Annual Report 2002

storebrand

We enable our customers to make the most of their financial position, life situation and health.

Content:

Storebrand made pension and insurance payments of over NOK 5 billion in 2002. This is one of the figures that underline the importance of the group's activities, not just for private individuals and companies but for society as a whole. We help ensure that our customers enjoy a more secure future by meeting their needs for financial predictability and independence.

Key Figures Group

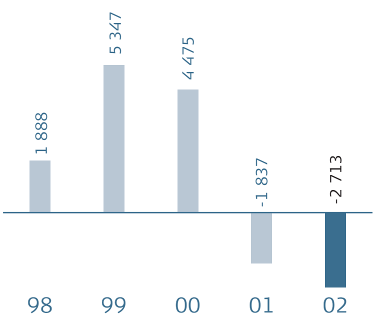
NOK million	2002	2001	2000	1999	1998
Operating profit	**-2 713**	-1 837	4 475	5 347	1 888
Group profit	**-1 701**	-1 430	523	1 166	603
Total assets	**148 551**	152 214	156 744	149 647	126 531
Equity capital	**8 536**	9 617	10 545	10 113	6 421
No. of employees (full time equivalents)	**1 337**	1 473	1 478	1 636	4 001
Capital ratio (%)	**16.0%**	12.9%	12.7%	14.0%	13.4%

Key figures per share

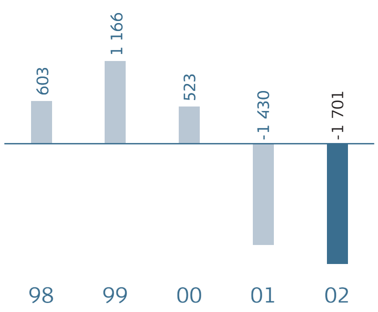
Average number of ordinary shares (000's)	**277 715**	277 554	277 464	277 209	277 079
Earnings per ordinary share*)	**-3.73**	-4.15	1.67	12.23	1.98
Dividend per ordinary share excl. extraordinary items**)	**-3.73**	-4.15	1.67	3.54	1.98
Dividend per ordinary share (NOK)			1.10	1.00	

*) Calculation is based on profit for the year adjusted for the year's legally required post-tax allocations to security reserves etc. for non-life insurance.
**) Calculation base for 1999 has been adjusted for capital gain on sale of non-life insurance after tax and extraordinary items.

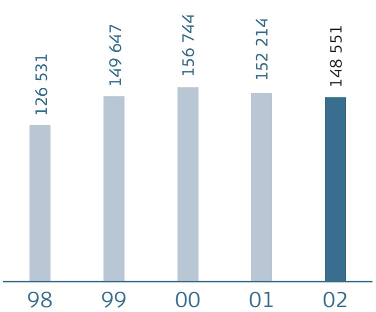
OPERATING PROFIT (NOK million)



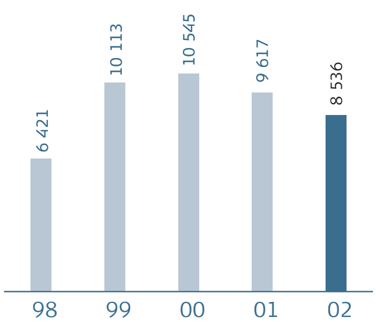
GROUP PROFIT (NOK million)



TOTAL ASSETS (NOK million)



EQUITY (NOK million)



Main Events of 2002

>> January
Storebrand Bank approves a reorganisation involving a reduction in headcount. Finansbanken decides to concentrate its Norwegian activities at its head office in Oslo.

>> March
Storebrand ASA issues an exchangeable bond. The issue is heavily oversubscribed. The proceeds of the issue are used to strengthen Storebrand ASA's liquidity and repay outstanding borrowings.

>> April
Storebrand and MMI carry out a nationwide savings and insurance market research survey. 3 500 Norwegians reply to questions on their personal finances.

The most extensive court hearing of a labour market dispute ever seen in Norway commences. Proceedings are brought against 11 municipalities because they have chosen to transfer their pension schemes from KLP to private companies.

>> May
The Boards of Directors of DnB and Storebrand announce that they have entered into an agreement under which the two companies intend to merge.

>> June
Following the decision by DnB on 29 June to cancel the integration agreement, Storebrand's Board of Directors votes unanimously on 30 June to abandon the merger negotiations.

>> July
Deloitte & Touche is appointed by Storebrand to carry out an independent review of the discrepancies that DnB claimed to have identified in Storebrand's accounts. The review concludes that Storebrand's accounts are in accordance with generally accepted accounting principles.

In parallell with new falls in the equity markets, the group's life insurance company makes major changes to its investment portfolio in order to protect its buffer capital. This also ensures a very competitive investment return.

>> September
In response to the results of the major pensions and savings survey carried out earlier in the year, Storebrand arranges 24 customer seminars around the country with a particular focus on pension arrangements for employees.

>> October
The Labour Court announces its ruling. The municipalities involved are given until 1 July 2003 to bring their pension arrangements in line with the Court's interpretation of the main collective employment tariff. In order to ensure a competitive marketplace, Storebrand applies for permission to offer the same product as KLP.

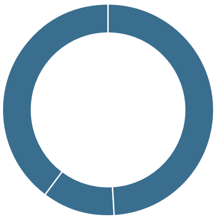
>> November
Standard & Poor's publishes a ranking of all the mutual funds sold in Norway. Storebrand and Delphi achieve the highest average score of all companies.

The Board of Directors of Storebrand ASA approves the issue of a NOK 1.5 billion bond to refinance the company's existing bond that matures in June 2003.

The decision is taken to merge Storebrand Bank and Finansbanken. The name of the merged bank is to be Storebrand Bank ASA.

>> December
Storebrand establishes an Executive Committee as its main management body, responsible for the group's strategic positioning and overall profitability. The ownership interest in If (22.47%) was sold from Storebrand Skadeforsikring AS to Storebrand ASA, in a move to make Storebrand Non-Life a pure run-off company.

Storebrand Group



Employees Group 100%

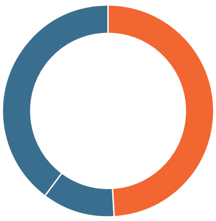
Activities

Storebrand is a leading player in the markets for savings and life insurance. We have a strong position in life, pensions and health insurance as well as in banking services and asset management. Storebrand has an ownership interest in non-life insurance through its shareholding in If Skadeförsäkring.

Market position

Storebrand seeks to create value through strong customer focus, highly motivated employees and profitable operations. The company's activities combine environmental, social and financial targets. Storebrand is an knowledge-based company, and is committed to the personal development of its employees through targeted training and other measures. Through satisfied customers and skilled employees, Storebrand will provide a satisfactory return on the capital employed.

Storebrand Life Insurance



Employees Life Insurance 43.9%

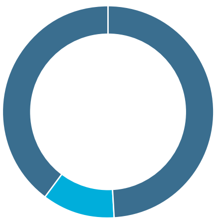
Activities

Storebrand Life Insurance is a leading pensions and life insurance company, with a 29% share of the Norwegian market measured in terms of customers' funds under management. The company's main areas of focus are pensions, life insurance and health insurance products for private individuals, corporate customers, Norwegian municipalities and independent public sector entities.

Market position

Storebrand maintained its market position in most of its areas of activity in 2002. In addition the company strengthened its position in new areas, including the market for public sector pensions and the health insurance market.

Storebrand Investments



Employees Investments 9.9%

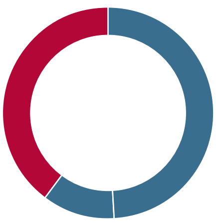
Activities

Storebrand Investments manages assets totalling NOK 140 billion for pension funds, private and public sector institutions, private individuals and the Storebrand group companies. Storebrand offers discretionary asset management services, a wide range of Norwegian and international mutual funds and investment products with a particular focus on socially responsible investment (SRI) for both Norwegian and international customers.

Market position

Storebrand increased its market share for mutual funds in 2002. Its share of the equity funds market increased by 1 percentage point. Gross inflows from new and existing institutional customers amounted to almost NOK 4 billion, despite a weak market for new investment. 68% of the discretionary portfolios outperformed the relevant benchmark indices, while 33 of Storebrand's 57 mutual funds produced a return before management fees better than their benchmark return.

Storebrand Bank



Employees Bank 35.6%

Activities

Storebrand has until now carried out its banking activities through two separate banks, Storebrand Bank and Finansbanken. Storebrand Bank has been responsible since 2000 for the Storebrand group's distribution, customer service and marketing of financial products and services to the retail market. Finansbanken is a specialist bank for high net worth individuals and selected segments of the corporate market.

Market position

It was decided in November 2002 that the two banks should be merged. By bringing together its banking activities into a single unit Storebrand will create a stronger and more efficient banking operation, with total assets of approximately NOK 29 billion and some 75 000 customers. Creating a new bank and ensuring closer collaboration with other parts of the Storebrand group will give Storebrand a more powerful presence in the Norwegian banking market.

Key figures (NOK)

Number of employees:*)	1 361
Life insurance policyholders' funds	102.5 billion
Other funds under management	37.2 billion
Total assets of the group's banking activities	28.5 billion

*) Incl. subsidiaries and 36 employees in Storebrand ASA

Ambitions

We are committed to being seen as dependable, forward-looking, easy to work with and a creator of new opportunities. These core values form the basis for Storebrand to enable customers to make the most of their finances, life situation and health.

Number of employees	641
Funds under management (including unit linked products)	102.5 billion
Group pension schemes[2]	7 084
Employees of companies, public sector entities and other organisations	202 522
Individual policies - early leavers from group pension schemes[3]	239 738
Pensions in payment[4]	137 065
Group life policies:[5]	3 779
Employees of companies, public sector entities and other organisations	259 336
Individual annuity, savings and insurance policies[6]	318 748
Pension and annuity policies in payment	39 700

Storebrand Life Insurance intends to retain and strengthen its position as the market leader for sales of pensions and life insurance products to the Norwegian corporate and retail market. In addition the company aims to expand its activities in the market for public sector pensions. The key factors that will help to ensure that Storebrand Life Insurance achieves its objectives are its high level of technical expertise, low cost base, active risk management and the high quality of its asset management.

[1] Does not include Storebrand Helseforsikring AS (33) and Euroben (6).
[2] Includes both defined benefit and defined contribution pension schemes as well as pension schemes for public sector entities and other organisations.
[3] Paid-up policies in respect of previous membership of a group pension scheme (does not include those now drawing pension benefits).
[4] Pensions in payment includes those receiving retirement, disability and deferred pensions in respect of all group pension schemes, including individual policies for early leavers.
[5] Group life insurance policies providing a single payment in the event of death or disability.
[6] All policies with private individuals including unit linked and health insurance (but excluding annuities and pensions in payment).

Number of employees	145
Number of mutual funds customers (excl. unit linked)	89 366
Assets under management	139.7 billion
External assets under management	33.7 billion [1]
Market share: mutual funds	10.8%
Number of mutual funds offered	57

[1] External funds under management: Mutual funds 12.1 billion. Discretionary portfolios (including If) 21.6 billion.

Storebrand Investments offers a complete asset management concept based on active management using a specialised investment process. Storebrand's internationally competitive specialist products and its leading position for socially responsible investment will make Storebrand Investments the preferred asset manager in Norway, whilst also attracting international asset management mandates.

No. of employees (total for both banks)	520
No. of customers: Storebrand Bank	61 191
Total assets: Storebrand Bank (million)	12 919
No. of customers: Finansbanken**)	13 763
Total assets: Finansbanken (million)	15 641

**) Of which 4 539 are corporate customers.

Storebrand Bank ASA will build upon the expertise and customer base of the two banks and the products and services they offer. The bank will develop, produce, market and sell financial products to the Norwegian retail market and to corporate customers of the Storebrand group. In addition the new bank will target selected corporate customers and high net worth individuals in the Oslo and surrounding areas, where close relationships with customers and the market combined with key competencies will enable significant value creation for the bank and its customers.

Health insurance reduces sick leave

Health insurance ensures quick access to high-quality treatment in private hospitals in Norway and abroad. Storebrand's health insurance activities account for over 50% of premium income in the rapidly growing health insurance market. Our broad range of health insurance products meets the individual's need to be sure of access to medical attention, and gives companies the reassurance that they can avoid long periods of sick leave. The recent decision to make health insurance provided by an employer tax deductible, will help make the benefits of health insurance available to an increasing number of employees in the years to come.

A shared Responsibility

Storebrand's ambition is to be a leading player in the markets for savings and life insurance. We strive to build greater financial security for our customers and create value for our shareholders by having highly skilled employees and offering the best products in the market. Storebrand made pension and insurance payments of more than NOK 5 billion in 2002. This figure underlines Storebrand's significance and the responsibility we share with our customers for their life situation, health and financial future.

Storebrand can trace its roots back to 1767. Our long history makes us resilient to short-term fluctuations, and provides a sound background against which to make important choices for the future. This was particularly important in the past year.

A challenging year

2002 was a year of financial turbulence, falling equity markets around the world and very weak earnings. In addition the extensive clear up that proved necessary at Finansbanken held back our results. Storebrand did not achieve its targets for value creation in 2002.

Last year was a period in which we concentrated on the factors over which we have control, and we worked determinedly on creating a stronger foundation for the company's future development. This included securing the financial strength that is needed to face uncertain market conditions, and we closed the year with a satisfactory risk bearing capacity for the group. This was due in no small part to a systematic focus on risk management throughout the year. Our financial condition makes it possible to retain higher-risk assets in our portfolio in order to participate in a future market upturn.

We have also intensified our focus on developing a performance-oriented corporate culture that works closely with its customers. One of the many measures implemented to improve customer relationships was a nation-wide series of customer seminars on pension arrangements for employees. In scarcely a month 24 seminars were held, attracting representatives from over 500 companies

It proved necessary to focus the group's activities in response to changing market conditions, targeting greater efficiency and cost savings. We have further concentrated on the core activities and have according to the announced cost reduction programme reduced costs by NOK 160 million in total over the course of 2002.

Openness, trust and respect pave the way for the healthy dialogue between management and employees that is essential for the continuing development of Storebrand as a competitive company. Internal surveys demonstrate that we have succeeded in maintaining this dialogue in Storebrand. The survey results also give us important feedback for our continuing commitment to maintaining and developing a stronger and forward-looking corporate culture. I would like to take this opportunity to thank all of Storebrand's employees for a really impressive willingness to give their all in working to further the interests of the company and its customers throughout a difficult year.

A changing market place

Storebrand's activities are built up around three strategic business areas: life insurance, asset management and banking, with group pension products forming the basis for our strong market position. Storebrand is clearly the leading pensions provider for the Norwegian corporate market, and the introduction of defined contribution pension schemes in 2001 opened up new growth opportunities for our pensions business. The progress we made in 2002 served to confirm the value of the investment and preparation Storebrand made for this new product area, and we set up 247 new defined contribution pension schemes in 2002 as compared to 101 new schemes in 2001.

We are well positioned to take part in the strong growth expected due to each person`s need to save more for the future, and based on that every few Norwegians have sufficient life and health insurance cover.

By way of example only 10% of the 1 million Norwegians under the age of 17 are insured against illness and disability, and this is in stark contrast to the situation in neighbouring Sweden where more than 80% of the equivalent age group benefits from insurance. We saw a sound increase in sales of life and health insur-

Idar Kreutzer
Chief Executive Officer

ance in 2002, and it was particularly pleasing to see that our emphasis on health insurance is now producing very encouraging results. The strong growth currently seen in sales of health insurance is expected to be further encouraged now that the Norwegian parliament has introduced more favourable tax treatment for this type of insurance.

Storebrand will continue to press for a level playing field of effective competition for the municipality pension market, which represents some NOK 120 billion of premium reserves. We also have high expectations for the work of the Pension Commission appointed by the government. The Commission's findings may well lead to growth in the Norwegian pensions market in a number of areas, including the question of funding the earnings-related element of the state pension and looking at the possibility of individual choice for the management of personal fund entitlements.

Storebrand's asset management activities are responsible for funds under management totalling NOK 140 billion, of which the investments of our own life insurance activities account for some NOK 100 billion. Storebrand Investments adopts a specialist approach, focusing its investment skills on the areas where we have a particular advantage. This commitment to a cost efficient and specialised strategy will ensure that Storebrand further strengthens its position as the leading asset manager in Norway.

We have taken steps to create a more efficient banking operation by merging Storebrand Bank and Finansbanken. The combined operation will have a lower cost base and a stronger balance sheet, giving it a more powerful presence in the market. Storebrand's customers will find that the merger gives them easier access to greater expertise.

Over recent years Storebrand itself has gone through a turbulent period of weak results as well as acquisition and merger processes. Unfortunately many people still tend to see If and Storebrand as two sides of the same coin, and there is insufficient understanding in the market of what we represent and want to provide for our customers. It is therefore a priority for us to make our targets and ambitions more visible as we move forward, both internally and externally.

A leading knowledge-based company

Our ability to recruit, train and retain skilled employees forms the foundation for Storebrand's success over many years in maintaining a leading position in the Norwegian financial sector. Storebrand is an experienced, forward-looking business that is based on its expertise. This position places particular demands on the company as an employer, not least in a period when changing market conditions make it necessary to implement organisational changes.

In order for a company to succeed in attracting the right employees, managers, customers and owners over the longer term, it is essential that it is firmly rooted in a clear and visible platform of corporate values. It takes time to build confidence and trust. Storebrand is building and developing a shared platform of corporate values with the help of common core values, clear guidelines for business ethics and its commitment to corporate social responsibility.

We have put behind us a year of weak results, and were very much affected by the worst conditions seen in the equity markets for some 70 years. We used the year to carry out changes and improve efficiency, and we have strengthened the group's ability to deliver, based upon our strong and skilled team of employees. We are totally committed to success, and we will do what is necessary to create added value for our customers, owners and employees.

Insuring our children's future

Only 10 % of Norwegian children are covered by insurance for the serious financial consequences of illness and disability that might affect their future working life. There is a clear need for families and their children to make better insurance arrangements to protect their financial future. Storebrand offers a broad range of products that focus on family needs, and is the only company to offer child insurance that includes an annual disability pension.

Report of the Board of Directors

MAIN FEATURES OF 2002

Storebrand, which has its head office in Oslo, is a leading financial group in the markets for pensions, life and health insurance as well as banking services and asset management, and has interests in non-life insurance through its shareholding in If Skadeförsäkring.

The persistent turbulent conditions seen in financial markets have had a particularly adverse effect on the earnings of life insurance companies and fund management companies, and the Storebrand Group's accounting results for 2002 are very weak. However despite a weak year for sales of savings products to the retail market, both for life insurance and mutual fund products, Storebrand has strengthened its position in a number of important areas. The group has reduced its sensitivity to continuing weak market conditions through its strong focus on risk management. In order to pave the way for stronger future profitability, the Board placed particular emphasis in 2002 on internal measures to improve efficiency and cut costs. A decision was taken in Autumn 2002 to merge Storebrand Bank and Finansbanken, and this will take place in March 2003. The merger will bring Storebrand's banking activities together in a single bank with total assets approaching NOK 29 billion, and this will make Storebrand a more powerful player in the Norwegian banking market. In order to simplify the structure of the group's non-life insurance activities with a view to further restructuring and to improve focus on the group's core activities, Storebrand ASA took over the shareholding in If previously held by Storebrand Skadeforsikring AS with effect from 30 December 2002.

The Boards of Directors of DnB and Storebrand entered into an agreement on 29 May 2002 for the intended merger of the two financial groups. DnB cancelled this agreement on 29 June, and on 30 June the Board of Storebrand resolved to abandon negotiations. It had not proved possible to reach agreement on the exchange ratio and the further progress of the merger process.

Financial results: The group result showed a loss of NOK 1 701 million for 2002, as compared to a loss of NOK 1 430 million in 2001. This cannot be considered satisfactory.

Storebrand's operating result for the year was a loss of NOK 2 713 million as compared to an operating loss of NOK 1 837 million in 2001. Earnings per share shows a loss of NOK 3.73 as compared to a loss of NOK 4.15 in 2001. The group's risk bearing capacity and Storebrand's financial condition were satisfactory at the close of 2002. The Board hereby confirms that the accounts have been prepared in accordance with the going concern assumption as required by Section 3-3 of the Accounting Act.

BUSINESS AREAS

Life insurance

Storebrand maintained its strong market position in most of areas of its life insurance activities in 2002 and the company strengthened its position in new areas of activity, including the market for public sector pensions and the health insurance market. Sales of health insurance grew strongly in 2002, and the change to exempt premium payments for company health insurance schemes from tax and employer's social security contributions is expected to encourage further sales growth in 2003. Around half of companies that do not already operate an occupational pension scheme now choose defined contribution pension arrangements. Storebrand has enjoyed success in this market. The turbulent conditions seen in financial markets caused sales of savings products to the retail market to be weaker than expected.

Storebrand Livsforsikring: The company reported a loss for the year before allocation between policyholders and the owner of NOK 1 253 million. The equivalent figure for 2001 was a loss of NOK 422 million. The overall results of the life insurance company comprise three elements, namely interest result, risk result and administration result. The relative investment return achieved was satisfactory, and was 18 basis points over the benchmark return. However the investment return for 2002 was low in absolute terms due to the persistent turbulence and falling prices seen in the financial markets. The realised investment return for the year was 2.7%, and therefore fell short of the guaranteed return to policyholders which is on average 3.8%. This shortfall was met from additional statutory reserves. The risk result was somewhat weaker than in 2001. The administration result was broadly in

Leiv L. Nergaard (Chairman)
President, Norsk Hydro Germany

Halvor Stenstadvold
Executive Vice President, Orkla ASA

Harald Tyrdal
President and Chief Executive Officer, Optimera Group

line with the previous year. The pre-tax loss for the year after the release of additional statutory reserves was NOK 241 million as compared to a loss of NOK 15 million in 2001.

Other life insurance activities: Storebrand's other life insurance activities principally comprise the group's activities in the areas of unit linked products, defined contribution pension schemes, health insurance and pan-Scandinavian life insurance products. These new activities reported sound growth and business development, but as expected their total contribution to profit was negative in 2002.

Asset management

Storebrand's asset management activities reported a consolidated pre-tax loss of NOK 13 million for 2002 as compared to a profit of NOK 14 million for the previous year. The weaker earnings reported for 2002 reflect the sharp falls seen in equity markets and the low level of net inflows to equity funds. Measures to restructure the asset management activities onto a lower cost base were intensified in 2002, and the year's results included a non-recurring charge of NOK 18 million in this respect. Ordinary activities therefore produced a profit of NOK 5 million. The good investment performance achieved for both equity and fixed income portfolios caused an increase in performance-based fees from 2001.

Net new inflows to Storebrand's mutual funds were very strong by comparison with the group's competitors. Storebrand attracted net new inflows of NOK 2 260 million, while other fund management companies suffered an overall net outflow. This helped to increase Storebrand's market share from 10.1% to 10.8% over the course of 2002.

Socially responsible investment (SRI) is attracting increasing demand. Storebrand Investments is the only asset manager in Norway with a developed in-house research capability that ranks companies on the basis of a variety of SRI criteria.

Banking activities

Storebrand Bank: The Storebrand Bank group reported a pre-tax loss of NOK 39 million in 2002 as compared to a loss of NOK 43 million for the previous year. Normal operations in isolation reported an improvement from 2001. After adjusting the reported losses for the effect of the sale of Storebrand Finans and write-downs of shares held as fixed assets, 2002 showed an improvement of NOK 131 million from 2001. Net interest income was higher in 2002, but commission income was lower as a result of weaker sales volumes for savings products and a reduction in the value of funds under management. Storebrand Bank focused strongly in 2002 on realising the benefits of the improvement measures previously approved as well as introducing new measures to improve efficiency. In addition to the approved merger, the bank has decided to pay particular attention to sales and customer service for the retail market.

Finansbanken: The Finansbanken ASA group reported a pre-tax loss of NOK 409 million as compared to a loss of NOK 74 million for 2001. Profit before loan loss provisions was NOK 44 million as compared to NOK 228 million in 2001. The bank reduced its total gross lending over the course of the year, and this together with an increase in the volume of loans on which interest is no longer accrued caused a reduction in net interest income. Non-interest income was lower as a result of weaker sales of savings and mutual fund products. Significant non-recurring costs were incurred in 2002. This included costs related to the reorganisation of the asset management area and conversion of IT systems.

Finansbanken worked hard in 2002 on improving its risk management and reducing overall credit risk, and the results of these efforts were seen in the form of a drop in the volume of loans in default towards the end of the year.

Non-life insurance activities

Storebrand's non-life insurance activities in 2002 comprised a 22.47% interest in If and a 100% interest in Oslo Reinsurance

Company ASA held through Storebrand Skadeforsikring AS and a 50% interest in Fair Forsikring in Denmark held by Storebrand ASA.

Storebrand Skadeforsikring group reported a consolidated pre-tax profit of NOK 10 million for the year as compared to a loss of NOK 426 million for 2001. The group's non-life insurance results are largely determined by the performance of If and the pace at which Storebrand Skadeforsikring can release security reserves to its profit and loss account. Storebrand's share of If's results for 2002 was a loss of NOK 244 million as compared to a loss of NOK 769 million for the previous year. Underwriting results improved, principally as a result of measures implemented in If in respect of premiums and costs over the course of 2002. If's combined ratio was 106.1% in 2002 as compared to 113.1% (pro forma) in 2001. Storebrand Skadeforsikring released NOK 200 million from security reserves to profit and loss account in 2002 as compared to NOK 280 million in 2001. Following the sale of its shares in If to Storebrand ASA, Storebrand Skadeforsikring represents the group's remaining activities involved in the run-off of the non-life and reinsurance business.

Fair Forsikring operates a direct non-life insurance business in Denmark. The company reported increased sales in 2002, but as a relatively new company the business volumes achieved are not yet of sufficient size to permit a positive accounting result.

Risk management

Storebrand's normal business activities as a financial group expose it to a wide range of financial risks. Through particular focus on managing market risk in its investment portfolios, Storebrand has maintained a satisfactory risk bearing capacity despite the turbulent conditions seen in capital markets over the last three years. Storebrand Livsforsikring continually adjusts its exposure to market risk in response to the company's solidity. This relationship is also monitored by the relevant authorities and followed by the rating agencies. The group's capital base, which is made up of equity, subordinated debt, the market value adjustment reserve and additional statutory reserves in the life insurance company, amounted to NOK 14.6 billion at 31 December 2002 as compared to NOK 18.7 billion at the close of 2001. Of these amounts, the life insurance company's capital base accounted for NOK 8.6 billion in 2002 as compared to NOK 11.8 billion in 2001. Storebrand has taken steps to significantly reduce the level of risk to which its activities are exposed in pace with the reduction in its capital base. This has included reducing the risk exposure of the life company's investment portfolio and strengthening the group's loss provisions, particularly in Finansbanken. In addition to the capital needed to meet the minimum capital adequacy requirement of 8%, the group has a capital base (risk capital) of NOK 6.3 billion.

The group's overall exposure to investment risk is determined by the allocation of capital between different classes of assets such as bonds, real estate, shares etc. The group's strategic asset allocation is determined annually by the boards of the individual group companies, and is set out in the companies' investment policy statements. The companies' investment policies will also cover appropriate procedures for risk management, position limits for foreign exchange risk, guidelines for the use of derivative instruments and limits for credit risk in various rating classes.

Equity markets both in Norway and internationally have suffered the sharpest and most protracted fall in value seen for more than 70 years. Through its active risk management, Storebrand has maintained a satisfactory risk bearing capacity that gives it the opportunity to maintain a risk profile which offers potential in relation to a future upturn in market conditions.

Storebrand Livsforsikring reports its risk bearing capacity and market exposure frequently, even daily when necessary. Storebrand makes use of financial instruments as part of its portfolio management and risk management in accordance with the relevant legislation, regulations and internal guidelines.

The exposure to credit risk incurred by Finansbanken and Storebrand Bank is managed through standardised credit approval procedures and delegated credit authorities approved by the

Rune Bjerke
President and Chief Executive Officer, Hafslund ASA

Knut G. Heje
President and Chief Executive Officer, Agra Group

Grace Reksten Skaugen
Consultant

banks' boards. The group's asset management activities incur credit exposure to counterparties, and this is managed by establishing a credit limit for each counterparty based on credit rating agency classifications supplemented by in-house analysis.

The level of technical insurance risk incurred by the group is regulated by tariffs that are reported to the authorities. These tariffs are based on historical statistics.

Internal control and reporting forms an integrated part of the company's strategic planning and budgeting process. Critical operational risk exposure is identified and evaluated, and any improvements found necessary in control mechanisms and other routines are implemented and reported on a company by company basis. A summary of internal control and reporting and measures implemented is submitted for review by the Board of Directors annually. The internal audit function produces quarterly reports for the Board of Directors.

Capital situation

The group's equity capital fell by NOK 1 081 million to NOK 8 536 million in 2002. Storebrand ASA had distributable reserves of NOK 4 668 million at 31 December 2002. The group's capital ratio was 16.0 percent at the end of 2002, representing an increase of 3.1 percentage points from the previous year. In March 2002 Storebrand ASA issued a Euro 160 million exchangeable bond in the international bond market. This strengthened Storebrand's liquidity, and extended the maturity profile of its borrowings. An exchangeable bond is a convertible loan which gives investors the right to exchange the principal amount to shares in a company other than the issuer, in this case Orkla ASA.

In December 2002 Storebrand ASA issued a NOK 1.5 billion five-year bond in the Norwegian market to refinance in part an outstanding bond of NOK 1.8 billion due to mature in June 2003.

Storebrand ASA had total liquid assets of NOK 1.9 billion at the close of 2002, and also has available an un-drawn long-term credit facility of EUR 225 million.

The turbulent conditions seen in 2002 has increased focus on the company's financial condition. Storebrand Livsforsikring is rated A- and A2 (negative outlook) by Standard & Poor's and Moody's respectively. Storebrand Bank and Storebrand ASA are both rated Baa 1 (negative outlook) by Moody's. Storebrand ASA is rated BBB- by Standard & Poor's. Fitch Ratings has rated Finansbanken BBB.

