

ANNUAL REPORT 2005
Storebrand Livsforsikring AS

 storebrand



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Key figures Storebrand Livsforsikring AS

NOK million	2005	2004	2003	2002	2001
Storebrand Livsforsikring AS					
Return on capital i *)	6.86 %	6.39 %	7.24 %	2.71 %	3.56 %
Return on capital ii *)	7.52 %	7.17 %	8.82 %	1.91 %	1.51 %
Return on capital iii *)	6.85 %	7.62 %	11.18 %	2.62 %	1.80 %
Average yield	6.40 %	5.83 %	6.72 %	2.89 %	3.95 %
Solvency capital as percentage of minimum requirement	175.2 %	169.4 %	158.6 %	160.5 %	184.4 %
Average guaranteed return	3.64 %	3.77%	3.83%	3.82%	3.81%
Cost ratio	1.06 %	0.90 %	0.96 %	0.92 %	0.88 %
Profit analysis (parent company figures) **)					
- interest result	4 359	3 094	3 613	-1 094	-535
- risk result	363	206	198	194	238
- administration result	-330	-137	-149	-112	-102
- other	-11	-181	-1 010	-241	-26
Totalt	4 381	2 982	2 652	-1 253	-425
Storebrand Livsforsikring Group					
Key figures					
Profit and loss account					
Premium income exc. reserves transferred	16 000	15 293	9 527	7 083	7 240
Net transfers	546	-588	1 471	-381	-1 222
Net income from financial assets	10 402	8 693	9 391	2 024	1 561
Claims excluding transferred reserves	-8 532	-6 849	-5 960	-6 277	-6 955
Change in insurance reserves excluding transferred additional statutory reserves	-11 332	-11 243	-8 891	-3 348	-1 938
Insurance and financial investment related admin. costs	-1 354	-1 039	-995	-917	-875
Other items	-231	-205	-200	-280	-388
To/from market value adjustment reserve	-1 117	-1 078	-1 690	844	2 154
Operating profit	4 382	2 985	2 653	-1 253	-422
Extraordinary items					
Profit before allocation	4 382	2 985	2 653	-1 253	-422
Funds transferred to policyholders	-3 215	-2 019	-1 839		
- of which conditional additional statutory allocations	-950	-500	-470		
Released from additional statutory reserves to meet the shortfall in guaranteed return			21	1 012	408
Pre-tax profit	1 167	966	835	-241	-15
Tax	26	-33	-197	129	78
Minority interests share in profit	-1	-1	-1	-0	
Profit for the year	1 193	932	638	-113	63
Assets					
Real estate	14 136	12 872	9 661	9 787	11 293
Bonds to be held to maturity	40 672	39 352	42 368	40 023	25 044
Loans	656	399	1 468	1 118	1 402
Shares and other equity investments	39 438	28 678	19 189	10 775	22 133
Bonds held as current assets	42 820	31 786	20 084	14 346	28 102
Commercial paper	5 966	12 254	17 383	21 251	11 353
Other financial assets	1 967	3 407	3 761	5 619	730
Total financial assets	145 654	128 748	113 914	102 919	100 057
Other assets	6 019	5 464	5 038	4 922	7 962
Total assets	151 673	134 211	118 952	107 841	108 019
Policyholders' funds for own account	134 463	121 066	108 760	99 108	99 201
- of which additional statutory reserves	4 538	3 706	3 393	3 034	4 301
Market value adjustment reserve	3 884	2 767	1 690	0	844
Equity	4 922	4 504	3 361	3 076	3 189
Capital adequacy (group)	10.94 %	14.38 %	15.69 %	18.36 %	12.03 %

*) Return on capital i: realised financial income including revaluation of real estate
 Return on capital ii: as return on capital i but also including changes in unrealised gains on financial current assets
 Return on capital iii: as return on capital i but also including all unrealised gains

***) Profit analysis adjusted to show subsidiaries/associated companies treated on the proportional consolidation method, see note 5

Report of the Board of Directors

MAIN FEATURES

The company's main areas of focus are pensions and life insurance products for private individuals, companies and public sector bodies. Storebrand Livsforsikring's objective is to be recognised at the most respected and customer focused life insurance company in Norway. This can only be achieved and maintained by offering the highest quality advice, customer service and product range in the market. The Storebrand group is the only player in the Norwegian market that specialises in long-term savings and life insurance as its major area of activity, and Storebrand Livsforsikring intends to make the best possible use of this unique position. Storebrand Livsforsikring has a market share of the Norwegian private sector life insurance market of 28% as measured in terms of customer assets under management.

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

Storebrand has entered into a significant number of framework agreements with trade associations in the recent past. We believe that trade associations will play an important role in the transition to compulsory employers' pensions.

In addition to its activities in the Norwegian market, the company owns 25% of Nordben Life and Pension Insurance Company Ltd. of Guernsey. Storebrand also offers actuarial services, systems solutions and a full range of operational services for pension funds through its subsidiaries Aktuar Systemer AS and Storebrand Pensjonstjenester AS.

Storebrand opened a Swedish branch in 2005. The branch formally opened for business on 5 September. The branch will offer pension insurance in the Swedish market based on Norwegian insurance legislation. Sales will be made through insurance brokers. The market has responded positively to the branch, and we understand from meetings with brokers that both brokers and potential customers are favourably inclined towards Storebrand.

In December 2005, Storebrand incorporated a new company in Sweden known as UNI Norden Holding AS and Norden Personförsäkring AB. The company started its operations in 2006, and is a new special purpose company in Sweden for personal risk products such as industrial injury and sickness insurance. The company's target group is large Norwegian companies that believe they are currently paying too much to insure their employees against personal injury, and are therefore willing to self-insure part of this risk. A number of Storebrand's larger corporate customers have participated in the development of this company.

Storebrand ITI AS has been merged into Storebrand Livsforsikring with effect from 1 January 2005.

SALES

Sales of savings-related life insurance products to the retail market (endowment policies) showed strong growth in 2003, and this trend continued throughout 2004. In the first half of 2005 the company took steps to limit sales of individual savings contracts without a fixed contract period since it was not desi-

table from the viewpoint of capital management to allow this product to account for too large a share of the total balance sheet. Sales of individual savings contracts with fixed contract periods developed as intended over the course of the second half of the year.

When defined contribution pension schemes were first introduced in the Norwegian market in 2001, it was generally expected that most companies establishing a pension scheme for the first time would choose the new defined contribution route. While defined contribution schemes represent a rapidly increasing proportion of new pension schemes, some companies are still choosing the defined benefit structure. Storebrand won a number of major contracts in 2005. These included the decision by ISS, a company with 10,000 employees, to appoint Storebrand as its defined contribution pension provider. Oslo Sporveier appointed Storebrand as its new pension provider, representing over NOK 2 billion of additional assets under management. Of the eight municipalities that decided to move away from Kommunal Landspensjonskasse (KLP), Storebrand won five of the competitive tenders. These municipalities represent almost 80% of total pension transfers in the municipal sector. Storebrand enjoyed its best year ever in 2005 for transfers of pension business, with a net inflow (sales notified) of over NOK 4 billion. Many of the company's major customers have started to consider switching existing pension arrangements from defined benefit to defined contribution. Some companies have already decided to make this change, and we expect a continuing trend for more companies to follow their example in 2006.

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

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

FINANCIAL RESULTS

Storebrand Livsforsikring AS reported a profit for the year before allocation between policyholders and the owner of NOK 4,381 million, as compared to NOK 2,982 million for 2004. (Equivalent figures for the Storebrand Livsforsikring group are a profit of NOK 4,382 million in 2005 and NOK 2,985 million in 2004). Of the profit for the year, NOK 3,215 million was allocated to policyholders (of which NOK 950 million was transferred to additional statutory reserves) and NOK 1,167 million was allocated to the owner. The owner's profit included NOK 168 million from products not included in profit sharing with policyholders. Profit after tax was NOK 1,193 million.

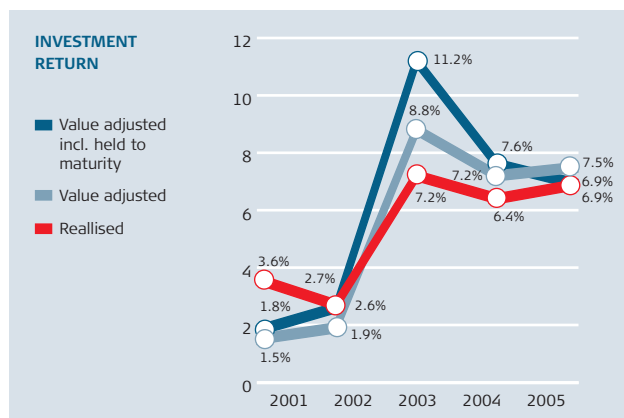
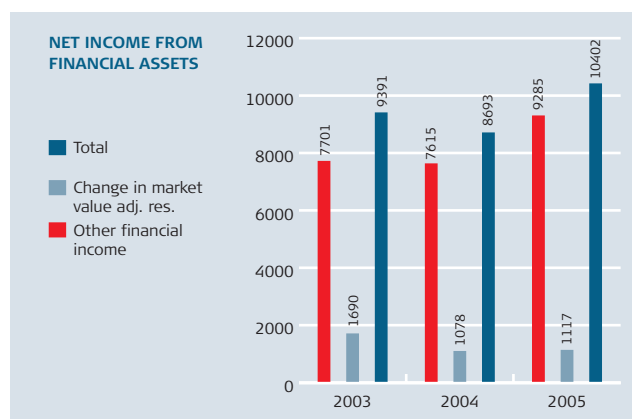
Interest result is the difference between the booked return and the guaranteed return on policies. The average guaranteed return on insurance policies in 2005 was 3.6%. Good investment returns on the assets managed for customers represent the

most important element of profitability for savings-related products. The company produced a good book investment return in 2005. Interest result for the year was NOK 4,359 million for 2005, as compared to NOK 3,094 million for 2004

Risk result arises as a consequence of the incidence of mortality and disability during the period differing from that assumed for the premium tariffs. The risk result for 2005 was NOK 363 million as compared to NOK 206 million in 2004. The increase of NOK 157 million reflects increases of NOK 192 million for group pension business, NOK 32 million for group life business and NOK 19 million for non-life business. Individual endowment policies (single payments) and individual pension insurance showed declines of NOK 31 million and NOK 55 million respectively.

Administration result shows the difference between the administration premium charged for the year and actual operating costs. The administration result was a deficit of NOK 330 million, representing a decline of NOK 193 million from 2004. All lines of business showed a decline in administration result. The reasons for this included increased pension costs as a result of charging the accumulated effect of differences between assumptions and outcome for pensions to profit and loss as part of the transition to the new accounting standard, investment in new activities and the costs caused by growth in sales volumes.

Premium income: Storebrand Livsforsikring's total premium income for 2005, including policy transfers, was NOK 18,318 million. This represents an increase of 2% from 2004, when total premium income was NOK 17,912 million. The total inflow of premium reserves from transfers between companies was NOK 2,318 million as compared to NOK 2,619 million in 2004. Premiums written increased by 5% from 2004. The lines of business showing the largest percentage growth were non-life insurance, individual annuity/pension insurance and individual endowment insurance with increases from 2004 of 43%, 19% and 8% respectively. Premium income for group pension insurance and group life insurance showed a decline of 1% and 4% respectively.



Investment return: Storebrand Livsforsikring produced a good investment return in 2005. The booked investment return was 6.9%, as compared to 6.4% for 2004. The value-adjusted return including gains on current asset investments was 7.5% as compared to 7.2% in 2004. At the close of 2005 unrealised gains on current asset investments totalled NOK 3,884 million, while unrealised gains on bonds held to maturity totalled NOK 3,573 million. 9 of the company's 16 investment portfolios produced a better return than their benchmark index in 2005.

Costs: Storebrand Livsforsikring incurred operating costs of NOK 1,354 million in 2005 as compared to NOK 1,039 million in 2004. The increase of NOK 315 million was caused mainly by increased commission payments on a higher volume of sales to the retail market, charging the accumulated effect of differences between assumptions and outcome for pensions to profit and loss, opening the branch in Sweden, and work on mandatory employer's pension products. The fees payable to Storebrand Investments were lower than in 2004 due to a weaker investment return performance relative to the benchmark indices. Policyholders' funds increased by 11% in 2005, and costs relative to average policyholders' funds increased from 0.90% in 2004 to 1.06% in 2005. The company has targeted further improvements in operational efficiency that will create the basis to absorb further growth in business volumes without an equivalent increase in costs.

Insurance claims and benefits: Claims and benefits paid for own account increased by 3% in 2005 to NOK 10,363 million. The change reflects a decrease in outward transfers of policyholders' assets from NOK 3,232 million in 2004 to NOK 1,831 million in 2005, as well as an increase of NOK 1,476 million in cancellations and withdrawals to NOK 2,776 million in 2005. Other claims and benefits paid totalled NOK 5,750 million, representing a normal increase in relation to the total insurance portfolio of NOK 226 million for the year.

Allocations to the insurance fund: Good net sales and a satisfactory investment return caused an increase in policyholders' funds of NOK 13.4 billion in 2005 to NOK 134.5 billion at 31 December 2005. Of the profit allocated to policyholders, NOK 1,210 million was allocated to the premium fund, giving a net increase of NOK 298 million to NOK 5.4 billion at

31 December 2005. Additional statutory reserves, which are conditionally allocated customer funds that act as risk capital for fluctuations in the value of the investment portfolio, were strengthened by NOK 950 million to NOK 4.5 billion at 31 December 2005. This represents a shortfall of approximately NOK 0.2 billion from the amount equivalent to one year's guaranteed return.

RISK MANAGEMENT AND CAPITAL ADEQUACY

The majority of savings-related life insurance products incorporate a guaranteed minimum return. These savings products currently offer an average annual guaranteed return of 3.6%. The average guaranteed return will fall over time since the return guaranteed on new policies cannot exceed 2.75%. The life company's financial risk principally relates to its ability to generate an investment return at least equal to the guaranteed minimum return. This places particular demands on how the life insurance company allocates its investments between various securities and other assets, not least when interest rates are at their current low level, and on the quality of the company's risk management.

In order to reduce its exposure to financial risk, Storebrand has fixed the future rate of return on part of its money market investments. In addition, a significant proportion of the investment portfolio is invested in bonds to be held to maturity with a running yield of 5.5%. However, if interest rates remain at their current low level over the longer term, this will make it challenging to produce an expected return on the company's assets that represents a good margin over the guaranteed minimum return. In early 2004, the Norwegian parliament approved a number of significant changes to the Insurance Activities Act. One important change is that once the amended legislation comes into force, insurance companies will charge policyholders in advance for the cost of guaranteeing the minimum return. Given an expected return of between 5% and 6%, Storebrand assesses that the introduction of the new legislation will, in total, have a relatively neutral effect on the expected return to the owner. It is expected that the profit on products not subject to profit sharing will continue in the same way as at present. However, the division of risk between customers and the company will be different under the new legislation, and this may lead to less risk exposure for the investment portfolios. More transparent pricing may also lead to greater competition.

The allocation of financial assets is agreed annually in connection with the approval of the company's investment strategy. The investment strategy establishes guidelines for the composition of financial assets by setting limits and guidelines for the company's risk management. The strategy also includes limits and guidelines for credit and counterparty exposure, foreign exchange risk and the use of derivatives. The objective of active risk management is to maintain sound risk bearing capacity and to continuously adjust financial risk exposure to the company's solidity, while at the same time creating the potential for a good investment return. Insurance policies are long-term agreements, and involve uncertainty in respect of assumptions about future rates of mortality and invalidity. The company uses tariffs that are notified to the authorities that are drawn

up on the basis of statistical experience. The company follows developments in mortality and invalidity rates very closely, and adjusts its reserves in accordance with these trends.

The Financial Supervisory Authority of Norway (Kreditilsynet) published a report dated 9 December 2005 on transitional capital adequacy requirements for Norwegian insurance companies in the period 2007-2009. The report considers alternatives to the capital adequacy regime known as Basle I currently in force (due to be replaced by Basle II for banks from 1 January 2007) for the period leading up to the introduction of the harmonised European capital adequacy regulations known as Solvency II that will not come into force until 2010 at the earliest. Kreditilsynet's recommendation to the Ministry of Finance is to introduce regulations similar to the future Solvency II regulations, following the example of Denmark, Sweden, Holland and the United Kingdom and a number of other European countries. This would require insurers' liabilities to be discounted relative to the market yield curve and for assets to be subject to a stress test. Introducing such a regime in Norway involves certain particular challenges related to the size of the Norwegian government bond market, integration with other financial markets, interaction with the new Insurance Activities Act, the distinctive Norwegian rules on transfers of insurance business and the level of risk capital in Norwegian insurance companies. Whilst positive to starting the process of adjustment to solvency II, Storebrand is of the view that an uncritical acceptance of the proposed regulations may well have unfortunate consequences for policyholders and owners.

Falling interest rates create gains in the form of higher prices for interest-bearing securities such as commercial paper and bonds. However if Norwegian and international interest rates remain persistently low, this will represent a significant challenge for Storebrand Livsforsikring. Low interest rates reduce the interest earned on the proportion of financial assets invested in interest-bearing securities, and make it more difficult to generate the guaranteed minimum annual return without recourse to the company's buffer reserves. One of the steps taken to reduce this risk is that the future return on part of the money market portfolio has been fixed. In addition, the company has invested NOK 40.7 billion, a significant proportion of its financial assets, in bonds held to maturity with a running yield of 5.5%.

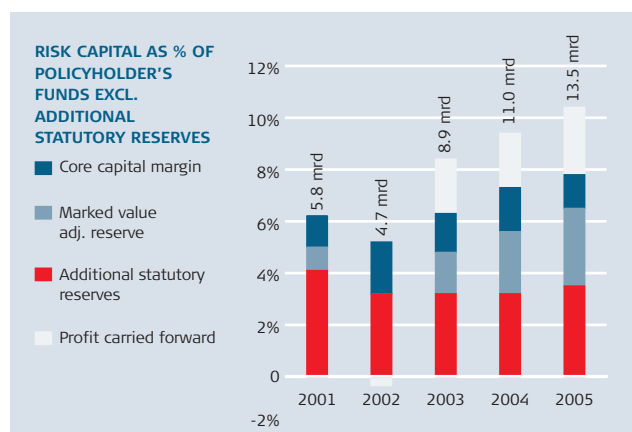
Bonds, commercial paper and investments in bond funds held as current assets totalled NOK 49 billion at the close of 2005.

In accordance with its risk management policy, the company increased its exposure to equities from 21% to 26% (including investment in managed funds) over the course of 2005. Hedging programs were again used for the equity portfolio in 2005 so that risk capital would not be unnecessarily adversely affected in the event of a sudden sharp fall in equity markets.

The company invested NOK 1.3 billion net in real estate in 2005, and real estate investments accounted for 9.3% of total investment assets at the close of 2005. The company entered into contracts in 2005 totalling NOK 2.2 billion for purchases of real estate, but the risk transfer under these contracts takes place in 2006. The company's lending portfolio amounted to NOK 0.7 billion at 31 December 2005, made up solely of corporate loans.

The company's risk capital increased by NOK 2.5 billion to NOK 13.5 billion in 2005. Storebrand Livsforsikring satisfied all capital adequacy requirements in 2005 with a comfortable margin. The company strengthened its solvency margin from 169.4% at 31 December 2004 to 175.2% at 31 December 2005 (the minimum requirement is 100%). The Storebrand Livsforsikring group's capital ratio was 10.94% at 31 December 2005, representing a decline of 3.4 percentage points in 2005 (the minimum requirement is 8%). The decline was principally due to an increase in total assets and higher exposure to shares. The core capital margin was 7%.

Moody's upgraded its rating for Storebrand Livsforsikring from A3 to A2 in 2005. Standard & Poor's upgraded its rating for Storebrand Livsforsikring from A- to A. Both ratings are with 'stable outlook'.



PERSONNEL, ORGANISATION AND CORPORATE BODIES

Storebrand Livsforsikring is a wholly owned subsidiary of Storebrand ASA. The Storebrand Livsforsikring group's headcount at the end of 2005 was equivalent to 911 full-time positions as compared to 890 at the start of the year. The average age of the employees in the Storebrand group is 44 years, with an average length of service of 13 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 most recent internal survey of employee satisfaction showed that 94% of employees were happy with their employment.

