.4	46.6	34.3 %
Active Travel AS	0.0		2.0	2.5	0.0	40.0 %
Total	160.3	207.9	39.2	-18.9	145.9	

*) Storebrand Livsforsikring AS directly owns 25% of the shares in Nordben Life and Pension Insurance CO. Ltd. SPP owns 50% of the Shares in Nordben, meaning the group's total interest has increased to 75% with the acquisition of SPP. 25% of the result in the company has been included in 2007 according to the equity method, while the balance sheet has been consolidated in its entirety.

14 } BONDS AND OTHER FIXED-INCOME SECURITIES

Storebrand Livsforsikring AS

NOK MILLION	SHORT-TERM DEBT INSTRUMENTS	BONDS	TOTAL	FIXED- INCOME FUND	SECURITY LENDING, COLLATERAL, CASH REINVESTED IN INTEREST BEARING SECURITIES	TOTAL
Short-term debt instruments and bonds held as current assets						
Market value	2 102.4	37 326.4	39 428.8	8 156.5	423.3	48 008.5
Of which listed securities	758.2	31 153.2	31 911.4	0.8		31 912.2
Acquisition cost	2 117.2	38 857.6	40 974.9	8 347.9	446.8	49 769.5
Nominal value	2 108.0	37 118.3	39 226.3			39 226.3
Direct investment in short-term debt instruments and bonds	2 102.4	37 326.4	39 428.8		423.3	39 852.1
Indirect investments in commercial paper and bonds through mutual funds managed by Storebrand	932.9	5 114.9	6 047.7			6 047.7
Fixed-income fund not managed by Storebrand				719.7		719.7
Interest accrued but not yet due.	14.8	530.0	544.8			544.8
Base amount for analysis by sector and currency	3 050.0	42 971.3	46 021.3	719.7	423.3	47 164.3
Public sector	1 680.8	13 373.1	15 053.9			15 053.9
Financial institutions	1 289.9	22 070.0	23 359.9	719.7	423.3	24 502.9
Other issuers	79.3	7 528.2	7 607.5			7 607.5
Sum	3 050.0	42 971.3	46 021.3	719.7	423.3	47 164.3
Modified duration (interest sensitivity)	0.48	2.28	2.04			
Average effective yield	5.49	4.56	4.55			

The effective yield for each security is calculated using the booked value and the observed market price (market value). Calculated effective yields are weighted to give an average effective yield for the total portfolio on the basis of each security's share of the total interest rate sensitivity.

NOK MILLION	SHORT-TERM DEBT INSTRUMENTS	BONDS	FIXED-INCOME FUNDS	TOTAL
By currency				
AUD		49.6		49.6
CAD		409.1		409.1
CHF		91.0		91.0
DKK		145.2		145.2
EUR	79.3	13 542.6	94.6	13 716.5
GBP		1 025.4		1 025.4
JPY		820.9		820.9
NOK	2 130.0	21 554.9	18.3	23 703.2
SEK		130.6		130.6
USD	840.7	5 625.2	606.9	7 072.8
Commercial paper and bonds held as current assets	3 050.0	43 394.6	719.7	47 164.3

Storebrand Livsforsikring Group

NOK MILLION	SHORT-TERM DEBT INSTRUMENTS	BONDS	TOTAL	FIXED- INCOME FUND	SECURITY LENDING, COLLATERAL, CASH REINVESTED IN INTEREST BEARING SECURITIES	TOTAL
Short-term debt instruments and bonds held as current assets						
Market value	10 997.6	87 431.4	98 429.1	8 156.5	423.3	107 008.8
Of which listed securities	9 275.4	80 599.4	89 874.8	0.8	0.0	89 875.6
Acquisition cost	10 908.1	89 718.9	100 627.0	8 347.9	446.8	109 421.6
Nominal value	11 045.5	85 616.2	96 661.8	0.0	0.0	96 661.8
Direct investment in short-term debt instruments and bonds						
	10 997.6	87 431.4	98 429.1	0.0	423.3	98 852.4
Indirect investments in commercial paper and bonds through mutual funds managed by Storebrand						
Fixed-income fund not managed by Storebrand	932.9	5 114.9	6 047.7	0.0	0.0	6 047.7
Interest accrued but not yet due.	0.0	0.0	0.0	719.7	0.0	719.7
Base amount for analysis by sector and currency	14.8	1 381.2	1 396.0	0.0	0.0	1 396.0
Base amount for analysis by sector and currency	11 945.3	93 927.5	105 872.8	719.7	423.3	107 015.8
Public sector						
Financial institutions	5 475.2	45 136.3	50 611.4	0.0	0.0	50 611.4
Other issuers	3 635.0	24 695.2	28 330.2	719.7	423.3	29 473.2
Sum	2 835.1	24 096.1	26 931.2	0.0	0.0	26 931.2
Sum	11 945.3	93 927.5	105 872.8	719.7	423.3	107 015.8
Norwegian activities						
Modified duration (interest sensitivity)	0.48	2.28	2.04			
Average effective yield	5.49	4.56	4.55			
Swedish activities						
Modified duration (interest sensitivity)	0.22	5.29	4.53			
Average effective yield	4.36	4.13	4.17			

The effective yield for each security is calculated using the observed market price. For the Swedish activities the effective rate is quoted.

Calculated effective yields are weighted to give an average effective yield on the basis.

NOK MILLION	SHORT-TERM DEBT INSTRUMENTS	BONDS	FIXED-INCOME FUNDS	TOTAL
By currency				
AUD	0.0	49.6	0.0	49.6
CAD	0.0	409.1	0.0	409.1
CHF	0.0	91.0	0.0	91.0
DKK	0.0	145.2	0.0	145.2
EUR	79.3	16 063.0	94.6	16 236.9
GBP	0.0	1 025.4	0.0	1 025.4
JPY	0.0	820.9	0.0	820.9
NOK	2 130.0	21 554.9	18.3	23 703.2
SEK	8 895.3	48 566.4	0.0	57 461.7
USD	840.7	5 625.2	606.9	7 072.8
Commercial paper and bonds held as current assets	11 945.3	94 350.8	719.7	107 015.8

15 } BONDS TO BE HELD TO MATURITY

NOK MILLION	NOMINAL VALUE	ACQUISITION COST	BOOK VALUE	MARKET VALUE	AMORTISATION OUTSTANDING
Bonds held to maturity - Norwegian					
Public sector	27 110.3	28 043.3	27 724.0	28 274.6	613.7
Financial issuers	12 316.5	12 280.6	12 305.1	11 794.3	-11.4
Other issuers	351.0	352.1	351.0	351.2	0.0
Total portfolio	39 777.8	40 676.1	40 380.1	40 420.1	602.3
Of which listed securities	26 891.0	27 745.7	27 460.4	27 972.3	569.4
Currency					
NOK	39 777.8	40 676.1	40 380.1	40 420.1	685.9
Modified duration (interest rate sensitivity)				4.04	
Average effective yield			5.38	5.42	

The effective yield of individual fixed income securities is calculated on the basis of both the observed market price and the booked value. The weighted average effective yield for the total portfolio is calculated on the basis of weighting by each security's proportion of the total interest rate sensitivity. Interest accrued but not yet due totalled NOK 1 102 million.

16 } FINANCIAL DERIVATIVES

Storebrand Livsforsikring makes active use of financial derivatives. Derivative contracts are used in particular to make effective use of exposure to investment risk in order to create the potential for a sound long-term risk-adjusted investment return. Derivatives often provide a quicker, simpler and cheaper way to increase or reduce exposure to specific risks, and can also be used to protect the investment portfolio against adverse developments. The individual share and bond portfolios use financial derivatives to manage the overall risk exposure within the limits applied. Definitions of the various derivatives contracts used can be found in the "Terms and expressions" section.

Nominal volume

Financial derivative contracts are related to underlying amounts which are not capitalised in the balance sheet. Gross, net and average nominal volume give an indication of the size of the derivative position relative to the underlying values. Gross nominal volume principally indicates the size of the exposure, whilst net nominal volume gives some indication of risk exposure by taking into account the direction of market risk exposure the derivative position represents. Average nominal volume gives an indication of the size of the derivative exposure over the course of the year.

Storebrand Livsforsikring AS

NOK MILLION	GROSS NOMINAL VOLUME	AVERAGE NOMINAL VOLUME	NET NOMINAL VOLUME	MARKET VALUE	
				ASSETS	LIABILITIES
Share options	17 228.5	6 654.7	-17 228.5	461.1	0.0
Forward equity contracts	0.0	1 654.6	0.0	0.0	0.0
Stock index futures	11 113.7	7 350.9	11 113.7	0.0	0.0
Total equity derivatives	28 342.1	15 660.2	-6 114.8	461.1	0.0
Forward rate agreements	870 919.2	761 485.5	-128 917.3	240.2	-192.7
Interest rate futures	5 555.7	4 930.0	3 581.0	0.0	0.0
Interest rate options	7 500.0	10 500.0	7 500.0	0.4	0.0
Interest rate swaps	76 594.2	74 135.6	13 433.9	521.0	-797.1
Total interest rate derivatives	960 569.1	851 051.2	-104 402.3	761.6	-989.8
Forward foreign exchange contracts	123 977.8	98 922.4	-61 514.8	1 174.3	-635.2
Total currency derivatives	123 977.8	98 922.4	-61 514.8	1 174.3	-635.2
Credit derivatives	13 224.3	16 769.3	4 986.3	52.8	-91.8
Total credit derivatives	13 224.3	16 769.3	4 986.3	52.8	-91.8
Total derivatives	1 126 113.3	982 403.1	-167 045.6	2 449.8	-1 716.7
Indirect investments in funds				-700.8	-674.1
Booked value				1 749.0	-1 042.6

Investments in credit derivatives includes only indirect investments funds managed by Storebrand Kapitalforvaltning.

Storebrand Livsforsikring Group

NOK MILLION	GROSS NOMINAL VOLUME	AVERAGE NOMINAL VOLUME	NET NOMINAL VOLUME	MARKET VALUE	
				ASSETS	LIABILITIES
Share options	32 346.2	18 610.8	-6 582.5	1 537.4	-59.8
Forward equity contracts	0.0	1 654.6	0.0	0.0	0.0
Stock index futures	15 262.6	13 734.9	11 545.4	40.4	-37.8
Total equity derivatives	47 608.8	34 000.2	4 962.8	1 577.8	-97.6
Forward rate agreements	870 919.2	761 485.5	-128 917.3	240.2	-192.7
Interest rate futures	10 270.8	14 568.5	5 891.9	13.8	-10.4
Interest rate options	31 772.6	31 014.8	28 279.5	82.8	-26.7
Interest rate swaps	200 553.7	119 736.8	75 413.6	1 075.2	-1 856.9
Total interest rate derivatives	1 113 516.3	926 805.6	-19 332.2	1 412.1	-2 086.6
Forward foreign exchange contracts	148 523.6	118 118.9	-49 241.9	1 203.5	-780.4
Total currency derivatives	148 523.6	118 118.9	-49 241.9	1 203.5	-780.4
Credit derivatives	13 224.3	16 769.3	4 986.3	52.8	-91.8
Total credit derivatives	13 224.3	16 769.3	4 986.3	52.8	-91.8
Total derivatives	1 322 873.0	1 095 694.0	-58 624.9	4 246.2	-3 056.4
Indirect investments in funds				-700.8	-674.1
Booked value				3 545.4	-2 382.3

17 } FINANCIAL RISK

Storebrand Livsforsikring AS

LIQUIDITY RISK

Contractual period to maturity

CURRENT/FIXED ASSETS	UP TO 1 MONTH	1 TO 3 MONTHS	3 MONTHS TO 1 YEAR	1 TO 5 YEARS	OVER 5 YEARS	NO FIXED MATURITY	TOTAL VALUE
Long term shares and investments						7 358.3	7 358.3
Lending			88.9	616.3	2 000.9	15.5	2 721.6
Loan to SB Holding AB					6 889.0		6 889.0
Bonds held to maturity		829.9	1 159.6	20 339.4	19 153.2		41 482.1
Fixed term deposits	98.2						98.2
Bonds and other fixed-income securities	294.7	1 790.7	3 795.2	22 063.2	18 076.9	1 143.7	47 164.3
Other current assets	349.5	147.1	70.7	350.1	-147.4	55 222.5	55 992.5
Total	742.3	2 767.6	5 114.3	43 369.1	45 972.6	63 740.0	161 705.9
Of which in foreign currency							
Long term shares and investments						7 155.9	7 155.9
Loan to SB Holding AB					6 889.0		6 889.0
Bonds and other fixed-income securities	293.6	1 545.0	1 511.0	6 240.6	12 745.4	0.7	22 336.4
Other current assets	357.1	100.5	-15.7	-39.7	18.2	34 050.9	34 471.5
Total in foreign currency	650.8	1 645.6	1 495.3	6 201.0	19 652.6	41 207.5	70 852.8

Contractual period to maturity provides only a partial view of the company's liquidity risk since in practice the majority of investment assets can be sold in the secondary market at shorter notice than the remaining maturity.

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Interest rate fixing

CURRENT/FIXED ASSETS	UP TO 1 MONTH	1 TO 3 MONTHS	3 MONTHS TO 1 YEAR	1 TO 5 YEARS	OVER 5 YEARS	NO FIXED PERIOD	TOTAL VALUE
Long term shares and investments						7 358.3	7 358.3
Lending	787.0	1 659.9	259.1			15.5	2 721.6
Loan to SB Holding AB		6 889.0					6 889.0
Bonds held to maturity		829.9	1 159.6	20 338.8	19 153.8	0.0	41 482.1
Fixed term deposits	98.2						98.2
Bonds and other fixed-income securities	7 899.2	18 535.7	3 655.4	5 758.3	10 172.0	1 143.7	47 164.3
Other current assets	-570.7	-13 962.9	2 380.6	8 552.9	4 370.0	55 222.5	55 992.5
Total	8 213.7	13 951.7	7 454.7	34 650.0	33 695.9	63 740.0	161 705.9
Of which in foreign currency							
Long term shares and investments						7 155.9	7 155.9
Loan to SB Holding AB		6 889.0					6 889.0
Bonds and other fixed-income securities	4 464.2	7 216.1	1 560.3	4 004.2	5 090.9	0.7	22 336.4
Other current assets	395.4	-3 071.0	-1 319.4	4 589.8	-174.3	34 050.9	34 471.5
Total in foreign currency	4 859.6	11 034.1	240.9	8 594.0	4 916.6	41 207.5	70 852.8

INTEREST RATE RISK

Interest rate sensitivity

NOK MILLION	UP TO 1 MONTH	1 TO 3 MONTHS	3 MONTHS TO 1 YEAR	1 TO 5 YEARS	OVER 5 YEARS	TOTAL
Short term portfolios						
AUD		1.7	-0.1	-0.7	-1.1	0.0
CAD	0.2	0.9	-0.9	-2.8	-17.0	-19.6
EUR	2.7	13.5	-35.0	-191.2	-245.8	-455.8
GBP	0.5	5.9	-0.4	-14.0	-70.8	-78.8
JPY	0.5	4.9	0.0	-12.1	-88.1	-94.8
NOK	-12.2	-47.5	14.7	-35.9	-541.7	-622.5
USD	3.5	26.4	-6.2	-38.6	-113.9	-128.9
Other currency	0.4	3.3	-0.5	-3.7	-6.4	-7.0
Total	-4.5	9.3	-28.4	-299.0	-1 084.8	-1 407.4
Long term holdings/subordinated loans						
EUR		10.1				10.1
NOK		3.6	-9.1	-627.1	-1 041.1	-1 673.7
SEK		-15.1				-15.1
Total		-1.4	-9.1	-627.1	-1 041.1	-1 678.7
Total quantified interest rate sensitivity	-4.5	7.9	-37.4	-926.1	-2 125.9	-3 086.0

Interest rate sensitivity is a measure of interest rate risk based on how changes in interest rates will affect the market value of bonds, interest rate derivatives and other interest rate sensitive financial items. This summary shows how the values of financial current assets and financial fixed assets (bonds held to maturity) at 31 December 2007 would be affected by an increase of 1 percentage point in all interest rates. Storebrand creates interest rate positions through its assets in order to partly offset the interest rate risk implicit in the company's insurance obligations. However, the interest rate risk represented by insurance policies cannot be calculated and quantified in the same way as interest rate risk for financial items.

Storebrand Livsforsikring Group

LIQUIDITY RISK

Contractual period to maturity

CURRENT/FIXED ASSETS	UP TO 1 MONTH	1 TO 3 MONTHS	3 MONTHS TO 1 YEAR	1 TO 5 YEARS	OVER 5 YEARS	NO FIXED MATURITY	TOTAL VALUE
Long term shares and investments						151.6	151.6
Lending			88.9	616.3	2 000.9	15.5	2 721.6
Bonds held to maturity		829.9	1 159.6	20 339.4	19 153.2		41 482.1
Fixed term deposits	98.2						98.2
Bonds and other fixed-income securities *)	181.7	7 600.4	7 305.8	42 830.8	42 665.4	3 664.1	104 248.2
Other current assets	294.0	86.5	70.7	341.3	-135.2	85 985.4	86 642.8
Total	573.9	8 516.8	8 624.9	64 127.9	63 684.3	89 816.6	235 344.4
Of which in foreign currency							
Bonds and other fixed-income securities	180.7	7 354.8	5 021.6	27 008.2	37 333.8	2 521.1	79 420.3
Other current assets	301.6	40.0	-15.7	-48.4	30.4	64 813.9	65 121.8
Total in foreign currency	482.4	7 394.7	5 005.9	26 959.8	37 364.2	67 335.0	144 542.1

*) Bonds and other fixed-income securities without contractual maturity dates consist of bond funds, security lending collateral reinvested in interest-bearing securities and bonds in Nordben Life and Pension Insurance Co. Ltd.

Residual contractual period provides only limited information on the company's liquidity risk since the majority of investment assets can be realised in the secondary market earlier than expiry of the contractual period.

CONTRACTUAL PERIOD TO MATURITY

CURRENT/FIXED ASSETS	UP TO 1 MONTH	1 TO 3 MONTHS	3 MONTHS TO 1 YEAR	1 TO 5 YEARS	OVER 5 YEARS	NO FIXED PERIOD	TOTAL VALUE
Long term shares and investments	0.0	0.0	0.0	0.0	0.0	151.6	151.6
Lending	787.0	1 659.9	259.1	0.0	0.0	15.5	2 721.6
Bonds held to maturity	0.0	829.9	1 159.6	20 338.8	19 153.8	0.0	41 482.1
Other long term assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fixed term deposits	98.2	0.0	0.0	0.0	0.0	0.0	98.2
Bonds and other fixed-income securities *)	13 197.4	17 589.4	298.0	29 112.1	40 387.2	3 664.1	104 248.2
Other current assets	-626.2	-14 023.4	2 380.6	8 544.1	4 382.2	85 985.4	86 642.8
Total	13 456.5	6 055.8	4 097.3	57 995.0	63 923.2	89 816.6	235 344.4
Of which in foreign currency							
Bonds and other fixed-income securities	9 762.4	6 269.8	-1 797.1	27 358.0	35 306.0	2 521.1	79 420.3
Fixed term deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other current assets	340.0	-3 131.6	-1 319.4	4 581.0	-162.1	64 813.9	65 121.8
Total in foreign currency	10 102.4	3 138.2	-3 116.5	31 939.1	35 143.9	67 335.0	144 542.1

*) Bonds and other fixed-income securities without contractual maturity dates consist of bond funds, security lending collateral reinvested in interest-bearing securities and bonds in Nordben Life and Pension Insurance Co. Ltd.

INTEREST RATE RISK

Interest rate sensitivity

NOK MILLION	UP TO 1 MONTH	1 TO 3 MONTHS	3 MONTHS TO 1 YEAR	1 TO 5 YEARS	OVER 5 YEARS	TOTAL
Short term portfolios						
AUD		1.7	-0.1	-0.7	-1.1	0.0
CAD		0.2	0.9	-0.9	-2.8	-19.6
EUR		2.7	13.5	-35.0	-228.7	-449.8
GBP		0.5	5.9	-0.4	-14.0	-78.8
JPY		0.5	4.9		-12.1	-94.8
NOK		-12.2	-47.5	14.7	-35.9	-622.5
SEK		-1.0	-10.1	-18.6	-588.0	-3 344.3
USD		3.5	26.4	-6.2	-38.6	-128.9
Other currency		0.4	3.3	-0.5	-3.7	-7.0
Total		-5.4	-0.8	-46.9	-924.4	-4 745.6
Long term holdings/subordinated loans						
EUR			10.1			10.1
NOK			3.6	-9.1	-627.1	-1 673.7
SEK			-15.1			-15.1
Total			-1.4	-9.1	-627.1	-1 678.7
Total quantified interest rate sensitivity		-5.5	-2.3	-56.0	-1 551.5	-6 424.3

Interest rate sensitivity is a measure of interest rate risk based on how changes in interest rates will affect the market value of bonds, interest rate derivatives and other interest rate sensitive financial items. This summary shows how the values of financial current assets and financial fixed assets (bonds held to maturity) at 31 December 2007 would be affected by an increase of 1 percentage point in all interest rates. Storebrand creates interest rate positions through its assets in order to partly offset the interest rate risk implicit in the company's insurance obligations. However, the interest rate risk represented by insurance policies cannot be calculated and quantified in the same way as interest rate risk for financial items.

CURRENCY RISK

Financial assets and liabilities in foreign currency

NOK MILLION	STOREBRAND LIVSFORSIKRING AS				STOREBRAND LIVSFORSIKRING GROUP					
	BALANCE SHEET ITEMS EXCL. CURRENCY DERIVATES NET BALANCE SHEET VALUE	CURRENCY FORWARDS NET SALES	NET POSITION		BALANCE SHEET ITEMS EXCL. CURRENCY DERIVATES NET BALANCE SHEET VALUE	CURRENCY FORWARDS NET SALES	NET POSITION			OF WHICH SPP IN NOK
			CURRENCY	IN			CURRENCY	IN	IN NOK	
				IN NOK				IN NOK		
Short term portfolios										
AUD	156.5	-150.6	5.9	28.3	156.5	-150.6	5.9	28.3		
CAD	219.9	-209.6	10.3	56.6	219.9	-209.6	10.3	56.6		
CHF	176.9	-169.6	7.3	34.9	214.6	-190.2	24.4	116.8	81.9	
DKK	322.2	-294.0	28.2	30.0	328.3	-297.4	31.0	33.0	3.0	
EUR	2 794.2	-2 764.1	30.0	238.3	3 383.8	-3 123.4	260.3	2 066.0	1 827.7	
GBP	357.9	-339.9	18.0	194.6	390.9	-367.7	23.2	251.3	56.7	
HKD	437.6	-405.4	32.2	22.4	441.9	-405.4	36.5	25.4	3.0	
JPY	55 480.1	-54 562.9	917.1	44.6	86 640.0	-73 046.0	13 594.1	656.1	611.5	
KRW					1 016.2	0.0	1 016.2	5.9	5.9	
NZD	163.4	-161.9	1.5	6.4	163.4	-161.9	1.5	6.4	0.0	
PLN	6.7	-6.4	0.3	0.7	6.7	-6.4	0.3	0.7	0.0	
SEK	639.6	-635.7	3.9	3.3	72 388.6	11 333.8	83 722.4	70 337.2	70 333.9	
SGD	44.8	-42.1	2.8	10.5	44.8	-42.1	2.8	10.5	0.0	
TRY					3.6	0.0	3.6	0.0	0.0	
USD	4 171.6	-4 080.2	91.4	496.2	5 997.5	-5 184.0	813.5	4 419.5	3 923.3	
ZAR					1.7	0.0	1.7	1.3	1.3	
Other				3.2	0.0	0.0	0.0	3.2		
Total short term portfolios				1 170.0				78 018.2	76 848.2	
Long term holdings/ subordinated loans										
EUR	-919.6	941.5	21.8	173.3	-919.6	941.5	21.8	173.3		
LVL	14.0	-14.0	0.0	0.3	14.0	-14.0	0.0	0.3		
SEK	16 508.7	-16 055.6	453.1	380.7	16 508.7	-16 055.6	453.1	380.7		
Total long term holdings/subordinated loans				554.2				554.2		
Insurance liabilities SPP SEK								-109 522.9	-109 522.9	
Total long-term foreign currency				554.2				-108 968.7	-109 522.9	
Total net currency position 2007				1 724.2				-30 950.5	-32 674.7	
Total net currency position 2006				565.6				565.6		
Total net currency position 2005				648.6				648.6		

The group actively hedges the major part of its foreign currency risk. Currency risk arises from investments in international securities, and to a lesser extent from subordinated loans denominated in foreign currencies. Currency risk is hedged through forward foreign exchange contracts at the portfolio level, and currency positions are regularly monitored within specified total limits. Short positions are closed no later than the business day following the date on which they arise. In addition, there are separate limits for creating active currency positions. These positions are included in the note relating to short-term debt instruments and bonds. The currency positions outstanding at 31 December 2007 are typical of the group's small limits for currency positions.

SPP

SPP practices currency hedging to a certain extent with respect to its international investments. In the case of equities the currency hedging will be between 50% and 100%, and for other classes of assets the currency hedging is 100%.

18 } STOCK LENDING

NOK MILLION	MARKET VALUE 2007 STOREBRAND LIVSFORSIKRING AS	MARKET VALUE 2007 STOREBRAND LIVSFORSIKRING GROUP
Total stock lending	765.9	1 307.3
Received collateral for Security Lending Programme J.P. Morgan	758.4	758.4
Received collateral for Security Lending Programme Handelsbanken		2 487.1
Collateral received as cash	423.3	423.3
Reinvested collateral bonds	423.3	423.3

Stock lending by country

NOK MILLION	MARKET VALUE 2007 STOREBRAND LIVSFORSIKRING AS	MARKET VALUE 2007 STOREBRAND LIVSFORSIKRING GROUP
Great Britain	71.2	71.2
Japan	134.2	321.5
France	228.5	246.3
Australia	100.2	100.2
USA	99.8	393.9
Spain	58.0	58.0
Germany		24.7
Other	74.1	91.6
Total	765.9	1 307.3

Stock lending by currency

NOK MILLION	MARKET VALUE 2007 STOREBRAND LIVSFORSIKRING AS	MARKET VALUE 2007 STOREBRAND LIVSFORSIKRING GROUP
USD	119.1	424.7
EUR	342.5	391.2
JPY	134.2	321.5
AUD	100.2	100.2
GBP	28.7	28.7
Other	41.1	41.1
Total	765.9	1 307.3

19 } UNDERLYING INVESTMENTS IN INVESTMENT PORTFOLIOS
FOR PRODUCTS WITH INVESTMENT CHOICE

The composition of the investment portfolios at 31 December 2007 was as follows:

NOK MILLION	MARKET VALUE
Cash position	127.7
Unsettled	0.1
AllianceBernstein Global Growth Trends	6.2
AllianceBernstein Global Value	6.2
American International Group	1.1
AT&T Inc	1.3
Bank of America Corp	1.1
BHP Billiton	1.0
Canon	1.1
Chevron Corp	1.3
Citigroup	1.1
Coca-Cola	1.1
Danske Fund Norge I	13.8
Danske Fund Norge Vekst	1.5
Danske Fund Norsk Likviditet I	5.4
Danske Fund Norsk Obligasjon	24.1
Delphi Europa	162.6
Delphi Norden	137.7

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NOK MILLION	MARKET VALUE
Delphi Norge	47.4
Delphi Vekst	34.0
Delphi Verden	184.4
Exxon Mobil	1.0
General Electric	1.1
Holberg Norden	9.0
Holberg Norge	1.3
Home Depot	1.1
Intel	1.1
International Business Machine (IBM))	1.3
Invesco Global Real Estate	3.5
Invesco Gt Leisure	4.2
Invesco GT PRC (Kina)	165.3
Johnsen & Johnsen	1.0
Korttidsplasseringer	440.6
Merck & Co	1.2
Merrill Lynch IIF Global Opportunities	3.5
Merrill Lynch IIF India Fund	11.7
Merrill Lynch IIF Japan Opportunities	2.7
Merrill Lynch World Energy	13.0
Microsoft	1.2
Mizuho Financial Group	1.0
MLIIF-Emerging Europe FD-Euro A2	38.8
Msdw Sicav Latin America	36.8
Nestle	1.1
Nokia A	1.1
Novartis	1.1
ODIN EUROPA SMB	11.8
Odin Offshore	0.3
Partners Group Listed Investments - Private Eq (P)	0.4
Pepsico Inc	1.0
Procter & Gamble	1.0
Royal Bank of Scotland	1.1
Schering-Plough Corp	1.0
Schlumberger	1.4
Schroder BRIC	27.3
Schroder Emerging Europe	0.4
Schroder Emerging Market Debt	10.5
Schroder ISF US Dollar Liquidity A Acc	0.1
Schroder Itl US SM & MC A--AC	2.2
Seligson Russian Pros Euro K	0.6
Skagen Global Fund	349.0
Skagen Kon-Tiki	416.9
Skagen Tellus	2.3
Storebrand Aksje Innland	245.5
Storebrand Asia	89.4
Storebrand Asia B	1.5
Storebrand Credit Fund	347.1
Storebrand Europa	206.5
Storebrand Futura 1	501.1
Storebrand Global	331.3
Storebrand Global Indeks I	926.4
Storebrand Global Institusjon	23.2
Storebrand Global Obligasjon A	375.3
Storebrand Japan	129.3
Storebrand Likviditet	275.2
Storebrand Nord-Amerika	195.7
Storebrand Norden	114.9
Storebrand Norge	139.1
Storebrand Obligasjon	519.2
Storebrand Obligasjon+	347.2
Storebrand Pensjonspar	103.2
Storebrand Pionér	9.5
Storebrand Privat Investor ASA	90.0
Storebrand Rente+	1 060.0
Storebrand Spar 2010	0.1
Storebrand Spar 2020	0.3
Storebrand Spar 2030	1.5
Storebrand Spar 2040	0.1

NOK MILLION	MARKET VALUE
Storebrand Teknologi	57.2
Storebrand Vekst	67.0
Storebrand Verdi	390.3
Storebrand WGA Health Care	36.2
Time Warner	1.1
TRowe Price Fund Sivac Global High Yield Class AH	6.5
UBS	1.1
United Parcel Services	1.2
Vodafone Group	1.1
Wells Fargo	1.1
Total Investment fund	8 926.6