Human resources and organisation

Storebrand's overall human resources objective is to ensure that the group can at all times attract, retain and develop highly motivated employees who have the capacity to cope with change.

Employment in the group totalled 1 337 full time equivalent positions at the end of 2002 as compared to 1 473 at the start of the year. The average age of the group's employees is 41, 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 composition of the group's staff is well balanced, with a good mixture of both experienced and younger members of staff of both sexes. The group strives to increase the number of women in management positions, and the proportion of female managers has increased from 25% to 36% over the period 1999-2002. Storebrand has participated for many years in the Administrative Research Fund's mentor program for female staff, and all management development programs are required to have an equal composition of male and female participants.

Storebrand places great importance on management and staff training, and runs a number of programs in this respect. New developments in 2002 included a separate management development program for experienced managers. Storebrand has a well-regarded group trainee program which has been voted the best trainee program in the Norwegian financial sector for the last two years.

Storebrand's most recent internal survey of employee satisfaction (December 2002) showed that 94% of employees were happy with their employment. This represents an improvement from the previous survey carried out in 1999 (91%). The survey also generated valuable input from employees on areas of possible improvement, and these issues will receive attention.

On 15 February 2002 Storebrand became the first company in the financial sector to enter into a collaboration agreement with the Norwegian National Insurance authorities on a program for a 'More inclusive working life'. Storebrand's objective in formalising this arrangement is to direct further focus on the company's systematic program of work in the areas of health, working environment and safety, with particular focus on issues that affect the work environment, absence due to illness and policies for older employees. Absence due to illness for the group as a whole totalled 3.9% in 2002 as compared to 3.6% in 2001. No personal injuries, damage to property or accidents of any significance were reported in 2002.

Corporate social responsibility

Corporate social responsibility and environmental issues have been on Storebrand's agenda for many years. The company first initiated an environmental plan and reporting in 1995. Full details of Storebrand's action plan for corporate social responsibility can be found at www.storebrand.no/fsa. Information on the main areas of focus for corporate social responsibility and a report on the results of the 2000-2002 action plan can be found on page 40 of this annual report.

Storebrand's environmental impact: Storebrand's impact on the external environment relates principally to consumption of energy and paper, waste and transport. The company is committed to reducing its impact on the environment. A reduction in the consumption of energy and materials will not only reduce the environmental impact but will also permit cost savings.

Storebrand's head offices are heated solely by remote heating and recycled heat, and this energy consumption therefore does not generate any direct CO^2 emissions. The cooling systems make use of seawater in order to reduce energy consumption. In order to reduce paper consumption the company runs an internal program to encourage more careful use of paper. The facilities available for two-sided copying and printing have been improved as equipment has been replaced. All material amounts of waste are sorted by type. Used electronic equipment is either reused or sent for recycling.

Board of Representatives and Board of Directors

The Board has on a number of occasions reviewed its own working methods and the processes involved in preparing for and conducting board meetings. The Board carried out a review of its work in 2002. The Board has established two advisory committees on remuneration and internal audit in order to make the work of the Board more effective in these important areas. This also allows the Board to focus more attention on the group's operational activities. Storebrand's management structure is described in more detail in the Corporate Governance section on page 42.

Britt Rugland retired from the Board of Directors of Storebrand ASA in 2002 after having been a member since 1995. Grace Reksten Skaugen was elected as a new member. Two of the members of the Board of Representatives elected by shareholders, Kristian Zachariassen and Tor Brandeggen, passed away in 2002. In addition Lucy Smith, Svein Rennemo, Sandra Riise and Anders Renolen retired from the Board of Representatives. Brit Hoel, who was previously a deputy for the shareholder elected members, was elected as a member of the Board of Representatives. In addition Harriet Hagan, Christen Sveaas and Barbara Thoralfsson were elected as new members of the Board of Representatives. Finn Jebsen was elected as a new deputy member of the Board of Representatives. There were no changes to the membership of the Control Committee in 2002. The Board of Directors wish to thank all the retiring members of the Board of Directors and Board of Representatives for the valuable contribution they have made to the company.

Nina E. Smeby
(employee elected representative)
Manager Bank Products
Storebrand Bank

Arild Thoresen
(employee elected representative)
Principal employee representative,
Storebrand Group

Rune Eikeland
(employee elected representative)
Regional Manager Retail Distribution,
Storebrand Bank

Future prospects

Storebrand's core activities concentrate on long-term savings, asset management and personal risk products. Storebrand's results for 2002 were very much affected by conditions in the financial markets. Storebrand expects turbulent market conditions to persist, but the group's focus on risk and portfolio management has significantly reduced its sensitivity to continuing weak market conditions. Storebrand does not expect to see any early improvement in the prospects for sales of equity-related savings products, but the positive trends seen in 2002 for sales of personal risk and health insurance products are expected to continue.

Storebrand's main focus will be on ensuring the profitability of its core activities. This will include making full use of the new opportunities available in the pensions and life insurance market, including areas such as defined contribution pensions, personal risk products and health insurance. The announced merger of the group's banking activities is proceeding according to plan. This will lead to new synergy benefits while at the same time aligning the banking strategy more closely with the group's overall strategic direction. Work on greater specialisation and efficiency in the group's asset management activities is continuing. At the same time active risk management for all parts of the group will play an important role in managing the company's liquidity and protecting its financial condition at a time of turbulent market conditions.

Factors such as the need for increased pensions saving for an ageing population, the introduction of new products and changes in the Norwegian pensions system will create exciting new opportunities for the group going forward.

Despite turbulent market conditions and merger activities, Storebrand has maintained the strong corporate culture it has built around its core values. The group will continue to develop this corporate culture and further demonstrate its commitment to corporate social responsibility.

Application of Storebrand ASA's result for the year

Storebrand ASA recorded a loss for the year of NOK 73.7 million. The established dividend policy approved by the Board states that the company will endeavour to ensure stable growth in dividend per share over time. Moreover, the dividend policy shall contribute to ensuring that shareholders receive a competitive return, whilst also ensuring that the company maintains an optimal capital structure. The company has also stated that dividend to shareholders will normally be in the order of 15-30% of profit after tax. In view of the weak results reported for 2002 and the established dividend policy, the Board has decided not to recommend a dividend in respect of the 2002 accounting year. The loss for the year of NOK 73.7 million will be applied against other equity.

Oslo, 24 February 2003
Translation - not to be signed

Leiv L. Nergaard Chairman	Harald Tyrdal	Knut G. Heje	Nina E. Smeby
Halvor Stenstadvold	Grace Reksten Skaugen	Rune Bjerke	Rune Eikeland
Arild Thoresen			Idar Kreutzer *Chief Executive Officer*

Detailed CVs may be found under More Information on the Investor Relations site at www.storebrand.com

A richer life for pensioners

Freedom from financial worries is an important factor in a happy retirement. More than 7 000 companies with over 200 000 employees rely on Storebrand for their group pension schemes. In addition almost 100 000 Norwegians have private pension policies with us. We are currently paying pensions to around 170 000 pensioners who have arranged private policies or are members of company pension schemes. We intend to strengthen our leading position through continuously developing and improving the products and services we offer so that we continue to offer attractive pensions solutions for our institutional and individual costomers.

Life Insurance: Leading position in 2002

Storebrand Life is the largest private sector company in the Norwegian life insurance market, with a market share of 29% in terms of policyholders' funds under management. The company's main areas of focus are pensions, life insurance and health insurance products for private individuals, corporate customers and public sector entities.

Storebrand maintained its market position in most of these areas in 2002. In addition the company strengthened its position in new areas of activity, including the market for public sector pensions and the health insurance market.

Photo: Per Sundal, Knut Bry, Bjørn-Eivind Årtun

Long traditions

Storebrand can trace the origins of its life insurance activities back to 1861. More than 7 000 companies with over 200 000 employees rely on Storebrand for their group pension schemes. In addition almost 100 000 Norwegians have private pension policies with Storebrand. Around 170 000 pensioners who arranged private policies or are members of company pension schemes currently receive pensions from Storebrand.

STRATEGY

Long-term savings and life insurance

Storebrand Livsforsikring (Storebrand Life Insurance) intends to retain and strengthen its position as the market leader for sales of pensions and life insurance products to the Norwegian corporate market. In addition the company aims to expand its activities in the market for public sector pensions. The key factors that will help to ensure that Storebrand Life Insurance achieves its objectives are its high level of technical expertise, low cost base, active risk management and the high quality of its asset management.

A major feature of the corporate pensions market is that around half of the companies setting up a pension scheme for the first time now choose a defined contribution scheme. Storebrand has enjoyed success in this market, and expects to see further strong growth in 2003.

The company expects to generate increasing profitability from growth in sales of life insurance products to the retail market through both in-house and external sales channels. The market offers good potential for sales of products such as child insurance, health insurance and critical illness cover. Sales of health insurance grew strongly in 2002, and the change to more favourable tax treatment for company health insurance schemes for employees is expected to encourage further sales growth in 2003.

Storebrand Life Insurance's objective is to increase the proportion of employees of the group's corporate customers that also use Storebrand for their personal insurance needs, and it collaborates closely with other companies in the group to develop products and customer services for this market.

MARKETS

Satisfactory growth in the corporate market

Storebrand achieved satisfactory growth in both premiums written and premium reserves transferred to the company in 2002. Premiums written for group pension insurance increased by 4%, and premium reserves transferred were 46% higher than in 2001. The group enjoyed a high level of activity in its corporate market area in 2002, with particularly strong growth in sales to the small business segment. Storebrand arranged 247 new defined contribution pension schemes in 2002 as compared to 101 new schemes in 2001.

Labour Court ruling affected sales to the public sector

It seemed likely that 2002 would see even more transfers of public sector pension schemes from KLP to private sector providers than in 2001. The Labour Court ruled on 8 October 2002 that private sector providers should be granted an exemption to permit them to continue to offer pension schemes for municipalities. However the parties to the national employment tariff for municipality employees, the Norwegian Association of Local and Regional Authorities and the Norwegian Union of Municipal Employees, decided that this exemption did not satisfy the requirements of the national agreement. As a result of this, only four municipalities made the decision to cancel their contracts with KLP. Two of these, Narvik and Båtsfjord, representing total premium reserves of around NOK 550 million, chose to transfer their pension schemes to Storebrand. Storebrand has agreed to meet the costs of these two municipalities in the event of any further legal proceedings. The Norwegian government has stated that new regulations will be introduced in 2003 to ensure a level playing field for competition in the municipal pension market.

Bright spots in sales of life and health insurance

Sales to the retail market showed a number of encouraging trends in 2002, but overall sales volumes were weaker than expected. Sales of savings-related products were adversely affected by the turbulent conditions seen in equity markets, and sales of Storebrand's unit linked products in 2002 were little changed from the previous year at approximately NOK 1 billion.

Storebrand Helseforsikring AS (Storebrand Health) again reported strong growth in sales of health insurance products in 2002. Sales increased by around 40% in 2001, with a further 35%

growth in 2002. With effect from 1 January 2003 health insurance premiums paid by employers are no longer subject to tax or employer's social security payments. This will create significant further growth potential in this market.

Sales of life insurance products with no savings element did not grow as strongly as expected in 2002. The company has carried out further research to provide the basis for a more targeted approach to sales of such life insurance products in 2003.

RESULTS

Operating profit and premium income

Storebrand Life Insurance reported an operating loss of NOK 1 253 million for 2002 as compared to a loss of NOK 422 million for 2001.

The company's total premium income was NOK 8 916 million representing a 5% increase from premium income of NOK 8 506 million in 2001.

Use of additional statutory reserves/allocation of profit

Additional statutory reserves are conditionally allocated policyholders' funds that act as buffer capital to absorb fluctuations in the investment portfolio. Since the investment return in 2002 was not sufficient to meet the guaranteed minimum return, Storebrand has released NOK 1 012 million of additional statutory reserves to meet the shortfall. The remaining additional statutory reserves amount to NOK 3 034 million. The owner incurred a deficit of NOK 241 million for the year.

Investment return, solidity and risk capital

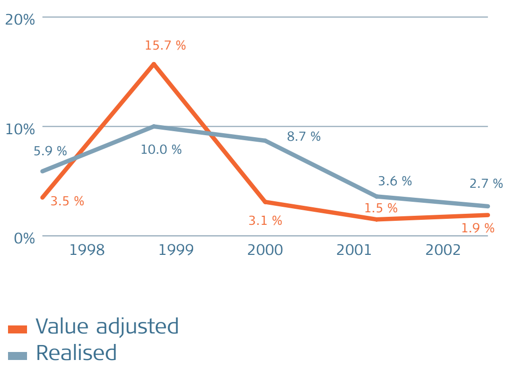
Storebrand Life Insurance's performance in 2002 was stronger than that of its competitors. Realised investment return was 2.7% for the year, with a value adjusted return on current assets of 1.9%. If bonds held as fixed assets are included in the figures, the value adjusted return rises to 2.6%.

The life insurance company's risk bearing capacity was satisfactory at the close of 2002. The solvency margin was 161%, well within EU requirements. The company's capital ratio was 18.4% as compared to a required minimum of 8%.

Risk result

The risk result was NOK 194 million in 2002 as compared to NOK 238 million in 2001. The fall of NOK 44 million relates to group

INVESTMENT RETURN 1998 - 2002 (%)



Realised (booked) return is the total of fixed financial income and how much profit and loss has been realised in the securities portfolio, together with value adjustments in the real estate portfolio. Value adjusted return is the sum of realised return and changes in the market value adjustment reserve. Whilst realised return will normally be relatively stable as a result of current financial income, value adjusted return will vary in line with changes in market value.

life insurance (NOK -3 million) individual endowment insurance (NOK -35 million) and individual pension insurance business (NOK -35 million), while the risk result for group pension insurance showed an improvement of NOK 27 million and non-life insurance products improved by NOK 2 million.

Costs

Operating costs for Storebrand Life Insurance totalled NOK 917 million in 2002 as compared to NOK 875 million in 2001. The increase of NOK 42 million is largely due to inflation and increased costs in the area of customer services. These costs relate to the introduction of new products and measures implemented to further improve the service the company offers its customers.

Storebrand again kept costs under close focus in 2002, and this included freezing the salaries of senior and middle management. Moreover, no individual salary increases were permitted for employees.

In terms of costs relative to average policyholders' funds, Storebrand achieved a continuous improvement in costs from 0.96% in 1999 to 0.94% in 2000 and 0.88% in 2001. The equivalent figure for 2002 was 0.92%. The life company will continue to pay close attention to costs in 2003.

Analysis of results – Glossary

Interest result is the difference between the realised return and the guaranteed return on policies. The average guaranteed return on insurance policies in 2002 was 3.8%. Risk result arises as a consequence of the incidence of mortality and disability during the period differing from that assumed for the premium tariffs. Administration result shows the difference between the costs assumed for the premium tariffs and actual operating costs. (See table on page 25).

Embedded Value

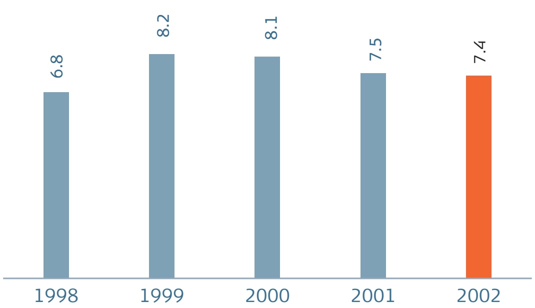
Embedded Value (EmbV) is defined as the net present value of future post-tax profits for the company's owner, and is based on the best possible forecast of the expected post-tax profits from existing business that will be allocated to the company's owner plus the value of unrestricted equity. Calculations of EmbV are based on international standards and are used as an analytical tool for the valuation of life insurance companies.

Storebrand Livsforsikring AS:
Profit allocated to the shareholder

NOK million	2002	2001	2000	1999	1998
Return on shareholder's equity			364	407	130
Return to shareholder on policyholders' funds			376	387	366
Risk margin earned by shareholder			55		
Extraordinary items				105	
Other	-242	-17	41		
Total profit allocated to the shareholder's equity in the company[1]	-242	-17	836	899	496
Return on equity	-8%	-1%	28%	31%	19%

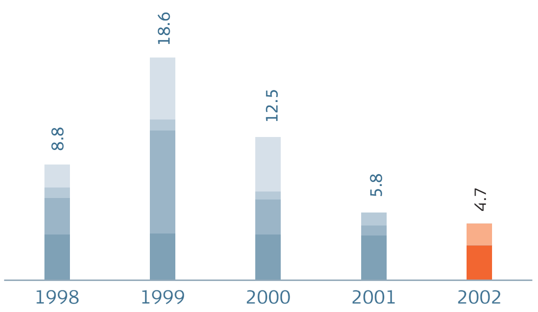
[1] Storebrand Life Insurance Group reported a loss of NOK 241 million

EMBEDDED VALUE (NOK Billion)



Embedded Value for Storebrand Life Insurance and Storebrand Fund Management

RISK CAPITAL (NOK Billion)



The EmbV of Storebrand Life Insurance and Storebrand Fondsforsikring (Storebrand Fund Management) was NOK 7.4 billion at the close of 2002. This represents a reduction of NOK 0.1 billion from 2001.

IMPORTANT ISSUES

Active risk management

The Norwegian stock market fell by over 30% in 2002. Global equity markets as measured by the Morgan Stanley MSCI global index fell by almost 40% in 2002, and the cumulative fall since 1999 is over 50% in NOK terms. One has to look back more than 70 years to find a similar dramatic and sustained fall in share prices.

The future prospects for conditions in the capital markets still look very uncertain. This demands a particularly active approach to managing the market risk to which the company is exposed and the risk capital available to the company.

Active risk management involves establishing guidelines in advance for the steps to take in the event of both rising and falling prices to smooth the effects of major price movements. This makes it possible to retain an exposure to higher-risk assets in order to participate in a future market upturn.

Storebrand has introduced new techniques for active risk management that proved to work well in the challenging situation in which the company found itself in 2002.

Return and Asset Allocation

	2002				2001	
	Value adjusted return		Asset Allocation		Asset Allocation	
Portfolios (NOK million)	%	Market value	%	Exposure	Market value	Exposure
TOTAL ASSETS INVESTED	1.9%	103 968				
Securities	2.2%	91 233	88.6%	86.1%	88.0%	86.6%
Shares	-20.0%	10 703	10.4%	8.6%	21.3%	22.2%
Bonds	11.9%	5 683	5.5%	5.0%	29.7%	27.2%
Money Markets	7.5%	33 789	32.8%	33.1%	12.9%	13.1%
Hold to maturity bonds	6.4%	41 058	39.9%	39.5%	24.1%	24.1%
Real Estate	7.0%	10 584	10.3%	10.2%	10.7%	10.7%
Loans	9.0%	1 097	1.1%	1.1%	1.3%	1.3%

Exposure is adjusted for derivative holdings in separate portfolios.

Analysis of results by class of insurance: Storebrand Livsforsikring AS

NOK million	Group pension insurance	Group life insurance	Individual capital insurance	Individual pension insurance	Non-life insurance	Total 2002	Total 2001	Total 2000
Financial income	1 864.9	15.3	166.4	578.0	1.5	2 626.1	3 364.0	8 825.8
Guaranteed return	-2 738.0	-4.3	-229.5	-748.0		-3 719.8	-3 899.2	-3 990.1
-of which transferred to premium reserve	-150.2			-11.3		-161.5	-217.3	-206.7
Interest result	**-873.1**	**11.0**	**-63.1**	**-170.0**	**1.5**	**-1 093.7**	**-535.2**	**4 835.7**
Subsidiaries' admin. expenses[a)]	9.7	0.1	0.8	2.9		13.5	11.0	13.0
Risk premium	513.2	333.4	328.9	-70.9	49.5	1 154.1	1 065.7	1 050.3
Risk bonus	-448.5	-276.0	-245.8	99.1	-36.1	-907.3	-789.9	-814.6
Net reinsurance etc.	-34.2	-19.0	-2.0	2.4	-0.5	-53.3	-37.8	-76.3
Risk result	**30.5**	**38.4**	**81.1**	**30.6**	**12.9**	**193.5**	**238.0**	**159.4**
Administration premium	461.7	58.1	145.7	128.1	11.0	804.6	772.9	776.4
Operating expenses	-508.1	-72.0	-163.9	-154.1	-18.6	-916.7	-875.1	-929.5
Administration result	**-46.4**	**-13.9**	**-18.2**	**-26.0**	**-7.6**	**-112.1**	**-102.2**	**-153.1**
Subsidiaries' admin. expenses[a)]	-9.7	-0.1	-0.8	-2.9		-13.5	-11.0	-13.0
Change in premium reserve/sec. fund	**-240.9**	**-0.5**	**-0.4**	**0.7**		**-241.1**	**-25.2**	**-55.0**
Gross profit per sector	-1 129.9	35.0	-0.6	-164.7	6.8	-1 253.4	-424.6	4 787.0
To(-)/from(+) owner's equity								
-net return on share capital[b)]								-363.8
-0.40% of policyholders' funds								-375.5
-risk margin earned by owner's equity								-55.2
-other						241.8	17.0	-41.1
Profit/loss for the year						**241.8**	**17.0**	**-835.6**
Write-back of additional statutory reserves	**715.9**		**69.9**	**225.8**		**1 011.6**	**407.6**	
Policyholders' share of profit								**3 951.4**

a) Adjusted to show analysis of results as if subsidiaries were recognised in the accounts by the gross method rather than the equity method.
b) Includes: Security reserves, subordinated debt capital, book equity and liability items.

Asset Management: International Quality in Norway

Storebrand Investments offers a complete asset management concept based on active management using a specialised investment process. Storebrand's internationally competitive specialist products and its leading position for socially responsible investment will make Storebrand Investments the preferred asset manager in Norway whilst also attracting international asset management mandates.

Storebrand Kapitalforvaltning (Storebrand Investments) manages assets totalling NOK 140 billion for pension funds, private and public sector institutions, private individuals and the Storebrand group companies. Storebrand offers both Norwegian and international customers discretionary asset management services, a wide range of Norwegian and international mutual funds and investment products with a particular focus on socially responsible investment (SRI). Storebrand Investments has an active global investment strategy based on analysis of fundamentals and strong risk management resources.

The developments seen in equity markets over recent years have put the entire asset management industry to the test. The difference in results obtained by good and poor asset managers has become much more apparent. Of the 61 Norwegian equity funds marketed in Norway, only 38% managed to outperform their benchmark index in 2002. These trends serve to stress the importance of a well-structured and consistent investment philosophy and investment process.

Storebrand Investments continued to increase the level of specialisation in its asset management organisation in 2002. First-class asset management demands continual monitoring of each investment portfolio, paying full attention to a range of factors including market risk, liquidity and currency hedging. Storebrand has now separated all operational functions from the task of security selection. This has led to improved value added, both for the running operations and for the investment management decision process itself. The objective of a more specialised approach is to focus on areas which are particularly suited to Storebrand Investments' investment process and where Storebrand has a natural competitive advantage through the knowledge of its employees and its regional and industrial expertise.

Falling volumes of assets under management have reduced the income base of the entire asset management industry. The total value of assets under management for Norwegian registered equity funds has fallen by NOK 59 billion since August 2000, equivalent to 56%. The winning players in this market are the companies that prove able to adapt their organisation to meet continuously changing conditions. Storebrand Investments started to reduce its costs in early 2001, and an expanded program of measures was implemented in 2002 which will restructure the organisation onto a cost base that is 20% lower than in 2001.

MARKETS

Strong position in a weak market

Inflows to mutual funds and the profitability of asset management are highly correlated to global equity market performance, as the chart on the following page shows.

Global equity markets fell by 38.1% in 2002 measured in NOK. (Morgan Stanley World index). Weak equity market performance caused sales of mutual fund-based savings to fall well short of expectations.

Market conditions prompted a change in product mix for both the retail and institutional markets. Customers showed an increasing preference for fixed income products, and these typically carry lower management fees. It is increasingly common for institutional investors to engage consultants to help them select the most cost-effective solutions. This leads to more demanding requirements for customised portfolios, new risk management systems and a higher level of service. This in turn puts further pressure on profit margins in the asset management industry. These trends represent a real cost challenge, particularly for smaller asset management operations.

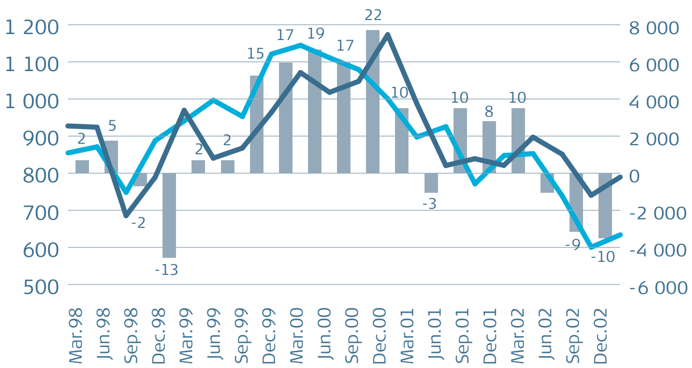
Storebrand Investments made the task of maintaining its customer relationships a priority in 2002. It increased the number of its institutional customers by 21, principally from the municipal sector. Gross sales to the institutional market amounted to almost NOK 4 billion, but falling equity market meant that the total value of assets under management fell from NOK 145 billion to NOK 140 billion over the course of 2002.

Storebrand attracted net new inflows to mutual funds of NOK 2 260 million. Other fund management companies saw a net outflow of NOK 755 million over the same period. This helped to increase Storebrand's share of the Norwegian mutual fund market from 10.1% to 10.8%. The group's market share for equity funds increased from 13.0% to 14.0%.

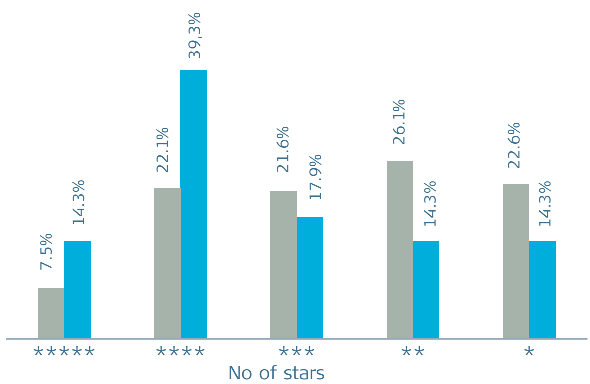
FINANCIAL RESULTS

Weak performance, prospects are improving

Storebrand's asset management activities produced an overall profit before tax and non-recurring items of NOK 5.5 million in 2002. After deducting non-recurring items of NOK 18 million related to restructuring measures, the pre-tax loss for the year



FUND RANKING (%)



	S&P	Storebrand
Total no. of funds	597	28
Average	2.66	3.25

was NOK 12.5 million as compared to a pre-tax profit of NOK 14 million in 2001. The restructuring implemented in 2002 included measures that will lead to a reduction of staff numbers from 160 to 132.

The weaker earnings reported for 2002 reflect the sharp falls seen in equity markets and the low level of net savings inflows to equity funds.

Market conditions caused a drop in the value of total assets under management, and this caused a reduction in the income base. Management fees earned from mutual funds were 21% lower in 2002 (compared to 2001). Performance-based fees showed a sharp improvement from 2001, and this can be explained by the strong management performance achieved for both equity and fixed income portfolios.

NOK million	2002	2001	2000	1999	1998
Gross revenue:					
Storebrand Investments	185	183	212	166	95
Storebrand Funds	87	93	118	98	84
SAI*)	14	-	-	-	-
Total gross revenue	**286**	**275**	**330**	**264**	**179**
Operating expenses:					
Storebrand Investments	-198	-177	-177	-145	-111
Storebrand Funds	-99	-91	-90	-90	-80
SAI*)	-7	-	-	-	-
Goodwill depreciation	-2	-	-	-	-
Total operating expenses	**-306**	**-268**	**-267**	**-235**	**-191**
Net financial income	7	6	4	6	3
Pre-tax profit/loss	**-12,5**	**14**	**67**	**35**	**-9**

*) Storebrand Alternative Investments
Storebrand Investments includes the companies Storebrand Kapitalforvaltning ASA and Storebrand Kapitalforvaltning Holding AS. Delphi Fondsforvaltning is included in Storebrand Funds from 01.01.2002. After adjusting for minority interests in Storebrand Alternative Investments, pre-tax loss for 2002 was NOK 16 million.

Investment return

Investment return is becoming an ever more important competitive factor. International surveys demonstrate that virtually all new investment in retail market funds goes to the funds with the highest rankings, i.e. four or five star rankings by Morningstar or Standard & Poor's. In the institutional market, research has shown that an investment return 0.1 percentage points higher than the competition leads to a 1 percentage point higher market share. Storebrand Investments generated a generally strong relative investment performance in 2002. By way of example, 68% of discretionary portfolios for external clients outperformed their benchmark index, while 33 of 57 mutual funds produced a better return before management fees than their respective indices.

Storebrand Investments produced a better than benchmark return on 9 of the 11 portfolios it manages for Storebrand Life Insurance, and the overall return was 0.23% better than the benchmark return. The investment return on equity investments was particularly strong for the Norwegian and Asian portfolios, and Norwegian bond and money market portfolio also made a positive contribution. The areas which underperformed relative to the benchmark were principally tactical allocation positions in American fixed income instruments and credit positions.

Mutual funds

The Norwegian registered global equity fund 'Storebrand Global med Sikring' produced the strongest performance in its class in 2002, falling by just 7.4% as compared to a 38.1% decline in the benchmark global equity index measured in NOK. ‘Storebrand Verdi’ was the second best Norwegian equity fund in the market. The group's more growth-oriented funds produced weaker results as a natural consequence of their investment strategy. The majority of the group's international equity funds and most of its fixed income funds outperformed their benchmark index in 2002.

Storebrand's funds enjoy an overall high ranking in the market. Standard & Poor's has ranked all funds registered for sale in Norway, and the summary on the previous page shows results for Storebrand’s funds as at 27 December 2002. 54% of Storebrand’s funds are in the four or five star categories, as compared to 30% for the market as a whole.