It is crucial for Storebrand's future success that it retains and develops the expertise and skill represented by its employees. Each employee's training requirements are agreed and documented through the performance appraisal process, and managers are committed to actively monitoring the development of their employees. Storebrand launched a modular-based management development program in 2005 for all the group's managers.

Storebrand has implemented targeted measures over many years to increase the number of women in management. This work has so far produced improvements in many areas.

Storebrand has set an ambitious target for 40% female representation among its management staff and on its internal and external boards of directors. Female representation on the company's Board of Directors is 33%.

Measures have been implemented to ensure equal participation of male and female staff on internal management development programs and to encourage female staff to participate in external mentoring programs. In addition, 11 of Storebrand's female staff participated in the 'Female Future' training programme for potential board members organised by the Norwegian Confederation of Business and Industry. The group will participate in the Norwegian Financial Services Association management training programme for women in 2006.

Storebrand also insists that external recruitment consultants put forward both male and female candidates when shortlists are prepared for the recruitment of managers. In addition, Storebrand introduced in 2005 the following text in all external recruitment advertising: "We are committed to diversity, and encourage applications from all suitably qualified candidates regardless of age, gender, disability or cultural background".

Storebrand produces salary statistics at specified management levels to facilitate the comparison of salaries between male and female employees.

The group pays particular attention to its older employees, and has implemented a number of measures to support this important element of its workforce. 26.9% of employees are older than 50, and many of them have more than 30 years of service. Employees over 60 years are able to reduce their working hours to 80% on 90% of salary, and employees are encouraged to work beyond the normal retirement age. Storebrand received the "Senior Initiative" award in 2005 from the Centre for Senior Policy, which works to promote the role of seniors in working life and society.

Storebrand reviewed and updated its ethical guidelines in 2005, and distributed new ethical rulebooks to all employees. In addition, ethical issues were a standard agenda item at a number of employee gatherings. Employees can seek advice anonymously from a business ethics page on the Storebrand Intranet, and the company publishes its replies for all employees to see.

Storebrand's collaboration agreement with the Church of Norway makes it possible for employees to meet with a priest at times of need. The priest also supported certain units of the group in discussions on ethical dilemmas in 2005. Storebrand has assisted the Norwegian Financial Services Association in the production of ethical guidelines for financial advisers, and these have been communicated to and reviewed with all Storebrand's advisers.

As a participant in the "inclusive workplace" scheme, Storebrand has worked systematically since 2002 to reduce absence due to illness, which was 4.8% in 2005. Figures for short-term absence and long-term sickness are stable, but the incidence of absence due to illness for periods between 16 days and 8 weeks showed some increase in 2005. Storebrand did not incur any reported personal injury, damage to property or accidents of any significance in 2005.

There were no changes in the composition of the Board of Directors in 2005.

CORPORATE RESPONSIBILITY

Storebrand's commitment to corporate responsibility is an integrated part of the group's activities. The group's current two-year action plan for corporate responsibility runs to the end of the 2006. Nonetheless, performance relative to the targets set out in the action plan is reported annually.

Storebrand again qualified for inclusion in 2005 in the sustainability indices FTSE4GOOD and Dow Jones Sustainability Index, which are international share indices which include only companies with the best records for corporate responsibility. The company also launched a new health and safety product to reduce absence due to illness at companies that use Storebrand for their pension arrangements. Storebrand has the best customer satisfaction ranking in the corporate market. We have also introduced Max Havelaar coffee at the Storebrand head office. The Max Havelaar product guarantees greater job security and better prices for small farmers and coffee plantation workers in developing countries. After one year of the two-year action plan, 24 of the 38 targets have already been achieved.

A number of measures were introduced in 2005 that were not included at the outset of the two-year action plan. This included a group-wide policy for all the group's investments. Other examples include investment in a microfinance initiative and entering into a collaboration agreement with the Centre for Corporate Citizenship at the Norwegian School of Management

STOREBRAND'S IMPACT ON THE EXTERNAL ENVIRONMENT

Storebrand is committed to reducing its impact on the environment. This includes measuring the group's consumption of water, reducing energy consumption and paper usage, sorting waste and recycling all electronic equipment. In addition, Storebrand sets environmental standards for the management of the company's properties, and is in the process of including environmental and corporate responsibility requirements in contracts with its suppliers. Storebrand's holding of forest land at Værdalsbruket is certified in accordance with the Living Forest standard.

Six of the nine specific environmental targets in the action plan have been achieved. The targets for greater waste sorting have not yet been achieved. New measures will be considered in 2006 to ensure progress in this area. One measure introduced in autumn 2005 was to site recycling bins on every floor of Storebrand's offices for sorting of plastic waste, printer toner cassettes, electronic equipment and batteries. This is expected to have a positive effect in 2006.

NEW REGULATORY FRAMEWORK FOR THE LIFE INSURANCE INDUSTRY

The Norwegian life insurance industry is facing changes in a number of areas.

Changes were made to the Norwegian Insurance Act by an amending Act dated 10 December 2004. The changes are based on the Parliamentary Bill (Odelstingsproposisjon) 74 (2003-2004), and will come into force on such dates as are approved by the King. Different dates may apply to the various provisions contained in the Act, and the authorities may also announce transitional rules.

The new legislation will create considerable changes, and Storebrand's preparations are well underway. The overall objective of the new legislation is to make pricing more predictable and transparent and to make a clearer distinction between the assets of the insurance company and its policyholders.

The new legislation requires that premiums must be fixed and paid in advance. This will largely put an end to the allocation of profit between the life insurance company and its policyholders for important product areas. The various elements of pension products must be priced separately, and the pricing must include the insurance company's remuneration.

- **Premium for the interest rate guarantee:** The client company must pay in advance for the interest rate guarantee and management of the pension assets. The entire return from investing the pension policy's assets will accrue to the pension policy. The premium charged may depend on factors such as the policy's level of risk capital, the composition of investment portfolio and the level of the interest rate guarantee.
- **Risk premium:** The client company will receive any surplus from the risk result achieved on insurance cover for death, disability and dependants in the pension policy. However, the insurance company will be able to transfer part of the surplus to a risk equalisation fund that can be used to meet future deficits.
- **Premium for pension scheme administration:** Administration costs must be charged in advance and represent the definitive cost for the client company. The insurance company will retain any surplus in the administration result, but must also meet any deficit.

At present, Storebrand decides how a pension policy's assets are invested, and the entire portfolio is managed in the same way. The new legislation will allow companies with defined benefit pension schemes to exercise greater influence over the allocation of pension assets between investment alternatives such as equities, bonds, money market and real estate.

The new legislation will also make it possible for a 'group pension portfolio' to be divided into sub portfolios with different management criteria. Sub-policies with a low interest rate guarantee and high risk capital (additional statutory reserves and unrealised gains) may therefore be managed with a higher equity component, and so offer a higher expected return.

Additional statutory reserves are an important part of a pension policy's risk capital, and the new regulations will give client companies greater flexibility to build up additional statutory reserves in their pension policies. This will allow client companies to increase the equity exposure of their policy's assets and so achieve a higher expected return. Alternatively, higher additional reserves can be used to reduce the cost of the interest rate guarantee. The new legislation stipulates that additional statutory reserves can, in general, only be used to meet a shortfall in return within the policy to which they relate.

FUTURE PROSPECTS

Corporate market

Storebrand expects companies setting up pension schemes for the first time to mainly choose the defined contribution alternative. All Norwegian companies with more than two employees are now required to set up an occupational pension scheme by the close of 2006, and this means that in terms of the number of companies with pension schemes, the occupational pensions market is set to change from a market dominated by defined benefit schemes to a market dominated by defined contribution schemes. However, in terms of the value of accumulated pension assets, the defined benefit alternative will continue to dominate for many years to come.

During Autumn 2005, Storebrand adapted its organisation to meet the requirements of the new market for mandatory occupational pensions. The introduction of mandatory employers' pensions will increase the level of annual premiums in the overall pensions market by at least NOK 3 billion. Storebrand has developed a new standardised product known as Storebrand Folkepension that is specifically designed for small companies facing the new mandatory requirement to make pension arrangements in 2006. The Folkepension product is very easy for companies to set up and manage. Companies can set up a Folkepension policy either through a Storebrand customer centre or over the Internet. Storebrand has positioned itself in this market through agreements with trade associations and a number of external distributors. The agreements provide a good foundation for efficient distribution of Storebrand Folkepension, and are expected to help ensure a strong position in this market. The company has also signed a distribution agreement for occupational pension products with a number of savings banks and commercial banks. Storebrand's retail market financial advisers will also support the corporate market distribution unit on sales of the Folkepension product.

The introduction of mandatory employers' pensions has caused a sharp increase in the number of suppliers of pension products, and there is intense competition for this new business. Many companies affected by the change had not made any decision on the company to use as their pension supplier by the start of 2006. Although the final deadline for establishing a pension scheme is the end of 2006, contributions must start with effect from 1 July. The level of activity in this market is therefore expected to increase as the summer approaches.

With effect from 2007, the occupational pensions market will, on the whole, freely permit transfers between different suppliers. This means that the various suppliers will compete to attract the business of established occupational pension schemes. As one of the longest-established players in the market, Storebrand takes a long-term view of mandatory employers' pensions. Focus on attracting business volume in 2006 will create a significant new customer portfolio that can be developed over time. This will give Storebrand a stronger starting point for its focus on sales of supplementary financial products to employees of companies with Storebrand occupational pension arrangements. At the same time, an increase in the number of corporate customers will bring significant growth in assets under management.

Public sector occupational pension schemes remain one of the most exciting market areas for Storebrand, based on the size and market, the current volume of transfers and the fact that public sector pensions are subject to compulsory increases in line with salary growth and the basic state pension. 100 municipalities have now chosen a pension supplier other than KLP. The differences in market share between the various pension suppliers in this market are expected to even out over time. The market for public sector pension schemes looks likely to increase in future years as a number of public sector entities that currently arrange pensions through the Public Service Pension Fund will be allowed to invite competitive bidding for their pension arrangements.

Storebrand's Corporate Market unit seeks to stimulate greater commitment to Health, Safety and the Working Environment (HSE) by both private and public sector customers. Greater focus on HSE offers benefits for employees in terms of less sickness, rapid access to medical treatment when required, better job satisfaction and higher quality of life. The benefits for employers include reduced cost of absence due to illness, improved value creation and lower insurance premiums. Society in general and the insurance company in particular benefit from lower costs caused by absence due to illness and a reduction in the incidence of disability pensions.

In 2005, Storebrand was the first Norwegian company to launch a new Health and Safety product that offers reduced disability premiums for companies that focus on health and safety. The new product has two elements – enhanced health insurance provided by Storebrand Health Insurance and health and safety advice from Storebrand Livsforsikring's own specialist advisers. The product is available to companies that have entered into a "Inclusive Workplace" agreement with the National Insurance Administration. For the public sector, Storebrand has established an HSE and senior policy fund for 2006. The fund can be used for various HSE measures, as well as training and education. In addition, Storebrand offers health insurance and HSE advice for municipalities and other public sector entities.

Through its Swedish branch office, Storebrand will focus on selected niches of the Swedish market through the largest broking firms in Sweden.

RETAIL MARKET

Following a decline from 2000 to 2002, the market for long-term savings is growing again. Greater individualisation of this market as a result of the shift from defined benefit to defined contribution pension schemes and the modernisation of social security provision have both helped to encourage growth in long-term savings. The introduction of mandatory employers' pensions will also help to increase awareness of the need for personal savings, and will create further growth in this market. Storebrand expects growth in saving through products both with and without fixed contract periods. The market for life insurance and health insurance has grown over recent years, but at a more moderate pace than previously expected. We are still in a relatively immature market, where many people put greater priority on insuring their house, car, boat and other valua-

bles than on insuring themselves and their family. However the market is expected to mature and continue to grow.

Storebrand is successfully attracting new customers through Storebrand Bank's new position in the market. This means that the total number of private individuals using Storebrand is growing. We expect further growth in the total customer base through this focus on the retail market and the effect of the introduction of compulsory employers' pensions is expected. It was therefore extremely important in 2005 for Storebrand to improve its understanding of the customer base in order to successfully cross-sell products to its existing customers and important steps have therefore been taken to develop and test various activities with groups of existing customers. This is intended to enhance the response to marketing activities that target specific customer groups and improve the results achieved. By making systematic use of cross-selling and customer opportunities, Storebrand aims to maximise its income, increase the number of products per customer and strengthen customer loyalty.

GROWTH

Storebrand Livsforsikring expects growth in its total portfolio in the corporate market of between 8% and 10% annually. Growth in the retail market is very dependent on the future outlook for interest rates and the extent to which the introduction of compulsory employers' pensions affects demand for individual pension products.

ALLOCATION OF THE RESULT FOR THE YEAR

Storebrand Livsforsikring AS reports a profit available for sharing between policyholders and the owner of NOK 4,381 million for the year. After allocating NOK 950 million to additional statutory reserves, the profit for the year was NOK 3,431 million. The company's distributable reserves amount to NOK 2,784 million. The Board proposes the following allocation of the profit for the year:

Allocation NOK million	Total	To the owner	%	To policyholders	%
Profit/loss for products not subject to profit allocation	168.0	168.0			
Profit/loss for products subject to profit allocation	3 263.2	998.5	31 %	2 264.7	69 %
Total	3 431.2	1 166.5		2 264.7	
The Board proposes that the owner's profit be allocated as follows:					
Tax		-26.6			
Dividend		775.4			
Transfer to other equity		417.7			

Oslo, 13 February 2006
The Board of Directors of
Storebrand Livsforsikring AS

Translation, not to be signed

Leiv L. Nergaard
Chairman

Camilla Grieg

Jan Kildal

Trond Wilhelmsen

Hege Hodnesdal

Hans Henrik Klouman

Idar Kreutzer
Managing Director

Profit and loss Storebrand Livsforsikring

1 January - 31 December

STOREBRAND LIFE GROUP			NOK MILLION	NOTE	STOREBRAND LIVSFORSIKRING AS		
2003	2004	2005			2005	2004	2003
TECHNICAL ACCOUNT:							
9 547.9	15 315.2	16 028.0	1.1 Gross premiums written		16 028.0	15 315.2	9 547.9
-21.1	-22.4	-28.3	1.2 Reinsurance premiums ceded		-28.3	-22.4	-21.1
3 367.4	2 619.3	2 317.8	1.3 Premium reserves transferred from other companies	4	2 317.8	2 619.3	3 367.4
12 894.2	17 912.1	18 317.5	1. Premiums for own account	1,2	18 317.5	17 912.1	12 894.2
1.0	0.0	0.0	2.1 Income from shares and participations in group companies		5.5	17.3	13.2
13.4	4.4	0.4	2.2 Income from participations in associated companies		0.4	4.4	13.4
1.1	0.3	0.0	2.3 Income from receivables due/securities issued by group companies			0.4	1.6
775.5	888.7	1 052.9	2.4 Income from property and real estate investments		959.5	804.0	701.8
5 181.0	4 578.3	4 703.7	2.5 Income from other financial assets		4 702.0	4 577.4	5 177.4
99.0	202.8	263.7	2.6 Revaluation of property and real estate investments		263.7	202.8	99.0
1 689.6	1 077.7	1 116.8	2.7 Unrealised gains/reversals of unrealised losses on financial current assets		1 116.8	1 077.7	1 689.6
167.3	3.0		2.8 Reversal of write-downs of financial assets			3.0	167.3
8 604.5	8 286.7	10 987.7	2.9 Gains on sales of financial assets		10 987.7	8 286.7	8 604.5
16 532.4	15 041.9	18 125.2	2. Income from financial assets	6	18 035.6	14 973.7	16 467.8
49.4	66.5	18.2	3. Other insurance related income		18.2	66.5	49.4
-5 936.1	-6 824.1	-8 525.5	4.1 Gross claims paid		-8 525.5	-6 824.1	-5 936.1
5.6	6.8	13.8	4.2 Claims paid - reinsurance		13.8	6.8	5.6
-29.4	-31.2	-20.5	4.3 Gross change in claims reserve		-20.5	-31.2	-29.4
-1 904.1	-3 231.5	-1 830.9	4.4 Premium reserves etc. transferred to other companies	4	-1 830.9	-3 231.5	-1 904.1
-7 864.0	-10 080.0	-10 363.1	4. Claims for own account	1	-10 363.1	-10 080.0	-7 864.0
-8 811.5	-11 221.5	-11 223.5	5.1 To/from premium reserve in the insurance fund (gross)		-11 223.5	-11 221.5	-8 811.5
-126.6	-134.2	-125.4	5.2 Guaranteed return on premium/pension adjustment fund		-125.4	-134.2	-126.6
-470.0	-500.0	-950.0	5.3 Additional statutory allocations for the year		-950.0	-500.0	-470.0
62.3	140.9	43.2	5.4 To/from additional statutory reserves in connection with claims/repurchase		43.2	140.9	62.3
7.5	24.6	58.9	5.5 Transfers of additional statutory reserves from other companies		58.9	24.6	7.5
-10.6	-6.9	-10.6	5.6 To/from security reserve		-10.6	-6.9	-10.6
-5.0	-21.6	-15.2	5.7 To technical reserves for non-life insurance business		-15.2	-21.6	-5.0
-9 353.9	-11 718.7	-12 222.6	5. Changes in insurance reserves etc. for own account	1	-12 222.6	-11 718.7	-9 353.9
-335.9	-357.9	-509.5	6.1 Sales expenses (insurance)	3	-509.5	-357.9	-335.9
-508.0	-523.8	-757.8	6.2 Insurance related administration expenses	8	-757.8	-523.8	-508.0
-843.9	-881.7	-1 267.3	6. Insurance related operating expenses for own account		-1 267.3	-881.7	-843.9
-5.5	-5.5	-6.5	7.1 Administration expenses: properties and real estate investments		-6.5	-5.5	-5.5
-145.1	-151.6	-80.1	7.2 Administration expenses: other financial assets		-80.1	-151.6	-145.1
-5.5	-33.6	-7.3	7.3 Interest expense arising from financial assets		-6.2	-21.3	-5.5
-147.9	-137.9	-153.8	7.4 Other expenses arising from financial assets		-72.6	-75.9	-81.5
-95.3	-34.1	-232.8	7.5 Revaluation of properties and real estate investments		-232.8	-34.1	-95.3
-3.5	-0.3	-4.7	7.6 Write-downs to other financial assets		-4.7	-0.3	-3.5
-6 875.9	-6 139.0	-7 325.1	7.7 Loss on disposal of financial assets		-7 325.1	-6 139.0	-6 875.9
-7 278.7	-6 502.0	-7 810.3	7. Expenses in respect of financial assets	6	-7 728.0	-6 427.7	-7 212.3

STOREBRAND LIFE GROUP			NOK MILLION	NOTE	STOREBRAND LIVSFORSIKRING AS		
2003	2004	2005			2005	2004	2003
-78.7	-164.9	-100.7	8. Other insurance related expenses after reinsurance share		-100.7	-164.9	-78.7
-1 689.6	-1 077.6	-1 116.8	9. To/from market value adjustment reserve		-1 116.8	-1 077.6	-1 689.6
2 367.2	2 595.6	3 580.1	10. TECHNICAL INSURANCE RESULT		3 572.8	2 601.7	2 369.0
21.1			11. Released from additional statutory reserves in the policyholders' fund to meet the shortfall in guaranteed return				21.1
-712.6	-764.0	-1 054.8	12.1 Transfers to the premium reserve in the insurance fund		-1 054.8	-764.0	-712.6
-656.3	-755.4	-1 209.9	12.2 Transfers to the premium fund and pensioners' surplus fund		-1 209.9	-755.4	-656.3
-1 368.9	-1 519.4	-2 264.7	12. Funds transferred to policyholders	1,5	-2 264.7	-1 519.4	-1 368.9
1 019.4	1 076.2	1 315.4	13. BALANCE OF THE TECHNICAL ACCOUNT		1 308.1	1 082.3	1 021.2
			NON-TECHNICAL ACCOUNT:				
58.5	65.7	86.1	14. Other income				
-242.5	-176.2	-234.4	15. Other expenses		-141.6	-119.7	-186.7
835.4	965.7	1 167.1	16. PROFIT FROM ORDINARY ACTIVITIES		1 166.5	962.6	834.5
-196.7	-33.4	26.0	17. Tax	7,22	26.6	-31.0	-196.4
-0.6	-0.7		18. Minority interests' share of profit				
638.1	931.6	1193.1	19. PROFIT FOR THE YEAR		1 193.1	931.6	638.1
			ALLOCATIONS:				
			20.1 Group contribution paid				-144.0
			20.2 Dividend paid		-775.4	-538.7	-230.0
			20.3 Transferred to other equity		-417.7	-392.9	-264.1
			20. Total allocated		-1 193.1	-931.6	-638.1