20 } LIFE INSURANCE ASSETS WITH INVESTMENTS CHOICE

NOK MILLION	NUMBER HELD	MARKET VALUE	RETURN 2007 %	RETURN 2007 % (SEK)
AB European Value Pf	2.5	0.0	-6.1	
AB Global Growth Trends Pf	16 437.8	6.2	-3.4	
AB Global Value Pf	65 578.53	6.3	-13.3	
ABN AMRO Pengemarked	1 083.06	0.8	0.0	
Catella Reavinst	517.25	0.1	0.0	
Danske Fund Norge I	2 842.73	13.9	11.5	
Danske Fund Norge Vekst	146.21	1.6	1.5	
Danske Fund Norsk Likviditet I	4 781.81	5.4	3.1	
Danske Fund Norsk Obligasjon	24 168.84	24.1	4.3	
Delphi Europa	97 415.00	162.9	1.0	
Delphi Norden	12 173.28	138.0	4.4	
Delphi Norge	4 790.24	47.4	16.7	
Delphi Vekst	10 038.07	34.0	14.6	
Delphi Verden	131 439.81	184.1	12.4	
Holberg Norden	40 267.28	9.2	6.5	
Holberg Norge	3 615.34	1.3	7.7	
Invesco Global Leisure Fund	35 109.32	4.2	-15.6	
Invesco Global Real Estate Securities	39 851.35	3.5	-10.1	
Invesco PRC Equity Fund (Kina)	474 544.65	162.7	44.7	
Lannebo ALPHA	7 158.57	0.1	0.0	
Lannebo Småbolag	2 941.38	0.1	-0.1	
MLIIF Emerging Europe Fund	36 372.54	38.8	15.9	
MLIIF Global Opportunities	17 574.60	3.5	0.9	
MLIIF India Fund	64 401.84	11.6	42.7	
MLIIF Japan Opportunities	12 446.35	2.7	-33.8	
MLIIF World Energy Fund	76 970.55	13.0	20.6	
MS Latin America	89 474.86	36.7	19.1	
ODIN Europa SMB	67 986.08	11.9	-14.2	
ODIN Offshore	935.54	0.3	10.7	
Partners Group Listed Private Equity	432.53	0.4	-10.4	
Russian Prosperity Fund Euro	745.44	0.6	-1.7	
Schroder BRIC (Braz Rus In Ch)	19 523.46	27.2	32.2	
Schroder Emerging Europe	1 792.34	0.4	13.2	
Schroder Emerging Market Debt	85 092.14	10.5	-8.9	
Schroder Euro Liquidity	3.74	0.0	0.4	
Schroder US Small & Mid Cap Equity	2 698.35	2.2	-3.3	
Schroder USD Liquidity	112.07	0.1	-11.1	
Skagen Global	432 928.36	349.5	8.2	
Skagen Kon-Tiki	781 989.62	352.5	22.4	
Skagen Tellus	23 200.26	2.3	-0.9	
T.Rowe Price Global High Yield Bond Fund	55 753.35	6.5	1.9	
T.Rowe Price US Large Cap Value Equity	39.90	0.0	-12.2	
Orkla Storebrand ipf2	228 535.63	285.0	4.4	
Storebrand Aksje Innland	174.41	5.7	14.3	
Storebrand Asia	43 353.57	78.0	13.1	
Storebrand Asia B	799.90	1.5	13.5	

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NOK MILLION	NUMBER HELD	MARKET VALUE	RETURN 2007 %	RETURN 2007 % (SEK)
Storebrand Futura 1 (Høyrente)	48 385.83	500.9	3.7	
Storebrand Global	221 832.12	330.8	-12.8	
Storebrand Global Institusjon	17 808.57	23.1	-12.8	
Storebrand Global Obligasjon A	65.89	0.7	5.4	
Storebrand Japan	41 126.42	46.1	-22.4	
Storebrand Likviditet	4 807.93	50.4	4.6	
Storebrand Link Balansert Allokering	633 115.73	1 044.8	3.8	
Storebrand Link Balansert Pensjon	5 871 174.46	794.1	5.1	
Storebrand Link Balansert Pensjon I	730 542.15	412.8	5.1	
Storebrand Link Balansert Pensjon N	73 199.97	79.1	5.1	
Storebrand Link Balansert Pensjon O	24 604.10	28.3	5.1	
Storebrand Link Bankkonto	407 621.91	486.1	4.1	
Storebrand Link Forsiktig Allokering	281 861.40	386.3	4.1	
Storebrand Link Forsiktig Pensjon	2 675 037.00	322.5	4.6	
Storebrand Link Forsiktig Pensjon I	251 910.39	137.6	4.6	
Storebrand Link Forsiktig Pensjon N	673.44	0.7	4.6	
Storebrand Link Forsiktig Pensjon O	59 439.69	65.5	4.6	
Storebrand Link Global Indeks ipf	32 894.12	3.5	-5.0	
Storebrand Link Global Topp 30	5 908.12	6.0	-8.4	
Storebrand Link Offensiv Allokering	97 379.43	183.7	2.8	
Storebrand Link Offensiv Pensjon	436 393.60	65.6	6.0	
Storebrand Link Offensiv Pensjon I	47 371.79	27.8	6.0	
Storebrand Link Offensiv Pensjon N	318.01	0.3	6.0	
Storebrand Link Offensiv Pensjon O	21 550.19	26.1	6.0	
Storebrand NHO Balansert Pensjon	401 775.02	463.4	5.1	
Storebrand NHO Forsiktig Pensjon	10 213.55	10.4	1.7	
Storebrand NHO Offensiv Pensjon	4 180.83	4.1	-2.1	
Storebrand Nord Amerika	16 133.38	16.8	-8.8	
Storebrand Norge	730.09	139.2	13.5	
Storebrand Obligasjon Institusjon	10 542.37	11.0	3.6	
Storebrand Obligasjon+	128 229.14	129.4	4.1	
Storebrand PensjonSpar	564 809.93	103.1	1.2	
Storebrand Pionér	12 249.87	9.5	-13.7	
Storebrand Rente+	613 958.54	641.7	4.3	
Storebrand Spar 2010	31.00	0.1	3.9	
Storebrand Spar 2020	91.66	0.3	6.3	
Storebrand Spar 2030	372.56	1.5	8.1	
Storebrand Spar 2040	14.69	0.1	9.8	
Storebrand Teknologi	53 618.00	57.6	2.0	
Storebrand Vekst	688.96	67.0	3.5	
Storebrand Verdi	397 148.91	167.9	16.6	
Storebrand WGA Health Care	31 281.56	36.4	-7.7	
Total investments regarding products with investement choice Storebrand Livsforsikring AS		8 928.8		
Aktiefond index	3.58	0.0		-3.2
Utlandsfonden	70 745.16	16.2		4.5
Europafonden	207 206.19	61.8		9.5
Räntefonden	5 168 112.66	435.7		2.6
Obligationsfonden	6 271.14	0.5		0.3
Asienfonden	723 984.71	203.7		25.6
Flermarknadsfonden	81 069.15	13.2		4.1
Reavinstfonden	21 773.89	19.3		-1.0
Avkastningsfonden	1 075 016.74	89.0		0.5
Amerikafonden	229 290.99	60.2		1.4
Japanfonden	262 311.49	12.1		-13.4
Latinamerikafonden	1 022 590.47	221.8		37.0
Nordenfonden	83 928.38	47.4		13.6
Småbolagsfonden	167 698.49	72.9		-6.4
Norgefonden	98 908.48	59.1		30.3
Östeuropafonden	663 242.65	338.1		24.0
Tillväxtmarknadsfonden	1 589 863.99	289.5		30.0
Norden småbolag	419 064.86	155.5		-1.1
Placeringsfonden Finland	914 814.83	32.9		14.2
Eurolandfond ränta	1 983 194.45	33.9		7.4
Eurolandfond obligation	845 511.44	16.5		4.8
Europa aggressiv	427 322.56	36.9		11.5
IT-fonden	407 631.97	11.5		7.9
SPP Generation 80	685 867.49	44.9		8.5

NOK MILLION	NUMBER HELD	MARKET VALUE	RETURN 2007 %	RETURN 2007 % (SEK)
SPP Generation 50	27 158 881.92	6 477.2		0.3
Norden aggressiv	350 001.19	32.2		12.6
Läkemedelsfonden	524 548.58	29.7		-3.3
SPP Aktieindex Sverige	4 415 293.53	589.8		-3.8
Sverige/Världen	46 239.74	7.5		0.2
SHB Fond i Fond 50	339 234.40	38.5		3.8
SHB Fond i Fond 100	425 319.69	60.8		6.4
SPP Frihet Aktieindex USA	3 863 720.84	281.4		-0.7
SPP Generation 40	16 285 229.96	2 650.7		3.9
SPP Generation 70	19 647 500.41	2 476.4		8.6
SPP Frihet Aktieindex Europa	6 090 886.03	608.8		10.0
SPP Aktieindex Japan	1 745 300.02	89.5		-12.4
SPP Index Global Sustainability	932 481.30	66.2		4.6
SPP Generation 60	25 278 408.83	7 341.0		8.4
SPP Frihet Aktie	2 057 558.90	744.7		-0.2
SPP Frihet Penningmarknad	2 731 085.14	259.2		2.9
SPP EMU Blandfond	263 083.81	28.0		10.3
SPP Frihet Obligation	3 261 831.98	308.4		0.9
Sverige Index Etisk	37 379.53	4.4		-5.2
Klick Sverige 90	93 294.66	8.8		-5.6
SHB Generationsfond Fond i Fond 40-tal	5 363.10	0.5		2.2
SHB Europa Selektiv	110 957.88	11.4		-8.2
SHB Norden Selektiv	122 055.69	16.2		0.7
SHB Sverige Selektiv	180 032.17	21.9		-6.5
SHB Generationsfond Fond i Fond 70-tal	4 383.67	0.4		6.6
SPP Generationsfond Fond i Fond 40-tal	316 990.91	28.4		1.2
SPP Generationsfond Fond i Fond 50-tal	657 040.60	64.4		5.6
SPP Generationsfond Fond i Fond 60-tal	762 315.35	77.6		6.8
SPP Generationsfond Fond i Fond 70-tal	420 774.86	43.3		6.8
SPP Generationsfond Fond i Fond 80-tal	150 711.29	15.5		6.8
SHB Indienfonden	2 031 831.52	285.4		59.1
Garantifond Plus	380 507.15	33.9		-5.8
AstraZenecafonden	5 342.55	2.5		-12.2
JPM Europe Small Cap Fund	261 878.16	32.9		-2.8
FF Global Sector Fund	9 871.07	0.8		7.8
JPM Japan Select Equity	3 413.36	1.8		-13.1
ML IIF US Focused Value Fund	2 062.23	0.5		-11.0
ML IIF US Opportunities Fund	48 623.13	31.9		6.8
ML IIF World Mining Fund	131 833.21	66.1		50.8
JPM Global Focus Fund A	3 481 425.31	420.1		4.2
ML IIF New Energy A2 Acc	564 863.95	49.4		47.1
FF Emerging Eur, Mid East & Africa	226 170.86	20.9		14.0
SHB Rysslandsfond	385 428.42	33.2		0.1
FF Pacific Fund	975 993.49	130.4		17.3
FF China Focus Fund	341 371.63	26.3		52.0
Total investments regarding products with investement choice SPP		25 791.5		
Total investments regarding products with investement choice Storebrand Livsforsikring group		34 720.3		

The items listed above does not include a 4.363.1 million kroner investment in Portfolio Bond (Handelsbanken Life and Pension, Ireland). These funds will be transferred to Handelsbanken in 2008. The transfer is contingent on a license.

21 } OTHER FINANCIAL ASSETS

Storebrand Livsforsikring Group

NOK MILLION	2007
Receivables in connection with reverse-repo	1 515.3
Investment portfolio in Nordben	3 338.1
Other financial assets	4 853.4

22 } REAL ESTATE: STOREBRAND LIVSFORSIKRING GROUP

NOK MILLION TYPE OF REAL ESTATE	MARKET VALUE	AVE. RENT PER SQ.M.	TERM OF LEASE	SQ.M.	PERCENTAGE LET
Office premises (inc. commercial premises, parking and storage)	12 208.9	1 202	4.7	697 424	98.4%
Shopping centres (inc. parking and storage)	9 504.2	1 518	4.0	390 078	99.1%
Parking	549.3	895	9.0	44 085	100.0%
Total directly-owned real estate	22 262.4	1 299	4.5	1 131 587	98.7%
Real estate owned by Værdalsbruket	7.6				
Real estate owned by Foran	64.0				
Total real estate - Group	22 334.0				

Geografic location	
Oslo- Vika/Fillipstad Brygge	4 945.5
Oslo - other	6 505.7
Shopping centres	9 504.2
Norway - other	1 307.0
Total	22 262.4

Ownership structure:	
Property company (AS)	22 262.4

NOK MILLION	2007	2006	2005	2004	2003
Additions	1 564.2	3 466.5	1 067.7	3 045.4	71.8
Disposals	-217.0	-434.0			-363.9

PROPERTY VALUATION METHODS

The company carries out its own assessment of the value of the properties which it owns. The properties are valued individually by discounting estimated future net income streams by a discount rate corresponding to the yield requirement for the relevant investment. The net income stream takes into account existing and future reduction in income resulting from vacancy, necessary investments and an assessment of the future development in market rents. The yield requirement is based on the expected future risk-free interest rate and an individually determined risk premium, dependent on the letting situation and the building's location and standard.

Actual value has been determined for all properties at 31.12.07.

23 } MOVEMENTS IN THE GROUP'S FIXED ASSETS DURING THE YEAR

Storebrand Livsforsikring AS

NOK MILLION	REAL ESTATE	MACHINERY, CARS AND EQUIPMENT	INTANGIBLE ASSETS	BONDS HELD TO MATURITY	LONG TERM SHARES AND INVESTMENTS
Acquisition cost at 1.1	17 118.5	56.4	0.5	43 098.8	4.2
Revaluations in the year	2 978.4			-	
Revaluations in earlier years	818.3		7.4	-	
Additions	1 564.2	19.6		-	5.1
Disposals at acquisition cost	-217.0			-2 644.3	-3.6
Re-classification	0.0		-0.5		
Amortised over/under value for the year	0.0			-74.3	
Aggregate write-downs and depreciation at 31.12.	0.0	-43.4		-	
Book value at 31.12.07	22 262.4	32.6	7.4	40 380.1	5.7
Revaluations/reversals for the year	2 974.8				
Ordinary depreciation for the year		-13.4			

Storebrand Livsforsikring Group

NOK MILLION	REAL ESTATE	MACHINERY, CARS AND EQUIPMENT	INTANGIBLE ASSETS	GOODWILL	BONDS HELD TO MATURITY	LONG TERM SHARES AND INVESTMENT
Acquisition cost at 1.1	17 351.1	61.5	117.8	0.4	43 098.8	4.2
Revaluations in the year	2 978.4		-	-	-	-
Revaluations in earlier years	818.3			-	-	-
Additions	1 628.4	43.4	8 711.9	886.5	-	5.1
Disposals at acquisition cost	-442.0			-0.4	-2 644.3	-3.6
Effekt av sikringsbøkerføring				-20.0		
Re-classification	-			-	-	-
Amortised over/under value for the year			-	-	-74.3	-
Aggregate write-downs and depreciation at 31.12.	-0.2	-67.7	-117.8	-	-	-
Book value at 31.12.07	22 334.0	37.2	8 711.9	866.5	40 380.1	5.7
Revaluations/reversals for the year			7.8			
Ordinary depreciation for the year						

Straight line depreciation periods for operating assets are as follows:

Machinery and fittings:	4 years
Cars	6 years
Computer systems:	3-6 years
Intangible assets:	3-6 years
Value of business-in-force	20 years
Other intangible assets regarding SPP	10 years
Goodwill	10 years

Intangible assets in Storebrand Livsforsikring AS consist of NOK 7,4 million related to a new sales reporting system. The Storebrand Livsforsikring group has access to intangible assets of NOK 8,705 million and goodwill of NOK 877 million related to the acquisition of SPP Livsforsikring AB. The identified excess value of the expected market value of acquired insurance obligations is significantly lower than the recorded value of actual obligations. The value, value of business-in-force, is estimated to NOK 7,715 million. The remainder of assets related to the acquisitions of SPP represents trademark, customer listings and an option on an additional acquisition from Handelsbanken. Such assets are for the being estimated to be NOK 990 million. The acquisition analysis is not final. Allocation of the various elements will be performed upon on completion of such analysis.

24 } HEDGE ACCOUNTING

Storebrand Livsforsikring AS

In 2007, Storebrand Livsforsikring AS used hedge accounting in connection with the acquisition of SPP. Cash flow hedging of the currency risk associated with Storebrand Livsforsikring AS' expected acquisition of SPP amounting to SEK 16.4 billion was booked from 11 December. The hedge accounting ceased on 20 December when the transaction was concluded. The spot element in the forward exchange agreement was used as a hedging element and the effective share of the hedging instruments were charged against equity with NOK 10.0 million and increased the loan to SB Holding by NOK 10.0 million. Cash flow hedging of the currency risk associated with Storebrand Livsforsikring AS' expected funding from Storebrand ASA of EUR 580 million was booked from 11 December. The hedge accounting ceased on 20 December when the transaction was concluded. The spot element in the forward exchange agreement was used as a hedging element. The effective share of the hedging instruments reduced equity by NOK 24 million in 2007.

Cash flow hedging of the currency risk associated with Storebrand Livsforsikring AS' group net investment in SPP of SEK 8.3 billion has been used since 20 December. The spot element in the forward exchange agreement has been used as the hedging instrument. The effective share of the hedging instruments recognised in equity in 2007 is NOK 80.4 million and the hedging efficiency is 100%. The hedging object has had an unrealised loss of NOK 96 million in the same period such that the net amount recognised in equity in 2007 is NOK 15.6 million.

NOK MILLION	NOMINAL AMOUNT SEK	BOOK VALUE	MATURITY DATE
HEDGING INSTRUMENT			
Forward rate agreements	8 100.0	66.1	19-03-08

The difference between the booked amount of NOK 66.1 million and the amount recognised in equity of NOK 80.4 million is caused by a unrealised loss on the yield element in the forward rate agreement of NOK 14.3 million.

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Storebrand Livsforsikring Group

In 2007, Storebrand Livsforsikring AS used hedge accounting in connection with the acquisition of SPP. Cash flow hedging of the currency risk associated with Storebrand Livsforsikring AS' expected acquisition of SPP amounting to SEK 16.4 billion was booked from 11 December. The hedge accounting ceased on 20 December when the transaction was concluded. The spot element in the forward exchange agreement was used as a hedging element and the effective share of the hedging instruments were charged against equity and reduced goodwill by NOK 20.0 million. Cash flow hedging of the currency risk associated with Storebrand Livsforsikring AS' expected funding from Storebrand ASA of EUR 580 million was booked from 11 December. The hedge accounting ceased on 20 December when the transaction was concluded. The spot element in the forward exchange agreement was used as a hedging element. The effective share of the hedging instruments reduced equity by NOK 24 million in 2007.

Cash flow hedging of the currency risk associated with Storebrand Livsforsikring AS' group net investment in SPP of SEK 16.4 billion has been used since 20 December. The spot element in the forward exchange agreement has been used as the hedging instrument. The effective share of the hedging instruments recognised in equity in 2007 is NOK 160.8 million and the hedging efficiency is 100%. The hedging object has had an unrealised loss of NOK 186.4 million in the same period such that the net amount recognised in equity in 2007 is NOK 25.6 million.

NOK MILLION			
HEDGING INSTRUMENT	NOMINAL AMOUNT SEK	BOOK VALUE	MATURITY DATE
Forward rate agreements	16 200.0	108.3	19-03-08

The difference between the booked amount of NOK 108.3 million and the amount recognised in equity of NOK 160.8 million is caused by a unrealised loss on the yield element in the forward rate agreement of NOK 52.5 million.

25 } INSURANCE RESERVES BY CLASS OF BUSINESS

NOK MILLION	GROUP PENSION		GROUP LIFE INSURANCE	ENDOWMENT INSURANCE	ANNUITY/ PENSION INSURANCE	NON-LIFE INSURANCE	TOTAL STOREBRAND LIVSFORSIKRING AS 2007
	PRIVATE INSURANCE	PUBLIC INSURANCE					
Premium reserve	97 712.9	16 133.3	430.1	14 686.2	23 030.1		151 992.6
Additional statutory reserves	3 948.7	449.9		369.6	989.1		5 757.3
Premiumfund/ deposit fund	5 433.6	886.0			180.6		6 500.2
Pensioners surplus fund	62.9						62.9
Claims reserve	46.1	12.7	172.9	210.3	14.3		456.3
Other technical reserves						295.1	295.1
Insurance fund reserves 2007	107 204.2	17 481.9	603.0	15 266.1	24 214.1	295.1	165 064.4
Insurance fund reserves 2006	95 150.4	15 528.0	505.6	17 305.2	24 838.3	174.8	
Insurance fund reserves 2005	84 831.3	9 649.9	470.0	19 345.0	20 070.4	96.6	
Security reserve 2007	131.7	23.0	19.8	14.0	8.9		197.4
Security reserve 2006							
Security reserve 2005							
Insurance related reserves 2007	107 335.9	17 504.9	622.8	15 280.1	24 223.0	295.1	165 261.8
Insurance related reserves 2006	95 268.9	15 548.9	522.6	17 318.2	24 847.9	174.8	
Insurance related reserves 2005	84 939.0	9 664.9	486.4	19 357.2	20 078.3	96.6	

NOK MILLION	SPP GROUP AND NORDBEN LIFE & PENSION		TOTAL GROUP 2007	TOTAL STOREBRAND LIVSFORSIKRING AS	
	2006	2005		2006	2005
Premium reserve	100 712.2	252 704.9	140 474.4	124 058.1	
Additional statutory reserves		5 757.3	5 550.7	4 537.5	
Premiumfund/ deposit fund		6 500.2	6 668.4	5 228.1	
Pensioners surplus fund		62.9	280.0	215.0	
Claims reserve	1 513.6	1 969.9	382.6	334.3	
Other technical reserves	13 699.4	13 994.5	174.8	96.6	
Insurance fund reserves 2007	115 925.2	280 989.7			
Insurance fund reserves 2006			153 530.9		
Insurance fund reserves 2005				134 469.6	
Security reserve 2007		197.4			
Security reserve 2006			179.0		
Security reserve 2005				159.2	
Insurance related reserves 2007	115 925.2	281 187.1			
Insurance related reserves 2006			153 709.9		
Insurance related reserves 2005				134 628.8	

Reserves in respect of non-life insurance products are detailed in Note 27.

Of which products with investment choice

NOK MILLION	GROUP PENSION	ENDOWMENT	ANNUITY/PENSION	TOTAL STOREBRAND LIVSFORSIKRING 2007	SPP GROUP AND NORDBEN LIFE & PENSION 2007	TOTAL STOREBRAND LIVSFORSIKRING GROUP 2007	TOTAL STOREBRAND LIVSFORSIKRING AS 2006
Premium reserve	3 841.8	995.7	3 869.7	8 707.2	30 279.4	38 986.6	7 355.4
Depositfund	307.9			307.9		307.9	175.6
Claims reserve			0.6	0.6		0.6	0.6
Insurance fund reserves	4 149.7	995.7	3 870.3	9 015.7	30 279.4	39 295.1	7 531.6
Security reserve	1.5		1.6	3.1		3.1	2.6
Insurance related reserves	4 151.2	995.7	3 871.9	9 018.8	30 279.4	39 298.2	7 534.2

26 } TRANSFERS BETWEEN INSURANCE FUND RESERVES ETC. ON CLOSING 2006 ACCOUNTS STOREBRAND LIVSFORSIKRING AS

NOK MILLION	GROUP PENSION	INDIVIDUAL	TOTAL
To/from premium fund		-116.3	-116.9
To/from premium reserve		173.5	254.7
To/from additional statutory allocations		-57.2	-137.8

27 } TECHNICAL RESULT AND RESERVES FOR NON-LIFE CLASSES

Private market insurances

NOK MILLION	2007	2006	2005
Premiums for own account	161.3	151.7	107.0
Gross business			
Premiums earned	195.9	183.7	112.4
Claims accrued	-150.5	-141.1	-51.9
Insurance related operating expenses	-102.2	-57.6	-47.8
Technical result	-56.8	-15.0	12.7
Reinsurance ceded			
Premiums earned	-36.4	-33.4	-7.7
Claims accrued	28.8	21.7	0.7
Technical result	-7.6	-11.7	-7.0
For own account			
Technical result	-64.4	-26.7	5.7
Provisions for unearned premiums and unexpired risk			
Gross provisions	9.8	6.7	
<i>BISC minimum requirement</i>	9.8	6.7	
Reinsurance ceded	-3.5	-2.1	
For own account	6.3	4.6	41.8
<i>BISC minimum requirement</i>	6.3	4.6	41.8
Provisions for claims outstanding			41.8
Gross provisions	187.2	113.7	
<i>BISC minimum requirement</i>	176.9	113.6	
Reinsurance ceded	-53.5	-26.5	
For own account	133.7	87.2	
<i>BISC minimum requirement</i>	128.1	87.1	
Security reserve	85.4	71.8	48.6
<i>BISC minimum requirement</i>	83.7	70.2	
Provisions for administration	12.7	10.0	6.2
<i>BISC minimum requirement</i>	12.6	10.0	6.1

28 } DEFERRED TAX ALLOWANCES AND DEFERRED TAX

Storebrand Livsforsikring AS

NOK MILLION	2007		2006		NET CHANGE	2005	
	TAX INCREASING	TAX REDUCING	TAX INCREASING	TAX REDUCING		TAX INCREASING	TAX REDUCING
TEMPORARY DIFFERENCES							
Current value of securities		3 396.7		1 212.7	-2 184.0		397.3
Forward foreign exchange contracts	482.3			82.1	564.4		607.1
Revaluations of real estate	3 461.9		660.7		2 801.2	937.7	
Write down of KS/ANS participations			83.9		-83.9	83.9	100.6
Operating assets		10.0		5.3	-4.7		5.7
Insured pension scheme					0.0	13.5	
Uninsured pension scheme		397.4		189.1	-208.3		240.0
Bonds to be held to maturity		295.9		280.8	-15.1		205.8
Other	3.8	80.5		80.7	4.0		70.6
Total temporary differences	3 948.0	4 180.5	744.6	1 850.7	873.6	1 035.1	1 627.1
Tax losses carried forward		9 628.8		6 027.3			2 413.7
Allowable losses carried forward		689.3		683.8			683.8
Applied/settled	-3 948.0	-3 948.0	-744.6	-744.6		-1 035.1	-1 035.1
Net temporary differences		10 550.6		7 817.2	-2 733.4		3 689.6
Tax	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%
Deferred tax/tax allowances		2 954.2		2 188.8	-765.4		1 033.1
Deferred tax assets not booked in balance sheet		2 954.2					

See note 10

Storebrand Livsforsikring Group

NOK MILLION	2007		2006		NET CHANGE	2005	
	TAX INCREASING	TAX REDUCING	TAX INCREASING	TAX REDUCING		TAX INCREASING	TAX REDUCING
TEMPORARY DIFFERENCES							
Current value of securities		3 396.7		1 212.7	-2 184.0		397.3
Forward foreign exchange contracts	482.3			82.1	564.4		607.1
Revaluations of real estate	3 461.9		660.7		2 801.2	937.7	
Write down of KS/ANS participations			83.9		-83.9	112.4	100.6
Operating assets	4.9	10.1	4.8	5.5	-4.5	615.6	6.0
Insured pension scheme	0.5				0.5	13.5	
Uninsured pension scheme		511.4		206.6	-304.8		258.6
Bonds to be held to maturity		295.9		280.8	-15.1		205.8
Other	382.7	81.1	379.8	83.0	4.8	24.4	73.6
Total temporary differences	4 332.3	4 295.2	1 129.2	1 870.7	778.6	1 703.6	1 649.0
- of which subsidiaries	382.8	64.6	384.6	20.0		668.5	22.0
Tax losses carried forward		9 628.7		6 027.3			2 414.3
Allowable losses carried forward		689.3		683.8			683.8
Applied/settled	-3 948.0	-3 948.0	-744.6	-744.6		-1 057.4	-1 057.4
Net temporary differences	384.3	10 665.2	384.6	7 837.2	-2 828.3	646.2	3 689.8
Tax	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%
Deferred tax/tax allowances	107.6	2 986.3	107.6	5.4	-2 980.9	180.9	
Deferred tax assets not booked in balance sheet		2 954.2					
Changes applied directly to the balance sheet or profit and loss account	514.0				7.2		
Change in deferred tax/deferred tax allowance	621.6	32.1			-19.5		

Deferred tax assets have been written down as a result of uncertainty as to whether future taxable income will be sufficient for all losses carried forward to be used for business in Norway. The primary reason behind this is the exemption from taxation for share dividends and gains/losses on shares in the EEA area, and it is expected that the group will continue to derive income from such investments in future years. Allowances carried forward date from the years 1998-2003, and must be used within 10 years. Deferred tax has arisen in Sweden due to the acquisition of SPP.

29 } SUBORDINATED LOAN CAPITAL

NOK MILLION DATE DRAWN DOWN	AMOUNT NOK	CURRENCY CODE	CURRENCY AMOUNT	MATURITY	INTEREST RATE %	CURRENCY GAINS/LOSSES
20.12.07, 3 months euribor + 2.50%, call 2008	4 604.5	EUR	-580.0	Everlasting	7.38%	
24.02.03, 6 months euribor + 2.20%, call 2008*)	1 476.4	EUR	-186.0	24-02-23	6.93%	
09.06.04, 3 months euribor + 0.90%, call 2009	1 388.7	EUR	-174.9	09-06-14	5.78%	
Total subordinated loan capital						
Storebrand Livsforsikring AS	7 469.6					-15.6
26.07.02, 3 months stibor + 2,00%	840.1	SEK	1 000.0	Everlasting, notice period 5 years	5.67%	
30.08.02, 3 months stibor + 2.00%	504.1	SEK	600.0	Everlasting, notice period 5 years	5.67j%	
20.12.07, 12 months stibor + 3.4%, call 2012	6 889.0	SEK	8 200.0	Everlasting	8.09%	
Total subordinated loan capital SPP	8 233.2					
Elimination financing of						
Storebrand Holding AB	-6 889.0					
Total subordinated loan capital						
Storebrand Livsforsikring group	8 813.8					

There is no deduction on the amount of subordinated debt which qualifies for capital adequacy purposes. The accounting treatment of currency hedging of subordinated loans in EUR is described in Accounting Principles.

*) Will in capital adequacy count as everlasting subordinated loan capital. The company has entered into hedging transactions in respect of subordinated loans denominated in foreign currency. The total expense associated with the company's subordinated borrowings (including currency gains and losses) amounts to NOK 197.1 million.

