

Storebrand Livsforsikring AS

Annual Report 2000

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KEY FIGURES: STOREBRAND LIVSFORSIKRING AS

NOK million	2000	1999	1998	1997	1996
STOREBRAND LIVSFORSIKRING AS:					
RETURN ON CAPITAL I *)	8,69 %	9,97 %	5,85 %	9,96 %	8,48 %
RETURN ON CAPITAL II *)	3,12 %	15,74 %	3,50 %	10,45 %	10,01 %
RETURN ON CAPITAL III *)	3,00 %	14,91 %	2,93 %	10,55 %	10,37 %
AVERAGE YIELD:	8,30 %	9,51 %	5,38 %	9,50 %	8,14 %
SOLVENCY CAPITAL AS PERCENTAGE OF MINIMUM REQUIREMENT:	195,2 %	208,2%	220,4%	194,8%	178,4 %
AVERAGE GUARANTEED RETURN:	3,8%	3,8%	3,8%	3,8%	3,9 %
COST RATIO	0,94 %	0,96 %	0,94 %	0,86 %	0,90 %
PROFIT ANALYSIS (PARENT COMPANY FIGURES): **)					
- INTEREST RESULT	4 836	5 619	1 655	4 671	3 464
- RISK RESULT	159	284	279	388	296
- ADMINISTRATION RESULT	-153	-123	-90	-30	-39
- OTHER	-55	-548	-63	-675	-294
TOTAL	4 787	5 232	1 781	4 354	3 427
STOREBRAND LIVSFORSIKRING GROUP:					
KEY FIGURES					
<u>PROFIT AND LOSS ACCOUNT</u>					
PREMIUM INCOME EXC. RESERVES TRANSFERRED	7 034	7 167	6 882	6 437	5 315
NET TRANSFERS	-3 020	11	847	-705	-1 365
NET INCOME FROM FINANCIAL ASSETS	3 510	15 316	3 346	9 304	8 154
CLAIMS EXCLUDING TRANSFERRED RESERVES	-6 237	-5 571	-5 392	-4 400	-4 046
CHANGE IN INSURANCE RESERVES					
EXCLUDING TRANSFERRED ADDITIONAL STATUTORY RESERVES	-812	-4 950	-4 874	-4 227	-2 359
INSURANCE AND FINANCIAL INVESTMENT RELATED ADMIN. COSTS:	-930	-896	-817	-701	-692
OTHER ITEMS	-354	-254	-214	-298	-200
TO/FROM MARKET VALUE ADJUSTMENT RESERVE	5 598	-5 868	2 008	-1 052	-1 372
OPERATING PROFIT	4 789	4 956	1 786	4 359	3 434
EXTRAORDINARY ITEMS		234			
PROFIT BEFORE ALLOCATION	4 789	5 190	1 786	4 359	3 434
FUNDS TRANSFERRED TO POLICYHOLDERS	-3 951	-4 333	-1 286	-3 797	-2 866
- OF WHICH CONDITIONAL ADDITIONAL STATUTORY ALLOCATIONS	-451			-1 000	-1 800
PRE-TAX PROFIT	838	857	501	562	568
TAX	-129	-150	-42	-104	61
MINORITY INTERESTS SHARE IN PROFIT	-1	-1			
PROFIT FOR THE YEAR:	708	706	459	458	628
<u>ASSETS</u>					
REAL ESTATE	10 907	10 103	8 504	7 669	7 227
BONDS TO BE HELD TO MATURITY	27 402	25 125	17 781	14 644	13 751
LOANS	2 057	3 177	4 983	7 840	10 083
SHARES AND OTHER EQUITY INVESTMENTS	35 248	37 325	28 057	22 731	14 333
BONDS HELD AS CURRENT ASSETS	28 044	33 123	30 563	32 531	30 819
COMMERCIAL PAPER	4 110	1 907	1 784	4 063	6 381
OTHER FINANCIAL ASSETS	1 612	468	1 065	1 674	1 398
TOTAL FINANCIAL ASSETS	109 380	111 229	92 737	91 152	83 992
OTHER ASSETS	3 802	4 005	7 069	4 604	4 089
TOTAL ASSETS	113 181	115 234	99 807	95 756	88 081
POLICYHOLDERS' FUND FOR OWN ACCOUNT					
- of which additional statutory reserves	4 847	5 847	6 112	6 306	5 574
MARKET VALUE ADJUSTMENT RESERVE	2 998	8 596	2 728	4 736	3 684
EQUITY	3 126	2 949	2 888	2 766	2 668
CAPITAL ADEQUACY (GROUP):	10,46 %	11,98 %	12,10 %	10,51 %	10,16 %

*) 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 Storebrand Livsforsikring AS

Storebrand Livsforsikring AS, which has its registered office in Oslo, develops and provides savings and life insurance products for the corporate market, public sector and retail markets in Norway. The company owns 25% of Nordben Life and Pension Insurance Company Limited of Guernsey, which offers products to Norwegian companies with employees located outside the Nordic countries. Storebrand also offers actuarial services, systems solutions and a full range of operational services for pension funds through its subsidiaries Aktuar Consult AS, Aktuar Systemer AS and Storebrand Pensjonstjenester AS.

Main features of the 2000 results

The operating profit of NOK 4,789 million reported by the life insurance group was satisfactory in view of the weak conditions seen in financial markets. Storebrand Livsforsikring AS's operating result, before the allocation of profit between policyholders and equity, amounted to NOK 4,787 million in 2000. Of the NOK 3,951 million allocated to policyholders, NOK 451 million was transferred to additional statutory reserves. The profit reported for 1999 before extraordinary items was NOK 5,232 million, with an allocation to policyholders of NOK 4,333 million.

Storebrand has developed a new model for the allocation of profit between customers and the company in accordance with the relevant regulations. This model provides for the profit retained by the company to be made up of the net return on equity, a return on actual risk (12%) and a management fee on total policyholders' funds (0.40%). The company is also entitled to earnings on products not subject to the arrangements for profit sharing.

Section 3-3 of the new Accounting Act requires a statement in the Annual Report and Accounts on the going concern assumption.

The Board of the Directors considers the going concern assumption to be appropriate, and the company's accounts are prepared on this basis.

After deducting the return guaranteed to customers, income from financial assets provided a contribution (interest result) of NOK 4,836 million to the total profit for the year (NOK 4,849 million after adjusting for the proportional consolidation of subsidiaries). In 1999 the interest result was NOK 5,619 million.

The administration result showed a deficit of NOK 153 million (a deficit of NOK 166 million after adjusting for the proportional consolidation of subsidiaries), as compared to a deficit of NOK 123 million in 1999.

The aggregate risk result was NOK 159 million in 2000 as compared to NOK 284 million in 1999. NOK 55 million was allocated to strengthen the disability reserve for collective schemes. The process of strengthening the administration reserve in respect of individual policies transferred out of collective schemes was fully completed by the close of 2000.

Premium income

Total premium income fell by 14.2% in 2000 to NOK 7,950 million. The reduction reflects lower transfers of premium reserves to the company by corporate customers. If transfers of premium reserves are excluded, premium income from the corporate market showed an increase in 2000. Individual endowment policies and individual pension insurance showed a fall in premium income in 2000. Statistics produced by the Norwegian Financial Services Association as of the third quarter of 2000 show that Storebrand has a market share of total premiums written, including transferred reserves, of 25%.

Net income from financial assets

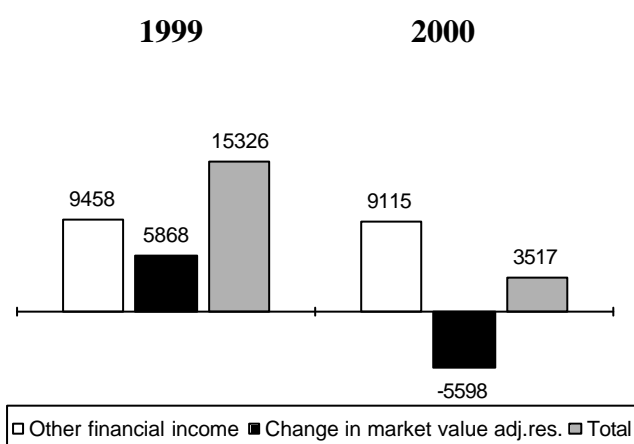
Realised financial income, which includes revaluations of real estate investments, amounted to NOK 9,115 million for

Storebrand Livsforsikring AS. Conditions in financial markets were weak in 2000, especially towards the end of the year. This caused a reduction in unrealised gains on current assets, and accordingly in the unallocated market value adjustment reserve, of NOK 5,598 million.

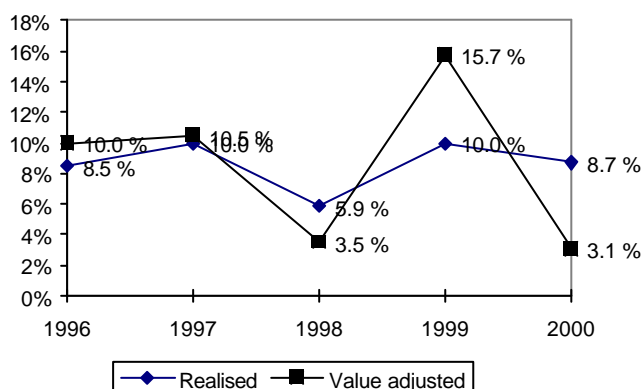
The company produced a realised investment return of 8.7% in 2000, and the value-adjusted return for the year was 3.1%. The gross return to customers, termed the average return, was 8.3%.

Net income from financial assets

Exc. Operating costs



Investment return 1996-2000



Claims

Claims paid in 2000 amounted to NOK 6,231 million, as compared to NOK 5,563 million in the previous year. There was some increase in the level of disability payments and in policy surrenders. The overall increase in claims was

at a normal level in relationship to the overall volume of business insured. The volume of transfers of premium and other reserves from the company in 2000 was affected to a large extent by the increasing number of customers that chose to transfer to products which allow them to manage the investment profile of their savings and accordingly transferred their accumulated reserves to Storebrand Fondsforsikring. In addition an amount of NOK 2,789 million was recorded in 2000 in respect of premium reserves etc. transferred from the company to other insurance companies or external pension funds. The increase in net transfers of NOK 1,543 million from the previous year is very largely the result of two large pension schemes that decided to transfer out of the company in December 2000. Total claims paid, including movements in claims reserves, totalled NOK 10,242 million in 2000. The equivalent figure for 1999 was NOK 7,779 million.

Allocations to the insurance fund

Statutory allocations to the premium reserve amounted to NOK 884 million as compared to NOK 4,899 million in the previous year. The premium reserve totalled NOK 84,639 million at 31 December 2000.

The final allocation of profit to individual policyholders' funds will take place when the company provides statements to its customers for 2000. The provisional figures for the transfer provide for NOK 1,619 million to be transferred to the premium reserve and NOK 1,882 million to the premium fund. The policyholders' premium and pension adjustment reserve totalled NOK 10,282 million at year-end, representing an increase of NOK 1,122 million from the previous year. The regulations for additional statutory reserves were changed in 2000. The company is now required to set an upper limit for additional statutory reserves in respect of individual policies. Storebrand has elected to impose a limit equivalent to twice the annual guaranteed yield for each policy, and this resulted in a release of additional statutory reserves of NOK 920 million in total in

respect of policies previously in excess of this upper limit. In order to continue to maintain strong risk bearing capacity, the company decided to strengthen additional statutory reserves for policies below the upper limit by up to 1% of the interest surplus, equivalent to NOK 451 million. Total additional statutory reserves amounted to NOK 4,847 million at 31 December 2000.

The insurance fund (aggregate assets attributable to policyholders) amounted to NOK 99,985 million as at 31 December 2000, an increase of 3.1% from the previous year-end.

The security fund stood at NOK 592 million at the end of 2000, unchanged from the previous year.

Operating expenses

Operating expenses include the expenses of both sales and administration related to the insurance activities and administration expenses related to holdings of financial assets. The operating expenses of Storebrand Livsforsikring AS amounted to NOK 930 million for the year as against NOK 896 million in 1999. The increase in operating expenses is largely due to the costs involved in developing new products for the change in legislation on company pension schemes and the introduction of defined contribution pension schemes. Storebrand has produced an improvement in costs as a proportion of average policyholders' funds equivalent to 0.02 percentage points, with a cost ratio of 0.94% in 2000 as against 0.96% in 1999.

Future prospects

Storebrand's life insurance activities are well placed for continuing growth. The market for occupational pension schemes is expected to expand following the introduction of legislation allowing more flexible solutions with effect from 1 January 2001. The introduction of defined contribution occupational pension schemes is a particular example of this.

The company intends to further strengthen its competitive position. An area that offers

considerable potential is the provision of advice and sales of individual products to employees of companies that operate a company pension scheme through Storebrand. Storebrand will principally address this market through its new TCM (total compensation management) concept.

The TCM concept is based on an Internet system that administers the employee benefits offered by a company. The system provides each employee with access to details of his or her total relationship with Storebrand. In addition employees with access to the TCM concept are offered seminars and personal financial advice. The concept is aimed at making use of Storebrand's strong position in the corporate market as a starting point for additional sales to the retail market, whilst also offering added value to company pension schemes.

Storebrand has developed a very flexible defined contributions pension product for the corporate market, and can also offer more tailor-made products for large companies through Euroben in Ireland.

The long-term task of positioning the company as a pension provider for the public sector market continues. Key features for Storebrand to win market share in the public sector are the company's continuing strong track record on the investment return, as well as the development of additional products and new communications systems.

Risk management

The company is exposed to risk associated with its insurance activities and to investment risk associated with the investment of financial assets. Exposure to insurance risk is subject to the tariffs set by the authorities. The tariffs are based on past statistical experience. Storebrand considers the insurance risk exposure of the life company to be at a moderate level. The Board determines investment policies on an annual basis, and risk management plays a central role in the policies laid down. The main factors taken into account in determining investment policy include the identification and evaluation of

market risk, credit risk, currency risk and liquidity risk.

Investment policies are designed to ensure the best possible return over time for customers and shareholders, subject to maintaining an acceptable level of risk. The company accordingly takes into account the duration of its insurance liabilities and the company's risk bearing capacity when determining its investment policy. Investment policy also takes into account the legal requirements applying to capital adequacy and investment management. The allocation of assets between various types of investments is determined against the background of these investment policies.

Investment exposure is monitored daily by Storebrand Kapitalforvaltning AS as the manager responsible for the company's investments. It is the manager's responsibility to ensure that exposure is maintained within the approved limits at all times. Storebrand Livsforsikring receives regular and frequent reports of its risk exposure.