Balance sheet Storebrand Livsforsikring

31 December

STOREBRAND LIFE GROUP			STOREBRAND LIVSFORSIKRING AS				
2003	2004	2005	NOK MILLION	NOTE	2005	2004	2003
			ASSETS:				
61.9	41.6	24.9	1.1 Intangible assets	17			3.1
			1.2 Deferred tax assets	22			4.4
61.9	41.6	24.9	1. Intangible assets		0.0	0.0	7.5
9 660.7	12 872.4	14 135.7	2.1 Properties and real estate	16,17	13 963.4	12 864.9	9 651.0
		0.0	2.2 Shares and participations in group companies	10,14	341.2	126.5	121.3
58.7	61.6	100.0	2.3 Shares and participations in associated companies	10,14,18	62.0	61.6	58.7
42 367.9	39 351.5	40 671.6	2.4 Bonds to be held to maturity	12,14,17,18	40 671.6	39 351.5	42 367.9
1 284.2	267.8		2.5 Secured lending			267.8	1 284.2
184.1	130.8	656.1	2.6 Other lending	14	656.1	130.8	184.1
	1.1		2.7 Other financial long term assets				
53 555.6	52 685.2	55 563.4	Long term financial assets		55 694.3	52 803.1	53 667.2
19 130.1	28 616.4	39 338.4	2.8 Shares and other equity investments	9,13,14,18	39 336.8	28 579.3	19 095.2
37 467.2	44 039.8	48 785.3	2.9 Bonds and other fixed income securities	11,13,14,18	48 785.3	44 039.8	37 467.2
3 609.4	3 032.2	1 528.5	2.10 Money market placements	14,18	1 528.5	3 032.2	3 609.4
133.9	374.1	438.7	2.11 Financial derivatives	13,14,18	438.7	374.1	133.9
17.3			2.12 Other financial current assets				17.3
60 357.9	76 062.5	90 090.9	Financial assets held as current assets		90 089.3	76 025.4	60 323.0
113 913.5	128 747.7	145 654.3	2. Total financial assets		145 783.6	128 828.5	113 990.2
1 297.7	1 189.7	957.0	3.1 Receivables due from insurance customers (direct business)		957.0	1 189.7	1 297.7
7.6	4.3	4.3	3.2 Receivables due arising from reinsurance		4.3	4.3	7.6
155.0	566.5	1 498.8	3.3 Other receivables		1 384.0	244.3	199.4
5.0	33.5	25.6	3.4 Intra-group receivables	24	240.8	51.4	15.9
1 465.3	1 794.0	2 485.7	3. Total receivables		2 586.1	1 489.7	1 520.6
2.4	2.6	26.5	4.1 Fixed assets	17	24.2	0.5	0.6
1 694.2	2 053.9	1 777.6	4.2 Cash and bank		1 581.9	1 939.0	1 615.2
80.9	96.2	0.0	4.3 Other assets by type	8		89.6	74.9
1 777.5	2 152.7	1 804.1	4. Total other assets		1 606.1	2 029.1	1 690.7
1 538.9	1 390.1	1 697.0	5.1 Accrued but not received lease rentals. interest etc.		1 694.4	1 386.6	1 538.9
194.6	85.2	6.5	5.2 Other prepaid costs and accrued income		6.5	85.2	191.7
1 733.5	1 475.3	1 703.5	5. Total prepaid costs and accrued income		1 700.9	1 471.8	1 730.6
118 951.7	134 211.3	151 672.5	TOTAL ASSETS		151 676.7	133 819.1	118 939.6

STOREBRAND LIFE GROUP				STOREBRAND LIVSFORSIKRING AS				
2003	2004	2005	NOK MILLION	NOTE	2005	2004	2003	
EQUITY AND LIABILITIES:								
1 361,2	1 411,2	1 411,2	6.1 Share capital	27	1 411,2	1 411,2	1 361,2	
26,4	726,4	726,5	6.1 Share premium	27	726,5	726,4	26,4	
1 387,6	2 137,6	2 137,7	6. Total paid-in share capital		2 137,7	2 137,6	1 387,6	
1 973,3	2 366,2	2 783,9	7.1 Other equity	27	2 783,9	2 366,2	1 973,3	
1 973,3	2 366,2	2 783,9	7. Total accrued capital		2 783,9	2 366,2	1 973,3	
12,5	13,0	12,7	8. Minority interests' share in equity					
1 536,0	0,0	0,0	9.1 Perpetual subordinated loan capital				1 536,0	
1 132,9	2 966,8	2 875,4	9.2 Other subordinated loan capital		2 875,4	2 966,8	1 132,9	
2 668,9	2 966,8	2 875,4	9. Total subordinated loan capital	13,23	2 875,4	2 966,8	2 668,9	
1 689,6	2 767,2	3 884,0	10. Market value adjustment reserve	18	3 884,0	2 767,2	1 689,6	
99 909,1	111 819,5	124 051,7	11.1 Premium reserve for own account		124 051,7	111 819,5	99 909,1	
3 393,4	3 706,1	4 537,5	11.2 Additional statutory reserves		4 537,5	3 706,1	3 393,4	
4 858,6	4 946,2	5 228,1	11.3 Premium fund		5 228,1	4 946,2	4 858,6	
256,3	199,2	215,0	11.4 Pensioner's surplus fund		215,0	199,2	256,3	
282,6	313,8	334,3	11.5 Claims reserve for own account		334,3	313,8	282,6	
59,9	81,4	96,6	11.6 Other technical reserves	21	96,6	81,4	59,9	
108 759,9	121 066,2	134 463,2	Insurance fund reserves for own account		134 463,2	121 066,2	108 759,9	
141,7	148,6	159,2	11.7 Security reserve		159,2	148,6	141,7	
108 901,6	121 214,8	134 622,4	11. Total insurance related reserves for own account	19	134 622,4	121 214,8	108 901,6	
134,5	187,6	245,1	12.1 Pension liabilities etc.	8	226,5	181,2	129,6	
69,8	180,2	180,9	12.2 Deferred tax	22	0,0	26,6		
15,9	0,3	0,3	12.3 Other reserves		0,3	0,3	15,6	
220,2	368,1	426,3	12. Total reserves for other risks and costs		226,8	208,1	145,2	
540,3	481,1	724,4	13.1 Accounts payable in respect of direct insurance		724,4	481,1	540,3	
78,1	80,8	111,6	13.2 Accounts payable in respect of reinsurance		111,6	80,8	78,1	
		684,1	13.3 Financial derivatives representing current liabilities	18	684,1			
864,3	1 018,3	2 301,0	13.4 Other liabilities		2 441,8	712,2	821,8	
230,0	538,7	776,6	13.5 Allocated to dividend		775,4	538,7	230,0	
221,3	12,8	14,9	13.6 Due to group companies	24	119,4	124,7	357,0	
1 934,0	2 131,7	4 612,6	13. Total liabilities		4 856,7	1 937,5	2 027,2	
44,3	46,7	42,6	14.1 Prepayments received of lease rental. interest etc.		42,6	46,7	44,3	
119,7	199,2	274,9	14.2 Other accrued costs and deferred income		247,2	174,2	101,9	
164,0	245,9	317,5	14. Total accrued costs and deferred income		289,8	220,9	146,2	
118 951,7	134 211,3	151 672,5	TOTAL EQUITY AND LIABILITIES		151 676,7	133 819,1	118 939,6	
Off-balance sheet contingent liabilities, see Note 9						2 982		

Oslo, 13 February 2006
The Board of Directors of
Storebrand Livsforsikring AS

Translation, not to be signed

Leiv L. Nergaard
Chairman

Camilla Grieg

Jan Kildal

Trond Wilhelmsen

Hege Hodnesdal

Hans Henrik Klouman

Idar Kreutzer
Managing Director

Cash flow analysis

1 January - 31 December

NOK MILLION	GROUP			PARENT COMPANY		
	2005	2004	2003	2005	2004	2003
Cash flow from operations						
Net premiums received - direct insurance	15 096.7	14 048.4	7 847.4	15 096.7	14 383.5	7 853.4
Net claims/benefits paid - direct insurance	-8 288.9	-6 966.8	-5 770.4	-8 288.9	-6 907.7	-5 770.4
Net receipts/ payments - policy transfers	486.9	-212.2	1 463.3	486.9	-612.2	1 463.3
Net receipts/payments - lending to customers	-236.5	1 126.1	-247.9	-236.5	1 126.4	-206.8
Net receipts/payments - loans to and claims on other financial institutions						
Net receipts/payments - customer deposits with the banking activities	106.1	98.5	114.9	104.8	98.5	109.7
Net receipts/payments - deposits from Norges Bank and other financial institutions						
Net receipts/payments - securities in the trading portfolio:						
Shares and other equity investments	-5 592.0	-6 172.4	-5 377.2	-5 805.9	-5 653.9	-5 373.1
Bonds and other fixed income securities	-694.9	1 279.2	3 041.1	-697.9	976.6	2 990.6
Financial derivatives and other financial instruments	619.5		-135.1	619.5	-222.9	-89.6
Dividend receipts from the trading portfolio						
Payments to suppliers for goods and services	-53.0	-994.7	-1 086.1	-80.8	-854.4	-1 141.0
Net receipts/payments - real estate activities	-315.1	-2 111.4	758.1	-162.5	-2 310.3	752.1
Payments to employees, pension scheme, employers' contribution etc.	-599.0	-663.3	-395.6	-576.7	-393.6	-366.6
Payments of tax, duties, etc.	26.7		-67.7	0.0	0.0	-87.5
Net receipts/payments - other operational activities						
Net cash flow from operations	556.5	-568.6	144.8	458.7	-370.0	134.1
Cash flow from investment activities						
Net receipts from sales of subsidiaries	0.1			0.1		
Net payments on purchase/capitalisation of subsidiaries						
Receipts from sales of property						
Payments on purchase of property	-12.4		1.0	-12.4	0.0	0.0
Net receipts/payments on sale/purchase of fixed assets, etc.	-50.1	0.1	-15.4	-31.9	-4.1	-11.1
Net cash flow from investment activities:	-62.4	0.1	-14.4	-44.2	-4.1	-11.1
Cash flow from financing activities						
Repayment of long term lending						
Receipts from taking up term loans						
Receipts from issuance of commercial paper/short-term loans						
Repayment of commercial paper/short-term loans						
Receipts from issuance of subordinated loan capital						
Repayment of subordinated loan capital						
Interest payments on subordinated loans	-233.0	178.2	9.6	-233.0	178.2	11.8
Receipts from issue of bond loans and other long-term funding						
Repayment of bond loans and other long-term funding						
Receipts from issue of new share capital	0.1	750.0	21.0	0.1	750.0	21.0
Payments on redemption of share capital						
Group contribution/dividend paid	-537.5		0.0	-538.7	-230.3	0.0
Net cash flow from financing activities	-770.4	928.2	30.6	-771.6	697.9	32.8
Net cash flow for the period	-276.3	359.7	161.0	-357.1	323.8	155.8
Net change in cash and cash equivalent assets	-276.3	359.7	161.0	-357.1	323.8	155.8
Cash and cash equivalent assets at the start of the period for new companies						
Liquid assets 01.01	2 053.9	1 694.2	1 533.2	1 939.0	1 615.2	1 459.4
= Liquid assets at 31.12	1 777.6	2 053.9	1 694.2	1 581.9	1 939.0	1 615.2

Accounting principles

General

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

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

Consolidation

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

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

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

Assets and liabilities denominated in foreign currency

Liquid assets, other financial current assets and subordinated loans denominated in foreign currency are converted at the

exchange rate prevailing on the date of the balance sheet. Currency derivatives are valued at actual value on the date of the balance sheet.

PROFIT AND LOSS ACCOUNT

Premium income

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

Claims paid

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

Income/expense arising from financial assets

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

Transfers of premium reserve etc. (policy transfers)

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

Profit allocated to policyholders

The guaranteed yield on the premium reserve and on the premium/pension adjustment fund is recognised to profit and loss as part of the item changes in insurance reserves. Other profit allocated to customers is shown under the item 'funds transferred to policyholders'.

FINANCIAL ASSETS

FINANCIAL CURRENT ASSETS

Real estate

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

Shares held as fixed assets.

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

Bonds held to maturity

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

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

Mortgage loans – other lending

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

FINANCIAL CURRENT ASSETS:

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

Shares and other equity investments

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

If a market for a financial instrument is not active, fair value is determined by using valuation techniques. Such valuation techniques make use of recent arm's length market transactions between knowledgeable and willing parties where available,

reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis, and options pricing models.

Bonds and other fixed income securities

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

Financial derivatives

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

Equity options /Equity index options

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

Equity futures

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

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

The same accounting treatment is applied as for equity options.

Interest rate futures

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

Interest rate swaps

Interest income and expense arising from interest rate swaps is accrued to profit and loss.

Asset swap

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

FRA-Forward rate agreements

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

Forward foreign exchange contracts.

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

Currency swaps

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

Credit derivatives

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

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

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

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

OTHER ASSETS**Intangible assets**

Intangible assets acquired separately or as a group are valued at actual value at the time of acquisition. Intangible assets are depreciated linearly over their expected commercial life. If the value of an intangible asset is not limited in time and no commercial life can be estimated, the asset is not depreciated but is subject to an annual test of the need for a write-down.

Tangible fixed assets.

Tangible fixed assets for own use are valued at acquisition cost reduced by accumulated depreciation. Fixed assets are written down if their realisable value is lower than book value. Realisable value is defined as the higher of net sale value and value in use calculated as a discounted cash flow.

Cash and bank

Cash and bank includes cash and bank deposits. Long-term deposits are classified as part of the item "Deposits with financial institutions".

LONG-TERM LIABILITIES**Subordinated loan capital**

Subordinated loan capital is valued at amortised cost using the effective yield method.

Subordinated loans denominated in foreign currency are hedged by forward foreign exchange purchases of the equivalent principal amount plus the interest which will accrue to the maturity of the forward contract. Both the loan and interest are recorded at the exchange rate prevailing on the date of the balance sheet, and the forward foreign exchange contract is recorded at current market value.

INSURANCE RESERVES - LIFE INSURANCE**The insurance fund****Premium reserve**

Gross premium reserve represents the cash value of the company's total insurance obligations (insurance obligation discounted by the guaranteed rate) in accordance with the individual insurance contracts after deducting the cash value of future premiums. This is equivalent to the total of the amounts credited to the policyholders' accounts, as well as allocated premium reserve for policies which are not booked individually (risks with no investment content, including group life schemes etc.).

Additional statutory reserves:

The company is permitted to make additional statutory allocations to the insurance fund in order to ensure the solidity of its life insurance business. The maximum additional allocation to

statutory reserves is set at the difference between the premium reserve calculated on the basis of 3.5% guaranteed yield and the premium reserve calculated on the basis of actual guaranteed yield under the contracts. The Financial Supervisory Authority of Norway has specified a level for the additional statutory reserves that apply to each policy. This is defined as the premium reserve for the policy multiplied by twice the basic interest rate for the policy.

The company is permitted to apply a higher multiple of the basic interest rate than that defined by the Financial Supervisory Authority of Norway. The allocation to additional statutory reserves is a conditional allocation to policyholders that is recognised in the profit and loss account as a statutory allocation and accordingly reduces net profit.

Additional statutory reserves can be used to meet a shortfall in the guaranteed return. This is shown in the profit and loss account after the technical (insurance) result as amounts released from additional statutory reserves to meet the shortfall in guaranteed return.

Premium fund

The premium fund contains premiums prepaid by policyholders on individual and collective pension insurance as a result of taxation regulations.

Pensioners' surplus fund

The pensioners' surplus fund contains surplus premium reserve amounts allocated in respect of pensions in payment that are part of group pension policies. The fund is applied each year as a single premium payment to secure additional benefits for pensioners.

Claims reserve

Amount reserved for claims incurred but not reported or reported but not settled (IBNR and RBNS). The reserve only covers amounts which might have been paid in the accounting year had the claim been settled.

Security fund

The security fund consists of statutory security allocations to cover unexpected insurance risks. The calculations are made in accordance with regulations published by the Financial Supervisory Authority of Norway. It is possible to increase the reserve by 50% above the minimum allocation. In special situations, the Financial Supervisory Authority of Norway may give permission for all or part of the reserve to be used to cover a fall in the value of bonds or of shares classed as current assets. The entire reserve is shown as a mandatory reserve in the accounts.

Pension liabilities in respect of own employees

With effect from the 2005 financial year, the company has used the new Norwegian standard for pensions accounting NRS 6A. This has caused the pension liabilities arising in respect of own employees to be calculated using new parameters. The difference between the book value of pension liabilities at 1 January 2004 and the new actuarial calculation of liabilities on 1 January 2005 has been charged to profit and loss for 2005.

In addition to the costs mentioned above, the net pension cost for the period consists of the sum of pension liabilities accrued in the period, the interest charge on the calculated liability and the expected return on pension fund assets. Pension costs and pension liabilities for defined benefit schemes are calculated using a linear profile for the accrual of pension entitlement and expected final salary as the basis for calculating the benefit obligation, based on assumptions on discount rate, future increases in salary, pensions and social security pension benefits, the future return on pension assets and actuarial assumptions on mortality, staff turnover etc. The discount rate used is the risk-free interest rate appropriate for the remaining maturity. Where a scheme is funded, the pension assets are valued at fair value and deducted to show the net liability in the balance sheet.

The effect of differences between assumptions and actual experience and changes in assumptions is amortised over the remaining period for accrual of pensions entitlement to the extent that it exceeds 10% of the higher of either the pension liability or pension assets (corridor approach).

The effect of changes to the pension scheme is charged to the profit and loss account as incurred, unless the change is conditional on future accrual of pension entitlement. If this is the case, the effect is allocated on a linear basis over the period until the entitlement is fully earned. Social security contributions and any other employment taxes payable by the employer are included as part of the pension liability, and are included both in the balance sheet value of pension liabilities and in differences between assumptions and actual experience.

Deferred tax/deferred tax assets

The accounts reconcile tax cost with the accounting profit before tax. Tax in respect of equity transactions is applied directly to equity. The tax charge in the accounts consists of tax payable for the accounting year (tax on direct taxable income for the year) and changes in net deferred tax and deferred tax assets. Deferred tax and deferred tax assets are reported on a net basis in the balance sheet. Net deferred tax assets are capitalised to the balance sheet to the extent it is considered likely that future taxable income will be sufficient to make use of the benefit they represent.