30 } OTHER DEBT

Storebrand Livsforsikring Group

NOK MILLION	2007
Repo SPP	10 901.6
Other debt	2 912.9
Total other debt	13 814.5

31 } TRANSACTIONS WITH CONNECTED PARTIES

Transactions between companies in the group

NOK MILLION	AMOUNT
Profit and loss items:	
Services bought	134.4
Services sold	305.6
Balance sheet items:	
Receivables	18.2
Debt	41.6

Transactions between group companies are done on an arms-length basis.

32 } REMUNERATION AND CONTRACTUAL ARRANGEMENTS FOR SENIOR MANAGEMENT

Idar Kreutzer is Chief Executive Officer of Storebrand ASA and Managing Director of Storebrand Livsforsikring AS. He is entitled to 24 months' salary following the expiry of the normal notice period from Storebrand ASA. All forms of work-related income from other sources, including consultancy assignments, will be deducted from any such payments. Kreutzer is entitled to a performance-related bonus based on the group's ordinary bonus scheme, which has three aspects. The group's value creation finances the overall amount of the bonus, but individual performance determines allocation. Kreutzer's individual bonus entitlement is credited to a bonus account, and 1/3 of the balance on the bonus account is paid each year. The Managing Director is a member of the Storebrand pension scheme on normal terms.

The company has no obligations towards the Chairman of the Board of Directors in respect of changes to or termination of his appointment. The company pays the cost of directors' liability insurance for the members of its board of directors.

NOK 1000	ORDINARY SALARY	BONUS PAID	OTHER BENE-FITS **)	POST TERMINATION SALARY (MONTHS)	PENSION ACCURES FOR THE YEAR	DISCOUNTED PERCENT VALUE OF PENSION	LOAN	INTEREST RATE AT 31.12.2007	REPAYMENT PERIOD
SENIOR EMPLOYEES									
Idar Kreutzer ***)	3 602	2 249	250	24	675	10 342	10 800	4.76-5.59	2037
Maalfrid Brath	2 338	1 123	183	18	508	6 132	4 895	4.76-5.54	2035
Odd Arild Grefstad***)	2 322	1 553	225	18	469	5 896	4 391	4.76-5.89	2024
Lars Aa. Løddesøl	2 355	1 234	163	18	685	4 381	4 357	4.76-5.54	2029
Roar Thoresen	2 612	1 600	146	18	801	4 599	1 694	4.76	2032
Trond Killi	1 538		144		262	1 533	3 336	4.76-5.9	2025

NOK 1000	NO. OF SHARES HELD *)	BONUS-BANK ****)	RETURN ON SHARES BANK *****)
SENIOR EMPLOYEES			
Idar Kreutzer	54 160	4 308	-331
Maalfrid Brath	4 831	1 122	-165
Odd Arild Grefstad	8 323	1 695	-151
Lars Aa. Løddesøl	4 933	1 336	-179
Roar Thoresen	2 796	1 309	246
Trond Killi	0	-	

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

**) Comprises company car, telephone, insurance, concessionary interest rate, other contractual benefits and compensation on termination of employment.

***) The cost of employment benefits in respect of Idar Kreutzer and Odd Arild Grefstad is allocated proportionately between Storebrand Livsforsikring AS and Storebrand ASA.

The share of these costs allocated to Storebrand Livsforsikring AS is NOK 4.7 million and NOK 2.3 million respectively.

****) Outstanding at 31.12.2007.

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. When the bonus accounts were introduced, Storebrand created an initial deposit. 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 balances in the "share bank" and "interest bank" will grow separately.

*****) The return on the "share bank" shows the annual gain in value of the individual's bonus account caused by the performance of the Storebrand share price in 2007 adjusted for dividend.

NOK 1000	REMUNE-RATION	NO. OF SHARES HELD *)	LOAN	INTEREST RATE AT 31.12.2007	PAYMENT PERIOD
BOARD OF DIRECTORS					
Leiv L Nergaard	145	109 090			
Inger Johanne Strand	145	0	3 200	4.76-5.7	2037
Nina Udnes Tronstad	85	0			
Gorm Leiknes	85	188	1 986	4.76-5.9	2022
Anders Røed		0			
Trond Wilhelmsen	60	7 783	1 700	4.76	2032
Andreas Enger	145	0			

33 } AUDIT FEES

Remuneration paid to Deloitte AS and related companies:

NOK MILLION	AS			GROUP		
	2007	2006	2005	2007	2006	2005
Statutory audit	1.4	2.4	1.2	3.0	2.6	1.8
Other reporting duties	0.1	0.1		0.1	0.2	
Taxation advice		0.5	0.7		0.7	0.8
Other non-audit services *)	0.1	0.4	3.4	0.2	0.4	3.4

The amount above is excluding vat.

34 } CHANGE IN EQUITY CAPITAL

Storebrand Livsforsikring AS

NOK MILLION	2007	2006	2005
Share capital at 01.01	1 411.2	1 411.2	1 411.2
Share issue	600.0		
Demerged company	-30.7		
Share capital at 31.12	1 980.4	1 411.2	1 411.2
Share premium at 01.01.	870.6	726.5	726.4
Merged company		90.7	0.1
Demerged company		-1.6	
Other changes			
Share issue	8 400.0	55.0	
Share premium at 31.12.	9 270.6	870.6	726.5
Total paid in equity	11 251.0	2 281.8	2 137.7
Other equity at 1.1.	3 079.1	2 783.9	2 366.2
Merged company		-76.8	
Unrealised currency gain/losses on hedge accounting	-15.6		
Translation differences for the equity method	-12.0		
Other changes	11.6		
Profit for the year	1 072.2	372.0	417.7
Other equity at 31.12.	4 135.3	3 079.1	2 783.9
Equity capital at 31.12 as per balance sheet	15 386.3	5 360.9	4 921.6

The company's shares are owned to 100% by Storebrand ASA and are of NOK 100 par value. All shares have equal voting rights
The company does not own any of its own shares.

Storebrand Livsforsikring Group

NOK MILLION	2007	2006	2005
Share capital at 01.01	1 411.2	1 411.2	1 411.2
Share issue	600.0		
Demerged company	-30.7		
Share capital at 31.12	1 980.4	1 411.2	1 411.2
Share premium at 01.01.	870.6	726.5	726.4
Merged company		90.7	0.1
Demerged company		-1.6	
Other changes			
Share issue	8 400.0	55.0	
Share premium at 31.12.	9 270.6	870.6	726.5
Total paid in equity	11 251.0	2 281.8	2 137.7
Other equity at 1.1.	3 079.1	2 783.9	2 366.2
Merged company		-76.8	
Unrealised currency gain/losses on hedge accounting	-25.6		
Translation differences for the equity method	-12.0		
Other changes	11.6		
Profit for the year	1 072.2	372.0	417.7
Other equity at 31.12.	4 125.3	3 079.1	2 783.9
Equity capital at 31.12 as per balance sheet	15 376.3	5 360.9	4 921.6

35 } CAPITAL ADEQUACY

NOK MILLION	STOREBRAND LIVSFORSIKRING AS			STOREBRAND LIVSFORSIKRING GROUP		
	2007	2006	2005	2007	2006	2005
Calculation base by class of risk weighting	195 052.6	171 215.2	151 238.0	318 176.4	171 584.1	151 234.1
Risk weight 0%	48 024.6	47 201.1	46 890.1	85 795.4	47 214.2	46 915.1
Risk weight 10%	1 454.6	889.2	1 065.1	1 531.7	889.2	1 065.1
Risk weight 20%	40 511.3	35 344.7	35 456.7	72 954.7	35 557.2	35 386.1
Risk weight 50%	1 254.3	2 043.0	2 288.4	2 275.3	2 202.7	2 404.0
Risk weight 100%	94 878.9	78 373.1	65 537.7	116 536.8	78 356.7	65 463.8
Assets held in respect of life insurance contracts with investment choice	8 928.9	7 364.1		39 082.5	7 364.1	
Weighted assets in the balance sheet	105 539.0	87 829.8	73 879.8	140 006.3	87 935.8	73 849.5
Weighted interest rate and FX contracts	851.7	549.5	462.3	1 664.0	549.5	462.3
Cross holding deduction for shares in other financial institutions	-130.0	-227.8	-18.5	-130.0	-234.3	-18.5
Unrealised gains on financial current assets	-3 599.1	-6 080.2	-3 863.7	-3 599.1	-6 080.2	-3 863.7
Loss provisions						
Risk weighted calculation base	102 661.6	82 071.3	70 459.9	137 941.2	82 170.8	70 429.6
Core capital	15 310.9	5 360.3	4 921.5	8 135.7	5 347.2	4 896.6
Eligible subordinated loan capital	7 355.4	2 857.4	2 824.3	5 699.4	2 857.4	2 824.3
Cross holding deduction for shares in other financial institutions	-65.0	-227.8	-18.5	-65.0	-234.3	-18.5
Net primary capital	22 666.3	7 989.9	7 727.3	13 835.1	7 970.3	7 702.4
Capital ratio in %	22.08	9.74	10.97	10.03	9.70	10.94

The recorded Storebrand Livsforsikring group equity amounts to NOK 15,376 million. The difference between equity and core capital of -NOK 7,241 million is caused by deductions regarding intangible assets of NOK 9,578 million and crossowner deduction of NOK 65 million. In addition it includes NOK 2,436 million in interest rate adjusted conditional bonus ("villkorad återbäring").

36 } SOLVENCY MARGIN

NOK MILLION	STOREBRAND LIVSFORSIKRING AS			STOREBRAND LIVSFORSIKRING GROUP
	2007	2006	2005	2007
Primary capital	18 619.9	7 989.9	7 727.3	10 754.0
Counting security reserve	128.3	113.8	94.3	128.3
50% of additional statutory reserves	2 878.7	2 775.4	2 268.8	2 878.7
Solvency margin capital	21 626.9	10 879.1	10 090.4	13 761.0
Solvency margin demand	6 616.0	6 232.0	5 760.0	10 110.0
Solvency margin %	326.9 %	174.6 %	175.2 %	136.1 %

37 } NUMBER OF EMPLOYEES

NOK MILLION	STOREBRAND LIVSFORSIKRING AS			STOREBRAND LIVSFORSIKRING GROUP *)		
	2007	2006	2005	2007	2006	2005
Number of employees at 31.12.	983	1 045	931	1 735	1 105	989
Average number of employees	1 066	991	892	1 150	1 051	950
Full time equivalent positions at 31.12.	959	1 024	911	1 687	1 083	968
Average number of full time equivalents (FTEs)	1 040	971	878	1 122	1 030	935

*) SPP group is in 2007 included with 555 employees and 537 full time equivalent positions, but is not included in the average number calculation.

Translation from the original Norwegian version

To the Annual Shareholders' Meeting of Storebrand Livsforsikring AS

AUDITOR'S REPORT FOR 2007

We have audited the annual financial statements of Storebrand Livsforsikring AS as of 31 December 2007, showing a profit of MNOK 1.340,2 for the parent company and a profit/loss of MNOK 1.340,2 for the group. We have also audited the information in the Board of Directors' report concerning the financial statements and the going concern assumption and the proposal in the financial statements 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 balance sheet, the statements of income and cash flows and the accompanying notes. The group accounts comprise the balance sheet, the statements of income and cash flows 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 and of the Group as of 31 December 2007, and the results of its operations and its cash flows 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 in the financial statements for the allocation of the profit, is consistent with the financial statements and complies with law and regulations.

Oslo, 11 February 2008

Deloitte AS

Ingebret G. Hisdal

State Authorised Public Accountant (Norway)

Report of the Board of Directors

Main features

The company's main areas of focus are pensions and life insurance products for private individuals, companies and public sector bodies. Storebrand Livsforsikring's objective is to be recognised by customers as the leading and most respected institution in the Norwegian market for long-term savings and life insurance. This can only be achieved and maintained by offering the highest quality advice, customer service and product range in the market. The Storebrand group is the only player in the Norwegian market that specialises in long-term savings and life insurance as its major area of activity, and Storebrand Livsforsikring intends to make the best possible use of this unique position.

The Norwegian life insurance market is facing a number of changes. Storebrand is making the appropriate preparations for this, including changes to product pricing, portfolio structure and risk management, as well as changes to internal systems.

Subsidiaries and associated companies

In addition to its activities in the Norwegian market, the company owns 25% of Nordben Life and Pension Insurance Company Ltd. of Guernsey. Storebrand also offers actuarial services, system and full range of operational services for pension funds through its subsidiaries Aktuar Systemer AS and Storebrand Pensjonstjenester AS.

Storebrand opened a Swedish branch in 2005. The branch offers pension insurance in the Swedish market based on Norwegian insurance legislation. Sales are made through insurance brokers.

Storebrand Eiendomsholding AS has been incorporated as a holding company for real estate activities. The company is wholly owned by Storebrand Livsforsikring AS. Properties owned directly by Storebrand Livsforsikring AS were demerged and sold to Storebrand Eiendomsholding AS as of 30 September 2006.

Sales through external distributors represent an important part of the company's focus on the retail market. In order to strengthen distribution capacity, Storebrand has acquired a 34% interest in Caveo ASA, which has 65 advisers working from 12 offices around Norway, and has also acquired a 34% interest in Økonomiforvaltning AS.

Storebrand Fondsforsikring AS was merged into Storebrand Livsforsikring AS with effect from 1 January 2006.

Sales

Corporate market

2006 was dominated by the introduction of mandatory occupational pension schemes. 2006 was the first year in which occupational pension schemes became mandatory. All companies had to have occupational pension arrangements in place for their employees by 31 December 2006. Companies are required to contribute at least 2% of each employee's salary (on salary between 1 and 12 times the current National Insurance Scheme basic amount), starting no later

than 1 July 2006. The employer must also meet the administration and management costs of the pension scheme.

Storebrand has developed a new standard product, Storebrand Folkepensjon, which is specifically designed for companies required to establish an occupational pension scheme for their employees in 2006. The product emphasises customer-friendly service solutions that make it easy for companies to administer their pension arrangements.

Storebrand has established a sizeable number of framework agreements with employers' organisations and trade associations over recent years, and these agreements played an important role when mandatory occupational pension schemes were introduced. Storebrand enjoyed success in sales of mandatory occupational pension products through these arrangements.

By the close of 2006, Storebrand had set up mandatory occupational pension schemes for some 15,500 companies with 200,000 employees in total. At the start of 2007, 180,000 of these employees were pension scheme members. The number of members will increase over time as part-time employees and seasonal workers build up sufficient service to meet the requirement of 20% employment in order to become a member of their employer's pension scheme. The annual premium volume for these pension schemes as at 31 December 2006 was just under NOK 700 million. A further NOK 200 million has accrued in 2007.

The municipality market in 2006 was characterised by little pension transfer activity. While around 30 municipalities invited competitive bidding for their pension arrangements in 2005, only 11 municipalities took this step in 2006. Only three of these subsequently decided to change their pension supplier. Karasjok municipality invited competitive bidding for its pension scheme with Storebrand, and elected to stay with the company. No municipality with a Storebrand pension scheme has yet moved its arrangements away from Storebrand.

Following the introduction of mandatory employers' pensions, the occupational pension market will in future mainly be a market for transfers between pension suppliers. Storebrand is well equipped for this change. As in 2005, Storebrand was again a winner in the market for transfers of occupational pension schemes in 2006, with transfers (sales agreed) of NOK 2.6 billion.

Many of the company's largest companies have started to evaluate whether to transfer from defined benefit to defined contribution pension arrangements. A number of companies have decided to make this change, and we expect to see further companies make this decision over the course of 2007.

Retail market

After 2-3 years of record sales of savings-related life insurance products, sales in this area levelled off in 2006, partly due to changes

in the tax rules and partly due to restrictions on sales imposed by the company. Nonetheless, sales of savings-related life insurance products totalled over NOK 2.5 billion in 2006.

One of the major surprises of 2006 was the Norwegian government's decision to abolish the favourable taxation treatment of private pension saving. With effect from 12 May 2006, contributions to personal pension plans (IPA pensions) are no longer tax deductible. In addition, from 1 January 2007 annuity policies are no longer exempt from wealth tax. At the close of 2006, Storebrand managed some NOK 18 billion of investments in IPA pensions and NOK 6.5 billion of annuity policies. Contributions to IPA pension and annuity policies totalled NOK 1 billion in 2006 as compared to NOK 1.1 billion in 2005.

Financial results

Storebrand Livsforsikring AS reported a profit for the year before allocation between policyholders and the owner of NOK 5,175 million, as compared to NOK 4,372 million for 2005. (Equivalent figures for the Storebrand Livsforsikring group are a profit of NOK 5,176 million in 2006 and NOK 4,373 million in 2005). Of the profit for the year, NOK 3,994 million was allocated to policyholders (of which NOK 1,000 million was transferred to additional statutory reserves) and NOK 1,181 million was allocated to the owner. The owner's profit included NOK 135 million from products not included in profit sharing with policyholders, excluding insurance products with investment choice. Insurance products with investment choice generated a loss of NOK 77 million. The owner's profit after tax was NOK 1,181 million.

Interest result is the difference between the booked return and the guaranteed return on policies. The average guaranteed return on insurance policies in 2006 was 3.6%. Good investment returns on the assets managed for customers represent the most important element of profitability for savings-related products. The company produced a good book investment return in 2006. Interest result for the year was NOK 5,573 million for 2006, as compared to NOK 4,402 million for 2005.

Risk result arises as a consequence of the incidence of mortality and disability during the period differing from that assumed for the premium tariffs. The risk result for 2006 was NOK 220 million as compared to NOK 365 million in 2005. The decline of NOK 145 million reflects decreases of NOK 99 million for group pension business, NOK 47 million for group life business and NOK 32 million for non-life business. Individual endowment policies (single payments) and individual pension insurance showed increases of NOK 9 million and NOK 24 million respectively.

Administration result shows the difference between the administration premium charged for the year and actual operating costs. The administration result was a deficit of NOK 600 million, representing a weakening of NOK 216 million from 2005. All lines of business showed a decline in administration result. The reasons for this included increased investment management fees as a result of

the good investment return achieved and costs incurred in respect of mandatory occupational pension products.

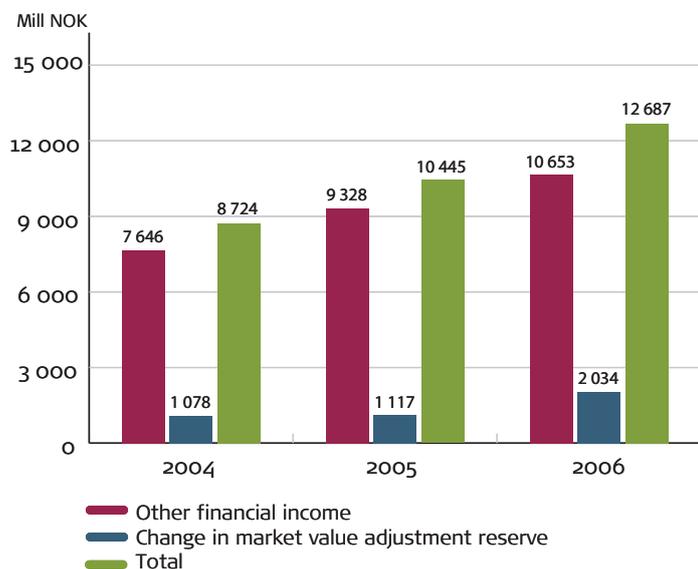
With effect from the 2005 accounting year, Storebrand has prepared its consolidated accounts in accordance with International Financial Reporting Standards (IFRS). Life insurance companies in Norway are not currently permitted to report in accordance with IFRS. Storebrand Livsforsikring AS/Group will therefore continue to produce its annual accounts in accordance with Norwegian accounting legislation and the regulations for insurance companies.

The Board confirms that the accounts have been prepared in accordance with the going concern assumption.

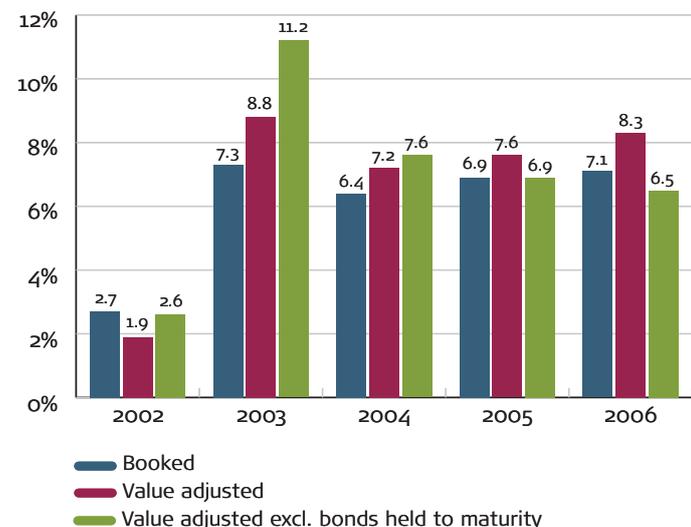
Premium income: Storebrand Livsforsikring's total premium income for 2006, including policy transfers, was NOK 19,619 million. This represents an increase of 2% from 2005, when total premium income was NOK 19,227 million. The total inflow of premium reserves from transfers between companies was NOK 5,260 million as compared to NOK 564 million in 2005. Premiums written decreased by 22% from 2005. The lines of business showing the largest percentage increase were products with investment choice, where group pension insurance was up by 139% and individual endowment/pension insurance was up by 59%. Non-life insurance (products provided within the life insurance regulatory framework) also showed good growth, with a 42% increase. Defined benefit group pension insurance and group life insurance showed increases in premium income of 16% and 6% respectively. Individual endowment insurance showed a decline of 65% due to the restrictions imposed by the company on sales of life insurance related savings products to the retail market. If these savings products are excluded, premium income showed an increase of 21%. Individual annuity/personal pension products showed a decline of 27% from 2005. This was caused by the Norwegian Government's proposal to abolish the current tax arrangements for personal pensions.

Investment return: Storebrand Livsforsikring produced a good investment return in 2006. The book value of the portfolio of investment properties was increased by NOK 928 million in 2006. The booked investment return was 7.1%, as compared to 6.9% for 2005. The value-adjusted return including gains on current asset investments was 8.3% as compared to 7.6% in 2005. At the close of 2006 unrealised gains on current asset investments totalled NOK 5,918 million, while unrealised gains on bonds held to maturity totalled NOK 1,097 million. 10 of the company's 13 discretionary investment mandates produced a better return than their benchmark index in 2006.

Net income from financial assets



Investment return



Costs: Storebrand Livsforsikring incurred operating costs of NOK 1,755 million in 2006 as compared to NOK 1,457 million in 2005. The increase of NOK 298 million was caused mainly by increased investment management fees as a result of the good investment return achieved, the new branch in Sweden, and work on mandatory employer's pension products. Policyholders' funds, excluding insurance products with investment choice, increased by 9% in 2006 and costs relative to average policyholders' funds were 1.10% in 2006, unchanged from 2005. The company has targeted further improvements in operational efficiency that will create the basis to absorb further growth in business volumes without an equivalent increase in costs.

Insurance claims and benefits: Claims and benefits paid for own account increased by 35% in 2006 to NOK 14,425 million. The change reflects a decrease in outward transfers of policyholders' assets from NOK 1,916 million in 2005 to NOK 1,477 million in 2006, and also an increase of NOK 3,361 million in cancellations and withdrawals to NOK 6,242 million in 2006. The increase in withdrawals relates to savings-related products in the retail market. Other claims and benefits paid totalled NOK 6,706 million, an increase of NOK 807 million for the year that is normal in relation to the total insurance portfolio.

Allocations to the insurance fund: Good net sales and a good investment return caused an increase in policyholders' funds of NOK 11.6 billion in 2006 to NOK 146.1 billion at 31 December 2006. Of the profit allocated to policyholders, NOK 1,644 million was allocated to the premium fund, which totalled NOK 6.8 billion at 31 December 2006. Additional statutory reserves are conditionally allocated customer funds that act as risk capital for fluctuations in the value of the investment portfolio. Additional statutory reserves were strengthened by NOK 1,000 million and totalled NOK 5.6 billion at 31 December 2006. This represents approximately NOK 0.6 billion in excess of the amount equivalent to one year's guaranteed return.

Risk management and capital adequacy

The majority of savings-related life insurance products incorporate a guaranteed minimum return. These savings products currently offer an average annual guaranteed return just under 3.6%. The average guaranteed return will fall over time since the return guaranteed on new policies cannot exceed 2.75%. The life company's financial risk relates both to its ability to generate an investment return at least equal to the guaranteed minimum return and its commitment to deliver future pension benefits. This places particular demands on how the life insurance company invests in financial securities and other assets, and on the quality of the company's risk management. Increases in interest rates over the course of 2006 helped to strengthen the life company's risk-bearing capacity. The company has invested a significant proportion of its financial assets in bonds classified as hold to maturity with a running yield of over 5%.

In early 2004, the Norwegian parliament approved a number of significant changes to the Insurance Activities Act. One important change is that insurance companies, for certain products, must charge the customer in advance for the guarantee of a minimum interest rate. The new Insurance Activities Act comes into effect from 1 January 2008 (the Act itself came into force on 1 July 2006, but the transitional regulations mean that the new business rules come into effect from 1 January 2008).

The allocation of financial assets is determined by the company's investment strategy. The investment strategy establishes guidelines for the composition of financial assets by setting limits and guidelines for the company's risk management. The strategy also includes limits and guidelines for credit and counterparty exposure, foreign exchange risk and the use of derivatives. The objective of continuous

risk management is to maintain sound risk bearing capacity and to continuously adjust financial risk exposure to the company's solidity, while at the same time creating the potential for a good investment return.

Insurance policies are long-term agreements, and involve uncertainty in respect of assumptions about future rates of mortality and invalidity. The company uses tariffs drawn up on the basis of statistical experience, and these tariffs are notified to the authorities. The company follows developments in mortality and invalidity rates very closely, and adjusts its reserves in accordance with these trends.

Rising interest rates cause losses in the form of lower prices for interest-bearing securities such as commercial paper and bonds. However higher interest rates both in Norway and internationally have the effect of improving Storebrand Livsforsikring's risk bearing capacity. Low interest rates reduce the interest earned on the proportion of financial assets invested in interest-bearing securities, and make it more difficult to generate the guaranteed minimum annual return without recourse to the company's buffer reserves. The company has invested NOK 43.1 billion, a significant proportion of its financial assets, in bonds held to maturity with an average running yield of 5.2%.

Bonds, commercial paper and investments in bond funds held as current assets totalled NOK 44.5 billion at the close of 2006.

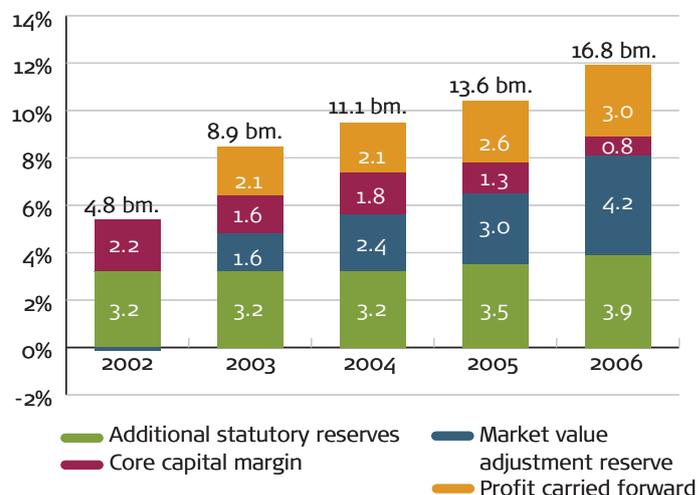
In accordance with its risk management policy, the company increased its exposure to equities, including derivatives positions, from 23% to 28% over the course of 2006. Hedging programs were again used for the equity portfolio in 2006 so that risk capital would not be unnecessarily adversely affected in the event of a sudden sharp fall in equity markets.

The company invested NOK 4 billion net in real estate in 2006, and real estate investments accounted for 11% of total investment assets at the close of 2006.

The company's lending portfolio amounted to NOK 2.3 billion at 31 December 2006, representing an increase of NOK 1.6 billion in 2006. The portfolio is made up of corporate loans.

The company's risk capital increased by NOK 3.2 billion in 2006 to NOK 16.8 billion, including NOK 0.6 billion of additional statutory reserves in excess of the amount required for one year's interest rate guarantee. Storebrand Livsforsikring satisfied all capital adequacy requirements in 2006 with a satisfactory margin. The company's solvency margin was 174.6% at 31 December 2006 as compared to 175.9% at 31 December 2005 (the minimum requirement is 100%). The Storebrand Livsforsikring group's capital ratio was 9.70% at 31 December 2006, representing a decline of 1.2 percentage points in 2006 (the minimum requirement is 8%). The decline was principally due to an increase in total assets and higher exposure to shares. The core capital margin was 6.5%.

Risk capital as % of policyholder's funds excl. additional statutory reserves



At the close of 2006, Storebrand Livsforsikring AS was rated A and A2 respectively by Standard & Poor's and Moody's. These ratings are with "stable outlook".

Regulatory matters

Norwegian life insurance companies must satisfy two sets of capital adequacy requirements – one set that monitors the company's assets (Basle) and one set that monitors liabilities (Solvency I). The Ministry of Finance resolved in December that Norwegian life insurance companies would be permitted to apply the Basle II requirements in respect of assets with effect from 1 January. This change reflected an intention to harmonise capital adequacy arrangements across the financial services sector once Basle II came into effect for other financial institutions, and was also intended to reduce the opportunity for regulatory arbitrage. For the 2007 accounting year, life insurance companies can choose to comply with either Basle I or Basle II. Life insurance companies are expected to be subject to Basle II in combination with Solvency I until the harmonised European capital adequacy requirements of Solvency II come into effect, which will be at the earliest in 2010. As part of the preparation for the introduction of the principles of Solvency II, the Ministry of Finance has asked Kredittilsynet (the Financial Supervisory Authority of Norway) to develop proposals for new stress tests that take into account the market value ("fair value") of liabilities as well as principles for risk-based supervision. The stress tests will not impose requirements for capital adequacy, but will lead to better measurement and management of risk by life insurance companies.

The EU is now working on the detailed provisions of Solvency II, and Storebrand follows the progress in this area closely. The framework directive for Solvency II is due to be published in mid-2007. Implementation of the new regulatory framework will present some particular challenges in the Norwegian market in respect of the limited size of the Norwegian bond market, currency dependency, the

Report of the Board of Directors

interrelation with the new Insurance Activities Act, the particular rules in Norway on transfers of business between companies and the level of buffer capital.