The risk of losses on lending, guarantee liabilities and other investments is evaluated routinely, and any necessary loss provisions are made.

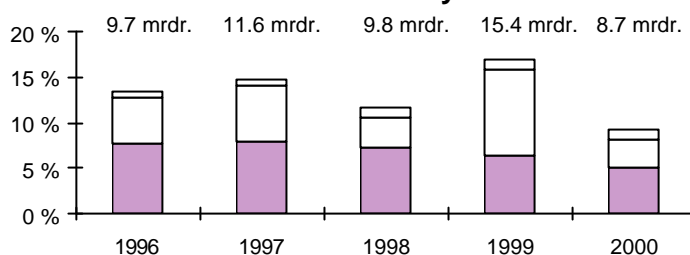
A complete report of risk exposure throughout the company is reviewed by the Board of Directors annually. This report is prepared in accordance with the requirements for control and reporting laid down by the relevant authorities.

Capital and solidity

Storebrand Livsforsikring has strong solidity. The company has built up significant financial reserves over recent years to provide buffer capital. In order to ensure a high level of future yield with an acceptable risk profile the company has pursued investment policies based on a well-differentiated securities portfolio with a significant international allocation. The company's risk capital is made up of the market value adjustment fund, additional statutory reserves and primary capital in excess of the minimum legal

requirement. In addition earnings accrued up until the date of the Annual General Meeting's decision on profit allocation will form part of risk capital. However this is not taken into account in the figures for risk capital set out below since it only applies for a short period of the year. Risk capital amounted to NOK 8.7 billion at the end of 2000

**Risk capital as % of policyholders' funds
excl. additional statutory reserves**



■ Additional statutory res. □ Market value adj.res. □ Core capital margin

The life company's capital ratio stood at 10.5% at 31 December 2000 as compared to 12.0% in 1999. The reduction of 1.5 percentage points from the previous year reflects an increase of NOK 3,545 million in total assets and an increase of 5.8 percentage points in average risk weighting. Eligible primary capital increased by NOK 100 million. Storebrand was subject to a required level of solvency capital of NOK 4,353 million at 31 December 2000, and its actual capital was NOK 8,494.1 million, giving a solvency margin percentage of 195.2% as compared to 208.2% for the previous year.

Personnel and organisation

Storebrand Livsforsikring AS is a wholly owned subsidiary of Storebrand ASA.

Numbers employed at year-end (full time equivalent positions) were as follows: Storebrand Livsforsikring AS 516, Værdalsbruk 12 and other subsidiaries 43. The company attaches great importance to maintaining a good working environment.

The frequency of absence due to sickness at Storebrand Livsforsikring was 3.5% in 2000, representing a small reduction from previous years. The company did not incur any personal injuries, damage to property or other accidents of any significance in 2000.

As one of the leading expertise-based companies in Norway, the group offers one of the most prestigious graduate trainee programs in Norway as well as a Young Professionals Program. The graduate trainee program is of two years duration, and gives new recruits the opportunity to familiarise themselves with the various business areas of the group. The Young Professionals Program is of one year duration and is targeted at younger managers in the age range 27-35 who are identified as having particular management potential. The programme helps to ensure that the group continuously develops management expertise to meet its needs for the development of the company's various business areas.

Employee representatives participate actively in the forums defined in the collective employment agreement and regular meetings are held between the employee representatives and the company's senior management. The Board wishes to thank the staff for their commitment and co-operation in 2000.

The company does not pollute the external environment.

Åge Korsvold resigned from his position as the Chairman of the Board of Directors of Storebrand Livsforsikring AS on 4 October 2000 in connection with his departure as the Chief Executive Officer of Storebrand ASA. The new Chief Executive Officer of Storebrand ASA, Idar Kreutzer, was appointed Chairman at that time. There were no other changes in the composition of the Board of Directors in 2000.

Certain organisational changes were made in the Storebrand group in 2000. The separate legal entities making up the group have been given a more independent role, whilst the

scale of central group functions has been reduced. The group has entered into an outsourcing agreement with IBM for the operation of Storebrand's IT systems, and shared corporate services have been transferred to a separate new company, Norden Bedriftservice AS, in which Storebrand and If each hold a 50% interest. Storebrand Livsforsikring AS has been divided into 8 business areas, of which the three sales business areas are brought together under a joint management. The life company purchases services from the Retail Market Distribution area, which in formal organisational terms is part of Storebrand Bank.

Allocation of the profit for the year

The profit for the year of Storebrand Livsforsikring AS was NOK 4,336.1 million after allocations to additional statutory reserves, and it is proposed that the profit be allocated between customers and equity as follows:

	NOK million	%
Customers	3,500.5	80.7
Equity	835.6	19.3

The share of profit allocated to the owner is made up of the financial income generated by the company's capital etc., amounting to NOK 363.8 million, a return on risk of NOK 55.2 million, a management fee (0.40%) on policyholders' funds amounting to NOK 375.5 million together with other items amounting to NOK 41.1 million. This represents a total profit before tax of NOK 835.6 million. The policyholders' share of total operating profit, amounting to NOK 3,500.5 million, will be transferred to the policyholders' premium reserve and premium fund. The final allocation between the reserves will not be known precisely until accounting has been completed and the profit allocation must be regarded as conditional until the final accounting entries have been completed.

It is proposed that the accounting profit of Storebrand Livsforsikring AS of NOK 835.6 million be allocated as follows:

	NOK million
Dividend to Storebrand ASA	530.6
To other equity	177.0
Tax	128.0
<u>Total</u>	<u>835.6</u>

Oslo, 15 February 2001
The Board of Directors of
Storebrand Livsforsikring AS

Translation, not to be signed

Idar Kreutzer
Chairman

Jan Kildal

Per Henry Christiansen

Aase Fagerhaug

Hans Henrik Klouman

Erik Haug Hansen

Espen Klitzing
Managing Director

Storebrand Livsforsikring

Storebrand Liv Group			Profit and loss account 1.1. - 31.12.		Storebrand Liv AS		
1998	1999	2000	NOK million	Note	2000	1999	1998
TECHNICAL ACCOUNT:							
6,890.4	7,173.8	7,040.0	1.1 Gross premiums written		7,040.0	7,173.8	6,890.4
-8.8	-7.1	-6.5	1.2 Reinsurance premiums ceded		-6.5	-7.1	-8.8
2,005.8	2,097.5	916.1	1.3 Premium reserves transferred from other companies	4	916.1	2,097.5	2,005.8
8,887.4	9,264.2	7,949.6	1. Premiums for own account	1.2	7,949.6	9,264.2	8,887.4
0.7		-2.5	2.1 Income from shares and participations in group companies		3.3	92.5	3.7
		-1.4	2.2 Income from participations in associated companies		0.4	3.0	
9.5	11.0	8.4	2.3 Income from receivables due/securities issued by group companies		8.4	11.0	9.5
625.1	772.9	858.9	2.4 Income from property and real estate investments		803.5	637.9	578.2
4,526.4	4,549.9	4,779.4	2.5 Income from other financial assets		4,773.5	4,544.1	4,522.4
	166.6	476.5	2.6 Revaluation of property and real estate investments		476.5	166.6	
	5,868.4		2.7 Unrealised gains/reversals of unrealised losses on financial current assets			5,868.4	
2.4	2.1	26.6	2.8 Reversal of write-downs of financial assets		26.6	1.6	2.4
10,521.7	11,748.8	17,807.9	2.9 Gains on sales of financial assets		17,807.9	11,740.5	10,521.7
15,685.8	23,119.7	23,953.8	2. Income from financial assets	6	23,900.1	23,065.6	15,637.9
18.5	53.9	20.4	3. Other insurance related income		20.4	53.9	18.5
-5,392.7	-5,562.7	-6,230.9	4.1 Gross claims paid		-6,230.9	-5,562.7	-5,392.7
0.8	3.8	3.9	4.2 Claims paid - reinsurance		3.9	3.8	0.8
0.0	-12.4	-9.7	4.3 Gross change in claims reserve		-9.7	-12.4	0.0
-1,262.3	-2,207.3	-4,004.9	4.4 Premium reserves etc. transferred to other companies	4	-4,004.9	-2,207.3	-1,262.3
-6,654.2	-7,778.6	-10,241.6	4. Claims for own account	1	-10,241.6	-7,778.6	-6,654.2
-4,764.7	-4,890.2	-873.8	5.1 To/from premium reserve in the insurance fund (gross)		-873.8	-4,890.2	-4,764.7
-184.1	-176.5	-206.7	5.2 Guaranteed return on premium/pension adjustment fund		-206.7	-176.5	-184.1
		-450.9	5.3 Additional statutory allocations for the year		-450.9		
78.5	126.0	279.3	5.4 To/from additional statutory reserves in connection with claims/repurchase		279.3	126.0	78.5
103.2	120.8	68.5	5.5 Transfers of additional statutory reserves from other companies		68.5	120.8	103.2
			5.6 To/from security reserve				
-3.2	-8.9	-10.7	5.7 To technical reserves for non-life insurance business		-10.7	-8.9	-3.2
-4,770.3	-4,828.8	-1,194.3	5. Changes in insurance reserves etc. for own account	1	-1,194.3	-4,828.8	-4,770.3
-283.1	-298.6	-304.7	6.1 Sales expenses (insurance)	3	-304.7	-298.6	-283.1
-435.2	-456.7	-479.9	6.2 Insurance related administration expenses	8	-479.9	-456.7	-435.2
-718.3	-755.3	-784.6	6. Insurance related operating expenses for own account		-784.6	-755.3	-718.3
-13.4	-13.4	-15.0	7.1 Administration expenses: properties and real estate investments		-15.0	-13.4	-13.4
-85.2	-126.9	-129.9	7.2 Administration expenses: other financial assets		-129.9	-126.9	-85.2
-53.7	-123.7	-11.6	7.3 Interest expense arising from financial assets		-7.3	-119.6	-49.7
-134.0	-146.7	-160.7	7.4 Other expenses arising from financial assets		-104.5	-87.6	-87.3
	-163.8	-393.6	7.5 Revaluation of properties and real estate investments		-393.6	-163.8	
-2,007.9		-5,598.2	7.6 Unrealised losses/reversals of unrealised gains on financial current assets		-5,598.2		-2,007.9
-23.5		-35.0	7.7 Write-downs to other financial assets		-35.0		-23.5
-10,120.7	-7,369.2	-14,244.3	7.8 Loss on disposal of financial assets		-14,244.3	-7,369.2	-10,120.7
-12,438.4	-7,943.7	-20,588.3	7. Expenses in respect of financial assets	6	-20,527.8	-7,880.5	-12,387.7
-36.1	-61.5	-111.7	8. Other insurance related expenses after reinsurance share		-111.7	-61.5	-36.1
2,007.9	-5,868.4	5,598.2	9. To/from market value adjustment reserve		5,598.2	-5,868.4	2,007.9
1,982.3	5,201.5	4,601.5	10. TECHNICAL RESULT		4,608.3	5,210.6	1,985.1
-341.5	-1,867.9	-1,618.7	10.1 Transfers to the premium reserve in the insurance fund		-1,618.7	-1,867.9	-341.5
-944.0	-2,465.0	-1,881.8	10.2 Transfers to the premium and pension adjustment fund in the insurance fund		-1,881.8	-2,465.0	-944.0
-1,285.5	-4,332.9	-3,500.5	10. Funds transferred to policyholders	1	-3,500.5	-4,332.9	-1,285.5
696.8	868.6	1,101.0	11. BALANCE OF THE TECHNICAL ACCOUNT		1,107.8	877.7	699.6
NON-TECHNICAL ACCOUNT:							
115.9	47.1	57.8	12. Other income			0.5	
-311.8	-292.9	-321.2	13. Other expenses		-272.2	-255.1	-203.9
500.9	622.8	837.6	14. PROFIT FROM ORDINARY ACTIVITIES		835.6	623.1	495.7
	234.1		15. Extraordinary income			275.9	
-42.4	-150.0	-128.9	16. Tax	7.23	-128.0	-146.7	-41.7
	-0.6	-1.1	17. Minority interests' share of profit				
458.5	706.3	707.6	18. PROFIT FOR THE YEAR		707.6	752.3	454.0
ALLOCATIONS:							
			19.1 Group contribution paid			-642.8	
			19.2 Dividend paid		-530.6		-371.8
			19.3 Transferred to other equity		-177.0	-109.5	-123.9
			19. Total allocated		-707.6	-752.3	-495.7

Storebrand Livsforsikring

Storebrand Liv Group		Balance sheet at 31 December		Storebrand Liv AS	
1999	2000	NOK million	Note	2000	1999
		ASSETS:			
3.5	1.8	1.1 Goodwill	11	1.8	3.5
		1.2 Deferred tax allowances	23		43.7
3.5	1.8	1. Intangible assets		1.8	47.2
10,103.4	10,907.2	2.1 Properties and real estate	17,18	10,898.1	8,840.9
		2.2 Shares and participations in group companies	10	46.2	1,416.4
135.6	97.4	2.3 Receivables due/securities issued by group companies	19,25	97.4	135.6
32.7	33.1	2.4 Shares and participations in associated companies	10,19	33.1	32.7
36.7	34.3	2.5 Shares and other equity investments	9,19	0.3	0.3
25,124.8	27,402.3	2.6 Bonds to be held to maturity	13,19	27,402.3	25,124.8
2,907.9	1,842.7	2.7 Secured lending	16	1,842.6	2,907.9
268.8	214.0	2.8 Other lending	16	214.0	268.7
38,609.9	40,531.0	Long term financial assets		40,534.0	38,727.3
37,255.8	35,180.3	2.9 Shares and other equity investments	9,19	35,180.3	37,255.8
35,030.3	32,153.8	2.10 Bonds and other fixed income securities	12,19	32,153.8	34,896.5
310.2	1,500.4	2.11 Money market placements	19	1,500.4	310.2
22.4	14.1	2.12 Financial derivatives	19	14.1	22.4
		2.13 Other financial current assets			
72,618.7	68,848.6	Financial assets held as current assets		68,848.6	72,484.9
111,228.6	109,379.6	2. Total financial assets		109,382.6	111,212.2
662.1	450.5	3.1 Receivables due from insurance customers (direct business)		450.5	662.1
10.1	9.0	3.2 Receivables due arising from reinsurance		9.0	10.1
118.7	98.0	3.3 Other receivables		50.8	46.7
3.7	19.3	3.4 Intra-group receivables	25	21.7	102.2
794.6	576.8	3. Total receivables		532.0	821.1
20.6	12.2	4.1 Fixed assets	18	10.9	18.4
1,582.9	1,807.6	4.2 Cash and bank		1,743.9	1,453.5
81.0	69.9	4.3 Other assets by type	8	58.9	70.0
1,684.5	1,889.7	4. Total other assets		1,813.7	1,541.9
1,516.6	1,332.7	5.1 Accrued but not received lease rentals, interest etc.		1,332.7	1,516.6
6.2	0.7	5.2 Other prepaid costs and accrued income			
1,522.8	1,333.4	5. Total prepaid costs and accrued income		1,332.7	1,516.6
115,234.0	113,181.3	TOTAL ASSETS		113,062.8	115,139.0