IMPORTANT AREAS

New asset management products

During 2002 Storebrand Investments focused both on developing its existing products as well as new ones. The company strengthened the fixed income sector of its product range, and a new team with a forward-looking asset management concept was established for global bond and foreign exchange. Storebrand also launched its first in-house hedge fund-of-funds, ‘Summit Uno’, in 2002. This fund aims to deliver a high absolute return, with limited volatility and only moderate correlation with traditional asset classes.

When equity markets fall, investors typically turn to funds that focus on absolute returns or guaranteed minimum returns. Storebrand launched a new fund concept, ‘Storebrand Aktiv Allokering’, in 2002. This fund actively allocates its investments between equity and fixed income markets, and the fund managers monitor a variety of markets in order to invest where they believe the best return is to be had at any one time.

Operational efficiency

Storebrand Investments introduced automated processes in 2002 that have permitted cost savings while also reducing the frequency of errors. The improved operational efficiency this represents positions the company as the most efficient operation organisation in the Norwegian asset management market. Operations staff numbers were reduced from 68 to 52 from 1 November 2001, and further improvements in efficiency are in the pipeline.

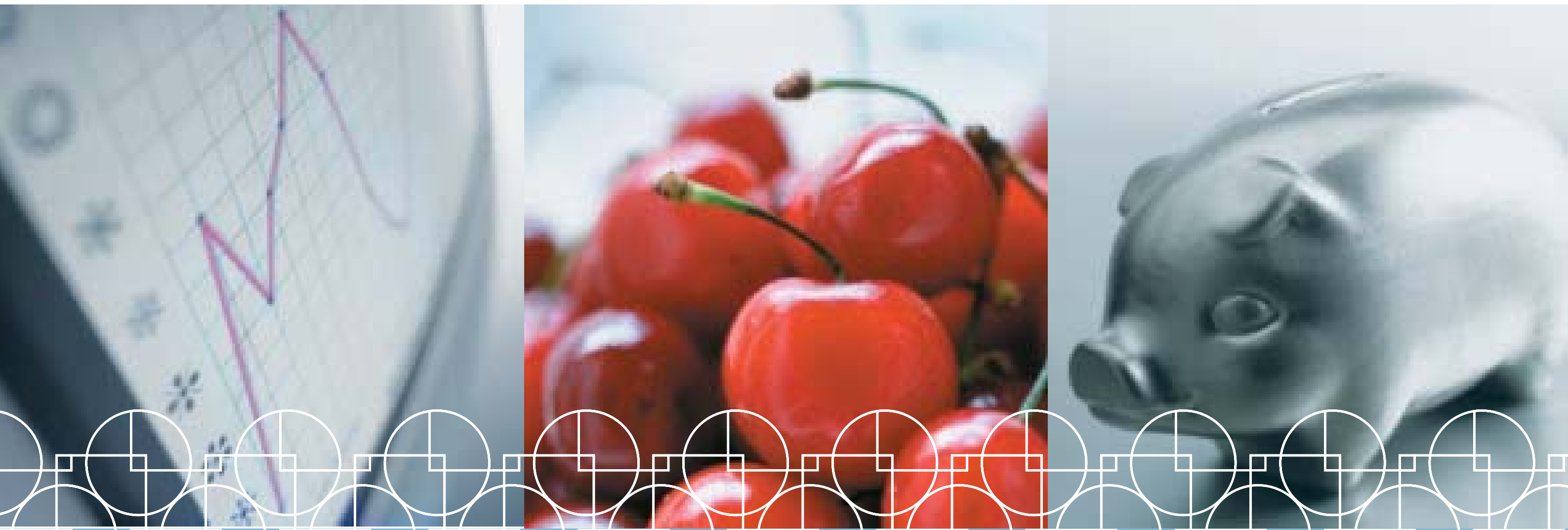
Storebrand Investments' success in automating its transaction processes has created the basis for a new area of business. The company is working with selected customers to evaluate the possibility of taking over their operational functions. This would represent a new business area using existing infrastructure.

Internationally competitive SRI products

Socially Responsible Investments (SRI) are attracting increasing demand both in Norway and internationally. Storebrand Investments is the only asset manager in Norway which has developed in-house research capability for SRI. Investments are ranked by identifying the companies that perform best in relation to specific social responsibility criteria. In addition the process excludes companies involved in areas such as alcohol, tobacco, weapons, nuclear power and certain types of genetically modified organisms. Considerable effort is also devoted to continuously monitoring any corporate breaches of human rights.

The Storebrand Principle Funds product group has proven to be internationally competitive, and these funds are now distributed in France, Australia, Sweden and Great Britain.

Banking: A more powerful player



Storebrand has until now carried out its banking activities through two separate banks, Storebrand Bank and Finansbanken. Storebrand decided in Autumn 2002 to merge the two banks. The new bank will have total assets of some NOK 29 million, and will make Storebrand a more powerful player in the Norwegian banking market.

Following an evaluation over the course of 2002 of how to best co-ordinate the group's two banking operations, Storebrand decided in November to merge Storebrand Bank and Finansbanken. The merger will take place in March 2003, but with accounting effect from 1 January 2003.

The new bank will be known as Storebrand Bank ASA. The Finansbanken brand will continue to be used for some customer segments. The merger will realise significant cost savings, amongst others by integrating functions and reducing staff numbers.

STRATEGY

Progressing the group's concepts

The merger will bring Storebrand's banking strategy more closely into line with the group's overall strategic direction. Storebrand Bank ASA will build on the expertise and customer base of the two banks and the products and services they offer.

The new bank will focus on the Norwegian retail market and corporate customers of the Storebrand Group. The bank will develop and market financial solutions for private individuals and selected corporate clients, as well as for high net worth individuals.

The merger will offer Storebrand's customers a more broadly based banking service, with a wider range of products to choose from while retaining a personal style of service and financial advice.

Storebrand's contact with customers

Since 2000 Storebrand Bank has operated a separate unit responsible for the Storebrand group's sales and customer services for the retail market. This unit functions as a shared distribution platform for all the group's product companies, ensuring a co-ordinated marketing strategy and presenting a unified face for the group's contacts with its customers.

Storebrand Bank in 2002

Storebrand Bank has overall responsibility for Storebrand's functions related to advice-based sales and customer services for savings, banking and insurance products and services, targeting the general retail market and the affluent segment of the market in particular. In addition Storebrand Bank distributes certain products provided by external suppliers.

At the end of 2002 Storebrand Bank employed around 140 financial advisers located at customer centres and offices around Norway as well as 20 agents. The bank also operates a leading Internet banking service and a customer telephone service centre staffed by 35 advisers.

Finansbanken in 2002

Finansbanken is a specialist bank for high net worth individuals and selected segments of the corporate market. Finansbanken offers specialist expertise in lending and project financing, principally for the real estate market, as well as products and services for wealth management.

MARKET POSITION

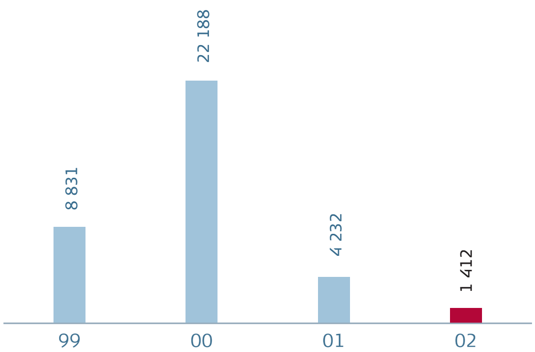
Storebrand has a strong position in several product areas of the retail market. The group has a 31% market share for traditional life insurance, and a 27% share for unit linked products. Storebrand Funds has a total market share for equity mutual funds of 22% in terms of gross inflows, and it had a 13% market share of total funds under management at the close of the year. Storebrand attracted net inflows of NOK 696 million to its equity funds in 2002 as compared to the outflow of NOK 1 725 million seen for the market as a whole.

Difficult conditions in the savings market

The negative trends seen in the savings market in 2001 continued throughout 2002. This can be illustrated by figures for net new inflows to mutual funds, which fell by all of 60% in 2002. The Oslo Stock Exchange fell by 31% over the same period.

Despite challenging and turbulent conditions in financial markets, Storebrand Bank managed to improve its operational profitability by NOK 130 million between 2001 and 2002. The bank reinforced its market position for equity-related savings products and personal risk insurance. Sales of personal risk products were 23% higher than in 2001, but weak conditions in the financial markets were reflected in depressed sales of savings products. The bank increased its lending by 4% in 2002, and attracted a 14% increase in deposits.

NET INFLOWS TO MUTUAL FUNDS (NOK million)



Net inflows to mutual funds registered in Norway and abroad

Lower turnover in the property market

Finansbanken finances both owners and tenants in the commercial and residential property markets, principally in the Oslo and Akershus region. This centrally located area of Norway saw a drop in turnover in the residential property market in 2002, but demand is expected to remain stable in 2003.

The commercial property market saw a sharp fall in rental levels in 2002. Sales turnover also fell, but there is still good demand for top-quality properties.

The general view in the commercial property market is that the major part of the correction in rent levels is now over. However the rental market is expected to remain uncertain until the economy returns to a faster pace of growth.

FINANCIAL RESULTS

STOREBRAND BANK

Sharp improvement in 2002

The Storebrand Bank group reported a pre-tax loss for the year of NOK 39.5 million in 2002. The shareholding in Acta was written down by NOK 15.1 million in 2002. If the effect on earnings of Acta and Storebrand Finans are excluded, the underlying pre-tax loss was NOK 26.1 million for 2002 as compared to a loss of NOK 156.9 million in 2001. The 2002 accounts include a provision of NOK 20.8 million for restructuring costs expected in 2003.

Non-interest income principally comprises commission income from the distribution of life insurance, unit linked, mutual fund products and structured products. The drop in commission earned from sales of savings products reflects lower sales volumes and a reduction in the value of funds under management caused by the falling equity markets. The bank made significant savings in its personnel, IT and marketing costs over the course of 2002.

Balance sheet and capital adequacy

Total assets amounted to NOK 12 919 million at the close of 2002. The proportion of lending funded by customer deposits increased to 65% from 59% a year earlier. In addition to ordinary customer deposits, Storebrand Bank takes deposits in the form of bonds issued to its customers in connection with sales of structured products. If these deposits are also taken into account, the proportion of lending funded by deposits rises to 78%. Storebrand Bank maintains a prudent balance of short-term and long-term external funding. The total capital base amounted to NOK 737.8 million, and consists entirely of core capital.

Net interest margin improved from 1.49% in 2001 to 1.65% in 2002. This improvement mainly reflects increased margins on lending and current accounts, and was partly offset by a drop in income from lower sales of structured products.

Storebrand Bank group: Key figures*

NOK million	2002	2001	2000
Net interest income	214.7	176.1	177.8
Non-interest income	213.8	255.1	355.4
Operating expenses	443.7	579.2	543.0
Operating profit/loss	-15.2	-148.0	-9.8
Profit/loss before tax	-26.1	-156.9	-13.5
Customer deposits	7 417	6 479	5 666
Commercial paper/bonds issued	3 867	4 848	3 799
Loans	11 498	11 038	9 157
Primary capital	738	768	779
Total assets	12 919	12 785	11 310
Capital ratio	9.71%	10.44%	12.50%
Net interest margin	1.65%	1.49%	2.00%

* Figures adjusted to exclude the impact of Storebrand Finans and Acta on the profit & loss account.

FINANSBANKEN

Sizeable loan loss provisions and restructuring costs

The Finansbanken ASA group reported a profit for 2002 of NOK 114.5 million before restructuring costs, write-downs and loan losses. This is equivalent to 0.63% of average total assets. Costs and provisions for restructuring amounted to NOK 25.9 million, while write-downs of goodwill and fixed assets in connection with restructuring amounted to NOK 45.1 million. The net increase in loan loss provisions amounted to NOK 401.3 million for the year. The bank also recognised a loss of NOK 50.8 million on securities classified as financial fixed assets, including a loss of NOK 31.3 million in connection with the sale of E*Trade Norge. The pre-tax loss for 2002 was therefore NOK 408.5 million, with a net loss for the year after a tax write-back of NOK 85.4 million of NOK 323.2 million, equivalent to a negative return on equity of 24.7%.

The group reduced its lending to customers by 17.3% in 2002, particularly in the areas of shipping and securities lending.

Profit and loss account

Net interest income amounted to NOK 388.3 million, equivalent to a net interest margin of 2.14% of average total assets. Interest income weakened over the course of the year as a result of lower gross lending volumes and an increase in the volume of loans on which interest is no longer accrued.

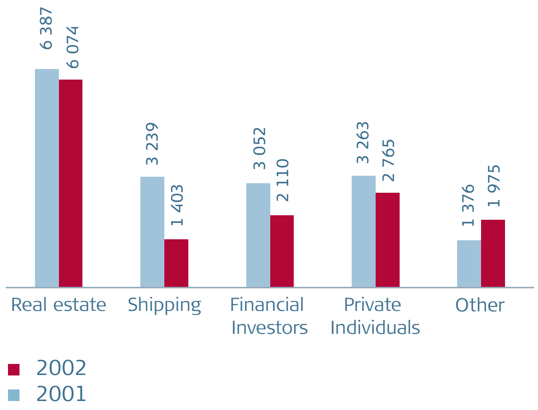
Non-interest income amounted to NOK 44.7 million, reflecting a fall over the course of 2002. Turbulent conditions in financial markets caused a drop in sales of savings and mutual fund products, and this had an adverse effect on non-interest income. In response to these difficult market conditions Finansbanken carried out a comprehensive reorganisation of its asset management activities.

Operating expenses amounted to NOK 389.5 million, equivalent to 2.15% of average total assets or 89.9% of total operating income (61.8% for the parent bank). Non-recurring expenses and goodwill write-downs totalling NOK 25.3 million were recognised in the second quarter in respect of the reorganisation of the asset management area. In anticipation of the approved merger with Storebrand Bank and the reorganisation of Finansbanken A/S Denmark and Finansbanken Formuesforvaltning, provisions and write-downs of fixed assets totalling NOK 25.0 million were recognised in the fourth quarter. In addition goodwill in Finansbanken A/S Denmark, was written down by NOK 20.7 million. The cost saving measures implemented had a positive effect on costs over the second half of the year, and further improvements in cost base are expected in 2003.

Balance sheet

Gross lending to customers fell by NOK 2 991 million in 2002, equivalent to a reduction of 17.3%. This was due in part to the previously announced measures to reduce the bank's exposure to shipping, and the shipping portfolio fell by NOK 1 836 million to NOK 1 403 million over the course of 2002. The bank also reduced its exposure to securities financing and, to a lesser extent, to real estate financing. Considerable effort was devoted in 2002 to improving the bank's risk management and reducing

FINANSBANKEN GROUP: GROSS LENDING BY SECTOR (NOK millon)



the overall credit risk in its lending portfolio. Gross lending to customers amounted to NOK 14 326 million at 31 December 2002.

Total assets reduced over the course of the year in line with the reduction in lending. The ratio of deposits to lending was 40%. The bank has a well-balanced funding structure based on customer deposits, the issue of securities, money market borrowings in Norway and deposits from the international interbank market. The bank has available un-drawn committed credit facilities equivalent to NOK 2 187 million. Total assets amounted to NOK 15 641 million at the close of 2002.

Capital base and capital adequacy

The group's capital base at the close of 2002 amounted to NOK 1 647 million, and the parent bank had a capital base of NOK 1 705.7 million. This represents a capital ratio of 12.2% (13.1% for the parent bank) and a core capital ratio of 8.3% (9.1% for the parent bank). Finansbanken ASA carried out a private placement of shares with Storebrand ASA in September 2002, raising NOK 235 million.

Non-performing loans, loan losses and repossessed assets

An upward trend in the volume of non-performing loans in the first three quarters of the year was reversed in the fourth quarter. Gross non-performing and problem loans totalled NOK 2 242 million at the close of the year, of which interest is no longer accrued on NOK 1 019 million. The net value of non-performing and problem loans after specific loan loss provisions of NOK 492 million was NOK 1 750 million, equivalent to 12.2% of gross lending.

Net loan loss provisions for the year were NOK 401.3 million. Total unspecified provisions amounted to NOK 296.8 million at the close of 2002, equivalent to 2.1% of gross lending.

The bank held repossessed assets totalling NOK 12.6 million at 31 December 2002.

Key figures Finansbanken Group

NOK million	2002	2001	2000
Net interest and credit commision income	388.3	447.2	401.1
Non-interest income	44.7	139.1	161.7
Operating expenses	-389.5	-357.9	-250.1
Operating profit before losses and write-downs	43.5	228.3	312.7
Loan losses and provisions	-401.3	-302.1	-294.9
Losses on securities as fixed assets	-50.8	0.1	-
Profit/loss before tax	-408.5	-73.7	17.8
Customer deposits	5 782.2	7 420.7	8 381.2
Commercial paper/bonds issued	4 029.3	5 588.2	5 209.8
Lending before specific and general loss provisions	14 326.0	17 317.3	16 924.8
Subordinated loan capital	524.0	544.4	542.8
Total assets	15 641.3	19 702.7	20 098.0
Capital ratio	12.16 %	10.70 %	9.73 %
Core capital ratio	8.29 %	7.42 %	6.49 %
Net interest margin	2.14 %	2.21 %	2.28 %

IMPORTANT MEASURES

Improving profitability

Storebrand's banking activities were heavily involved throughout 2002 in implementing measures to improve profitability, and there have been extensive restructurings at both banks.

Storebrand Bank implemented a comprehensive program of measures in the second half of 2001, and as a consequence of this the bank's headcount reduced significantly over the course of 2002. This related principally to staff in the business support areas, but there was also some reduction in the number of financial advisers. Total employee numbers at Storebrand Bank fell by 62 over the course of 2002 to 384 at 31 December. The measures implemented helped to reduce costs at Storebrand Bank AS by a total of NOK 137 million between 2001 and 2002.

Finansbanken also restructured its activities and reduced staff numbers, and this together with the cancellation of certain cost-intensive projects and activities has created significant cost savings which will have full effect from 2003 onwards. Staff numbers were reduced by 42 full-time equivalent positions in 2002.

Finansbanken's Norwegian activities had around 130 employees at year-end as compared to some 175 at the close of 2001.

Change in sales focus

Storebrand Bank offers a broad range of products, and this makes it possible to change the sales focus in order to offset a drop in income caused by weak conditions in the savings markets. This led to a change in emphasis in 2002 towards sales of savings products with a guaranteed return and personal risk insurance products.

For Finansbanken 2002 was a year of extensive work on the lending portfolio, especially in respect of shipping and lending to financial investors. Finansbanken also restructured and reduced its asset management activities, and closed its offices in Bergen and Sandefjord in order to concentrate its Norwegian activities at its Oslo offices.

The continuing work on improving the lending portfolio combined with adverse market conditions made it necessary to significantly increase loan loss provisions in order to reduce uncertainty in the portfolio.

A more powerful player

Great efforts were made in 2002 to realise the plans made in 2001. In addition a number of new initiatives were launched over the course of the year to bring about further improvements in efficiency and to give a better match between costs and reduced levels of income.

The most important measures were to merge Storebrand Bank with Finansbanken, and to strengthen the unit responsible for retail sales and customer service. The merger of the two banks will create a more powerful position for Storebrand in the banking market and will realise significant cost savings.

The sales and customer service unit is responsible for all the group's sales and customer service activities for the retail market. This unit includes Storebrand's financial advisers and its customer centres, as well as sales support and marketing functions.

Non-Life Insurance

Main features

- Marked improvement in earnings for 2002.
- Operating loss of NOK 250 million as compared to a loss of NOK 767 million in 2001.
- If's combined ratio improved from 113.1% (pro forma) in 2001 to 106.1% in 2002.

Storebrand's involvement in Non-Life insurance comprises the activities of Storebrand Skadeforsikring AS (Storebrand Non-Life), If Skadeförsäkring AB (If) and Fair Forsikring (Fair). Storebrand ASA owns 100%, 22.47% and 50% respectively of the share capital of these companies. Storebrand Non-Life owns 100% of Oslo Reinsurance Company ASA (Oslo Re).

In 1999 Storebrand Non-Life and Skandia entered into an agreement to establish If, and both groups transferred their Non-Life insurance activities into If. This caused a change in the role of Storebrand Non-Life from being an operational Non-Life company principally active in the Norwegian market to becoming the owner of a 44% interest in the largest Nordic Non-Life insurance company.

Sampo's Non-Life insurance activities were merged into If with effect from 2 January 2002. This strengthened the position of If, making it by far the largest Nordic Non-Life insurance company. The company has market shares in Norway, Sweden, Finland and Denmark of 31.4%, 26.0%, 34.0% and 5.3% respectively. If had 7,582 employees at the close of 2002. The following table shows the shareholding structure of If:

Company	Ownership interest
Sampo	38.05
Storebrand	22.47
Skandia	19.36
Varma-Sampo	10.06
Skandia Liv	10.06
	100.00

Fair Forsikring AS operates a Non-Life insurance business for the retail market in Denmark. The company was incorporated in November 1998. Fair has built up a visible presence in the Danish market over a relatively short time, and is growing rapidly. Storebrand Skadeforsikring AS sold its ownership interest in If to Storebrand ASA in December 2002. The transaction was approved by the Norwegian Banking, Insurance and Securities Commission and the Norwegian Ministry of Finance. Storebrand Non-Life will continue to operate the group's remaining run-off business (non-life insurance and reinsurance run-off), including the ownership of Oslo Re. The principal reason for the sale is to facilitate any future restructuring of Storebrand Non-Life, which does not form part of Storebrand's core activities. Oslo Re is principally involved in the run-off of its own reinsurance business and managing run-off business for other companies.

Financial review

Non-Life insurance activities reported a net profit for the year of NOK 125 million in 2002 as compared to a loss of NOK 566 million in the previous year. The year produced an operating loss of NOK 250 million as compared to a loss of NOK 767 million in 2001. The year's results were not satisfactory, but show significant improvement from 2001. This reflects stronger earnings in If, Fair and Oslo Re.

Storebrand's ownership interest in If is recognised in the accounts in accordance with the equity method of accounting, and the shareholding in Fair is recognised on the proportional consolidation method. The addition of Sampo's Non-Life insurance business to If's activities was treated for accounting purposes as a single transaction on 2 January 2002 which had an overall effect close to zero in Storebrand's accounts.

If's results in 2002 (100% according to Swedish accounting principles) were characterised by an improvement in the underwriting result but a weak financial return. If reported an operating loss of SEK 2 080 million for 2002 (100% in accordance with Swedish accounting principles - S GAAP). The combined ratio was 106.1% in 2002 as compared to 113.1% in 2001 (pro forma). The improvement in underwriting result reflects the measures implemented in respect of premiums and costs, as well as an improvement in claims paid. All business areas showed an improvement, but

Figure: Storebrand Non-Life Insurance

Private and Commercial business in Norway showed a particularly marked improvement with a combined ratio of 100.5% as compared to 109.3% in 2001. Some lines of insurance still face challenges in improving profitability, including Motor insurance in Sweden and Norway. The company has also focused on improving operational efficiency, and this is reflected in unchanged costs in nominal terms between 2001 and 2002. The investment return achieved in 2002 was 2.1%, reflecting weak conditions in the financial markets. The company reduced the risk profile of its investment portfolio over the course of 2002, and by the end of the year just under 10% of the total portfolio was invested in equities.

Other operating profit for Storebrand Skadeforsikring AS amounted to NOK 20 million, down from NOK 64 million in 2001. This was principally due to lower holdings of financial assets in 2002. Storebrand's share in the results of Fair represented a charge of NOK 43 million, which is NOK 19 million better than in 2001. This improvement reflects an increase in business volume and a resultant reduction in the ratio of costs to premium volume (cost ratio). The company almost doubled its sales in 2002, but its overall business volume is still insufficient to permit satisfactory profitability.

Oslo Re reported an operating profit of NOK 17 million in 2002, representing an increase of NOK 17 million from 2001. This was principally due to non-recurring income resulting from write-backs of receivables previously written off and currency effects. Total technical reserves for own account fell by NOK 126 million to stand at NOK 420 million at the close of 2002.

The statutory security reserves were reduced further in 2002, releasing NOK 200 million to the profit and loss account. These reserves amounted to NOK 284 million at the close of 2002.

Profit and loss account - Non-life insurance

		Pro forma	
NOK million	2002	2001	2001
Share of profit in If	-244	-447	-769
Storebrand Non-Life - other	20	64	64
Storebrand Skadeforsikring AS*)	-224	-383	-705
Oslo Reinsurance Company AS	17	0	0
Fair Forsikring AS (50%)	-43	-62	-62
Non-life insurance operating profit/loss	-250	-445	-767
Change in security reserves etc.	200	280	280
Pre-tax profit/loss	-50	-165	-484
Tax	175	-60	-79
Net profit/loss from non-life insurance	125	-225	-566

*) NOK 17 million in gain on sale of If- shares comes in addition.

Key financial figures for If

		Pro forma*)	
SEK million/S GAAP	2002	2001	2001
Premiums earned	32 789	30 271	22 237
Claims paid	-27 985	-27 409	-20 531
Operating costs	6 815	-6 815	-5 121
Technical Insurance result	-2 011	-3 953	-3 415
Financial result	690	1 692**)	1 106
Operating profit/loss	-2 080	-3 175	-2 752
Claims ratio	85.3%	90.5%	92.3%
Cost ratio	20.8%	22.5%	23.0%
Combined ratio	106.1%	113.0%	115.3%
Total assets	93 469	93 783	60 908
Investment portfolio	68 965	65 576	42 080
Net asset value	17 870	18 098	7 433

*) Pro forma figures include Sampo's non-life insurance activities as merged into If from 02.01.2002.

**) Investment result includes the actual investment result for If and an estimate of the return on the non-life portfolio transferred from Sampo. Aggregate return was 2.5%.

A driving force for sustainable investment

An increasing number of customers expect the companies they deal with to demonstrate a commitment to ethical business practices. Storebrand has identified corporate social responsibility (CSR) as one of the central pillars for our activities, and our CSR action plan encompasses virtually all of the group's activities. For instance Storebrand Life Insurance was the first life insurance company in Norway to apply ethical criteria to all its investments in Norwegian and international equities.

Corporate Social Responsibility

Storebrand's commitment to corporate social responsibility represents a long-term strategy that is firmly anchored in the company's corporate vision and values. Recognising our corporate social responsibility means that we strive to base the strategy and management of our activities on a combination of financial, social and environmental factors.

The group's work in this area started in 1995 with an environmental report, and was subsequently expanded into a corporate social responsibility action plan for 2000-2002. The experience gained from implementing this plan and the results achieved formed the basis for a new action plan for 2003-2004.

One step further

The new action plan features some changes from the previous plan. We now aim to apply the action plan to all the group's activities, and have set concrete targets for implementation and against which progress can be monitored. We intend to report performance in terms of the triple bottom line, which focuses on financial results, environmental impact and social responsibility. Reporting will be based on the internationally recognised system Global Reporting Initiative (GRI). In addition we have chosen to base the plan on Storebrand's relationship with its most important stakeholder groups: employees, customers, shareholders, suppliers, the Norwegian community and the international community. The new plan runs for two years rather than the previous three-year plan. This will ensure better co-ordination with the group's normal business operations and make it easier to keep the action plan up to date. With the new plan for 2003-2004, we go one step further with regard to integrating corporate social responsibility into all the group's activities.

Storebrand sees the action plan as an important tool in the overall task of setting concrete targets for its commitment to corporate social responsibility. Using a detailed action plan helps us to continually develop our understanding of how we can contribute to more sustainable development across a range of different areas. This process does of course take time, and we learn not only from our successes but also from the difficulties we experience along the way.

Involving stakeholders

We believe that by giving various stakeholder groups better insight into our main areas of business and our results and procedures we can help to create greater openness on corporate social responsibility in the financial sector. We are keen to encourage an active dialogue with stakeholder groups, and this gives us feedback and new ideas on what they expect of us and what we might do differently. This dialogue takes place in part through surveys and discussion groups, and in part through informal dialogue and discussions.

In order to gather ideas and comments for the 2003-2004 action plan we invited representatives of various stakeholder groups to a full-day conference in Autumn 2002 for a discussion of issues in the areas of health, business ethics, social responsibility and the environment. The conference theme was "Storebrand's corporate social responsibility - are we heading in the right direction?" and the discussions provided valuable feedback and input that we used when preparing our new action plan.

REPORT ON THE 2000-2002 ACTION PLAN

Objective 1: Environmental and social criteria for asset management

We have achieved our objective, which included developing a specific set of criteria to identify investments that Storebrand Life Insurance will not consider holding. The life company's direct shareholdings and its entire European interest-bearing portfolio had been screened against these criteria by the end of 2001. The exclusion of unacceptable investments has not had any adverse effect on investment return, and customer feedback has been positive. Work will continue in this area in 2003, and this will include the introduction of additional criteria for Storebrand Life Insurance's portfolio selection.

Objective 2: Mutual funds savings with contributions to humanitarian causes

Storebrand Funds launched the Norwegian Red Cross Global Fund in 1999. In view of the low level of interest shown in this fund, Storebrand does not intend to offer similar arrangements to other humanitarian causes for the moment.

"Storebrand Investments ranks among the top three world's best practice SRI fund managers"
Mistra, 2001 www.mistra-research.se

Objective 3: Management of the company's premises and real estate investments

Storebrand's real estate management function has initiated a variety of measures to improve the environmental standard of all the office premises it manages, including seminars and training for its tenants. Positive effects have included an improvement in the internal environment and a reduction in resource utilisation. These environmental measures will continue for the period of the new action plan.

Objective 4: Health, quality of life and financial security

Storebrand's customer base shows the same general trend for a higher incidence of disability as is seen for society as a whole. The steps taken to help reduce the number of our customers' employees that become disabled have been positively received. New solutions will be developed in the areas of more inclusive working life, preventative health measures and improved quality of life.

Objective 5: Focused environmental measures

Storebrand has introduced environmental requirements in respect of the general purchasing, catering supplies and premises management carried out through Adviso. All supply contracts will be reviewed during the new action plan period in order to implement more stringent requirements wherever possible.