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Notes Storebrand Livsforsikring

01 } Profit and loss statement by class of business: Storebrand Livsforsikring AS

NOK MILLION	GROUP	GROUP	GROUP	ENDOW-	ANNUITY/	NON-LIFE	OF THIS	
	PENSION PRIVATE INSURANCE	PENSION PUBLIC INSURANCE	LIFE INSURANCE	MENT INSURANCE	PENSION/ INSURANCE	INSU- RANCE	TOTAL	FOR PROFIT ALLOCA- TION
1.1 Single premium	1 403.0	571.3			13.0		1 987.3	
1.2 Annual premiums	3 715.6	593.1	469.8	104.1	149.7		5 032.3	694.9
1.3 Account products				8 161.5	732.2	114.7	9 008.4	203.0
Total premiums written	5 118.6	1 164.4	469.8	8 265.6	894.9	114.7	16 028.0	897.9
1.4 Reserve transfers received	1 405.4	702.8			209.6		2 317.8	-4.0
1.5 Reinsurance ceded	-13.9		-2.7	-3.8	-0.2	-7.7	-28.3	-11.4
1 Premium income 2005	6 510.1	1 867.2	467.1	8 261.8	1 104.3	107.0	18 317.5	882.5
Premium income 2004	7 147.0	1 453.7	489.5	7 646.5	1 096.5	78.9	17 912.1	752.3
Premium income 2003	7 007.1	1 624.3	474.6	2 971.8	749.2	67.1	12 894.1	718.4
2 Income from financial assets	11 473.9	1 251.2	89.2	2 507.1	2 700.6	13.6	18 035.6	168.6
3 Other insurance related income	11.6	1.2	0.1	2.5	2.8		18.2	0.2
4.1 Claims paid	-2 815.0	-586.6	-309.1	-576.7	-1 422.9	-39.0	-5 749.3	-400.6
4.2 Agreements terminated/withdrawals from endowment policies	-192.8			-2 556.0	-27.4		-2 776.2	-1.1
4.3 Re-insurance ceded	11.8			0.1	1.2	0.7	13.8	0.9
4.3 Movements in claims reserve	3.4	-5.6	-7.4	-9.0	-1.9		-20.5	-50.6
4.4 Reserve transfers disbursed	-1 650.0	-79.2			-101.7		-1 830.9	
4 Claims 2005	-4 642.6	-671.4	-316.5	-3 141.6	-1 552.7	-38.3	-10 363.1	-451.4
Claims 2004	-5 934.1	-583.0	-341.1	-1 658.6	-1 536.2	-27.0	-10 080.0	-420.8
Claims 2003	-3 673.7	-1 061.1	-350.1	-1 007.5	-1 744.5	-27.1	-7 864.0	-428.2
5.1 Movements in premium reserve	-4 149.9	-1 465.4	-8.0	-5 397.3	-202.9		-11 223.5	-88.0
5.2 Guaranteed interest on premium/ pensioners' surplus fund	-109.6	-7.7			-8.1		-125.4	
5.3 Additional statutory allocations for the year	-607.5	-66.9		-131.2	-144.4		-950.0	
5.4 Transfers of additional statutory allocations and market value adjustment reserve	13.9	-0.5		23.4	6.4		43.2	
5.5 Change in additional statutory allocations in the insurance fund	40.3	18.0			0.6		58.9	
5.6 Movement in security reserve	-6.0	-3.7	-0.2	-0.7			-10.6	-3.5
5.7 Technical reserves for non-life insurance business						-15.2	-15.2	-15.2
5 Change in insurance related reserves 2005	-4 818.8	-1 526.2	-8.2	-5 505.8	-348.4	-15.2	-12 222.6	-106.7
Change in insurance related reserves 2004	-4 192.1	-1 107.8	-10.8	-6 065.0	-321.4	-21.6	-11 718.7	-73.3
Change in insurance related reserves 2003	-6 609.7	-1 023.4	-2.7	-2 005.2	292.1	-5.0	-9 353.9	-77.4
6 Insurance related operating costs	-552.3	-64.2	-65.4	-364.0	-173.6	-47.8	-1 267.3	-225.1
7.1 Admin. costs financial assets	-55.1	-6.0	-0.4	-12.0	-13.0	-0.1	-86.6	-0.8
7.2 Other costs financial assets	-4 861.4	-530.1	-37.8	-1 062.2	-1 144.2	-5.7	-7 641.4	-71.4
7 Costs related to financial assets	-4 916.5	-536.1	-38.2	-1 074.2	-1 157.2	-5.8	-7 728.0	-72.2
8 Other insurance related costs	-73.9	-1.8	-15.5	-4.6	-4.8	-0.1	-100.7	-15.8
9 To/from market value adjustment reserve	-696.5	-80.1	-5.7	-160.6	-173.0	-0.9	-1 116.8	-10.8
10 Released from additional statutory reserves to meet shortfall in guaranteed return							0.0	
11 Funds transferred to policyholders	-1 584.1	-163.7		-300.3	-216.6		-2 264.7	
12 Technical result	710.9	76.1	106.9	220.3	181.4	12.5	1 308.1	169.3
13 Other income								
14 Other costs	-90.1	-9.8	-0.7	-19.7	-21.2	-0.1	-141.6	-1.3
15 Profit from ordinary operations	620.8	66.3	106.2	200.6	160.2	12.4	1 166.5	168.0
16 Tax	14.1	1.5	2.5	4.6	3.6	0.3	26.6	3.8
17 PROFIT FOR THE YEAR	634.9	67.8	108.7	205.2	163.8	12.7	1 193.1	171.8

02 } Sales of insurance (new business): Three Year History Storebrand Livsforsikring AS

PREMIUMS: NOK MILLION	GROUP PENSION PRIVATE INSURANCE	GROUP PENSION PUBLIC INSURANCE	GROUP LIFE INSURANCE	ENDOWMENT INSURANCE	ANNUITY/ PENSION INSURANCE	NON-LIFE INSURANCE	TOTAL
	2005	210.6	2.6	14.6	7 150.5	584.0	35.4
2004	211.5	0.3	15.3	6 258.2	431.5	14.1	6 930.9
2003	320.1	0.7	23.3	1 953.9	315.6	9.0	2 622.6

Sales consist of new and additional sales, with deductions for policies where the first premium has not been paid. Premium reserves transferred to the company (note 4) are not included in these figures.

03 } Sales costs Storebrand Livsforsikring AS

NOK MILLION	2005	2004	2003
Salaries and other costs	-320.0	-249.0	-276.9
Commissions paid	-189.5	-108.9	-59.0
- Of which commissions paid to other companies	-129.4	-72.5	-49.2
Total sales costs	-509.5	-357.9	-335.9

04 } Movements of reserves to/from Storebrand Livsforsikring AS

NOK MILLION	GROUP PENSION PRIVATE INSURANCE	GROUP PENSION PUBLIC INSURANCE	ENDOWMENT INSURANCE	ANNUITY/ PENSION INSURANCE	TOTAL 2005	TOTAL 2004	TOTAL 2003
	Funds received						
Premium reserve	1 396.1	760.8	0.0	160.9	2 317.8	2 619.3	3 367.4
Additional statutory reserves	40.3	18.0		0.5	58.8	24.6	7.5
Transfers of premium reserve etc.	1 436.4	778.8	0.0	161.4	2 376.6	2 643.9	3 374.9
Premium/pension adjustment funds	97.4	0.0			97.4	220.2	120.1
Annual premium volume	212.4	47.7	0.0	3.6	263.7	298.6	204.6
Number of policies/customers	721	26	0	449	1 196	1 082	832
Funds transferred out							
Premium reserve	-1 565.5	-79.2	0.0	-97.5	-1 742.2	-3 078.9	-1 866.9
Additional statutory reserves	-59.4	-0.1		-3.2	-62.7	-126.1	-36.3
Revaluation reserve	-23.2	-1.7		-1.1	-26.0	-26.5	-0.9
Transfers of premium reserve etc.	-1 648.1	-81.0	0.0	-101.8	-1 830.9	-3 231.5	-1 904.1
Premium/pension adjustment funds	-301.4	-12.2		-3.1	-316.7	-480.7	-115.2
Annual premium volume	-348.0	-5.4	0.0	-2.7	-356.1	-312.5	-123.7
Number of policies/customers	-555	-9	-2	-462	-1 028	-687	-2 324

05 } Profit and loss by class of insurance: Storebrand Livsforsikring AS

NOK MILLION	LINE REFERENCE IN NOTE 1	GROUP PENSION PRIVATE INSURANCE	GROUP PENSION PUBLIC INSURANCE	GROUP LIFE INSURANCE	ENDOW- MENT INSURANCE	ANNUITY/ PENSION INSURANCE	NON-LIFE INSURANCE	TOTAL 2005	TOTAL 2004	TOTAL 2003
1. Financial income a)	2/3/7.2/8/9 14/16	5 818.0	630.3	44.9	1 262.9	1 360.4	6.9	9 123.4	7 520.0	7 549.9
2. Guaranteed yield - of which transferred to premium fund	5.2	-3 135.7 -109.6	-299.2 -7.7	-4.0	-595.7	-729.7		-4 764.3 -125.4	-4 426.2 -134.2	-3 936.6 -126.6
3. Interest result Adm. costs - subsidiaries c)		2 682.3 1.2	331.1 0.1	40.9	667.2 0.3	630.7 0.3	6.9	4 359.1 1.9	3 093.8 11.2	3 613.3 17.4
4. Risk premium		421.2	50.0	384.6	370.4	-76.4	95.2	1 245.0	1 277.5	1 173.4
5. Risk addition		-103.5	-79.3	-289.4	-292.5	20.9	-54.2	-798.0	-968.1	-906.6
6. Net reinsurance etc. a)	8	-56.3	0.0	-18.0	-3.7	1.0	-7.0	-84.0	-103.6	-68.8
7. Risk result		261.4	-29.3	77.2	74.2	-54.5	34.0	363.0	205.8	198.0
8. Administration premium		482.2	68.9	54.1	267.5	131.4	19.5	1 023.6	901.9	845.3
9. Operating expenses	6/7.1	-607.8	-69.8	-65.8	-376.0	-186.5	-48.0	-1 353.9	-1 038.7	-994.5
10. Administration result Adm. costs - subsidiaries c)		-125.6 -1.2	-0.9 -0.1	-11.7 0.0	-108.5 -0.3	-55.1 -0.3	-28.5	-330.3 -1.9	-136.8 -11.2	-149.2 -17.4
11. Change in premium/security reserve		-6.1	-3.7	-0.2	-0.7	0.1		-10.6	-180.9	-1 009.8
12. Gross result for sector (3+7+10+11)	5.3/10/11/18/19	2 812.0	297.2	106.2	632.2	521.2	12.4	4 381.2	2 981.9	2 652.3
13. Additional statutory reserves released	10							0.0	0.0	21.1
14. Profit due to policyholders	5.3/11							-3 214.7	-2 019.3	-1 838.9
To equity capital:										
-net return on equity b)								491.3	408.7	333.7
-0.40% of customers' funds								520.9	454.8	414.3
-risk return on equity								47.1	46.2	46.2
-other								107.2	52.9	40.3
15. Profit for the year	15							1 166.5	962.6	834.5

- a) The items other insurance-related income (line 3 in note 1) and other insurance-related costs (line 8 in note 1) are allocated in accordance with their purpose.
- b) Includes: Security reserve, subordinated loan capital, equity at book value and liabilities.
- c) Adjusted to show analysis of profit as if subsidiaries were recognised on the proportional method of consolidation rather than the equity method in the parent company accounts.

06 } Financial Assets: Income and expense Storebrand Livsforsikring Group

NOK MILLION	2005	2004	2003
Income from group and other related companies	0.4	4.7	15.5
Income from properties and real estate	1 052.9	888.7	775.5
Interest income: bonds	3 716.2	3 490.9	3 566.2
Interest income: commercial paper	207.4	273.4	1 011.2
Interest income: lending	21.0	56.7	98.5
Interest income: cash and bank	104.8	98.5	113.3
Interest income: other	17.1	0.9	94.0
Share dividends	637.2	657.9	297.8
Revaluation of real estate	263.7	202.8	99.0
Reversal of write-downs of financial assets		3.0	167.3
Gain on sale of shares	10 051.6	7 494.6	6 364.7
Gain of sale of bonds	808.8	617.1	1 025.3
Gain on sale of commercial paper	122.2	165.0	1 200.3
Gain on sale of other investments	5.1	10.0	14.2
Income from financial assets	18 125.2	15 041.9	16 532.4
Costs arising from real estate	-58.5	-95.9	-153.4
- of which administration costs	-6.5	-5.5	-5.5
Interest costs	-7.3	-33.6	-5.5
Market value adjustment for financial assets	-4.7	-0.3	-3.5
Write-downs of real estate	-232.8	-34.1	-95.3
Loss on sale of shares	-6 527.4	-4 792.1	-6 188.8
Loss on sale of bonds	-662.6	-1 211.8	-549.5
Loss on sale of commercial paper	-135.1	-134.7	-124.6
Loss on sale of other investments		-0.4	-13.0
Unrealised loss on short term holdings of financial investments			
Financial assets: other costs	-181.9	-199.1	-145.1
- of which administration costs	-80.1	-151.6	-145.1
Financial assets: costs	-7 810.3	-6 502.0	-7 278.7
Financial assets: Net income	10 314.9	8 539.9	9 253.7
- of which administration costs	-86.6	-157.1	-150.6
Of which in subsidiaries:			
Income from financial assets	250.5	63.8	73.7
Costs arising from financial assets	82.3	-74.3	-77.3

Foreign securities are booked using the balance sheet date method

NOK MILLION	2005	2004	2003
Profit on shares	5 626.0	4 098.1	1 950.9
Profit on bonds	3 510.3	3 243.9	4 209.8
Profit on commercial paper	194.5	303.7	2 147.0
Profit on lending	21.0	56.0	262.3
Profit on real estate	1 037.6	973.8	631.3
Other profit	12.1	21.5	203.0
Financial assets: Net income	10 401.5	8 697.0	9 404.3
Financial assets: administration costs	-86.6	-157.1	-150.6
Financial assets: income/costs including admin. Costs	10 314.9	8 539.9	9 253.7

07 } Tax charge: Storebrand Livsforsikring AS

NOK MILLION	2005	2004	2003
Profit before tax	1 166.5	962.6	834.5
+/- permanent differences	-4 778.9	-884.4	-198.8
+/- group contribution			
+/- change in timing differences	-1 369.7	-295.9	-596.3
Tax losses carried forward/deferred tax assets applied			-39.4
Tax base for the year	0.0	0.0	0.0
Tax rate	28 %	28 %	28 %
Tax	0.0	0.0	0.0
+/- tax at source	0.0	0.0	0.0
+/- tax losses carried forward	-	-	-
+/- allowance for Norwegian dividend			
Tax payable on income	0.0	0.0	0.0
Tax on group contribution			56.0
Deferred tax - net change	-26.6	31.0	140.4
Tax cost	-26.6	31.0	196.4

Taxes payable:

Norway			
Overseas			
Total tax payable	0.0	0.0	0.0
Deferred tax/deferred tax assets			
Norway	-26.6	31.0	140.4
Overseas			
Total deferred tax	-26.6	31.0	140.4
Tax on capitalised items			
Tax on group contribution			56.0
Tax cost	-26.6	31.0	196.4

Tax charge: Storebrand Livsforsikring Group

NOK MILLION	2005	2004	2003
Pre-tax profit	1167.1	965.7	835.4
Tax payable	0.3	1.0	1.0
Net change in deferred tax	-26.3	32.4	139.7
Tax on group contribution			56.0
Tax cost	-26.0	33.4	196.7

08 } Pension costs and pension liabilities Storebrand Livsforsikring AS

Employees are assured a retirement pension equivalent to 70% of pensionable salary at the time of retirement. The ordinary retirement age is 65. Staff pensions are provided by a group pension scheme, primarily with Storebrand Livsforsikring AS, in accordance with the rules on private occupational pension schemes. Pension payments from the scheme come into effect from the pension age, which is 67 for executives and 65 for underwriters. Pension payments to executives between 65 and 67 and pension payments in respect of salary amount over 12 times the social security pension scheme base amount (G) are paid directly by the company.

Reconciliation of pension assets and liabilities in the balance sheet:

NOK	2005	2004	NGAAP 2004
Present value of insured pension benefit obligations incl. employment taxes	614.6	596.9	641.4
Pension assets at fair value	-455.0	-423.1	-421.1
Net pension liability/ surplus for the insured schemes	159.6	173.8	220.3
Present value of uninsured pension benefit obligations incl. employment taxes	177.7	153.1	
Experience adjustments and difference between actual and expected investment return not applied to profit and loss	-110.7	-105.2	-128.6
Net pension liabilities in the balance sheet	226.6	221.7	91.7

Pension assets are based on financial investments held by Storebrand Livsforsikrings, which had the following composition at 31.12.

	2005	2004	NGAAP 2004
Properties and real estate	10 %	10 %	10 %
Bonds held to maturity	28 %	31 %	31 %
Secured and other leding	1 %	0 %	0 %
Shares and other equity participations	27 %	22 %	22 %
Bonds	29 %	25 %	25 %
Commercial paper	4 %	10 %	10 %
Other short term financial assets	1 %	3 %	3 %
Total	100 %	100 %	100 %

Net pension cost in the profit and loss account, specified as follows:

NOK	2005	2004	NGAAP 2004
Current service cost including provision for employment taxes	55.1	35.2	28.6
Interest on pension liabilities	32.0	23.3	23.2
Expected return on pension assets	-24.5	-18.2	-19.0
Experience adjustments	2.5		1.0
Changes to the pension scheme	-6,5		
Net pension cost booked to profit and loss in the period	58.6	40.3	33.8
Actual return on pension assets	24.7	10.1	

In addition the effect from implementation of IAS 19 (in accordance with NRS 6A) has been applied to the profit and loss account in the amount of 129.9

Reconciliation to show the change in net pension liabilities or net pension assets in the period:

NOK	2005	2004
Net liability at 01.01 including provision for employment taxes	221.7	201.5
Net pension cost recognised in the period	58.6	40.3
Premiums paid	-50.8	-40.4
Pensions paid uninsured scheme	-2.9	-2.0
Net liability assumed by acquisition/merger, etc.		
Other/internal transfers		22.3
Net pension liability at 31.12	226.6	221.7

Main assumptions used when calculating net pension liability at 31.12:

FINANCIAL:	2005	2004	NGAAP 2004
Discount rate	4.7 %	4.7 %	5.5 %
Expected return on pension fund assets in the period	6.0 %	6.0 %	6.0 %
Expected earnings growth	3.0 %	3.0 %	3.0 %
Expected annual increase in social security pensions	3.0 %	3.0 %	3.0 %
Expected annual increase in pensions in payment	2.0 %	2.0 %	2.0 %

Actuarial:

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

08 } Pension costs and pension liabilities Storebrand Livsforsikring Group

Employees are assured a retirement pension to equivalent 70% of pensionable salary at the time of retirement. The ordinary retirement age is 65. Staff pensions are provided by a group pension scheme, primarily with Storebrand Livsforsikring AS, in accordance with the rules on private occupational pension schemes. Pension payments from the scheme come into effect from the pension age, which is 67 for executives and 65 for underwriters. Pension payments to executives between 65 and 67 and pension payments in respect of salary amount over 12 times the social security pension scheme base amount (G) are paid directly by the company.

Reconciliation of pension assets and liabilities in the balance sheet:

NOK	2005	2004	NGAAP 2004
Present value of insured pension benefit obligations incl. employment taxes	658.4	641.7	687.0
Pension assets at fair value	-489.8	-457.4	-455.1
Net pension liability/ surplus for the insured schemes	168.6	184.3	231.9
Present value of uninsured pension benefit obligations incl. employment taxes	189.3	164.0	
Experience adjustments and difference between actual and expected investment return not applied to profit and loss	-112.8	-109.2	-140.4
Net pension liabilities in the balance sheet	245.1	239.2	91.5

Pension assets are based on financial investments held by Storebrand Livsforsikrings, which had the following composition at 31.12.

	2005	2004	NGAAP 2004
Properties and real estate	10 %	10 %	10 %
Bonds held to maturity	28 %	31 %	31 %
Secured and other leding	1 %	0 %	0 %
Shares and other equity participations	27 %	22 %	22 %
Bonds	29 %	25 %	25 %
Commercial paper	4 %	10 %	10 %
Other short-term financial assets	1 %	3 %	3 %
Total	100 %	100 %	100 %

Net pension cost in the profit and loss account, specified as follows:

NOK	2005	2004	NGAAP 2004
Current service cost including provision for employment taxes	58.2	38.4	30.3
Interest on pension liabilities	34.5	25.5	24.1
Expected return on pension assets	-26.6	-20.1	-19.6
Experience adjustments	2.5		1.0
Changes to the pension scheme	-6.5		
Net pension cost booked to profit and loss in the period	62.1	43.8	35.8
Actual return on pension assets	23.5	15.0	

In addition the effect from implementation of IAS 19 (in accordance with NRS 6A) has been applied to the profit and loss account in the amount of

145.3

Reconciliation to show the change in net pension liabilities in the period:

NOK	2005	2004
Net liability at 01.01 including provision for employment taxes	239.2	217.6
Net pension cost recognised in the period	62.1	43.8
Premiums paid	-53.2	-42.5
Pensions paid	-3.0	-2.1
Net liability assured by acquisition/merger, etc.	0.0	0.0
Other/internal transfers	0.0	22.3
Net pension liability at 31.12	245.1	239.2

Main assumptions used when calculating net pension liability at 31.12:

FINANCIAL:	2005	2004	NGAAP 2004
Discount rate	4.7 %	4.7 %	5.5 %
Expected return on pension fund assets in the period	6.0 %	6.0 %	6.0 %
Expected earnings growth	3.0 %	3.0 %	3.0 %
Expected annual increase in social security pensions	3.0 %	3.0 %	3.0 %
Expected annual increase in pensions in payment	2.0 %	2.0 %	2.0 %

Actuarial:

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

As fund investments represent an increasing proportion of the company's assets, indirect investments in funds where Storebrand Kapitalforvaltning manages allocation and risk are reported in all relevant notes to the accounts in 2005.