Storebrand Livsforsikring

Storebrand Liv Group		Balance sheet at 31 December		Storebrand Liv AS	
1999	2000	NOK million	Note	2000	1999
		EQUITY AND LIABILITIES:			
1,361.2	1,361.2	6.1 Share capital	28	1,361.2	1,361.2
1,361.2	1,361.2	6. Total paid-in share capital		1,361.2	1,361.2
1,587.6	1,764.6	7.1 Other equity	28	1,764.6	1,587.6
1,587.6	1,764.6	7. Total accrued capital		1,764.6	1,587.6
11.8	11.6	8. Minority interests' share in equity			
1,597.8	1,776.2	9.1 Perpetual subordinated loan capital		1,776.2	1,597.8
2,603.4	1,722.0	9.2 Other subordinated loan capital		1,722.0	2,603.4
4,201.2	3,498.2	9. Total subordinated loan capital	24	3,498.2	4,201.2
8,596.3	2,998.1	10. Market value adjustment reserve	19	2,998.1	8,596.3
81,783.4	84,600.1	11.1 Premium reserve for own account		84,600.1	81,783.4
5,846.7	4,847.3	11.2 Additional statutory reserves		4,847.3	5,846.7
9,159.9	10,282.3	11.3 Premium fund and pension adjustment fund		10,282.3	9,159.9
206.4	216.1	11.4 Claims reserve for own account		216.1	206.4
28.4	39.0	11.5 Other technical reserves	22	39.0	28.4
97,024.8	99,984.8	Insurance fund reserves for own account	21	99,984.8	97,024.8
591.8	591.8	11.6 Security reserve		591.8	591.8
97,616.6	100,576.6	11. Total insurance related reserves for own account	20	100,576.6	97,616.6
128.7	128.5	12.1 Pension liabilities etc.	8	118.9	119.5
33.7	155.6	12.2 Deferred tax	23	84.4	
13.4	13.7	12.3 Other reserves	8	13.2	11.5
175.8	297.8	12. Total reserves for other risks and costs		216.5	131.0
404.1	1,665.3	13.1 Accounts payable in respect of direct insurance		1,665.3	404.1
40.8	62.1	13.2 Accounts payable in respect of reinsurance		62.1	40.8
40.3	3.0	13.3 Financial derivatives representing current liabilities	19	3.0	40.3
284.9	238.3	13.4 Other liabilities		193.6	231.0
0.6	530.6	13.5 Allocated to dividend		530.6	
766.9	31.5	13.6 Due to group companies	25	57.8	806.4
1,537.6	2,530.8	13. Total liabilities		2,512.4	1,522.6
85.3	84.8	14.1 Prepayments received of lease rental, interest etc.		84.8	85.3
60.6	57.6	14.2 Other accrued costs and deferred income		50.4	37.2
145.9	142.4	14. Total accrued costs and deferred income		135.2	122.5
115,234.0	113,181.3	TOTAL EQUITY AND LIABILITIES		113,062.8	115,139.0

Off-balance sheet contingent liabilities, see Note 9

1,562

Oslo, 15 February 2001
The Board of Directors of
Storebrand Livsforsikring AS

Translation, not to be signed

Idar Kreutzer
Chairman of the Board

Jan Kildal

Per Henry Christiansen

Aase Fagerhaug

Hans Henrik Klouman

Erik Haug Hansen

Espen Klitzing
Managing Director

Notes to the Accounts

Accounting principles.

The Annual Accounts have been prepared in accordance with the regulations on annual accounts of insurance companies and the new Accounting Act that came into force on 1 January 1999.

Premiums written

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 reserve.

Income/expense arising from financial assets

Income and expense arising from financial assets are recognised as ordinary operating income/operating expense. Income/expense includes both realised amounts and changes in unrealised value. Changes in unrealised value are transferred to a market value adjustment reserve and accordingly do not affect profit. Income and expense are shown as gross figures in the profit and loss account. Financial expense includes administration costs associated with the financial activities.

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 the claims reserve for own account.

Transfers of premium reserve etc. (policy transfers)

Transfers of insurance fund premium reserves resulting from transfers of policies between insurance companies are booked to the profit and loss account 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,

revaluation reserves 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 recognised as current assets/liabilities until such time as the transfer takes place. Interest arising on the time taken to complete transfer is recognised as part of the item 'other insurance related expenses'.

Profit allocated to policyholders

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

Financial current assets:

Financial current assets are booked at actual value. A description of the valuation methods applied to the assets involved is given below.

Portfolio valuation of financial assets in respect of transfers to the market value adjustment reserve:

The portfolio principle is applied when evaluating transfers to the market value adjustment reserve in respect of financial investments in shares, bonds, certificates and financial derivatives which are managed as a single pool of investments. The portfolio principle only becomes relevant if the market value adjustment reserve falls below zero. The valuation of short-term investments on the portfolio principle applies the market value (actual value) converted into NOK on the date of the balance sheet. If this produces a fall in value, this is written down and recognised in the accounts as a financial expense. Changes in unrealised gains are part of the company's net financial income.

The portfolio principle is not applied to investments where a permanent loss is expected. Such investments are valued and recorded individually at their estimated value.

Shares held as short term investment

Shares held as short-term investments are recorded in the accounts at market value. Market value is determined at 31 December as the official closing price for shares quoted on the Oslo Stock Exchange and as the market price (last recorded bid/traded price) for shares quoted on foreign exchanges. The market value of other shares is determined on the basis of an evaluation using available information.

Shares in subsidiaries/associated companies

Investments of a long-term nature in subsidiaries and in associated or jointly owned companies considered to be of strategic importance are classed as fixed assets. Subsidiaries and associated companies (ownership interest 20-100%) are treated in accordance with the equity method in the parent company accounts.

Shares held as long term investments

The book value of strategic equity investments is the cost price, and write-downs are made on an individual basis if these are not due to reasons which are temporary or of an immaterial nature.

Bonds

Bonds are segregated in the Accounts into current bonds (short term holdings) and long term bonds (bonds which are to be held to maturity). Bonds held as current assets are valued at market value. Bonds held to maturity are booked at cost price and any premium/discount to face value is amortised over the remaining life of the bond and treated in the Accounts as interest. Defaulting bonds are valued in accordance with the Banking, Insurance and Securities Commission's regulations for loans.

Loans

Loans are booked at their face value in the balance sheet, and the values are reduced by specific and general loan loss provisions in accordance with the Banking, Insurance And Securities Commission's regulations dated 1 January 1992.

Specific loss provisions

Specific loss provisions are intended to cover the anticipated losses on loans which are

identified at the balance sheet date as being bad or doubtful. The provisions are made up of provisions made by the collections department on loans referred for legal debt recovery action, manual provisions recommended in respect of doubtful loans in the current loan portfolio and provisions for other loans which are more than 67 days in default on payments.

General loss provisions

General provisions are intended to provide for losses which are foreseeable on grounds evident at the balance sheet date but for which no specific provision has been made. This category of provision is considered for all current loans which are not more than 67 days overdue in payment. The provision is determined on the basis of experience and comparative evidence.

Realised loan losses are those which are assumed to be final. This includes losses arising on bankruptcy or insolvency, composition with creditors or similar arrangements, and wherever the company considers it overwhelmingly likely to be the case that the loss is final. Realised losses are applied directly against the nominal balances in the balance sheet. Interest, fees and commissions are reversed out on defaulting loans more than 90 days late in payment. Realised losses and loss provisions are recorded as deductions from financial income.

Real estate

With effect from the 1999 financial year real estate and property investments are valued at actual value. The accounting regulations for insurance companies specify how actual value is to be determined. See note 19. Market value must be determined at least once every three years. Changes in valuation are recognised to operating profit and loss. No normal corporate depreciation is applied.

Gains/losses arising on the sale of investment properties are treated as ordinary items in the accounts. The real estate category includes all investment in real estate, including properties which are organised as separate companies. These are treated as real estate rather than as equity investments on the principle of substance rather than form, since these are property investments of the same character as the directly owned properties.

Foreign exchange

The major part of currency risk arising from international investment is hedged through forward foreign exchange contracts at the portfolio level. The unrealised currency gains/losses on forward foreign exchange contracts and the investments hedged are not included in the market value adjustment reserve but form part of the profit for allocation between policyholders and equity.

Securities held as short term assets are converted at the exchange rate prevailing on the date of purchase. Revaluations or write-downs are carried out at the currently prevailing exchange rate.

Liquid assets, receivables and liabilities are converted at the exchange rate prevailing on the date of the balance sheet.

Currency hedging of subordinated loans

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.

Hedging:

Currency risk arising from international investment is hedged through forward foreign exchange contracts at the portfolio level. In the case of subordinated loans, currency and interest rate risk is hedged through forward foreign exchange contracts and interest rate swaps specific to each loan.

Financial derivatives

Financial derivatives are recorded in the accounts as current assets at market value. Storebrand undertakes routine mark-to-market valuations of all derivatives. Valuation is based on actual market values where these are available in a liquid market. If no market price is directly available, market value is calculated on the basis of the market price of the underlying instrument by using mathematical models generally accepted for pricing such instruments.

Share options

Purchases and sales of share options are capitalised at market value. Share options are realised when they are exercised, expire or are closed out by a matching and opposite transaction.

Stock futures

Stock futures (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

Interest rate options are treated in the same way as share options..

Interest rate futures

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

Interest rate swaps

Interest income and expense arising from interest rate swaps is accrued to profit and loss account.
Omløpsmidler bokføres til markedsverdi.

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 changes in value are not included in the market value adjustment reserve but affect the profit available for allocation between policyholders and equity. The results of forward foreign exchange contracts which represent open currency positions are applied to the market value adjustment reserve.

Pension costs

The net pension cost for the period is included under insurance related operating expenses and consists of the sum of the period's pension earnings, the interest charge on the estimated

liability and the expected return on the pension funds.

Prepaid pensions are the difference between the actual value of the pension funds and the present value of estimated pension liabilities and are booked as long term assets in the balance sheet. Correspondingly a long term liability arises in the Accounts when the pension liability is greater than the pension funds. A distinction is made between insured and uninsured schemes. The uninsured scheme will always be entered as a liability, as such a scheme does not have a pension fund. The cumulative effect of changes in assumptions, deviations between calculated and estimated pension liabilities, and the actual return achieved on pension funds is not charged to profit and loss until such time as it exceeds 10% of the higher of the pension liability or pension funds, respectively, at the start of the year ("the corridor").

For further details of pension expenses and the treatment of these in the Accounts, see Note 9

Deferred tax/deferred tax allowances

The tax charge in the profit and loss account consists of tax payable and changes for the year in deferred tax/tax allowances.

Tax payable is calculated on the basis of the taxable profit for the year. Deferred tax/tax allowances are calculated on the basis of timing differences between accounting and tax values as well as the tax effects of losses and unused allowances carried forward. Deferred tax allowances are recorded in the balance sheet to the extent that it is considered likely that future taxable income will make it possible to make use of the benefit they represent at some future date.

Principles for depreciation, write downs and reversals of write downs

Principles for financial assets are noted under the category of each asset type. Depreciation of the company's operating assets takes place over the economic life of the asset, subject to purchase price being greater than NOK 15,000 and the economic life being 3 years or more. The depreciation periods employed when no specific economic life is applied:

Machine, fixtures and fittings:	4 years
Computer systems:	3 years
Motor vehicles:	6 years
Goodwill:	5 years

Allocations to the market value adjustment reserve:

The value of the market value adjustment fund is equivalent to unrealised gains on financial current assets. Unrealised gains on foreign exchange contracts are not recognised in the market value adjustment fund with the exception of gains on forward exchange contracts in respect of open currency positions.

The market value adjustment reserve can never be negative. Movements in unrealised value which would reduce the reserve below zero will give rise to a write-down in the accounts which is recognised to profit and loss.

Insurance reserves - life insurance

The insurance fund

Premium reserve

Gross premium reserve represents the cash value of the company's total insurance obligations in accordance with the individual insurance agreements 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 allocations:

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 statutory allocation is set at the difference between the premium reserve calculated on the basis of 3.5% guaranteed yield and the actual guaranteed yield under the contracts. The Banking, Insurance and Securities Commission 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 Banking, Insurance and Securities Commission. 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.

Premium fund/pension adjustment fund

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

Payments and withdrawals are not booked through the profit and loss account but are taken directly to the balance sheet.

Claims reserve

Amount reserved for claims settlement either not yet completed or not yet paid out (IBNR and RBNS). The reserve only covers amounts which might have been paid in the accounting year had the claim been settled.

Security fund

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

Consolidation:

Consolidation of subsidiaries

Elimination of shares in subsidiaries is based on the purchase value method, where the book value of shares in subsidiaries is eliminated against the equity capital in the subsidiaries. Any excess value/deficit is booked direct to the assets/liabilities in question and depreciated/ taken as income in line with these. Any excess value which is not directly related to a specific item is capitalised and depreciated in accordance with the requirements of the Companies Act. The accounts of subsidiary companies are restated in accordance with the accounting principles that applied to life insurance companies if such restatement has a material affect.

Investments in associated companies

Associated companies are those in which the group owns between 20% and 50% of the voting capital and the ownership is considered to be of a long term strategic character. These companies are consolidated in accordance with the equity method.

Translation of foreign subsidiaries

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

Consolidation adjustments

Internal transactions such as intra-group interest etc. between companies in the group are netted out in the consolidated Accounts.