Objective 6: Health, safety and the working environment

The targets set for absence due to illness were achieved: 3.6% in 2002, 3.6% in 2001, and 3.5% in 2000. This is clearly better than comparable businesses achieve, and figures from the Norwegian Financial Services Employers Federation show an average of 5.1% in 2001. In addition we signed a collaboration agreement on 'More inclusive working life' with the Norwegian Social Insurance authorities in 2002 and produced a new HSE handbook. Further measures will be introduced in this area over the course of the new plan period.

Objective 7: Staff development and training

A new staff appraisal and bonus system has been introduced. Our training program has been evaluated with good results, and 94% of employees say that they are satisfied with Storebrand as their employer. The range of training currently available is to be expanded, and we intend to introduce more specific targets in a number of areas for the new action plan period. This will include new targets for the percentage of management positions held by female staff as well as for employee satisfaction. In 2004 all managers will be appraised in respect of the aspects of the corporate social responsibility action plan for which they are responsible.

Objective 8: Business ethics in Storebrand

Storebrand produced a revised business ethics handbook which was discussed and approved by the Board of Directors in February 2001 and is now available on the intranet and Internet. Storebrand's group management guidelines require all managers to address the subject of business ethics with their teams at least once a year, and training courses in handling ethical dilemmas have been held for all managers.

Objective 9: Sponsorship

We have expanded our mutual collaboration with the Norwegian Red Cross and the MOT Foundation, while the Venture Cup project has now finished. Storebrand entered into a new collaboration with the Norwegian Cancer Society in 2001. We allocate funds to support a variety of charitable initiatives through the biannuall "You can do it" campaign. We organise joint activities which bring employees and customers together with the organisations we sponsor, and this both enthuses employees and reinforces the value of our sponsorship. We hope to involve employees and customers to an even greater extent in the new period of the action plan.

Objective 10: International co-operation

Storebrand is a member of the World Business Council of Sustainable Development (WBCSD) and the group's Chief Executive Officer is a council member. As part of its commitment to the WBCSD, Storebrand has played an active role in the working groups Young Managers Team and Sustainability in the Financial Sector. Storebrand was a founder member of the United Nations Environment Program insurance initiative, and has provided the chairman of this body throughout its existence. Our involvement in these international bodies allows us to learn from other companies, share our own experience and be a driving force for these issues in the Norwegian financial sector.

A more detailed description of Storebrand's ambitions in the area of corporate social responsibility for 2003-2004 and a report on corporate social responsibility in 2000-2002 can be found at www.storebrand.no/fsa. Copies of the new action plan can be ordered by sending an e-mail to samfunnsansvar@storebrand.no

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Corporate Governance

As a large stock exchange listed company that plays an important role in Norway's economy and society as a whole, Storebrand is committed to creating good relationships between its shareholders, corporate bodies, management, and other interested parties that are affected by the group's activities such as customers and lenders, as well as with the interests that reflect its wider social context. The following paragraphs provide an account of the major features of Storebrand's approach to corporate governance. Information on the company's interaction with our shareholders can be found in 'Shareholder Matters' on page 46. Information on our interaction with other interest groups can be found in 'Corporate social responsibility' on page 40. Storebrand's policy as an investor in listed companies is described below.

STOREBRAND'S MANAGEMENT STRUCTURE

Board of Directors

The Board of Directors of Storebrand ASA has nine members, each elected for a two-year term of office. Six members of the Board are elected by the Board of Representatives on the basis of nominations put forward by the election committee. Three members of the Board are elected by and from among the employees. The Chief Executive is not a member of the Board. None of the members elected by the Board of Representatives have any employment, professional or consultancy relationship with the group other than their appointment to the Board. CVs for the members of the Board can be found at www.storebrand.com.

The Board meets at least nine times each year. In 2002 the Board held 25 meetings and one Board conference. The work of the Board is subject to a specific mandate. In order to ensure sound and well considered descisions, considerable importance is attached to ensuring that meetings of the Board are well prepared and that all memebers are, so far as possible, able to participate fully in the decision making process. The Board approves an annual schedule for the dates and topics of its meetings. The agenda for each meeting is determined by the chairman on the basis of the annual schedule together with the list of matters carried forward from previous meetings. The agenda items are prepared in advance by way of written reports to the members of the Board, and Board papers are normally distributed one week before each meeting. A Board Secretary supports the Board.

The Board has on a number of occasions reviewed its own working methods and the processes involved in preparing for and conducting board meetings. The Board carried out a Board appraisal for 2002, and Storebrand's executive management also participated in this process. As in previous years a course was held in 2002 for new members of Storebrand's corporate bodies as part of a program of work intended to develop the expertise of the members of the Board and other corporate bodies.

The members of the Board and its committees receive a fixed annual fee. Details of remuneration, loans and shareholdings can be found in notes 4 and 16.

Board committees

The Board has established a Remuneration Committee and an Audit Committee. Each committee is made up of three members of the Board. The Remuneration Committee monitors the remuneration arrangements for the group's senior managers, and assists the Board in setting the terms and conditions of the Managing Director. The Remuneration Committee held four meetings in 2002. The Audit Committee assists the Board by reviewing, evaluating and where necessary proposing appropriate measures in respect of the group's overall controls, financial and operational reporting, risk management and control and both internal and external auditing. The Audit Committee held six meetings in 2002. This committee assists the Board by preparing matters for consideration, but decisions on such matters are taken by the entire Board.

Board of Representatives

The Board of Representatives has 30 members, of which 20 are elected by the General Meeting and 10 by the group's employees. Members are each elected for a two-year term of office. The duties of the Board of Representatives include making recommendations to the General Meeting in respect of the Board of Directors' proposal for the annual report and accounts and the election of six of the nine members of the Board of Directors, including the chairman of the Board. The Board of Representatives also determines the mandate

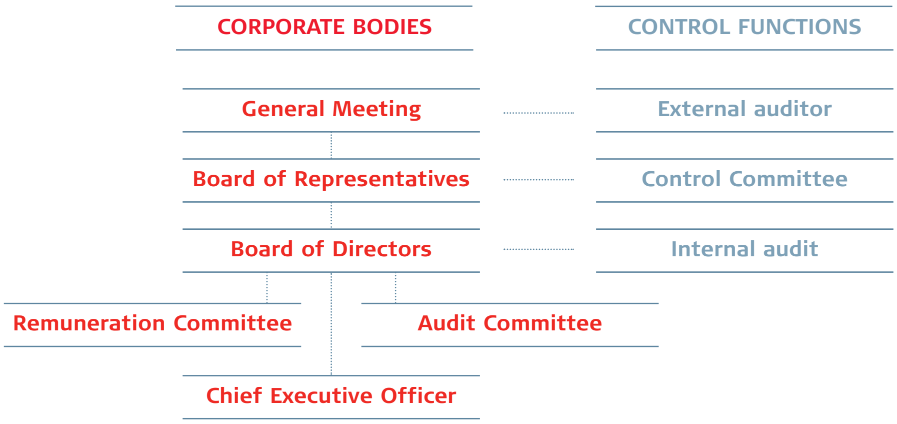


Figure: Storebrand's decision structure

for the work of the Control Committee and considers reports from the Control Committee. The Board of Representatives is entitled to make recommendations to the Board of Directors on any matter that it sees fit.

Control Committee

The Control Committee has five members elected by the General Meeting. Each member is elected for a two-year term of office. The committee supervises all the group's overall activities, and is required to ensure that the group adheres to all relevant legislation and regulations, and that it operates in accordance with the articles of association and resolutions passed by the group's corporate bodies. The committee is entitled to look into any matter that it sees fit, and has access to all relevant documentation and other information. Moreover the committee can demand such information as it may need from any employee or member of any of the group's corporate bodies. Employees and members of the company's corporate bodies are under a duty of provide the control committee with any information it may require. The Control Committee reports to the Board of Representatives at least once a year.

General Meetings

Storebrand ASA holds its Annual General Meeting no later than the end of June each year. Storebrand has only one class of shares. All shareholders are entitled to participate in general meetings of the company, and arrangements are also made for proxy voting. There are no specific restrictions on ownership of shares or voting rights in the company other than the general restrictions in Section 2-2 of the Financial Institutions Act. The Act stipulates that no party may own or vote for more than 10% of the company's shares, and that no party may cast votes for more than 20% of the shares represented at a general meeting, cf. Article 2-7 of Storebrand ASA's Articles of Association. The General Meeting has granted a mandate to the Board of Directors to increase the company's share capital by up to NOK 3 million through one or more share issues placed with employees of the company. This mandate is valid until the date of the next Annual General Meeting. The Board does not have any mandate from a general meeting to buy back the company's own shares.

Relationship between corporate bodies and control functions in Storebrand

In addition to the company's own control functions and external audit, Storebrand is subject to statutory supervision by the Norwegian Banking, Insurance and Securities Commission.

The external auditor is appointed by the General Meeting and is responsible for the financial audit of the company. The external auditor delivers the Auditors' Report in respect of the Annual Accounts, and also undertakes a limited-scope audit of the interim accounts. Storebrand has entered into an agreement with Ernst & Young for the purchase of internal audit services for the group. The Chief Financial Controller of Storebrand ASA co-ordinates and monitors the work carried out by the internal audit function. The Board approves an annual program of work for the internal audit function based on the auditors' recommendations and a risk assessment carried out by the companies' management teams. The internal auditor reports to the Board on a quarterly basis.

The Norwegian Banking, Insurance and Securities Commission has a statutory duty to ensure that a financial institution operates in a prudent and satisfactory manner in accordance with legislation, the purpose of the institution's incorporation, its business objectives and articles of association. The Commission supervises all the activities carried out by the Storebrand group.

Executive management

The Board approves a specific mandate for duties of the Chief Executive Officer (CEO) of Storebrand ASA in respect of the management of Storebrand. The CEO of Storebrand ASA is the chairman of the Board of Directors of all the important subsidiaries in the group (life insurance, asset management and banking). The boards of the subsidiaries also include other members of Storebrand's senior management and external members with expertise of particular relevance to the subsidiary in question. The group's management and control of these business areas is largely exercised through meetings of the boards of the subsidiary companies.

The Storebrand group's Executive Committee comprises the CEO of Storebrand ASA, the managing directors responsible for the group's major business areas including retail market sales and the executive vice presidents responsible for financial control and legal affairs. The Executive Committee is responsible for the group's strategic positioning and overall profitability and for ensuring optimal allocation of resources across the group's various activities. In addition group-wide forums within finance and risk management, corporate relations, human resources, IT, corporate communications and brand, legal affairs, financial planning and control, and strategic projects, under the management of the executive vice presidents, are responsible for making optimal use of the group's expertise and maintaining a concerted effort on major business processes in the group.

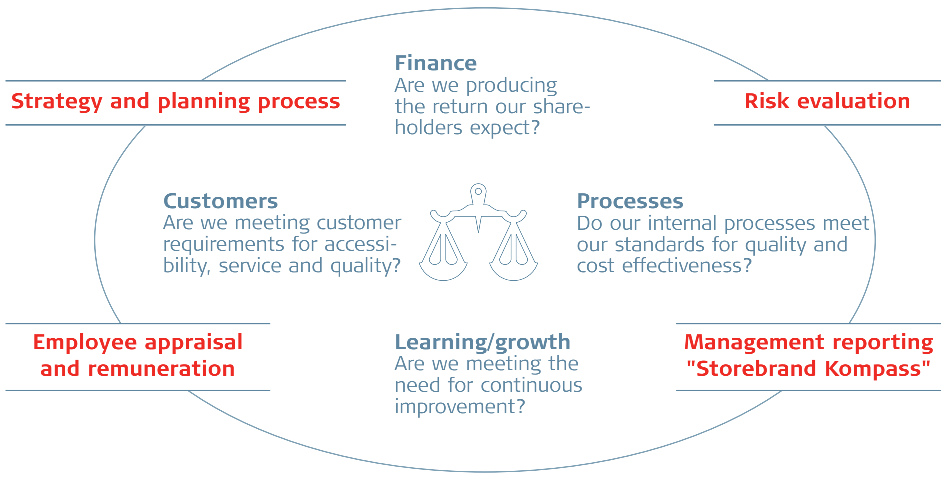


Figure: Storebrand's value based management system

STOREBRAND'S VALUE BASED MANAGEMENT SYSTEM

An integrated management system

It has been the tradition to use accounting figures as the principal tool for managing and monitoring business activities. In 1995 Storebrand adopted an integrated approach to financial and operational value drivers for the management and monitoring of the group's activities. This approach has been further developed to form the value based management system currently used, which also plays a central role in monitoring employee performance and determining remuneration on an individual basis.

The management system is intended to ensure a clear relationship between actions and targets at all levels of the group, with the overall objective of creating value for shareholders. The integrated management system provides the basis for the work of the Board of Directors and executive management in planning, monitoring and managing the group's activities. The system is constructed around a balanced scorecard with the four dimensions of finance, customers, internal processes and learning & growth reflecting the group's short-term and long-term value creation objectives.

The strategy and planning process is carried out on an annual basis, and produces a rolling three-year plan. The annual process is initiated by the Board of Directors' review of group and portfolio strategies, financial targets and guidelines that provides the executive management with the necessary basis for its work. The management of each business area then produces forecasts and proposals for overall objectives, action plans, investment policy, budgets and forecasts. These proposals are first approved by the board of each subsidiary before submission to the Board of Directors. This process identifies target parameters for the scorecard components of finance, customers, internal processes and learning/growth that are addressed by the action plans and play a central role in ensuring that the overall targets set by the strategy and planning process are achieved. These parameters provide the basis for ongoing management reporting ("Storebrand Kompass").

Risk evaluation and internal control reporting form an integrated part of the planning process. The management teams responsible for each business area are actively involved in recognising areas of risk and identifying measures to reduce risk. This process is summarised in an internal audit report that is reviewed by the Audit Committee and the Board of Directors.

Storebrand Kompass is the monitoring tool used by the company for reporting to the Executive Committee and Board of Directors on financial and operational target figures, trends and corrective measures. The report is based on balanced scorecard management, and is designed to provide early indications of any activity showing an adverse deviation in order that corrective measures can be implemented rapidly. All the group's business areas produce monthly reports of the complete range of the target parameters, and these reports are amalgamated into a joint report for the whole group.

Employee appraisal and remuneration

The appraisal and remuneration of all Storebrand employees forms an integrated part of the value-based management system, and is designed to support the successful implementation of the overall strategy agreed. In the same way that targets are set for Storebrand as a whole and for each business area, each department and its individual staff members have clear targets that are consistent with and support the company's overall objectives. Each employee works with his or her manager to produce a personal scorecards and action plan for the year. The personal scorecards combines individual targets with targets for the department in which the individual works in order to encourage co-operation with colleagues and enhance performance.

The personal scorecard plays a central role in employee appraisal, and also provides the basis for bonus payments. All employees are eligible for bonus payments, which represent remuneration over and above normal salary and other employee benefits. Storebrand's bonus arrangements seek to promote two basic principles: bonus payments must be linked to the company's value creation, and entitlement to bonus is determined by individual performance. Each individual's performance relative to the targets set out in the personal scorecards provides the basis for a bonus, but bonuses can only be paid if value creation is higher than a set minimum level. Value creation in excess of target is rewarded with increased bonuses.

International research studies demonstrate a clear relationship between employee remuneration systems and corporate value creation. Storebrand's remuneration systems follow internationally recognised remuneration principles. Employee appraisal linked to bonus payments ensures that employees have a personal interest in the group's financial performance.

STOREBRAND'S POLICY AS A SHAREHOLDER IN LISTED COMPANIES

As one of the largest investors in the Norwegian stock market, Storebrand has considerable potential influence over the development of the listed companies in which it is a shareholder. This represents an important responsibility, and makes it very important that Storebrand exercises its influence in a predictable and well-considered manner. Storebrand aims to exercise its ownership interest to promote consensus between the wishes and views of the owners (shareholders) of a company and the work of its management and board of directors. The values which Storebrand wishes to encourage include openness, transparency and equal treatment for all shareholders.

Storebrand conducts its ownership interests in listed Norwegian companies on the basis of the policy guidelines it established in 1998. In addition Storebrand plays an active role in the development of corporate governance through its membership of the Eierforum, a forum representing Norway's largest institutional investors. The members of Eierforum have developed 10 'rules' for corporate governance, and these also form the guidelines for Storebrand's policy on corporate governance in respect of its own shareholders. More information on Storebrand's Corporate Governance Guidelines and Eierforum's 10 rules can be found at www.storebrand.no/IR.

The main prupose of Storebrand's Corporate Governance is to provide guidelines for its individual portfolio managers. These guidelines focus on the following observable characteristics:

>> **Articles of Association.** A company's objectives should be set out in the most precise manner possible, and the company's actual business concept and strategy should be fully compatible with its formal objectives. The Articles of Association should not place any restrictions on voting rights or the negotiability of the company's shares other than what is required by law or regulation.

>> **Corporate bodies.** Membership of a company's corporate bodies should ensure that the interests of all shareholders are represented.

>> **Investor relations.** A company should have a consistent policy for the distribution of information to the market, and the information provided should be sufficient to form the basis for a thorough analysis of the company and to prepare for voting at general meetings etc.

>> **Incentive arrangements.** Information on a company's arrangements for rewarding its senior management and directors, including salaries, bonuses, share options etc., is considered to be an important issue. Storebrand takes a positive view of an element of variable remuneration determined by factors such as profits or share price performance, so long as the arrangement can be seen as a real incentive for the individuals involved. The overall level of each individual's remuneration should be related to his or her workload and responsibility, as well as the results actually achieved. Members of a company's board should not normally hold share options, but it is desirable for them to own shares in the company.

>> **Conflicts of interest.** Storebrand believes that listed companies should conduct themselves in a manner which demonstrates their commitment to reducing any possibility for conflicts of interest to a minimum, including a policy of equal treatment and full openness with all shareholders.

>> **Transactions involving share capital.** All proposals to undertake transactions involving a company's share capital should be soundly based in terms of structure, timing and scale. This may include various forms of share issues, buybacks of the company's own shares, mergers and de-mergers.

All the above issues are taken into account when Storebrand evaluates a company, and they have an effect on our investment postition in the company's shares. Storebrand's objective is to foster agreement on shared values in relation to both short-term and long-term value creation. It therefore seeks to contribute to improvements in this respect and maintains active contact with the companies in which it invests. The various types of active involvement in question may be grouped as follows:

>> **Dialogue with company management and company visits.** Storebrand will maintain a dialogue with a company's management as part of its normal analysis work, particularly where Storebrand holds a significant ownership interest. Around 150 visits to Norwegian companies are made every year.

>> **Communication with the board of directors.** It is natural for Storebrand to discuss its views with the board of directors, and this may include issues such as strategy and senior management.

>> **Composition of the board of directors.** Storebrand participates in company election committees and supervisory boards in order to exercise influence on the composition of the board of directors and the work of the board. Storebrand plays an active role in proposing suitably experienced candidates for nomination to boards, and intends to pay particular attention to encouraging a higher proportion of female board members. It is not normally desirable for Storebrand to be represented on the boards of listed companies in view of the extensive restrictions this creates in respect of trading in these companies' shares

>> **Collaboration with other shareholders.**It may from time to time be appropriate, or even in some cases essential, for Storebrand to collaborate with other shareholders in a company in order to ensure that important changes take place.

>> **Socially responsible investments** Storebrand carries out its own investment research on companies that are included in the indices used in Socially Responsible Investment (SRI) funds and mandates. These companies are analysed on the basis of environmental and social responsibility criteria, and feedback is provided to the companies on their performance relative to other companies in the same industrial sector. The intention is to contribute to continuing improvement in this area, both for the companies that already follow best practice and for those that do not yet fully satisfy these criteria.

>> **Voting.** For Norwegian companies, Storebrand will in most cases exercise its voting rights at company general meetings. For shares held by Storebrand's SRI funds, including international shares, the company will exercise its voting rights on environmental and social responsibility issues.

>> **Investigations.** In certain specific instances Storebrand will either carry out its own investigation or arrange for an independent investigation to be carried out.

Shareholder Matters

Share capital and shares

Shares in Storebrand ASA are quoted on the Oslo Stock Exchange (Oslo Børs) with the ticker code STB. Storebrand ASA's share capital at the start of 2002 was NOK 1 388.4 million. Following a new issue of shares placed with employees in May 2002 of NOK 610 500, share capital at 31 December 2002 amounted to NOK 1 389.0 million, made up of 277 802 422 shares each with a face value of NOK 5. The company does not own any of its own shares and has not issued any options that could lead to dilution of the outstanding share capital.

Shareholders

No single investor is permitted, without the approval of the authorities, to hold more than 10% of the shares in a Norwegian financial institution. However, it is expected that the Norwegian regulations on ownership restrictions will be revised and harmonised with EEA legislation during the course of 2003.

Storebrand ASA is one of the largest companies listed on Oslo Børs in terms of the number of shareholders. The company has shareholders from all the municipalities in Norway and from 39 countries. Storebrand's ownership structure is characterised by a disproportionate number of shareholders with small numbers of shares, and 63% of all shareholders own 100 shares or less. The company had 38 194 shareholders at 31 December 2002 as compared to 37 717 at 31 December 2001. The 20 largest shareholders own in total 197 291 940 shares, representing 71% of the share capital.

The 20 largest shareholders at 31.12.2002

Shareholder	Country	No. of shares	%
Folketrygdfondet	NOR	27 761 600	9.99
Skandia Life Insurance	SWE	27 698 330	9.97
Orkla ASA	NOR	27 648 956	9.95
DnB Markets	NOR	27 553 888	9.92
Steen & Strøm Drammen AS	NOR	17 500 000	6.30
Deutsche Bank Trust US (NOM)*	USA	12 326 916	4.43
Canica AS	NOR	10 000 000	3.60
Nordstjernen Holding	NOR	7 410 400	2.67
Ferd AS	NOR	7 101 895	2.56
State Street Bank & Co. (NOM)*	USA	4 510 169	1.62
Bank of New York	USA	4 000 000	1.43
JP Morgan Chase Bank (NOM)*	GBR	3 293 687	1.18
Verdipapirfondet Avanse	NOR	2 895 487	1.04
JP Morgan Chase Bank (NOM)*	GBR	2 883 866	1.03
DnB Norge v/DnB Investor	NOR	2 741 613	0.98
Bank of New York	GBR	2 563 000	0.92
Verdipapirfondet Avanse	NOR	2 500 465	0.90
Morgan Stanley & Co. (NOM)*	GBR	2 374 590	0.85
Skandinaviska Enskilda Banken (NOM)*	SWE	2 361 111	0.84
Gjensidige NOR Spareforsikring	NOR	2 165 967	0.77

*Client account

Share purchase arrangements for employees

The Board of Storebrand ASA has been granted a mandate by each Annual General Meeting since 1996 to increase the company's share capital to permit shares to be placed with employees of the Storebrand Group. The intention is to involve the employees more closely in value creation in the company. On 24 April 2002 the Annual General Meeting granted the Board a mandate to increase the company's share capital by up to NOK 3 million through one or more issues for cash. This mandate is valid until the 2003 Annual General Meeting. In May 2002 every employee was given the opportunity to buy 165 ordinary shares at a price of NOK 40 per share. As many as 53% of the employees took advantage of this offer, and 122 100 shares were subscribed.

Foreign ownership

The EEA Agreement gives Norwegian and foreign investors equal rights to purchase shares. As at 31 December 2002 total foreign ownership amounted to 32.2% as compared to 37.1% at the end of 2001.

Geographic distribution of shares

As at 31.12.2002		As at 31.12.2001	
Norway	67.80 %	Norway	62.90 %
Sweden	11.10 %	Sweden	11.40 %
USA	8.30 %	Great Britain	10.00 %
Great Britain	8.00 %	USA	7.74 %
Germany	1.30 %	Cayman Islands	2.23 %
35 other countries	3.50 %	33 other countries	5.73 %

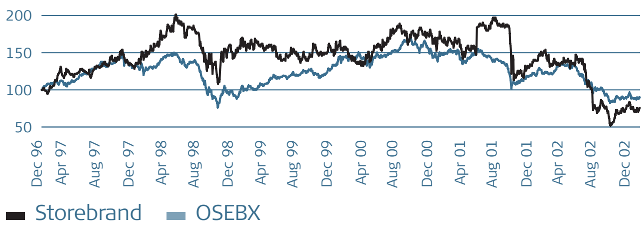
Turnover in the Storebrand share

Almost 302 million Storebrand shares changed hands in 2002, which was 4.7% lower than 2001 when just under 317 million shares were traded. The value of shares traded in 2002 was NOK 11 934 million, down from NOK 18 798 in 2001. Turnover in relation to the average number of shares outstanding in 2002 shows a rate of turnover of 108.7%, making the Storebrand share one of the most heavily traded shares on the Oslo Stock Exchange.

Share price development

Storebrand's share price on 31 December 2001 was NOK 52. The high and low prices seen during 2002 were NOK 57.00 and NOK 19.20 respectively. The price on 31 December 2002 was NOK 26. This represents a fall of 50% over the course of 2002. The fall in Storebrand's share price was largely related to a general fall in share prices, and was in line with indices for European insurance companies.

SHARE PRICE DEVELOPMENT COMPARED TO OSLO STOCK EXCHANGE OSEBX



Dividend policy

The Board of Directors of Storebrand ASA approved a dividend policy for Storebrand in 1999. The policy seeks to ensure that shareholders receive a competitive return, whilst also ensuring that the company maintains an optimal capital structure. The dividend to shareholders will normally be in the order of 15-30% of profit after tax. The Board intends to operate the policy with a long-term view, and will endeavour to ensure stable growth in dividend per share over time.

However in view of the weak results reported for 2002, the Board has decided to recommend to the Annual General Meeting to be held on 29 April 2003 that no dividend be paid in respect of the 2002 accounting year.

RISK adjustment

The following paragraph is not included in the original Norwegian Annual Report and is included here by way of explanation for the international reader:

There are particular rules for shareholders resident in Norway relating to the taxable gain or loss on the sale of shares. When shares in Storebrand ASA are sold by shareholders resident in Norway the acquisition price has to be adjusted by a so-called RISK amount when calculating the taxable gain or loss. The RISK amount is calculated annually and is related to the change in retained capital for the year. Foreign shareholders are subject to the tax regulations of their own domicile and are not affected by the Norwegian RISK regulations.

The information provided in the Norwegian Annual Report for the purposes of shareholders resident in Norway is as follows:

The RISK amounts for shares in Storebrand ASA have been set as follows:

As at		RISK mount	As at		RISK mount
01.01.93	NOK	- 2.59	01.01.98	NOK	0.31
01.01.94	"	0.12	01.01.99	"	- 0.89
01.01.95	"	0.84	01.01.00	"	0.49
01.01.96	"	- 0.14	01.01.01	"	1.88
01.01.97	"	0.75	01.01.02	"	4.99

On a sale of shares, the opening value/purchase price of the shares will be adjusted by the total of the RISK amounts during the period of ownership.

The RISK amount as at 1 January 2003 is estimated as NOK - 0.34 per share.

Compliance

As one of the country's leading financial institutions, Storebrand is dependent on maintaining an orderly relationship with the financial markets and supervisory authorities. The company therefore places particular emphasis on ensuring that its routines and guidelines satisfy the formal requirements imposed by the authorities on securities trading. In this connection the company has produced internal guidelines for trading in the company's shares by those with inside knowledge. These guidelines are based upon the current legislation and regulations governing insider trading. The company has its own compliance system to ensure that the guidelines are followed.

Investor Relations

Storebrand wishes to maintain and further develop the company's good contacts with all participants in the national and international capital markets. The group has a separate investor relations unit within its finance department. This unit is responsible for establishing and co-ordinating contact between the company and external contacts , such as analysts, the stock exchange, shareholders and investors. The provision of timely and relevant information forms an important part of the company's commitment to provide information to the stock market.

Storebrand continuously strives to improve the efficiency of our activities from both a financial and environmental perspective. As part of this process the company has decided to replace the printed form of its interim reports with an electronic edition. All quarterly interim reports together with the related presentations and press releases will be published on the company's web pages at www.storebrand.no. Anyone wishing to receive interim reports in printed form should contact the company to make the necessary arrangements.

General meetings

Storebrand has one class of shares, each carrying one vote. The company holds its Annual General Meeting each year before the end of June. Shareholders who wish to vote in a general meeting must notify the company no later than 16.00 hours on the third business day before the date of the meeting.

Shareholders' contact with the company

Shareholders should generally contact the administrator of their own share account with queries and notice of changes such as, for example, a change of address. Storebrand's own shareholders' office, telephone +47 22 31 26 20, can also provide guidance and information.

Active management of customers' savings

By the close of 2002, customer assets under management by Storebrand totalled almost NOK 140 billion. The group's banks had NOK 14 billion of deposits from customers. Storebrand strives to generate the best possible investment return for customers. In 2002 Storebrand launched a global fund offering active asset allocation between equities and fixed income, making it the first Norwegian asset manager to offer such a fund. The asset managers responsible for this fund follow market developments closely and invest in the companies, sectors and regions that are expected to produce the strongest growth. This means that 'Storebrand Aktiv Allokering' will always allocate assets where the asset managers believe returns will be highest.