Personnel, organisation and corporate bodies

Storebrand Livsforsikring is a wholly owned subsidiary of Storebrand ASA. The Storebrand Livsforsikring group's headcount at the end of 2006 was equivalent to 1 081 full-time positions as compared to 911 at the start of the year. The average age of the employees in the Storebrand group is 42 years, with an average length of service of 10 years. All Storebrand employees are treated equally, regardless of gender, age, disability, faith, cultural differences or sexual orientation. The group carries out a systematic program of staff development, and further strengthened its focus on competence development in 2006.

In order to ensure that the group has the expertise it needs available at all times, Storebrand has developed an expertise database tool that will come into use during 2007. All the group's development and training opportunities are made readily available to employees through a competence portal.

A number of new measures have been introduced to develop expertise in technical areas and management skills. This has included the development of a compulsory module-based management program.

Storebrand has a comprehensive system for employee appraisal and remuneration. Training requirements are agreed and documented through the performance appraisal process, and managers are committed to actively monitoring the development of their employees.

Storebrand is fully committed to increasing the number of women in senior management. The group's target is for 40% female representation among its management staff and on its internal and external boards of directors. In 2006, 33% of the members of the Board of Storebrand Livsforsikring AS were women. 37.9% of the group's managers are female.

Storebrand implemented targeted measures in the period to encourage more women to take on management responsibility. This included the company's active participation in an external mentoring program for female staff, and ensuring a virtually equal participation of men and female staff on internal management development programs. The group participated in 2006 in Futura, the Norwegian Financial Services Association's management training program for women. Storebrand insists that external recruitment consultants put forward both male and female candidates on short lists for management recruiting. Employee benefits, such as flexi-working, extending full salary for sick leave to include attending to children or parents, and full salary for maternity leave, are seen as important measures in encouraging gender equality.

Storebrand produces salary statistics at specified management levels to facilitate the comparison of salaries between male and female employees.

Storebrand is committed to offering a good senior policy. The group employed 21 employees over the pension age of 65 in 2006 as compared to 13 in 2005. 45 new members of staff over the age of 45 were recruited in 2006. Storebrand carries out an annual senior survey, and one of its targets is that 90% of older employees should be satisfied with Storebrand as an employer. This target was not achieved in 2006, but continues unchanged for 2008. A particularly positive feature of the survey was that 39.4% of older employees wished to continue working after reaching 65 years of age as compared to 24.4% in 2003.

Storebrand reviewed and updated its ethical guidelines in 2006, and distributed new ethical rulebooks to all employees. In addition, ethical issues were a standard agenda item at a number of employee gatherings. Employees can seek advice anonymously from an ethics page on the Storebrand Intranet, and the company publishes its replies for all employees to see. This can also be used for employees to anonymously communicate concerns directly to the Board of Directors.

Storebrand has assisted the Norwegian Financial Services Association in producing ethical guidelines for financial advisers. These guidelines have been distributed to and reviewed by all Storebrand's advisers.

Storebrand has worked systematically to reduce absence due to illness over many years, and the group has participated in the 'Inclusive workplace' scheme since 2002. Absence due to illness in the group in 2006 was 5.1%. This represents an increase from 2005 and is somewhat above the target of 4.8%. The incidence of long-term sickness has increased, while short-term absence has remained stable. Storebrand will continue to concentrate on reducing absence due to illness, and this will include training employees in the internal procedures for sick leave that were reissued in 2006.

Storebrand did not incur any reported personal injury, property damage or accidents of significance in 2006.

The following changes were made to the Board of Directors in 2006. Andreas Enger replaced Jan Kildal and Inger- Johanne Strand replaced Hege Hodnesdal as the employee representative.

Corporate social responsibility

Storebrand's commitment to corporate responsibility is an integrated part of the group's activities. The company sets specific targets for the areas of building financial wealth, social responsibility and environmental issues, and communicates these to its most important stakeholders.

The group's two-year corporate responsibility action plan expired in 2006. The majority of the objectives were achieved. In addition, a number of measures were implemented that were not included in the two-year plan, including investment in microfinancing. Some of the targets in the action plan proved too challenging to achieve within the timetable set for various reasons, but these objectives are included in the next two-year action plan.

In 2006, Storebrand was included in the Global 100, a list of the hundred most sustainable companies in the world. Norwegian students voted Storebrand as the best company in Norway for business ethics and corporate responsibility, and Storebrand continued to qualify for inclusion in the sustainability indices sFTSE4Good and Dow Jones Sustainability Index.

The Corporate Responsibility action plan can be found or ordered on www.storebrand.com/corporate-responsibility

Storebrand's impact on the external environment

Storebrand 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 through FairRecycling. In addition, Storebrand sets environmental standards for the management of its properties, and has developed a purchasing policy that imposes environmental and social responsibility requirements on its suppliers. Storebrand's holding of forest land at Værdalsbruket is certified in accordance with the Living Forest standard. During the course of 2008, Storebrand will start monitoring and reporting its CO₂ discharges and will evaluate measures to become a carbon-neutral company.

New life insurance legislation

The new Insurance Activities Act comes into force from 1 January 2008. The new Act will create considerable changes for the life insurance industry, and Storebrand is developing new products and systems solutions in order to be as well prepared as possible for the transition. The overall objective of the new legislation is to make the pricing of pension products more predictable and transparent, and to make a clearer distinction between the assets of the insurance company and its policyholders. As an overall rule, the new legislation requires that premiums must be fixed and paid in advance.

The new legislation will introduce a new profit sharing model for paid up policies, with a reduction from 35% to 20% for the maximum proportion of the profit that can be allocated to the company. However, the company will receive the return on all capital in the balance sheet that does not belong to policyholders. In addition, any surplus or deficit on the administration result will be for the owner's account. The owner must also meet any deficit in the risk result.

In the case of defined benefit group pension schemes, as well as new individual products with guaranteed return, the new Act will bring to an end the traditional allocation of profit between the customer and the life insurance company. The various elements of pension products must in future be priced separately, and the pricing must include the insurance company's remuneration. The following rules will apply to products that are no longer subject to profit sharing:

- **Premium for the interest rate guarantee:** The customer (company or private individual) must pay for the interest guarantee in advance. The investment return in excess of the guaranteed level will accrue to the customer, less any allocations to additional statutory reserves. Additional statutory reserves cannot be used to cover any negative return, but can be used to offset a shortfall in return between 0% and the guaranteed return. The new Act stipulates the maximum size of additional statutory reserves. The insurance company carries all the downside risk, and must carry reserves against the policy if the buffer is not sufficient or not available. The price charged for the interest guarantee will depend on factors such as the level of buffer capital associated with the policy, the level of exposure to equities in the portfolio, the level of the interest guarantee and the current market situation, including the level of interest rates. Currently there is no specific premium for the interest rate guarantee and it is paid for through the allocation of profit between the life insurance company and its policyholders.
- **Risk premium:** The customer (company or private individual) will receive any surplus from the risk result achieved on insurance cover for death, disability and dependants in the pension policy, but the insurance company will, in principle, be responsible for meeting any deficit on risk result. There is, however, provision for up to half of any risk surplus on a particular line of insurance to be held in a risk equalisation fund. Deficits in subsequent years can then be met out of the equalisation fund before the insurance company is required to contribute from its own equity.
- **Premium for pension scheme administration:** Administration costs must be charged in advance and represent the final cost for the customer (company or private individual). The insurance company must then meet any deficit in the administration result, and similarly any surplus is retained by the insurance company. Where a policy's assets are managed in the investment trust portfolio, the price of asset management must also be shown as a separate element of the overall charge.

New opportunities: investment choice, separating group portfolios and long-term contracts

At present, Storebrand determines how a pension policy's assets are invested, and the entire portfolio is managed in the same portfolio. The new legislation will allow companies with defined benefit pension schemes to exercise greater influence over the portfolio's asset allocation and risk profile. The new legislation will also make it

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possible for group pension policies to be divided into sub-portfolios with different asset allocation and risk profile.

Policies with a low interest rate guarantee and high risk capital (additional statutory reserves and unrealised gains) may therefore be able to maintain a higher exposure to equities in their portfolio at the same price as similar contracts that have a higher level of guaranteed interest or lower buffer capital. The basis for pricing the interest rate guarantee is the risk to which the available equity is exposed. This means that the customer can choose an investment profile with a lower equity exposure and therefore lower risk exposure in order to reduce the level of premium, although this will also reduce the expected return. A higher exposure to equities represents a higher expected return and higher contributions to the premium fund. Under the new Act, a shortfall in the return on the customer's policy can be met from its additional statutory reserves, and the new rules allow greater flexibility in building up the level of additional statutory reserves.

The new legislation also permits a new type of long-term policy. The interest rate guarantee has so far been linked to a single financial year, but it will now be possible to agree a guaranteed return for periods of up to five years. The premium for a guaranteed return over a number of years will be lower than for annual guarantees over the same period. The employer's liabilities must still be supported by -sufficient insurance reserves. If necessary, equity can be used to ensure satisfactory reserves during the agreed guarantee period.

Future prospects

Corporate market

Changes in the occupational pension market

Until quite recently, occupational pensions in the Norwegian market were synonymous with defined benefit pensions. The legislation permitting pensions where benefits are not defined in advance but depend on the contributions made and the return they earn was approved by the Norwegian parliament in 2001. At that time, the authorities saw defined contribution pensions as a supplement to the established defined benefit schemes, and a simpler alternative for companies that did not have a pension scheme at all.

Companies can satisfy the minimum requirements for occupational pensions that came into force in 2006 through either defined contribution or defined benefit arrangements. However, the great majority of companies setting up pension schemes to meet the new requirements have chosen the defined contribution alternative, contributing at least 2% of each employee's salary (calculated on salary between 1 and 12 times the current National Insurance Scheme basic amount). Over 600,000 employees became members of defined contribution pension schemes in 2006 as a result of the introduction of mandatory employers' pensions

Many companies that operate defined contribution pension schemes are now re-evaluating their pension arrangements. Around 130

of Storebrand's corporate customers, representing some 17,000 employees in total, transferred from defined benefit to defined contribution schemes during 2006. In 2002, defined contribution pensions accounted for only 2% of the occupational pensions market. Recent research by FAFO has estimated that the number of employers operating defined contribution schemes will outstrip the number of defined benefit schemes in 2007. However, in terms of the value of accumulated pension assets, defined benefit schemes will continue to dominate for the foreseeable future.

Paid-up policies

The market for paid-up policies is set to grow strongly in future years as a result of the introduction of mandatory employers' pensions and increasing numbers of companies switching from defined benefit to defined contribution schemes. This market is expected to become more competitive, and has attracted new participants. Storebrand intends to respond aggressively to this competition, offering a competitive product and long experience in managing pension assets to ensure financial security for the customer. Storebrand has made significant savings in the cost of managing paid-up policies through improved efficiency over recent years, and this benefits the level of pension accruing in a paid-up policy.

Pension reform

The Norwegian pension reform will be implemented in 2010. In October 2006, the government published a White Paper on a new model for accruing pension rights in the national insurance scheme and the payment of state pensions. The White Paper proposes that pension rights will only accrue in respect of income up to seven times the national insurance base amount, and will accrue on this amount at the equivalent of 1.35% of income. The "best years" rule and the 40-year maximum pension contribution period are to be abolished. All years with income from employment will count towards the state pension. The proposals also include a flexible retirement age and the opportunity to draw state pension from 62 years of age. People who retire before 67 years of age will receive a reduced pension, while those who work beyond 67 will increase their annual pension. The existing early retirement scheme (AFP) will be adapted to the new proposals in collaboration with employers, and it seems that AFP will continue in the form of an annual addition to the state pension.

The government has announced that once the new rules for the national insurance pension scheme have been approved, it will evaluate the need for changes in legislation on private sector occupational pensions, including the question of how a flexible pension age might be introduced in employers' pensions. The Norwegian Parliament is expected to debate the White Paper during the 2007 spring session. In 2006, Parliament approved a proposal by the government to withdraw the taxation incentives for personal pension contracts (IPA) and both personal and group annuities. However, in November 2006 the government parties agreed to a proposal from the opposition for general agreement on the need for a new model of tax incentives for private pension savings.

Municipalities awaiting new insurance legislation

The public sector pension market represents over NOK 200 billion of accumulated premium reserves. The municipality sector accounts for a major part of this total, but a number of other bodies such as energy and transport companies also provide public sector occupational pensions. In 2005, legislation on the conduct of public sector purchasing was extended to include pension schemes. This has helped to ensure more competitive bidding arrangements, while at the same time increasing the threshold at which such procedures must be carried out. The regulations also impose requirements for public sector pension arrangements to be submitted to competitive bidding on a regular basis.

Many insurers brokers have advised municipalities to delay inviting competitive bidding on their pension schemes until the new insurance legislation is in force. Insurance companies will introduce new pricing structures once the legislation comes into force on 1 January 2008. This is a major reason for the small number of municipality schemes put out to tender in 2006 relative to earlier years. In addition, with effect from 2006 municipalities did not have the same freedom to determine the procedures and criteria for competitive bidding as in earlier years, and this played a part in reducing the number of schemes put out to tender.

Storebrand focuses on health and safety at work

Storebrand wishes to encourage its customers in both the private and public sectors to place greater emphasis on health and safety in the working environment (HSE).

Focus on HSE improves employees' job satisfaction and quality of life. For employers, focus on HSE reduces the cost of absenteeism and contributes to value creation as well as reducing insurance premiums. Moreover, a reduction in absenteeism and a lower incidence of disability pensions benefits society at large. Storebrand offers lower disability premiums for businesses that enter into a Storebrand HSE agreement. This product provides both health insurance and HSE advice from Storebrand. Health insurance secures prompt access to treatment when employees fall ill, while HSE advice helps companies to work towards a better working environment and reduced sick leave. Storebrand's HSE agreement is only available to companies that have entered into a "More inclusive working life" agreement with the National Insurance Administration. For public sector customers, Storebrand has established an HSE and senior policy fund. The fund can be used for various HSE measures, as well as training and education. In addition, Storebrand offers health insurance and HSE advice for municipalities and other public sector entities.

Storebrand Life Insurance branch office in Sweden

Storebrand Life Insurance opened its Swedish branch office in September 2005. Storebrand's products are marketed through Swedish brokers and financial advisers, and are based on Norwegian legislation. This means that Storebrand, in contrast to its Swedish

competitors, offers a stronger guarantee structure with better security for customers, as well as a statutory right to transfer.

Storebrand's products and solutions have been well received in the Swedish market. In autumn 2006, Storebrand launched a pension-backed mortgage product in collaboration with Ikano Bank, representing its first product for the Swedish retail market.

Storebrand's Swedish branch has so far focused on sales of traditional life and pension insurance products with guaranteed returns. In 2007, it will expand its activities to include mutual fund products. This will make Storebrand a complete alternative supplier in the Swedish market.

Storebrand operates as a flexible challenger in the Swedish pension market, able to rapidly adapt to changing customer requirements while at the same time drawing on Storebrand's extensive experience of the Norwegian pensions market. The launch of the Swedish branch and sales in the Swedish market also provide an important stimulus to developing Storebrand's pensions business in Norway, not least by providing experience from operating under a different national framework.

Retail market

Work on improving the efficiency of customer service systems continued in 2006. The retail market unit carried out a project to improve the efficiency of opening new policies and settlement for life insurance products as well as projects for the external distribution channel and for deposits and sales support at Storebrand Bank. The objective of this program is to address efficiency in all units before the start of 2009, and to improve efficiency by more than 20% in all these units. Improvements of over 30% have already been achieved on some of the business processes that have been reviewed. Improving efficiency also plays a role in ensuring that the company can cope with increasing business volumes while at the same time improving customer satisfaction.

The government has announced that the minimum contractual periods for tax periods on annuity policies and small IPA pension contracts will be abolished with effect from 2007. The Ministry of Finance will issue new regulations in this respect early in 2007. Storebrand is committed to finding good solutions for its IPA pension and annuity customers and retaining the assets under management for these products.

It is pleasing to see that discussions between the parties on the government's proposed pension reforms do suggest that tax shelter for private pension savings may continue in one form or another if the parties reach agreement in spring 2007. It is as yet uncertain whether any new arrangement will continue to apply to IPA contracts or annuity policies, or whether it would involve a different solution. The timing of the introduction of any new arrangements is also uncertain.

Report of the Board of Directors

2007 will be a year of cross selling. Storebrand intends to increase the number of products it sells to each customer. With 200,000 new mandatory occupational pension customers in 2006, Storebrand has an extremely strong position for successful cross selling.

Growth

Storebrand Livsforsikring expects growth in its total portfolio in the corporate market of between 8% and 10% annually. The market for long-term savings continues to grow. The introduction of mandatory occupational pensions in 2006 has made Norwegians more aware of the need for personal saving. The group gained around 15,500 new corporate customers in 2006, representing some 200,000 employees

in total. This major increase in the customer base will be of great importance for Storebrand's retail market activities in future years. These new customers will be offered attractive solutions for personal insurance and for personal savings.

Allocation of the result for the year

Storebrand Livsforsikring AS reports a profit available for sharing between policyholders and the owner of NOK 5,175 million for the year. After allocating NOK 1,000 million to additional statutory reserves, the profit for the year was NOK 4,175 million. The company's distributable reserves amount to NOK 3,079 million. The Board proposes the following allocation of the profit for the year:

Allocation NOK million	Total	To the owner		To policyholders	
		To the owner	%	To policyholders	%
Profit/loss for products not subject to profit allocation	57.8	57.8			
Profit/loss for products subject to profit allocation	4 116.8	1 122.7	27%	2 994.1	73%
Total	4 174.6	1 180.5		2 994.1	

The Board proposes that the owner's profit be allocation as follows:

Dividend	885.3
Transfer to the equity	295.2

Oslo, 12 February 2007

The Board of Directors of Storebrand Livsforsikring AS

Translation, not to be signed

Leiv L. Nergaard
Chairman

Camilla Grieg

Trond Wilhelmsen

Hans Henrik Klouman

Andreas Enger

Inger-Johanne Strand

Idar Kreutzer
Managing Director

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Profit and loss account Storebrand Livsforsikring

1.1.-31.12.

Storebrand Life Group				Storebrand Livsforsikring AS			
2004	2005	2006	NOK million	Note	2006	2005	2004
TECHNICAL ACCOUNT:							
15 315.2	16 028.0	13 125.4	1.1 Gross premiums written		13 125.4	16 028.0	15 315.2
-22.4	-28.3	-56.9	1.2 Reinsurance premiums ceded		-56.9	-28.3	-22.4
2 619.3	2 317.8	6 550.0	1.3 Premium reserves transferred from other companies	4	6 550.0	2 317.8	2 619.3
17 912.1	18 317.5	19 618.5	1. Premiums for own account	1,2	19 618.5	18 317.5	17 912.1
		1.5	2.1 Income from shares and participations in group companies		38.2	5.5	17.3
4.4	0.4	18.0	2.2 Income from participations in associated companies		19.2	0.4	4.4
0.3			2.3 Income from receivables due/securities issued by group companies				0.4
888.7	1 052.9	1 347.3	2.4 Income from property and real estate investments		1 143.0	959.5	804.0
4 578.3	4 703.7	5 168.8	2.5 Income from other financial assets		5 168.8	4 702.0	4 577.4
202.8	263.7	967.2	2.6 Revaluation of property and real estate investments		967.2	263.7	202.8
1 077.7	1 116.8	2 033.9	2.7 Unrealised gains/reversals of unrealised losses on financial current assets		2 033.9	1 116.8	1 077.7
3.0		39.7	2.8 Reversal of write-downs of financial assets		39.7		3.0
8 286.7	10 987.7	11 050.7	2.9 Gains on sales of financial assets		11 035.7	10 987.7	8 286.7
15 041.9	18 125.2	20 627.1	2. Income from financial assets	6	20 445.7	18 035.6	14 973.7
		685.4	3. Net income from financial assets with investment choice		685.4		
66.5	18.2	33.4	4. Other insurance related income		33.4	18.2	66.5
-6 824.1	-8 525.5	-12 906.3	5.1 Gross claims paid		-12 906.3	-8 525.5	-6 824.1
6.8	13.8	5.9	5.2 Claims paid - reinsurance		5.9	13.8	6.8
-31.2	-20.5	-47.7	5.3 Gross change in claims reserve		-47.7	-20.5	-31.2
-3 231.5	-1 830.9	-1 476.8	5.4 Premium reserves etc. transferred to other companies	4	-1 476.8	-1 830.9	-3 231.5
-10 080.0	-10 363.1	-14 424.9	5. Claims for own account	1	-14 424.9	-10 363.1	-10 080.0
-11 221.5	-11 223.5	-7 774.6	6.1 To/from premium reserve in the insurance fund (gross)		-7 774.6	-11 223.5	-11 221.5
-134.2	-125.4	-147.2	6.2 Guaranteed return on premium/pension adjustment fund		-147.2	-125.4	-134.2
-500.0	-950.0	-1 000.0	6.3 Additional statutory allocations for the year		-1 000.0	-950.0	-500.0
140.9	43.2	-79.8	6.4 To/from additional statutory reserves in connection with claims/repurchase		-79.8	43.2	140.9
24.6	58.9	187.1	6.5 Transfers of additional statutory reserves from other companies		187.1	58.9	24.6
-6.9	-10.6	-17.7	6.6 To/from security reserve		-17.7	-10.6	-6.9
-21.6	-15.2	-78.2	6.7 To technical reserves for non-life insurance business		-78.2	-15.2	-21.6
		-1 561.1	6.8 To/ from reserves for life insurance with investment choice		-1 561.1		
-11 718.7	-12 222.6	-10 471.5	6. Changes in insurance reserves etc. for own account	1	-10 471.5	-12 222.6	-11 718.7
-357.9	-509.5	-545.7	7.1 Sales expenses (insurance)	3	-545.7	-509.5	-357.9
-523.8	-757.8	-1 005.2	7.2 Insurance related administration expenses	8	-1 005.2	-757.8	-523.8
-881.7	-1 267.3	-1 550.9	7. Insurance related operating expenses for own account		-1 550.9	-1 267.3	-881.7
-5.5	-6.5	-7.5	8.1 Administration expenses: properties and real estate investments		-7.5	-6.5	-5.5
-151.6	-80.1	-196.4	8.2 Administration expenses: other financial assets		-196.4	-80.1	-151.6
-33.6	-7.3		8.3 Interest expense arising from financial assets			-6.2	-21.3
-137.9	-153.8	-265.9	8.4 Other expenses arising from financial assets		-53.4	-72.6	-75.9
-34.1	-232.8	-39.7	8.5 Revaluation of properties and real estate investments		-39.7	-232.8	-34.1
-0.3	-4.7		8.6 Write-downs to other financial assets			-4.7	-0.3
-6 139.0	-7 325.1	-7 634.1	8.7 Loss on disposal of financial assets		-7 634.1	-7 325.1	-6 139.0
-6 502.0	-7 810.3	-8 143.6	8. Expenses in respect of financial assets	6	-7 931.1	-7 728.0	-6 427.7
-164.9	-100.7	-60.9	9. Other insurance related expenses after reinsurance share		-60.9	-100.7	-164.9
-1 077.6	-1 116.8	-2 033.9	10. To/from market value adjustment reserve		-2 033.9	-1 116.8	-1 077.6
2 595.6	3 580.1	4 278.7	11. TECHNICAL INSURANCE RESULT		4 309.8	3 572.8	2 601.7

Storebrand Life Group				Storebrand Livsforsikring AS			
2004	2005	2006	NOK million	Note	2006	2005	2004
-764.0	-1 054.8	-1 350.2	12.1 Transfers to the premium reserve in the insurance fund		-1 350.2	-1 054.8	-764.0
-755.4	-1 209.9	-1 643.9	12.2 Transfers to the premium and pensioner's surplus fund		-1 643.9	-1 209.9	-755.4
-1 519.4	-2 264.7	-2 994.1	12. Funds transferred to policyholders	1	-2 994.1	-2 264.7	-1 519.4
1 076.2	1 315.4	1 284.6	13. BALANCE OF THE TECHNICAL ACCOUNT		1 315.7	1 308.1	1 082.3
			NON-TECHNICAL ACCOUNT:				
65.7	86.1	108.1	14. Other income				
-176.2	-234.4	-210.4	15. Other expenses		-135.2	-141.6	-119.7
965.7	1 167.1	1 182.3	16. PROFIT FROM ORDINARY ACTIVITIES		1 180.5	1 166.5	962.6
-33.4	26.0	-0.7	17. Tax	7,24		26.6	-31.0
-0.7		-1.1	18. Minority interests' share of profit				
931.6	1 193.1	1 180.5	19. PROFIT FOR THE YEAR		1 180.5	1 193.1	931.6
			ALLOCATIONS:				
			20.1 Group contribution paid				
			20.2 Dividend paid		-885.3	-775.4	-538.7
			20.3 Transferred to other equity		-295.2	-417.7	-392.9
			20. Total allocated		-1 180.5	-1 193.1	-931.6

Balance sheet Storebrand Livsforsikring

at 31 December

Storebrand Life Group				Storebrand Livsforsikring AS			
2004	2005	2006	NOK million	Note	2006	2005	2004
ASSETS:							
41.6	24.9	8.2	1.1 Intangible assets	19	0.5		
		5.4	1.2 Deferred tax assets	24			
41.6	24.9	13.6	1. Intangible assets		0.5		
12 872.4	14 135.7	18 169.4	2.1 Properties and real estate	18,19	17 936.8	13 963.4	12 864.9
			2.2 Shares and participations in group companies	10,14	272.4	341.2	126.5
61.6	100.0	207.9	2.3 Shares and participations in associated companies	10,20	188.7	62.0	61.6
		4.4	2.4 Shares and other equity investments	14,19	4.2		
39 351.5	40 671.6	43 098.8	2.5 Bonds to be held to maturity	14,12,20	43 098.8	40 671.6	39 351.5
267.8	607.5	2 295.6	2.6 Secured lending	14,15	2 295.6	607.5	267.8
130.8	48.6	44.2	2.7 Other lending	14,15	44.2	48.6	130.8
1.1			2.8 Other financial long term assets				
52 685.2	55 563.4	63 820.3	Long term financial assets		63 840.7	55 694.3	52 803.1
28 616.4	39 338.4	45 515.7	2.9 Shares and other equity investments	9,13,14,16,20	45 515.7	39 336.8	28 579.3
44 039.8	48 785.3	44 538.6	2.10 Bonds and other fixed income securities	11,13,14,20	44 538.6	48 785.3	44 039.8
3 032.2	1 528.5	1 743.6	2.11 Money market placements	14,20	1 743.6	1 528.5	3 032.2
374.1	438.7	858.8	2.12 Financial derivatives	13,14,20	858.8	438.7	374.1
76 062.5	90 090.9	92 656.7	Financial assets held as current assets		92 656.7	90 089.3	76 025.4
128 747.7	145 654.3	156 477.0	2. Total financial assets		156 497.4	145 783.6	128 828.5
		3 028.7	3.1 Equityfund		3 028.7		
		127.0	3.2 Bondfund		127.0		
		1 094.7	3.3 Money market fund		1 094.7		
		2.0	3.4 Combination fund		2.0		
		3 111.7	3.5 Investments fund	16	3 111.7		
		7 364.1	3. Life insurance assets with investment choice	17	7 364.1		
1 189.7	957.0	1 628.8	4.1 Receivables due from insurance customers (direct business)		1 628.8	957.0	1 189.7
4.3	4.3	4.3	4.2 Receivables due arising from reinsurance		4.3	4.3	4.3
566.5	1 498.8	777.6	4.3 Other receivables		617.9	1 384.0	244.3
33.5	25.6	23.0	4.4 Intra-group receivables	26	41.1	240.8	51.4
1 794.0	2 485.7	2 433.7	4. Total receivables		2 292.1	2 586.1	1 489.7
2.6	26.5	28.2	5.1 Fixed assets	19	26.3	24.2	0.5
2 053.9	1 777.6	4 057.2	5.2 Cash and bank		3 829.1	1 581.9	1 939.0
96.2			5.3 Other assets by type	8			89.6
2 152.7	1 804.1	4 085.4	5. Total other assets		3 855.4	1 606.1	2 029.1
1 390.1	1 697.0	1 996.7	6.1 Accrued but not received lease rentals, interest etc.	11,12	1 992.1	1 694.4	1 386.6
85.2	6.5	10.3	6.2 Other prepaid costs and accrued income		10.3	6.5	85.2
1 475.3	1 703.5	2 007.0	6. Total prepaid costs and accrued income		2 002.4	1 700.9	1 471.8
134 211.3	151 672.5	172 380.8	TOTAL ASSETS		172 011.9	151 676.7	133 819.1

Storebrand Life Group				Storebrand Livsforsikring AS			
2004	2005	2006	NOK million	Note	2006	2005	2004
EQUITY AND LIABILITIES:							
1 411.2	1 411.2	1 411.2	7.1 Share capital		1 411.2	1 411.2	1 411.2
726.4	726.5	870.6	7.1 Share premium		870.6	726.5	726.4
2 137.6	2 137.7	2 281.8	7. Total paid-in share capital	29	2 281.8	2 137.7	2 137.6
2 366.2	2 783.9	3 079.0	8.1 Other equity		3 079.1	2 783.9	2 366.2
2 366.2	2 783.9	3 079.0	8. Total accrued capital	29	3 079.1	2 783.9	2 366.2
13.0	12.7	13.8	9. Minority interests' share in equity				
2 966.8	2 875.4	2 961.7	10.1 Other subordinated loan capital		2 961.7	2 875.4	2 966.8
2 966.8	2 875.4	2 961.7	10. Total subordinated loan capital	13,25	2 961.7	2 875.4	2 966.8
2 767.2	3 884.0	5 917.8	11. Market value adjustment reserve	20	5 917.8	3 884.0	2 767.2
111 819.5	124 051.7	133 257.3	12.1 Premium reserve for own account		133 257.3	124 051.7	111 819.5
3 706.1	4 537.5	5 550.7	12.2 Additional statutory reserves		5 550.7	4 537.5	3 706.1
4 946.2	5 228.1	6 492.8	12.3 Premium fund		6 492.8	5 228.1	4 946.2
199.2	215.0	280.0	12.4 Pensioner's surplus fund		280.0	215.0	199.2
313.8	334.3	382.6	12.5 Claims reserve for own account		382.6	334.3	313.8
81.4	96.6	174.8	12.6 Other technical reserves	23	174.8	96.6	81.4
121 066.2	134 463.2	146 138.2	Insurance fund reserves for own account		146 138.2	134 463.2	121 066.2
148.6	159.2	179.0	12.7 Security reserve		179.0	159.2	148.6
121 214.8	134 622.4	146 317.2	12. Total insurance related reserves for own account	21	146 317.2	134 622.4	121 214.8
		7 188.5	13.1 Premium reserve		7 188.5		
		175.6	13.2 Deposit fund		175.6		
		7 364.1	13. Reserve for life insurance with investment choice		7 364.1	0.0	0.0
187.6	245.1	207.6	14.1 Pension liabilities etc.	8	190.0	226.5	181.2
180.2	180.9	107.6	14.2 Deferred tax	24			26.6
0.3	0.3	0.3	14.3 Other reserves		0.3	0.3	0.3
368.1	426.3	315.5	14. Total reserves for other risks and costs		190.3	226.8	208.1
481.1	724.4	385.2	15.1 Accounts payable in respect of direct insurance		385.2	724.4	481.1
80.8	111.6	86.9	15.2 Accounts payable in respect of reinsurance		86.9	111.6	80.8
	684.1	626.8	15.3 Financial derivatives representing current liabilities	13,20	626.8	684.1	
1 018.3	2 301.0	1 688.0	15.4 Other liabilities		1 463.6	2 441.8	712.2
538.7	776.6	885.3	15.5 Allocated to dividend		885.3	775.4	538.7
12.8	14.9	49.8	15.6 Due to group companies	26	49.8	119.4	124.7
2 131.7	4 612.6	3 722.0	15. Total liabilities		3 497.6	4 856.7	1 937.5
46.7	42.6	57.3	16.1 Prepayments received of lease rental, interest etc.		57.3	42.6	46.7
199.2	274.9	350.6	16.2 Other accrued costs and deferred income		344.9	247.2	174.2
245.9	317.5	407.9	16. Total accrued costs and deferred income		402.2	289.8	220.9
134 211.3	151 672.5	172 380.8	TOTAL EQUITY AND LIABILITIES		172 011.9	151 676.7	133 819.1
			Off-balance sheet contingent liabilities		4 237		