09 } Shares and other equity investments

NOK MILLION	NUMBER HELD	INTEREST	ACQUISITION COST*)	MARKET VALUE	MARKET VALUE INCL. INDIRECT INVESTMENTS IN FUNDS
Norwegian finance industry					
DnB NOR	7 317 693	0.55 %	466.9	526.9	529.3
Forbrukerforsikring AS	1 333 334	24.86 %	20.0	20.0	20.0
Sparebanken Vest G	2 050	0.08 %	0.4	0.4	0.4
Nordnorsk Vekst	558	0.75 %	0.8	0.3	0.3
Total Norwegian finance industry			488.1	547.6	550.0
Other Norwegian shares					
Orkla	5 362 702	2.57 %	994.6	1 498.9	1 504.5
Norsk Hydro	1 514 659	0.52 %	908.7	1 049.7	1 059.2
Statoil ASA	4 900 241	0.22 %	747.5	759.5	767.3
Steen & Strøm	3 598 144	12.90 %	196.5	737.6	737.6
Telenor	7 946 661	0.47 %	449.8	526.5	531.1
Veidekke	1 954 799	6.78 %	112.3	376.3	376.5
Subsea 7	4 408 300	3.15 %	307.7	351.6	351.9
Yara International	2 367 117	0.75 %	244.1	232.6	233.6
TGS Nopec Geophysical Company	506 723	1.94 %	136.5	160.6	161.3
Det Norske Oljeselskap	2 302 101	1.02 %	69.5	137.0	137.6
Aker Kvaerner ASA	281 174	0.51 %	89.8	116.5	117.1
Tandberg Television	1 191 283	1.60 %	94.0	106.3	106.8
Ganger Rolf	166 464	1.84 %	65.6	96.5	96.7
Petroleum Geo-Services	425 615	0.71 %	76.9	88.5	88.9
Tomra Systems	1 751 988	0.98 %	63.6	84.6	85.0
Fred. Olsen Energy	330 611	0.54 %	56.2	80.3	80.9
Eltek A	678 989	2.10 %	62.6	75.9	76.2
Fast Search & Transfer	2 783 410	0.46 %	43.9	69.0	69.3
Wilh. Wilhelmsen A	272 040	0.32 %	26.8	67.6	67.9
SeaDrill Ltd	1 174 582	0.51 %	53.2	63.7	64.0
Schibsted	313 807	0.45 %	43.0	63.1	63.5
Camillo Eitzen ASA	873 902	1.02 %	50.9	61.2	61.4
Norske Skogindustrier A	544 071	0.29 %	51.0	58.4	58.5
Songa Offshore ASA	1 177 924	2.36 %	37.7	56.5	56.8
Prosafe	197 255	0.58 %	45.6	56.5	56.8
EDB Business Partner	973 722	1.07 %	45.8	47.7	47.9
APL ASA	581 758	2.99 %	39.0	47.1	47.3
Nordic Semiconductor	659 963	1.99 %	37.5	43.9	44.1
Glava	65 000	6.77 %	20.3	42.3	42.3
Storebrand Privat Investor ASA	4 500 000	17.25 %	40.5	40.5	40.5
Awilco Offshore	934 398	0.79 %	26.8	39.6	39.8
Aker Yards AS	102 520	0.50 %	32.3	33.2	33.3
Aktiv Kapital	318 900	0.68 %	26.9	32.8	33.0
Tandberg	770 397	0.57 %	55.0	31.8	32.0
Troms Fylkes Dampskipsselskap	407 790	5.21 %	40.8	30.8	30.8
Cermaq ASA	557 600	0.60 %	26.8	30.5	30.7
Profdoc Group	234 885	4.44 %	18.7	26.7	26.8
Convexa Capital V - B-aksjer	9 733 334	34.73 %	19.5	26.6	26.6
Mamut ASA	2 250 000	4.68 %	16.4	25.8	25.8
ABG Sundal Collier	2 683 737	1.00 %	17.9	23.6	23.7
Odfjell A	158 518	0.18 %	6.8	21.7	21.9
Kongsberg Gruppen	166 439	0.55 %	20.4	20.6	20.7
Aker Drilling ASA	498 300	0.54 %	18.4	19.4	19.5
Q-Free	896 652	1.76 %	21.8	19.1	19.2
Finansnæringens Hus	203	9.67 %	0.2	0.2	0.2
Øvrige norske aksjer			454.9	318.7	320.4
Total Norwegian mutual funds			6 014.7	7 897.7	7 936.6
Total Norwegian shares			6 502.8	8 445.3	8 486.7
Of which listed Norwegian equities			6 198.1	8 170.7	8 211.6

NOK MILLION	NUMBER HELD	INTEREST	ACQUISITION COST*)	MARKET VALUE	MARKET VALUE INCL. INDIRECT INVESTMENTS IN FUNDS
Australia					
BHP Billiton	448 399		39.8	50.7	55.6
Commonwealth Bank of Australia	163 330		29.1	34.7	38.2
National Australian Bank	199 283		28.7	32.1	35.6
Aust & Nz Bank Group	240 817		21.6	28.6	31.8
Westpac Banking Corp	244 423		23.6	27.6	30.7
Westfield Group	206 408		17.6	18.6	20.1
			160.3	192.3	212.0
Belgium					
RHJ International	292 690		46.2	45.5	45.5
			46.2	45.5	45.5
Canada					
Ace Aviation Holdings	265 000		58.3	58.4	58.4
Novelis Inc	349 100		50.3	49.4	50.4
Royal Bank of Canada					34.0
Manulife Financial					26.8
Bank of Nova Scotia					23.3
Barrick Gold					22.9
Suncor Energy					21.0
			108.7	107.7	236.8
Denmark					
Superfos Industries	287 074		31.2	20.0	20.0
			31.2	20.0	20.0
Finland					
Stora Enso					36.0
Dynea Oy A	218 687		30.2	20.3	20.3
			30.2	20.3	56.3
France					
Sanofi-Aventis	392 000		213.8	231.7	265.4
BNP Paribas	206 000		88.8	112.5	180.8
Total (PAR)	87 000		125.3	147.5	177.4
France Telecom	519 770		100.5	87.1	126.7
Lafarge	116 000		64.0	70.4	98.7
Streettracs msci Pan Euro Etf					48.9
			592.4	649.1	897.8
Hong Kong					
Hutchison Whampoa	306 000		18.4	19.7	21.8
			18.4	19.7	21.8
Ireland					
Anglo Irish Bank	1 253 000		101.1	128.3	151.9
CRH	658 000		110.6	130.6	134.3
C&C Group	1 165 000		47.6	50.2	58.9
FBD Holdings	83 000		13.3	24.3	24.3
			272.5	333.4	369.3
Italy					
Saipem	280 000		27.3	31.0	31.0
			27.3	31.0	31.0
Japan					
Toyota Motor	376 500		113.5	132.2	145.2
Mitsubishi UFJ Holdings Group	957		82.4	87.8	95.1
Sumitomo Mitsui Financial Group	613		39.1	44.0	47.8
Takeda Pharmaceutical	116 200		44.0	42.5	46.2
Honda Motor	102 300		39.1	39.5	42.9
Canon	97 300		38.1	38.5	41.9
Sony	131 800		33.8	36.4	39.8
Matsushita Electric Industrial	274 000		38.4	35.8	38.9
Seven and I holdings	107 500		26.2	31.1	34.0
Nomura Holdings	236 400		19.0	30.7	33.4

NOK MILLION	NUMBER HELD	INTEREST	ACQUISITION COST*)	MARKET VALUE	MARKET VALUE INCL. INDIRECT INVESTMENTS IN FUNDS
Japan cont.					
Softbank Corp	101 700		25.6	29.1	31.7
Mizuho Financial Group	1 270		61.0	68.2	31.0
NTT DoCoMo	2 251		23.7	23.2	26.8
Mitsubishi	155 200		22.0	23.2	25.4
Mitsubishi Estate	153 000		15.7	21.5	23.6
Tokyo Electric Power	134 000		22.0	22.0	23.5
NTT	694		21.6	21.3	22.7
Astellas PharmaR	76 700		20.8	20.2	22.2
Millea	174		20.5	20.3	22.2
Nippon Steel	824 000		19.4	19.9	21.8
Hitachi	433 000		20.2	19.7	21.8
East Japan Railway	400		17.4	18.6	21.7
Orix	11 430		18.2	19.7	21.6
Nissan Motor	288 600		18.9	19.8	21.0
Shin-Etsu Chemical	52 200		18.9	18.8	20.7
Jfe Holdings	76 800		16.8	17.4	19.2
			836.3	901.6	942.2
Liberia					
Royal Caribbean Cruises	639 969		181.8	194.2	195.1
			181.8	194.2	195.1
Luxembourg					
Stolt Offshore	2 710 848		178.7	212.8	213.8
Stolt Nielsen	240 158		40.4	53.7	53.9
			219.1	266.5	267.7
Holland					
ASML Holding NV	1 216 000		136.2	164.1	193.6
Aegon	1 435 000		129.8	157.6	161.8
Vnu NV	565 000		105.0	126.4	128.6
Ing-Group	596 000		100.1	139.5	100.0
Tomtom					58.5
SMB Offshore	92 023		38.9	50.2	50.2
Royal Dutch Shell A ord					27.6
			510.0	637.8	720.3
Portugal					
Brisa Auto-Estradas	1 140 000		62.2	64.5	66.8
			62.2	64.5	66.8
Spain					
Banco de Sabadell	831 000		126.4	147.1	176.8
Repsol ypf sa	388 000		64.4	76.5	83.4
			190.8	223.5	260.2
Great Britain					
Vodafone Group	26 391 000		433.1	385.0	436.5
HSBC Holdings GB	1 991 000		211.7	215.8	297.2
BP P.L.C	2 940 000		194.3	211.0	258.4
Royal Bank of Scotland	1 055 000		208.1	215.2	252.5
WPP Group	2 343 000		152.6	170.9	189.1
Cadbury Schweppes	1 494 000		93.4	95.5	127.8
Arm Holdings	5 457 650		68.8	76.6	76.6
Smith & Nephew	1 100 000		67.1	68.5	70.5
Barclays Bank					70.4
Aviva PLC	744 000		49.9	60.7	68.0
Prudential					62.9
British Airways	1 613 000		49.8	62.6	62.6
PartyGaming	2 971 000		41.0	46.3	57.2
			1 569.7	1 608.1	2 029.7

NOK MILLION	NUMBER HELD	INTEREST	ACQUISITION COST*)	MARKET VALUE	MARKET VALUE INCL. INDIRECT INVESTMENTS IN FUNDS
Switzerland					
ABB CH	3 700 000		180.5	242.4	337.9
Nestle	146 800		254.7	296.4	321.9
Novartis	682 000		212.9	241.9	267.2
Roche Holding Genuss					21.6
UBS					19.6
			648.1	780.7	968.2
Sweden					
Ericsson B	10 170 722		200.9	236.2	279.4
Skanska B	1 350 000		86.9	139.0	141.5
Scania B	382 000		85.4	93.4	93.9
Oriflame Cosmetics	391 347		2.1	53.4	61.9
Duni Holding	105 711		29.9	22.8	22.8
			405.2	544.8	599.4
Germany					
Hypo Real Estate Holding	463 000		119.6	162.6	200.4
Rwe	442 000		157.3	220.8	179.2
Deutsche Post	1 050 000		163.8	171.8	165.9
Adidas-Salomon	104 000		98.1	132.9	154.3
Fraport	333 000		85.5	119.4	141.6
Bilfinger Berger	172 000		51.4	55.5	72.6
Premiere	550 000		116.4	65.0	68.6
Deutsche Lufthansa	530 000		47.7	53.0	53.0
EON					30.6
			839.7	981.0	1 066.2
USA					
Exxon Mobil	553 301		217.1	210.4	428.0
Citigroup	669 371		204.3	219.5	370.0
Procter & Gamble	488 282		171.9	191.4	342.9
General Electric	488 439		111.7	115.9	333.3
Bank of America Corp	440 124		127.9	137.4	243.9
Allstate Corp	348 533		130.8	127.6	239.6
American International Group	314 953		127.2	145.5	232.8
Cisco Systems	969 724		120.6	112.4	232.0
Wachovia corp	363 180		121.4	130.0	210.7
Johnsen & Johnsen	210 089		81.3	85.5	192.6
Sandisk Corp	330 000		112.6	140.4	185.0
Adobe Systems	440 700		97.7	110.3	181.8
Apple Computers	164 400		68.9	80.0	178.5
Bank Of New York	555 185		113.2	119.7	172.1
Verizon Communications	460 400		97.8	93.6	171.4
United Technologies	244 021		81.1	92.4	171.2
Weatherford Intl Ltd	474 358		96.2	116.1	170.2
Boston Scientific	650 000		111.2	107.8	168.7
Applied Materials	723 500		88.9	87.9	165.6
Ambac Financial Group	268 034		130.9	139.9	165.3
Bear Stearns Company	164 661		107.2	128.8	160.1
Teva Pharmaceutical	381 009		83.0	111.0	155.4
Microsoft					154.0
Maxim Integrated Products	374 874		86.1	92.0	153.5
CVS Corp	559 831		99.6	100.2	147.8
Occidental Petroleum	150 000		83.8	81.1	147.5
Home Depot	330 031		88.2	90.4	146.2
United Health Group	200 000		86.4	84.2	144.4
Time Warner	789 966		91.7	93.3	143.4
Electronic Arts	223 600		83.2	79.2	140.5
General Mills	263 100		84.1	87.9	137.7
Molson Coors Brewing	243 300		104.7	110.4	135.7
XL Capital LTD	232 790		110.6	106.1	130.0
Textron	184 200		91.2	95.9	127.9
Amerada Hess	115 800		98.3	99.4	126.0
ATI Technologies	690 974		59.2	79.5	125.9
Tyco International	439 946		93.3	86.0	125.9
PG&E Corp.	393 628		86.5	99.0	117.5

NOK MILLION	NUMBER HELD	INTEREST	ACQUISITION COST*)	MARKET VALUE	MARKET VALUE INCL. INDIRECT INVESTMENTS IN FUNDS
USA cont.					
Bellsouth	310 139		54.5	56.8	115.0
Rockwell Collins	287 300		91.1	90.5	112.8
Walt Disney	475 000		77.8	77.1	109.3
linvitrogen Corp	214 700		97.8	96.9	109.0
Juniper Networks	650 692		100.7	98.3	108.6
Aetna	137 683		78.4	87.9	105.0
Pfizer					104.0
Illinois Tool Works	142 241		81.1	84.7	103.3
Target Corporation	170 000		64.0	63.3	102.4
Medtronic	144 274		50.9	56.2	98.5
Intel	0		0.0	0.0	93.4
Gilead Sciences Inc	160 000		59.2	57.0	85.6
Chevron Corp					81.4
Navteq Corp	272 356		68.3	81.0	81.4
International Business Machine (IBM))					80.9
McDonalds	235 000		54.4	53.6	79.1
Comcast A	390 000		69.2	68.4	78.8
Northeast Utilities	578 800		73.2	77.2	77.2
Caremark Rx Inc					75.7
Best Buy	195 200		58.4	57.5	75.0
J.P Morgan Chase and Co					75.0
Smurfit-Stone Container	738 669		54.5	70.9	70.9
Rosetta Resources	625 000		65.8	67.7	67.7
Carnival	125 000		45.5	45.2	63.0
Ebay	115 000		34.4	33.7	62.5
Engelhard	296 000		57.1	60.4	60.4
Wells Fargo					58.3
DR Horton	210 004		47.3	50.9	58.1
Metlife					57.8
El Paso Corporation	394 600		29.3	32.5	57.6
Hewlett-Packard CO					55.1
Pepsico Inc					53.9
Apache Corp					51.1
Qualcomm					45.7
Dell Inc.					44.9
Schlumberger					44.5
Google Class A					42.5
Sprint Nextel Group					40.9
Wellpoint Inc					40.9
Wyeth					40.6
Merck & Co					39.3
Lilly Eli					37.6
US Bancorp					37.4
Abbott Laboratories					36.9
Genentech					36.3
Texas Instruments					36.2
Motorola					35.9
Morgan Stanley					35.4
International Coal Group	382 000		28.9	24.4	34.0
Merrill Lynch					33.4
Fresh Del Monte Produce Inc	216 901		38.4	33.4	33.4
Bristol-Myers Squibb					33.1
Lowes Cos					33.0
Fannie Mae					32.9
Yahoo					32.8
Oracle Corporation					32.1
Pall Corp					31.9
Exelon					31.2
American Express					31.2
Transocean					31.1
Wallgreen					30.4
Burlington Northern Santa Fe					29.8
Marathon Oil Corp.					29.6
Caterpillar					29.6
Dow Chemical					29.5
Viacom Inc -Cl B					29.5

NOK MILLION	NUMBER HELD	INTEREST	ACQUISITION COST*)	MARKET VALUE	MARKET VALUE INCL. INDIRECT INVESTMENT IN FUND
USA cont.					
Freddie Mac					29.4
Starbucks Corp					28.6
Northrop Grumman Corp					27.6
Duke Energy					27.0
Emerson Electric					26.9
Cintas					26.5
Lehman Brothers					26.2
DuPont (E.I) De Nemours					26.0
Aflac Inc.					25.5
Equity Residential Properties					25.4
Goldman Sachs					25.1
Marriott Intl					25.0
United Parcel Services					24.9
EMC					24.8
Fedex Corp					24.7
First Data					24.6
Washington Mutual					24.5
Hartford Financial Services					24.2
News Corporation					24.2
Mbna Corp					24.2
Alcoa					24.1
Corning					23.9
St. Paul Travelers Cos Inc					23.7
Equity Office Properties					23.6
Costco Wholesale					23.4
Coca-Cola					23.3
Cardinal Health					23.2
Federated Department Stores					22.7
Nabors Industries Ltd					22.7
Automatic Data Processing					22.3
J.C. Penney					22.3
Ensco International Inc					22.3
McGraw Hill					22.2
Golden West Financial Corp					22.0
Dominion Resources					21.7
Medco Health Solutions					20.9
Comcast Corp-Special					20.9
Baxter International					20.8
AT&T Inc					20.6
Suntrust Banks					20.4
Comerica Inc					20.1
Valero Energy					19.8
Chubb Corp					19.7
Fortune Brands Inc					19.7
Vulcan Materials					19.7
Clorox Corp					19.3
Yellow Roadway Corp					19.2
ST Jude Medical Inc					19.0
Mellon					19.0
			5 430.0	5 713.4	12 043.8
Other Australia			1 839.7	1 887.7	2 051.3
Other Europe			135.9	84.1	280.1
Other North-America			23.6	0.7	992.8
Total foreign shares			14 179.5	15 307.7	24 374.4
Of which listed international equities			13 863.9	15 097.0	24 091.5
Mutual investments managed by Storebrand Kapitalforvaltning					
Storebrand Nord Amerika I	9 029 372		6 524.9	7 150.5	
Storebrand Europa I	922 640		1 071.1	1 292.7	
Storebrand Alpha SICAV-Global Class M	102 555		671.3	692.5	
Storebrand Global Indeks I	399 760		400.0	395.6	
Storebrand Alpha SICAV-North America Class M	56 912		347.5	358.4	
Storebrand Alpha SICAV-Europe Class M	42 365		338.2	357.3	
Storebrand Asia Pacific Indeks I	199 880		200.0	199.4	
Storebrand WGA Health Care	65 609		63.7	80.7	
Storebrand Barnespar	396 006		39.6	56.5	