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NOTE 1 PROFIT AND LOSS STATEMENT BY CLASS OF BUSINESS: STOREBRAND LIVSFORSIKRING AS

NOK million	Collective pension insurance	Group life insurance	Endowment insurance	Annuity/pension insurance	Non-life insurance	Total	Of this not eligible for profit allocation
1.1 Single premium	1,153.0			36.1		1,189.1	
1.2 Annual premiums	3,511.0	341.2	173.3	236.8		4,262.3	297.4
1.3 Account products			1,113.3	425.9	49.4	1,588.6	177.8
Total premiums written	4,664.0	341.2	1,286.6	698.8	49.4	7,040.0	475.2
1.4 Reserve transfers received	839.0		4.3	72.4	0.4	916.1	0.7
1.5 Reinsurance ceded	-2.2	-1.8	-2.0	-0.2	-0.3	-6.5	-2.1
1 Premium income 2000	5,500.8	339.4	1,288.9	771.0	49.5	7,949.6	473.8
1 Premium income 1999	6,529.4	373.0	1,510.2	813.0	38.6	9,264.2	408.4
Premium income 1998	5,778.6	361.6	1,811.2	907.6	28.4	8,887.4	349.9
2 Income from financial assets	16,240.0	138.1	1,963.0	5,551.3	7.7	23,900.1	102.6
3 Other insurance related income	13.1	0.1	1.6	5.6	0.0	20.4	0.1
4.1 Claims paid	-2,376.9	-324.7	-581.1	-1,275.0	-17.2	-4,574.9	-284.9
4.2 Agreements terminated/withdrawals from life account	-227.7		-1,365.2	-63.1		-1,656.0	-23.8
4.3 Re-insurance ceded	2.5	0.2	0.2	1.0		3.9	0.2
4.3 Movements in claims reserve	-8.8	5.4	-5.3	-1.0		-9.7	-19.6
4.4 Reserve transfers disbursed	-2,314.3		-4.5	-1,686.1		-4,004.9	0.7
4 Claims 2000	-4,925.2	-319.1	-1,955.9	-3,024.2	-17.2	-10,241.6	-327.4
Claims 1999	-3,292.9	-325.8	-1,763.7	-2,384.1	-12.1	-7,778.6	-295.0
Claims 1998	-3,026.9	-311.1	-1,902.2	-1,397.8	-16.2	-6,654.2	-276.6
5.1 Movements in premium reserve	-2,722.9	9.0	518.5	1,321.6		-873.8	-53.5
5.2 Guaranteed interest on premium/pension adj. fund	-185.9			-20.8		-206.7	
5.3 Additional statutory allocations for the year	-335.9		-39.0	-76.0		-450.9	
5.4 Transfers of additional statutory allocations and market value adjustment reserve	107.1		55.8	116.4		279.3	
5.5 Change in additional statutory allocations in the insurance fund	62.7		0.2	5.6		68.5	
5.6 Movement in security reserve	-20.0	8.9	-5.2	16.3		0.0	-3.3
5.7 Technical reserves for non-life insurance business					-10.7	-10.7	-10.7
5 Change in insurance related reserves 2000	-3,094.9	17.9	530.3	1,363.1	-10.7	-1,194.3	-67.5
Change in insurance related reserves 1999	-5,789.0	-5.5	167.4	807.2	-8.9	-4,828.8	-48.6
Change in insurance related reserves 1998	-4,517.1	-5.3	12.0	-256.7	-3.2	-4,770.3	5.7
6 Insurance related operating costs	-342.9	-66.8	-211.1	-139.2	-24.6	-784.6	-160.5
7.1 Admin. costs financial assets	-98.5	-0.9	-11.9	-33.6		-144.9	-0.7
7.2 Other costs: financial assets	-13,850.1	-117.7	-1,674.1	-4,734.4	-6.6	-20,382.9	-87.5
7 Costs related to financial assets	-13,948.6	-118.6	-1,686.0	-4,768.0	-6.6	-20,527.8	-88.2
8 Other insurance related costs	-70.7	-28.0	-3.5	-9.5		-111.7	-28.0
9 To/from market value adjustment reserve	3,926.4	30.1	428.4	1,211.6	1.7	5,598.2	22.4
10 Funds transferred to policyholders	-2,552.1	-5.8	-261.1	-681.5		-3,500.5	
11 Technical result	745.9	-12.7	94.6	280.2	-0.2	1,107.8	-72.7
12 Other income							
13 Other costs	-185.0	-1.6	-22.3	-63.2	-0.1	-272.2	-1.2
14 Profit from ordinary operations	560.9	-14.3	72.3	217.0	-0.3	835.6	-73.9
15 Extraordinary income							
16 Extraordinary expense							
17 Tax	-85.9	2.2	-11.1	-33.2		-128.0	
18 PROFIT FOR THE YEAR	475.0	-12.1	61.2	183.8	-0.3	707.6	-73.9

NOTE 2 SALES OF INSURANCE (NEW BUSINESS): THREE YEAR HISTORY

Premiums: NOK million	Collective pension insurance	Group life insurance	Endowment insurance	Annuity/ pension insurance	Non-life insurance	TOTAL
2000	1,295.3	38.3	423.8	340.6	8.0	2,106.0
1999	1,087.6	33.4	467.3	306.9	13.5	1,908.7
1998	1,007.9	33.4	1,277.9	361.0	8.3	2,688.5

Sales are defined as new policies sold plus replacement policies sold after deduction for earlier policies not canceled.

Premium reserves transferred to the company (note 4) are not included in these figures.

NOTE 3 SALES COSTS

NOK million	2000	1999	1998
Salaries and other costs	-251.8	-233.9	-218.5
Commissions paid	-52.8	-64.7	-64.6
- of which commissions paid to other companies	36.4		
Total sales costs	-304.6	-298.6	-283.1

NOTE 4 MOVEMENTS OF RESERVES TO/FROM THE COMPANY

NOK million	Collective pension insurance	Endowment insurance *)	Annuity/ pension insurance	TOTAL 2000	TOTAL 1999	TOTAL 1998
Funds received						
Premium reserve	839.0	4.7	72.4	916.1	2,097.5	2,005.8
Additional statutory reserves	62.7	0.2	5.6	68.5	120.8	103.2
Transfers of premium reserve etc.	901.7	4.9	78.0	984.6	2,218.3	2,109.0
Premium/Pension adjustment funds	75.1			75.1	172.1	304.0
Annual premium volume	65.0	0.5	2.8	68.3	170.4	168.8
Number of policies/customers	384	22	170	576	848	1,012
Funds transferred out						
Premium reserve	-2,088.9	-4.0	-1,524.3	-3,617.2	-1,991.5	-1,102.3
Additional statutory reserves	-164.3	-0.3	-108.3	-272.9	-163.8	-110.3
Revaluation reserve	-61.1	-0.2	-53.5	-114.8	-52.0	-49.7
Transfers of premium reserve etc.	-2,314.3	-4.5	-1,686.1	-4,004.9	-2,207.3	-1,262.3
Premium/Pension adjustment funds	-264.8		-81.8	-346.6	-161.1	-313.6
Annual premium volume	-211.6	0.6	70.1	-140.9	-106.5	-75.6
Number of policies/customers	-605	92	-6,681	-7,194	-5,954	-2,095

*) includes Non-life Insurance

NOTE 5 PROFIT AND LOSS BY CLASS OF INSURANCE: STOREBRAND LIVSFORSIKRING AS

NOK million	Line reference in note 2	Collective pension insurance	Group life insurance	Endowment insurance	Annuity/pension insurance	Non-life insurance	Total 2000	Total 1999	Total 1998
1. Financial income a)	2/3/7.2/8/9 13/15	6,119.5	48.8	693.5	1,961.3	2.7	8,825.8	9,510.7	5,144.1
2. Guaranteed yield		-2,617.5	-4.4	-359.1	-1,009.1		-3,990.1	-3,891.5	-3,489.4
- of which transferred to premium fund	5.2	-185.9			-20.8		-206.7	-176.5	-184.1
3. Interest result		3,502.0	44.4	334.4	952.2	2.7	4,835.7	5,619.2	1,654.7
Administration costs - subsidiaries d)		8.8	0.1	1.1	3.0		13.0	13.4	
4. Risk premium		443.6	320.3	287.8	-41.1	39.7	1,050.3	1,047.1	878.3
5. Risk addition		-346.1	-329.5	-182.6	71.5	-27.9	-814.6	-721.1	-582.4
6. Net reinsurance etc. a)		-45.5	-29.4	-1.8	0.7	-0.3	-76.3	-42.5	-16.8
7. Risk result		52.0	-38.6	103.4	31.1	11.5	159.4	283.5	279.1
8. Administration premium		411.4	44.4	162.8	147.7	10.1	776.4	773.1	727.2
9. Operating expenses	6/7.1	-441.4	-67.6	-223.0	-172.9	-24.6	-929.5	-895.6	-816.8
10. Administration result		-30.0	-23.2	-60.2	-25.2	-14.5	-153.1	-122.5	-89.6
Administration costs - subsidiaries d)		-8.8	-0.1	-1.1	-3.0		-13.0	-13.4	
11. Change in premium/security reserve		-55.0					-55.0	-548.3	-63.0
12. Gross result for sector (3+7+10+11)	5.3/10/17/18	3,469.0	-17.4	377.6	958.1	-0.3	4,787.0	5,231.9	1,781.2
To equity capital:									
-net return on equity etc. b)							-363.8	-407.7	-129.5
-0.40% of customers' funds c)							-375.5	-386.8	-366.2
-risk return on equity							-55.2		
-other							-41.1		
-extraordinary items								-104.5	
13. Profit for the year	5.3/10						-835.6	-899.0	-495.7
14. Profit due to policyholders							3,951.4	4,332.9	1,285.5

- a) The items other insurance-related income (line 3 in note 1) and other insurance-related expense (line 8 in note 1) are allocated in accordance with their purpose.
- b) Includes: Security reserve, subordinated loan capital, and equity at book value.
- c) Includes: 0.40% of policyholders' funds in 2000. In 1998 and 1999 this was 0.42 % of policyholders' funds.
- d) 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.

**NOTE 6 FINANCIAL ASSETS: INCOME AND EXPENSE
STOREBRAND LIVSFORSIKRING GROUP**

NOK million	2000	1999	1998
Income from group and other related companies	4.5	11.0	10.2
Income from properties and real estate	858.9	772.9	625.1
Interest income: bonds	3,744.0	3,344.7	3,320.5
Interest income: certificates	131.2	228.2	101.9
Interest income: loans	203.2	329.7	422.7
Interest income: other	235.6	177.5	212.8
Share dividends	465.4	469.8	464.5
Revaluation of real estate	476.5	166.6	0.0
Reversal of write-downs of financial assets	26.6	2.1	2.4
Gain on sale of shares including FX gain	13,748.2	8,160.2	6,384.3
Gain on sale of interest bearing securities	4,054.1	3,568.7	4,110.5
Gain of sale of other investments	5.6	19.9	26.9
Unrealised gains on short term holdings of financial investments		5,868.4	
Income from other financial assets			4.0
Financial assets: Income	23,953.8	23,119.7	15,685.8
Costs arising from real estate	-72.1	-134.5	-79.8
- of which administration costs	-15.0	-13.4	-13.4
Interest costs	-11.6	-123.7	-53.7
Mark-to-market adjustment for financial assets	-35.0	0.0	-23.5
Write-downs of real estate	-393.6	-163.8	0.0
Loss on sale of shares including FX loss	-9,925.3	-4,202.5	-6,230.6
Loss on sale of interest bearing securities	-4,314.6	-3,150.6	-3,881.3
Unrealised losses on short term holdings of financial investments	-4.4	-16.1	-8.8
Write-back of unrealised gains on short term holdings of financial assets	-5,598.2	0.0	-2,007.9
Financial assets: Other costs	-233.5	-152.5	-152.8
- of which administration costs	-129.9	-126.9	-85.2
Financial assets: costs	-20,588.3	-7,943.7	-12,438.4
Financial assets: Income/costs	3,365.5	15,176.0	3,247.4
- of which administration costs	-144.9	-140.3	-98.6
Of which in subsidiaries:			
Income from financial assets	53.7	54.1	47.9
Costs arising from financial assets	-60.5	-63.2	-50.7

Foreign securities is booked at current value.

NOK million	2000	1999	1998
Profit on shares	-2,328.6	11,847.6	-1,391.9
Profit on bonds	4,477.1	2,218.8	3,511.3
Profit on certificates	148.8	233.2	119.1
Profit on lending	222.0	339.1	442.5
Profit on real estate	882.6	653.2	516.4
Other profit	108.5	24.4	148.6
Financial assets: income/costs	3,510.4	15,316.3	3,346.0
Financial assets: administration costs	-144.9	-140.3	-98.6
Financial assets: income/costs including admin. costs	3,365.5	15,176.0	3,247.4

NOTE 7 TAX CHARGE: STOREBRAND LIVSFORSIKRING AS

NOK million	2000	1999	1998
Profit before tax	835.6	850.6	495.7
+/- Permanent differences	-31.2	-124.3	-261.4
+/- Group contribution		*)	
+/- Change in timing differences	-2,184.3	-76.1	-1,643.5
Tax losses carried forward/deferred tax allowances applied		-650.2	
Tax base for the year	-1,379.9	0.0	-1,409.2
Rate of tax	0.3	0.3	0.3
Tax	0.0	0.0	0.0
+/- Tax at source	0.0	0.0	0.0
+/- Tax losses carried forward	-2,079.3	-739.1	-1,389.3
+/- Allowance for Norwegian dividend	-1,296.8	-904.2	701.9
Tax payable on income	0.0	0.0	0.0
Deferred tax - net change	128.0	146.7	
Tax cost	128.0	146.7	0.0

The effective tax rate is: 17.2%. 21.0% after correction for items relating to other periods.

Taxes payable:			
Norway			
Overseas			
Total tax payable	0	0	0
Deferred tax:			
Norway	128.0	146.7	-6.4
Overseas			
Total deferred tax	128.0	146.7	-6.4
Tax on capitalised items			-35.3
Tax cost	128.0	146.7	-41.7

See note 23

*) Group contribution payments are not tax free for the payer if the paying company records a loss in excess of the group contribution.

TAX CHARGE: STOREBRAND LIVSFORSIKRING GROUP

NOK million	2000	1999	1998
Pre-tax profit	837.6	856.3	500.9
Tax payable	-7	-0.2	-1.2
Net change in deferred tax	-121.9	-149.8	-41.2
Tax payable	-128.9	-150.0	-42.4

NOTE 8 PENSION COSTS AND PENSION LIABILITIES: GROUP

Staff pensions are provided by a group pension scheme, primarily with Storebrand Livsforsikring AS, in accordance with the "Rules on private occupational pension schemes". Pensions are payable at pension age, which is 67 for salaried staff and 65 for sales staff. The normal retirement age is 65, and a pension equivalent to 70% of the salary basis for pension calculation becomes payable on retirement. The pension scheme forms part of the Storebrand ASA group's collective employment terms. Early retirement is defined as retirement before reaching the age of 65.