Oslo, 12 February 2007

The Board of Directors of Storebrand Livsforsikring AS
Translation, not to be signed

Leiv L. Nergaard
Chairman

Camilla Grieg

Andreas Enger

Trond Wilhelmsen

Inger-Johanne Strand

Hans Henrik
Klouman

Idar Kreutzer
Managing Director

Cash flow analysis Storebrand Livsforsikring

1 January - 31 December

NOK million	Group			Parent company		
	2006	2005	2004	2006	2005	2004
Cash flow from operations						
Net premiums received - direct insurance	10 554.3	15 096.7	14 048.4	10 554.3	15 096.7	14 383.5
Net claims/benefits paid - direct insurance	-13 294.1	-8 288.9	-6 966.8	-13 294.1	-8 288.9	-6 907.7
Net receipts/ payments - policy transfers	5 073.2	486.9	-212.2	5 073.2	486.9	-612.2
Net receipts/payments - lending to customers	-1 610.0	-236.5	1 126.1	-1 610.0	-236.5	1 126.4
Net receipts/payments - loans to and claims on other financial institutions						
Net receipts/payments - customer deposits with the banking activities	121.6	106.1	98.5	118.3	104.8	98.5
Net receipts/payments - deposits from Norges Bank and other financial institutions						
Net receipts/payments - securities in the trading portfolio:						
Shares and other equity investments	274.0	-5 592.0	-6 172.4	328.7	-5 805.9	-5 653.9
Bonds and other fixed income securities	6 072.4	-694.9	1 279.2	6 056.2	-697.9	976.6
Financial derivatives and other financial instruments	-477.4	619.5		-477.4	619.5	-222.9
Dividend receipts from the trading portfolio						
Payments to suppliers for goods and services	-760.1	-53.0	-994.7	-1 023.4	-80.8	-854.4
Net receipts/payments - real estate activities	-2 003.5	-315.1	-2 111.4	-1 950.0	-162.5	-2 310.3
Payments to employees, pension scheme, employers' contribution etc.	-804.5	-599.0	-663.3	-761.8	-576.7	-393.6
Payments of tax, duties, etc.	-79.3	26.7				
Net receipts/payments - other operational activities						
Net cash flow from operations	3 066.6	556.5	-568.6	3 014.0	458.7	-370.0
Cash flow from investment activities						
Net receipts from sales of subsidiaries		0.1			0.1	
Net payments on purchase/capitalisation of subsidiaries						
Receipts from sales of property						
Payments on purchase of property	-12.4	-12.4		-12.4	-12.4	0.0
Net receipts/payments on sale/purchase of fixed assets, etc.	-31.9	-50.1	0.1	-14.2	-31.9	-4.1
Net cash flow from investment activities	-44.3	-62.4	0.1	-26.6	-44.2	-4.1
Cash flow from financing activities						
Repayment of long term lending						
Receipts from taking up term loans						
Receipts from issuance of commercial paper/short-term loans						
Repayment of commercial paper/short-term loans						
Receipts from issuance of subordinated loan capital						
Repayment of subordinated loan capital						
Interest payments on subordinated loans	-48.9	-233.0	178.2	-48.9	-233.0	178.2
Receipts from issue of bond loans and other long-term funding						
Repayment of bond loans and other long-term funding						
Receipts from issue of new share capital	53.5	0.1	750.0	53.5	0.1	750.0
Payments on redemption of share capital						
Group contribution/dividend paid	-775.4	-537.5		-775.4	-538.7	-230.3
Net cash flow from financing activities	-770.8	-770.4	928.2	-770.8	-771.6	697.9
Net cash flow for the period	2 251.5	-276.3	359.7	2 216.6	-357.1	323.8
Net change in cash and cash equivalent assets	2 251.5	-276.3	359.7	2 216.6	-357.1	323.8
Cash and cash equivalent assets at the start of the period for new companies						
Liquid assets 01.01	1 808.2	2 053.9	1 694.2	1 612.5	1 939.0	1 615.2
= Liquid assets at 31.12	4 059.7	1 777.6	2 053.9	3 829.1	1 581.9	1 939.0

Notes Storebrand Livsforsikring

00 Accounting principles

General

The Annual Accounts have been prepared in accordance with the Accounting Act of 1998, Norwegian generally accepted accounting practice, and the regulations on annual accounts of insurance companies.

In preparing the annual accounts, management has to use assumptions and estimates that will affect reported figures related to assets, liabilities, revenue and costs, as well as the information on contingent liabilities included in the notes to the accounts. The actual figures in question may differ from the original estimates.

Consolidation

The group accounts consolidate Storebrand Livsforsikring AS and all subsidiaries where Storebrand Livsforsikring AS exercises control directly or indirectly over more than 50% of the voting rights. The accounts of subsidiary companies are restated in accordance with the accounting principles that apply to life insurance companies if such restatement has a material effect. Shares in subsidiaries are eliminated in the consolidated accounts on the acquisition method. This means that the assets and liabilities are valued at actual value at the time of acquisition, and any excess value is classified as goodwill. All material transactions, receivables and payables between group companies are eliminated in the consolidated accounts.

Investments in companies where the group exercises significant influence (associated companies), are consolidated in accordance with the equity method. The equity method involves valuing the investment as Storebrand Livsforsikring's proportionate share of the associated company's equity, including any over-value or goodwill. Storebrand Livsforsikring's share of the associated company's annual profit, after deducting any goodwill depreciation, is recognised to profit and loss. Storebrand Livsforsikring is normally deemed to have significant influence over a company in which it owns between 20% and 50% of the voting capital. Interests in jointly controlled businesses 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 accounts.

Foreign companies are translated to Norwegian kroner (NOK) using the balance sheet date method. This means that assets, including any over-value on purchase, and liabilities are translated to NOK on the basis of the exchange rate prevailing on the date of the balance sheet, while the profit and loss accounts of such companies are translated to NOK at the average exchange rates for the year. Any translation differences are posted against the group's equity.

Merger

Storebrand Fondsforsikring AS was merged with Storebrand Livsforsikring AS with accounting effect from 1 January 2006. The merger was carried out with accounting continuity. Prior year figures have not been restated for the merger.

Assets and liabilities denominated in foreign currency

Liquid assets, other financial current assets and subordinated loans denominated in foreign currency are converted at the exchange rate prevailing on the date of the balance sheet. Currency derivatives are valued at actual value on the date of the balance sheet.

Profit and loss account

Premium income

Gross premiums written comprise premium amounts which fall due during the year. The result from reinsurance ceded is shown separately as a sub account of premiums for own account. Accrual of premiums earned is made through allocations to premium reserve in the insurance fund.

Claims paid

Gross claims paid during the year. The result of reinsurance ceded and the year's change in claims reserve are shown separately under the heading of claims for own account. The reserve for claims not yet settled or not yet paid out is provided for in claims reserves for own account.

Income/expense arising from financial assets

Income and expense arising from financial assets, including any change in unrealised gains or losses, are shown as gross figures in the profit and loss account. Net unrealised gains/losses on financial assets classified as current assets are transferred to a market value adjustment reserve in the balance sheet, and therefore do not affect profit. Financial expense includes administration costs associated with the financial activities

Transfers of premium reserve etc. (policy transfers)

Transfers of insurance fund premium reserves resulting from transfers of policies between insurance companies are booked to profit and loss as premiums for own account in the case of reserves received and claims for own account in the case of reserves paid out. The recognition of cost/income takes place at the date the insured risk is transferred. The premium reserve in the insurance fund is increased/reduced at the same date. The premium reserve transferred includes the policy's share in additional statutory reserves, the market value adjustment fund and the year's profit. Transferred additional statutory reserves are not shown as part of premium income but are reported separately as changes in insurance reserves. Transfer amounts are classified as current assets/liabilities until such time as the transfer takes place. Interest arising in the time taken to complete transfer is recognised as part of the item 'other insurance related income and expenses'.

Movements in reserve for life insurance with investment choice

Includes the total of all movements on customers' accounts during the course of the year that involve the purchase or sale of units, and can therefore include contributions paid in, benefits paid out, market value adjustments, fees and risk premiums charged and mortality profit credited.

Profit allocated to policyholders

The guaranteed yield on the premium reserve and on the premium/pension adjustment fund is recognised to profit and loss as part of the item changes in insurance reserves. Other profit allocated to customers is shown under the item 'funds transferred to policyholders'.

Financial assets

Financial current assets

Real estate

Properties and other real estate investments are valued at actual value. Accordingly no normal corporate depreciation is applied. Changes in valuation and gains/losses realised on the sale of properties in the year are recognised to profit and loss. Real estate assets held through a separate legal entity (limited company or general partnership) are classified and valued in the same way as directly owned properties.

Shares held as fixed assets

Investments in shares in subsidiaries and associated companies, with the exception of real estate held through a limited company or general partnership, are accounted for using the equity method.

Bonds held to maturity

Bonds acquired with the intention of holding to maturity are classified as financial fixed assets. Bonds are valued at amortised cost to the next interest fixing date using the effective yield method. Accrued premium/discount is shown in the accounts as part of income from other financial assets. In the event of a significant adverse change in the credit standing of an issuer, the value of bonds held will be written down as necessary.

Mortgage loans – other lending

Loans are booked in the balance sheet at acquisition cost and the values are reduced by specific and general loan loss provisions in accordance with the Financial Supervisory Authority of Norway's regulations dated 21 December 2004.

Financial current assets

Financial current assets are booked at actual value. The net unrealised gain or loss for the year is transferred to the market value adjustment reserve in the balance sheet. A description of the valuation methods applied to financial current assets and the market value adjustment reserve is given below.

Shares and other equity investments

For financial assets that are listed on a stock exchange or another regulated market place, fair value is determined as the bid price on the last trading day up to and including the balance sheet date.

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 willing 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.

Stock lending

A stock loan involves a transfer of shares from Storebrand to a borrower in return for the borrower pledging security in the form of cash or securities. At the maturity of the stock loan, the identical securities are returned to Storebrand. The borrower is required to compensate the lender for various events related to the shares lent, such as distributions of subscription rights, dividends etc. The borrower is entitled to exercise the voting rights of the shares during the period of the stock loan. Shares lent by Storebrand are not removed from the Storebrand balance sheet, and fees earned on stock lending are recognised to income as they are received.

Bonds and other fixed income securities

Where trading prices from a liquid market are available for a security, the security is valued at the closing price on the last trading day immediately prior to or on the date of the balance sheet. In the case of securities where no traded price is available, a theoretical price is calculated on the basis of the yield curve for the particular market taking into account the credit standing of the issuer in question. The discount on zero-coupon securities is amortised as interest income over the period to maturity using the effective yield method. Changes in value caused by changes in the level of interest rates are treated as unrealised changes in value and are transferred to the market value adjustment reserve.

Financial derivatives

The calculation of actual value for derivatives is based on actual market values where these are available in a liquid market. If no market price is directly available, market value is calculated on the basis of the market price of the underlying instrument by using mathematical models generally accepted for pricing such instruments.

Equity options /Equity index options

Options are realised when they are exercised, mature, or are matched by an offsetting transaction.

Stock futures

Stock futures contracts (including stock index futures) are reconciled daily on the basis of the previous day's market prices. Changes in the values of futures contracts are recorded in the accounts as they occur as realised financial income or expense.

Interest-rate options/options on forward rate agreements (FRA)

The same accounting treatment is applied as for share options.

Interest rate futures

Interest rate futures are treated in the same way as stock futures.

Interest rate swaps

Interest income and expense arising from interest rate swaps is accrued to profit and loss. Current assets are recognised at market value.

Asset swap

The same accounting treatment is applied as for interest rate swaps.

FRA-Forward rate agreements

Forward rate agreements (FRA) are recognised at market value and are settled at the start of the interest rate period to which the agreement applies.

Forward foreign exchange contracts

Forward foreign exchange contracts are principally used to hedge holdings of securities, and other financial instruments. Unrealised gains or losses do not affect the market value adjustment reserve, but do affect the profit available for allocation between customers and the shareholder. Profit or loss arising from active currency positions is applied to the market value adjustment reserve.

Currency swaps

The same accounting treatment is applied as for forward foreign exchange contracts.

Credit derivatives

Credit derivatives are valued on the basis of a theoretical approach using recognised methods based on observable assumptions on the likelihood of default and recovery. ("Default rate" and "Recovery rate").

Net unrealised gains on financial current assets - market value adjustment reserve

Unrealised gains/losses for the current year on financial current assets are applied to the market value adjustment reserve in the balance sheet and are therefore not included in the profit for the year. If the total portfolio of financial current assets shows a cumulative unrealised loss, this loss is charged to profit and loss. If specific financial current assets are considered to have suffered a permanent loss in value, the change in value of the financial asset in question is charged to profit and loss.

Unrealised gains/losses for the current year on financial current assets denominated in foreign currencies that can be attributed to movements in exchange rates are not transferred to the market value adjustment reserve if the investment is hedged against currency movements. The change in the value of the hedging instrument is accordingly not transferred to the market value adjustment reserve, but is applied directly to profit and loss. The foreign exchange risk associated with investments denominated in foreign currencies is to a very large extent hedged through foreign exchange contracts on a portfolio basis.

Life insurance assets with investment choice

Total of customers' investments through Unit Linked contracts. This asset is booked at market value. This item is equal to the Reserve for life assurance with investment choice. The company is the owner of the units in which the customers have invested through the contracts.

Other assets

Intangible assets

Intangible assets acquired separately or as a group are valued at actual value at the time of acquisition. Intangible assets are depreciated linearly over their expected commercial life. If the value of an intangible asset is not limited in time and no commercial life can be estimated, the asset is not depreciated but is subject to an annual test of the need for a write-down.

Tangible fixed assets

Tangible fixed assets for own use are valued at acquisition cost reduced by accumulated depreciation. Fixed assets are written down if their realisable value is lower than book value. Realisable value is defined as the higher of net sale value and value in use calculated as a discounted cash flow.

Cash and bank

Cash and bank includes cash and bank deposits. Long-term deposits are classified as part of the item 'Money market placements'.

Long-term liabilities

Subordinated loan capital

Subordinated loan capital is valued at amortised cost using the effective yield method.

Subordinated loans denominated in foreign currency are hedged by forward foreign exchange purchases of the equivalent principal amount plus the interest which will accrue to the maturity of the forward contract. Both the loan and interest are recorded at the exchange rate prevailing on the date of the balance sheet, and the forward foreign exchange contract is recorded at current market value.

Insurance reserves - life insurance

The insurance fund

Premium reserve

Gross premium reserve represents the cash value of the company's total insurance obligations in accordance with the individual insurance contracts after deducting the cash value of future premiums. This is equivalent to the total of the amounts credited to the policyholders' accounts, as well as allocated premium reserve for policies which are not booked individually (risks with no investment content, including group life schemes etc.).

Additional statutory reserves

The company is permitted to make additional statutory allocations to the insurance fund in order to ensure the solidity of its life insurance business. The maximum additional allocation to statutory reserves is set at the difference between the premium reserve calculated on the basis of 3.5% guaranteed yield and the premium reserve calculated on the basis of actual guaranteed yield under the contracts. The Financial Supervisory Authority of Norway has specified a level for the additional statutory reserves that apply to each policy. This is defined as the premium reserve for the policy multiplied by twice the basic interest rate for the policy. The company is permitted to apply a higher multiple of the basic interest rate than that defined by the Financial Supervisory Authority of Norway. The allocation to additional statutory reserves is a conditional allocation to policyholders that is recognised in the profit and loss account as a statutory allocation and accordingly reduces net profit. Additional statutory reserves can be used to meet a shortfall in the guaranteed return. This is shown in the profit and loss account after the technical (insurance) result as amounts released from additional statutory reserves to meet the shortfall in guaranteed return.

Premium fund

The premium fund contains premiums prepaid by policyholders on individual and collective pension insurance as a result of taxation regulations.

Pensioners' surplus fund

The pensioners' surplus fund contains surplus premium reserve amounts allocated in respect of pensions in payment that are part of group pension policies. The fund is applied each year as a single premium payment to secure additional benefits for pensioners.

Claims reserve

Amount reserved for claims settlement either not yet completed or not yet paid out (IBNR and RBNS). The reserve only covers amounts which might have been paid in the accounting year had the claim been settled.

Security fund

The security fund consists of statutory security allocations to cover unexpected insurance risks. The calculations are made in accordance with regulations published by the Financial Supervisory Authority of Norway. It is possible to increase the reserve by 50% above the minimum allocation. In special situations, the Financial Supervisory Authority of Norway may give permission for all or part of the reserve to be used to cover a fall in the value of bonds or of shares classed as current assets. The entire reserve is shown as a mandatory reserve in the accounts.

Reserve for life insurance with investment choice

Total of customers' investments at market value. This item is equal to Life insurance assets with investment choice.

Pension liabilities in respect of own employees

The company uses the Norwegian standard for pensions accounting NRS 6A, which permits the use of IAS 19 (International Financial Reporting Standards) 'Employee Benefits'.

The net pension cost for the period consists of the sum of pension liabilities accrued in the period, the interest charge on the calculated liability and the expected return on pension fund assets. Pension costs and pension liabilities for defined benefit schemes are calculated using a linear profile for the accrual of pension entitlement and expected final salary as the basis for calculating the benefit obligation, based on assumptions on discount rate, future increases in salary, pensions and social security pension benefits, the future return on pension assets and actuarial assumptions on mortality, staff turnover etc. The discount rate used is the risk-free interest rate appropriate for the remaining maturity. Where a scheme is funded, the pension assets are valued at fair value and deducted to show the net liability in the balance sheet.

The effect of differences between assumptions and actual experience and changes in assumptions is amortised over the remaining period for accrual of pensions entitlement to the extent that it exceeds 10% of the higher of either the pension liability or pension assets (corridor approach).

The effect of changes to the pension scheme is charged to the profit and loss account as incurred, unless the change is conditional on future accrual of pension entitlement. If this is the case, the effect is allocated on a linear basis over the period until the entitlement is fully earned. Social security contributions and any other employment taxes payable by the employer are included as part of the pension liability, and are included both in the balance sheet value of pension liabilities and in differences between assumptions and actual experience.

The scheme is treated as an external insurance arrangement.

Deferred tax/deferred tax assets

The accounts reconcile tax cost with the accounting profit before tax. Tax in respect of equity transactions is applied directly to equity. The tax charge in the accounts consists of tax payable for the accounting year (tax on direct taxable income for the year) and changes in net deferred tax and deferred tax assets. Deferred tax and deferred tax assets are reported on a net basis in the balance sheet. Net deferred tax assets are capitalised to the balance sheet to the extent it is considered likely that future taxable income will be sufficient to make use of the benefit they represent.

01 Profit and loss statement by class of business: Storebrand Livsforsikring AS

NOK million	Group pension private insurance	Group pension public insurance	Group life insurance	Endowment insurance	Annuity/pension insurance	Non-life insurance	Total	Of this not eligible for profit allocation
1.1 Single premium	1 999.6	865.5			8.6		2 873.7	457.9
1.2 Annual premiums	4 607.1	788.7	499.1	707.6	173.4	185.7	6 961.6	2 010.3
1.3 Account products				2 776.7	513.4		3 290.1	211.9
Total premiums written	6 606.7	1 654.2	499.1	3 484.3	695.4	185.7	13 125.4	2 680.1
1.4 Reserve transfers received	2 367.3	3 892.3		5.6	284.8		6 550.0	113.3
1.5 Reinsurance ceded	-15.3		-3.0	-4.3	-0.3	-34.0	-56.9	-38.2
1 Premium income 2006	8 958.7	5 546.5	496.1	3 485.6	979.9	151.7	19 618.5	2 755.2
Premium income 2005	6 510.1	1 867.2	467.1	8 261.8	1 104.3	107.0	18 317.5	882.5
Premium income 2004	7 147.0	1 453.7	489.5	7 646.5	1 096.5	78.9	17 912.1	752.3
2 Income from financial assets	12 978.5	1 859.5	99.5	2 568.1	2 918.5	21.6	20 445.7	269.0
3 Income from financial assets with investment choice	123.2			88.7	473.5		685.4	685.4
4 Other insurance related income	21.0	3.0	0.2	4.3	4.9		33.4	0.4
5.1 Claims paid	-2 936.0	-864.5	-350.5	-789.6	-1 680.9	-42.5	-6 664.0	-633.3
5.2 Agreements terminated/withdrawals from endowment policies	-217.5			-5 950.7	-74.1		-6 242.3	-297.5
5.3 Re-insurance ceded	1.2			4.5	0.1	0.1	5.9	4.9
5.4 Movements in claims reserve	-35.3	-12.5	35.7	-30.2	-5.4		-47.7	19.3
5.5 Reserve transfers disbursed	-1 263.6	-40.5		-3.5	-169.2		-1 476.8	-155.1
5 Claims 2006	-4 451.2	-917.5	-314.8	-6 769.5	-1 929.5	-42.4	-14 424.9	-1 061.7
Claims 2005	-4 642.6	-671.4	-316.5	-3 141.6	-1 552.7	-38.3	-10 363.1	-451.4
Claims 2004	-5 934.1	-583.0	-341.1	-1 658.6	-1 536.2	-27.0	-10 080.0	-420.8
6.1 Movements in premium reserve	-6 278.9	-4 844.4	-71.3	3 257.1	162.9		-7 774.6	-341.3
6.2 Guaranteed interest on premium/ pensioners' surplus fund	-125.9	-13.9			-7.4		-147.2	
6.3 Additional statutory allocations for the year	-636.9	-93.3		-125.4	-144.4		-1 000.0	
6.4 Change in additional statutory allocations in the insurance fund	-33.6	-100.8		46.7	7.9		-79.8	
6.5 Transfers of additional statutory allocations and market value adjustment reserve	81.9	101.1			4.1		187.1	
6.6 Movement in security reserve	-10.4	-5.8	-0.7	-0.7	-0.1		-17.7	-7.8
6.7 Technical reserves for non-life insurance business						-78.2	-78.2	-78.2
6.8 To/from reserves for life insurance with investment choice	-892.5			-382.8	-285.8		-1 561.1	-1 561.1
6 Change in insurance related reserves 2006	-7 896.3	-4 957.1	-72.0	2 794.9	-262.8	-78.2	-10 471.5	-1 988.4
Change in insurance related reserves 2005	-4 818.8	-1 526.2	-8.2	-5 505.8	-348.4	-15.2	-12 222.6	-106.7
Change in insurance related reserves 2004	-4 192.1	-1 107.8	-10.8	-6 065.0	-321.4	-21.6	-11 718.7	-73.3
7 Insurance related operating costs	-725.7	-98.8	-69.6	-358.2	-241.0	-57.6	-1 550.9	-473.7
8.1 Admin. costs financial assets	-129.3	-18.5	-1.0	-25.6	-29.3	-0.2	-203.9	-3.0
8.2 Other costs financial assets	-4 916.1	-704.6	-37.7	-970.9	-1 089.7	-8.2	-7 727.2	-77.9
8 Costs related to financial assets	-5 045.4	-723.1	-38.7	-996.5	-1 119.0	-8.4	-7 931.1	-80.9
9 Other insurance related costs	-25.7	-2.4	-25.1	-3.6	-4.1		-60.9	-25.4
10 To/from market value adjustment reserve	-1 287.4	-187.1	-10.0	-257.8	-289.4	-2.2	-2 033.9	-20.8
11 Released from additional statutory reserves to meet shortfall in guaranteed return								
12 Funds transferred to policyholders	-1 964.4	-419.0		-286.1	-324.6		-2 994.1	
13 Technical result	685.3	104.0	65.6	269.9	206.4	-15.5	1 315.7	59.1
14 Other income								
15 Other costs	-86.0	-12.3	-0.7	-17.0	-19.1	-0.1	-135.2	-1.4
16 Profit from ordinary operations	599.3	91.7	64.9	252.9	187.3	-15.6	1 180.5	57.7
17 Tax								
18 PROFIT FOR THE YEAR	599.3	91.7	64.9	252.9	187.3	-15.6	1 180.5	57.7

Notes Storebrand Livsforsikring

Of which products with investment choice

NOK million	2006			Total
	Group pension	Endowment insurance	Annuity/pension	
Premiums written	988.3	581.8	41.0	1 611.1
- which saving premium	972.9	576.2	13.6	1 562.7
- which risk premium	-0.3	0.5	1.2	1.4
- which administration premium	15.7	5.1	26.2	47.0
Net transferes premium reserve	-11.0	2.0	6.2	-2.8
Net income of financial investment	14.8	5.6	41.9	62.3
Net income of financial assets with investment choice	123.2	88.7	473.5	685.4
Other insurance related income	0.1			0.1
Claims paid	-4.3	-273.4	-212.2	-489.9
Change in insurance related reserves	-1 074.2	-385.4	-273.6	-1 733.2
Insurance related operating costs	-132.6	-16.3	-60.9	-209.8
Other insurance related costs			-0.1	-0.1
Technical result	-95.7	3.0	15.8	-76.9
Other income				
Other costs				
Tax				
Profit for the year	-95.7	3.0	15.8	-76.9

02 Sales of insurance (new business) Storebrand Livsforsikring AS

Premiums: NOK million	Group pension private insurance	Group pension public insurance	Group life insurance	Endowment insurance	Annuity/pension insurance	Non-life insurance	Total
2006	1 344.3	1.3	21.2	2 485.5	441.5	71.9	4 365.7
2005	210.6	2.6	14.6	7 150.5	584.0	35.4	7 997.7
2004	211.5	0.3	15.3	6 258.2	431.5	14.1	6 930.9

Sales consist of new and additional sales, with deductions for policies where the first premium has not been paid. Premium reserves transferred to the company (note 4) are not included in these figures.

Of which products with investment choice

NOK million	Group pension	Endowment kapital	Annuity/pension	Total
Sales of new business 2006	1 016.4	602.0	24.6	1 643.0

03 Sales costs Storebrand Livsforsikring AS

NOK million	2006	2005	2004
Salaries and other costs	-360.2	-320.0	-249.0
Commissions paid	-185.5	-189.5	-108.9
- of which commissions paid to other companies	-101.2	-129.4	-72.5
Total sales costs	-545.7	-509.5	-357.9

04 Movements of reserves to/from Storebrand Livsforsikring AS

NOK million	Group pension private insurance	Group pension public insurance	Endowment insurance	Annuity/pension insurance	Total 2006	Total 2005	Total 2004
Funds received							
Premium reserve	2 367.3	3 892.3	5.6	284.8	6 550.0	2 317.8	2 619.3
Additional statutory reserves	82.0	101.0		4.1	187.1	58.9	24.6
Transfers of premium reserve etc.	2 449.3	3 993.3	5.6	288.9	6 737.1	2 376.7	3 374.9
Premium/Pension adjustment funds	216.2				216.2	97.4	220.2
Annual premium volume							
Annual premium volume	336.2	139.3	0.5	5.4	481.4	263.7	298.6
Number of policies/customers	773	29	20	1 012	1 834	1 196	1 082
Funds transferred out							
Premium reserve	-1 206.0	-40.0	-3.5	-164.8	-1 414.3	-1 742.2	-3 078.9
Additional statutory reserves	-38.2	-0.4		-3.3	-41.9	-62.7	-126.1
Revaluation reserve	-19.4	-0.1		-1.1	-20.6	-26.0	-26.5
Transfers of premium reserve etc.	-1 263.6	-40.5	-3.5	-169.2	-1 476.8	-1 830.9	-3 231.5
Premium/Pension adjustment funds	-243.5	-0.4		-0.6	-244.5	-316.7	-480.7
Annual premium volume							
Annual premium volume	-362.4	-2.6	-0.2	-4.3	-369.5	-356.1	-312.5
Number of policies/customers	-1 812	-20	-10	-735	-2 577	-1 028	-687

Of which products with investment choice

NOK million	2006
Funds received	
Transfers of premium reserve etc.	152.3
Funds transferred out	
Transfers of premium reserve etc.	-155.1

05 Profit and loss by class of insurance Storebrand Livsforsikring AS

NOK million	Group Line reference in note 1	Group pension private insurance	Group pension public insurance	Group life insurance	Endowment insurance	Annuity/pension insurance	Non-life insurance	Total 2006	Total 2005	Total 2004
1. Financial income ¹	2/3/4/8.2/9 10/15	6 816.8	956.1	51.1	1 411.9	1 994.2	11.0	11 241.1	9 123.4	7 520.0
2. Guaranteed yield		-3 489.4	-248.4	-4.0	-722.2	-1 204.4		-5 668.4	-4 764.3	-4 426.2
- of which transferred to premium fund	6.2	-125.9	-13.9			-7.4		-147.2	-125.4	-134.2
3. Interest result		3 327.4	707.7	47.1	689.7	789.8	11.0	5 572.7	4 359.1	3 093.8
4. Risk premium		427.9	39.2	372.6	388.5	-81.3	155.7	1 302.6	1 245.0	1 277.5
5. Risk addition		-203.8	-108.8	-314.2	-305.1	53.0	-119.2	-998.1	-798.0	-968.1
6. Net reinsurance etc. ¹	9	-22.2		-27.9	0.2	-0.2	-34.0	-84.1	-84.0	-103.6
7. Risk result		201.9	-69.6	30.5	83.6	-28.5	2.5	220.4	363.0	205.8
8. Administration premium		537.0	89.0	58.6	275.7	165.0	28.6	1 153.9	1 023.6	901.9
9. Operating expenses	7/8.1	-855.3	-117.3	-70.6	-383.8	-270.0	-57.8	-1 754.8	-1 353.9	-1 038.7
10. Administration result		-318.3	-28.3	-12.0	-108.1	-105.0	-29.2	-600.9	-330.3	-136.8
11. Change in premium/security reserve		-10.4	-5.8	-0.8	-0.7	0.0		-17.7	-10.6	-180.9
12. Gross result for sector (3+7+10+11)	6.3/12/16	3 200.6	604.0	64.8	664.5	656.3	-15.7	5 174.5	4 381.2	2 981.9
13. Profit due to policyholders	6.3/11/12	-2 601.3	-512.3		-411.5	-469.0		-3 994.1	-3 214.7	-2 019.3
To equity capital:										
- net return on equity etc. ²								579.0	491.3	408.7
- 0.40% of customers' funds								567.4	520.9	454.8
- risk return on equity								48.7	47.1	46.2
- other								-14.6	107.2	52.9
14. Profit for the year	18							1 180.5	1 166.5	962.6

1 The items other insurance-related income (line 4 in note 1) and other insurance-related costs (line 9 in note 1) are allocated in accordance with their purpose.
2 Includes: Security reserve, subordinated loan capital, equity at book value and liabilities.