NOK MILLION	NUMBER HELD	INTEREST	ACQUISITION COST*)	MARKET VALUE	MARKET VALUE INCL. INDIRECT INVESTMENT IN FUND
Mutual investments... cont.					
Storebrand Energi	24 652		23.8	35.2	
Storebrand F & C Emerging Markets	5 064		4.2	5.7	
Storebrand Goldman SMB Europa	1 834		1.4	1.5	
Storebrand Aktiv Allokering	308		0.4	0.4	
Andre eiendeler i fond			0.0	0.0	1 431.2
Total mutual investments managed by Storebrand Kapitalforvaltning			9 686.0	10 626.5	1 431.2
Other mutual investments					
Storebrand Multi Strategy Limited - class B-3	1 157 156 103		1 202.7	1 267.9	1 267.9
Storebrand Investment Fund - Storebrand TA Fund	974 027		783.4	786.6	786.6
Storebrand Selecta Limited - Class B-3	258 461 234		236.4	284.2	284.2
Storebrand International Private Equity IV - B2	229 123 125		220.0	225.0	225.0
Outlet Mall Fund	23 645 026		200.4	216.4	216.4
Storebrand International Private Equity V Ltd - B3	195 933 051		188.1	182.0	182.0
API Eiendomsfond Norge	124		127.6	127.6	127.6
Industri Kapital 2000 Fund	16 823 801		134.9	149.2	149.2
Lasalle Euro Growth II	13 951 659		111.9	124.9	124.9
KKR European Fund, Limited Partnership	12 673 335		103.2	112.9	112.9
Carlye Europe Real Estate Partners L.P.	11 209 864		91.0	102.8	102.8
FSN Capital Limited Partnership 1	2 503 923		20.0	81.0	81.0
Global Health Care Equity Portofolio					80.2
Bain Capital Fund	9 475 222		65.4	73.2	73.2
Storebrand Principle Global Fund Z	39 891		57.9	64.4	64.4
Menlo Ventures IX	10 133 907		74.2	64.1	64.1
European Office Income Venture	7 509 980		61.5	63.3	63.3
Apax Europe V - E, L.P.	5 682 720		46.7	63.1	63.1
European Property Invesators	7 274 561		59.3	61.2	61.2
Celogix N.V.	18 423		63.2	60.8	60.8
HealthCap III, KB	83 334 859		72.0	56.6	56.6
TransEuropean Property Ltd.Partnership III	6 569 006		53.3	55.8	55.8
Apax France V	293		35.7	51.5	51.5
Pradera European Retail Fund	6 588 573		57.3	50.7	50.7
Clayton,Dubilier & Rice fund VI ltd Part	7 580 994		51.6	48.4	48.4
Apax Europa IV-D L.P. STB LIVSFORSIKRIN	89		71.3	48.0	48.0
Wand Partners	105		79.1	47.7	47.7
Apax France VI	5 562 254		45.2	44.8	44.8
Bridgepoint - The Second European PE Fund E	5 137 350		41.7	44.6	44.6
Apax Globis Japan Fund . L.P.	708 720 392		46.8	43.2	43.2
EQT IV ISS Co-Investment LP	5 000 000		39.5	39.9	39.9
J.W. Childs III, L.P.	4 493 487		30.2	32.5	32.5
HMTF Europe Fund Capital Call First Clos	3 588 259		28.8	30.1	30.1
Storebrand International Private Equity III KB	27 000 000		18.7	26.1	26.1
CBRE Strategic Property Partners UK	2 090 548		25.2	25.9	25.9
Sector Speculare II Fund, Class A	25 000 000		25.0	25.0	25.0
Henderson PFI	1 644 369		19.1	19.6	19.6
Carlye Europe Real Estate Partners L.P. II	2 182 877		17.6	18.1	18.1
Ikke spesifisert			303.5	139.9	146.8
Total other mutual investments			4 909.3	4 959.0	5 046.1
Total shares and mutual investments (current assets)			35 277.6	39 338.4	39 338.4
Acquisition cost at the exchange rate applicable on the balance sheet date			35 573.5		
Of which held by subsidiaries					1.6

Short-position on indirect investments are include in the disposition above.

*) Equal to acquisition cost in historical currency For fixed asset holdings this is equal to book value.

Uncalled commitment to subscribe capital to Limited Partnerships amounted to NOK 2 982 million at 31.12.05.

EXPOSURE TO SHARES IN 2005

Storebrand Livsforsikring increased its overall exposure to stock markets in 2005. Exposure to shares and other equity investments accounted for 21% of the company's total investment assets at the start of the year, rising to 26% at the close of the year.

The company's investments in shares are divided between the four regions; Norway, Europe, North America and Asia. The allocation of assets between these regions will be weighted in accordance with the company's investment policy unless the investment manager's market view indicates a different weighting. The risk and return associated with any deviation from the investment policy are monitored closely.

Only one investment portfolio, the Private Equity portfolio, has a significant exposure to unlisted shares. Investment in unlisted shares are characterised by both higher risk and a higher expected return than is the case for other investment in shares. This partly because shares in unlisted companies are less liquid until such time as the companies are admitted to stock market listing. The market value of the company's Private Equity portfolio was slightly over NOK 2 billion at the close of 2005.

10 } Parent company's holding of shares in subsidiaries and associated companies

NOK MILLION COMPANY	EQUITY METHOD		BOOK VALLUE 31.12.	INTEREST IN %	VOTING INTERESST IN %	BOOK VALUE 1.1.	RECOGNISED PROFIT 2005
	ACQUISITION COST	BOOK EQUITY					
Aktuar Systemer AS, Filipstad Brygge 1, 0114 Oslo	14.0	-9.3	4.7	100.0%	100.0%	4.3	1.6
Storebrand Pensjonstjenester AS, Filipstad Brygge 1, 0114 Oslo	13.3	-6.4	6.9	100.0%	100.0%	9.3	5.4
AS Værdalsbruket, 7660 Vuku	0.1	37.9	38.0	74.9%	74.9%	38.5	0.1
Storebrand Eiendom AS, Filipstad Brygge 1, 0114 Oslo	7.4	-3.7	3.7	100.0%	100.0%	2.1	-2.1
Storebrand Systemutvikling AS, Filipstad Brygge. 1, 0114 Oslo	71.9	0.3	72.2	100.0%	100.0%	72.2	1.2
Hoffsvn. AS, Filipstad Brygge 1, 0114 Oslo *)	0.1		0.1	100.0%	100.0%	0.1	-0.1
Uni Norden Holding AS	30.2	-0.1	30.1	100.0%	100.0%		-0.1
UNI Norden Personförsäkring AB, Kungsgatan 34, 11135 Stockholm	20.4	-0.5	19.9	100.0%	100.0%		-0.5
Trondheimsvn 100 AS	0.1		0.1	100.0%	100.0%		
Stor Ulven AS	0.1		0.1	100.0%	100.0%		
Subsidiaries	157.6	18.2	175.8			126.5	5.5
Sjølyst Eiendom AS	165.4		165.4	50,0%	50,0%		
Jointly-controlled companies	165.4		165.4				
Shares and participations in associated companies	323.0	18.2	341.2			126.5	5.5
Nordben Life and Pension Insurance Co. LTD	29.5	32.5	62.0	25,0%	25,0%	61.6	0.4
Associated companies Storebrand Livsforsikring AS	29.5	32.5	62.0				
InnTre Holding AS, Bogav. 7, 7725 Steinkjer		38.0	38.0	34,3%	34,3%		
Accosiated company Storebrand Life Group	29.5	70.5	100.0			61.6	0.4
Storebrand Kjøpesenter Holding AS, Holmensgt. 4 *)	4 961.1		4 961.1	100.0%	100.0%	4 835.8	
Storebrand Nybygg AS, Filipstad Brygge 1, 0114 Oslo *)	1 386.0		1 386.0	100.0%	100.0%	1 384.9	
Storebrand Nydalen AS, Nydalsvn 21, 0484 Oslo *)	1 734.9		1 734.9	100.0%	100.0%	1 708.3	
Storebrand Lysaker AS, Nydalsvn. 21, 0484 Oslo *)	1 211.7		1 211.7	100.0%	100.0%	1 201.8	
Properties owned through a limited company *)	9 293.7		9 293.7			9 130.8	0.0

*) For notes on properties owned through a limited company see Note 16-Properties. These investments are booked as real estate.

11 } Bonds and other fixed income securities

NOK MILLION	COMMERCIAL PAPER	BONDS	TOTAL	FIXED-INCOME FUNDS	TOTAL
Commercial paper, bonds and bond funds, fair value					
Fair value	5 965.6	34 626.5	40 592.1	8 193.2	48 785.3
Of which listed	2 809.5	25 437.7	28 247.2	0.0	28 247.2
Acquisition cost	5 963.9	34 627.7	40 591.6	8 327.8	48 919.4
Nominal value	5 984.7	33 513.7	39 498.3		39 498.3
<hr/>					
Direct investment in commercial paper and bonds	5 965.6	34 626.5	40 592.1		
Indirect investment in commercial paper and bonds	2 436.0	7 850.2	10 286.2		
Base amount for analys by sector and currency	8 401.6	42 476.6	50 878.3		
<hr/>					
Public sector	3 451.1	10 946.7	14 397.9		
Financial institutions	3 765.5	23 754.4	27 519.9		
Other issuers	1 185.0	7 775.5	8 960.5		
Total	8 401.6	42 476.6	50 878.3		
<hr/>					
Modified duration	0.41	2.26	1.95		
Average effective yield	2.75	3.70	3.66		

The effective yield for each security is calculated using the booked value and the observed market price (fair 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.

NOK MILLION	COMMERCIAL PAPER	BONDS	TOTAL
By currency			
NOK	5 445.0	22 222.5	27 667.5
EUR	2 345.6	13 294.3	15 639.9
USD	611.1	4 480.9	5 091.9
GBP		1 119.9	1 119.9
JPY		627.7	627.7
CAD		297.8	297.8
CHF		145.1	145.1
DKK		139.4	139.4
SEK		104.6	104.6
AUD		44.4	44.4
Commercial paper and bonds held as current assets	8 401.6	42 476.6	50 878.3

12 } Bonds to be held to maturity

NOK MILLION	NOMINAL VALUE	ACQUISITION COST	BOOK VALUE	FAIR VALUE	AMORTISATION REMAINING
Bonds held to maturity - Norwegian					
Public sector	29 802.0	30 822.8	30 613.2	33 553.5	811.3
Financial issuers	9 573.5	9 544.3	9 550.9	10 155.0	-22.6
Other issuers	507.7	510.2	507.4	536.5	-0.3
Total portfolio	39 883.2	40 877.4	40 671.6	44 245.0	788.4
Of which listed securities	30 662.3	31 608.1	31 412.0	34 346.1	
Currency					
NOK	39 883.2	40 877.4	40 671.6	44 245.0	788.4
Modified duration (interest rate sensitivity)				4.74	
Average effective yield			5.50	3.72	

The effective yield of individual fixed income securities is calculated on the basis of both the observed market price and the booked value. The weighted average effective yield for the total portfolio is calculated on the basis of weighting by each security's proportion of the total interest rate sensitivity.

13 } Financial derivatives

Storebrand Livsforsikring makes active use of financial derivatives. Derivative contracts are used to adjust the exposure to investment risk in order to create the potential for a sound long-term risk-adjusted investment return. Derivates are used to remove unwanted risk, as well as to adapt the investment portfolio to match the company's long and short-term commitments. The individual share and bond portfolios use financial derivatives to manage the overall risk exposure within the limits applied. Definitions of the various derivatives contracts used can be found in the "Terms and expressions" section.

Nominal volume

Financial derivatives relate to underlying volumes not reported in the balance sheet. To quantify the volume of derivatives references are made to these underlying volumes using such terms as underlying principal and nominal volume. The method used to calculate nominal volume varies for different types of financial derivatives, giving an indication of the extent and risk of the financial derivatives positions. Gross nominal volume primarily indicates the extent of positions, whilst net nominal volume indicates the risk positions taken. However nominal volumes for different instruments are not necessarily comparable when assessing actual risk taken. Unlike gross nominal volume, the calculation of net nominal volume takes into account whether the instrument is an asset or a liability in market risk terms. An equity derivative asset will increase its value as the value of the underlying equity increases. Interest rate derivatives will increase their asset values when interest rates fall in the same way as bond values change. An asset position in a foreign exchange derivative will increase in value if the foreign currency appreciates against the NOK.

Average gross nominal volume is based on daily calculations of gross nominal volume.

Financial derivatives classified as short term assets/liabilities

NOK MILLION	GROSS NOMINAL VOLUME	AVERAGE NOMINAL VOLUME	NET NOMINAL VOLUME	FAIR VALUE	
				ASSETS	LIABILITY
Equity options	15 698.3	9 075.1	-10 433.6	173.9	0.0
Equity equity contracts					
Stock index futures	1 619.8	3 943.9	-734.3		
Total equity derivatives	17 318.1	13 019.0	-11 167.9	173.9	0.0
Forward rate agreements	250 897.4	197 055.8	-4 596.0	4.8	-3.3
Interest rate futures	3 459.0	3 065.8	98.0	0.0	-0.2
Interest rate swaps	50 390.5	42 246.2	8 182.8	25.0	-11.7
Interest rate options	161 666.2	127 575.5	161 000.0	200.3	-2.8
Total interest rate derivatives	466 413.1	369 943.3	164 684.7	230.0	-18.0
Forward foreign exchange contracts	51 839.3	45 607.6	-47 071.5	54.5	-661.3
Cross currency interest rate swap	0.0	544.8	0.0	0.0	
Total currency derivatives	51 839.3	46 152.4	-47 071.5	54.5	-661.3
Credit derivatives	31 329.8	22 444.3	2 658.1		-52.1
Total credit derivatives	31 329.8	22 444.3	2 658.1	0.0	-52.1
Total derivatives	566 900.3	451 559.1	109 103.5	458.4	-731.5
Interest rate swaps accrued not due				-19.7	-7.4
Indirect investments in funds					54.7
Booked value				438.7	-684.1

Interest rate swaps include accrued interest not yet due for payment.

Investments i credit derivatives includes only indirect investments funds manages by Storebrand Kapitalforvatning.

The above table includes net positions in indirect investments.

14 } Financial risk Storebrand Livsforsikring AS

LIQUIDITY RISK

The amounts shown include interest, indirect investments funds managed by Storebrand etc.

Contractual period to maturity

CURRENT/FIXED ASSETS	UP TO 1 MONTH	1 TO 3 MONTHS	3 MONTHS TO 1 YEAR	1 TO 5 YEARS	OVER 5 YEARS	NO FIXED MATURITY	TOTAL VALUE
Lending		37.8	81.5		536.8		656.1
Bonds held to maturity		1 049.3	1 890.0	11 134.0	27 713.6		41 786.9
Deposits with financial institutions	1 065.5	66.0	513.8				1 645.3
Bonds and commercial paper (current assets)	1 990.1	2 620.3	8 629.0	21 423.2	16 755.9		51 418.7
Other current assets	-260.1	-304.2	50.7	51.4	5.3	40 713.0	40 256.2
Total	2 795.6	3 469.2	11 165.1	32 608.7	45 011.7	40 713.0	135 763.2
Of which in foreign currency							
Deposits with financial institutions	63.2						63.2
Bonds and commercial paper (current assets)	1 021.0	1 779.9	1 594.6	7 155.8	11 877.8		23 429.1
Other current assets	-259.6	-333.1	48.2	-69.7	-10.0	26 113.8	25 407.8
Total in foreign currency	824.7	1 446.8	1 642.7	7 086.1	11 867.8	26 113.8	48 900.0

Contractual period to maturity provides only a partial view of the company's liquidity risk since in practice the majority of investment assets can be sold in the secondary market at shorter notice than the remaining maturity.

Interest rate fixing

CURRENT/FIXED ASSETS	UP TO 1 MONTH	1 TO 3 MONTHS	3 MONTHS TO 1 YEAR	1 TO 5 YEARS	OVER 5 YEARS	NO FIXED MATURITY	TOTAL VALUE
Lending		171.6	484.5				656.1
Bonds held to maturity		1 150.9	1 952.2	11 118.7	27 565.1		41 786.9
Deposits with financial institutions	1 065.5	66.0	513.8				1 645.3
Bonds and commercial paper (current assets)	7 597.9	16 219.8	8 844.7	8 480.8	10 275.3		51 418.7
Other current assets	-1 552.1	-5 824.7	1 284.6	3 615.6	2 217.3	40 515.6	40 256.2
Total	7 111.3	11 783.6	13 079.8	23 215.1	40 057.7	40 515.6	135 763.2
Of which in foreign currency							
Deposits with financial institutions	63.2						63.2
Bonds and commercial paper (current assets)	4 625.3	7 541.9	1 542.7	4 236.6	5 482.5		23 429.1
Other current assets	-219.8	-446.6	-2 608.7	4 201.6	-1 550.6	26 113.8	25 407.8
Total in foreign currency	4 468.7	7 095.3	-1 066.0	8 438.2	3 931.9	26 113.8	48 900.0

INTEREST RATE RISK

Interest rate sensitivity

NOK MILLION	UP TO 1 MONTH	1 TO 3 MONTHS	3 3 MONTHS TO 1 YEAR	1 TO 5 YEARS	OVER 5 YEARS	TOTAL
Current assets						
NOK	-10.0	-61.9	-73.7	-85.5	-529.4	-760.5
EUR	-6.2	5.1	-115.9	11.0	-204.7	-310.6
USD	0.8	29.7	-6.7	-17.5	-120.7	-114.4
JPY	2.0	0.0	0.0	-12.2	-41.2	-51.5
GBP	1.2	-0.1	-0.7	-3.5	-45.7	-48.9
CAD	0.0	1.1	0.0	-2.3	-16.8	-18.0
DKK	0.0	0.0	0.0	-2.2	-3.4	-5.5
CHF	0.5	-0.1	-0.4	0.0	-2.8	-2.9
SEK	0.4	0.3	-16.9	23.6	-3.7	3.6
AUD	0.4	-0.1	0.0	-0.2	-1.8	-1.8
Other currency	0.1	0.2	0.0	0.0	0.0	0.3
Total	-10.7	-25.9	-214.3	-88.8	-970.3	-1 310.1
Fixed assets/subordinated loans						
NOK	0.0	-2.0	-17.4	-289.8	-1 842.2	-2 151.3
EUR	0.0	5.2	0.0	0.0	0.0	5.2
Total	0.0	3.2	-17.4	-289.8	-1 842.2	-2 146.2
Total quantified interest rate sensitivity	-10.7	-22.7	-231.7	-378.7	-2 812.5	-3 456.2

Interest rate sensitivity is a method of measuring interest rate risk which is based on the effect of interest rate changes on the market value of bonds, interest rate derivatives and other interest-sensitive financial items. The summary provided demonstrates the effect on the value of financial current assets and financial fixed assets (bonds held maturity) at 31.12.05 of a 1 percentage point increase in interest rates. Storebrand takes interest risk positions through the assets it holds to offset elements of the interest risk inherent in the company's insurance commitments. However the interest risk arising from insurance commitments cannot be calculated and quantified in the same way as interest sensitivity for financial items.

FOREIGN EXCHANGE RISK

Assets and liabilities in foreign currency

NOK MILLION	NET BALANCE SHEET ITEMS	FX DERIVATIVES	NET POSITION	
	EXCL. FX DERIVATIVES	NET SALES	IN CURRENCY	I NOK
Current assets				
AUD	112.5	-102.2	10.3	51.0
CAD	155.3	-140.8	14.4	83.5
CHF	208.2	-179.9	28.3	145.5
DKK	181.8	-145.3	36.4	39.0
EUR	2 476.1	-2 475.8	0.3	2.4
GBP	278.7	-259.4	19.3	224.3
HKD	189.2	-150.8	38.3	33.5
IDR	1.8	0.0	1.8	0.0
JPY	52 609.2	-52 514.4	94.9	5.4
KRW	288.4	0.0	288.4	1.9
MYR	0.6	0.0	0.6	1.0
NZD	2.7	-0.5	2.2	9.9
PHP	1.1	0.0	1.1	0.1
PLN	5.1	0.0	5.1	10.6
SEK	1 039.1	-989.4	49.6	42.2
SGD	22.1	-17.3	4.7	19.2
USD	2 893.9	-2 891.8	2.1	14.2
ZAR	2.6	0.0	2.6	2.8
Total current assets				686.7
Fixed assets/subordinated loans				
EUR	-360.1	363.2	3.1	25.3
SEK	30.3	-15.7	14.5	12.4
USD	0.1	0.0	0.1	0.4
Total fixed assets/Subordinated loans				38.1

The company continuously hedges all material exposure to currency risk. Currency risk arises as a result of investments in international securities and to some extent as a result of taking up subordinated loans denominated in foreign currency. Hedging is carried out at the portfolio level by using forward foreign change contracts, and total currency exposure is continually monitored within the total limit set. Negative currency positions are closed no later than one day after they arise.