Pension costs and pension liabilities are defined for accounting purposes in accordance with the accounting standards for pension costs issued by the Norwegian Accounting Standards Foundation.(see also Accounting Principles). Both insured and uninsured schemes are classified as benefit plans. The following assumptions have been used in calculating costs and liabilities:

Financial assumptions

-Return on pension fund	8.0 %
-Discount rate	7.0 %
-Annual earnings growth	3.0 %
-Expected increase in Social Security Fund basic pension	3.0 %
-Annual pension increase	2.5 %

Actuarial assumptions:

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

The calculations apply to 531 full time equivalent positions.
Net accrued pension costs are shown in the table below.

Net pension costs NOK million	2000			1999	1998
	Insured scheme	Uninsured scheme	Total	Total	Total
Pension rights accrued over the year	-12.4	-4.6	-17.0	-23.9	-23.5
Interest costs	-9.7	-2.7	-12.4	-58.3	-43.4
Expected return on pension funds	12.6		12.6	65.8	52.1
Effect of change in estimates recognised to profit and loss	-2.5	4.3	1.8		
Net pension cost	-12.0	-3.0	-15.0	-16.4	-14.8

Estimated liability

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

Net pension liability NOK million	2000			1999	1998
	Insured scheme	Uninsured scheme	Total	Total	Total
Pension liability earned	-154.2	-60.6	-214.8	-552.4	-546.9
Estimated effect of future salary growth	-3.1	-0.1	-3.2	-67.4	-64.4
Estimated pension liability	-157.3	-60.7	-218.0	-619.8	-611.2
Market value of pension funds	172.9		172.9	541.3	578.6
Net estimated pension liability/surplus	15.6	-60.7	-45.1	-78.5	-32.6
Deviation from estimate at 1.1.*	52.8	-67.8	-15.0	29.4	-1.8
Net pension liability as shown in balance sheet	68.4	-128.5	-60.1	-49.2	-34.5

*) Deviations from estimated values are booked against the "corridor" in accordance with Norwegian Accounting Standards, and are not recorded in the accounts (see Accounting Principles)

The estimated employer's social security contribution in respect of the book value of pension liabilities amounts to NOK 12.3 million, and is recorded in the balance sheet as part of the item «Reserves for other risks and costs».

NOTE 9 SHARES AND OTHER EQUITY INVESTMENTS

NOK million	Number held	Interest	Acquisition cost *)	Actual value
Shares and participations (long term holdings)				
Intre AS			33.8	33.8
Finansnæringens Hus	203	9.67%	0.2	0.2
Shares and participations (long term holdings)			0.3	0.3
Total shares and participations (long term holdings)			34.3	34.3
Norwegian finance industry				
Bolig- og Næringsbanken	164,800	1.69%	31.1	32.1
DnB Holding	7,011,800	0.90%	227.0	333.1
Kredittbanken	45,000	0.38%	1.9	1.8
Nordlandsbanken	484,016	6.67%	103.7	121.0
Romsdals Fellesbank	190,317	9.10%	8.7	58.0
Other Norwegian shares				
Acta	2,545,500	4.77%	70.0	70.1
Aker Maritime	961,700	1.70%	69.5	66.4
Avantor	377,629	1.88%	12.7	18.7
Awilco B	1,478,100	0.73%	25.7	26.6
Axxessit	20,372	0.25%	10.2	21.5
Bergesen d.y. A	586,530	0.84%	67.6	80.9
Bergesen d.y. B	1,023,993	1.46%	151.7	130.0
Bonheur	132,825	1.16%	46.6	25.1
Dagbladet	125,154	5.20%	23.2	51.3
Dagbladet P	49,464	2.06%	9.2	20.3
Det Søndenfj Norske Dampskibsselskap	952,850	1.74%	58.7	27.3
EDB Business Partner	3,322,302	3.74%	309.6	335.6
Ekornes	604,932	1.82%	37.9	39.9
Elkem	806,100	1.71%	108.2	113.7
Eltek A	381,700	1.57%	61.7	81.3
Enitel	348,458	1.65%	126.4	27.9
Expert Eilag	450,200	1.40%	25.8	18.0
Farstad Shipping	873,700	1.93%	20.2	30.9
Fjord Seafood	806,000	1.15%	42.0	28.5
Fred. Olsen Energy	1,263,050	2.10%	84.2	81.5
Glamox	76,174	11.90%	28.4	30.5
Glava	80,574	8.39%	25.2	37.6
Gresvig	978,200	12.79%	81.2	28.4
Gyldendal	96,315	4.09%	17.8	27.9
Hafslund A	1,187,252	1.04%	53.2	52.2
Hafslund B	776,400	0.68%	29.6	19.4
Hansa Borg Bryggerier	3,225,000	11.10%	20.4	21.5
Hydralift A	748,700	2.61%	30.5	41.2
Hydralift B	1,049,256	3.66%	55.1	56.1
Håg	504,100	5.38%	35.2	27.7
Industrifinans SMB III	32,906	13.16%	20.3	22.0
Infocus Corporation	959,047	2.52%	279.4	130.4
Kongsberg Gruppen	1,019,850	3.52%	88.1	86.7
Kværner	1,759,373	1.65%	126.1	110.0
Mamut ASA	2,250,000	9.13%	16.9	23.0
Merkantildata	3,015,407	1.63%	233.2	103.4
Narvesen	593,500	5.94%	119.8	165.6
Nera	6,054,691	4.93%	255.7	233.1
Network Electronics	2,911,765	11.94%	16.4	21.1
Norges Handels og Sjøfartstidene	59,094	5.13%	12.0	50.2
Norsk Hydro	2,285,681	0.88%	727.1	852.6
Norske Skogindustrier A	611,773	1.33%	178.5	227.0
Norske Skogindustrier B	1,182,949	2.58%	215.8	345.4
Nutri Pharma	1,345,400	1.71%	64.2	23.1

NOK million	Number held	Interest	Acquisition cost *)	Actual value
Odfjell A	265,104	1.03%	32.7	35.8
Olav Thon Eiendomsselskap	251,398	2.11%	46.1	43.5
Opticom	258,435	2.16%	366.9	144.7
Organic Power	312,500	11.96%	25.0	25.0
Orkla	8,989,631	4.25%	511.2	1,564.2
P4 Radio Hele Norge	480,021	1.49%	18.0	26.4
Pan Fish	2,714,200	2.08%	54.9	162.9
Petroleum Geo-Services	1,994,700	1.95%	257.1	231.4
Prosafe	1,817,656	6.94%	206.3	247.2
Rieber & Søn A	865,133	1.08%	18.6	46.7
Rieber & Søn B	438,600	0.55%	24.1	21.1
SAS Norge B	688,526	2.93%	54.9	64.4
Schibsted	2,495,400	3.61%	370.1	270.8
Smedvig A	1,257,100	1.52%	62.6	105.6
Smedvig B	770,600	0.93%	45.0	54.7
Solstad Offshore	542,050	1.56%	10.8	20.6
Steen & Strøm	3,598,144	12.90%	196.5	388.6
StepStone	3,151,800	1.33%	93.0	48.9
Super Office	1,599,800	7.85%	51.5	18.4
Tandberg	538,760	0.97%	19.1	43.6
Tandberg Television	910,100	1.66%	76.3	54.2
Telenor	10,044,200	0.56%	421.9	385.7
Telenor Venture	137,040	13.70%	29.2	91.2
TGS Nopec Geophysical Company	728,700	2.98%	74.2	76.5
Tomra Systems	3,446,600	1.96%	264.0	589.4
Ugland Nordic Shipping	308,300	2.22%	22.9	33.1
Veidekke	3,358,930	12.63%	200.5	186.4
Vmetro	813,600	3.44%	79.2	89.5
Wilh. Wilhelmsen B	303,144	1.22%	22.9	22.7
Zoomit.com	995,000	0.70%	23.6	21.6
Other			403.1	579.4
Units in Norwegian mutual funds				
Storebrand Asia A	17,899		17.9	17.8
Storebrand Barnespar	445,542		44.6	58.3
Storebrand Bedriftspensjon	97,305		97.5	137.0
Storebrand Norden	41,421		41.5	68.9
Storebrand Optima Norge A	4,491		45.0	45.2
Other mutual funds			15.1	27.8
Norwegian shares and other equity investments			9,000.1	10,450.1
Of which listed Norwegian equities				9,399.3
Foreign shares:				
Australia				
BHP Limited	238,000		14.6	22.3
Fosters Brewing Group	795,000		15.1	18.5
News Corporation Ord.	266,000		12.3	18.4
News Corporation P	559,000		30.9	35.3
Telstra Corp	717,000		21.2	22.7
WMC	405,000		13.7	15.3
Other Australia			102.3	93.6
Belgium				
Pandalus NV A	27,276		5.4	24.9
Other Belgium			42.0	31.1
Canada				
Alcan Aluminium	68,991		20.3	20.9
Bce	90,132		14.1	23.2
Bombardier B	147,600		8.1	20.3
Thomson	67,400		12.9	23.0

NOK million	Number held	Interest	Acquisition cost *)	Actual value
Other Canada			49.0	50.1
Switzerland				
ABB CH	37,063		28.4	34.8
Nestle	7,443		104.8	152.7
Novartis	16,369		205.8	254.6
Roche Holding	197		24.7	21.5
Roche Holding Genuss F	814		62.2	73.0
Swisscom	9,795		26.2	22.4
Other Switzerland			28.1	32.2
Germany				
BASF	75,353		23.9	30.0
Bayer	84,596		28.4	39.0
Daimlerchrysler	119,240		66.2	44.0
EON	88,626		34.7	47.4
Lufthansa	270,520		49.0	61.3
Rwe	62,084		24.4	24.5
Sap	20,649		21.7	20.8
Siemens	66,385		75.2	76.3
Volkswagen	43,133		23.4	19.8
Other Germany			130.4	125.0
Denmark				
Carlsberg B	170,000		59.0	88.1
Frydenlund Invest AS	234,520		25.5	26.0
Novo-Nordisk B	10,803		10.6	17.0
Struers Holding	247,994		13.0	17.8
Vest- Wood	57,090		6.2	18.6
Other Denmark			50.9	52.8
Spain				
Endesa	132,122		23.0	19.8
Repsol ypf sa	157,768		20.9	22.2
Telefonica	832,753		108.5	121.0
Other Spain			40.0	40.9
Finland				
Metsa Specialty Chemicals	119,391		16.7	33.6
Nokia A	529,298		97.7	207.6
Other Finland			66.7	68.1
France				
Alcatel Alsthom	253,300		86.0	126.5
Aventis	298,369		130.8	230.3
Cap Gemini	13,870		24.7	19.7
Carrefour	79,777		32.4	44.1
Danone	19,149		20.0	25.4
L'Oréal	75,524		33.3	56.9
LVMH	56,104		17.3	32.7
Pinault Printemps-Redoute	14,332		19.1	27.1
Sanofi-Synthelabo	84,550		24.8	49.6
Soitec	100,000		21.1	21.5
ST Microelectronics	99,919		54.1	38.4
Suez Lyonnaise des Eaux	23,026		30.3	37.0
Thomson Multimedia	146,000		65.8	60.1
Total Fina	12,915		4.2	16.9
Total Fina ELF	95,892		89.7	125.4
Vivendi Universal	316,208		205.7	183.0
Vivendi Universal ADR	41,302		17.5	23.9
Other France			155.7	169.1
Great Britain				
Autonomy	271,248		89.7	68.5

NOK million	Number held	Interest	Acquisition cost *)	Actual value
BP Amoco (GBP)	2,568,531		159.9	183.6
Brit Amer Tobacco	277,344		19.2	18.7
British Sky Broadcasting Group	212,269		16.6	31.5
British Telecom	743,935		64.3	56.3
Crh (Lse)	451,386		52.0	73.9
Diageo	1,047,278		81.2	104.0
Energis	1,824,694		108.5	108.7
GlaxoSmithkline	1,083,648		262.3	271.1
Granada Compass	252,099		18.8	24.3
Invensys	4,157,215		81.1	86.1
Marconi	308,816		24.8	29.4
National Grid	215,799		14.1	17.4
Nycomed Amersham	5,265,321		282.0	379.3
Oriflame International	908,092		31.1	31.9
Pearson	96,539		14.5	20.3
Reed Int	168,603		10.9	15.6
Reuters Group	575,307		80.8	86.3
Rio Tinto	143,595		14.8	22.4
Sage	2,147,671		140.4	87.2
Scottish Power	250,847		16.8	17.6
Spirent	660,791		48.5	53.4
Tesco	837,812		20.4	30.2
Unilever GB	373,119		30.0	28.3
Vodafone Group	16,429,386		449.2	533.9
Other Great Britain			423.5	418.0
Hong Kong				
Hutchison Whampoa	714,500		45.3	79.1
New World Development	1,600,000		20.2	17.2
Pacific Century	1,771,783		20.0	10.2
Sun Hung Kai Properties	436,000		22.2	38.6
Other Hong Kong			67.0	74.6
Ireland			11.6	8.2
Italy				
Enel	895,140		30.2	30.5
ENI	1,009,996		41.1	56.9
Telecom Italia	423,318		33.3	41.3
Telecom Italia Mobile	760,574		62.2	53.4
Other Italy			69.9	76.1
Japan				
Alpha Systems	34,000		41.4	31.2
Fuji Photo Film	49,000		15.9	18.1
Fujitsu	877,000		172.6	114.0
Hitachi	307,000		14.0	24.1
Honda Motor	94,000		27.0	30.9
Hoya	82,000		60.0	53.2
Internet Initiative Japan	180,000		52.7	14.6
Ito-Yokado	42,000		28.5	18.5
Keyence	25,000		66.1	54.0
Kyocera	118,900		146.4	114.4
Matsushita Electric Industrial	179,000		26.2	37.7
Mitsubishi Heavy Industries	584,000		17.7	22.4
Murata Manufacturing	137,000		148.0	141.7
NEC	152,000		24.6	24.5
Nippon Broadcasting System	110,000		28.4	36.7
Nippon Foundry	900		78.1	57.6
Nissan Motor	414,000		17.4	21.0
NTT	1,166		109.9	74.1
NTT DoCoMo	600		142.7	91.2