Of which products with investment choice

NOK million	2006			Total
	Group pension	Endowment kapital	Annuity/pension	
Interest result	15.3	5.7	42.1	63.1
Risk result	-0.3	0.3	3.4	3.4
Administration result	-110.2	-3.0	-29.6	-142.8
Change in security reserve	-0.4		-0.1	-0.5
Gross result for sector	-95.6	3.0	15.8	-76.8

Surplus/deficit on result elements solely for the company's account.

06 Financial assets income and expense Storebrand Livsforsikring Group

NOK million	2006	2005	2004
Income from group and other related companies	19.5	0.4	4.7
Income from properties and real estate	1 347.3	1 052.9	888.7
Interest income bonds	4 012.5	3 716.2	3 490.9
Interest income commercial paper	99.3	207.4	273.4
Interest income lending	73.7	21.0	56.7
Interest income cash and bank	118.3	104.8	98.5
Interest income other	58.2	17.1	0.9
Share dividends	743.6	637.2	657.9
Revaluation of real estate	967.2	263.7	202.8
Reversal of write-downs of financial assets	39.7		3.0
Gain on sale of shares	10 598.5	10 051.6	7 494.6
Gain of sale of bonds	351.5	808.8	617.1
Gain on sale of commercial paper	85.5	122.2	165.0
Gain of sale of other investments	15.2	5.1	10.0
Unrealised gain on short term holdings of financial investments	2 033.9	1 116.8	1 077.7
Other income financial assets	63.2		
Financial assets income	20 627.1	18 125.2	15 041.9
Costs arising from real estate	-36.2	-58.5	-95.9
- of which administration costs	-7.5	-6.5	-5.5
Interest costs		-7.3	-33.6
Mark-to-market adjustment for financial assets		-4.7	-0.3
Write-downs of real estate	-39.7	-232.8	-34.1
Loss on sale of shares including FX loss	-7 024.1	-6 527.4	-4 792.1
Loss on sale of bonds including FX loss	-488.1	-662.6	-1 211.8
Loss on sale of certificates	-115.6	-135.1	-134.7
Loss on sale of other investments	-6.3		-0.4
Financial assets: Other costs	-433.6	-181.9	-199.1
- of which administration costs	-196.4	-80.1	-151.6
Financial assets costs	-8 143.6	-7 810.3	-6 502.0
Financial assets net income	12 483.5	10 314.9	8 539.9
- of which administration costs	-203.9	-86.6	-157.1
Of which in subsidiaries			
Income from financial assets	181.4	250.5	63.8
Costs arising from financial assets	-212.5	82.3	-74.3

Foreign securities are booked using the balance sheet date method.

NOK million	2006	2005	2004
Profit on shares	6 895.6	5 626.0	4 098.1
Profit on bonds	3 391.4	3 510.3	3 243.9
Profit on commercial paper	69.2	194.5	303.7
Profit on lending	67.4	21.0	56.0
Profit on real estate	2 251.9	1 037.6	973.8
Other profit	11.9	12.1	21.5
Financial assets net income	12 687.4	10 401.5	8 697.0
Financial assets administration costs	-203.9	-86.6	-157.1
Financial assets net income including administration costs	12 483.5	10 314.9	8 539.9

07 Tax charge Storebrand Livsforsikring AS

NOK million	2006	2005	2004
Profit before tax	1 180.5	1 166.5	962.6
+/- Permanent differences	-5 353.7	-4 778.9	-884.4
+/- Group contribution			
+/- Change in timing differences	828.8	-1 369.6	-295.9
Tax losses carried forward/deferred tax assets applied			
Tax base for the year			
Tax rate	28%	28%	28%
Tax			
+/- Tax at source			
+/- Tax losses carried forward			
+/- Allowance for Norwegian dividend			
Tax payable on income			
Tax on group contribution			
Deferred tax - net change		-26.6	31.0
Tax cost		-26.6	31.0
Taxes payable			
Norway			
Overseas			
Total tax payable			
Deferred tax/ deferred tax assets			
Norway		-26.6	31.0
Overseas			
Total deferred tax		-26.6	31.0
Tax on capitalised items			
Tax on group contribution			
Tax cost		-26.6	31.0
Tax charge Storebrand Livsforsikring Group			
NOK million	2006	2005	2004
Pre-tax profit	1 182.3	1 167.1	965.7
Tax payable	-0.1	-0.3	-1.0
Net change in deferred tax	-0.6	26.3	-32.4
Tax on group contribution			
Tax cost	-0.7	26.0	-33.4

08 Pension costs and pension liabilities Storebrand Livsforsikring AS

Employees are assured a retirement pension 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 with Storebrand Livsforsikring AS. Pension payments from the scheme come into effect from the pension age, which is 67 for executives and 65 for underwriters. Pension payments to employees between 65 and 67 are paid directly by the company. Pension rights are part to the group's collective employment agreement.

Reconciliation of pension assets and liabilities in the balance sheet:

NOK million	2006	2005	2004	NGAAP 2004
Present value of insured pension benefit obligations incl. employment taxes	845.2	614.6	596.9	641.4
Pension assets at fair value	-551.4	-455.0	-423.2	-421.1
Net pension liability/ surplus for the insured schemes	293.8	159.6	173.7	220.3
Present value of uninsured pension benefit obligations incl. employment taxes	181.4	177.6	153.1	0.0
Experience adjustments and difference between actual and expected investment return not applied to profit and loss	-285.2	-110.7	-105.2	-128.6
Net pension liability in the balance sheet	190.0	226.5	221.7	91.7

Reconciliation to show the change in net defined benefit pension liability in the period:

NOK million	2006	2005	2004
Net pension liability at 1.1. including provision for employment taxes	794.2	773.9	430.9
Net pension cost recognised in the period including provision for employment taxes	72.1	52.8	35.2
Interest on pension liabilities	34.9	32.1	23.3
Experience adjustments	143.3	-13.4	97.0
Pension paid	-17.9	-9.7	-4.3
Changes to the pension scheme		-43.4	
Other changes			167.8
Net pension liability at 31.12.	1 026.6	792.2	750.0

Reconciliation to show the change in fair value of pension assets in the period:

NOK million	2006	2005	2004
Fair value pension assets at 1.1.	455.8	423.2	229.4
Expected return	27.8	24.5	18.3
Experience adjustments	-10.3	0.2	-8.1
Premium paid	86.9	50.8	40.4
Changes to the pension scheme		-36.9	
Pension paid	-8.8	-6.8	-2.3
Other			145.5
Net pension assets at 31.12.	551.4	455.0	423.2

Pension assets are based on financial investments held by Storebrand Livsforsikrings, which had the following composition at 31.12.

	2006	2005	2004
Properties and real estate	11%	10%	10%
Bonds held to maturity	28%	28%	31%
Loans	1%	1%	
Shares and other equity investments	29%	27%	22%
Bonds and other securities - fixed yield	28%	29%	25%
Certificates		4%	10%
Other short term financial assets	2%	1%	3%
Total	100%	100%	100%

The tabel shows percentage asset allocation of pension assets managed by Storebrand Livsforsikring at year end. The booked (realised) investment return on assets managed by Storebrand Livsforsikring was 7.1% in 2006 and 6.9% in 2005.

Notes Storebrand Livsforsikring

Net pension cost in the profit and loss account, specified as follows:

NOK million	2006	2005	2004	NGAAP 2004
Current service cost including provision for employment taxes	50.5	55.1	35.2	28.6
Interest on pension liabilities	34.9	32.0	23.3	23.2
Expected return on pension assets	-27.8	-24.5	-18.3	-19.0
Experience adjustments	2.0	2.5		1.0
Changes to the pension scheme		-6.5		
Net pension cost booked to profit and loss in the period	59.7	58.6	40.3	33.8

Net pension cost is included in operating costs.

Main assumptions used when calculating net pension liability at 31.12:

Financial:	2006	2005	2004	NGAAP 2004
Discount rate	4.3%	4.7%	4.7%	5.5%
Expected return on pension fund assets in the period	5.6%	6.0%	6.0%	6.0%
Expected earnings growth	4.3%	3.0%	3.0%	3.0%
Expected annual increase in social security pensions	4.3%	3.0%	3.0%	3.0%
Expected annual increase in pensions in payment	1.7%	2.0%	2.0%	2.0%

Actuarial:

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 the entire workforce.

Net pension liability/ surplus pr. 31.12:	2006	2005	2004
Discounted current value of defined benefit pension liabilities	1 026.6	792.2	750.0
Fair value pension assets	-551.4	-455.0	-423.2
Deficit	475.2	337.2	326.9

Pension costs and pension liabilities Storebrand Livsforsikring Group

Employees are assured a retirement pension 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 with Storebrand Livsforsikring AS. Pension payments from the scheme come into effect from the pension age, which is 67 for executives and 65 for underwriters. Pension payments to employees between 65 and 67 are paid directly by the company. Pension rights are part to the group's collective employment agreement.

Reconciliation of pension assets and liabilities in the balance sheet:

NOK million	2006	2005	2004	NGAAP 2004
Present value of insured pension benefit obligations incl. employment taxes	902.2	658.4	641.7	687.0
Pension assets at fair value	-589.1	-489.8	-457.4	-455.1
Net pension liability/ surplus for the insured schemes	313.1	168.6	184.3	231.9
Present value of uninsured pension benefit obligations incl. employment taxes	192.9	189.3	164.0	
Experience adjustments and difference between actual and expected investment return not applied to profit and loss	-298.4	-112.8	-109.2	-140.4
Net pension liability in the balance sheet	207.6	245.1	239.2	91.5

Reconciliation to show the change in net defined benefit pension liability in the period:

NOK million	2006	2005	2004
Net pension liability at 1.1. including provision for employment taxes	849.3	829.6	477.9
Net pension cost recognised in the period including provision for employment taxes	76.0	55.5	34.3
Interest on pension liabilities	37.3	33.9	25.5
Experience adjustments	151.0	-18.4	104.4
Pension paid	-18.6	-9.7	-5.4
Changes to the pension scheme		-43.4	
Other changes			168.7
Net pension liability at 31.12.	1 095.1	847.5	805.4

Reconciliation to show the change in fair value of pension assets in the period:

NOK million	2006	2005	2004
Fair value pension assets at 1.1.	490.6	457.5	257.4
Expected return	30.0	22.7	20.1
Experience adjustments	-12.1	0.2	-5.2
Premium paid	89.6	53.0	42.5
Changes to the pension scheme		-36.9	
Pension paid	-9.0	-6.8	-3.3
Other			146.0
Net pension assets at 31.12.	589.1	489.7	457.4

Pension assets are based on financial investments held by Storebrand Livsforsikrings, which had the following composition at 31.12.

	2006	2005	2004
Properties and real estate	1%	10%	10%
Bonds held to maturity	28%	28%	31%
Loans	1%	1%	
Shares and other equity investments	29%	27%	22%
Bonds and other securities - fixed yield	28%	29%	25%
Certificates		4%	10%
Other short term financial assets	2%	1%	3%
Total	100%	100%	100%

The tabel shows percentage asset allocation of pension assets managed by Storebrand Livsforsikring at year end. The booked (realised) investment return on assets managed by Storebrand Livsforsikring was 7.1% in 2006 and 6.9% in 2005.

Net pension cost in the profit and loss account, specified as follows:

NOK million	2006	2005	2004	NGAAP 2004
Current service cost including provision for employment taxes	53.1	58.2	38.4	30.3
Interest on pension liabilities	36.8	34.5	25.5	24.1
Expected return on pension assets	-29.2	-26.6	-20.1	-19.6
Experience adjustments		2.5		1.0
Planendringer		-6.5		
Changes to the pension scheme				
Net pension cost booked to profit and loss in the period	60.7	62.1	43.8	35.8

Net pension cost is included in operating costs.

Main assumptions used when calculating net pension liability at 31.12:

Financial:	2006	2005	2004	NGAAP 2004
Discount rate	4.3%	4.7%	4.7%	5.5%
Expected return on pension fund assets in the period	5.6%	6.0%	6.0%	6.0%
Expected earnings growth	4.3%	3.0%	3.0%	3.0%
Expected annual increase in social security pensions	4.3%	3.0%	3.0%	3.0%
Expected annual increase in pensions in payment	1.7%	2.0%	2.0%	2.0%

Actuarial:

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 the entire workforce.

Net pension liability/ surplus pr. 31.12:	2006	2005	2004
Discounted current value of defined benefit pension liabilities	1 095.1	847.5	805.7
Fair value pension assets	-589.1	-489.7	-457.4
Deficit	506.0	357.8	348.3

Notes Storebrand Livsforsikring

As fund investments represent an increasing proportion of the company's assets, indirect investments in fund where Storebrand Kapitalforvaltning manages allocation and risk are reported in all relevant notes to the accounts in 2006.

09 Shares and other equity investments

NOK million	Number held	Interest	Acquisition cost ¹	Market value	Market value include indirect investment in fund
Norwegian finance industry					
DnB NOR	5 088 403	0.4%	407.2	450.3	457.2
ABG Sundal Collier	1 239 537	0.4%	10.0	16.1	16.2
Sparebanken Rogaland G	5 950	0.0%	1.1	1.1	1.1
Total Norwegian finance industry			418.3	467.6	474.6
Other Norwegian shares					
Steen & Strøm	3 598 144	12.9%	196.5	1 205.4	1 205.4
Orkla	3 112 452	1.5%	751.7	1 098.7	1 104.8
Norsk Hydro	4 152 336	0.3%	697.7	803.5	815.2
Telenor	3 844 764	0.2%	378.8	450.8	458.2
Statoil	1 822 472	0.1%	309.3	301.2	309.0
Petroleum Geo-Services	1 127 201	0.6%	108.1	165.1	160.5
Yara International	1 058 980	0.3%	107.0	150.1	151.3
Veidekke	625 512	2.2%	32.1	148.2	148.5
Prosafe	1 435 460	0.6%	100.0	127.0	138.2
SeaDrill Ltd	1 278 922	0.3%	91.2	134.6	135.6
Tandberg Television	1 237 477	1.6%	91.1	96.8	97.5
Pan Fish	13 776 152	0.4%	91.7	78.5	89.8
Ganger Rolf	336 482	0.9%	37.0	80.4	80.8
Tandberg	450 223	0.4%	32.8	42.3	66.0
APL	1 021 917	2.3%	42.9	62.8	63.3
Arrow Seismic	804 332	4.3%	39.7	60.3	60.7
Wavefield Inseis	1 107 300	1.1%	29.6	39.9	60.3
Aker	137 749	0.1%	42.3	55.2	55.6
Subsea 7	464 315	0.3%	45.1	53.4	53.8
Aker Kværner	99 050	0.2%	46.2	77.1	53.6
Deep Ocean	1 769 765	2.0%	37.0	52.2	52.6
Det Norske Oljeselskap	4 281 741	0.5%	49.8	49.2	49.6
Renewable Energy Corporation	430 489	0.1%	41.1	49.1	49.4
Fred. Olsen Energy	153 558	0.2%	38.8	44.8	45.3
Tomra Systems	1 039 277	0.6%	53.1	44.7	45.1
Schibsted	196 774	0.3%	35.4	43.9	44.3
Glava	65 000	6.9%	42.6	42.3	42.3
Reservoir Exploration Technology - B	764 600	3.0%	30.8	41.7	42.0
Scorpion Offshore Ltd	561 729	1.1%	38.7	40.4	40.8
Wilh. Wilhelmsen A	156 180	0.3%	20.4	37.1	37.3
Odfjell A	291 382	0.3%	32.0	33.5	33.9
Oceanteam ASA	523 700	4.6%	26.8	33.5	33.7
Grenland Group	1 153 830	4.3%	35.5	32.2	32.4
TGS Nopec Geophysical Company	192 662	0.2%	16.7	24.9	30.1
Proserv Group Preferanse	990 000	14.7%	26.8	28.3	28.3
Aker Yards	56 370	0.2%	21.0	27.2	27.5
SeaBird Exploration BVI	635 880	0.8%	18.6	25.1	25.2
Ability Group	471 270	0.7%	23.3	24.0	24.2
Elixia Holding AS A-aksjer	1 387 474	12.8%	23.1	23.1	23.1
Other			513.0	481.9	460.9
Total Norwegian mutual funds			4 395.3	6 410.5	6 476.2
Norwegian shares and other equity investments			4 813.5	6 878.0	6 950.7
Of which listed Norwegian equities			4 334.1	6 392.1	6 443.6

NOK million	Number held	Interest	Acquisition cost ¹	Market value	Market value include indirect investment in fund
Australia					
BHP Billiton	449 220		42.1	55.8	63.2
Aust & Nz Bank Group	231 977		23.1	32.1	46.4
National Australian Bank	202 725		30.0	40.2	45.6
Commonwealth Bank of Australia	161 907		28.8	39.3	44.3
Westpac Banking Corp	234 375		23.9	27.9	31.5
Westfield Group	193 330		16.5	19.9	22.2
			164.4	215.2	253.2
Belgium					
Fortis B	139 564		36.3	37.0	57.9
Kredietbank	23 005		15.0	17.5	23.0
			51.3	54.6	80.9
Canada					
Royal Bank of Canada	79 592		23.2	23.6	61.1
Manulife Financial	85 507		18.1	18.0	47.1
Bank of Nova Scotia	61 258		17.3	17.1	44.2
Suncor Energy	29 189		13.4	14.3	38.8
Barrick Gold	79 153		15.8	15.2	38.5
Canadian Imperial Bank of Commerce	23 415		11.6	12.3	32.0
CanadaN Nat. Resources	35 502		10.4	11.8	30.5
Bank of Montreal	30 273		12.1	11.2	29.0
Nexen Inc	20 290		6.9	7.0	28.6
Canadian National Railway	38 897		10.6	10.4	26.3
Talisman Energy	85 137		8.9	9.0	24.9
Telus Corp	20 509		7.5	5.9	24.7
Petro-Canada	30 613		8.0	7.8	23.0
Sun Life Financial Inc	34 997		9.5	9.2	21.9
			173.4	172.9	470.9
Cayman Island					
SBL Vintage 1999 Ltd - Class B-1	320 197 832		320.2	381.0	381.0
			320.2	381.0	381.0
Denmark					
Superfos Industries	287 074		31.2	29.5	29.5
Novo-Nordisk B	31 713		12.3	16.4	21.8
			43.6	45.9	51.3
Finland					
Orion OYJ					39.4
Nokia A	472 821		62.2	60.1	39.1
Dynea Oy A	218 687		30.2	23.6	23.6
			92.4	83.7	102.1
France					
Total (PAR)	245 859		102.6	110.3	153.4
Sanofi-Aventis	114 298		65.6	65.6	99.3
Societe Generale	47 875		51.6	50.5	73.2
Cap Gemini	15 351		5.3	6.0	67.6
Axa	204 188		51.2	51.4	65.1
Vallourec	5 494		8.1	9.9	64.2
France Telecom	195 304		35.7	33.6	56.7
Vivendi	137 810		32.2	33.6	54.6
Sodexo Alliance	15 073		4.1	5.9	53.4
Suez	114 463		32.3	36.9	47.4
Neopost	2 118		1.6	1.7	42.0
Credit Agricole	88 539		24.8	23.2	39.5
Cie De St Gobain	40 548		19.4	21.2	37.2
Danone	27 573		24.8	26.0	33.7

Notes Storebrand Livsforsikring

NOK million	Number held	Interest	Acquisition cost ¹	Market value	Market value include indirect investment in fund
France cont.					
Schneider Electric	31 216		20.6	21.6	27.2
Michelin B	21 282		7.8	12.7	26.6
L Oreal	33 392		21.1	20.8	26.4
Air Liquide	13 303		17.6	19.6	24.8
LVMH	30 440		20.4	20.0	24.3
Vinci	24 855		15.8	19.8	24.2
Veolia Environment	35 231		11.0	16.9	22.7
Lafarge	17 919		14.3	16.6	21.9
			588.0	623.7	1 085.6
Greece					
Coca-Cola HBC	19 607		3.5	4.8	45.1
			3.5	4.8	45.1
Ireland					
CRH	71 011		13.0	18.4	63.2
Bank of Ireland	112 654		12.4	16.2	31.2
Anglo Irish Bank					30.0
			25.4	34.6	124.4
Italy					
UniCredito Italiano	892 723		48.1	48.7	75.2
ENI	303 913		58.7	63.6	49.6
Enel	514 072		30.0	33.0	41.9
Assicurazioni General	107 776		26.8	29.4	37.6
Intesa SanPaolo	557 384		19.8	24.9	31.3
Telecom Italia Spa	1 211 587		22.9	22.8	29.5
Fiat	111 466		9.0	13.2	26.8
San Paolo – IMI	142 065		19.7	20.5	26.2
			235.1	256.1	318.2
Japan					
Toyota Motor	382 000		126.8	158.9	190.0
Mitsubishi UFJ Holdings Group	1 097		92.7	84.3	94.9
Mizuho Financial Group	1 220		60.5	54.2	75.1
Takeda Pharmaceutical	114 700		45.1	49.0	65.5
Murata Manufacturing	26 900		11.9	11.3	59.2
Sumitomo Mitsui Financial Group	786		53.4	50.1	56.4
Canon	138 200		38.0	48.4	54.5
Nippon Steel	793 000		20.4	28.3	44.1
Nissan Motor	346 800		24.2	26.0	39.2
Sony	129 700		33.1	34.6	39.2
Matsushita Electric Industrial	255 000		36.5	31.6	35.6
Tokyo Electric Power	156 000		26.7	31.4	35.1
Nomura Holdings	225 800		22.4	26.5	33.3
Jfe Holdings	73 600		17.8	23.6	32.0
NTT DoCoMo	2 436		24.8	23.9	29.8
Astellas PharmaR	70 200		21.0	19.8	27.5
Mitsubishi Estate	150 000		17.8	24.1	27.4
Mitsui	206 000		18.9	19.2	26.9
Millea	92 100		24.1	20.2	25.6
KDDI Corp	327		13.4	13.8	25.6
Ricoh	97 000		9.9	12.3	24.3
East Japan Railway	453		19.8	18.8	24.2
Orix	11 790		19.6	21.2	24.1
Seven and I holdings	108 600		23.5	21.0	23.8
Shin-Etsu Chemical	50 300		19.5	20.9	23.7
Mitsubishi	177 100		22.6	20.7	23.3

NOK million	Number held	Interest	Acquisition cost ¹	Market value	Market value include indirect investment in fund
Japan cont.					
Nintendo	12 800		10.2	20.7	23.3
Denso	83 300		18.9	20.5	23.3
NTT	673		22.6	20.6	23.0
Mitsui OSK Lines	158 000		8.7	9.7	21.8
			905.0	965.7	1 251.7
Liberia					
Royal Caribbean Cruises	259 014		70.7	67.1	68.5
			70.7	67.1	68.5
Luxembourg					
Acergy	1 027 434		95.6	123.3	146.7
			95.6	123.3	146.7
Holland					
Royal Dutch Shell A ord	778 311		163.3	170.7	210.9
Ing-Group	212 992		59.6	58.7	87.4
ABN Amro	218 015		41.4	43.6	53.9
Philips Electronics (Koninklijke)	153 341		34.2	36.0	47.4
Unilever NL	198 786		31.3	33.8	42.8
Aegon	166 779		20.2	19.8	39.4
Koninklijke KPN	220 572		15.1	19.5	35.1
Mittal Steel Company	83 306		15.7	21.9	27.3
Koninklijke Ahold	193 947		12.7	12.8	26.4
			393.6	416.8	570.6
New Zealand					
Taumata Plantations Ltd.	17		637.6	658.6	658.6
			637.6	658.6	658.6
Singapore					
Development Bank Singapore	151 000		10.7	13.8	26.2
United Overseas Bank	158 000		8.7	12.4	24.3
			19.4	26.3	50.6
Spain					
Telefonica	551 712		62.4	73.0	100.9
Banco Santander	690 037		72.8	80.1	100.1
BBVA (Bilbao Vizcaya Argentaria)	389 785		58.8	58.4	74.4
Industria De Deseno Textil	29 306		7.5	9.8	53.4
Banco de Sabadell					46.1
Endesa	112 568		29.9	33.1	44.4
Repsol Ypf	114 184		23.1	24.6	41.1
Iberdrola	98 977		26.2	26.9	36.2
			280.7	305.9	496.6
Great Britain					
BP Plc	2 305 057		151.9	159.4	208.4
HSBC Holdings GB	1 324 518		141.4	150.3	197.1
GlaxoSmithkline	692 522		121.4	113.4	144.6
Vodafone Group	6 233 690		99.6	107.5	136.5
Royal Bank of Scotland	362 256		71.9	88.0	127.3
Barclays Bank	731 754		51.3	65.1	93.7
HBOS	427 634		46.1	59.0	84.9
Compass Group	288 190		7.9	10.2	83.4
Easyjet Plc					70.7
Lloyds Bank	635 143		38.4	44.2	66.0
Anglo American Plc	161 038		39.1	48.9	63.1
Alliance Boots Plc	125 462		10.8	12.8	62.2
Tesco	933 856		35.4	46.0	59.2
AMEC	91 827		3.4	4.7	56.9

Notes Storebrand Livsforsikring

NOK million	Number held	Interest	Acquisition cost ¹	Market value	Market value include indirect investment in fund
Great Britain cont.					
Diageo	357 101		36.7	43.6	56.0
National Grid Plc	340 729		23.1	30.6	50.7
Burberry Group	88 950		4.3	7.0	48.9
BG Group	412 668		34.0	34.8	45.7
BT Group	934 200		25.3	34.3	43.7
Homeserve					41.6
ITV Ordinary shares	483 264		5.8	6.3	40.6
Aviva PLC	313 421		28.9	31.4	40.1
Xstrata	71 582		14.6	22.2	36.4
Unilever GB	156 094		21.4	27.2	34.4
Allied Irish Bank UK	99 286		16.8	18.4	33.6
Csr (Gb)	15 584		2.2	1.2	32.9
Astrazeneca	180 747		66.7	60.4	31.1
Reckitt Benckiser	83 193		19.0	23.7	31.1
Prudential	278 411		18.7	23.7	30.7
Scottish & Southern Energy	119 840		15.8	22.7	29.8
Cadbury Schweppes	289 411		18.7	19.3	27.8
Utd Utilities	117 326		8.6	11.2	24.1
Land Securities	66 098		13.5	18.7	23.6
Centrica	442 980		13.9	19.1	23.5
Scottish Power	198 207		13.3	18.1	23.5
Scottish & Newcastle	145 765		8.7	9.9	22.9
International Power	210 842		6.8	9.8	22.2
			1 235.5	1 403.3	2 248.9
Switzerland					
Nestle	45 622		83.0	100.8	126.2
Novartis	259 867		86.3	93.1	122.2
UBS	246 912		83.0	93.3	117.8
Roche Holding Genuss	78 507		80.0	87.5	111.5
Credit Suisse Group RG	145 687		50.0	63.4	80.5
Sulzer AG	662		3.0	4.7	73.1
Phonak Holding					52.1
Zurich Financial Services Group	17 398		23.4	29.1	37.1
Swiss Reinsurance	39 357		16.6	20.8	36.1
Richemont - Cie Fin	65 361		17.4	23.7	30.6
Holcim	28 620		13.2	16.3	25.7
Baloise Holding RG					24.8
			456.0	532.6	837.6
Sweden					
Ericsson B	1 951 732		44.4	49.1	115.1
Duni Holding	105 711		29.9	32.9	32.9
PA Resources	477 160		26.4	31.3	31.5
Nordea Bank AB	243 065		17.5	23.3	30.1
Hennes & Mauritz B	55 910		13.3	17.6	23.3
			131.4	154.2	232.9
Germany					
Rwe	59 137		33.8	40.5	121.1
EON	73 276		55.6	61.9	80.8
Deutsche Bank	67 455		53.1	56.1	79.9
Allianz SE (Societas Europeae)	49 405		56.6	62.8	79.7
Henkel KgaA-Vorzug	9 585		7.1	8.8	59.5
Deutsche Telecom	321 187		33.7	36.5	51.5
Basf	65 186		34.6	39.5	50.3
Muenchener Rueckversicherungs RG	24 725		24.8	26.5	42.8