Profit and Loss Account Storebrand ASA

1 January - 31 December

NOK million	Note	2002	2001	2000
Operating income				
Group contribution from subsidiaries	1		671.6	1 268.0
Dividends from subsidiaries	1	**267.8**		1 330.6
Total operating income		**267.8**	**671.6**	**2 598.6**
Operating costs				
Personnel expenses	2, 3, 4	**-82.1**	-63.4	-138.9
Depreciation	12	**-17.8**	-66.7	-85.4
Other operating costs		**-104.5**	-70.0	-14.1
Total operating costs		**-204.4**	**-200.1**	**-238.4**
Financial income and financial expenses				
Interest income from securities		**55.9**	42.3	17.7
Other interest income		**23.7**	49.1	22.8
Dividends		**16.7**	16.5	7.1
Gain on sale of securities		**16.0**	31.8	31.7
Unrealised gain on securities				34.9
Other financial income				2.7
Total financial income		**112.3**	**139.7**	**116.9**
Loss on sale of securities		**-214.1**	-20.8	-17.4
Unrealised loss on securities		**-60.3**	-143.4	
Write-down of other financial assets			-174.9	
Other financial expenses		**-27.2**	-10.2	-2.4
Interest costs - bond	14	**-236.0**	-153.0	-153.0
Interest costs - other long term debt		**-29.7**	-37.6	-49.6
Total financial expense		**-567.3**	**-539.9**	**-222.4**
Net financial income and expense		**-455.0**	**-400.2**	**-105.5**
Profit before tax		**-391.7**	71.3	2 254.7
Tax	5	**318.0**	-151.3	-300.0
Profit for the year		**-73.7**	**-80.0**	**1 954.7**
Allocations				
Other equity	13	**73.7**	80.0	-1 781.1
Group contribution to subsidiaries (net)				-338.8
Dividends received from subsidiaries				470.5
Provision for dividend payment				-305.3
Total allocations		**73.7**	**80.0**	**-1 954.7**

Balance Sheet Storebrand ASA

NOK Million	Note	31.12.02	31.12.01	31.12.00
Assets				
Deferred tax assets	5	**144.4**		
Properties and real estate	12	**62.4**	63.4	61.3
Shares and participations in group companies	6	**8 972.8**	7 418.2	7 217.0
Shares and other equity investments - long term holdings				1.5
Subordinated loan	8	**235.7**	142.2	104.9
Shares	7, 11	**512.3**	672.6	917.2
Bonds	9, 11	**384.2**	143.4	32.9
Short-term debt instruments	9	**1 002.6**	902.7	193.0
Other financial assets	11	**52.3**		
Total financial assets		**11 222.3**	**9 342.5**	**8 527.8**
Intra-group receivables	16	**38.9**	1 119.4	2 292.1
Other receivables and assets		**79.3**	39.0	64.1
Fixed assets excluding real estate	12	**35.2**	71.3	147.1
Cash and at bank		**92.6**	121.8	129.0
Pre-paid pensions	3	**509.4**	479.6	439.0
Total assets		**12 122.1**	**11 173.6**	**11 599.1**
Equity capital and liabilities				
Share capital		**1 389.0**	1 388.4	1 387.7
Premium reserve		**1 809.8**	1 804.6	1 799.5
Total paid in equity	**13**	**3 198.8**	**3 193.0**	**3 187.2**
Other equity		**4 667.8**	4 741.4	4 821.4
Total retained earnings	**13**	**4 667.8**	**4 741.4**	**4 821.4**
Total equity capital	**13**	**7 866.6**	**7 934.4**	**8 008.6**
Pension liabilities	3	**287.3**	324.0	365.2
Reserves for other risks and costs		**30.8**	47.8	66.4
Deferred tax	5		173.6	22.4
Allocated for dividend				305.3
Bonds	10, 14	**3 652.8**	1 800.0	1 800.0
Intra-group liabilities	16	**20.3**	205.4	799.6
Other liabilities		**146.0**	556.6	95.5
Other accrued costs and deferred income		**118.3**	131.8	136.1
Total equity capital and liabilities		**12 122.1**	**11 173.6**	**11 599.1**

Guarantees issued: See note 18

Oslo, 24 February 2003
Translation - not to be signed

Leiv L. Nergaard — Harald Tyrdal — Knut G. Heje — Nina E. Smeby

Halvor Stenstadvold — Grace Reksten Skaugen — Rune Bjerke — Rune Eikeland

Arild Thoresen

Idar Kreutzer
Chief Executive Officer

Profit and Loss Account Storebrand Group

1 January - 31 December

NOK million	Note	2002	2001	2000
Insurance premiums for own account		**10 170.1**	9 579.3	9 595.9
Interest and related income - banking	21	**2 599.5**	2 671.2	2 270.2
Financial income - insurance	20	**20 713.3**	19 280.2	24 974.1
Financial income - other activities	36	**128.8**	154.0	96.6
Share in result of If	20, 36	**-243.7**	-769.3	-306.9
Other income		**342.2**	520.7	654.5
Total operating income		**33 710.2**	**31 436.1**	**37 284.4**
Insurance claims for own account		**-8 803.5**	-9 647.2	-10 326.5
Change in insurance reserves - life insurance		**-3 423.3**	-2 115.8	-1 821.5
Interest and related expense - banking	21	**-1 996.7**	-2 047.8	-1 691.3
Loan losses - banking	22	**-411.8**	-269.3	-247.6
Financial expense - insurance	20	**-19 401.2**	-18 210.8	-21 592.3
Financial expense - other activities		**-640.5**	-209.2	-42.8
Operating costs	23, 24	**-2 242.4**	-2 261.2	-2 111.9
Other costs		**-347.4**	-666.4	-573.9
Total costs		**-37 266.8**	**-35 427.7**	**-38 407.8**
To (from) market value adjustment reserve		**843.9**	2 154.2	5 598.2
Operating profit		**-2 712.7**	**-1 837.4**	**4 474.8**
To (from) additional statutory reserves - life-insurance		**1 011.7**	407.6	-450.9
Funds allocated to policyholders - life-insurance				-3 500.5
Group profit	**19**	**-1 701.0**	**-1 429.8**	**523.4**
Changes in security reserve etc. - non-life insurance		**199.2**	278.8	335.7
Profit before extraordinary items		**-1 501.8**	**-1 151.0**	**859.1**
Tax	25	**611.9**	199.4	-152.3
Minority interests' share of profit		**-2.5**		
Profit for the year		**-892.4**	**-951.6**	**706.8**
Earnings per ordinary share		**-3.73**	-4.15	1.67

Balance Sheet Storebrand Group

NOK million	Note	31.12.02	31.12.01	31.12.00
Assets				
Deferred tax assets	25	**650.7**	51.4	
Intangible assets	26	**617.4**	674.8	705.0
Properties and real estate	27	**9 850.2**	11 357.3	10 994.8
Interests in associated companies	36	**3 296.3**	3 161.8	3 445.5
Shares and other equity investments - long term holdings	29	**37.2**	35.5	36.0
Bonds held to maturity	31	**40 022.6**	25 043.6	27 402.3
Net loans to customers	34	**26 160.4**	29 140.6	27 697.0
Other long term financial assets	32,33	**953.1**	1 107.5	1 490.3
Shares and other equity investments	29	**11 301.9**	22 972.5	36 287.6
Bonds	30	**16 579.8**	29 686.0	32 070.9
Short term debt instruments	30	**23 465.5**	14 397.1	5 432.3
Other financial current assets	32,33	**9 035.8**	4 118.4	4 554.7
Total financial assets		**140 702.8**	**141 020.3**	**149 411.4**
Receivables		**1 209.2**	4 248.3	892.3
Other assets	28	**2 275.9**	3 810.0	3 079.8
Prepaid pensions	24	**590.8**	536.9	526.3
Prepaid expenses and accrued income		**2 504.5**	1 872.7	2 129.3
Total assets		**148 551.3**	**152 214.4**	**156 744.1**
Equity capital and liabilities				
Paid in capital and retained earnings	37	**8 534.5**	9 616.7	10 544.8
Minority interests	37	**1.1**		
Total equity capital		**8 535.6**	**9 616.7**	**10 544.8**
Subordinated loan capital	38	**2 994.4**	3 979.6	4 041.0
Market value adjustment reserve			843.9	2 998.1
Insurance reserves - life insurance	39	**102 548.7**	102 569.3	103 588.3
Premium and claims reserves - non-life insurance		**506.9**	608.3	747.5
Security reserves etc. - non-life insurance		**338.7**	508.0	779.1
Total technical (insurance) reserves		**103 394.3**	**103 685.6**	**105 114.9**
Reserves for other risks and costs		**77.8**	72.1	131.7
Pension liabilities	24	**456.1**	478.6	542.2
Deferred tax	25			125.1
Liabilities to other financial institutions	35	**4 290.6**	4 350.7	4 280.5
Deposits from and due to customers	35	**13 198.9**	13 900.2	14 047.0
Securities issued	35	**7 895.9**	10 435.7	9 008.6
Other liabilities		**7 011.9**	3 984.7	5 002.9
Accrued costs and deferred income		**695.8**	866.6	907.3
Total equity capital and liabilities		**148 551.3**	**152 214.4**	**156 744.1**

Oslo, 24 February 2003

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Halvor Stenstadvold	Grace Reksten Skaugen	Rune Bjerke	Rune Eikeland
Arild Thoresen			Idar Kreutzer *Chief Executive Officer*

Cash Flow Analysis Storebrand

	Storebrand ASA			Storebrand Group		
NOK million	**2002**	2001	2000	**2002**	2001	2000
Cash flow from operational activities						
Premiums received - direct insurance				**5 128.5**	4 414.9	5 747.4
Premiums received - insurance assumed				**13.2**	11.3	5.9
Premiums paid - reinsurance				**-92.3**	-14.8	14.5
Claims and benefits paid - direct insurance				**-6 395.4**	-7 447.3	-6 528.8
Claims settlement from reinsurance in respect of claims and benefits paid				**115.7**	170.1	31.4
Receipts from policy transfers				**2 615.6**	2 108.3	2 347.5
Payments on policy transfers				**-2 401.6**	-3 861.4	-2 822.3
Interest, commission and fees received from customers				**1 430.8**	1 525.0	2 528.2
Interest, commission and fees paid to customers				**-34.5**	-42.6	-1 371.6
Payments to third parties for goods and services	**-139.5**	-44.0	-24.9	**977.5**	-521.7	-872.8
Payments to employees, pensions, employment taxes etc.	**-119.1**	-146.3	-218.9	**-1 213.1**	-1 230.1	-1 019.4
Interest paid	**-277.7**	-190.6	-202.6	**-1 952.0**	-1 685.6	-883.4
Interest received	**84.4**	91.4	40.5	**6 463.9**	6 081.8	4 506.4
Dividends received	**16.7**	16.5	7.0	**396.8**	424.5	471.9
Payments of tax, duties etc.				**70.1**	-107.8	-14.0
Net receipts from securities	**-245.6**	-10.2		**-2 965.2**	-2 255.3	4 989.3
Net cash flow from operational activities	**-680.8**	**-283.2**	**-398.9**	**2 158.0**	**-2 430.8**	**7 130.2**
Cash flow from investment activities						
Receipts from loans to and claims on other financial institutions				**21.3**	-146.9	-126.6
Receipts on claims previously written off				**0.3**	0.7	
Loans disbursed to customers				**-5 033.2**	-5 304.7	-8 964.4
Loan repayments by customers				**4 074.4**	3 581.2	3 530.4
Receipts from sales of shares and other equity investments	**14.5**		207.0	**24 215.0**	35 976.8	25 639.4
Payments for purchase of shares and other equity investments	**-240.0**	-1 227.8	-814.0	**-14 956.8**	-26 758.3	-31 914.8
Receipts from sales of bonds	**520.6**	529.8	1 939.0	**66 580.0**	39 572.5	37 654.4
Payments on purchase of bonds	**-859.2**	-683.2	-1 760.0	**-65 162.0**	-38 591.0	-36 007.1
Receipts on sale of short-term debt instruments	**5 874.3**	3 197.3	670.0	**60 955.7**	32 691.9	19 579.5
Payments on purchase of short-term debt instruments	**-5 894.0**	-3 877.6	-538.0	**-70 575.7**	-40 801.9	-21 670.6
Receipts on sale of real estate				**1 344.3**	118.0	149.7
Payments on purchase of real estate		-2.2	-2.4		-41.9	-800.6
Net cash movement on purchase/sale of other securities	**23.2**	7.2	279.0	**252.1**	-216.7	319.9
Net payments on purchase of fixed assets etc.	**18.3**	2.8	-92.3	**7.1**	-164.8	-43.8
Net cash flow from investment activities	**-542.3**	-2 053.7	-111.7	**1 722.3**	-85.1	-12 654.6
Cash flow from financing activities						
Deposits from customers				**18 897.0**	18 285.2	20 610.4
Repayment of customer deposits				**-19 995.7**	-18 789.7	-17 607.5
Deposits from Norges Bank and other financial institutions				**30 935.8**	23 451.0	18 732.7
Repayment of deposits from Norges Bank and other financial institutions				**-30 316.5**	-23 395.4	-17 569.0
Repayment of long term lending	**-1 432.9**	-130.7	-1 004.9	**-1 432.9**	-192.6	-410.7
Receipts from taking up term loans	**2 732.5**	500.0		**2 753.3**	732.5	107.7
Receipts from issue of short-term debt instruments				**3 055.8**	5 338.6	4 417.3
Repayment of short-term debt instruments				**-5 038.7**	-5 787.9	-1 750.0
Receipts from subordinated loan capital					86.5	198.5
Repayment of subordinated loans				**-964.8**		-703.1
Receipts from issue of bonds and other long term funding	**-111.5**			**1 437.3**	906.4	1 114.1
Repayment of bonds and other long term funding				**391.9**	910.3	-1.0
Receipts from issue of new capital	**5.8**	5.8	5.8	**282.2**	307.8	277.4
Receipts from issue of other capital					117.1	72.4
Payments on redemption of share capital				**2.0**		
Dividend/group contribution payments		-644.1	-277.4		-305.3	-277.4
Receipts/payments of group contribution/dividend		2 598.7	1 589.7			
Net cash flow from financing activities	**1 193.9**	**2 329.7**	**313.2**	**6.7**	**1 664.5**	**7 211.8**
Net cash flow for the period	**-29.2**	**-7.2**	**-197.4**	**3 887.0**	**-851.3**	**1 687.4**
Net movement in cash and cash equivalent assets	**-29.2**	-7.2	-197.4	**3 887.0**	-851.3	1 687.4
Cash and cash equivalent assets at start of the period for new companies				**20.6**	6.7	
Cash and cash equivalent assets at start of the period	**121.8**	129.0	326.4	**4 069.0**	4 913.6	3 226.2
Cash and cash equivalent assets at the end of the period	**92.6**	**121.8**	**129.0**	**7 976.6**	**4 069.0**	**4 913.6**
RECONCILIATION:						
Profit before tax	**-391.7**	71.3	2 254.7	**-1 518.7**	-1 151.0	859.1
Tax paid in the period				**4.0**	-78.2	2.2
Gains/losses on sale of fixed assets				**0.5**	1.7	
Ordinary depreciation	**17.8**	66.5	85.4	**131.9**	106.1	77.3
Write-down of fixed assets				**323.0**	136.7	430.2
Other non-cash items				**25.7**	645.5	6 751.8
Difference between booked pension cost and payments/receipts to pension scheme	**-64.8**			**-57.2**	7.8	-5.0
Items classified as investment or financing activities	**17.8**	325.1	-2 648.2	**81.1**	367.3	-783.2
Movement in accruals	**-259.9**	-746.1	-90.8	**3 150.9**	-2 466.5	-202.2
Net cash flow from operational activities for the year	**-680.8**	**-283.2**	**-398.9**	**2 158.0**	**-2 430.6**	**7 130.2**

To the Annual General Meeting of Storebrand ASA

Auditors' Report for 2002

Respective Responsibilities of the Directors and Auditors

We have audited the annual financial statements of Storebrand ASA as of 31 December 2002, showing a loss of NOK 73.7 million for the parent company and a loss of NOK 892.4 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 to settle the loss for the year. The financial statements comprise the balance sheet, the statements of income and cash flows, the accompanying notes and the group accounts. These financial statements are the responsibility of the company's Board of Directors and Chief Executive Officer. Our responsibility is to express an opinion on these financial statements and on the other information according to the requirements of the Norwegian Act on Auditing and Auditors.

Basis of Opinion

We have conducted our audit in accordance with the Norwegian Act on Auditing and Auditors and good auditing practice in Norway. Good auditing practice requires 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 sample 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 good accounting 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.

Opinion

In our opinion,

- the financial statements are prepared in accordance with the law and regulations and present the financial position of the company and of the group as of 31 December 2002 and the results of its operations and its cash flows for the year then ended, in accordance with good accounting practice in Norway.
- the company's management has fulfilled its duty to produce proper and clearly set out registration and documentation of accounting information in accordance with the law and good accounting practice.
- the information in the Board of Directors report concerning the financial statements, the going concern assumption, and the proposal to settle the loss for the year are consistent with the financial statements and comply with the law and regulations.

Oslo, 24 February 2003
KPMG AS
Translation - not to be signed

Ole M. Klette
State Authorised Public Accountant

Arne Frogner
State Authorised Public Accountant

Control Committee's Statement - 2002

The Control Committee of Storebrand ASA has reviewed the Board of Directors' proposed Annual Report and Accounts for 2002 for the Storebrand Group.

With reference to the auditor's report of 24 February 2003 the Control Committee recommends that the Annual Report and Accounts proposed be adopted as the Annual Report and Accounts of Storebrand ASA and the Storebrand Group for 2002.

Oslo, 6 March 2003
Translation - not to be signed

Nils Erik Lie
Chairman of the Control Committee

Board of Representatives' Statement – 2002

The Board of Directors' proposal for the Annual Report and Accounts, together with the Auditor's report and the Control Committee's statement have, in the manner required by law, been presented to the Board of Representatives. The Board of Representatives recommends that the Annual General Meeting approve the Board of Directors proposal for the Annual Report and Accounts of Storebrand ASA and the Storebrand Group.

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

Oslo, 11 March 2003
Translation - not to be signed

Sven Ullring
Chairman of the Board of Representatives

Storebrand Livsforsikring Group

NOK million	2002	2001	2000
Profit and Loss Account 1 January - 31 December			
Technical account			
Premiums for own account	8 916.1	8 505.6	7 949.6
Income from financial assets	20 381.6	18 903.4	23 953.8
Claims for own account	-8 506.7	-9 474.6	-10 241.6
Change in insurance reserves for own account	-3 333.1	-1 905.4	-1 194.3
Insurance related operating costs for own account	-777.7	-751.9	-784.6
Expenses arising from financial assets	-18 496.8	-17 465.6	-20 588.3
- of which operating expenses	-139.1	-123.2	-144.9
Other insurance related income/costs after reinsurance	-41.4	-74.2	-91.3
To/from market value adjustment reserve	843.9	2 154.2	5 598.2
Transfer from additional statutory reserves in the policyholders' fund to meet the interest guarantee shortfall	1 011.7	407.6	
Transfers to policyholders	0.0	0.0	-3 500.5
Balance on the technical account	**-2.4**	**299.1**	**1 101.0**
Non-technical account			
Other income/ costs	-238.5	-313.8	-263.4
Profit from ordinary activities	-240.9	-14.7	837.6
Tax	128.6	78.0	-128.9
Minority interests' share in profit	-0.6	-0.4	-1.1
Profit for the year	**-112.9**	**62.9**	**707.6**
Storebrand Livsforsikring AS			
Tax	128.9	79.9	-128.0
Dividend			-530.6
Other equity	112.9	-62.9	-177.0
Total allocations	**241.8**	**17.0**	**-835.6**
Balance sheet at 31 December			
Assets			
Intangible assets	140.0		1.8
Properties and real estate	9 787.0	11 293.1	10 907.2
Bonds held to maturity	40 022.6	25 043.6	27 402.3
Loans	1 118.4	1 402.1	2 056.7
Shares and other equity investments	10 692.3	22 060.4	35 180.3
Bonds and other securities - fixed yield	14 346.2	28 102.4	28 043.5
Short-term debt instruments	21 251.0	11 353.0	4 110.3
Other financial assets	5 701.3	802.4	1 679.3
Total financial assets	**102 918.8**	**100 057.0**	**109 379.6**
Other assets	4 782.3	7 962.3	3 799.9
Total assets	**107 841.1**	**108 019.3**	**113 181.3**
Equity capital and liabilities			
Equity capital	3 075.8	3 188.7	3 125.8
Minority interests' share in equity	11.7	11.3	11.6
Subordinated loan capital	2 470.4	3 435.2	3 498.2
Market value adjustment reserve	0.0	843.9	2 998.1
Total insurance related reserves for own account	99 238.9	99 326.0	100 576.6
Other liabilities	3 044.3	1 214.2	2 971.0
Total equity and liabilities	**107 841.1**	**108 019.3**	**113 181.3**

Complete Annual Report for Storebrand Life Insurance Group can be found at: www.storebrand.com./ir

Contents Notes

Accounting Principles 2002

The group accounts of Storebrand ASA for 2002 have been prepared in accordance with the Accounting Act and the appropriate regulations for the annual accounts of insurance companies, banks and investment firms. The regulations and valuation rules for the annual accounts of insurance companies are applied to the group's insurance activities, the regulations for the accounts of banks are applied to the group's banking activities, the accounting principles for the accounts of investment firms are applied to the group's asset management activities and the general provisions of the Accounting Act are applied to all other activities. The presentation of the accounts and the information provided in the notes is based on the requirements set out in the Accounting Act and adapted for the group's activities in order to provide the best possible picture of the group's overall activities.

Consolidation principles

The Storebrand Group is made up of companies in life insurance, non-life insurance, asset management, banking and other activities.

The group accounts consolidate Storebrand ASA and all subsidiaries where Storebrand ASA directly or indirectly owns more than 50%.

Investments considered to be of strategic importance where the group owns between 20% and 50% of the voting capital (associated companies), are consolidated in accordance with the equity method. This implies in general terms that the ownership interest is recognised in the accounts in line with the consolidation principles described in this section, but is presented as a single line in the profit and loss account and balance sheet respectively ('single line consolidation').

In the case of investments in jointly controlled companies which are separate legal entities, either the equity method accounting or the proportional consolidation method of accounting is applied. The proportional consolidation method is used for jointly controlled companies which are not separate legal entities. The application of the proportional consolidation method leads to the inclusion in the parent company accounts of a proportionate share of assets, debt, income and expense.

Consolidation of subsidiaries

Elimination of shares in subsidiaries is based on the acqusition method, where the capitalised value of shares in subsidiaries is eliminated against the equity capital in the subsidiaries. Any excess value/deficit is booked directly to the assets/liabilities in question and depreciated/taken as income in line with these. Any excess value which is not directly related to a specific item is classified as goodwill. Goodwill is valued at actual value on the basis of is expected lifetime, which will not normally be longer than 20 years.

Translation of foreign subsidiaries

The profit and loss accounts of foreign subsidiaries are translated to NOK at the average exchange rates for the year, whilst the balance sheets are translated at the rate ruling at the end of the year. Any translation differences are posted against unrestricted equity.

Elimination of internal transactions

Internal receivables and payables, internal profits and losses, interest and dividends, etc. between group companies are eliminated in the consolidated accounts. Gains and losses on internal sales to/from Storebrand Livsforsikring AS are not eliminated due to the fact that the profit of the life company is to be divided between customers and shareholders.

Minority interests

In the profit and loss account, the minority interests' share of the profit after tax is stated. This means that all items in the profit and loss account include minority interests. Minority interests are shown in the balance sheet as a separate item under the heading of equity capital.

Deferred tax

The tax charge in the profit and loss account consists of tax payable and changes in deferred tax and deferred tax assets. Tax payable is calculated on the basis of the taxable profit for the year. Deferred tax and deferred tax assets are calculated on the basis of timing differences between accounting and tax values and losses and unused allowances carried forward. Net deferred tax assets are recorded in the balance sheet to the extent that it is considered likely that it will be possible to make use of the benefit they represent at some future date.

Pension costs

The net pension cost for the period consists of the sum of pension liabilities accrued in the period, the interest charge on the estimated liability and the expected return on the pension funds.

Prepaid pension is the difference between the actual value of the pension funds and the present value of estimated pension liabilities, and is booked as a long-term asset in the balance sheet. Correspondingly a long-term liability arises in the accounts when the pension liability is greater than the pension funds. A distinction is made between insured and uninsured schemes. The uninsured scheme will always be entered as a liability since it does not have a pension fund.

The effects of changes in assumptions, deviations between calculated and estimated pension liabilities and the difference between the expected and actual return achieved on pension funds are charged to profit and loss over the remaining period for pension accrual or the expected remaining life once the cumulative effect exceeds 10% of the higher of either the pension liability or pension funds at the start of the year (the 'corridor approach').

Properties and real estate

Real estate directly owned by Storebrand Livsforsikring AS.

The method used to value properties and real estate in the accounts differs as between the life insurance business and the group's other businesses. The group's life insurance activities value properties and real estate at market value in the accounts. Market value is reassessed annually for the purposes of the annual accounts, and any changes in valuation are recognised to profit and loss. Normal financial deprecation is not applied to real estate. The entry in the accounts for properties and real estate includes all types of property and real estate, including real estate assets held through a separate limited company or through a Norwegian partnership (ANS). The accounting principle for property and real estate is that reality should take precedence over form. For the purposes of the life insurance company, these holdings are investments in property and real estate in just the same way as directly owned property and real estate assets.

Method of establishing market value

Properties are valued individually by discounting estimated future net income streams by a rate corresponding to the yield requirement for the relevant property. The net income stream takes into account existing and future losses of income as a result of 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.

Properties and real estate held by other companies in the group

Ordinary depreciation is applied to properties and real estate held by other companies in the group.

Loans

Loans advanced are carried at nominal values in the balance sheet, reduced by provisions for losses calculated in accordance with the Norwegian Banking, Insurance and Securities Commission's regulations. Specific loss provisions are intended to cover calculable losses on facilities which are identified as exposed to the risk of loss at the balance sheet date. In the event that a borrower becomes insolvent, enters into a composition with its creditors or is wound up, the value of any collateral security forms the basis for estimating possible losses. In other cases of default the borrower's financial situation, including the capacity to service indebtedness, and the value of collateral security form the basis for estimating possible losses. A facility is defined as being in default if 90 days have passed since the facility went into arrears or an unauthorised overdraft arose and the arrears or overdraft have not been remedied, or if the borrower is subject to winding up or a composition with creditors. The possibility of loss is also considered when other conditions affecting the borrower such as weak liquidity, excessive gearing or weak earnings, or the value of collateral security, suggest that there is a risk of loss. The specific loan loss provisions considered necessary are established accordingly.

General loss provisions are booked to cover losses which, due to matters existing on the balance sheet date, must be expected to occur on facilities which have not been identified and valued in accordance with the rules for specific loss provisions. The provisions are made on the basis of past experience and sector data and by applying a risk classification system, which appraises the borrower and the value of any collateral security.

Realised losses on facilities are losses which are considered to be final. These include losses arising on the borrower's bankruptcy, insolvency or composition with creditors, or where the companies consider it is overwhelmingly likely that the loss is final. When an evaluation of a facility in default identifies the need for a specific loan loss provision to be established and the collateral security available is insufficient to cover interest and commission due, the accrual of interest, commissions and fees in respect of the facility ceases. In addition all interest, commissions and fees recognised to income in respect of the facility for the current year are reversed. When an evaluation of a facility not in default nonetheless identifies the need for a specific loan loss provision to be established, consideration is given to ceasing the accrual of interest, commissions and fees. When a loan previously classified as bad or doubtful is brought back into good order, interest which has accrued but not been recognised to profit and loss is recognised as interest income and specific loan loss provisions in respect of the loan are reversed. Properties repossessed in respect of loans in default are valued at their estimated realisable value. Any gains or losses upon sale, or any write-down as a result of a fall in value of such properties, are recognised as part of loan losses.

Arrangement of long term funding/subordinated loans/bond loans

The direct costs involved in taking up long-term funding are capitalised and are amortised to the next interest fixing date/maturity if the costs are material. Premiums/discounts on the issue of debt are recognised as income/expense by adjusting the interest expense of the bond issued over the period to maturity or the next interest fixing date. Holdings of own bonds are netted against bond indebtedness. Where own bonds are purchased in order to be cancelled, any losses or gains arising as a result of the purchase are recognised to the profit and loss account. The group's banking activities routinely buy back own bonds as part of their continuing funding activities. Losses or gains arising as a result of the purchase or sale of own bonds for this purpose are amortised over the remaining maturity.

Equity index bonds

The issue of equity index bonds comprises three elements: the issue of a bond loan, the issue of a call option related to a stock exchange index and the purchase of an option to fully hedge the option element of the index bond. The bond loan and the option agreements are entered into simultaneously. The discount on the bond element is amortised up to nominal value in the period to maturity as an interest expense. The option premium received on the option issued and the option premium paid on the option bought are recorded gross. The difference between premium paid and received and the amount of commission paid is recognised to profit and loss at the date of issue.

SECURITIES

Shares held as fixed assets

Investments in shares in subsidiaries and associated companies are treated as fixed assets in the company's accounts where the investment is of a long term and strategic nature. A corresponding classification is made for other strategic equity investments. The book value of such shares is the cost price, and write-downs are made on an individual basis if these are not due to reasons assumed to be temporary. Storebrand Livsforsikring AS applies the equity method of accounting to investments in subsidiaries and associated companies in accordance with the regulations for the annual accounts of insurance companies.

Shares held as current assets

Shares which are held as financial current assets are booked at market value. Market value is determined as the closing price on the Oslo Stock Exchange on the last trading day of the year, and the market price (last traded/bid price) in the case of shares listed on foreign stock exchanges. The market value of shares in other companies is determined on the basis of an evaluation of the information available. In the group's banking activities, shares held as current assets that are not intended for short-term trading are valued as a single portfolio at the lowest of purchase cost and market value.

Bonds to be held to maturity

Bonds owned by Storebrand Livsforsikring AS that are classified as hold to maturity are managed in accordance with the Norwegian Banking, Insurance and Securities Commission's guidelines. Such bonds are booked at cost price at the time of purchase. Premiums/ discounts in relation to par value are amortised over the bonds' remaining term and recorded in the profit and loss account as an interest element. Bonds in default are valued in line with the Norwegian Banking, Insurance and Securities Commission's guidelines for loans.

Bonds held as current assets

Bonds held as current financial assets are booked at market value, which is the last known traded price. In the case of securities where no traded price is available, a price is calculated on the basis of the yield curve for the particular sector. In the group's banking activities, shares held as current assets that are not intended for short-term trading are valued as a single portfolio at the lowest of purchase cost and market value.

Financial derivatives
Financial derivatives form an integrated part of Storebrand's management of the risk and return profile of share and bond portfolios.

Financial derivatives are recognised as current assets and are valued at market value. Storebrand undertakes routine mark-to-market valuations of all derivatives. Valuation 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.