NOK million	Number held	Interest	Acquisition cost *)	Actual value
Rohm	70,600		158.4	118.2
Sanyo Electric	273,000		7.0	20.0
SKY Perfect Communications	2,500		29.6	28.9
SMC	46,700		67.1	53.0
Sony	262,400		157.8	160.0
Takeda Chemical	76,000		14.1	39.6
Tokyo Electron	177,000		178.1	85.8
Toshiba	320,000		20.0	18.9
Toyoda Gosei	250,000		85.5	46.6
Other Japan			649.3	675.5
Luxembourg				
Stolt Offshore	197,010		23.9	18.9
Stolt Offshore A	378,390		40.2	34.4
Stolt-Nielsen B	1,448,605		202.8	203.5
Other Luxembourg	2,500		1.8	8.2
Holland				
Heineken	41,746		13.2	22.2
Koninklijke Ahold	89,910		24.0	25.5
Koninklijke Philips Electronics	579,411		124.3	186.7
Royal Dutch Petroleum	663,188		339.1	357.3
Unilever NL	269,789		140.9	150.1
Other Holland			111.4	105.8
New Zealand			11.1	7.0
Portugal				
Telecel	227,000		23.2	21.7
Other Portugal			44.1	44.8
Sweden				
Atlantic Container Line	217,900		21.3	20.7
Duni Holding	105,711		29.9	47.0
Elektrokoppar Holding	163,090		15.2	15.2
Ericsson B	1,554,509		176.3	155.9
Findus Group B	1,805,166		15.7	15.4
Hennes & Mauritz B	106,738		14.7	14.5
Nobia	168,034		10.5	41.0
SAS Sverige	220,500		15.8	18.5
Scandinavia Online	617,750		82.5	19.8
Tac	722,880		7.0	13.5
Tac B	59,088		10.2	10.1
Viking Sewing Machines A	173,695		20.7	26.3
Other Sweden			124.4	126.3
Singapore				
Singapore Airport Terminal Services	1,250,000		16.6	10.1
Other Singapore			81.0	71.9
USA				
Abbott Laboratories	172,351		51.8	74.1
Aes Corp	330,415		157.2	162.4
Agilent Technologies	55,856		33.3	27.1
Alcoa	113,628		26.7	33.8
American Home Products	143,652		63.1	81.0
AMEX Technology Select Spdr	3,340,000		919.2	928.0
Amgen	116,040		38.4	65.8
Anheuser Busch	97,392		27.6	39.3
Applera Corp-Applied Biosys GR	30,316		19.3	25.3
AT&T Corp Liberty Media A	558,667		55.5	67.2
AT&T Wireless	264,000		46.6	40.6
Automatic Data Processing	72,092		17.3	40.5
Autozone	384,000		85.6	97.1
Baxter International	37,854		13.0	29.7

NOK million	Number held	Interest	Acquisition cost *)	Actual value
Bea Systems	45,329		25.8	27.1
Bellsouth	207,334		48.6	75.3
Best Buy	500,000		118.5	131.2
Biogen	192,000		99.1	102.3
Boeing	100,992		39.3	59.1
Bristol-Myers Squibb	216,238		79.3	141.9
Burlington Northern Santa Fe	86,630		20.3	21.8
Cardinal Health	35,238		17.3	31.2
Carnival	87,895		19.8	24.0
Caterpillar	66,189		24.5	27.8
Chevron	251,235		179.2	188.3
Cigna Corp	23,464		26.6	27.5
Cisco Systems	1,277,344		259.5	433.6
Clear Channel Communications	70,265		42.1	30.2
Coastal	28,985		15.1	22.7
Coca-Cola	264,305		141.9	142.9
Corning	99,876		51.5	46.8
Costco Wholesale	62,829		14.1	22.3
Cox Communications	78,055		22.2	32.3
CVS	55,142		14.3	29.3
Deere & Co	52,851		20.6	21.5
Disney	677,696		178.5	174.0
Dominion Resources	34,009		15.8	20.2
Dow Chemical	107,723		25.9	35.0
Duke Energy	41,075		18.2	31.1
DuPont (E.I) De Nemours	127,583		64.5	54.7
El Paso Energy	33,154		14.4	21.1
Electronic Data Systems	59,351		31.7	30.4
EMC	232,191		80.5	137.0
Emerson Electric	59,031		31.1	41.3
Enron	303,912		178.9	224.2
Equity Office Properties	80,950		16.4	23.4
Equity Residential Properties	44,353		16.1	21.8
Exxon Mobil	371,681		218.7	286.8
Fedex Corp	47,056		11.3	16.7
First Data	55,178		19.8	25.8
Ford Motor Co	235,839		54.8	49.1
FPL Group	29,214		17.9	18.6
Gannett	44,113		18.5	24.7
Gap	111,249		31.9	25.2
Gemstartv guide international	50,682		29.8	20.7
General Dynamics Corp	33,649		14.6	23.3
General Electric	1,336,827		428.0	568.7
General Mills	45,516		17.7	18.0
General Motors A	69,308		41.8	31.3
General Motors H	703,850		182.2	143.7
Genuine Parts	92,178		17.2	21.4
Gillette	124,575		44.8	39.9
Halliburton	71,038		24.2	22.9
HCA-Healthcare	76,742		13.7	30.0
Heinz (H.J)	51,426		21.7	21.6
Hewlett-Packard	218,961		87.9	61.3
Home Depot	258,730		49.3	104.9
Illinois Tool Works	47,245		22.5	25.0
Intel	738,672		263.0	197.0
International Paper	77,223		25.4	28.0
Internet Holdrs Trust	168,700		58.9	58.0
Johnsen & Johnsen	148,710		91.6	138.6

NOK million	Number held	Interest	Acquisition cost *)	Actual value
Kimberly -Clark	66,335		24.1	41.6
Kroger	112,889		15.2	27.1
Lilly Eli	125,013		67.2	103.2
McDonalds	171,466		45.5	51.7
McGraw Hill	34,023		11.0	17.7
Medtronic	136,963		42.2	73.4
Merck & Co	248,739		127.9	206.7
Micron Technology	70,854		20.1	22.3
Minnesota Mng & Mfg	48,932		40.7	52.3
Motorola	249,929		48.9	44.9
NASDAQ-100 Shares	114,900		57.8	59.5
Nextel Communications	96,200		43.3	21.1
Nike B	44,137		16.4	21.9
Occidental Petroleum	114,138		20.6	24.6
Oracle Corporation	633,100		145.0	163.3
Paychex	48,878		17.6	21.1
Pfizer	985,848		346.4	402.4
Pharmacia	394,696		177.4	213.7
Philip Morris	267,868		93.5	104.6
PPG Industries	43,922		21.9	18.0
Procter & Gamble	140,276		90.6	97.6
Qualcomm	84,639		27.9	61.7
Qwest Communications	182,646		77.0	66.5
Sara Lee	116,591		23.8	25.4
SBC Communications	372,553		143.2	157.9
Schlumberger	68,816		28.2	48.8
Sears Roebuck & Co	67,823		25.6	20.9
Siebel Systems	183,742		119.6	110.3
Siem Industries	2,214,500		30.6	151.1
Solelectron Corp	73,928		21.9	22.2
Southern	78,384		16.0	23.1
Southwest Airlines	72,692		11.8	21.6
Sprint Pcs Group	500,000		122.6	90.7
Sysco Corp	88,492		15.9	23.6
Target Corporation	123,886		20.8	35.5
Tenet Healthcare	55,019		15.1	21.7
Texas Instruments	444,091		225.6	186.7
Texas Utilities	51,664		16.1	20.3
Time Warner	539,100		276.0	249.9
Tyco International	250,000		83.3	123.1
Union Pacific Corp	50,968		18.9	23.0
United Health Group	42,732		9.3	23.3
United Technologies	59,278		29.8	41.4
Verizon communicat	300,411		106.2	133.6
Viacom Inc -CI B	164,379		37.9	68.2
Wallgreen	119,494		17.1	44.3
Wal-Mart Stores	490,584		158.2	231.3
Waste Mangement	95,037		26.9	23.4
Weyerhauser	48,824		19.2	22.0
Williams Companies	66,053		24.4	23.4
Other USA			751.9	494.8
Bermuda				
Frontline	1,047,575		80.4	124.7
Other Bermuda			24.5	24.8
Liberia				
Royal Caribbean Cruises	2,410,010		552.8	563.9
Foreign mutual investments:				
Apax Europa IV-D L.P. STB LIVSFORSIKRIN	82		64.5	72.6

NOK million	Number held	Interest	Acquisition cost *)	Actual value
Apax France V	668		84.5	100.3
Apax Globis Japan Fund . L.P.	355,807,203		29.1	27.5
Apax UK V-B, Limited Partnership	26		29.5	135.9
Apax Uk Vi-B L.P.	76		48.4	83.7
Apax UK Vi-D L.P.	76		48.1	83.7
Clayton,Dubilier & Rice fund VI ltd Part	5,072,848		44.5	45.0
Head Insurance Investors L.P.	91		62.7	35.5
HEALTHCAP 1999 KB	31,883,479		30.7	29.8
HMTF Europe Fund Capital Call First Clos	7,416,648		60.8	61.2
Industri Kapital 2000 Fund	13,299,557		107.9	109.8
KKR European Fund, Limited Partnership	2,712,543		22.1	22.2
Sector Maritime Investment Ltd	30,000		24.4	44.2
Storebrand Principle Global Fund	99,093		251.2	216.6
Storebrand Principle UK Fund	24,000		47.6	48.1
Unison Capital Partners , L.P	334,600,519		28.3	25.8
Viking Global Equities III Ltd	15,000,000		116.8	273.6
Wand Partners	167		124.1	151.5
Other			97.1	109.1
Foreign shares and other investments			21,463.0	23,757.1
Of which listed international equities				21,373.6
Total shares and participations (short term holdings)			30,463.1	34,207.2
Acquisition cost at the exchange rate applicable on the balance sheet date			31,185.1	
Forward foreign exchange contracts - shares				973.1
Total shares and participations and forward foreign exchange contracts			30,463.1	35,180.3
Of which held by subsidiaries				
- Shares held as fixed assets			34.0	34.0

Single equity investments is written down with NOK 39,9 million.

*) Equal to acquisition cost in historical currency.

Uncalled commitment to subscribe capital to Limited Partnerships amounted to NOK 1,562 million at 31.12.00.

EXPOSURE TO EQUITY MARKETS IN 2000

Storebrand Livsforsikring maintained its proportionate exposure to equity markets almost unchanged over the course of 2000. Equity markets accounted for 33% of the company's total investment assets at the start of the year, and this proportion was 32.4% at the close of the year.

Storebrand Livsforsikring's investments in equity instruments consist almost entirely of listed shares, and the securities held will accordingly generally be very liquid. A significant element of un-listed shares is only found in the company's portfolio for "private equity" investment. Such investments are characterised by a somewhat higher risk than is the case for other equity investments, in part because un-listed shares are much less liquid than the company's other investments until and unless they achieve a stock exchange listing. The market alue of the company's "private equity" portfolio amounted to approximately NOK 2.8 billion at year-end.

The company's equity investments are divided into the four regions of Norway, Europe, North America and Asia. Unless the investment manager takes a different market view, investments will be allocated between these regions in accordance with the weights set out in the company's investment policy. Over the course of 2000 the investment manager's market view was that a somewhat higher proportion of total assets should be invested in international equities. The risk associated with this type of deviation from the investment policy is subject to clearly defined risk limits and is monitored closely.

The relative risk involved in the company's equity portfolios, i.e. the risk that actual return deviates from the return on the company's benchmark portfolio, was at a stable and moderate level throughout the year.

NOTE 10 PARENT COMPANY'S HOLDING OF SHARES IN SUBSIDIARIES AND CONNECTED COMPANIES

NOK million Company	Equity method		Book value 31.12.	Interest in %	Voting interest in %	Book value 1.1.	Recognised profit 2000
	Acquisition cost	Book equity					
Aktuar Consult AS , Filipstad br.1, 0114 Oslo	2.0	-2.6	-0.6	100.0%	100.0%	0.5	-1.1
Aktuar Systemer AS, Filipstad br.1, 0114 Oslo	13.0	-8.9	4.1	100.0%	100.0%	3.9	0.2
Storebrand Pensjonstjenester AS, Filipstad br.1, 0114 Oslo	3.7	0.3	4.0	100.0%	100.0%	4.0	2.9
AS Værdalsbruket, 7660 Vuku	0.1	34.5	34.6	74.9%	74.9%	35.1	-0.5
Storebrand Eiendom AS, Filipstad br.1, 0114 Oslo	2.0	2.0	4.0	100.0%	100.0%	2.0	1.8
Hoffsvn. AS, Filipstad br.1, 0114 Oslo *)	0.1		0.1	100.0%	100.0%	0.1	
Subsidiaries	20.9	25.3	46.2			***)) 45.6	3.3
Nordben Life and Pension Insurance Co. LTD	16.9	16.2	33.1	25.0%	25.0%	32.7	0.4
Associated companies	16.9	16.2	33.1			32.7	0.4
Scanvik Corporation, California USA *) **)	58.8		58.8	100.0%	100.0%	58.8	
Storebrand Kjøpesenter Holding AS, Holmensgt. 4 *)	3,975.0		3,975.0	100.0%	100.0%	3,975.9	328.8
Storebrand Nybygg AS, Filipstad br.1, 0114 Oslo *) ***)	1,240.0		1,240.0	100.0%	100.0%	***)) 1,370.9	88.5

*)For notes on properties owned through a limited company see Note 17-Properties. These investments are booked as real estate.

**) Company not included in consolidation since it is held with the intention of sale.

***) Storebrand Nybygg was treated as shares in subsidiary companies for 1999 and transferred to real estate for 2000.

NOTE 11 GOODWILL IN SUBSIDIARIES

NOK million Company	Goodwill 2000	Goodwill 1999	Goodwill 1998
Aktuar Systemer AS	1.8	3.5	5.3
Total	1.8	3.5	5.3

Goodwill resulted from the acquisition of Aktuar Systemer AS.