There are in addition specific limits to allow active involvement in taking currency positions. These positions are included in the note relating to current assets portfolios. The currency exposure shown for 31.12.05 is representative of the company's restricted limits for currency exposure.

15 } Change in provisions for losses

NOK MILLION	2005	2004	2003
Specific provisions for losses on loans, guarantees etc. at 1.1.	0.0	1.9	1.7
Realised losses on loans, guarantees etc. where specific provision has previously been made			
Increase in specific loan loss provisions for the period			
New specific loan loss provisions in the period			
Reversal of specific loan loss provisions in the period			
Spesifisert avsetning til dekning av tap på utlån, garantier mv.	0.0	0.0	1.9
General provision for losses on loans, guarantees, etc. at 01.01.	0.0	2.6	4.2
General provision for losses on loans, guarantees, etc. in the period	0.0	-2.6	-1.6
General provision for losses on loans, guarantees, etc.	0.0	0.0	2.6

Lending volume

NOK MILLION	2005	2004	2003	2002
Non-accrual loans				
not yet provisioned	0.0	0.0	0.0	3.8
provisioned	0.0	0.0	0.0	3.8
Total of loans in default				
not yet provisioned	0.0	0.8	7.6	15.6
provisioned	0.0	0.8	5.7	14.0
Other doubtful loans				
not yet provisioned	0.0	0.0	0.0	0.0
provisioned	0.0	0.0	0.0	0.0
Interest suspended	0.0	0.0	0.0	0.1

16 } Real estate: Storebrand Livsforsikring Group

NOK MILLION TYPE OF REAL ESTATE	FAIR VALUE	AVE. RENT PER SQ.M.	TERM OF LEASE	SQ.M.	PERCENTAGE LET
Office premises (inc. commercial premises, parking and storage)	8 104.0	1 160	4.9	507 925	95.0%
Shopping centres (inc. parking and storage)	5 464.1	1 325	3.0	318 238	97.7%
Parking	395.3	698	13.5	44 085	100.0%
Total real estate Storebrand Livsforsikring AS	13 963.4	1 197	4.4	870 248	96.2%
Real estate owned by Sjølyst Eiendom AS	164.9				
Real estate owned by Værdalsbruket	7.4				
Total real estate - Group	14 135.7				

Geographic location

Oslo- Vika/Fillipstad Brygge	3 832.4
Oslo - other	5 279.8
Norway - other	4 851.2

Ownership structure:

Directly owned	8 469.3
Property company (AS)	4 865.4
Property partnership (ANS)	628.7

NOK MILLION	2005	2004	2003	2002	2001
Additions	1 067.7	3 045.4	71.8	67.7	92.4
Disposals			-363.9	-1 314.6	-177.8

Property valuation methods

The company carries out its own assessment of the value of the properties which it owns. The properties are valued individually by discounting estimated future net income streams by a discount rate corresponding to the yield requirement for the relevant investment. The net income stream takes into account existing and future reduction in income resulting from vacancy, necessary investments and an assessment of the future development in market rents. The yield requirement is based on the expected future risk-free interest rate and an individually determined risk premium, dependent on the letting situation and the building's location and standard.

Fair value has been determined for all properties at 31.12.05.

17 } Movements in Storebrand Livsforsikring Group's fixed assets during the year

NOK MILLION	REAL ESTATE	MACHINERY, CARS AND, EQUIPMENT	INTANGIBLE ASSETS	BONDS HELD TO MATURITY
Acquisition cost at 01.01	11 463.5	34.3	117.3	39 351.5
Revaluations in the year	30.9			0.0
Revaluations in earlier years	1 462.6			0.0
Additions	1 232.5	38.1	0.5	5 202.8
Disposals at acquisition cost		-25.3		-3 776.6
Re-classification		0.0		
Amortised over/under value for the year		0.0		-106.1
Aggregate write-downs and depreciation at 31.12.	-53.7	-20.6	-92.9	0.0
Book value at 31.12.05	14 135.7	26.5	24.9	40 671.6
Revaluations/reversals for the year	30.9		-17.2	
Ordinary depreciation for the year		-9.4		

Straight line depreciation periods for operating assets are as follows:

Machinery fixtures and fittings:	4 years
Computer systems:	3-6 years
Intangible assets:	3-6 years

18 } Market value (fair value) of securities: Storebrand Livsforsikring Group

NOK MILLION	2005				FAIR VALUE	2004	2003
	ACQUISITION COST (BOOK VALUE)	LOSS PROVISIONS	AT CLOSING FX RATE	UNREALISED GAINS/LOSSES		UNREALISED GAINS/LOSSES	UNREALISED GAINS/LOSSES
Investments held as fixed assets							
Shares and other equity instruments	100.0						
Bonds	40 671.6			3 573.4	44 245.0	4 212.7	3 394.1
Total investments held as fixed assets	40 771.6	0.0	0.0	3 573.4	44 245.0	4 212.7	3 394.1
Of which held by subsidiaries	38.0						
- Shares and participations	38.0						
- Other fixed asset financial assets							

NOK MILLION	2005				FAIR VALUE	2004	2003
	ACQUISITION COST (BOOK VALUE)	LOSS PROVISIONS	AT CLOSING FX RATE	UNREALISED GAINS/LOSSES		UNREALISED GAINS/LOSSES	UNREALISED GAINS/LOSSES
Current financial assets							
Shares and other equity investments	35 261.5	44.6	313.9	3 807.6	39 338.4	2 387.1	1 689.8
Bonds	42 955.6		-322.5	186.7	42 819.7	398.2	70.5
Commercial paper	5 968.9		-1.5	-1.8	5 965.6	1.9	60.1
Deposits with credit institutions	1 528.5				1 528.5		
Financial derivatives							
- asset positions	488.3		41.0	-90.6	438.7	-20.0	-124.0
Financial derivatives							
- liability positions	-18.5		-647.7	-17.9	-684.1		
Other financial assets							-6.8
Total current financial assets	86 184.3	44.6	-616.8	3 884.0	89 406.9	2 767.2	1 689.6

19 } Insurance reserves by class of business

NOK MILLION	GROUP PENSION PRIVATE INSUR.	GROUP PENSION PUBLIC INSUR.	GROUP LIFE INSUR.	ENDOW- MENT INSUR.	ANNUITY/ PENSION INSUR.	NON-LIFE INSUR.	TOTAL 2005	TOTAL 2004	TOTAL 2003
Premium reserve		85 960,6	317,6	18 892,2	18 881,3		124 051,7	111 819,5	99 909,1
Premium reserve	76 930,8	9 029,8	317,6	18 892,2	18 881,3		124 051,7	111 819,5	99 909,1
Additional statutory reserves	3 130,5	179,3		302,5	925,2		4 537,5	3 706,1	3 393,4
Premiumfund	4 544,0	431,5					4 975,5		
Pensioners surplus fund	215,0				252,6		467,6	4 946,2	4 858,6
Claims reserve	11,0	9,3	152,4	150,3	11,3		334,3	313,8	282,6
Other technical reserves						96,6	96,6	81,4	59,9
Insurance fund reserves 2005	84 831,3	9 649,9	470,0	19 345,0	20 070,4	96,6	134 463,2		
Insurance fund reserves 2004	79 447,3	8 012,0	454,6	13 530,5	19 540,4	81,4		121 066,2	
Insurance fund reserves 2003	75 039,9	6 845,1	436,8	7 295,1	19 083,1	59,9			108 759,9
Security reserve 2005	107,7	15,0	16,4	12,2	7,9		159,2		
Security reserve 2004	101,6	11,4	16,1	11,5	8,0			148,6	
Security reserve 2003	98,2	10,2	14,3	11,0	8,0				141,7
Insurance related reserves 2005	84 939,0	9 664,9	486,4	19 357,2	20 078,3	96,6	134 622,4		
Insurance related reserves 2004	79 548,9	8 023,4	470,7	13 542,0	19 548,4	81,4		121 214,8	
Insurance related reserves 2003	75 138,1	6 855,3	451,1	7 306,1	19 091,1	59,9			108 901,6

Reserves in respect of non-life insurance products are detailed in Note 21.

20 } Transfers between insurance fund reserves etc. on closing 2004 accounts

NOK MILLION	GROUP PENSION	INDIVIDUAL	TOTAL
To/from premium fund	-67.3	277.7	210.4
To/from premium reserve	108.7	-310.7	-202.0
To/from additional statutory allocations	-41.4	8.1	-33.3

21 } Technical insurance result and reserves for non-life classes Private market insurances

NOK MILLION	2005	2004	2003
Premiums for own account	107.0	78.9	67.1
Gross business			
Premiums earned	112.4	79.6	67.6
Claims accrued	-51.9	-48.5	-32.3
Insurance related operating expenses	-47.8	-23.8	-23.5
Technical insurance result	12.7	7.3	11.8
Reinsurance ceded			
Premiums earned	-7.7	-1.4	-0.5
Claims accrued	0.7	0.3	0.1
Technical insurance result	-7	-1.1	-0.4
For own account			
Technical insurance result	5.7	6.2	11.4
Claims reserve	41.8	39.3	29.3
Norwegian FSA minimum requirement	41.8	39.0	29.3
Security reserve	48.6	36.8	26.4
Norwegian FSA minimum requirement	47.1	35.4	25.0
Administration reserve	6.2	5.3	4.1
Norwegian BISC minimum requirement	6.1	5.2	4.1

22 } Deferred tax allowances and deferred tax: Storebrand Livsforsikring AS

NOK MILLION	2005		2004		NET CHANGE	2003	
	TAX INCREASING	TAX REDUCING	TAX INCREASING	TAX REDUCING		TAX INCREASING	TAX REDUCING
TIMING DIFFERENCES							
Shares held as current assets					0.0		42.9
Balance sheet value of securities		397.3		521.2	123.9		53.6
Forward foreign exchange contracts		607.1	580.7		-1 187.8		70.5
Revaluations of real estate	937.7		941.7		-4.0	805.7	
Write down of KS/ANS participations	83.9	100.6	74.5	126.4	35.2		136.2
Operating assets		5.7		9.2	3.5	123.5	11.1
Insured pension scheme	13.5		85.7		-72.2	66.9	
Uninsured pension scheme		240.0		155.1	-84.9		129.6
Bonds to be held to maturity		205.8			-205.8		
Other		70.6		93.1	22.5	35.6	106.6
Total timing differences	1 035.1	1 627.1	1 682.6	905.0	-1 369.6	1 031.7	550.5
Tax losses carried forward		2 413.7		218.2			32.6
Allowable losses carried forward		683.8		464.3			464.3
Applied/settled	-1 035.1	-1 035.1	-1 587.5	-1 587.5		-1 031.7	-1 031.7
Net timing differences	0.0	3 689.6	95.1	0.0	-3 784.7	0.0	15.7
Tax	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%
Deferred tax/tax assets	0.0	0.0	26.6	0.0	-26.6	0.0	4.4
Deferred tax assets not booked in balance sheet		1 033.1					

Deferred tax allowances and deferred tax: Storebrand Livsforsikring Group

NOK MILLION	2005		2004		NET CHANGE	2003	
	TAX INCREASING	TAX REDUCING	TAX INCREASING	TAX REDUCING		TAX INCREASING	TAX REDUCING
TEMPORARY DIFFERENCES							
Shares held as current assets					0.0		42.9
Balance sheet value of securities		397.3		521.2	123.9		53.6
Forward foreign exchange contracts		607.1	580.7		-1 187.8		70.5
Revaluations of real estate	937.7		941.7		-4.0	805.7	
Write down of KS/ANS participations	112.4	100.6	24.2	126.4	114.0	20.4	136.2
Operating assets	615.6	6.0	604.0	10.0	15.6	376.8	11.6
Insured pension scheme	13.5		91.4		-77.9	72.8	
Uninsured pension scheme		258.6		160.5	-98.1		134.5
Bonds to be held to maturity		205.8			-205.8		
Other	24.4	73.6	3.3	101.8	49.3	39.8	109.7
Total timing differences	1 703.6	1 649.0	2 245.3	919.9	-1 270.8	1 315.5	559.0
- of which subsidiaries	668.5	22.0	637.3	14.3		283.7	8.3
Tax losses carried forward		2 414.3		217.7			42.8
Allowable losses carried forward		683.8		464.3			464.3
Applied/settled	-1 057.4	-1 057.4	-1 601.9	-1 601.9		-1 066.1	-1 066.1
Net timing differences	646.2	3 689.8	643.4	0.0	-3 687.0	249.4	0.0
Tax	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%
Deferred tax/tax assets	180.9	0.0	180.2	0.0	0.7	69.8	0.0
Deferred tax assets not booked in balance sheet		1 033.1					
Changes applied directly to the balance sheet or profit and loss account					-27.0		
Change in deferred tax/deferred tax allowance					-26.3		

See note 7

23 } Subordinated loan capital

NOK MILLION DATE DRAWN DOWN	AMOUNT NOK	CURRENCY CODE	CURRENCY AMOUNT	MATURITY	INTEREST RATE %	CURRENCY GAINS/LOSSES
24.02.03, 6 months euribor + 2.20%, call 2008 *	1 481.1	EUR	185.4	24-02-23	4.36%	
09.06.04, 3 months euribor + 0.90%, call 2009	1 394.3	EUR	174.6	09-06-14	3.35%	
Total subordinated loan capital	2 875.4					26.0

There is no deduction on the amount of subordinated debt which qualifies for capital adequacy purposes.

The accounting treatment of currency hedging of subordinated loans is described in Accounting Principles.

*) Counts as perpetual subordinated debt for capital adequacy purposes.

The company has hedged the subordinated debt denominated in a foreign currency. Total costs (incl. currency gains/losses) relating to the company's subordinated debt amounts to NOK 141.6 million.

24 } Transactions with connected parties

Transactions between companies in the group

NOK MILLION	AMOUNT
Profit and loss items:	
Services bought	-124.1
Services sold	442.7
Transfer of reserves - received	57.2
Transfer of reserves - paid	-25.4
Balance sheet items:	
Receivables	25.6
Debt	14.9

Transactions between group companies are done on an arms-length basis.

25 } Remuneration and obligations of senior employees

Idar Kreutzer is Chief Executive Officer of Storebrand ASA and Managing Director of Storebrand Livsforsikring AS. He received a salary of 5.1 million and the pension cost of the year was 0.7 million. He is entitled to 24 months' salary following the expiry of the normal notice period from Storebrand ASA. All forms of work-related income from other sources, including consultancy assignments, will be deducted from any such payments. Kreutzer is entitled to a performance-related bonus based on the group's ordinary bonus scheme, which has three aspects. The group's value creation finances the overall amount of the bonus, but individual performance determines allocation. Kreutzer's individual bonus entitlement is credited to a bonus account, and 1/3 of the balance on the bonus account is paid each year. The balance on Kreutzer's bonus account is NOK 3 million, prior to the amount to be credited for 2005.

The Managing Director is a member of the Storebrand pension scheme on normal terms. The discounted present value of his pension entitlement amounts to NOK 9.2 million, made up of NOK 1.2 million in the insured scheme and NOK 8.0 million in the uninsured scheme. These amounts represent the liability of the insured and uninsured schemes calculated on a linear basis using the financial assumptions specified in the accounts (cf. note 8).

The Chairman of the Board of Directors, Leiv L. Nergard, received remuneration of NOK 0.1 million for this appointment. The company has no obligations towards the Chairman of the Board of Directors in respect of changes to or termination of his appointment.

Fees paid to external and internal members of the Board of Directors, excluding the Chairman, totalled NOK 0.5 million. In addition, the company meets the cost of directors' liability insurance for the members of its Board.

Storebrand operates a bonus scheme for its employees. The bonus scheme is linked to the company's value creation and individual performance.

NOK MILLION	NO. OF SHARES OWNED *)	LOAN FROM STOREBRAND GROUP NOK 1 000	INTEREST RATE AT 31.12.05	REPAYMENT BASIS **)
Senior employees ***)				
Idar Kreutzer	28 878	6 054	2.75-3.20	AN2031
Maalfrid Brath ****)	1 703	5 236	2.75-3.05	SE2035
Rolf Corneliusen ****)	115	1 208	2.75-3.20	SE2011
Odd Arild Grefstad ****)	3 668	4 777	2.75-3.20	AN2024
Trond Killi ****)	0	2 283	2.75-3.20	AN2014
Lars Aa. Løddesøl ****)	1 803	4 495	2.75-3.05	AN2029
Board of Directors				
Leiv L. Nergard	20 000			
Hege Hodnesdal	2 653	2 582	2.75-3.05	AN2024
Trond Wilhelmsen	3 298	1 144	2.75	AN2026
Jan Kildal	8 061			
Camilla Grieg	0			

*) The summary shows the number of shares in Storebrand ASA owned by the individual, as well as his or her close family and companies where the individual exercises significant influence (cf. Accounting Act 7-26).

**) 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.

The remuneration of senior management in the form of salary and employment benefits (excluding the Managing Director) totalled NOK 11.7 million. The discounted present value of the pension entitlements of senior management amounts to NOK 12.7 million, made up of NOK 2.7 million in the insured scheme and NOK 10 million in the uninsured scheme. These amounts represent the liability of the insured and uninsured schemes calculated on a linear basis using the financial assumptions specified in the accounts (cf. note 8).

****) In the event of termination of employment in certain defined circumstances, such as receiving notice from the company, certain senior employees are entitled to guaranteed income/salary for periods that vary from 18-24 months after the normal notice period.

26 } Audit fees of Storebrand Livsforsikring

Remuneration paid to Deloitte Statsautoriserte Revisorer AS and related companies:

NOK MILLION	GROUP		PARENT COMPANY	
	2005	2004	2005	2004
Statutory audit	1.8	2.3	1.2	2.1
Other reporting duties				
Taxation advice	0.8	0.4	0.7	0.3
Other non-audit services *)	3.4		3.4	

The amounts above are excluding VAT.

*) Assistance with evaluating processes and procedures.

27 } Change in equity capital Storebrand Livsforsikring AS

NOK MILLION	2005	2004	2003
Share capital at 01.01	1 411.2	1 361.2	1 361.2
Share issue		50.0	
Share capital at 31.12	1 411.2	1 411.2	1 361.2
Share premium at 01.01.	726.4	26.4	
From merger	0.1		21.0
Other changes			5.4
Share issue		700.0	
Share premium at 31.12.	726.5	726.4	26.4
Total paid in equity	2 137.7	2 137.6	1 387.6
Other equity at 01.01.	2 366.2	1 973.3	1 714.6
Other changes			-5.4
Profit for the year	417.7	392.9	264.1
Other equity at 31.12.	2 783.9	2 366.2	1 973.3
Equity capital at 31.12 as per balance sheet	4 921.6	4 503.8	3 360.9

The company's shares are owned to 100% by Storebrand ASA and are of NOK 100 par value. All shares have equal voting rights
The company does not own any of its own shares.