In the group's banking activities, only financial derivatives entered into in respect of proprietary trading (the trading portfolio) are valued at market value. The various categories of financial derivatives are described in 'Terms and Expressions' on page 86.

Financial current assets denominated in foreign currency are to all practical intent currency hedged through forward foreign exchange transactions. The overall valuation of such financial current assets and the associated currency hedging transactions requires that forward foreign exchange contracts are booked at market value in order to be consistent with the use of exchange rates at 31 December in the valuation of foreign currency items.

Subordinated loans are also hedged through the use of forward foreign exchange transactions. The accounting treatment is the same as that for currency hedging of financial current assets. In addition subordinated loans which have interest rates fixed for long periods are hedged against interest rate movements through interest rate swaps. The market value surplus to the interest accrued on interest rate swaps used to hedge a subordinated loan is not capitalised in the accounts, nor is any premium or discount on the subordinated loan.

Share, foreign exchange and interest rate options
Option premiums are capitalised at market value when an option is purchased or sold. Options are realised when they expire, are exercised or are closed out by a matching and opposite transaction.

Equity futures and interest rate futures
Futures contracts (including equity 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 profit or loss.

Interest rate swaps
Interest income and expense arising from interest rate swaps is accrued continuously. Where interest rate swaps are not used exclusively for hedging purposes, unrealised gains and losses are recognised to profit and loss at the balance sheet date.

FRA - Forward rate agreements
Forward rate agreements (FRA) are valued at market value and are settled on the first day of the period which is the subject of the agreement.

Forward foreign exchange contracts and foreign exchange options
Forward foreign exchange contracts and foreign exchange options are principally used to hedge holdings of securities, other financial instruments and insurance related entries. As part of the accounting recognition of hedging transactions, contracts entered into for hedging purposes are valued at market price in the financial accounts, and unrealised gains or losses are taken to profit and loss.

Unrealised gains or losses recognised to profit and loss do not affect the market value adjustment reserve in Storebrand Livsforsikring AS but do affect the profit available for allocation between customers and the shareholder. Profit or loss arising from active currency positions are applied to the market value adjustment reserve.

Foreign exchange
Hedged balance sheet items are recorded at the exchange rate prevailing on the date of the balance sheet. The currency risk arising from foreign investments and currency denominated debt is largely hedged by forward foreign exchange contracts.

Liquid assets, receivables and liabilities are converted at the exchange rate prevailing on the date of the balance sheet. Any other balance sheet items are recorded at the exchange rate prevailing at the date of acquisition.

STOREBRAND ASA
Dividends and group contribution
The cost method of accounting is used to arrive at the value of subsidiaries in the parent company accounts. The main income of Storebrand ASA is the return on capital invested in subsidiaries. In the company's accounts group contributions and dividends received in respect of these investments are therefore recorded as ordinary operating income. This treatment can only be applied to income earned by the subsidiaries during the period of Storebrand's ownership. When this is not the case receipts are recognised as equity transactions, and this implies that the value of the investment in the subsidiary is reduced by the amount of group contribution or dividend received.

LIFE INSURANCE
Premium income for own account
Premiums for own account comprise premium amounts which fall due during the year, transfers of premium reserve and premiums on reinsurance ceded. Accrual of premiums earned is made through allocations to premium reserve in the insurance reserve.

Claims for own account
Claims for own account comprise claims settlements paid out, including reinsurance assumed, premium reserves transferred from other companies, reinsurance ceded and changes in claims reserves. The allocation for unsettled disability and death benefits is made through an allocation to the premium reserve in the insurance fund.

Income and expenses of financial assets and the market value adjustment reserve
The income and expenses arising from financial assets reflect both realised items and changes in unrealised value. Such unrealised gains are applied to a market value adjustment reserve and do not affect profit and loss. Financial expenses include the administration costs associated with the financial activities.

Transfer to premium reserves
Transferred premium reserves in the insurance fund on the transfer of policies between insurance companies are booked to the profit and loss account at the date the risk is transferred. The year's mandatory allocations to the premium reserve are correspondingly reduced. In addition, the premium reserve transferred includes the policy's share in the year's realised and unrealised profit.

Market value adjustment reserve
The value of the market value adjustment fund is equivalent to unrealised gains on financial current assets. Unrealised gains or losses on foreign exchange contracts are not transferred to the market value adjust-

ment reserve with the exception of gains or losses on forward exchange contracts in respect of open currency positions. The market value adjustment reserve can never have a negative value. Unrealised losses are recognised to profit and loss on the basis of write-downs carried out on a portfolio basis.

Insurance reserves
Insurance reserves comprise the insurance fund and the statutory security fund. The insurance fund includes premium reserve, additional statutory reserves, premium fund/pension adjustment fund and claims reserves.

Premium reserve in the insurance fund
The premium reserve represents the cash value of the company's total insurance obligations in accordance with the individual insurance agreements after deducting the cash value of future premiums. The calculation principles are set out in the Insurance Activities Act. The calculations are made by an actuary.

Additional statutory reserves in the insurance fund
Additional statutory reserves are a conditional reserve, allocated to policyholders, which is booked to the profit and loss account as a mandatory reserve allocation. The maximum additional statutory reserve is set at the difference between the premium reserve, calculated on the basis of a 3.5% guaranteed return, and the actual guaranteed return in the contracts. In addition maximum limits apply in respect of individual contracts. Additional statutory reserves may be applied to meet any shortfall between actual return and the guaranteed return.

Premium fund/pension adjustment fund in the insurance fund
The premium fund contains premiums prepaid by policyholders on individual and group pension insurance as a result of taxation regulations. The pension adjustment fund consists of payments from policyholders on group pension insurance also resulting from taxation regulations. The fund is to be applied in payments of future benefit increases to pensioners.

Security fund
The security fund is a statutory reserve to cover unexpected insurance risks. The calculations are made by an actuary in accordance with regulations published by the Norwegian Banking, Insurance and Securities Commission.

It is possible to increase the fund by 50% above the minimum allocation. In special situations the Norwegian Banking, Insurance and Securities Commission may permit that all or part of the fund be used to cover a fall in the value of securities. In the accounts the entire fund is shown as a mandatory fund.

Unit Linked
Unit Linked products are sold through Storebrand Fondsforsikring AS. Financial assets are recorded at market value. The level of technical reserves required in respect of such contracts is determined by the market value of the financial assets. The financial risk associated with such investments is borne by the policyholder.

Notes to the Accounts of Storebrand ASA

Note 1: Group contributions and dividends from subsidiaries

NOK million	**2002**	2001	2000
Group contribution received from			
Storebrand Skadeforsikring AS *)		671.6	1 200.0
Storebrand Fondene AS			31.0
Storebrand Kapitalforvaltning ASA			37.0
Dividend received from			
Storebrand Skadeforsikring AS	**267.8**		800.0
Storebrand Livsforsikring AS			530.6
Total	**267.8**	671.6	2 598.6
*) Group contribution booked directly against equity.	**99.6**	396.4	

Note 2: Personnel expenses

NOK million	**2002**	2001	2000
Ordinary wages and salaries	**51.1**	37.7	92.8
Employer's social security contributions	**14.2**	13.7	25.3
Pension expenses	**-1.7**	-6.5	3.4
Other benefits	**18.5**	18.5	17.4
Total personnel expenses	**82.1**	63.4	138.9

Note 3: Pension costs and pension liabilities

Net pension costs	2002					
	Insured	Uninsured schemes			2001	2000
NOK million	schemes	Ordinary	Early retire.	**Total**	Total	Total
Pension liabilities accrued for the year	-12.1	-7.8		**-19.9**	-25.7	-40.1
Interest costs	-127.0	-18.4	-1.8	**-147.2**	-150.1	-148.4
Expected return on pension funds	168.9			**168.9**	183.2	185.1
Effect of changed assumptions booked to P&L		-0.1		**-0.1**	-0.9	
Net pension costs	29.8	-26.3	-1.8	**1.7**	6.5	-3.4

In addition employers' social security contributions in respect of the uninsured scheme totalling NOK 0.3 million were charged to profit and loss in 2002.

Shown below is a reconciliation of estimated pension liabilities and pension funds with the liability booked in the company's balance sheet.

Net pension liability	2002					
	Insured	Uninsured schemes			2001	2000
NOK million	schemes	Ordinary	Early retire.	**Total**	Total	Total
Accrued pension liability	-1 443.9	-204.5	-49.7	**-1 698.1**	-2 089.0	-2 052.6
Estimated effect of future salary growth	-431.3	-71.9		**-503.2**	-197.8	-206.5
Estimated pension liability	-1 875.2	-276.4	-49.7	**-2 201.3**	-2 286.8	-2 259.1
Pension funds at market value	2 201.7			**2 201.7**	2 396.1	2 427.5
Net estimated liability/surplus	326.5	-276.4	-49.7	**0.4**	109.3	168.4
Effect of changed assumptions not booked to P&L	182.9	38.7		**221.6**	46.2	-94.6
Net liability in the balance sheet	509.4	-237.7	-49.7	**222.0**	155.5	73.8

Further information of the Storebrand pension scheme and accounting treatment for pensions can be found in note 24. Estimated employer's social security contributions in respect of the pension liability shown in the balance sheet amounts to NOK 38.0 million and is included as part of the "Reserves for other risks and costs" item in the balance sheet. The calculations relate to 40 employees and 2 455 pensioners.

Note 4: Remuneration of Chief Executive Officer and elected officials of the company

NOK 1 000	**2002**	2001	2000
Chief Executive Officer			
Ordinary remuneration	**3 043**	2 901	2 508
Other taxable benefits	**211**	125	117
Pension cost	**341**	223	157
Board of Representatives	**726**	569	775
Control Committee *)	**764**	814	849
Chairman of the Board	**500**	300	398
Board of Directors incl. Chairman of the Board	**2 255**	1 660	1 418
Auditor's fees for audit and related control functions	**2 621**	2 017	1 205
Auditor's fees for consultancy services **)	**9 000**	3 000	1 000

*) The Control Committee covers all the Norwegian companies in the group which are required to have a Control Committee, except for Storebrand Bank AS, Finansbanken ASA and Oslo Reinsurance Company ASA which have their own Control Committees.

**) Includes work relating to DnB merger process in 2002.

The terms of employment for Idar Kreutzer, Managing Director of Storebrand ASA, provide a guarantee of 24 months' salary following the expiry of the normal notice period. All forms of work-related income from other sources, including consultancy assignments, will be deducted from such payments. Kreutzer is entitled to a bonus scheme based on the performance of Storebrand's share price (see note 16) and he is a member of the Storebrand pension scheme on normal terms.

Note 5: Tax

NOK million	**2002**	2001	2000
Profit before tax	**-391.7**	71.3	2 254.7
+ Prior year dividend from subsidiaries		530.6	0.8
- Current year dividend from subsidiaries	**-267.8**		-530.6
+/- Permanent differences	**-75.8**	0.6	89.3
+/- Changes in temporary timing differences	**108.5**	600.2	-205.6
Tax base for the year	**-626.8**	1 202.7	1 608.6
- Tax losses carried forward			
Tax base for calculation of tax payable for the year	**-626.8**	1 202.7	1 608.6
Tax payable		-336.7	-450.4
- Tax allowances carried forward		336.7	318.7
Tax on group contribution paid			-131.7
Change in deferred tax	**318.0**	-151.3	-168.3
Tax	**318.0**	-151.3	-300.0
Calculation of deferred tax assets and deferred tax			
Tax increasing timing differences			
Securities	**133.4**	362.9	1 010.6
Real estate	**2.0**	2.0	2.0
Pre-paid pensions	**509.4**	479.6	439.0
Profit and loss account	**12.5**	10.5	13.1
Other		5.1	5.2
Total tax increasing timing differences	**657.3**	860.1	1 469.9
Tax reducing timing differences			
Securities			-0.1
Operating assets	**-77.8**	-101.5	-82.5
Provisions	**-53.4**	-85.1	-74.6
Accrued pension liabilities	**-287.3**	-324.1	-365.2
Other		-2.1	
Total tax reducing timing differences	**-418.5**	-512.8	-522.4
Net timing differences before losses carried forward	**238.8**	347.3	947.5
Losses carried forward	**-626.8**		
Allowances carried forward	**-127.6**	-123.6	-867.6
Capitalised to balance sheet		396.4	
Net tax increasing/(reducing) timing differences	**-515.6**	620.1	79.9
Deferred tax/deferred tax assets (net)	**-144.4**	173.6	22.4
Reconciliation of tax expense and ordinary profit			
Pre-tax profit	**-391.7**	71.3	2 254.7
Expected tax at nominal rate (28%)	**109.7**	-20.0	-631.3
Tax effect of dividends received from subsidiaries	**75.0**		148.6
Tax effect of permanent differences	**21.2**	-0.2	-25.0
Tax adjustment for previous years	**108.4**		
Tax effect of capitalisation		-136.3	-16.6
Tax allowances on shares	**3.7**	5.1	224.4
Tax charge	**318.0**	-151.3	-300.0
Effective tax rate	**81.2 %**	212.3 %	13.3 %

Note 6: Parent company's shares in subsidiaries and associated companies

NOK million	Registered office	Share capital	No. of shares (1 000)	Par value NOK	Interest in %	Book value
Subsidiaries						
Storebrand Livsforsikring AS	Oslo	1 361.2	13 612	100	100.0%	1 663.6
Storebrand Fondsforsikring AS	Oslo	44.5	44	1 000	100.0%	154.2
Storebrand Bank AS	Oslo	125.0	125	1 000	100.0%	675.4
Finansbanken ASA	Oslo	1 190.9	59 544	20	100.0%	2 190.1
Storebrand Kapitalforvaltning Holding AS	Oslo	50.0	50	1 000	100.0%	140.0
Storebrand Skadeforsikring AS *)	Oslo	7.8	13 807	0.56	100.0%	686.0
Storebrand Leieforvaltning AS	Oslo	10.0	100	100	100.0%	10.0
Storebrand Felix kurs og konferanse AS	Oslo	1.0	1	1 000	100.0%	8.0
Compensation Management AS	Oslo	26.4	26 393	1	100.0%	37.6
Storebrand ITI AS	Oslo	0.1	1	100	100.0%	0.1
Storebrand Alternative Investment ASA	Oslo		101		56.0%	1.1
Associated/jointly-controlled companies						
Storebrand Helseforsikring AS	Oslo	31.0	16	1 000	50.0%	57.5
Fair Financial Ireland plc.	Denmark				50.0%	46.2
Euroben Life & Pension A	Ireland				50.0%	75.0
Adviso AS	Oslo	20.5	75	100	36.5%	15.0
If Skadefõrsäkring Holding AB	Sweden				22.47%	3 213.0
AS Værdalsbruket **)	Værdal	4.8	2	625	24.9%	0.0
Total						8 972.8

*) Capital of NOK 1 777.6 million was repaid in 2002 and a group contribution of NOK 99.6 million was treated as an equity transaction.
**) 74.9% held by Storebrand Livsforsikring AS. Minority interests amount to 0.2%.

Note 7: Shares and other equity investments

NOK million	Share capital	Par value (NOK)	No. of shares	Interest	Acquisition cost	Market value
Norwegian shares						
Orkla	1 322.3	6.25	3 791 618	1.75%	580.7	447.4
Steen & Strøm	27.9	1.00	547 809	1.96%	56.0	49.3
Other Norwegian shares					2.5	2.5
Norwegian shares and other equity investments					639.2	499.2
International shares and fund units						
Vovi-Beteilungs (Neiv) (Germany)			13		7.5	6.8
Head Insurance Investors L.P.			91		36.4	3.6
Other international					3.6	1.9
Forward FX contracts - shares						0.7
Total shares and other current asset investments					686.7	512.3
Of which listed Norwegian shares						496.7
Of which listed foreign shares						0.0

Note 8: Subordinated loans

NOK million	Amount NOK	Currency	Currency amount	Exchange rate loss
Fair Financial Ireland plc	129.5	DKK	132.4	22.7
If Skadeförsäkring Holding AB *)	106.2	EUR	14.6	0.4
Total	235.7			23.1

*) The loan has been hedged for currency risks

Note 9: Short-term debt instruments and bonds

NOK million	Short-term debt instruments Acquisition cost	Market value	Bonds Acquisition cost	Market value	Total Acquisition cost	Market value
By debtor type						
Public sector	898.2	904.5	340.8	341.2	1 239.0	1 245.7
Financial institutions	98.0	98.0	25.0	25.0	123.0	123.0
Forward FX contracts				0.8		0.8
Total	996.2	1 002.5	365.8	367.0	1 362.0	1 369.5
Convertible bonds						
Financial institutions *)			17.2	17.2	17.2	17.2
Short-term debt instruments and bonds held as current assets	996.2	1 002.5	383.0	384.2	1 379.2	1 386.7
Of which listed		904.5		341.2		1 245.7
Denominated in NOK		1 002.5		384.2		1 386.7

*) Finansbanken ASA convertible bonds.

Note 10: Exchangeable bond

In March 2002 Storebrand ASA issued a EUR 160 million exchangeable bond with a fixed EUR coupon of 2.25%. The bond was issued at par. Each EUR 1 000 bond carries the right of conversion to 43.54 shares in Orkla ASA. The bonds are repayable on 8 March 2006 at a price of 105.81 assuming the holder has not exercised the right to convert to Orkla shares at an earlier date.

For Storebrand ASA the exchangeable bond represents a combination of a bond and the issue of a call option on Orkla shares. The option is covered partly (54%) by Storebrand ASA's own holding of Orkla shares and the balance is covered by the purchase of a call option on Orkla shares from Storebrand Livsforsikring AS. Both at the time the bonds were issued and on subsequent reporting dates the value of the call option issued and the bonds issued will be calculated separately. The difference between the original value of the bonds issued and the contractual redemption price in March 2006 will be amortised as interest expense over the period of the loan. The loan is recognised in the balance sheet at the amortised value.

Both the call option issued and the call option purchased from Storebrand Livsforsikring AS are valued at actual value calculated using generally accepted methods for this type of instrument. A fall in the price of the Orkla share in isolation represents a gain on the call option issued. The accumulated value of any such gain is limited to the value of the option when first issued. Save for this, the call option does not represent a hedge against losses on the holding of Orkla shares. An increase in the price of the Orkla share in isolation represents a loss on the call option issued which will be matched by a gain on the company's holding of Orkla shares and on the call option purchased from Storebrand Livsforsikring AS.

The principal amount of the bond issue and the fixed rate interest payments, both denominated in EUR, have been converted through a swap transaction to a floating rate loan denominated in Norwegian krone. The foreign exchange risk arising on any premium in the event of cash redemption of the loan at final maturity has been hedged by the purchase of a EUR call option. If bonds are converted to Orkla shares, the swap transaction will in itself represent a EUR position. This possible position risk has been hedged by purchasing a EUR put option. The loan is valued at the current exchange rate. Both the swap transaction and the currency options are booked at actual value in the balance sheet, and any changes in actual value are recognised to the profit and loss account.

Financial derivatives related to bonds issued:

NOK million	Maturity date	Gross nominal value	Strike price on currency options	Acquisition cost	Book value
Current assets					
Stock option purchased	08.03.06	374.7		38.7	18.1
EUR/NOK put option purchased	06.03.06	1 163.2	7.685	23.6	32.3
EUR/NOK call option purchased	06.03.06	93.8	8.3	4.4	1.9
Liabilities					
Option issued: EUR - Orkla shares	08.03.06	822.1		84.8	39.6
Basis currency swap	08.03.05	1 163.2			66.4

Bonds issued

NOK million	2002
Received from the issue	**1 232.5**
- Option purchased	**-84.8**
Acquisition cost	**1 147.7**
Amortised	**31.4**
Unrealised currency change	**-70.0**
Book value 31.12	**1 109.1**

Note 11: Financial derivatives

	Nominal volume			Credit		
NOK million	Gross	Average	Net	risk exposed value	Acquisition cost	Market value
Current assets						
Equity derivatives	374.7	357.1	374.7	12.6	38.7	18.1
Foreign exchange options	1 257.0	1 063.1	-1 069.4	20.2	28.1	34.2
Foreign exchange derivatives *)	119.6	44.8	-119.6	0.6		1.5
Total derivatives - current assets	1 751.3	1 465.0	-814.3	33.4	66.8	53.8
Fixed assets						
Interest rate derivatives	277.2	22.1	-277.2	0.5		
Total derivatives - fixed assets	277.2	22.1	-277.2	0.5		
Liabilities						
Option issued: EUR - Orkla shares	822.1	961.4	-822.1		84.8	39.6
Basis swap	1 163.2	983.8	1 163.2	11.6		25.2
Total derivatives - liabilities	1 985.3	1 945.2	341.1	11.6	84.8	64.8

*) Included in the balance sheet under shares and bonds, see notes 7 and 9.

Note 12: Real estate and other operating assets

NOK million	Real estate	Equipment, cars, inventory
Acquisition cost at 1.1	64.5	326.8
Additions	2.5	3.0
Disposals at acquisition cost	-2.4	-46.4
Aggregate depreciation and write-downs at 31.12	-2.2	-248.2
Book value at 31.12	62.4	35.2
Depreciation for the year	-1.1	-17.8

Straight line depreciation periods for operating assets are as follows:

Equipment and inventory:	4 years
Motor cars:	5 years
Computer systems:	3 years

Note 13: Equity capital

	Share	Share	Other	Total equity		
NOK million	capital	premium	equity	**2002**	2001	2000
Equity at 01.01	1 388.4	1 804.6	4 741.4	**7 934.4**	8 008.6	6 133.9
Profit for the year			-73.7	**-73.7**	-80.0	1 954.7
Employe share issue *)	0.6	5.3		**5.9**	5.8	5.9
Allocated to dividend						-305.3
Other						219.5
Equity at 31.12.	1 389.0 **)	1 809.8	4 667.8	**7 866.6**	7 934.4	8 008.7

*) Share capital was increased by 122 100 shares through a private placement with employees. The subscription price was NOK 40 per share. In accordance with the accounting circular issued by Oslo Børs, this issue is booked at market value.

**) 277 802 422 shares each with a face value of NOK 5.

Note 14: Bonds

NOK million	Interest rate	Currency	Booked NOK amount	Share	Maturity
Exchangeable bond *)	2.25 %	EUR	1 109.1	Orkla AS	2006
Bond 1993/2003	8.50 %	NOK	1 043.7		2003
Bond 2002/2007 **)	7.18 %	NOK	579.0		2007
Bond 2002/2007	3 m NIBOR+0.80	NOK	921.0		2007
Total			3 652.8		

*) Hedged with a foreign exchange swap.
**) Swapped in part to floating rate.

Note 15: Shareholders

20 largest shareholders

	Holding in %		Holding in %
Folketrygdfondet	9.99	JP Morgan Chase Bank (NOM)	1.18
Skandia Life Insurance	9.97	Verdipapirfondet Avanse	1.04
Orkla ASA	9.95	JP Morgan Chase Bank (NOM)	1.03
DnB Markets	9.92	DnB Norge v/DnB Investor	0.98
Steen & Strøm Drammen AS	6.30	Bank of New York	0.92
Deutsche Bank Trust US (NOM)	4.43	Verdipapirfondet Avanse	0.90
Canica AS	3.60	Morgan Stanley & Co. (NOM)	0.85
Nordstjernen Holding	2.67	Skandinaviska Enskilda Banken (NOM)	0.84
Ferd AS	2.56	Gjensidige NOR Spareforsikring	0.77
State Street Bank & Co. (NOM)	1.62	**Foreign ownership**	32.2%
Bank of New York	1.43		

No single investor is permitted to hold more than 10% of the shares of a financial institution. However banks may, with the approval of the authorities, hold more than 10% in their capacity as a manager of third party assets.

Note 16: Senior executives, non-executive officers and other connected parties

	No. of shares owned *)	No. of bonus units**)	Loan NOK 1 000	Interest rate at 31.12.02	Repaymt. basis ***)
Senior executives **)**					
Idar Kreutzer *****)	1 600	560 000	5 804	6.45 - 8.25	AN 2031
Hans Henrik Klouman	938	340 000	1 200	6,75	AN 2025
Kai G. Henriksen	1 090	100 000	2 103	6.45 - 7.85	AN/SE 2029
Odd Arild Grefstad	3 040	75 000	1 179	6.45	AN 2020
Maalfrid Brath	1 025	75 000	2 587	6.45 - 8.05	SE 2021
Grete Faremo	484	90 000	3 001	6.45 - 7.85	AN 2020
Egil Thompson	475	25 000	730	6,45	AN 2031
Erik Råd Herlofsen	1 675	40 000	4 299	6.45 - 8.05	AN 2032
Lars Aa. Løddesøl	1 175	50 000	1 931	6.45 - 7.85	AN 2031
Roar Thoresen	0	0	1 179	6.45	AN 2022
Per Kumle	10 000	0	5 400	7,35	SE 2027
Espen Klitzing	3 340	290 000	1 606	6.45 - 8.35	AN 2005
Allan Åkerstedt	475	150 000			
Rolf Corneliussen	115	100 000	1 987	6.45 - 8.05	SE 2011

	No. of shares owned *)	No. of bonus units**)	Loan NOK 1 000	Interest rate at 31.12.02	Repaymt. basis ***)
Board of Directors					
Leiv L. Nergaard	10 000				
Halvor Stenstadvold	3 593				
Knut G. Heje	8 500				
Rune Bjerke	1 000				
Harald Tyrdal	3 100				
Grace Reksten Skaugen	13 000				
Rune Eikeland	1 025		1 079	6.45	AN 2017
Arild Thoresen	490		850	6.45	SE 2026
Nina Elisabeth Smeby	290		1 146	6.45 - 8.45	AN 2031

*) The summary shows the number of shares 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).

**) Storebrand Group has a cash bonus scheme for key managers which is linked to the share price development of the Storebrand share. The bonus, which can be paid out no earlier than 2 to 3 years after it is awarded, is calculated as the difference between market share price and the contract share price of NOK 60, and is paid out in cash. The bonus scheme has defined periods in which it can be exercised, and expires no later than 2009.

***) AN = Level payment loan, SE - Instalment loan, final payment

****) Senior employees are contractually entitled to performance related bonuses related to the group's value-based management system. In the event of termination of employment in certain defined circumstances, such as receiving notice from the company, senior employees are entitled to guaranteed income/salary for periods that vary from 18-24 months after the normal notice period.

*****) Idar Kreutzer is entitled to a cash bonus scheme participation of 560 000 units representing the difference between the actual share price at a future date and the allocation price. The allocation price for 500 000 units was fixed by reference to the closing share price on Oslo Børs over the week before his appointment as CEO was announced (NOK 59.33) and is adjusted monthly on the 1st of every month with a cost of capital of 10% per annum less any dividend for the period. The allocation price for the 500 000 units at 31 December 2002 was therefore NOK 70.58. These units can be exercised between 1 January 2004 and 31 December 2004 or at the settlement date of any earlier acquisition, merger etc. The allocation price for the other 60 000 units is the volume weighted average of the closing share price on Oslo Børs for the last two weeks of 2001, 2002 and 2003 with 20 000 units allocated to each year. The allocation price as per 31.12.02 was NOK 56.69 and NOK 26.48 for the units which saw their price fixed at the end of 2001 and 2002 respectively. Exercise of these units can take place in 2005, 2006 and 2007 with 20 000 units allocated to each year. Details of the Managing Director's salary and remuneration can be found at note 4.

Shares held by non-executive officers and their close relations of Storebrand ASA as per 31.12.2002

Name	No. of shares	Close relations	Total	Name	No. of shares	Close relations	Total
Control committee				Johan H. Andresen jr.	0	7 101 895**)	
Nils Erik Lie	0			Per Alm Knudsen	490		
Brit Seim Jahre	0			Tor Haugom	345		
Sverre Bjørnstad	2 816			Pål Ersvik	0		
Harald Moen	322			Inger Anne Strand	588		
Carl Graff-Wang	0			Per Ivar Lanesskog	0		
Jon Ansteinsson	4 334			Alf Bruun	1 025		
				May Molderhauer	115		
Board of Representatives				Paul Eggen jr.	1 025		
Sven Ullring	385			Inger Lise Gjørv	0		
Jens P. Heyerdahl d.y.	2 421	14 460	16 881	Margrethe Øvrum	0		
Mette Johnsen	123	297	420	Brit Hoel	0		
Stein Erik Hagen	0	27 500 000*)		Harriet Hagan	2 000		
Mille-Marie Treschow	2 349			Christen Sveaas	0	5 000 000***)	
Terje R. Venold	0			Barbara Thoralfsson	0		
Erik G. Braathen	840			Astrid Olive Aanerud	115		
Ole Enger	0			Solvei Hage	340		
Wenche Meldahl	0						
Brit Seim Jahre	0			**External Auditors**			
Tore Lindholt	156			Arne Frogner	0		
				Ole M. Klette	0		

*) Total of 27 500 000 shares held through Canica AS (10 000 000) and Steen & Strøm ASA (17 500 000)

**) Held in the name of Ferd Invest

***) Has rights to 200 000 shares, in addition to rights to a further 4 800 000 shares via close relations.

No loans are outstanding to members of the Control Committee. Loans totalling NOK 6.5 million have been extended to members of the Board of Representatives.

Transactions between group companies

NOK million	**2002**	2001	2000
Profit and loss account items:			
Group contribution from subsidiaries		1 068.0	1 268.0
Dividends from subsidiaries	**267.8**		1 330.7
Purchase and sale of services (net)	**5.9**	1.0	306.9
Balance sheet items:			
Long term debt within the group	**19.4**	196.0	328.7
Long-term intra-group receivables	**20.0**	15.0	
Subordinated loan to jointly controlled/associated companies	**235.7**	142.2	104.9
Net accounts payable and receivable (short-term, inc. group contribution)	**18.0**	1 095.0	1 492.5

Purchased 22.47% of the share capital of If Skadeförsäkring Holding AB from Storebrand Skadeforsikring AS for NOK 3 213 million.

Note 17: No. of employees/full time equivalent positions

	2002
No. of employees at 31.12	**36**
No. of full time equivalent positions at 31.12	**36**
Average no. of employees	**36**

Note 18: Guarantees issued

Storebrand ASA has issued the following guarantees:

	Currency	Terms	Accounts provision
1) Institute of London Underwriters (ILU) *)	GBP	No specified amount	0
2) Norges Bank **)	NOK	No specified amount	0
3) Undertaking given to a banking syndicate in respect of a subsidiary's capital.			