NOK million	Number held	Interest	Acquisition cost ¹	Market value	Market value include indirect investment in fund
Germany cont.					
Bayer	87 791		28.0	29.3	37.2
Software AG					36.2
Hugo Boss Pref					34.5
ThyssenKrupp	48 589		9.9	14.2	28.9
Commerzbank	89 731		19.6	21.3	27.8
Deutsche Post	92 328		14.6	17.3	24.2
			371.3	414.7	754.5
USA					
Exxon Mobil	342 868		136.0	163.6	430.6
General Electric	582 617		132.4	135.0	350.9
J.P Morgan Chase and Co	198 945		51.0	59.8	293.2
AT&T Inc	213 523		44.8	47.5	262.2
Citigroup	281 724		88.4	97.7	253.3
Microsoft	520 393		92.8	96.8	251.3
Wachovia Corp	97 199		35.2	34.5	230.3
Cisco Systems	348 691		46.4	59.3	217.1
Pepsico Inc	99 802		35.8	38.9	200.9
Procter & Gamble	183 583		73.8	73.5	195.3
Allstate Corp	41 880		13.7	17.0	193.3
Pfizer	415 094		60.4	66.9	184.1
Johnsen & Johnsen	163 445		69.4	67.2	176.4
Chevron Corp	131 461		55.1	60.2	167.2
General Mills	31 789		10.3	11.4	161.1
Nothern Trust	25 112		9.5	9.5	160.3
National City	49 436		11.9	11.3	148.5
Genworth Financial A					148.3
Air Products & Chemicals	22 871		10.1	10.0	146.3
International Business Machine (IBM))	89 611		46.1	54.2	140.8
Textron	22 242		12.7	13.0	138.9
Apple Inc	50 193		23.9	26.5	137.5
Constellation Energy					135.3
Clorox Corp	14 200		6.0	5.7	134.8
American International Group	117 464		50.8	52.4	134.8
Qualcomm	99 623		23.4	23.4	134.1
Occidental Petroleum	60 019		19.3	18.2	133.6
Kellogg Co	16 900		5.6	5.3	132.9
CVS Corp	57 980		12.4	11.2	129.1
Illinois Tool Works	31 868		9.7	9.2	121.4
Cooper Industries	10 504		6.1	5.9	115.7
Masco	49 915		9.0	9.3	114.3
Hewlett-Packard Co	166 286		40.3	42.6	113.1
Intel	342 604		45.4	43.2	111.9
Norfolk Southern Corp	25 420		7.4	8.0	110.7
El Paso Corporation	52 255		4.7	5.0	104.9
Coca-Cola	125 053		36.5	37.6	97.3
Bank of America Corp	253 487		87.7	84.3	96.7
CIT Group	15 354		5.3	5.3	95.6
Time Warner	264 422		32.1	35.9	93.6
Corning	99 533		13.2	11.6	92.6
Electronic Arts	24 116		6.2	7.6	92.2
Newell Rubbermaid	29 667		5.7	5.3	91.8
Verizon Communications	156 367		32.6	36.3	91.8
Google Class A	11 840		31.7	33.9	89.6
Merck & Co	123 397		30.3	33.5	87.1

Notes Storebrand Livsforsikring

NOK million	Number held	Interest	Acquisition cost ¹	Market value	Market value include indirect investment in fund
USA cont.					
Flowserve					86.3
Hess Corp					86.0
EnSCO International Inc	15 890		4.4	5.0	84.7
Home Depot	123 191		34.1	30.8	83.6
Schlumberger	76 082		30.0	29.9	79.8
Morgan Stanley	52 332		24.7	26.5	79.3
Wyeth	82 150		27.1	26.0	77.6
United Health Group	83 291		27.4	27.9	75.8
Intuit	33 582		7.2	6.4	74.0
Bellsouth	99 777		27.5	29.3	73.9
US Bancorp	106 325		23.1	24.0	72.2
Rockwell Collins	61 827		20.2	24.4	71.7
Wellpoint Inc	43 707		22.1	21.4	71.4
Oracle Corporation	248 454		28.0	26.5	71.3
Amgen	67 794		31.6	28.8	69.7
MetLife	54 721		17.4	20.1	69.4
Abbott Laboratories	86 946		27.6	26.4	68.6
McDonalds	88 439		20.5	24.4	67.4
Adobe Systems	42 008		10.3	10.8	66.8
Merrill Lynch	46 868		24.1	27.2	64.4
Emerson Electric	73 312		20.1	20.1	63.7
Walt Disney	113 059		22.6	24.1	62.6
Tyco International	127 458		23.0	24.1	62.5
Motorola	156 871		25.8	20.1	62.2
Goldman Sachs	20 606		19.8	25.6	61.7
Medtronic	70 547		21.6	23.5	60.0
Target Corporation	61 551		23.2	21.9	59.9
Prudential Financial Inc	35 267		17.5	18.9	59.0
Transocean	25 385		12.0	12.8	56.8
Caterpillar	44 488		19.2	17.0	55.2
Fannie Mae	55 361		19.7	20.5	53.1
St. Paul Travelers Cos Inc	49 265		14.9	16.5	52.9
Chubb Corp	40 155		12.0	13.2	52.4
Dell Inc.	128 480		18.9	20.1	52.3
American Express	57 187		20.6	21.6	51.9
Lilly Eli	61 688		21.9	20.0	51.8
Marathon Oil Corp.	25 177		12.5	14.5	51.8
Sprint Nextel Group	168 501		18.9	19.8	51.8
Sandisk Corp	13 062		4.8	3.5	50.9
Comcast Corp-Special	73 091		17.1	19.1	50.1
News Corporation B	139 954		18.6	19.4	50.0
Bristol-Myers Squibb	116 054		18.9	19.0	49.3
Duke Energy Corp	91 345		18.3	18.9	49.2
Hartford Financial Services	24 590		13.9	14.3	49.0
Equity Office Properties	47 315		12.4	14.2	48.3
Exelon	45 509		16.7	17.5	47.9
Wallgreen	63 816		19.2	18.2	47.2
Texas Instruments	98 291		21.2	17.6	46.6
Lowe's Cos Inc	92 062		17.1	17.9	46.3
Countrywide Financial	45 315		10.4	12.0	45.8
Citrix					45.5
Freddie Mac	41 245		17.5	17.4	45.2
Lehman Brothers	30 921		14.9	15.0	44.3
Capital One Financial	38 645		19.6	18.5	44.3

NOK million	Number held	Interest	Acquisition cost ¹	Market value	Market value include indirect investment in fund
USA cont.					
DuPont (E.I) De Nemours	56 181		14.5	17.0	44.2
Dominion Resources	25 132		12.6	13.1	44.1
Federated Department Stores	47 985		13.5	11.4	43.7
Firstenergy	33 315		12.4	12.5	43.6
Genentech	30 472		15.1	15.4	43.3
J.C. Penney	23 541		10.6	11.3	41.8
American Elec Power	46 305		11.1	12.3	41.8
Valero Energy	37 319		12.6	11.9	41.5
ACE Ltd	30 265		10.8	11.4	41.4
McGraw Hill	33 395		12.6	14.1	40.9
Lincoln National Corp	27 911		11.3	11.5	40.2
Dow Chemical	61 566		15.6	15.3	40.0
Equity Residential Properties	40 861		13.6	12.9	39.8
Sirf Technology Holdings Inc					39.7
Phelps Dodge Corp	15 623		8.8	11.6	39.6
Avid Technology Inc.					39.5
ITT Corporation	40 406		12.3	14.3	38.3
Washington Mutual	52 156		14.7	14.8	38.1
Fedex Corp	20 459		14.5	13.8	37.6
United Parcel Services	30 780		14.6	14.4	37.5
Baxter International	48 019		14.3	13.9	37.3
Marriott Intl	37 786		9.7	11.2	36.6
Suntrust Banks	26 916		13.5	14.2	36.6
Automatic Data Processing	45 041		14.0	13.8	35.8
Starbucks Corp	56 671		12.6	12.5	35.6
Caremark Rx Inc	33 289		11.2	11.8	35.3
Eaton Corp	20 371		9.3	9.5	35.1
Baker Hughes	21 448		9.5	10.0	34.9
Gilead Sciences Inc	33 045		12.2	13.4	34.8
Plum Creek Timber	44 553		10.0	11.1	34.8
Applied Materials	113 827		13.2	13.1	34.3
EMC	160 453		12.3	13.2	34.2
Monsanto	39 941		12.2	13.1	34.2
Aetna	35 167		9.0	9.5	33.7
Devon Energy	25 637		10.6	10.7	33.6
Mellon	47 092		12.0	12.4	33.3
Safeway	37 070		7.3	8.0	32.8
Apache Corp	27 883		11.5	11.5	32.4
Southern	54 569		12.4	12.5	32.4
Parker Hannifin	18 196		9.2	8.7	32.4
Cardinal Health	30 814		13.6	12.4	32.3
Deere & Co	19 174		10.5	11.3	32.0
Ingersoll-Rand Corp	34 550		8.8	8.4	32.0
Union Pacific Corp	14 929		8.5	8.6	31.9
Archer-Daniels-Midland	41 087		10.3	8.2	31.9
Kroger	55 778		8.4	8.0	31.6
Anheuser Busch	42 384		13.2	13.0	31.3
Sysco Corp	51 306		11.1	11.7	31.2
Alcoa	63 918		11.6	11.9	31.2
Entergy	20 095		9.8	11.6	31.1
Yahoo	77 821		13.5	12.4	31.0
Ebay	63 579		19.0	11.9	30.7
Public Service Enterprise Gp	22 803		9.1	9.4	29.9
Harley-Davidson	23 511		9.6	10.3	29.8

Notes Storebrand Livsforsikring

NOK million	Number held	Interest	Acquisition cost ¹	Market value	Market value include indirect investment in fund
USA cont.					
Kohls Corp	26 090		11.3	11.1	29.6
Johnson Controls	16 123		7.7	8.6	29.4
PG&E Corp.	37 103		10.1	10.9	28.7
General Motors A	35 887		7.7	6.9	28.7
Schwab (Charles)	90 120		10.4	10.9	28.3
Staples	59 862		9.6	10.0	28.3
Comcast Corp A	47 436		9.3	12.5	28.2
SLM Corp	32 424		10.9	9.8	28.2
Weyerhaeuser	24 249		9.8	10.7	28.1
PP&L Resources	40 390		8.8	9.0	28.1
Omnicom Group	14 956		9.1	9.7	28.1
Franklin	15 406		10.5	10.6	28.0
Progressive Corp	63 767		10.1	9.6	28.0
Carnival	33 786		12.2	10.3	27.7
Paccar	20 052		7.5	8.1	27.6
Viacom INC ClassB	41 451		10.8	10.6	27.6
Fortune Brands Inc	17 743		8.7	9.4	27.0
Conagra	57 179		9.0	9.6	26.9
Comerica Inc	28 507		10.6	10.4	26.9
XTO Energy	31 917		8.7	9.4	26.9
Danaher Corp	22 685		10.0	10.2	26.8
Host Hotels & Resorts	45 406		7.0	6.9	26.6
Vulcan Materials	14 674		7.5	8.2	26.4
BB&T CORP	29 739		8.6	8.1	26.3
Xerox	61 874		6.2	6.5	26.3
Zimmer Holdings	20 512		9.1	10.0	26.2
Moody's	20 045		8.4	8.6	25.9
Praxair	27 035		10.4	10.0	25.8
Sears Holdings Corp	9 306		9.7	9.7	25.4
Globalsantafe Corp	25 327		8.0	9.3	25.2
Texas Utilities	27 288		11.2	9.2	25.0
Becton Dickinson & Co	21 544		9.8	9.4	25.0
Nisource Inc	64 703		9.1	9.7	24.8
Lexmark International	11 237		4.3	5.1	24.1
Best Buy	29 488		8.8	9.0	24.1
Medco Health Solutions	24 989		9.9	8.3	23.8
Agilent Technologies	38 567		7.6	8.4	23.8
Stryker Corp	26 547		8.7	9.1	23.6
First Data	56 905		8.3	9.0	23.5
Computer Sciences Corp	15 749		5.0	5.2	23.5
Heinz (H.J)	32 310		8.8	9.1	23.4
Paychex	36 146		8.7	8.9	23.4
Boston Scientific	83 810		8.4	9.0	23.4
Gannett	17 491		6.5	6.6	23.3
Dover	29 343		9.2	9.0	23.2
International Paper	41 968		9.5	8.9	23.2
State Street	20 818		8.5	8.7	22.7
CBS Corp class B	50 095		9.4	9.7	22.7
Thermo Fisher Scientific Inc	20 021		5.2	5.6	22.5
Sara Lee	77 328		8.0	8.2	22.3
Sun Microsystems	253 466		8.4	8.6	22.2
Prologis	21 254		8.1	8.0	22.1
Intl Game Technology	28 699		7.7	8.3	22.0
Noble Corp	11 726		5.6	5.6	21.9
			3 660.2	3 801.2	13 842.8

NOK million	Number held	Interest	Acquisition cost ¹	Market value	Market value include indirect investment in fund
Other Oceania			1 830.6	1 880.9	2 285.6
Other Europe			1 675.5	2 010.1	1 584.6
Other North-America			1 024.9	1 002.8	-158.3
Other contry			63.8	78.2	67.1
Total foreign shares			14 549.0	15 714.2	27 851.6
Of which listed international equities			13 391.2	14 517.2	26 648.5

Mutual investments managed by Storebrand Kapitalforvaltning

Storebrand Nord Amerika I	9 166 221		6 639.5	7 589.4	
Storebrand Global Quant Equity	2 000 000		2 000.0	2 020.4	
Storebrand Europa I	947 785		1 112.7	1 590.4	
Storebrand Alpha SICAV-North America Class M	196 501		1 362.0	1 434.7	
Storebrand Alpha SICAV-Europe Class M	119 499		992.2	1 012.6	
Storebrand Alpha SICAV-Global Class M	117 822		772.1	849.3	
Storebrand Global Indeks I	399 760		400.0	438.2	
Storebrand Asia Pacific Indeks I	343 578		346.0	352.7	
Storebrand WGA Health Care	68 837		70.5	86.4	
Storebrand Barnespar	396 006		39.6	68.4	
Storebrand Global I	75 659		50.0	50.5	
Storebrand Energi	24 652		23.8	39.9	
Storebrand Futura 2	10 000		10.0	10.6	
Storebrand F & C Emerging Markets	5 481		5.3	7.5	
Storebrand Goldman SMB Europa	2 539		2.5	2.7	
Other					3 242.3
Total			13 826.1	15 553.6	3 242.3

Other mutual investments

Storebrand Multi Strategy Limited - class B-3	1 157 156 103		1 202.7	1 386.6	1 386.6
Storebrand Special Opportunities Ltd. - B3	761 191 734		750.0	837.3	837.3
Storebrand Investment Fund - Storebrand TA Fund	862 539		695.7	670.3	670.3
Storebrand International Private Equity IV - B2	376 349 773		385.0	435.8	435.8
Storebrand International Private Equity V Ltd - B3	393 636 690		376.2	371.2	371.2
Storebrand Selecta Limited - Class B-3	258 461 234		236.4	307.5	307.5
Outlet Mall Fund	31 709 644		265.3	282.7	282.7
Storebrand International Private Equity VI Ltd -B3	251 515 152		250.0	246.0	246.0
Lasalle Euro Growth II	20 831 271		166.2	182.8	182.8
Macquarie European Infrastructure Fund II	19 497 219		159.1	160.1	160.1
Henderson PFI	12 009 237		145.8	150.1	150.1
API Eiendomsfond Norge	234		127.6	144.2	144.2
Pradera European Retail Fund	16 189 434		133.8	133.8	133.8
CBRE Strategic Property Partners UK	9 837 208		116.4	128.5	128.5
European Office Income Venture	14 025 638		114.3	124.8	124.8
TransEuropean Property Ltd.Partnership III	14 079 132		113.9	124.3	124.3
Grainger unitholder No.1 Limited	9 693 840		117.5	119.6	119.6
Carlye Europe Real Estate Partners L.P.	11 312 892		93.0	116.8	116.8
European Retail Income Venture	11 965 770		98.3	103.0	103.0
Storebrand Norwegian Private Equity 2006 Ltd. - B3	106 060 605		105.0	100.8	100.8
Global Health Care Equity Portofolio					85.9
Heitman European Property Partners III	8 907 567		73.3	77.1	77.1
HealthCap III, KB	83 334 859		72.0	74.1	74.1
European Property Invesators	9 862 887		78.2	73.9	73.9
Storebrand Principle Global Fund Z	39 891		57.9	72.4	72.4
FSN Capital Limited Partnership 1	2 133 446		17.0	71.5	71.5
Bain Capital Fund	6 476 790		44.3	70.7	70.7
Menlo Ventures IX	10 212 931		72.9	68.2	68.2

NOK million	Number held	Interest	Acquisition cost ¹	Market value	Market value include indirect investment in fund
Other mutual investments cont.					
Celogix N.V.	18 423		63.2	67.4	67.4
Abn Amro Infrastructure Capital Equity Partners	7 514 218		61.6	61.7	61.7
Apax France VI	5 885 830		48.0	53.4	53.4
Carlye Europe Real Estate Partners L.P. II	6 103 482		50.6	53.3	53.3
AIPP Active – Partial Draw Down	6 151 801		50.2	50.7	50.7
Apax Europe V – E, L.P.	4 383 940		36.1	49.0	49.0
Storebrand Emerging Private Equity Markets B3	50 000 000		50.0	48.0	48.0
Wand Partners	101		75.8	44.0	44.0
Bridgepoint – The Second European PE Fund E	3 807 403		30.5	41.8	41.8
EQT IV ISS Co-Investment LP	5 000 000		39.5	41.1	41.1
J.W. Childs III, L.P.	5 183 265		33.7	40.3	40.3
Storebrand International Private Equity III KB	21 000 000		15.6	26.7	26.7
Ferd Private Equity (GP-I) Limited	7 194 996		7.2	24.8	24.8
Apax France V	84		9.8	24.6	24.6
Other			192.6	109.4	124.6
Total			6 832.1	7 369.9	7 471.0
Total shares and participations (short term holdings)			40 020.8	45 515.7	45 515.7
Acquisition cost at the exchange rate applicable on the balance sheet date			39 303.1		

¹ Equal to acquisition cost in historical currency.

Uncalled commitment to subscribe capital to Limited Partnerships amounted to NOK 4,237 million at 31.12.06.

Exposure to shares in 2006

Storebrand Livsforsikring increased its overall exposure to stock markets in 2006. Exposure to shares and other equity investments accounted for 23% of the company's total investment assets at the start of the year, rising to 28% at the close of the year.

The company's investments in shares are divided between the four regions Norway, Europe, North America and Asia. The allocation of assets between these regions will be weighted in accordance with the company's investment policy unless the investment manager's market view indicates a different weighting. The risk and return associated with any deviation from the investment policy are monitored closely.

Only one investment portfolio, the Private Equity portfolio, has a significant exposure to un-listed shares. Investment in un-listed shares are characterised by both higher risk and a higher expected return than is the case for other investment in shares. This partly because shares in unlisted companies are less liquid until such time as the companies are admitted to stock market listing. The market value of the company's Private Equity portfolio was slightly over NOK 2 billion at the close of 2006.

10 Parent company's holding of shares in subsidiaries and connected companies

NOK million Company	Equity method		Book value 31.12.	Interest in %	Voting interest in %	Book value 1.1.	Recognised profit 2006
	Acquisition cost	Book equity					
Aktuar Systemer AS, Filipstad br.1, 0114 Oslo	13.0	-8.2	4.8	100.0%	100.0%	4.7	2.0
Storebrand Pensjonstjenester AS, Filipstad br.1, 0114 Oslo	9.7	-2.9	6.8	100.0%	100.0%	6.9	12.9
AS Værdalsbruket, 7660 Vuku	0.1	41.3	41.4	74.9%	74.9%	38.0	3.5
Storebrand Eiendom AS, Filipstad Brygge 1, 0114 Oslo	2.0	2.0	4.0	100.0%	100.0%	3.7	1.5
Storebrand Systemutvikling AS, Filipstad Brygge 1, 0114 Oslo	27.0	1.6	28.6	100.0%	100.0%	72.2	0.9
Uni Norden Holding Konsern, Filipstad Brygge 1, 0114 Oslo	30.7	0.8	31.5	100.0%	100.0%	30.1	0.9
Stor Ulven AS, Filipstad Brygge 1, 0114 Oslo				100.0%	100.0%	0.1	
Storebrand Optimer AS, Filipstad Brygge 1, 0114 Oslo							1.5
Subsidiaries	82.4	34.6	117.0			155.7	23.2
Sjølyst Eiendom AS, Sjølyst Plass 2, 0278 Oslo	140.4	15.0	155.4	50.0%	50.0%	165.4	15.0
Jointly-controlled companies	140.4	15.0	155.4			165.4	15.0
Shares and participations in associated companies	222.8	49.6	272.4			321.1	38.2
Nordben Life and Pension Insurance Co. LTD	25.3	50.5	75.8	25.0%	25.0%	62.0	18.0
UNI Norden Personforsikring AB, Kungsgatan 34, 111135 Stockholm	20.4	0.7	21.1	40.0%	40.0%	19.9	1.2
Norsk Pensjon AS	2.5		2.5	25.0%	25.0%		
Caveo ASA	89.3		89.3	34.0%	34.0%		
Associated companies Storebrand Livsforsikring AS	137.5	51.2	188.7			81.9	19.2
Storebrand Eiendom Holding AS, Filipstad Brygge 1, 0114 Oslo	17 186.5		17 186.5	100.0%	100.0%		
Properties owned through a limited company¹	17 186.5		17 186.5				

¹ For notes on properties owned through a limited company see Note 18- Properties. These investments are booked as real estate.

Shares in Caveo ASA were acquired on 11 December 2006. Share of equity at the time of acquisition represented NOK 39.8 million, whilst goodwill represented NOK 49.5 million.

Associated companies Storebrand Livsforsikring Group

NOK million	Acquisition cost	Book value 1.1	Addition/ disposal	Recognised profit 2006	Book value 31.12	Interest in %
Norben Life and Pension Insurance CO. Ltd	29.5	62.0	-4.2	18.0	75.8	25%
Caveo ASA	89.3		89.3		89.3	34%
Norsk Pensjon AS	2.5				2.5	25%
InnTre Holding AS	2.2	38.0	2.2		40.2	34%
Total	123.5	100.0	87.3	18.0	207.9	

11 Bonds and short-term debt instruments held as current assets: Storebrand Livsforsikring Group

NOK million	Short-term	Bonds debt instruments	Total	Fixed-income	Total funds
Short-term debt instruments and bonds held as current assets					
Market value	706.7	34 960.7	35 667.4	8 871.2	44 538.6
Of which listed securities	585.1	26 197.6	26 782.7		26 782.7
Acquisition cost	697.9	35 401.1	36 099.0	8 662.0	44 761.0
Nominal value	715.0	34 536.1	35 251.1		35 251.1
Direct investment in short-term debt instruments and bonds	706.7	34 960.7	35 667.4		35 667.4
Indirect investments in commercial paper and bonds through mutual funds managed by Storebrand	1 445.7	4 995.8	6 441.5		6 441.5
Fixed-income fund not managed by Storebrand				817.6	817.6
Interest accrued but not yet due	1.5	403.5	404.9		404.9
Base amount for analys by sector and currency	2 153.9	40 359.9	42 513.8	817.6	43 331.4
Public sector	1 557.7	9 476.6	11 034.3		11 034.3
Financial institutions	497.9	22 060.8	22 558.7	817.6	23 376.3
Other issuers	98.3	8 822.5	8 920.8		8 920.8
Total			42 513.8	817.6	43 331.4
Modified duration (interest sensitivity)	0.32	2.16	2.07		
Average effective yield	4.00	4.41	4.41		

The effective yield for each security is calculated using the booked value and the observed market price (market value). Calculated effective yields are weighted to give an average effective yield for the total portfolio on the basis of each security's share of the total interest rate sensitivity.

NOK million	Commercial paper	Bonds	Fixed-income funds	Total
By currency				
NOK	797.6	19 285.6	17.2	20 100.5
EUR	754.1	13 452.3	146.6	14 353.1
USD	602.1	5 045.5	653.7	6 301.3
GBP		1 046.2		1 046.2
JPY		806.1		806.1
CAD		298.2		298.2
DKK		145.7		145.7
SEK		134.4		134.4
CHF		103.3		103.3
AUD		42.6		42.6
Commercial paper and bonds held as current assets	2 153.9	40 359.9	817.6	43 331.4

12 Bonds to be held to maturity

NOK million	Nominal value	Acquisition cost	Book value	Market value	Amortisation outstanding
Bonds held to maturity - Norwegian					
Public sector	28 803.4	29 805.5	29 507.6	30 726.2	704.2
Financial issuers	13 258.5	13 221.9	13 240.1	13 110.5	-18.4
Other issuers	351.0	352.1	351.1	358.6	0.1
Total portfolio	42 412.9	43 379.6	43 098.8	44 195.3	685.9
Of which listed securities	29 271.4	30 194.9	29 922.3	31 108.9	650.9
Currency					
NOK	42 412.9	43 379.6	43 098.8	44 195.3	685.9
Modified duration (interest rate sensitivity)				4.54	
Average effective yield			5.22	4.65	

Interest accrued but not yet due totalled NOK 1 215.6 million, total book value including interest accrued but not yet due is NOK 44 314.4 million. The effective yield of individual fixed income securities is calculated on the basis of both the observed market price and the booked value. The weighted average effective yield for the total portfolio is calculated on the basis of weighting by each security's proportion of the total interest rate sensitivity.

13 Financial derivatives

Storebrand Livsforsikring makes active use of financial derivatives. Derivative contracts are used in particular to make effective use of exposure to investment risk in order to create the potential for a sound long-term risk-adjusted investment return. Derivatives often provide a quicker, simpler and cheaper way to increase or reduce exposure to specific risks, and can also be used to protect the investment portfolio against adverse developments. The individual share and bond portfolios use financial derivatives to manage the overall risk exposure within the limits applied. Definitions of the various derivatives contracts used can be found in the "Terms and expressions" section.

Nominal volume

Financial derivative contracts are related to underlying amounts which are not capitalised in the balance sheet. Gross, net and average nominal volume give an indication of the size of the derivative position relative to the underlying values. Gross nominal volume principally indicates the size of the exposure, whilst net nominal volume gives some indication of risk exposure by taking into account the direction of market risk exposure the derivative position represents. Average nominal volume gives an indication of the size of the derivative exposure over the course of the year.

NOK million	Gross nominal volume	Average nominal volume	Net nominal volume	Market value	
				Assets	Liabilities
Share options	11 551.6	12 208.6	-11 551.6	147.8	-0.2
Forward equity contracts	2 009.6		2 009.6	179.0	
Stock index futures	7 291.6	5 369.0	5 782.0		
Total equity derivatives	20 852.8	17 577.6	-3 760.0	326.8	-0.2
Forward rate agreements	402 686.1	389 763.9	8 973.4	168.2	-135.6
Interest rate futures	1 799.5	3 690.6	1 095.7		
Interest rate options	94 500.0	130 029.6	94 500.0	20.3	-1.1
Interest rate swaps	78 907.2	63 979.0	13 864.5	397.3	-588.1
Total interest rate derivatives	577 892.8	587 463.2	118 433.6	585.9	-724.8
Forward foreign exchange contracts	65 987.4	59 848.0	-53 597.7	475.5	-388.6
Cross currency interest rate swap		33.7			
Total currency derivatives	65 987.4	59 881.7	-53 597.7	475.5	-388.6
Credit derivatives	19 148.7	28 435.7	5 083.8	86.9	-77.1
Total credit derivatives	19 148.7	28 435.7	5 083.8	86.9	-77.1
Total derivatives	683 881.7	693 358.2	66 159.7	1 475.1	-1 190.8
Indirect investments in funds				-616.2	-564.0
Booked value				858.8	-626.8

Investments in credit derivatives includes only indirect investments funds managed by Storebrand Kapitalforvaltning.

14 Financial risk Storebrand Livsforsikring AS

Liquidity risk

Contractual period to maturity							
NOK million	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	No fixed maturity	Total value
Current/fixed assets							
Long term shares and investments						4,4	4,4
Lending	75.0	50.0	136.7	321.8	1 756.3		2 339.8
Bonds held to maturity	1 862.6	49.6	831.4	10 683.5	30 887.4		44 314.4
Other long term assets		49.4					49.4
Fixed term deposits	1 447.3	300.9					1 748.2
Bonds and commercial paper (current assets)	70.4	2 122.2	2 306.6	22 652.4	15 361.4	818.4	43 331.4
Other current assets	-1.6	76.0	255.3	172.1	-121.4	50 047.6	50 428.1
Total	3 453.7	2 648.2	3 530.0	33 829.8	47 883.6	50 870.4	142 215.7
Of which in foreign currency							
Long term shares and investments							
Bonds held to maturity							
Bonds and commercial paper (current assets)	70.3	1 744.4	1 321.1	6 702.1	12 591.9	801.1	23 230.9
Fixed term deposits							
Other current assets	-8.2	95.4	101.7	38.5	-31.4	34 139.0	34 335.0
Total in foreign currency	62.0	1 839.7	1 422.8	6 740.5	12 560.6	34 940.2	57 565.9

Contractual period to maturity provides only a partial view of the company's liquidity risk since in practice the majority of investment assets can be sold in the secondary market at shorter notice than the remaining maturity.

Interest rate fixing

NOK million	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	No fixed maturity	Total value
Current/fixed assets							
Long term shares and investments						4.4	4.4
Lending	145.0	1 232.1	908.5	44.2	10.0		2 339.8
Bonds held to maturity	1 862.6	49.6	831.4	10 730.0	30 840.9		44 314.4
Other long term assets		49.4					49.4
Fixed term deposits	1 447.3	300.9					1 748.2
Bonds and commercial paper (current assets)	6 859.2	18 754.8	3 349.2	6 136.9	7 412.9	818.4	43 331.4
Other current assets	-2 504.4	-12 172.7	1 376.4	10 849.6	2 850.8	50 028.4	50 428.1
Total	7 809.7	8 214.1	6 465.5	27 760.7	41 114.6	50 851.1	142 215.7
Of which in foreign currency							
Long term shares and investments							
Bonds held to maturity							
Bonds and commercial paper (current assets)	4 140.3	8 005.8	1 364.7	4 111.7	4 807.1	801.1	23 230.9
Fixed term deposits							
Other current assets	-8.2	95.4	101.7	38.5	-31.4	34 139.0	34 335.0
Total in foreign currency	4 132.1	8 101.2	1 466.5	4 150.2	4 775.8	34 940.2	57 565.9

Interest rate risk

Interest rate sensitivity NOK million	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total value
Short term portfolios						
AUD		1.2		-1.0	-0.6	-0.4
CAD	0.1	2.6	-0.3	-2.5	-13.1	-13.3
CHF		1.1	-0.4	-0.1		0.6
DKK		0.1		-1.4	-3.0	-4.3
EUR	-0.4	18.0	-25.2	111.7	-243.6	-139.6
GBP	0.2	4.6	12.3	-174.2	-62.7	-219.8
HKD		0.3				0.2
JPY	0.3	5.0		-17.0	-65.6	-77.4
MXN		-0.1				-0.1
NOK	-4.0	-85.8	-44.1	-165.4	-487.8	-787.1
NZD		0.7				0.7
PLN		0.2				0.2
SEK	-0.1	0.7	0.6	-1.6	-4.3	-4.7
SGD		0.2				0.2
USD	0.5	38.3	14.5	-35.0	-107.1	-88.8
Total	-3.6	-13.1	-42.6	-286.6	-987.8	-1 333.6
Long term holdings/subordinated loans						
EUR		0.2				0.2
NOK	-0.8	5.0	-7.8	-265.7	-1 786.3	-2 055.6
SEK						0.1
Total	-0.8	5.2	-7.8	-265.7	-1 786.3	-2 055.3
Total quantified interest rate sensitivity	-4.3	-7.9	-50.4	-552.2	-2 774.1	-3 389.0

Interest rate sensitivity is a method of measuring interest rate risk which is based on the effect of interest rate changes on the market value of bonds, interest rate derivatives and other interest-sensitive financial items. The summary provided demonstrates the effect on the value of financial current assets and financial fixed assets (bonds held maturity) at 31.12.06 of a 1 percentage point increase in interest rates.