See note 18

NOTE 12 BONDS AND COMMERCIAL PAPER HELD AS CURRENT ASSETS

	Commercial paper		Bonds		Total	
	Acquisition cost *)	Actual value	Acquisition cost *)	Actual value	Acquisition cost	Actual value
NOK million						
By type of issuer						
Public sector	635.9	643.2	18,799.3	19,797.6	19,435.2	20,440.8
Financial institutions	1,749.5	1,749.6	3,614.5	3,805.1	5,363.9	5,554.8
Other issuers	1,717.4	1,717.5	3,912.3	4,153.8	5,629.8	5,871.3
Commercial paper, bonds and forward contracts held as current assets excl. forward foreign exchange contracts	4,102.8	4,110.3	26,326.1	27,756.6	30,428.9	31,866.8
Forward foreign exchange contracts				286.9		286.9
Commercial paper, bonds and forward contracts held as current assets	4,102.8	4,110.3	26,326.1	28,043.5	30,428.9	32,153.8
- Of which listed securities		317.1		23,689.5		24,006.6
Acquisition cost at exchange rate on balance sheet date	4,102.8		27,827.2		31,930.1	
Modified duration (interest sensitivity)		0.19		4.0		3.51
Average effective yield		7.50		5.23		5.25

*) Acquisition cost at historic exchange rate when acquired.

The effective yield of individual fixed income securities is calculated on the basis of the observed market price. Where no market price is available for a particular fixed income security the effective yield is calculated on the basis of the period for which the interest rate is fixed and the classification of the security in terms of liquidity and credit risk. 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.

	Commercial paper		Bonds		Total	
	Acquisition cost	Actual value	Acquisition cost	Actual value	Acquisition cost	Actual value
NOK million						
By currency						
NOK	4,102.8	4,110.3	7,278.3	7,156.0	11,381.2	11,266.3
USD	0.0	0.0	7,386.3	8,147.0	7,386.3	8,147.0
EUR	0.0	0.0	6,458.7	6,621.7	6,458.7	6,621.7
JPY	0.0	0.0	1,968.1	2,487.2	1,968.1	2,487.2
GBP	0.0	0.0	1,513.0	1,560.5	1,513.0	1,560.5
CAD	0.0	0.0	820.5	848.9	820.5	848.9
DKK	0.0	0.0	563.0	599.3	563.0	599.3
SEK	0.0	0.0	338.1	336.0	338.1	336.0
Commercial paper, bonds and forward contracts held as current assets	4,102.8	4,110.3	26,326.1	27,756.6	30,428.9	31,866.8

NOTE 13 BONDS TO BE HELD TO MATURITY

NOK million	Par value	Acquisition cost	Book value	Actual value	Bal. of amortisation
Norwegian bonds to be held to maturity					
Public sector	18,737.3	18,970.2	18,818.9	18,575.3	81.6
Financial issuers	8,051.0	7,883.7	7,983.6	7,885.3	-67.4
Other issuers	600.0	599.6	599.8	610.1	-0.2
Total portfolio	27,388.3	27,453.6	27,402.3	27,070.7	14.0
- Of which listed securities				21,416.7	
Denominated in foreign currency					
NOK	27,388.3	27,453.6	27,402.3	27,070.7	14.0
Modified duration (interest sensitivity)			3.38		
Average effective yield			6.77		

The effective yield of individual fixed income securities is calculated on the basis of the observed market price. Where no market price is available for a particular fixed income security the effective yield is calculated on the basis of the period for which the interest rate is fixed and the classification of the security in terms of liquidity and credit risk. 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.

NOTE 14 FINANCIAL DERIVATIVES

Financial derivatives are used as an integral part of the management of the equity and bond portfolios in order to achieve the required risk and return profile. The definitions of the various derivative instruments can be found in the "Terms and Expressions" section.

Long and short positions

A long position in an equity derivative produces a gain in value if the share price increases. For interest rate derivatives, a long position produces a gain if interest rates fall, as is the case for bonds. A long position in a currency derivative produces a gain if the currency strengthens against the NOK.

The gap between long and short positions is taken into account in calculating the total net nominal volume, whereas gross total nominal volume takes no account of the result for a particular instrument of a long versus a short position.

Nominal volume

Financial derivative contracts are related to underlying amounts which are not recorded in the balance sheet. In order to quantify a derivative position, reference is made to underlying concepts such as nominal principal, nominal volume, etc.

Nominal volume is arrived at differently for different classes of derivative, and gives an indication of the size of the position and risk the derivative creates. Gross nominal volume principally indicates the size of the exposure, whilst net nominal volume gives an indication of the risk exposure. However nominal volume is not a measure which necessarily provides a comparison of the risk represented by different types of derivative.

Average gross nominal volume

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

Credit equivalent amounts

Credit equivalent amounts are intended to give a measure of the credit risk associated with financial derivatives. In general the credit risk is seen as being limited, since either stock exchange listed and cleared contracts or contracts with well known financial institutions are employed.

Credit equivalent values represent the weighted volume of currency and interest rate agreements for the purposes of capital adequacy calculations, where gross nominal volume is taken into account.

Financial derivatives classified as short term assets/liabilities

<i>NOK million</i>	Gross nominal volume	Average nominal volume	Net nominal volume	Credit equivalent amount	Acquisition-cost	Market value
Share options	30,5	299,3	-30,5	0,3	-1,7	-3,0
Stock index futures	1 730,0	1 134,4	1 674,3	0,0	0,0	-11,0
Total equity derivatives	1 760,5	1 433,7	1 643,8	0,3	-1,7	-14,0
Forward rate agreements	64 000,0	66 073,8	0,0	1,6	0,0	-12,5
Interest rate futures	46 380,6	24 502,4	30 476,1	0,0	0,0	25,9
Interest rate swaps	7 061,2	6 037,5	-3 790,1	70,9	0,0	51,1
Interest rate options	1 751,2	265,1	0,0	17,5	0,0	0,0
Total interest rate derivatives	119 193,0	96 878,9	26 685,9	90,1	0,0	64,5
Forward foreign exchange contracts	48 082,0	49 866,9	-37 711,2	425,3	0,0	1 260,1
Total currency derivatives	48 082,0	49 866,9	-37 711,2	425,3	0,0	1 260,1
Total currency derivatives	169 035,5	148 179,5	-9 381,4	515,7	-1,7	1 310,6

Financial derivatives classified as long term assets/liabilities

<i>NOK million</i>	Gross nominal volume	Average nominal volume	Net nominal volume	Credit equivalent amount	Acquisition-cost	Market value
Interest rate swaps	479,8	481,1	479,8	0,5	0,0	-11,1
Total interest rate derivatives	479,8	481,1	479,8	0,5	0,0	-11,1
Forward foreign exchange contracts	2 929,3	3 389,9	2 929,3	12,3	0,0	-45,0
Total currency derivatives	2 929,3	3 389,9	2 929,3	12,3	0,0	-45,0
Total currency derivatives	3 409,1	3 871,0	3 409,1	12,8	0,0	-56,1

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

NOTE 15 FINANCIAL RISK STOREBRAND LIVSFORSIKRING AS

Liquidity risk

Contractual period to maturity

Current/fixed assets	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	No fixed maturity	Total value
Long term shares and investments	0.0	0.0	0.0	0.0	0.0	79.6	79.6
Lending	0.1	0.9	14.8	377.3	1,671.2	0.0	2,064.3
Bonds held to maturity	0.0	0.0	2,054.7	13,758.6	11,905.8	0.0	27,719.2
Fixed term deposits	1,502.0	0.0	0.0	0.0	0.0	0.0	1,502.0
Bonds and commercial paper (current assets)	1,086.0	2,565.3	1,783.4	15,621.7	11,460.4	0.0	32,516.8
Other current assets	0.0	0.0	0.0	0.0	0.0	34,201.7	34,201.7
Total							98,083.5
Of which in foreign currency							
Long term shares and investments						29.8	29.8
Bonds and commercial paper (current assets)	98.2	0.0	363.8	12,769.2	7,772.2	0.0	21,003.4
Financial derivatives	0.0	0.0	0.0	0.0	0.0		
Other current assets	0.0	0.0	0.0	0.0	0.0	22,576.1	22,576.1

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.

Total value includes accrued interest, underlying investment in the individual security funds etc. The figures are accordingly differ from those reported in the balance sheet

Interest rate fixing

Current/fixed assets	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	No fixed period	Total value
Long term shares and investments						79.6	79.6
Lending		1,953.0	25.6	54.5	21.3	9.9	2,064.3
Bonds held to maturity	176.4	75.0	2,367.1	14,236.9	10,863.8		27,719.2
Fixed term deposits	1,502.0						1,502.0
Bonds and commercial paper (current assets)	1,674.4	4,671.9	2,186.6	14,052.9	9,930.9		32,516.7
Other current assets						34,201.7	34,201.7
Total							98,083.5
Of which in foreign currency							
Long term shares and investments						33.1	33.1
Bonds and commercial paper (current assets)	686.6	1,567.0	662.7	11,663.7	6,423.3		21,003.3
Financial derivatives							0.0
Other current assets						22,576.1	22,576.1

Interest rate risk

Interest rate sensitivity

Current assets NOK million	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
NOK	-22.6	-8.0	-6.8	-76.9	-202.3	-316.5
EUR	-3.0	0.6		-242.9	-249.9	-495.2
USD	11.1	1.1	24.3	-96.2	-391.9	-451.6
JPY	1.7			-68.5	-283.7	-350.5
GBP	2.1	32.0	-15.9	-26.0	-89.6	-97.4
Other currencies	1.5	0.4	-3.0	-27.4	-29.1	-57.7
Total all currencies	-9.2	26.1	-1.4	-537.9	-1,246.5	-1,768.9
Fixed assets						
NOK	1.0	-0.1	-16.1	-371.8	-555.3	-942.2
Other currencies	-1.0	0.0	0.0	0.0	0.0	-1.0
Total quantified interest rate sensitivity	-9.2	26.0	-17.5	-909.7	-1,801.8	-2,712.1

Interest rate sensitivity is a method of measuring interest rate is 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 31.12.00 of a 1 percentage point increase in interest rates.

Foreign exchange risk

Assets and liabilities in foreign currency

NOK million	Balance sheet items			Forwards	Net position	
	Long positions	Short positions	Net balance	Net sales	in currency	in NOK
Short term portfolios						
AUD	48.7	-0.1	48.6	-46.2	2.4	11.9
CAD	163.0	0.0	163.0	-159.6	3.4	20.5
CHF	111.8	-0.1	111.7	-100.3	11.4	62.0
DKK	784.1	-0.7	783.4	-729.0	54.4	60.2
EUR	1,350.8	-100.9	1,250.0	-1,208.9	41.0	338.9
GBP	363.9	-32.9	331.1	-329.0	2.0	26.9
HKD	228.6	0.0	228.6	-196.0	32.6	37.1
IDR	199.3	0.0	199.3	0.0	199.3	0.2
JPY	63,184.4	-3.5	63,180.9	-62,272.8	908.1	70.1
KRW	423.0	0.0	423.0	0.0	423.0	3.0
MYR	0.5	0.0	0.5	0.0	0.5	1.1
NZD	1.9	0.0	1.9	-1.0	0.9	3.5
PHP	0.4	0.0	0.4	0.0	0.4	0.1
SEK	972.8	-0.8	972.1	-918.7	53.4	49.8
SGD	15.6	0.0	15.6	-14.1	1.5	7.9
THB	0.3	0.0	0.3	0.0	0.3	0.1
TWD	4.2	0.0	4.2	0.0	4.2	1.1
USD	2,427.1	-676.4	1,750.8	-1,745.4	5.4	47.5
Total current asset portfolios						741.8
Long term holdings/subordinated loans						
EUR	0.0	-135.3	-135.3	134.5	-0.8	-6.5
GBP	2.3	0.0	2.3	0.0	2.3	29.1
USD	1.0	-325.7	-324.7	329.5	4.8	38.3
Total long term investments						60.9

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.

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 31.12.00 is representative of the company's restricted limits for currency exposure.

NOTE 16 CHANGES IN SPECIFIC/GENERAL LOAN LOSS PROVISIONS

NOK million	2000	1999
Specific provisions for losses on loans, guarantees etc. at 1.1.	4.6	3.9
Realised losses on loans, guarantees etc. where specific provision has previously been made		-
Increase in specific loan loss provisions for the period		0.7
New specific loan loss provisions in the period		-
Reversal of specific loan loss provisions in the period	-1.6	-
Specific provisions for losses on loans, guarantees etc. at 1.1.	3.0	4.6
General provision for losses on loans, guarantees, etc. at 1.1.	5.9	4.9
General provision for losses on loans, guarantees, etc. in the period	-1.2	1.0
General provision for losses on loans, guarantees, etc.	4.7	5.9

LENDING VOLUME

NOK million	2000	1999	1998	1997
Non-accrual loans				
not yet provisioned	12.2	15.3	28.8	15.7
provisioned	11.9	14.1	28.1	13.5
Total of loans in default				
not yet provisioned	30.9	39.4	41.0	49.9
provisioned	28.2	35.9	37.7	46.1
Other doubtful loans				
not yet provisioned	11.4	14.2	28.7	14.6
provisioned	6.8	8.3	23.7	9.7
Interest suspended	0.4	0.6	1.2	0.5

NOTE 17 REAL ESTATE

NOK million	Actual value	Average rent/m ²	Lease period	Sqm.	%age let
Geographic location					
Office premises (inc. commercial premises, parking and storage)	5 882,6	1 249	4,3	361 115	99,0%
Shopping centres (inc. parking and storage)	4 534,4	1 125	3,9	332 938	97,7%
Parking	400,7	644	16,0	43 905	100,0%
Undeveloped sites	80,4				
Total: Directly owned	10 898,1	1 034	4,5	737 958	98,5%
Property owned by Værdalsbruk	9,1				
Total Group holdings of real estate	10 907,2				

Geografic location

Oslo-Vika/Filipstad Brygge	3 938,6
Oslo - other	3 641,8
Stavanger	1 330,4
Norway - other	1 937,6
USA	58,8

Ownership structure:

Directly owned	4 200,9
Property company (AS)	5 819,8
Property partnership (ANS)	886,5

PROPERTY VALUATION METHODS

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

Actual value has been determined for all properties at 31.12.00.

NOTE 18 MOVEMENTS IN THE GROUP'S FIXED ASSETS DURING THE YEAR

	Real estate	Machinery, cars and equipment	TOTAL	Goodwill	Bonds held to maturity	Long term shares and investments
NOK million.						
Acquisition cost at 1.1	9,356.2	84.2	9,440.4	8.9	25,124.8	36.7
Revaluations in the year	129.7		129.7			
Revaluations in earlier years	796.9		796.9			
Additions	838.8	1.1	839.9		2,289.4	
Disposals at acquisition cost	-150.7	-0.7	-151.4			-2.4
Re-classification	0.0					
Amortised over/under value for the year	0.0				-11.8	
Aggregate write-downs and depreciation at 31.12.	-63.6	-72.4	-136.0	-7.1		
Book value at 31.12.00	10,907.2	12.2	10,919.4	1.8	27,402.4	34.3
Revaluations/reversals for the year	82.8		82.8			
Ordinary depreciation for the year	-0.0	8.7	8.7	1.7		

See Note 11 for additional information.