*) Counter indemnity of Oslo Reinsurance Company ASA (formerly UNI Storebrand International Insurance AS).

**) Guarantee issued 1998 in respect of management of the Norwegian Government Petroleum Fund.

Notes to the Accounts of the Storebrand Group

Note 19: Analysis by business segment

Profit by business area

NOK million	2002	2001	2000	1999	1998
Life insurance	**-304.3**	-111.0	830.4	766.9	494.5
Asset management	**-12.5**	14.0	67.2	35.2	-8.4
Storebrand Bank	**-39.5**	-43.2	52.5	4.5	10.9
Finansbanken *)	**-436.8**	-101.9	-10.0	84.2	
Non-life insurance	**-250.2**	-766.9	-71.8	301.6	460.7
Other activities	**-657.7**	-420.8	-344.9	-26.4	-354.8
Group profit	**-1 701.0**	-1 429.8	523.4	1 166.0	602.9

*) Finansbanken is consolidated from 1.8.1999.

Business areas 2002	Life insurance	Asset management	Storebrand Bank	Finans-banken	Non-life insurance	Other/ netting	Group
Revenue	30 692.8	150.1	1 145.7	1 544.9	51.5	125.4	33 710.4
Costs	-32 852.7	-162.6	-1 185.2	-1 981.7	-301.7	-783.1	-37 267.0
Other items - life insurance	1 855.6						1 855.6
Group profit	-304.3	-12.5	-39.5	-436.8	-250.2	-657.7	-1 701.0
Change in security reserve non-life insurance					199.2		199.2
Pre-tax profit	-304.3	-12.5	-39.5	-436.8	-51.0	-657.7	-1 501.8
Total assets	111 455.0	259.4	12 919.0	15 641.3	4 668.6	3 608.0	148 551.3

Business areas 2001	Life insurance	Asset management	Storebrand Bank	Finans banken	Non-life insurance	Other/ netting	Group
Revenue	28 742.1	159.7	1 293.1	1 751.7	-520.0	42.3	31 468.9
Costs	-31 414.9	-145.7	-1 336.3	-1 853.6	-246.9	-463.1	-35 460.5
Other items - life insurance	2 561.8						2 561.8
Group profit	-111.0	14.0	-43.2	-101.9	-766.9	-420.8	-1 429.8
Change in security reserve non-life insurance					278.8		278.8
Pre-tax profit	-111.0	14.0	-43.2	-101.9	-488.1	-420.8	-1 151.0
Total assets	111 668.2	256.5	12 785.0	19 699.0	5 128.2	2 677.5	152 214.4

Explanatory note:
Life insurance comprises: Storebrand Livsforsikring group, Storebrand Fondsforsikring, Storebrand Helseforsikring, Compensation Management and Euroben. Asset management comprises: Storebrand Kapitalforvaltning, Storebrand Fondene, Storebrand Kapitalforvaltning Holding and Storebrand Alternative Investments. Figures for Finansbanken include Storebrand ASA's write down of goodwill. Non-life insurance comprises: Storebrand Skadeforsikring, If Skadeförsäkring and Fair Forsikring. Other includes: Storebrand ASA, Adviso, netting and other companies. Other items - life insurance refers to changes in the market value adjustment reserve and profit allocated to insurance customers.

Note 20: Net financial income: insurance

NOK million	Storebrand Livsforsikring 2002	2001	2000	Storebrand Group 2002	2001	2000
Income from group and associated companies	**5.6**	7.7	4.5	**-238.1**	-761.6	-283.8
Income from properties and real estate	**950.7**	942.2	858.9	**950.7**	943.1	864.0
Interest income - bonds and short-term debt instruments	**3 842.3**	3 851.7	3 875.2	**3 881.2**	3 909.2	3 945.6
Interest income - loans	**117.8**	159.3	203.2	**119.7**	160.8	205.5
Other interest income	**897.1**	522.9	235.6	**901.5**	546.9	253.5
Share dividends	**309.7**	385.1	465.4	**327.7**	390.2	483.6
Revaluation of real estate	**95.3**	520.4	476.5	**95.3**	520.4	476.5
Reversal of valuation adjustments - shares			23.0	**77.7**		30.8
Reversal of valuation adjustments - interest bearing instruments	**2.0**	0.7	3.6	**31.8**	0.7	31.5
Gains on sale of shares	**8 131.7**	9 976.4	13 748.2	**8 142.8**	10 077.6	14 381.7
Gains on sale of fixed-income securities	**5 928.8**	2 504.4	4 054.1	**5 931.4**	2 547.9	4 067.6
Unrealised gains on shares				**9.3**	31.6	
Unrealised gains on fixed-income securities				**25.1**	47.0	9.7
Other financial income	**100.6**	32.6	5.6	**213.7**	97.2	201.1
Total income from financial assets	**20 381.6**	18 903.4	23 953.8	**20 469.6**	18 510.9	24 667.2
Costs arising from properties and real estate *)	**-135.6**	-130.4	-72.1	**-135.6**	-130.6	-57.1
Valuation adjustments - shares	**-499.6**		-35.0	**-499.6**		-35.6
Valuation adjustments - interest bearing instruments	**334.2**			**270.2**	-30.9	
Write-down of real estate	**-257.1**	-81.5	-393.6	**-257.1**	-81.5	-393.6
Loss on sale of shares	**-10 087.8**	-13 298.4	-9 925.3	**-10 343.0**	-13 778.6	-9 994.4
Loss on sale of interest bearing instruments	**-6 669.1**	-1 653.1	-4 314.6	**-6 679.8**	-1 663.6	-4 332.7
Unrealised loss on shares	**-788.0**	-2 272.6	-6 290.5	**-1 454.7**	-2 579.5	-7 168.3
Unrealised loss on interest bearing instruments	**-55.9**	118.4	692.3	**-63.1**	110.2	692.7
Other financial expenses **)	**-337.9**	-148.0	-249.5	**-238.6**	-56.3	-303.3
Total costs of financial assets	**-18 496.8**	-17 465.6	-20 588.3	**-19 401.2**	-18 210.8	-21 592.3
Total net income from financial assets	**1 884.8**	1 437.8	3 365.5	**1 068.5**	300.1	3 074.9
*) Of which administration costs	**-5.8**	-6.7	-15.0			
**) Of which administration costs	**-133.3**	-116.5	-129.9			

Administration costs are included in the line for operating costs in the group accounts.

Note 21: Net interest and commission income: banking activities

NOK million	Storebrand Bank 2002	2001	2000	Finansbanken 2002	2001	2000	Group 2002	2001	2000
Interest and related income on loans to/deposits with credit institutions	**0.5**	5.5	2.4	**69.3**	41.3	59.1	**69.8**	46.8	61.5
Interest and related income on loans to/claims on customers	**897.8**	805.8	563.1	**1 363.9**	1 456.6	1 238.1	**2 261.7**	2 262.4	1 801.2
Interest and related income from short-term debts instruments, bonds and other interest bearing securities	**71.7**	82.6	56.8	**67.0**	109.7	95.8	**138.7**	192.3	152.6
Other interest and related income	**129.4**	164.6	254.2	**-0.1**	5.0	0.7	**129.3**	169.6	254.9
Total interest and related income	**1 099.4**	1 058.5	876.5	**1 500.1**	1 612.6	1 393.7	**2 599.5**	2 671.1	2 270.2
Interest and related expense on liabilities to credit institutions	**-28.8**	-20.8	-23.4	**-150.4**	-147.8	-208.8	**-179.2**	-168.6	-232.2
Interest and related expense on deposits from and liabilities to customers	**-427.8**	-404.3	-307.8	**-575.5**	-527.9	-409.7	**-1 003.3**	-932.2	-717.5
Interest and related expenses on securities issued	**-315.2**	-311.5	-145.3	**-330.6**	-434.7	-308.4	**-645.8**	-746.2	-453.7
Interest and related expenses on subordinated loan capital				**-38.7**	-42.8	-29.9	**-38.7**	-42.8	-29.9
Other interest and related expenses	**-113.0**	-145.9	-222.2	**-16.7**	-12.1	-35.8	**-129.7**	-158.0	-258.0
Total interest and related expenses	**-884.8**	-882.5	-698.7	**-1 111.9**	-1 165.3	-992.6	**-1 996.7**	-2 047.8	-1 691.3
Net interest and commission income	**214.6**	176.0	177.8	**388.2**	447.3	401.1	**602.8**	623.3	578.9

Note 22: Loan losses: Banking Activities

	SB Bank	Finansbanken		Storebrand Group	
NOK million	**2002**	**2002**	**2002**	2001	2000
Change in specific loan loss provisions for the period	**3.6**	**174.7**	**178.3**	-3.4	127.5
Change in unspecified loan loss provisions for the period	**6.1**	**-7.8**	**-1.7**	136.9	56.4
Realised losses on loans where specific provisions have previously been made		**90.5**	**90.5**	147.0	89.6
Realised losses on loans where no specific provisions have previously been made	**1.2**	**144.2**	**145.4**	12.3	21.5
Recovery of loan losses realised previously	**-0.4**	**-0.3**	**-0.7**	-23.5	-47.4
Loan losses and provisions for the period	**10.5**	**401.3**	**411.8**	269.3	247.6

Note 23: Operating costs

	SB Life	SB Bank	Finansbanken	Other		Storebrand Group	
NOK million	2002	2002	2002	2002	**2002**	2001	2000
Ordinary wage and salary expense	279.7	183.1	141.4	256.0	**860.2**	815.9	841.0
Social security contributions	50.3	30.9	20.2	40.3	**141.7**	135.4	121.4
Pension expenses (inc. employers' social security contributions.)	23.2	16.0	8.6	12.1	**59.9**	50.4	52.1
Other benefits	25.9	10.5	3.2	46.0	**85.6**	77.9	53.2
Total personnel expenses	379.1	240.5	173.4	354.4	**1 147.4**	1 079.6	1 067.7
External consultancy expenses	38.3	11.3	23.0	75.1	**147.7**	247.3	216.1
Office costs	163.9	152.3	54.8	77.4	**448.4**	522.3	393.1
Other operating costs/recharges	385.7	-148.4	52.6	72.6	**362.5**	289.5	303.0
Depreciation	4.0	5.8	85.7	40.9	**136.4**	122.5	132.2
Total operating costs	971.0 *)	261.5	389.5	620.4	**2 242.4**	2 261.2	2 111.9

*) Operating expenses of Storebrand Livsforsikring AS NOK 917 million.

Auditors' fees for group companies	
Audit fees and other control functions	11.9
Fees for advisory services **)	11.2

**) Includes work relating to DnB merger process in 2002

Storebrand has established a bonus scheme for employees. The bonus scheme is based on the company's value creation as well as each individual's performance. The bonus scheme is described in more detail in the Corporate Governance section.

Note 24: Pension expenses and pension liabilities

Staff pensions are provided by a group pension scheme, primarily with Storebrand Livsforsikring AS in accordance with the rules on private occupational pension schemes. Pensions are payable at pension age which is 67 for executives and 65 for underwriters. The ordinary retirement age is 65, and a retirement pension equivalent to 70% of pensionable salary becomes payable on retirement. Pension benefits form a part of the group collective employment terms applicable to employment by Storebrand ASA. Early retirees are defined as those who retire before reaching 65 years of age. Pension costs and pension liabilities are treated for accounting purposes in accordance with the accounting standards for pension costs issued by the Norwegian Accounting Standards Board (see also Accounting principles). Both insured and uninsured schemes are treated as defined benefit plans. The following assumptions have been used in the calculations:

Financial assumptions	
- Return on pension fund	8.0%
- Discount rate	7.0%
- Annual earnings growth	3.0%
- Expected adjustment of Social Security Fund's base amount (G)	3.0%
- Annual pension increase	2.5%

Actuarial assumptions:

-Standardised assumptions on mortality/disability and other demographic factors as produced by the Association of Norwegian Insurance Companies.

-Average employee turnover rate of 2-3% of entire workforce.

-Linear earnings profile

The calculations apply to 1 481 employees and 2 463 pensioners.

Net accrued pension costs are shown in the table below.

Net pensions costs

	2002					
	Insured	Uninsured			2001	2000
NOK million	scheme	Ordinary	Early retire	**Total**	Total	Total
Pension liabilities accrued	-55.8	-18.4		**-74.2**	-73.3	-84.9
Interest costs	-155.0	-24.6	-1.8	**-181.4**	-182.3	-176.9
Expected return on pension funds	201.5			**201.5**	209.8	214.7
Effect of changes to the pension scheme	-0.2			**-0.2**		
Deviation from estimates	-2.4	3.0		**0.6**	-4.7	1.8
Net pensions cost	-11.8	-40.0	-1.8	**-53.6**	-50.5	-45.3

Calculated liability

Shown below is a reconciliation of the estimated pension liabilities, and the pension funds held in respect of these, to the liability booked in the balance sheet:

Net pensions liability

	2002					
	Insured	Uninsured			2001	2000
NOK million	scheme	Ordinary	Early retire	**Total**	Total	Total
Earned pension liability	-1 824.5	-283.8	-52.1	**-2 160.4**	-2 473.3	-2 388.2
Estimated effect of future salary growth	-496.1	-99.2		**-595.2**	-309.2	-336.1
Estimated pension liability	-2 320.5	-383.0	-52.1	**-2 755.6**	-2 782.5	-2 724.3
Market value of pension funds	2 655.3			**2 655.3**	2 748.2	2 818.0
Net estimated pension liability/surplus	334.8	-383.0	-52.1	**-100.3**	-34.3	93.7
Under-funding in the company accounts.	8.9	-8.9				
Deviations from estimates not applied to profit and loss *)	245.0	-12.1		**232.9**	92.7	-109.6
Scheme changes not applied to profit and loss **)	2.1			**2.1**		
Net pension liability as shown in the balance sheet	590.8	-404.0	-52.1	**134.8**	58.4	-15.9

*) Deviations from estimates are booked against the "corridor" in accordance with Norwegian Accounting Standards and amounts in excess of the corridor are recognised to profit and loss over the remaining period for accrual of pension rights (cf. Accounting Principles).

**) The effect of scheme changes is applied over the average remaining period of accrual for pension benefits. Estimated employer's social security contributions in respect of the pension liability shown in the balance sheet amounts to NOK 57.8 million and is included in the balance sheet under 'Reserves for other risks and costs'.

Note 25: Tax

NOK million	**2002**	2001	2000
Profit before tax	**-1 501.8**	-1 151.0	859.1
Tax	**-15.1**	-269.3	-185.7
Deferred tax - net change	**635.3**	468.7	33.4
Changes to tax for previous years	**-8.3**		
Tax expenses	**611.9**	199.4	-152.3
Calculation of deferred tax assets and deferred tax			
Tax increasing timing differences			
Securities *)	**851.4**	421.8	3 596.9
Real estate	**744.4**	870.5	497.5
Operating assets	**185.5**	231.6	241.3
Provisions		47.7	10.1
Pre-paid pensions	**588.9**	541.4	514.7
Profit and loss account	**2 410.3**	3 007.8	3 758.6
Other	**80.1**	119.9	112.9
Total tax increasing timing differences	**4 860.6**	5 240.7	8 732.0

(Note 25 cont.)	**2002**	2001	2000
Tax reducing timing differences			
Securities	**-1 312.8**	-2 487.8	-2 440.2
Real estate	**-136.2**	-192.3	-270.0
Operating assets	**-171.3**	-168.0	-147.1
Provisions	**-157.0**	-213.3	-214.1
Accrued pension liabilities	**-456.3**	-481.6	-522.8
Profit and loss account	**-4.7**	-5.8	-7.3
Other	**-94.0**	-49.3	-74.5
Total tax reducing timing differences	**-2 332.3**	-3 598.1	-3 676.0
Net timing differences before losses carried forward	**2 528.4**	1 642.6	5 056.0
Losses carried forward	**-4 188.8**	-533.8	-2 409.6
Allowances carried forward	**-673.6**	-1 839.4	-2 377.0
Capitalised to balance sheet		548.2	180.2
Not eligible for capitalisation	**10.1**		
Net tax increasing/(reducing) timing differences	**-2 323.9**	-182.4	449.6
Deferred tax/Deferred tax assets (net)	**-650.7**	-51.4	125.1

*) Storebrand Finans AS is subject to a large negative RISK amount due to dividends paid to Storebrand Bank AS in recent years. The group accounts do not make allowance for deferred tax on this tax-increasing timing difference since the shares in Storebrand Finans AS are not likely to be sold.

Reconciliation of tax expense and ordinary profit			
Pre-tax profit	**-1 501.8**	-1 151.0	859.1
Expected tax at nominal rate (28%)	**420.5**	322.3	-240.5
Tax effect of RISK on shares sold	**42.0**	35.1	9.0
Tax effect on dividends received	**53.2**	50.7	67.3
Tax effect of associated companies	**-56.9**	-215.7	-87.6
Tax effect of permanent differences/capitalisation/other	**153.1**	7.0	99.6
Tax charges	**611.9**	199.4	-152.3
Effective tax rate	**-40.7%**	17.3%	17.7%

Losses carried forward

NOK million	Amount
Storebrand ASA	626.8
Compensation Management AS	73.3
Storebrand Livsforsikring AS	9.9
Finansbanken ASA	299.5
Storebrand Fondforsikring AS	66.5
Storebrand Bank AS	67.9
Storebrand Skadeforsikring AS	2 950.5
Storebrand Kapitalforvaltning Holding AS	30.5
Storebrand Helseforsikring AS	44.1
Storebrand Leieforvaltning AS	11.2
Storebrand Felix kurs og konferanse AS	4.1
Euroben Life & Pension Ltd.	4.5
Total	4 188.8

Note 26: Intangible assets in subsidiaries

NOK million	Acquisition cost 01.01	Acc. depreciation 01.01	Balance sheet value 01.01	Additions/ disposals	Depreciation for the year	Balance sheet value 31.12	Depreciation period *)
Finansbanken ASA	563.2	-84.5	478.7		-28.2	450.5	20 years
Delphi Fondsforvaltning AS	48.3	-13.0	35.3		-1.8	33.5	20 years
Storebrand Kapitalforvaltning ASA				8.6	-0.6	8.0	3 years
Storebrand Systemutvikling AS	93.3	-6.4	86.9	13.5	-19.6	80.8	5 years
Compensation Management AS				2.0	-0.4	1.6	3 years
NEXUS AS	5.0	-4.0	1.0		-1.0		
Finansbanken Index ASA	11.6	-7.9	3.7		-2.6	1.1	3 years
Finansbanken FormuesForvaltning AS	48.3	-13.0	35.3		-2.4	32.9	20 years
Finansbanken Plasseringsrådgivning AS	13.8	-5.2	8.6		-8.6		
Finansbanken AS (Denmark)	27.0	-5.8	21.2		-21.2		
Viken Kapitalforvaltning	1.7	-1.6	0.1		-0.1		
Other (Finansbanken)	4.0		4.0	6.4	-1.5	8.9	
Total	816.2	-141.4	674.8	30.5	-87.9	617.4	

*) Depreciation of goodwill over 20 years is based on a long-term earnings perspective and the strategic importance of the companies for Storebrand.

Note 27: Real Estate

NOK million	Market value	Ave. rent per sq.m.	Term of lease	Sq.m.	Percentage let
Office premises (inc. commercial premises, parking and storage)	4 779.0	1 503	5.2	275 804	91.6%
Shopping centres (inc. parking and storage)	4 620.0	1 318	3.0	312 838	99.2%
Parking	407.2	660	14.0	43 905	100.0%
Total for the Life Insurance company	9 806.2			632 547	
Other companies	44.0				
Total	9 850.2				
Geographic distribution (Life Insurance company)					
Oslo-Vika/Filipstad Brygge	3 722.3				
Oslo - other	2 611.5				
Norway - other	3 472.4				
Ownership structure:					
Directly owned	3 291.0				
Property company (AS)	5 964.3				
Property partnership (ANS)	550.9				

Note 28: Operational fixed assets

NOK million	Real estate	Equipment, cars and inventory	Total	Straight line depreciation is applied over the following periods for operating assets:
Purchase cost as at 1 January	9 998.9	603.4	10 602.2	Equipment
Written down in the year	-241.5		-241.5	and inventory: 4 years
Previous revaluation	1 398.1		1 398.1	Motor cars: 5 years
Additions	70.3	35.6	105.9	Computer
Disposals at purchase cost	-1 317.0	-55.0	-1 372.0	systems: 3 years
Total depreciation and write-downs at 31 December	-58.7	-474.9	-533.6	
Book value at 31 December	9 850.2	109.0	9 959.2	
Revaluation/write-down for the year and reversals of same	-161.8	-16.2	-178.0	
Ordinary depreciation for the year	-1.2	-69.9	-71.1	

Note 29: Shares and other equity investments

NOK million	Shares held	Interest	Acquisition cost	Market value
Shares and other equity investments (fixed assets)				
Intre AS			32.1	32.1
Other shares and participations held long-term			5.1	5.1
Total shares and other equity investments (fixed assets)			37.2	37.2
Norwegian banking and finance shares				
Acta	9 041 389	11.40%	163.5	2.7
Acta rights 2002	16 656			
Bolig- og Næringsbanken	3 050	0.03%	0.6	0.6
DnB Holding	3 799 400	0.49%	157.6	123.9
Gjensidige NOR	30 370	0.03%	6.8	6.9
Nordlandsbanken	1 354 789	4.52%	76.7	46.3
Romsdals Fellesbank	570 951	9.10%	8.7	68.5
Other Norwegian shares				
Axxessit	24 181	5.37%	10.6	18.1
Bergesen d.y.	145 243	0.24%	22.9	16.3
Bosvik	720 000	12.00%	16.1	13.2
Choice Hotel Scandinavia	1 397 500	3.04%	23.8	25.2
Dagbladet	125 154	4.37%	23.2	50.1
Dagbladet P	49 464	1.73%	9.2	18.5
EDB Business Partner	572 202	0.63%	21.1	10.6
Ekornes	215 188	0.62%	16.7	18.2
Elkem	671 913	1.36%	111.4	98.8
Farstad Shipping	1 299 325	3.25%	50.5	53.9
Glava	80 574	8.39%	25.2	52.4
Gresvig	2 165 017	11.02%	55.5	52.4
Haag	401 100	4.19%	27.8	14.8
Industrifinans SMB III	49 781	8.10%	30.4	18.8
Investra AS	2 604 000	6.09%	29.4	7.8
Leif Høegh & Co	74 534	0.25%	5.3	7.2
Mamut ASA	2 750 000	11.16%	20.1	9.4
Nera	3 072 741	2.49%	44.6	23.0
Network Electronics	2 940 865	12.06%	17.2	7.5
Norges Handels og Sjøfartstidene	59 094	5.13%	12.0	50.2
NorgesInvestor Vekst	133 500	13.14%	13.5	9.5
Norsk Hydro	1 151 471	0.38%	417.7	357.5
Norske Skogindustrier	984 167	0.74%	137.6	96.4
Ørsta Stålindustrier	19 833	13.22%	1.9	7.9
Orkla	12 781 249	5.91%	1 091.9	1 508.2
Prosafe	578 656	1.70%	70.0	54.7
Schibsted	429 450	0.62%	58.9	30.9
Solstad Offshore	949 950	2.65%	31.4	28.5
Statoil ASA	543 500	0.02%	29.0	31.8
Steen & Strøm	4 145 953	14.87%	252.4	373.1
Tandberg	301 720	0.23%	17.9	12.1
Telenor	4 114 300	0.23%	139.1	109.0
Telenor Venture	137 040	13.70%	29.2	16.6
TGS Nopec Geophysical Company	154 550	0.62%	20.3	8.4
Tirb	66 640	13.00%	3.1	24.7
Tomra Systems	1 543 800	0.86%	99.1	69.6
Veidekke	1 958 921	7.17%	113.6	99.9
Other Norwegian shares			310.0	123.1
Equity fund units (Norwegian)				
Storebrand Global I	1 250 532		520.1	518.4
Storebrand Nord Amerika I	105 537		102.1	61.0
Storebrand Barnespar	396 006		39.6	27.4
Storebrand Energi	33 363		32.0	24.0
Storebrand Europa I	39 957		29.4	19.6
Storebrand Telecom	35 000		35.0	14.9

NOK million	Shares held	Interests	Acquisition costs	Market value
Storebrand Asia A	17 899		17.9	13.0
Storebrand WGA Health Care	11 080		9.6	7.8
Storebrand Europa A	17 816		10.0	7.5
Other Norwegian fund units			59.0	39.7
Total shares and other equity investments - Norwegian			4 678.3	4 510.5
International shares				
Australia			114.8	94.1
Belgium			11.4	5.9
Bermuda			18.7	19.7
Canada			141.9	122.9
Denmark			90.0	62.4
Finland			68.1	93.1
France			142.9	130.5
Greece			4.1	4.0
Hong Kong			52.6	43.5
Ireland			6.1	4.6
Italy			82.2	81.8
Japan			601.7	447.4
Liberia			107.3	76.2
Luxembourg			73.1	24.6
Holland			133.0	114.6
New Zealand			5.8	4.7
Portugal			11.1	11.0
Singapore			20.3	16.0
Spain			48.9	37.3
Great Britain			728.3	640.9
Switzerland			173.8	152.3
Sweden			251.4	346.5
Germany			156.4	134.8
USA			2 979.4	2 599.8
International fund units			1 794.4	1 178.1
Total shares and other equity investments - international			7 817.6	6 446.8
Forward FX contracts - shares				344.6
Total shares and other equity investments (current assets)			12 495.9	11 301.9
Of which listed Norwegian shares				3 580.1
Of which listed international shares				4 771.8

Note 30: Short-term debt instruments and bonds

	Short-term debt instruments		Bonds		Total	
NOK million	Acquisition cost	Market value	Acquisition cost	Market value	Acquisition cost	Market value
Public sector	17 882.9	17 967.8	12 777.3	12 930.9	30 660.1	30 898.8
Financial institutions	5 529.7	5 553.2	2 805.0	2 782.8	8 334.7	8 336.0
Other issuers	3.2	-14.0	772.3	684.1	775.5	670.1
Other holdings through securities funds	-57.5	-59.5	104.9	90.1	47.4	30.6
Forward foreign exchange contracts	18.0	18.0	0.4	91.8	18.4	109.8
Total short-term debt instruments and bonds	23 376.2	23 465.5	16 459.8	16 579.8	39 836.0	40 045.3
- Of which listed securities	131.0	17 125.1	776.5	9 321.6		26 446.7
By currency:						
NOK	13 390.7	13 514.7	14 932.0	15 109.8	28 322.6	28 624.5
USD	354.3	345.6	310.0	217.2	664.3	562.8
EUR			838.8	804.7	838.8	804.7
Other	9 631.2	9 605.2	379.2	357.6	10 010.4	9 962.8
Total short-term debt instruments and bonds excluding forward FX contracts	23 376.2	23 465.5	16 459.9	16 489.2	39 836.0	39 954.5

Note 31: 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	32 500.2	32 715.4	32 618.8	33 233.5	118.6
Financial issuers	7 336.0	7 196.5	7 305.1	7 420.3	-30.9
Other issuers	100.0	96.9	98.7	100.2	-1.3
Total portfolio (NOK)	39 936.2	40 008.8	40 022.6	40 754.0	86.4
Of which listed securities			30 396.3		
Modified duration				4.5	
Average effective yield			6.3	5.9	

The effective yield for each security is calculated using the booked value and the observed market price (market value). Where no market price is available, the effective yield is calculated on the basis of the interest period and classification of the security in terms of liquidity and credit risk. 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.

Note 32: Financial derivatives

The concepts applied in the following tables are set out in the following section.

Nominal volume

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

Long positions and short positions

A long (asset) position in an equity derivative produces a gain in value if the share price increases. For interest rate derivatives, a long position produces a gain if interest rates fall, as is the case for bonds. A long position in a currency derivative produces a gain if the currency strengthens against the NOK . The gap between long and short positions is taken into account in calculating the total net nominal volume, whereas gross total nominal volume takes no account of the result for a particular instrument of a long versus a short position.

Average gross nominal volume

The average figures are based on daily calculations of gross nominal volume.

Credit equivalent amounts

Credit equivalent amounts are intended to give a measure of the credit risk associated with financial derivatives. In general the credit risk is seen as being limited, since either stock exchange listed and cleared contracts or contracts with well known financial institutions are employed. Credit equivalent values represent the weighted volume of currency and interest rate agreements for the purposes of capital adequacy calculations, where gross nominal volume is taken into account.