Foreign exchange risk

Assets and liabilities in foreign currency NOK million	Balance sheet items Net balance	Forwards Net sales	Net position	
			in currency	in NOK
Short term portfolios				
AUD	162.1	-144.7	17.4	85.2
CAD	232.4	-229.8	2.6	14.1
CHF	176.7	-164.1	12.6	64.3
DKK	263.4	-229.4	34.0	37.5
EUR	2 723.7	-2 727.5	-3.8	-31.1
GBP	346.4	-343.2	3.1	38.4
HKD	308.4	-240.7	67.8	54.3
ITL	168.9		168.9	0.7
JPY	70 512.6	-68 599.4	1 913.3	100.0
KRW	92.4		92.4	0.6
MXN	-0.4		-0.4	-0.2
NZD	154.7	-150.0	4.7	20.6
PHP	0.4		0.4	0.1
PLN	5.2		5.2	11.1
SEK	778.8	-708.8	70.0	63.7
SGD	36.9	-26.2	10.7	43.3
USD	3 575.2	-3 554.2	21.0	130.7
ZAR	0.2		0.2	0.2
Total short term portfolios				633.2
Long term holdings/subordinated loans				
EUR	-369.0	358.8	-10.2	-83.4
SEK	83.8	-70.6	13.3	12.2
USD	0.6		0.6	3.6
Total long term investments				-67.6

The company continuously hedges all material exposure to currency risk. Currency risk arises as a result of investments in international securities and to some extent as a result of taking up subordinated loans denominated in foreign currency. Hedging is carried out at the portfolio level by using forward foreign change contracts, and total currency exposure is continually monitored within the total limit set. The currency exposure shown for 31.12.06 is representative of the company's restricted limits for currency exposure.

15 Changes in specific/general loan loss provisions

NOK million	2006	2005	2004	
Specific provisions for losses on loans, guarantees etc. at 1.1.			1.9	
Realised losses on loans, guarantees etc. where specific provision has previously been made				
Increase in specific loan loss provisions for the period				
New specific loan loss provisions in the period				
Reversal of specific loan loss provisions in the period			-1.9	
Specific provisions for losses on loans, guarantees etc.				
General provision for losses on loans, guarantees, etc. at 1.1.			2.6	
General provision for losses on loans, guarantees, etc. in the period			-2.6	
General provision for losses on loans, guarantees, etc.				
Lending volume				
NOK million	2006	2005	2004	2003
Non-accrual loans				
not yet provisioned				
provisioned				
Total of loans in default				
not yet provisioned			0.8	7.6
provisioned			0.8	5.7
Other doubtful loans				
not yet provisioned				
provisioned				
Interest suspended				

16 Underlying investments in investment portfolios for products with investment choice

The composition of the investment portfolios at 31 December 2006 was as follows.

NOK million	Market value
Liquidity	146.4
Foreign exchange contracts	-2.2
Short-term investments	294.5
Awaiting settlement	-2.9
Storebrand Credit Fund	119.9
Storebrand Global Obligasjon A	168.6
Storebrand Likviditet	124.2
Storebrand Obligasjon	237.6
Storebrand Obligasjon+	268.0
Storebrand Rente+	385.4
Skagen Kon-Tiki	31.9
Storebrand Aksje Innland	93.4
Storebrand Asia	8.2
Storebrand Europa	227.3
Storebrand Global Indeks I	342.3
Storebrand Japan	168.5
Storebrand Nord-Amerika	194.3
Storebrand Verdi	197.7
American International Group	1.5
AT&T Inc	1.4
Bank of America Corp	1.5
BHP Billiton	1.4
Chevron Corp	1.4
Citigroup	1.6
Coca-Cola	1.5
Exxon Mobil	1.4
General Electric	1.5
GlaxoSmithkline	1.4
Home Depot	1.4
Intel	1.3
International Business Machine (IBM)	1.6
Johnsen & Johnsen	1.5
Microsoft	1.5
Nestle	1.5
Nokia A	1.4
Novartis	1.5
Pepsico Inc	1.5
Pfizer	1.4
Procter & Gamble	1.5
Royal Bank of Scotland	1.4
Sanofi-Aventis	1.4
Time Warner	1.4
Total (PAR)	1.4
Toyota Motor	1.5
UBS	1.5
United Parcel Services	1.5
Vodafone Group	1.4
Wells Fargo	1.5
Storebrand Privat Investor ASA	61.6
Total investments fund	3 108.4
Of which investments for equity	1.6
Of which investments for customers	3 106.8

17 Life insurance assets with investments choice

NOK million	Number held	Market value	Return 2006 %
AB Global Growth Trends Pf	34 000.74	13.3	5.19
AB Global Value Pf	118 902.07	13.1	16.32
Danske Fund Norge I	1 200.49	5.2	30.67
Danske Fund Norge Vekst	106.69	1.1	24.32
Danske Fund Norsk Likviditet I	2 696.51	3.0	0.18
Danske Fund Norsk Obligasjon	9 086.01	9.1	-2.81
Delphi Europa	42 636.58	70.5	34.24
Delphi Norden	15 786.57	171.1	29.61
Delphi Norge	6 344.23	53.8	23.33
Delphi Vekst	13 050.94	38.6	23.09
Delphi Verden	49 493.27	61.8	24.78
Holberg Norden	16 473.83	3.5	32.8
Holberg Norge	1 352.87	0.4	26.43
Invesco Global Leisure Fund	54 437.28	7.6	13.61
Invesco Global Real Estate Securities	61 102.56	5.9	41.73
Invesco PRC Equity Fund (Kina)	369 105.13	87.5	66.65
MLIIF Global Opportunities	21 669.34	4.3	4.01
MLIIF India Fund	7 434.57	0.9	32.47
MLIIF Japan Opportunities	23 124.14	7.6	-25.67
MLIIF World Energy Fund	69 708.74	9.8	0.44
MS Global Value Equity Fund	2 966.01	0.9	11.93
MS Latin America	9 495.22	32.7	39.34
MS US Small Cap Growth	9 064.36	2.7	2.75
Schroder BRIC (Braz Rus In Ch)	7 511.86	7.9	42.79
Schroder Emerging Europe	334 119.80	64.7	26.78
Schroder Emerging Market Debt	114 709.40	15.5	4.4
Skagen Global	558 236.74	416.8	24.07
Skagen Kon-Tiki	946 804.92	348.9	22.75
STB Goldman (Sachs) SMB Europa	22 667.98	23.8	27.47
STB WGA Health Care	38 970.61	48.9	2.09
Storebrand Aksje Innland	257.91	7.5	37.08
Storebrand Asia	56 984.85	92.0	12.51
Storebrand Asia B	1 567.76	2.6	12.84
Storebrand Europa	123 179.31	160.9	20.07
Storebrand Futura 1 (Høyrente)	57 252.34	585.8	2.44
Storebrand Global	281 057.34	481.3	8.53
Storebrand Global Institusjon	17 692.63	27.2	9.16
Storebrand Global med Sikring	17.90	0.0	3.74
Storebrand Global Milj_	17 969.25	16.2	11.18
Storebrand Japan	59 822.85	87.7	-5.34
Storebrand Likviditet	7 066.91	72.9	2.84
Storebrand Nord Amerika	20 267.39	23.1	1.76
Storebrand Norge	945.00	158.7	36.74
Storebrand Obligasjon Institusjon	9 471.52	9.9	0.98
Storebrand Obligasjon+	79 517.94	81.0	2.5
Storebrand PensjonS	686 909.55	124.1	21.96
Storebrand Rente+	416 281.49	433.0	4.05
Storebrand S 2010	31.20	0.1	7.24
Storebrand S 2020	145.83	0.4	16.48
Storebrand S 2030	377.83	1.4	23.33
Storebrand S 2040	24.28	0.1	29.67
Storebrand Teknologi	73 570.43	76.9	-1.67
Storebrand Vekst	794.74	74.7	21.66
Storebrand Verdi	531 193.94	192.6	36.49
T.Rowe Price Global High Yield Bond Fund	100 467.01	11.5	5.9

Notes Storebrand Livsforsikring

NOK million	Number held	Market value	Return 2006 %
Orkla Storebrand ipf2	154 875.68	185.1	5.85
STB Link Balansert Allokering	630 158.34	1 000.9	10.06
STB Link Balansert Pensjon	2 634 281.35	338.6	10.18
STB Link Balansert Pensjon I	150 461.84	80.6	7.17
STB Link Balansert Pensjon N	5 662.04	5.8	2.41
STB Link Balansert Pensjon O	21 267.57	23.2	9
STB Link Forsiktig Allokering	277 270.14	364.9	6.72
STB Link Forsiktig Pensjon	2 436 326.37	280.8	5.59
STB Link Forsiktig Pensjon I	58 231.37	30.4	4.31
STB Link Forsiktig Pensjon O	44 475.22	46.7	5.05
STB Link Global Indeks ipf	12 677.38	1.4	10.26
STB Link Offensiv Allokering	107 074.15	196.2	14.43
STB Link Offensiv Pensjon	223 570.09	31.7	15.38
STB Link Offensiv Pensjon I	4 788.91	2.6	10.28
STB Link Offensiv Pensjon O	9 112.68	10.3	13.32
Storebrand Link Bankkonto	352 427.08	403.8	2.29
Storebrand Link Global Topp 30	13 204.07	14.7	11.45
Storebrand NHO Balansert Pensjon	85 906.97	94.0	9.38
Assets with investments choice		7 364.1	

18 Real estate: Storebrand Livsforsikring Group

NOK million	Market value	Ave. rent per sq.m.	Term of lease	Sq.m..	Percentage let
Type of real estate					
Office premises (inc. commercial premises, parking and storage)	10 138.8	981	5.4	699 895	97.3%
Shopping centres (inc. parking and storage)	7 312.0	1 251	3.3	390 078	98.5%
Parking	486.0	735	14.0	44 085	100.0%
Total directly-owned real estate	17 936.8	1 065	4.8	1 134 058	97.8%
Real estate owned by Sjølyst Eiendom AS	225.0				
Real estate owned by Værdalsbruket	7.6				
Total real estate - Group	18 169.4				

Geografic location

Oslo- Vika/Fillipstad Brygge	4 201.9
Oslo - other	4 157.6
Shopping centres	5 985.5
Norway - other	3 824.4

Ownership structure

Directly owned	
Property company (AS)	17 916.4
Property partnership (ANS)	253.0

NOK million	2006	2005	2004	2003	2002
Additions	3 466.5	1 067.7	3 045.4	71.8	67.7
Disposals	-434.0			-363.9	-1 314.6

Property valuation methods

The company carries out its own assessment of the value of the properties which it owns. The properties are valued individually by discounting estimated future net income streams by a discount rate corresponding to the yield requirement for the relevant investment. The net income stream takes into account existing and future reduction in income resulting from vacancy, necessary investments and an assessment of the future development in market rents. The yield requirement is based on the expected future risk-free interest rate and an individually determined risk premium, dependent on the letting situation and the building's location and standard. This method is in accordance with the regulations for annual accounts etc. of insurance companies.

Actual value has been determined for all properties at 31.12.06.

19 Movements in the Group's fixed assets during the year

NOK million	Real estate	Machinery, cars and equipment	Intangible assets	Bonds held to maturity	Long term shares and investment
Acquisition cost at 1.1	12 928.6	47.1	117.3	40 671.6	0.5
Revaluations in the year	779.8			0.0	
Revaluations in earlier years	38.5			0.0	
Additions	4 856.9	15.3	0.9	5 600.0	4.0
Disposals at acquisition cost	-434.4	-3.5		-3 057.3	-0.1
Amortised over/under value for the year				-115.5	
Aggregate write-downs and depreciation at 31.12.		-30.7	-110.0	0.0	
Book value at 31.12.06	18 169.4	28.2	8.2	43 098.8	4.4
Revaluations/reversals for the year	927.5				
Ordinary depreciation for the year		-13.0	-17.2		

Straight line depreciation periods for operating assets are as follows:

Machinery and fittings:	4 years
Cars:	6 years
Computer systems:	3–6 years
Intangible assets:	3–6 years

20 Marked value (actual value) of securities: Storebrand Livsforsikring Group

NOK million	2006					2005	2004
	Acquisition cost (Book value)	Loss provisions	FX change at closing exchange rate	Unrealised gains/losses	Actual value	Unrealised gains/losses	Unrealised gains/losses
Investments held as fixed assets							
Shares and other equity instruments	4.4						
Bonds	43 098.8			1 096.6	44 195.3	3 573.4	4 212.7
Total investments held as fixed assets	43 103.2			1 096.6	44 195.3	3 573.4	4 212.7
Of which held by subsidiaries							
- Shares and participations	50.1						
NOK million	2006					2005	2004
	Acquisition cost (Book value)	Loss provisions	FX change at closing exchange rate	Unrealised gains/losses	Actual value	Unrealised gains/losses	Unrealised gains/losses
Shares and other equity investments	40 022.3	-4.9	-717.7	6 120.2	45 515.7	3 807.6	2 387.1
Bonds	44 063.1		-257.5	26.3	43 832.0	186.7	398.2
Commercial paper	699.5		7.5	-0.3	706.7	-1.8	1.9
Deposits with credit institutions	1 743.6				1 743.6		
Financial derivatives	378.7		81.7	-228.3	232.1	-108.5	-20.0
Total short term current assets	86 907.2	-4.9	-886.0	5 917.8	92 030.0	3 884.0	2 767.2

21 Insurance reserves by class of business

NOK million	Group pension private insurance	Group pension public insurance	Group life insurance	Endowment insurance	Annuity/pension insurance	Non-life insurance	Total 2006	Total 2005	Total 2004
Premium reserve	85 595.3	14 139.2	388.9	16 750.6	23 571.8		140 445.8	124 051.7	111 819.5
Additional statutory reserves	3 778.7	374.9		374.2	1 022.9		5 550.7	4 537.5	3 706.1
Premium fund/ deposit fund	5 450.1	992.1			226.2		6 668.4	5 228.1	4 946.2
Pensioners surplus fund	280.0						280.0	215.0	199.2
Claims reserve	46.3	21.8	116.7	180.4	17.4		382.6	334.3	313.8
Other technical reserves						174.8	174.8	96.6	81.4
Insurance fund reserves 2006	95 150.4	15 528.0	505.6	17 305.2	24 838.3	174.8	153 502.3		
Insurance fund reserves 2005	84 831.3	9 649.9	470.0	19 345.0	20 070.4	96.6		134 463.2	
Insurance fund reserves 2004	79 447.3	8 012.0	454.6	13 530.5	19 540.4	81.4			121 066.2
Security reserve 2006	118.5	20.9	17.0	13.0	9.6		179.0		
Security reserve 2005	107.7	15.0	16.4	12.2	7.9			159.2	
Security reserve 2004	101.6	11.4	16.1	11.5	8.0				148.6
Insurance related reserves 2006	95 268.9	15 548.9	522.6	17 318.2	24 847.9	174.8	153 681.3		
Insurance related reserves 2005	84 939.0	9 664.9	486.4	19 357.2	20 078.3	96.6		134 622.4	
Insurance related reserves 2004	79 548.9	8 023.4	470.7	13 542.0	19 548.4	81.4			121 214.8

Reserves in respect of non-life insurance products are detailed in Note 23.

Of which products with investments choice

NOK million	2006			Total
	Group pension	Endowment insurance	Annuity/pension insurance	
Premium reserve	2 050.6	827.6	4 477.2	7 355.4
Deposit fund	175.6			175.6
Claims reserve			0.6	0.6
Insurance fund reserves	2 226.2	827.6	4 477.8	7 531.6
Security reserve	0.8		1.8	2.6
Insurance related reserves	2 227.0	827.6	4 479.6	7 534.2

22 Transfers between insurance fund reserves etc. on closing 2005 accounts

NOK million	Group pension	Individual	Total
To/from premium fund	-13.5	-0.9	-14.4
To/from premium reserve	38.9	46.8	85.7
To/from additional statutory allocations	-25.4	-45.9	-71.3

23 Technical result and reserves for non-life classes

NOK million	2006	2005	2004
Premiums for own account	151.7	107.0	78.9
Gross business			
Premiums earned	184.3	112.4	79.6
Claims accrued	-119.4	-51.9	-48.5
Insurance related operating expenses	-57.6	-47.8	-23.8
Technical result	7.3	12.7	7.3
Reinsurance ceded			
Premiums earned	-34.1	-7.7	-1.4
Claims accrued	0.1	0.7	0.3
Technical result	-34.0	-7.0	-1.1
For own account			
Technical result	-26.7	5.7	6.2
Claims reserve	91.8	41.8	39.3
BISC minimum requirement	91.7	41.8	39.0
Security reserve	73.0	48.6	36.8
BISC minimum requirement	71.4	47.1	35.4
Administration reserve	10.0	6.2	5.3
BISC minimum requirement	10.0	6.1	5.2

24 Deferred tax allowances and deferred tax: Storebrand Livsforsikring As

NOK million	2006		2005		Net change	2004	
	Tax reducing	Tax increasing	Tax reducing	Tax increasing		Tax reducing	Tax increasing
Temporary differences							
Current value of securities		1 212.7		397.3	-815.4		521.2
Forward foreign exchange contracts		82.1		607.1	525.0	580.7	
Revaluations of real estate	679.2		937.7		-258.5	941.7	
Write down of KS/ANS participations	83.9		83.9	100.6	100.6	74.5	126.4
Operating assets		5.3		5.7	0.4		9.2
Insured pension scheme			13.5		-13.5	85.7	
Uninsured pension scheme		189.1		240.0	50.9		155.1
Bonds to be held to maturity		280.8		205.8	-75.0		
Other		80.7		70.6	-10.1		93.1
Total temporary differences	763.1	1 850.7	1 035.1	1 627.1	-495.6	1 682.6	905.0
Tax losses carried forward		6 027.3		2 413.7			218.2
Allowable losses carried forward		683.8		683.8			464.3
Applied/settled	-763.1	-763.1	-1 035.1	-1 035.1		-1 587.5	-1 587.5
Net temporary differences		7 798.7		3 689.6	-4 109.2	95.1	
Tax	28.0%	28.0%	28.0%	28.0%	28.0	28.0%	28.0%
Deferred tax/tax allowances		2 183.6		1 033.1	-1 150.6	26.6	
Deferred tax assets not booked in balance sheet		2 183.6					

See note 7

Deferred tax allowances and deferred tax: Storebrand Livsforsikring Group

NOK million	2006		2005		Net change	2004	
	Tax reducing	Tax increasing	Tax reducing	Tax increasing		Tax reducing	Tax increasing
Temporary differences							
Current value of securities		1 212.7		397.3	-815.4		521.2
Forward foreign exchange contracts		82.1		607.1	525.0	580.7	
Revaluations of real estate	679.2		937.7		-258.5	941.7	
Write down of KS/ANS participations	83.9		112.4	100.6	72.1	24.2	126.4
Operating assets	4.8	5.5	615.6	6.0	-610.3	604.0	10.0
Insured pension scheme			13.5		-13.5	91.4	
Uninsured pension scheme		206.6		258.6	52.0		160.5
Bonds to be held to maturity		280.8		205.8	-75.0		
Other	379.8	83.0	24.4	73.6	346.0	3.3	101.8
Total temporary differences	1 147.7	1 870.7	1 703.6	1 649.0	-777.6	2 245.3	919.9
- of which subsidiaries	384.6	20.0	668.5	22.0		637.3	14.3
Tax losses carried forward		6 027.3		2 414.3			217.7
Allowable losses carried forward		683.8		683.8			464.3
Applied/settled	-763.1	-763.1	-1 057.4	-1 057.4		-1 601.9	-1 601.9
Net temporary differences	384.6	7 818.7	646.2	3 689.8	-4 390.6	643.4	
Tax	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%
Deferred tax/tax allowances	107.6	5.4	180.9		-78.8	180.2	
Deferred tax assets not booked in balance sheet		2 183.6					
Changes applied directly to the balance sheet or profit and loss account					78.2		
Change in deferred tax/deferred tax allowance					-0.6		

See note 7

25 Subordinated loan capital

NOK million Date drawn down	Amount NOK	Currency code	Currency amount	Maturity	Interest rate %	Currency gains/losses
24.02.03, 6 months euribor + 2,20%, call 2008 ¹	1 526.7	EUR	185.7	24.02.23	5.64%	
09.06.04, 3 months euribor + 0,90%, call 2009	1 435.1	EUR	174.8	09.06.14	4.56%	
Total subordinated loan capital	2 961.7					-4.8

1 Will in capital adequacy count as everlasting subordinated loan capital. The company has entered into hedging transactions in respect of subordinated loans denominated in foreign currency. The total expense associated with the company's subordinated borrowings (including currency gains and losses) amounts to NOK 135.2 million.

There is no deduction on the amount of subordinated debt which qualifies for capital adequacy purposes.
The accounting treatment of currency hedging of subordinated loans is described in Accounting Principles.

26 Transactions with connected parties

Transactions between companies in the group

NOK million	Amount
Profit and loss items	
Services bought	-194.9
Services sold	241.4
Balance sheet items	
Receivables	23.0
Debt	49.8

Transactions between group companies are done on an arms-length basis.

27 Remuneration and contractual arrangements for senior management

Idar Kreutzer is Chief Executive Officer of Storebrand ASA and Managing Director of Storebrand Livsforsikring AS. He is entitled to 24 months' salary following the expiry of the normal notice period from Storebrand ASA. All forms of work-related income from other sources, including consultancy assignments, will be deducted from any such payments. Kreutzer is entitled to a performance-related bonus based on the group's ordinary bonus scheme, which has three aspects. The group's value creation finances the overall amount of the bonus, but individual performance determines allocation. Kreutzer's individual bonus entitlement is credited to a bonus account, and 1/3 of the balance on the bonus account is paid each year. The Managing Director is a member of the Storebrand pension scheme on normal terms.

The company has no obligations towards the Chairman of the Board of Directors in respect of changes to or termination of his appointment.

Storebrand operates a bonus scheme for its employees. The bonus scheme is linked to the company's value creation and individual performance.

NOK 1000	Ordinary salary	Bonus paid	Other benefits ²	Post-termination salary (months)	Pension accrues for the year	Discounted percent value of pension	Loan	Interest rate at 31.12.06	Repayment period
Senior employees									
Idar Kreutzer ⁴	3 539	1 822	232	24	726	10 077	9 210	3-3.6	2031
Maalfrid Brath	2 319	902	188	18	401	4 249	5 056	3-3.45	2035
Odd Arild Grefstad ⁴	2 286	789	152	18	411	4 571	4 567	3-3.6	2024
Lars Aa. Løddesøl	2 274	1 006	161	18	467	2 181	4 390	3-3.7	2029
Roar Thoresen	2 562	1 404	213	18	754	3 004	989	3	2022
Trond Killi	1 063		136		154	635	2 544	3-3.45	2025

NOK 1000	No. of shares held ¹	Bonus bank	Return on shares bank ³
Senior employees			
Idar Kreutzer	29 288	3 644	823
Maalfrid Brath	2 113	804	413
Odd Arild Grefstad	4 078	1 278	354
Lars Aa. Løddesøl	2 213	1 013	451
Roar Thoresen	1 038	1 108	676
Trond Killi	0		

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

2 Comprises company car, telephone, insurance, concessionary interest rate, other contractual benefits and compensation on termination of employment.

3 The return on the share bank shows the annual gain in value on the individual's bonus account caused by the performance of the Storebrand share price in 2006 adjusted for dividend.

4 The cost of employment benefits in respect of Idar Kreutzer and Odd Arild Grefstad is allocated proportionately between Storebrand Livsforsikring AS and Storebrand ASA. The share of these costs allocated to Storebrand Livsforsikring AS is NOK 4.4 million and NOK 2.4 million respectively.

NOK 1000	Remuneration	No. of shares held ¹	Loan	Interest rate at 31.12.06	Payment period
Board of Directors					
Leiv L. Nergard	145	40 000			
Inger Johanne Strand	85		1 200	3	2027
Trond Wilhelmsen ⁵	183	3 708	1 114	3	2026
Morten Riiser ⁵	38				
Andreas Enger	36				
Camilla Grieg	145				
Jan Kildal	109				
Hege Hodnesdal	60				

5 Remuneration paid to the members of the board of directors of Storebrand Fondsforsikring totalled NOK 37 500.

28 Audit fees of Storebrand Livsforsikring

Remuneration paid to Deloitte AS and related companies:

NOK million	Group			Parent Company		
	2006	2005	2004	2006	2005	2004
Statutory audit	2.6	1.8	2.3	2.4	1.2	2.1
Other reporting duties	0.2			0.1		
Taxation advice	0.7	0.8	0.4	0.5	0.7	0.3
Other non-audit services ¹	0.4	3.4		0.4	3.4	

¹ Bistand knyttet til vurdering av prosesser og rutiner i 2005 og avtalte kontrollhandlinger i 2006

The amount above is excluding vat.

29 Change in equity capital

NOK million	2006	2005	2004
Share capital at 01.01	1 411.2	1 411.2	1 361.2
Share issue			50.0
Share capital at 31.12	1 411.2	1 411.2	1 411.2
Share premium at 01.01.	726.5	726.4	26.4
Merged company	90.7	0.1	
Demerged company	-1.6		
Other changes	55.0		700.0
Share premium at 31.12.	870.6	726.5	726.4
Total paid in equity	2 281.8	2 137.7	2 137.6
Other equity at 1.1.	2 783.9	2 366.2	1 973.3
Merged company	-76.8		
Profit for the year	372.0	417.7	392.9
Other equity at 31.12.	3 079.1	2 783.9	2 366.2
Equity capital at 31.12 as per balance sheet	5 360.9	4 921.6	4 503.8

The company's shares are owned to 100% by Storebrand ASA and are of NOK 100 par value. All shares have equal voting rights. The company does not own any of its own shares.

30 Capital adequacy

NOK million	Group			Parent company		
	2006	2005	2004	2006	2005	2004
Calculation base by class of risk weighting	171 584.1	151 234.1	133 795.5	171 215.2	151 238.0	133 445.9
Risk weight 0%	47 214.2	46 915.1	49 992.9	47 201.1	46 890.1	49 986.3
Risk weight 10%	889.2	1 065.1	1 861.6	889.2	1 065.1	1 861.6
Risk weight 20%	35 557.2	35 386.1	37 529.7	35 344.7	35 456.7	37 432.7
Risk weight 50%	2 202.7	2 404.0	828.0	2 043.0	2 288.4	506.8
Risk weight 100%	78 356.7	65 463.8	43 583.3	78 373.1	65 537.7	43 658.5
Assets held in respect of life insurance contracts with investment choice	7 364.1			7 364.1		
Weighted assets in the balance sheet	87 935.8	73 849.5	51 689.4	87 829.8	73 879.8	51 584.6
Weighted interest rate and FX contracts	549.5	462.3	530.2	549.5	462.3	530.2
Cross holding deduction for shares in other financial institutions	-234.3	-18.5	-78.2	-227.8	-18.5	-78.2
Unrealised gains on financial current assets	-6 080.2	-3 863.7	-2 292.7	-6 080.2	-3 863.7	-2 292.7
Risk weighted calculation base	82 170.8	70 429.6	49 848.7	82 071.3	70 459.9	49 743.9
Core capital	5 347.2	4 896.6	4 366.2	5 360.3	4 921.5	4 414.3
Subordinated loans - perpetual	2 857.4	2 824.3	2 878.1	2 857.4	2 824.3	2 878.1
Limitation on eligible subordinated loan capital						
Eligible subordinated loan capital	2 857.4	2 824.3	2 878.1	2 857.4	2 824.3	2 878.1
Cross holding deduction for shares in other financial institutions	-234.3	-18.5	-78.3	-227.8	-18.5	-78.2
Net primary capital	7 970.3	7 702.4	7 166.0	7 989.9	7 727.3	7 214.2
Capital ratio in %	9.70	10.94	14.38	9.74	10.97	14.50

The book value of the Storebrand Livsforsikring group's equity is NOK 5,361 million. The difference between equity and core capital of is caused by NOK 35 million for other intangible assets.

31 Solvency margin

Storebrand Livsforsikring AS har et foreløpig beregnet solvensmarginkrav for 2006 på 6 232 millioner kroner (5 760 millioner kroner i 2005). Solvensmarginkapitalen ble på 10 879 millioner kroner (10 090 millioner kroner i 2005). Dette gir en solvensmarginprosent på 174,6 prosent (175,2 prosent).

NOK million	2006	2005	2004
Primary capital 31.12.	7 989.9	7 727.0	6 964.7
Counting security reserve	113.8	94.3	84.3
50% of additional statutory reserves at 31.12.	2 775.4	2 268.8	1 853.1
Solvency margin capital at 31.12.	10 879.1	10 090.1	8 902.1

32 Number of employees

	2006	2005	2004
Number of employees at 31.12.	1 045	931	852
Average number of employees	991	892	729
Full time equivalent positions at 31.12.	1 024	911	833
Average number of full time equivalents (FTEs)	971	878	713



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Translation from the original Norwegian version

To the Annual Shareholders' Meeting of Storebrand Livsforsikring AS

AUDITOR'S REPORT FOR 2006

We have audited the annual financial statements of Storebrand Livsforsikring AS as of 31 December 2006, showing a profit of NOK 1.180,5 million for the parent company and a profit of NOK 1.180,5 million for 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 balance sheet, the statements of income and cash flows, and the accompanying notes. The group accounts comprise the balance sheet, the statements of income and cash flows, 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 and of the Group as of 31 December 2006, and the results of its operations and its cash flows 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, 12 February 2007
Deloitte AS

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

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