28 } Capital adequacy

NOK MILLION	GROUP			PARENT COMPANY		
	2005	2004	2003	2005	2004	2003
Calculation base by class of risk weighting	151 234.1	133 795.5	118 760.1	151 238.0	133 445.9	118 802.6
Risk weight 0%	46 915.1	49 992.9	52 820.5	46 890.1	49 986.3	52 814.6
Risk weight 10%	1 065.1	1 861.6	1 861.3	1 065.1	1 861.6	1 861.3
Risk weight 20%	35 386.1	37 529.7	33 144.8	35 456.7	37 432.7	33 076.7
Risk weight 50%	2 404.0	828.0	1 511.7	2 288.4	506.8	1 556.3
Risk weight 100%	65 463.8	43 583.3	29 421.8	65 537.7	43 658.5	29 493.7
Weighted assets in the balance sheet	73 849.5	51 689.4	36 992.7	73 879.8	51 584.6	37 073.3
Weighted interest rate and FX contracts	462.3	530.2	187.9	462.3	530.2	187.9
Cross holding deduction for shares in other financial institutions	-18.5	-78.2	-53.5	-18.5	-78.2	-53.5
Unrealised gains on financial current assets	-3 863.7	-2 292.7	-1 483.8	-3 863.7	-2 292.7	-1 483.8
Loss provisions			-4.5			-4.5
Risk weighted calculation base	70 429.6	49 848.7	35 638.8	70 459.9	49 743.9	35 719.4
Core capital	4 896.6	4 366.2	3 226.2	4 921.5	4 414.3	3 286.5
Subordinated loans - perpetual	2 824.3	2 878.1	1 436.3	2 824.3	2 878.1	1 436.3
Subordinated loans - with maturity			981.5			981.5
Limitation on eligible subordinated loan capital						
Eligible subordinated loan capital	2 824.3	2 878.1	2 417.8	2 824.3	2 878.1	2 417.8
Cross holding deduction for shares in other financial institutions	-18.5	-78.3	-53.5	-18.5	-78.2	-53.5
Net primary capital	7 702.4	7 166.0	5 590.5	7 727.3	7 214.2	5 650.8
Capital ratio in %	10.94	14.38	15.69	10.97	14.50	15.82

The book value of the Storebrand Livsforsikring group's equity is NOK 4 921.6 million. The difference between equity and core capital of is caused by NOK 25 million for other intangible assets.

29 } Solvency margin Storebrand Livsforsikring AS

The estimated solvency margin requirement for Storebrand Livsforsikring AS for 2005 was NOK 5 760 million. (NOK 5 256 million in 2004). Solvency margin capital amounts to NOK 10 090 million (NOK 8 902 million in 2004). This gives a solvency margin of 175.2 % (169.4% in 2004).

NOK MILLION	2005	2004	2003
Primary capital 31.12.	7 727.0	6 964.7	5 650.8
Admissible share of Security Reserve	94.3	84.3	76.4
50% of additional statutory reserves at 31.12.	2 268.8	1 853.1	1 696.7
Solvency margin capital at 31.12.	10 090.1	8 902.1	7 423.9

THE CHIEF ACTUARY'S REPORT

To the Board of Directors in Storebrand Livsforsikring AS

Allocations to the insurance fund and the security fund

With reference to the annual report for 2005 I confirm that the entered "Premium reserve for own account" and "Additional statutory reserves" together with the "Security reserve" in the Balance sheet have been calculated in accordance with the Act on Insurance Activity and satisfy the requirements of the Financial Services Authority of Norway. From these calculations the corresponding allocations have been made in the Profit and Loss Account. The proposed allocations are in accordance with § 7-5 (Allocations of expences, income and funds etc.) and the distribution of the result to policyholders is in accordance with § 8-1 (Allocation of surplus to policyholders) of the Act on Insurance Activity and other applicable regulations.

Oslo, 6 February 2006

Translation - not to be signed

Trond Killi
Chief Actuary



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To the Annual Shareholders' Meeting of Storebrand Livsforsikring AS

AUDITOR'S REPORT FOR 2005

We have audited the annual financial statements of Storebrand Livsforsikring AS as of 31 December 2005, showing a profit of NOK 1,193.1 million for the parent company and a profit of NOK 1,193.1 million for the group. We have also audited the information in the Board of Directors' report concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit. The annual financial statements comprise the parent company's financial statements and the group accounts. The parent company's financial statements comprise the balance sheet, the statements of income and cash flows, and the accompanying notes. The group accounts comprise the balance sheet, the statements of income and cash flows, and the accompanying notes. The rules of the Norwegian accounting act and good accounting practice in Norway have been applied to produce the financial statements. These financial statements are the responsibility of the Company's Board of Directors and Managing Director. Our responsibility is to express an opinion on these financial statements and on the other information according to the requirements of the Norwegian Act on Auditing and Auditors.

We conducted our audit in accordance with the Norwegian Act on Auditing and Auditors and good auditing practice in Norway, including standards on auditing adopted by Den norske Revisorforening. These auditing standard require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. To the extent required by law and good auditing practice an audit also comprises a review of the management of the Company's financial affairs and its accounting and internal control systems. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- the financial statements are prepared in accordance with the law and regulations and give a true and fair view of the financial position of the Company and of the Group as of 31 December 2005, 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 a proper and clearly set out registration and documentation of accounting information in accordance with the law and good bookkeeping practice in Norway
- the information in the Board of Directors' report concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit is consistent with the financial statements and complies with the law and regulations.

Oslo, 13 February 2006
Deloitte

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

Audit. Tax & Legal. Consulting. Financial Advisory.

Member of
Deloitte Touche Tohmatsu

Control Committee's Statement for Storebrand Livsforsikring AS – 2005

The Control Committee of Storebrand Livsforsikring AS has reviewed the Board of Director's proposed Annual Report and Accounts for 2005 of Storebrand Livsforsikring AS.

With references to the auditor's report of 13 February 2006 the Control Committee recommends that the Annual Accounts proposed be adopted as the Annual Accounts of Storebrand Livsforsikring for 2005.

Oslo, 22 February 2006

Translation - not to be signed

Sverre Bjørnstad
Chairman of the Control Committee

Board of Representatives' Statement for Storebrand Livsforsikring AS – 2005

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 Livsforsikring AS and Storebrand Livsforsikring Group.

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

Oslo, 28 February 2006

Translation - not to be signed

Sven Ullring
Chairman of the Board of Representatives

European Embedded Value

Embedded Value (EV) is defined as the net present value of future profits to the owner from existing business, including the value of unrestricted equity. Embedded Value does not include the net present value of future new business. The method used is based on accepted actuarial principles, and follow the new standard for European Embedded Value reporting issued by the CFO Forum. The new standard imposes requirements for more consistent and transparent reporting by the insurance industry. The changes relate in particular to the valuation of financial options and guarantees included in insurance products, as well as a more realistic cost of capital.

Storebrand has calculated Embedded Value for 2005 in accordance with the new principles, and has also restated Embedded Value for 2004. Applying the new principles increases the Embedded Value of Storebrand Livsforsikring for 2004 by 6.8% to NOK 10,522 million. Embedded value at the close of 2005 was NOK 11,408 million. Dividend paid in 2005 was NOK 775 million. This gives a total Embedded Value result (change in Embedded Value before dividend) of NOK 1,661 million

EMBEDDED VALUE 2004-2005			
NOK million	EV 2004 (TEV)	EEV 2004 updated	EEV 2005
Total shareholder surplus at market value	4 855	4 855	5 419
comprising			
- Required capital	2 179	3 477	3 627
- Free surplus	2 676	1 377	1 792
Cost of capital	-382	-601	-672
Value of in-force	5 380	6 819	7 818
comprising			
- Group with-profit business	3 518	4 596	5 508
- Individual with-profit business	937	1 192	1 135
- Total non-profit business	925	1 031	1 175
Cost of volatility	n/a	-551	-1 158
EV Storebrand Livsforsikring	9 853	10 522	11 408

The Embedded Value is based on the annual accounts of Storebrand Livsforsikring AS prepared in accordance with the Accounting Act of 1998, Norwegian generally accepted accounting principles, and the regulations on annual accounts of insurance companies. As the valuation of assets and liabilities is broadly similar under IFRS and NGAAP, the difference between the IFRS equity and the NGAAP equity is mainly related to the timing differences in dividend to owner.

MOVEMENT ANALYSIS:

Interest on the opening balance based on the economic assumptions in the model amounted to NOK 624 million.

The value of new business written in 2005 increased Embedded Value by NOK 248 million. Operating variances arising from lower outward transfers of business and better than expected claims experience caused an increase in Embedded Value of NOK 576 million. Lower long-term interest rates in 2005 and the resulting downward revision of the assumption for long-term yield increased the cost of financial options and guarantees to a total of NOK 1,158 million. However thanks to factors such as a good investment return in 2005, economic variances and assumption changes had an overall positive effect, and increased Embedded Value by NOK 213 million.

* A discussion forum made up of CFOs from 20 European insurance companies.

MOVEMENT
ANALYSIS

NOK million

SENSITIVITY ANALYSIS:

Sensitivity analysis shows the effect of changes in assumptions on the Embedded Value of Storebrand.

SENSITIVITIES STOREBRAND LIVSFORSIKRING

NOK million	Total EV	Change in %	Total value of new business	Change in %
Base	11 408		248	
1. Risk discount rate +1%	10 550	-7.5 %	214	-13.7 %
2. Risk discount rate -1%	12 420	8.9 %	288	16.1 %
3. Beta 1.1	11 216	-1.7 %	240	-3.1 %
4. Beta 0.9	11 606	1.7 %	256	3.2 %
5. Interest rates +1%	12 796	12.2 %	310	25.1 %
6. Interest rates -1%	8 004	-29.8 %	111	-55.1 %
7. Equity and property risk premiums +1%	12 289	7.7 %	266	7.4 %
8. Equity and property market values -10%	10 060	-11.8 %	260	4.7 %
9. Salary and expense inflation +0.5%	11 626	1.9 %	268	8.2 %
10. Kostnader -10%	11 439	0.3 %	250	0.9 %
11. Mortality and morbidity rates -5%	11 338	-0.6 %	248	0.0 %
12. Lapse rates +10%	11 192	-1.9 %	227	-8.5 %

ANALYSIS OF RESULTS

The **analysis of results** table shows the composition of operating profit and its allocation by type of insurance.

Interest result is the difference between the book return and the guaranteed return on policies. The average guaranteed return on insurance policies in 2005 was 3.6%.

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.

ANALYSIS OF RESULTS BY CLASSES OF BUSINESS					
NOK million	2005	2004	2003	2002	2001
Group pension:					
- Interest result	3 013	2 220	2 777	-873	-419
- Risk result	232	40	93	30	3
- Administration result	-126	-22	-34	-46	-25
- Change in premium reserve/security fund	-10	-89	-1,008	-241	-115
- Total	3 109	2 149	2 835	-1 130	-556
Group life:					
- Interest result	41	36	36	11	15
- Risk result	78	46	37	39	42
- Administration result	-12	-10	-5	-14	-4
- Change in premium reserve/security fund		-2	-1	-1	15
- Total	107	70	67	35	68
Individual endowment:					
- Interest result	667	305	198	-63	-25
- Risk result	74	105	43	81	116
- Administration result	-108	-64	-71	-19	-27
- Change in premium reserve/security fund	-1		-1		36
- Total	632	346	169	-1	100
Individual annuity/pension:					
- Interest result	631	528	597	-170	-108
- Risk result	-55		2	31	66
- Administration result	-55	-32	-27	-26	-40
- Change in premium reserve/security fund		-90		1	38
- Total	521	406	572	-164	-44
Non-life insurance:					
- Interest result	7	5	5	1	2
- Risk result	34	15	23	13	11
- Administration result	-29	-9	-12	-7	-6
- Change in premium reserve/security fund					
- Total	12	11	16	7	7
Total for all classes					
- Interest result	4 359	3 094	3 613	-1 094	-535
- Risk result	363	206	198	194	238
- Administration result	-330	-137	-149	-112	-102
- Change in premium reserve/security fund	-11	-181	-1,010	-241	-26
- Total for all classes	4 381	2 982	2 652	-1 253	-425

TECHNICAL INSURANCE MATTERS

GENERAL

The insurance fund (insurance fund reserves for own account) is defined in Section 8-2 of the Insurance Activities Act and comprises the premium reserve (including the administration reserve), additional statutory reserves, premium fund/pension adjustment fund, claims reserve and other technical reserves.

The premium reserve is calculated as the cash value of the company's total insurance obligations, including costs, in relation to individual insurance contracts after deducting the cash value of contractual future premiums. In the case of individual account policies with flexible premium payments, the total policy value is included in the premium reserve.

The premium reserve is calculated using the same assumptions as used to calculate premiums for individual insurance policies, i.e. the same assumptions on mortality and disability rates, interest rates and costs.

"Other technical reserves" relates to insurance lines that the regulations define as non-life insurance. These reserves are calculated in accordance with the regulations for non-life insurance companies issued by the Financial Services Authority of Norway.

COSTS

The premium reserve includes reserve amounts for future costs for all lines of insurance (administration reserve). In the case of paid-up policies, the cash value of all future administration costs is provided in the premium reserve. In the case of policies with future premium payments, deduction is made for the proportion of future administration costs expected to be financed by future premium receipts.

MORTALITY AND DISABILITY RATES

The following table provides details of net annual risk premiums for new policies for typical risks. These premiums are for individuals of normal health and risk.

MORTALITY AND DISABILITY

Net annual risk premium for a sum insured of NOK 100,000

For disability pension policies, the premium is for annual disability pension of NOK 10,000 paid until age 67.

	Men			Women		
	30 years	45 years	60 years	30 years	45 years	60 years
Life cover, individual endowment	122	325	1 416	61	163	711
Disability lump sum, individual	273	590		352	1 368	
Disability pension, individual	248	639	1 975	371	1 577	2 490
Critical illness, non smoker, individual	226	573	1 602	203	433	1 059
Life cover, group life	55	146	821	33	88	493
Life cover, group pension	48	238	1 174	34	124	625
Disability pension, group pension	285	621	1 717	470	1 097	1 685

In the case of group life insurance policies and life insurance cover included in group pension schemes, the premium tariffs by age and sex are also adjusted for industry/occupation. The premium tariffs for group life insurance are also adjusted on the basis of claims experience.

BASIC INTEREST RATE

The reserves included in the insurance fund at 31 December 2005 are allocated by reference to the different basic interest rates as follows:

Guaranteed interest rate	2005	2004
6 %	0.8 %	0.9 %
5 %	1.1 %	1.2 %
4 %	66.2 %	70.9 %
3.4 %	4.6 %	4.4 %
3 %	23.4 %	19.0 %
0 %	3.9 %	3.6 %

The above table includes the premium reserve and pensioners' surplus reserve at 3% and additional statutory reserves at 0%.

The total average guaranteed return to policyholders for the company as a whole for the 2005 accounting year was 3.6 %.

Average interest rate guarantee	2005	2004
Individual endowment insurance	3.2 %	3.4 %
Individual pension insurance	3.7 %	3.7 %
Group pension insurance	3.7 %	3.8 %
Group life insurance	0.9 %	0.9 %
Non-life insurance	0.0 %	0.0 %
Samlet	3.64 %	3.77 %

A basic interest rate of 3% applies to new business written in 2005. Where policies are transferred to the company the basic interest rate applied by the transferring company is used, subject to a maximum of 4%.

PROFIT ALLOCATION

In the case of insurance policies that confer the right to participate in profits, the following guidelines are used for the allocation of profit participation by line of insurance (after any transfers to new additional statutory reserves):

- In the case of traditional individual endowment insurance, traditional individual pension insurance, individual account policies (pension insurance) in payment, policies for early leavers from group pension schemes and group pension schemes for association members, the allocation of profit is applied to purchase additional insurance and is transferred to the policyholder's account.
- In the case of account policies for individual endowment insurance and individual pension policies not in payment, the allocation of profit is applied to the policyholder's account.
- In the case of group pension insurance the surplus of premium reserve in respect of pensions in payment is transferred to the pensioners' surplus fund, whereas other profit allocation is transferred in full to the policy's premium reserve.

Terms and expressions

ADMINISTRATION RESERVE:

The administration reserve comprises assets associated with administration of group pension policies.

ADMINISTRATION RESULT

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

PRIMARY CAPITAL:

Primary capital is capital eligible to fulfil the capital requirements under the authorities' regulations. Primary capital may comprise Tier 1 capital, less any intangible assets and Tier 2 capital with a deduction for cross-holdings in other financial institutions in accordance with specific regulations.

SUBORDINATED LOAN CAPITAL:

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

OPERATING EXPENSES:

The costs of sales and administration related to insurance activities together with administration costs relating to financial assets and other entries which by their nature are included in the calculation of the administration result.

OPERATING PROFIT:

The operating profit of life insurance activities represents the result produced by the year's operations after deducting the ordinary allocations to premium reserve and the guaranteed yield on the assets of the premium and pension adjustment fund, and after changes in the security reserve as well as changes in additional statutory reserves caused by insurance settlements, policy transfers, repurchases and interest shortfalls, but before the allocation for the year to additional statutory reserves in the insurance fund which represent a conditional allocation of reserves to customers.

CLAIMS RESERVE *):

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 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 financial 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.

Equity/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. Purchases of options to buy shares (call options) and sales of options to sell shares (put options) are classed as long positions.

Equity/Stock 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. Purchases of share futures contracts are defined as long positions.

Credit derivatives: Credit derivatives are financial contracts that transfer all or part of the credit risk associated with loans, bonds and similar instruments from the purchaser of the protection (seller of the risk) to the seller of the protection (purchaser of the risk). Credit derivatives are transferable instruments that make it possible to transfer the credit risk associated with particular assets to a third party without selling the assets.

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 on the first day of the period which is the subject of the agreement. FRAs are particularly well suited to managing short-term interest rate risk. A sold FRA creates the same interest rate exposure as a fixed term deposit and is accordingly classed as an asset.

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. Purchases of interest rate futures contracts are defined as long positions.

Interest rate options/FRA options: Interest rate options can be related to money market rates, bond yields or FRA contracts. 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. The purchase of interest rate options related to FRA contracts confers a right (but not an obligation) to buy or sell FRAs at a pre-determined interest rate. In respect of bond options, both call options purchased and put options sold are defined as (asset) long positions.

Forward foreign exchange contracts/ foreign exchange swaps: Forward foreign exchange contracts/foreign exchange swaps relate to the purchase or sale of a currency for an agreed price at a future date. These contracts are principally used to hedge the currency exposure arising from currency denominated securities, bank deposits, subordinated loans and insurance reserves denominated in foreign currencies. These contracts also include spot foreign exchange transactions.

*) See Accounting Principles for a description of these terms

AVERAGE YIELD:

Average yield is an expression for the average return the company has obtained on policyholders' funds during the course of the year. Policy holders' funds for this purpose are the reserves provided in the insurance fund. The average yield is a gross yield before deducting costs and will thus not be comparable with interest reported by other financial institutions. The average yield is calculated in accordance with rules set by the Financial Services Authority of Norway.

GROUP LIFE INSURANCE:

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

RETURN ON CAPITAL:

Return on capital, excluding changes in unrealised gains on securities but including revaluations (positive or negative) of real estate, (Return on capital 1) shows the realised income from financial assets expressed as a percentage of the average value of the company's total assets net of the market value adjustment reserve for the year. This calculation is in accordance with rules set by the Financial Services Authority of Norway. Return on capital, including changes in unrealised gains on securities as well as revaluations (positive or negative) of real estate, (Return on capital 2) shows the realised income from financial assets expressed as a percentage of the average value of the company's total assets for the year. Total value-adjusted return on capital shows income plus the change in the market value adjustment reserve and unrealised gains/losses on fixed assets (Return on capital 3) expressed as a percentage of the average value of the company's total assets for the year at market value.

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.) Until such a time as the appropriate regulations are issued in respect of the new accounting legislation, the company has adopted the principle of deducting the market value adjustment reserve from the equivalent items on the asset side of the balance sheet.

ENDOWMENT INSURANCE:

Individual life insurance where the insured amount is payable in one amount 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.

TIER 1 CAPITAL:

Tier 1 capital is part of primary capital and consists of paid-in and accrued equity net of pre-paid pensions.

GROP 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.

MARKET VALUE ADJUSTMENT RESERVES*):**PREMIUM RESERVE *):****PREMIUM FUND *):****PENSION ADJUSTMENT FUND *):****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.

INTEREST RESULT:

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

RISK RESULT:

The result arising from deaths and/or disabilities during a period deviating from the assumptions used for the premium tariffs.

SECURITY FUND *):**SOLVENCY MARGIN REQUIREMENT:**

Calculated on the basis of the insurance fund and the risk amount for each class of insurance.

SOLVENCY MARGIN CAPITAL:

Comprises net primary capital, 50% of additional statutory allocations and the balance of the security fund which is above the 55% level. At a minimum solvency margin capital must be sufficient to meet the solvency margin requirement.

ADDITIONAL STATUTORY RESERVES *):**TIER 2 CAPITAL:**

Tier 2 capital is part of primary capital and mainly consists of subordinated loan capital. In order to be eligible as primary capital, Tier 2 capital cannot exceed Tier 1 capital.

*) See Accounting Principles for a description of these terms

Storebrand Livsforsikring AS

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