NOK million	Nominal volume Gross	Average	Net	Credit equivalent amount	Acquisition cost	Market Value
Current assets						
Share options	9 592.3	8 508.0	-40.1	66.6	111.1	20.2
Stock index futures	2 506.9	2 983.2	-2 469.8			7.5
Total equity derivatives	12 099.2	11 491.2	-2 510.0	66.6	111.1	27.7
Forward rate agreements	87 387.7	165 883.0	20 001.5	28.9		43.4
Interest rate futures	19 407.2	13 525.9	19 160.9			-1.0
Interest rate swaps	3 170.4	6 755.0	-192.0	17.8		49.3
Interest rate options	25.0	714.9	25.0			
Total interest rate derivatives	109 990.2	186 878.8	38 995.4	46.7		91.7
Foreign exchange options	1 257.0	1 063.1	-1 069.4	20.2	28.1	34.2
Foreign exchange forwards	45 953.3	44 755.6	-18 954.7	389.7		435.0
Basis swaps		13 811.1				
Total currency derivatives	47 210.2	59 629.7	-20 024.1	409.9	28.1	469.2
Total derivatives - current assets	169 299.6	257 999.7	16 461.3	523.2	139.2	588.6
Fixed assets						
Interest rate swaps	277.2	462.1	-277.2	0.5		-3.5
Total interest rate derivatives	277.2	462.1	-277.2	0.5		-3.5
Forward foreign exchange contracts	2 520.3	2 873.1	2 275.1	5.3		-102.6
Total currency derivatives	2 520.3	2 873.1	2 275.1	5.3		-102.6
Total derivatives - fixed assets	2 797.5	3 335.1	1 998.0	5.7		-106.0
Liabilities						
EUR option sold - Orkla shares	822.1	961.4	-822.1		84.8	39.6
Basis swaps	1 163.2	983.8	1 163.2	11.6		25.2
Total derivatives - liabilities	1 985.3	1 945.2	341.1	11.6	84.8	64.8

Note 33: Foreign currency

NOK million	Long position	Short position	Net position	FX fwd. contracts	Net position in currency	in NOK
Current asset portfolios						
AUD	27.1	-1.0	26.1	-23.9	2.2	8.6
CAD	33.2	-3.4	29.8	-30.1	-0.2	-1.1
CHF	45.2	-6.7	38.5	-37.7	0.8	4.1
DKK	11 826.5	-1 959.5	9 866.9	-10 045.2	-178.3	-174.5
EUR	347.2	-98.0	249.2	-222.3	27.0	195.9
GBP	100.9	-10.5	90.4	-64.1	26.2	292.8
HKD	64.5	-1.9	62.6	-54.5	8.1	7.2
IDR	301.9		301.9		301.9	0.2
JPY	10 952.4	-581.6	10 370.8	-8 990.6	1 380.2	80.6
KRW	592.5		592.5		592.5	3.5
MYR	0.8		0.8		0.8	1.4
NZD	1.4		1.4		1.4	4.9
PHP	0.4		0.4		0.4	0.1
SEK	577.9	-30.0	547.8	-513.1	34.7	27.6
SGD	6.8	-0.1	6.8	-2.5	4.3	17.0
THB	1.7		1.7		1.7	0.3
TWD	11.0		11.0		11.0	2.2
USD	666.9	-71.7	595.2	-564.0	31.2	215.9
Total current asset portfolios						686.7

(note 33 cont.)	Long position	Short position	Net position	FX fwd. contracts	Net position in currency	Net position in NOK
Fixed asset portfolios						
DKK	44.2		44.2		44.2	43.3
EUR	37.5	-15.0	22.5	119.9	142.4	1 035.0
SEK	4 094.2		4 094.2	-17.5	4 076.7	3 241.3
USD	0.7		0.7	205.0	205.7	1 425.3
Total fixed asset portfolios						5 744.8

Note 34: Lending to customers

NOK million	SB Life 2002	SB Bank 2002	Finansbanken 2002	Non-life 2001	SB Group 2002	SB Group 2001	SB Group 2000
Shipping			1 403.0		**1 403.0**	3 238.6	4 179.0
Real estate			6 076.9		**6 076.9**	6 386.6	5 259.3
Other commercial lending	20.0	154.9	1 210.1	7.5	**1 392.5**	716.9	700.3
Salary account holders (private persons)	1 096.1	11 298.4	3 528.8	5.1	**15 928.4**	16 277.5	15 009.5
Foreign	8.1	72.1	2 107.1		**2 187.3**	3 179.2	3 223.1
Specific loan loss provisions	-1.6	-11.9	-492.1	-5.1	**-510.7**	-338.5	-496.0
Unspecified loan loss provisions	-4.2	-15.9	-296.8	-0.1	**-317.0**	-319.7	-178.2
Total lending to customers	1 118.4	11 497.6	13 537.0	7.4	**26 160.4**	29 140.6	27 697.0

Loans to group employees total NOK 2 375 million.

Note 35: Analysis of deposits from customers and liabilities to other financial institutions

Analysis of customer deposits

NOK million	SB Bank 2002	Finansbanken 2002	SB Group 2002	SB Group 2001	SB Group 2000
Commercial	1 597.6	2 756.9	**4 354.5**	5 237.6	5 723.7
Salary account holders (private persons)	5 669.2	1 966.7	**7 635.9**	7 455.7	7 019.7
Foreign	149.9	1 058.6	**1 208.5**	1 206.9	1 303.6
Total customer deposits	7 416.7	5 782.2	**13 198.9**	13 900.2	14 047.0

Liabilities to other financial institutions

NOK million	SB Bank 2002	Finansbanken 2002	SB Group 2002	SB Group 2001	SB Group 2000
Loans and deposits from financial institutions on demand or with no fixed maturity		7.5	**7.5**	6.1	13.8
Loans and deposits from financial institutions with agreed notice period or fixed maturity	587.5	3 695.6	**4 283.1**	4 344.6	4 266.7
Total liabilities to other financial institutions	587.5	3 703.1	**4 290.6**	4 350.7	4 280.5

Liabilities created by securities issued

NOK million	SB Bank 2002	Finansbanken 2002	SB Group 2002	SB Group 2001	SB Group 2000
Short-term debt instruments	884.8	1 131.7	**2 016.5**	5 721.7	6 170.9
Bonds	2 981.8	2 897.6	**5 879.4**	4 714.0	2 837.7
Total liabilities created by securities issued	3 866.6	4 029.3	**7 895.9**	10 435.7	9 008.6

Note 36: Interests in associated companies

NOK million	Ownership interest	Acquisition cost	Balance sheet value 01.01	Addn./ disp./new capital/ currency	Share in profit	Balance sheet value 31.12	Deprec./ w-down goodwill	Book value of goodwill
Adviso AS	36.5%	15.0	42.5		6.9	49.4		
Norben Life and Pension Insurance Co. Ltd.	25%	31.0	37.7	14.1	-6.2	45.6		
Bertel & Steen Finans AS	50%	5.0	2.0		0.2	2.2		
Morningstar Norge AS	49%	3.3	2.6		-0.6	2.0		
E Trade AS *)		67.1	33.7	-33.7	-4.1			
Delphi SMB II AS	100%	1.0	1.0			1.0		
If Skadeforsäkring Holding AB **)	22.47%	4 354.9	3 042.3	336.0	-182.2	3 196.1	-618.5	598.3
Total		4 477.3	3 161.8	316.4	-186.0	3 296.3	-618.5	598.3

*) Sold in 2002

**) Ownership interest reduced from 44% to 22.47% through Sampo's entry into the company. Goodwill is written off over 20 years on a long-term earnings perspective. The profit and loss account includes NOK 61.5 million in loss on the run-off activities, see note 40.

Note 37: Equity capital

NOK million	**2002**	2001	2000
Paid in capital and retained earnings at 1 January	**9 616.7**	10 544.8	10 125.7
Profit for the year	**-892.4**	-951.6	706.8
Allocated for dividend			-305.3
Accumulated result of Fair before consolidation			-77.5
Share issue (net proceeds)	**5.9**	5.8	5.8
Translation differences	**-194.7**	-0.3	15.2
Other changes in equity capital	**-1.0**	18.0	74.1
Equity capital excluding minority interests	**8 534.5**	9 616.7	10 544.8
Minority interests at 1 January			
Minority interests' share of profit	**2.5**		
Dividend received/provided	**-1.4**		
Minority interests at 31 December	**1.1**		
Total equity capital at 31 December	**8 535.6**	9 616.7	10 544.8

Note 38: Subordinated loan capital

Date of issue NOK million	Own company	Amount NOK	Currency	Currency amount	Interest rate in %	Call date	Currency*) gain/loss
Subordinated loan 1998-2023	SB Life	1 449.7	USD	200	2.75%	2013	-79.7
Subordinated loan 1999-2009	SB Life	1 020.7	EUR	135	4.09%	2004	-49.6
Subordinated perpetual convertible bond 1995, 8.5% coupon	Finansbanken	9.0	NOK		8.50%		
Subordinated loan 2000-2010 USD 10 mill, Libor +1.3%	Finansbanken	70.0	USD	10	3.40%	29.09.05	
Subordinated loan 2000-2010, 3 m. NIBOR +1.3%	Finansbanken	110.0	NOK		8.18%	27.09.05	
Subordinated loan 2000-2012, 3 m. NIBOR +2.0%	Finansbanken	100.0	NOK		8.96%	29.05.07	
Subordinated loan 1998-2008, 6.31%	Finansbanken	109.0	NOK		6.31%	06.03.03	
Subordinated loan 1998-2008, 6 m. NIBOR + 1.05%	Finansbanken	91.0	NOK		8.03%	06.03.03	
Subordinated loan 1999-2009, 7.75%	Finansbanken	35.0	NOK		7.75%	11.06.04	
Total		2 994.4					-129.3

*) Currency position has been hedged, re. note 33.

Note 39: Technical insurance reserves: Life insurance

NOK million	Group pension insurance	Group life insurance	Personal endowment insurance	Annuity/ pension insurance	Non-life insurance	Total 2002	Total 2001	Total 2000
Premium reserve	67 274.6	299.4	8 142.3	17 984.5	15.6	93 716.4	90 257.4	87 643.3
Additional statutory reserves	2 107.5		178.3	748.0		3 033.8	4 301.0	4 847.3
Premium and pension adjustment fund	5 067.3			341.4	1.3	5 410.0	7 621.5	10 282.3
Claims reserve	18.6	119.4	104.8	10.3	3.1	256.2	250.8	216.1
Other insurance reserves							13.6	7.5
Security reserve	99.8	12.9	10.1	9.6		132.4	125.0	591.8
Technical reserves 2002	74 567.8	431.7	8 435.5	19 093.8	19.9	102 548.7		
Technical reserves 2001	71 912.1	446.2	9 424.4	20 773.0	13.6		102 569.3	
Technical reserves 2000	70 065.5	473.3	10 825.0	22 217.0	7.5			103 588.3

Note 40: Off-balance sheet contingent liabilities

NOK million	**2002**	2001	2000
Loan guarantees	**235.6**	633.1	83.4
Payment guarantees	**325.5**	476.0	436.8
Contract guarantees	**213.5**	173.2	229.3
Other guarantees	**160.9**	67.0	56.1
Book value of assets pledged as security for loans etc.	**1 286.5**	1 226.0	1 517.3
Residual commitment to subscribe capital to limited partnerships	**995.0**	1 200.0	1 562.0
Total contingent liabilities	**3 217.0**	3 775.3	3 884.9

When Sampo joined If in January 2002, an agreement was entered into in respect of the run-off activities which were transferred from Storebrand and Scandia when If was first established. The agreement states that any losses in this portfolio will be split in accordance with the former equity shares, which was 44% for Storebrand as opposed to the present 22.47% . The agreement expires after 5 years and is limited to NOK 130 million in the case of Storebrand. Due amongst others to excess provisioning/sale of run-off, costs of NOK 61.5 million connected with possible losses on this agreement have been charged to Storebrand's accounts.

Note 41: Capital adequacy

	2002					SB Group		
NOK million	SB Life Group	SB Non-Life Group	SB Bank Group	Finans-banken	SB ASA	**2002**	2001	2000
Risk-weighted calculation base	28 771	208	6 127	13 549	10 042	**56 807**	79 622	85 992
Core (Tier 1) capital	2 869	395	595	1 123	7 355	**5 852**	6 431	7 651
Tier 2 Capital	2 470			524		**3 304**	3 965	3 300
Deductions	-56					**-56**	-135	-69
Net primary capital	5 283	395	595	1 647	7 355	**9 100**	10 261	10 882
Capital ratio (%)	18.4%	189.8%	9.7%	12.2%	73.2%	**16.0%**	12.9%	12.7%

The required minimum capital ratio is 8%.

N GAAP and US GAAP

RECONCILIATION OF NET INCOME AND EQUITY BETWEEN N GAAP AND US GAAP FOR THE GROUP'S LIFE INSURANCE ACTIVITIES
The annual accounts have been prepared in accordance with Norwegian Generally Accepted Accounting Principles (N GAAP). The following tables provide a reconciliation between net income and shareholders' equity in accordance with N GAAP and the same figures as they would be reported in accordance with United States Generally Accepted Accounting Principles (US GAAP) and show where the differences arise. The figures presented apply only to the group's life insurance activities, which comprise Storebrand Livsforsikring AS, Storebrand Fondsforsikring AS and Euroben Life & Pension Ltd (50 %), which started writing new business in 2001.

Reconciliation of net income between N GAAP and US GAAP

NOK million	2002	2001	2000
PROFIT FOR THE YEAR - Life insurance - N GAAP	-149.6	34.7	711.0
Effect of estimated adjustments for US GAAP:			
Contract acquisition costs	-45.7	-101.0	-11.9
Real estate	376.3	-619.3	-238.9
Securities	384.3	90.7	264.3
Allocation of US GAAP differences to policyholders	-487.7	431.2	-1.7
Tax effect of US GAAP adjustments	-63.6	55.5	-3.3
LIFE INSURANCE NET INCOME - US GAAP	14.0	-108.1	719.5

Reconciliation of shareholders' equity between N GAAP and US GAAP

NOK million	2002	2001
Life insurance activities - shareholders' capital - N GAAP	3 240.0	3 389.8
Effect of estimated adjustments for US GAAP:		
Contract acquisition costs	1 405.1	1 450.8
Real estate	-2 297.0	-2 673.3
Securities	126.0	-104.9
Allocation of P&L adjustments to policyholders	504.8	886.0
Market value adjustment for securities	-58.6	1 054.3
Life insurance policyholders' share of mark to market	44.0	- 790.7
Tax effect of US GAAP adjustments	230.2	308.8
LIFE INSURANCE - SHAREHOLDERS' EQUITY - US GAAP	3 194.5	3 520.8

Description of the differences between N GAAP and US GAAP
Capitalised contract acquisition costs
Under N GAAP all costs and expenses directly or indirectly incurred in originating new insurance contracts and renewing existing policies are charged to expense as they are incurred, whilst under US GAAP these costs are capitalised and charged to expenses against the future incomes with which they are associated.

Real estate
Under N GAAP real estate is booked at market value with changes in market value recognised in the profit and loss account, and no depreciation is applied. Under US GAAP real estate is carried at historic cost and is depreciated over its expected useful life (subject to a maximum of 50 years). Impairment provisions are evaluated on an individual property basis, but no upward revaluations are permitted.

Financial instruments
Under N GAAP interest bearing securities, shares and financial derivatives are carried at market value. Unrealised changes in value are transferred to a market value adjustment reserve, but changes in unrealised value arising from the exchange rate at the balance sheet date are recognised to profit and loss. The market value adjustment reserve can never have a negative value. Unrealised losses are recognised to profit and loss on the basis of write-downs carried out on a portfolio basis.

Under US GAAP listed interest bearing securities are carried at market value with any premium or discount being amortised over the remaining maturity. Equities classified as "available for sale" are carried at market value. Differences between market value and the amortised value of interest bearing securities/historic cost of equities are applied directed to equity. Financial derivatives are carried at market value and changes in value are recognised to profit and loss. Gains and losses in respect of the foreign exchange element of hedged securities which are defined as "available for sale" are recognised to profit and loss in the same period as the hedging contract cf. FAS 133.

In the case of N GAAP bonds already in Storebrand's ownership which are subsequently classified as "hold to maturity" are valued at the lowest of historic cost and market value at the time of the reclassification. Under US GAAP amortisation of any premium or discount would continue after such re-classification.

Life insurance policyholders' participation in profits and equity movements
Storebrand Livsforsikring AS allocates pre-tax profit between policyholders and shareholders. Norwegian legislation requires that a minimum of 65% of profit shall be allocated to policyholders, whilst the allocation to owners is limited to a maximum of 35% to cover capital accumulation, dividend payments and tax.

US GAAP would also apply a minimum allocation of 65% to the differences in profit which arise between N GAAP and US GAAP which are of a timing nature and affect measurement of the profit available for distribution between policyholders and owners. For Euroben and the Unit Linked activities carried on by Storebrand Fondsforsikring AS these differences are allocated in full to profit and equity.

Under US GAAP where "available for sale" investments which are subject to FAS 115 give rise to a difference between market value and amortised cost in the case of interest bearing securities or between market value and historic cost in the case of equities, these differences are booked directly to equity. Norwegian legislation requires that 75% of any such unrealised gains be allocated to policyholders when policies mature or are transferred. The same percentage is used under US GAAP for allocations to policyholders' funds.

Deferred tax
Deferred tax has been calculated at 28% on the difference between N GAAP and US GAAP.

Introduction of International Accounting Standards in 2005

Storebrand currently produces annual accounts for the holding company and consolidated annual accounts for the Storebrand group in accordance with the Norwegian Accounting Act and Norwegian accounting standards. The European Parliament has decided that all listed companies in the European Union and the countries of the European Economic Area must produce consolidated accounts in accordance with International Financial Reporting Standards (IFRS) with effect from 2005. A commission has been set up in Norway to review the current Accounting Act, including the implications of the introduction of IFRS. There is as yet no decision on whether the commission will recommend that IFRS should be applied to all Norwegian company accounts.

There are currently two IAS accounting standards for financial instruments: IAS 32 Financial Instruments: Disclosure and Presentation and IAS 39 Recognition and Measurement. The International Accounting Standards Board (IASB) issued consultation papers in 2002 on proposed changes to IAS 32 and IAS 39, and it is expected that revised standards will be issued during the second half of 2003. The transition to using IAS 39 and IAS 32 in 2005 is expected to represent an extensive implementation task for the companies involved.

There are currently no IAS accounting standards for the treatment of insurance contracts. The IASB has launched a two-phase project in this area. Phase 1 will consider how the current IFRS standards shall be applied to companies that issue insurance contracts, the definition of insurance contracts and the implications of the restriction on making provisions that do not satisfy the criteria for treatment as liabilities in accordance with the IAS framework. It is currently intended that the accounting standards resulting from Phase 1 of the project will be published in the first half of 2004. Phase 2 will not be completed before the transition to IFRS in 2005. This phase of the project will work on producing new accounting standards for the accounting valuation of insurance contracts, and this is expected to represent significant changes to current accounting principles. Early indications are that the IASB project will move in the direction of valuing insurance contracts on a balance sheet-oriented model whereby assets and liabilities are revalued at every balance sheet date and changes in value are recognised to the profit and loss account. This will mean that traditional accrual items will disappear from the balance sheet, and a greater proportion of the earnings element will be recognised to income at an earlier time. Insurance company accounts prepared on the basis of this type of accounting model are expected to show greater earnings volatility.

Storebrand initiated an in-house project in 2002 to ensure that it will be able to produce group accounts in accordance with IFRS standards in 2005. The introduction of IFRS is expected to lead to major changes, especially in the treatment of financial instruments and insurance contracts. However it is not possible at this stage to provide any indication of the likely changes to the group's accounts.

Storebrand Group Companies at 31.12.2002

Storebrand ASA	Interest
Storebrand Livsforsikring AS	**100.0%**
Storebrand Eiendom AS	100.0%
Storebrand Pensjonstjenester AS	100.0%
Aktuar Consult AS	100.0%
Aktuar Systemer AS	100.0%
Scanvik Corporation	100.0%
Storebrand Kjøpesenter Holding AS	100.0%
Storebrand Nybygg AS	100.0%
Storebrand Systemutvikling AS	100.0%
Hoffsvn. AS	100.0%
Norben Life and Pension Insurance Co. Ltd.	25.0%
AS Værdalsbruket *)	74.9%
Storebrand Fondsforsikring AS	**100.0%**
Storebrand Bank AS	**100.0%**
Storebrand Finans AS	100.0%
Bertil O Steen Finans AS	50.0%
Finansbanken ASA	**100.0%**
Finansbanken AS	100.0%
Aktiv Invest ASA	100.0%
Finansbanken Index ASA	100.0%
Industri & Skipsbanken Fonds AS	100.0%
Industri & Skipsbanken Invest I AS	100.0%
Skipskredittforeningen AS	100.0%
Morningstar Norge AS	49.0%
Finansbanken Forvaltning AS	100.0%
Finansbanken Plasseringsrådgivning ASA	100.0%
Finansbanken Formuesforvaltning ASA	100.0%
Delphi SMB I AS	100.0%
Delphi SMB II AS	100.0%
Storebrand Kapitalforvaltning Holding AS	**100.0%**
Storebrand Kapitalforvaltning ASA	100.0%
Storebrand Fondene AS	100.0%
Storebrand Luxembourg S.A.	99.8%
Storebrand International Private Equity AB	100.0%
Storebrand Skadeforsikring AS	**100.0%**
Oslo Reinsurance Company ASA	100.0%
Oslo Reinsurance Company (UK) Ltd.	100.0%
If Skadeförsäkring Holding AB	**22.47%**
Storebrand Helseforsikring AS	**50.0%**
Fair Financial Ireland plc.	**50.0%**
Euroben Life & Pension A	**50.0%**
Storebrand Leieforvaltning AS	**100.0%**
Storebrand Felix kurs- og konferansesenter AS	**100.0%**
Storebrand ITI AS	**100.0%**
Adviso AS	**36.5%**
Storebrand Alternative Investment ASA	**56.0%**
Compensation Management AS	**100.0%**

*) Storebrand ASA owns 24.9% directly and Storebrand's total interest is 99.8%.

Terms and Expressions

General

Duration:
The average remaining term of cash flow on interest bearing financial instruments. Modified duration is calculated on the basis of duration and is an expression of sensitivity to changes in underlying interest rates.

Earnings per ordinary share:
The calculation of earnings per ordinary share is based on profit after tax adjusted for changes in statutory security reserves etc. in respect of non-life insurance. These statutory reserves include security, reinsurance and administration reserves, as well as the guarantee reserve. The total number of shares used in the calculation is taken as the average number of ordinary shares in issue over the course of the year. In case of new issues of shares, the new shares are included from the date of subscription.

Equity capital:
Equity capital consists of share capital subscribed and accrued earnings. Share capital subscribed is recorded as share capital and share premium reserve. Accrued earnings are recorded as a reserve for valuation differences and other equity.

Subordinated loan capital:
Subordinated loan capital is loan capital which ranks after all other debt. Subordinated loan capital is part of Tier 2 capital.

Capital adequacy

Primary capital:
Primary capital is capital eligible to fulfil the capital requirements under the authorities' regulations. Primary capital may comprise Tier 1 capital and Tier 2 capital.

Capital ratio:
Eligible primary capital as a percentage of the risk-weighted balance sheet. Individual assets and off-balance sheet items are given a risk weighting based on the estimated credit risk they represent.

Tier 1 capital:
Tier 1 capital is part of primary capital and consists of equity capital less goodwill, other intangible assets and net prepaid pensions.

Tier 2 capital:
Tier 2 capital is part of primary capital and consists of subordinated loan capital. In order to be eligible as primary capital, Tier 2 capital cannot exceed Tier 1 capital. Perpetual subordinated loan capital, together with other Tier 2 capital, cannot exceed 100% of Tier 1 capital, whilst subordinated loan capital which is not perpetual cannot exceed 50% of Tier 1 capital. To be fully eligible as primary capital, the remaining term must be at least five years. If the remaining term is less, the eligible portion is reduced by 20% for each year.

Life insurance

Administration result:
The difference between actual costs and those assumed for the premium tariffs.

Annuity/pension insurance:
Individual life insurance where the annuity/pension amount is paid in instalments from an agreed age during the life of the insured. Such insurance can be extended to include spouse, child and disability pensions.

Average yield:
Average yield is an expression for the average return the company has obtained on the policyholders' fund during the course of the year. The average yield should be seen as a gross yield before deducting costs, and is accordingly not comparable with the interest return reported by other financial institutions. The average yield is calculated in accordance with rules set by the Banking, Insurance and Securities Commission.

Group pension insurance:
A group pension insurance scheme where pensions are paid in instalments from an agreed age, during the life of the insured. Such insurance normally includes spouse, child and disability pensions.

Cost ratio:
Operating costs as a percentage of average customer funds.

Endowment insurance:
Individual life insurance where the insured amount is payable on either the expiry of the insurance period or the death of the insured if earlier. Such insurance can be extended to provide disability pensions or disability insurance.

Group life insurance:
Group life insurance in which an insured sum is payable on the death of a member of the group. Such insurance can be extended to cover disability insurance.

Interest result:
The result arising from financial income deviating from that assumed for the premium tariffs.

Operating profit:
Operating profit from the year's operations including the share due to insurance customers.

Return on capital:
Return on capital shows net realised income from financial assets and changes in the value of real estate expressed as a percentage of the average of the company's total assets over the year in accordance with rules set by the Norwegian Banking, Insurance and Securities Commission. The value-adjusted return on capital shows the total of realised income from financial assets, changes in the value of real estate and the year's change in unrealised gains or losses expressed as a percentage of the average of the company's total assets over the year at market value.

Risk result:
The result arising from the incidence of mortality and/or disability during a period deviating from the assumptions used for the premium tariffs.

Unit Linked:
Life insurance offering investment choice whereby the customer can influence the level of risk and return by selecting in which funds assets are to be invested.

Banking

Annual percentage rate (APR):
The true interest rate calculated when all borrowing costs are expressed as an annual payment of interest in arrears. In calculating the APR allowance must be made for whether interest is paid in advance or arrears, the number of interest rests during the year and all fees and commissions.

Instalment loan:
An instalment loan is a loan on which the borrower makes regular partial repayments of principal in equal amount throughout the entire repayment period. The borrower pays the sum of a fixed instalment amount and a reducing interest amount at each instalment date. Payments accordingly reduce over the life of the loan assuming a fixed interest rate.

Level repayment loan:
Periodic payments (representing both capital and interest) on a level repayment loan remain constant throughout the life of the loan.

Net interest income:
Total interest income less total interest expense. Often expressed as a percentage of average total assets (net interest margin).

Real rate of interest:
The return produced after allowing for actual or expected inflation. Preferably expressed as a nominal rate less the rate of inflation.

Financial derivatives

The term financial derivatives embraces a wide range of financial instruments for which the current value and future price movements are determined by shares, bonds, foreign currencies or other traditional financial instruments. Derivatives require less capital than is the case for traditional financial instruments such as shares and bonds, and are used as a flexible and cost effective supplement to traditional instruments in portfolio management. Financial derivatives can be used to hedge against unwanted financial risks, or to create a desired risk exposure in place of using traditional financial instruments.

Foreign exchange options:
The purchase of a foreign exchange option confers a right (but not an obligation) to buy or sell a currency at a pre-determined exchange rate. The sale of a currency option implies the equivalent one-sided obligation. Foreign exchange options are used for currency hedging purposes in the same way as forward foreign exchange contracts.

Foreign exchange swaps:
A foreign exchange swap is made up of two transactions: a spot transaction entered into at the start of the swap period to buy or sell a currency and a forward foreign exchange contract to reverse the initial spot transaction at a pre-determined exchange rate. Foreign exchange swaps are used for currency hedging purposes in the same way as forward foreign exchange contracts

Forward foreign exchange contracts:
Forward foreign exchange contracts relate to the purchase or sale of a currency for an agreed price at a future date. Foreign exchange forward contracts are used to hedge the currency exposure arising from currency denominated securities, bank deposits, subordinated loans and insurance reserves.

Forward Rate Agreements (FRA):
Forward Rate Agreements (FRA) are agreements to pay or receive the difference between an agreed fixed rate of interest and the actual rate for a fixed future period of time. This difference is settled at the start of the future interest period. FRA contracts are particularly appropriate to the management of short-term interest rate exposure.

Interest rate futures:
Interest rate futures contracts are related to government bond rates or short term reference interest rates. Interest rate futures are standardised contracts which are exchange traded and are subject to established clearing arrangements. Profits and losses on futures contracts are recognised daily, and are settled on the following day.

Interest rate option:
Interest rate options can be related to either bond yields or money market rates. The purchase of interest rate options related to bonds (also known as bond options) confers a right (but not an obligation) to buy or sell bonds at a pre-determined price. Interest rate options can be used as a flexible instrument for the management of both long and short-term interest rate exposure.

Interest rate swaps:
Interest rate swaps are agreements between two parties to exchange interest rate terms for a specified period. This is normally an agreement to exchange floating rate payments for fixed rate payments, and this instrument is used in the management of long term interest rate risk.

Share options:
The purchase of share options confers a right (but not an obligation) to buy or sell shares at a pre-determined price. Share options may be related to stock market indices as well as to specific individual stocks. The sale of share options implies the equivalent one-sided obligation. In the main exchange traded and cleared options are used.

Stock futures (stock index futures):
Stock futures contracts can be related to individual shares, but are normally related to stock market indices. Stock futures contracts are standardised futures contracts which are exchange traded and are subject to established clearing arrangements. Profits and losses on futures contracts are recognised daily, and are settled on the following day.

Storebrand's Management Structure

Idar Kreutzer (40)
Group Chief Executive Officer,
Storebrand ASA

Norwegian School of Economics and
Business Administration (NHH)

Executive Committee*)

Espen Klitzing (39)
Managing Director Storebrand Life Insurance

Norwegian School of Economics and Business
Administration (NHH)

Maalfrid Brath (37)
Head of Storebrand Group Private Sector Distribution
State Authorized Accountant, Norwegian School of
Economics and Business Administration (NHH)
Master of General Business, Norwegian School of
Management (BI)

Allan Åkerstedt (52)
Managing Director Asset Management

MBA, Stockholm School of Economics

Hans Henrik Klouman (41)
General Counsel, Executive Vice President,
Storebrand ASA

Cand. Jur. University of Oslo in 1987

Per Kumle (44)
Managing Director Banking

Norwegian Institute of Technology,
Trondheim

Odd Arild Grefstad (37)
Executive Vice President, Chief Financial Controller
State Authorized Public Accountant, Authorized
Finance Analyst (AFA)
Norwegian School of Economics and Business
Administration (NHH)

Group Functions

IT
Rolf Corneliussen
Executive Vice President

Finance and Risk Management
Lars Aa. Løddesøl
Executive Vice President

Corporate Relations
Grete Faremo
Executive Vice President

Corporate Communications and Brand
Egil Thompson
Executive Vice President

Human Resources
Erik Råd Herlofsen
Executive Vice President

Strategic Projects
Roar Thoresen
Executive Vice President

*) Kai G. Henriksen was Managing Director of Storebrand Bank AS and a member of the Executive Committee prior to the merger of the two banks.

Detailed CV's my be found under More Information on www.storebrand.com/ir

Financial calender 2003:

29	April	Annual General Meeting
8	May	1st quarter results
13	August	2nd quarter results
5	November	3rd quarter results

February 2004 4th quarter results

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Photo: Bjørn-Eivind Årtun, Getty Images, The Image Bank, Knut Bry, Per Sundal, Jo Michael

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