Straight line depreciation periods for operating assets are as follows:

Machinery and fittings:	4 years
Motor cars:	6 years
Computer systems:	3 years
Goodwill:	5 years

NOTE 19 MARKET VALUE (ACTUAL VALUE) OF THE GROUP'S SECURITIES HOLDINGS

NOK million	2000					1999
	Acquisition cost (Book value)	Loss provisions	Currency change	Unrealised gain	Actual value	Unrealised gain
Long term investments						
Shares and other equity investments	67.4				67.4	
Bonds	27,402.3			-331.7	27,070.7	-179.2
Other long term financial investments	97.4				97.4	
Total long term investments	27,567.1	0.0	0.0	-331.7	27,235.5	-179.2

NOK million	2000					1999
	Acquisition cost (Book value)	Loss provisions	Currency change	Unrealised gain	Actual value (Book value)	Unrealised gain
Other financial assets (short term)						
Shares and other equity investments	30,463.1	-39.9	1,695.1	3,061.9	35,180.3	9,710.3
Bonds	26,326.1	0.0	1,788.1	-70.7	28,043.5	-1,084.4
Commercial paper	4,102.8	0.0	0.0	7.5	4,110.3	0.6
Deposits with credit institutions	1,500.0	0.0	0.0	0.4	1,500.4	0.1
Financial derivatives - asset positions	0.0	0.0	13.8	0.3	14.1	10.0
Financial derivatives - liability positions	-1.7	0.0	0.0	-1.3	-3.0	-40.3
Other financial assets	0.0	0.0	0.0	0.0	0.0	
Total short term current assets	62,390.4	-39.9	3,497.0	2,998.1	68,845.5	8,596.3

NOTE 20 INSURANCE RESERVES BY CLASS OF BUSINESS

NOK million	Collective pension insurance	Group life insurance	Endowment insurance	Annuity/pension insurance	Non-life insurance	Total 2000	Total 1999
Premium reserve	56,672.4	295.6	7,288.9	20,343.2		84,600.1	81,783.4
Additional statutory reserves	3,159.6		381.1	1,306.6		4,847.3	5,846.7
Premium and pension adjustment fund	9,769.4			512.9		10,282.3	9,159.9
Claims reserve	21.2	120.6	67.0	7.3		216.1	206.4
Other technical reserves					39.0	39.0	28.4
Insurance fund reserves 2000	69,622.6	416.2	7,737.0	22,170.0	39.0	99,984.8	
Insurance fund reserves 1999	65,568.8	424.7	8,005.9	22,997.0	28.4		97,024.8
Security reserve 2000	442.0	57.1	45.7	47.0		591.8	
Security reserve 1999	422.0	66.0	40.5	63.3			591.8
Insurance related reserves 2000	70,064.6	473.3	7,782.7	22,217.0	39.0	100,576.6	
Insurance related reserves 1999	65,990.8	490.7	8,046.4	23,060.3	28.4		97,616.6

Reserves in respect of non-life insurance products are detailed in Note 22.

NOTE 21 TRANSFERS BETWEEN INSURANCE FUND RESERVES ETC. ON CLOSING 2000 ACCOUNTS

NOK million	Collective	Individual	Total
To/from premium fund	-74.6	95.6	21.0
To/from premium reserve	164.1	-48.1	116.0
To/from additional statutory allocations	-89.5	-47.5	-137.0

NOTE 22 TECHNICAL RESULT AND RESERVES FOR NON-LIFE CLASSES
Private market insurances

NOK million	2000	1999
Premiums for own account	49.5	38.7
Gross business		
Premiums earned	49.4	38.9
Claims accrued	-17.2	-12.2
Insurance related operating expenses	-24.6	-11.6
Technical result	7.6	15.1
Reinsurance ceded		
Premiums earned	-0.3	-0.2
Claims accrued	0	0.1
Technical result	-0.3	-0.1
For own account		
Technical result	7.3	15.0
Claims reserve	18.1	13.1
<i>BISC minimum requirement</i>	18.1	13.1
Security reserve	18.1	13.1
<i>BISC minimum requirement</i>	16.8	13.1
Administration reserve	2.8	2.1
<i>BISC minimum requirement</i>	2.7	2.1

NOTE 23 DEFERRED TAX ALLOWANCES AND DEFERRED TAX: GROUP FIGURES

NOK million	2000		1999		Net change
	Positive	Negative	Positive	Negative	
Temporary differences					
Shares held as current assets		39.9		29.6	-10.3
Current value of securities	2,236.9		1,623.5		613.4
Forward foreign exchange contracts	1,260.0			240.3	1,500.3
Revaluations of real estate	483.9		233.3		250.6
Write down of KS/ANS participations	11.6	146.0	26.0		-160.4
Book difference KS/ANS participations		105.9		105.9	0.0
Operating assets	240.8	8.9	253.9	5.3	-16.7
Insured pension scheme	61.0		73.2		-12.2
Uninsured pension scheme		121.4		134.2	12.8
Other	90.3	28.1	92.5	17.4	-12.9
Total temporary differences	4,384.5	450.2	2,302.4	532.7	2,164.6
- of which subsidiaries	265.8	9.0	284.8	8.4	
Tax losses carried forward		2,080.9		699.5	
Allowable losses carried forward		1,296.8		901.9	
Applied/settled	-3,827.9	-3,827.9	-2,134.1	-2,134.1	
Revaluation/write off of fixed assets					
Net temporary differences	556.6	0.0	168.3	0.0	388.3
Tax	28.0%	28.0%	28.0%	28.0%	28.0%
Deferred tax/tax allowances	155.8	0.0	47.1	0.0	108.7
Changes applied directly to the balance sheet or profit and loss account					13.2
Change in deferred tax/deferred tax allowance					121.9

See note 7

NOTE 24 SUBORDINATED LOAN CAPITAL

NOK million	Amount NOK	Currency code	Currency amount	Maturity	Interest rate %	Currency gains/losses
J.P.Morgan (syndicated to 16 banks) 11.5.95 *)		USD	120.0	Redeemed May 2000		131.4
C.Kierulf, SPN Fonds, Oslo Securities 15.1.92	81.2	NOK	81.2	2002	11.15%	
Chase Manhattan Bank, Oslo 1.12.97 *)	479.8	NOK	479.8	2007	5.89%	
Merill Lynch International *)	1,133.1	EUR	135.0	2009	5.07%	26.4
J. P. Morgan 24.2.98 *)	1,804.1	USD	200.0	Perpetual	7.05%	176.2
Total subordinated loan capital	3,498.2					334.0

NOK 2,766.6 million of the subordinated loan total (79% of the total) is eligible for inclusion in capital adequacy calculations.

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

* The company has an option to redeem the loan after 5 years

The company has entered into hedging transactions in respect of subordinated loans denominated in foreign currency.

The total expense associated with the company's subordinated borrowings (including currency gains and losses) amounts to NOK 272.2 million.

NOTE 25 TRANSACTIONS WITH CONNECTED PARTIES

Transactions between companies in the group

NOK million	Amount	Terms
Profit and loss items:		
Interest on debt	0.8	Interbank rate + 1%
Interest on receivables	8.4	
Services bought	463.5	Full cost Monthly settlement
Services sold	53.2	Full cost Monthly settlement
Transfer of reserves - received	13.0	
Transfer of reserves - disbursed	1,215.4	
Balance sheet items:		
Receivables	21.7	
Debt	57.8	
Receivable - Skandia	97.4	6 month NIBOR

Loans made by Storebrand Livsforsikring AS to employees of the Storebrand group totalled NOK 304,8 million as at 31.12.00.

NOTE 26 MANAGEMENT SALARIES AND CONTRACTUAL ARRANGEMENTS

Remuneration paid to the company's Managing Director, Espen Klitzing, amounted to NOK 2.0 million and the annual pension cost amounted to NOK 0.1 million.

The Managing Director is entitled to receive salary for a period 18 months following the termination of the normal notice period (six months) if his employment is terminated by the company or termination results from material changes to his duties. All income during this period from other employment is to be deducted from the amount due.

Neither the former Chairman of the Board, Åge Korsvold, nor the current Chairman of the Board, Idar Kreutzer, received/receives any remuneration for this appointment. The company has no obligations towards the Chairman in the case of termination or change to this appointment

Directors' fees paid to external and internal members of the Board excluding the Chairman amounted in total to NOK 0.2 million. In addition the company purchases directors' Liability insurance in respect of the members of its Board

The Storebrand group operates a cash bonus scheme for senior management which is linked to the price of the Storebrand share. The bonus falls due for payment between two and three years from the date it is granted, and takes the form of a cash payment equivalent to the difference between the market price of the Storebrand share and the allocation price of NOK 60. The bonus scheme is hedged, and the cost so incurred is recognised to profit and loss. The bonus scheme for members of the Board relates to their employment by Storebrand ASA.

A number of senior employees are contractually entitled to performance related bonuses. A new bonus system is to be introduced for the group in 2001. It is intended that this system will extend to all employees by the end of 2002. The central feature of the new system is that bonus payments are related to the group's value-based management system

	No. of shares owned **)	No. of bonus units	Loans from Storebrand group (NOK 1000)	Interest rate at 31.12.00	Repaymt. basis ***)
Mill. kroner					
Senior executives					
Espen Klitzing	600	350000	2,177	6,3-8,15	AN2010
Maalfrid Brath	535	95000	1,791	6,3-6,65	SE2030
Rolf Corneliussen	115	140000	960	6.30	SE2012
Jon Hippe	0	130000	1,167	6.30	SE2012
Bjørn Erik Madsen	685	95000	2,846	6,3-8,25	AN2024
Helge Ivar Magnussen	300	0	1,190	6.30	AN2020
Arve Myrvang	1536	45000	1,033	6.30	AN2020
Ole Ruud	150	200000	800	6.30	SE2022
Svein Sollund	300	45000	1,466	6,3-7,85	AN2022
Helge Tryti	150	45000	2,264	6,3-7,85	AN2020
Morten Unneberg	700	45000	1,326	6,3-8,25	AN2018
Board of Directors					
Idar Kreutzer *)	600	500000	2,657	5,0-7,85	AN2023
Per Henry Christiansen	0		-		
Aase Fagerhaug	419		294	6.30	SE2006
Erik Haug Hansen	685		-		
Jan Kildal	61		-		
Hans Henrik Kloumann	763	400000	1,498	6,6-8,15	SE2025

Loans to senior employees are granted on the normal terms for staff loans in the Storebrand group. Staff loans at 6.3% are available in amount up to three times gross salary subject to a maximum of NOK 1.2 million. Loans in excess of this amount are granted on normal market terms.

*) Idar Kreutzer was entitled upon appointment as CEO of Storebrand ASA to a bonus scheme in respect of 500,000 units representing the difference between the actual share price at a future date and the allocation price.

The allocation price was fixed by reference to the average share price over the week before the bonus was awarded (NOK 59.33) and will be increased by 10% annually less the effect of any dividend.

The bonus may be exercised no earlier than 1 January 2004 and no later than 31 December 2004.

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

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

NOTE 27 AUDIT FEES OF STOREBRAND LIVSFORSIKRING AS

Audit fees totaling NOK 1.9 million are taken to the accounts. The break down is as follows:

Fees recorded for audit and related duties:	NOK 1.7 million
Fees recorded for consultancy:	NOK 0.2 million

NOTE 28 CHANGE IN EQUITY CAPITAL

NOK million	Parent company	
	2000	1999
Equity capital at 01.01	1,361.2	1,361.2
Equity capital at 31.12	1,361.2	1,361.2
Other equity at 1.1.	1,587.6	1,478.1
Profit for the year	177.0	109.5
Other equity at 31.12.	1,764.6	1,587.6
Equity capital at 31.12 as per balance sheet	3,125.8	2,948.8

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

NOTE 29 CAPITAL ADEQUACY

NOK million	Group		Parent company	
	2000	1999	2000	1999
Risk-weighted calculation base	110,150.5	106,604.0	110,032.0	106,508.7
Risk weighting 0%	32,292.7	37,487.8	32,281.7	37,520.4
Risk weighting 10%	2,021.0	1,076.2	2,021.0	1,076.2
Risk weighting 20%	25,210.0	24,319.6	25,148.8	24,154.6
Risk weighting 50%	1,818.1	2,639.8	1,818.1	2,639.8
Risk weighting 100%	48,808.7	41,080.6	48,762.4	41,117.7
Assets associated with life insurance policies offering investment choice		0.0	0.0	0.0
Weighted on-balance sheet assets	54,961.9	47,372.0	54,903.3	47,376.1
Weighted interest rate and currency contracts	510.7	141.6	510.7	141.6
"Cross ownership" deduction for holdings in other financial institutions	-66.1	0.0	-66.1	0.0
Loan loss provisions	-7.6	-10.6	-7.6	-10.6
Risk weighted calculation base	55,398.9	47,503.0	55,340.3	47,507.1
Tier 1 capital	3,092.8	2,910.3	3,103.8	2,877.6
Perpetual subordinated loan capital	1,512.0	1,512.0	1,512.0	1,512.0
Dated subordinated loan capital	1,319.6	1,319.6	1,319.6	1,319.6
Reduction in eligible subordinated loan capital	-65.0	-48.8	-65.0	-48.8
Eligible subordinated loan capital	2,766.6	2,782.8	2,766.6	2,782.8
"Cross ownership" deduction for holdings in other financial institutions	-66.1	0.0	-66.1	0.0
Net primary capital	5,793.3	5,693.1	5,804.3	5,660.4
Capital ratio %	10.46	11.98	10.49	11.91

Book equity of the Storebrand Liv group is NOK 3,125.7 million. The difference between equity and Tier 1 capital of NOK -32.9 represents deductions for over-funding of pension liabilities of NOK 31.1 and intangible assets of NOK 1.8 million.

NOTE 30 SOLVENCY MARGIN

The estimated solvency margin requirement for Storebrand Livsforsikring AS for 2000 was NOK 4,353 million. (NOK 4,259 million in 1999). Solvency margin capital amounts to NOK 8,494.1 million (NOK 8,866 million). This gives a solvency margin percentage of 195.2 % (208.2 %).

NOK million	2000	1999
Primary capital 31.12.	5,804.3	5,660.4
Counting security reserve	266.2	282.1
50% of additional statutory reserves at 31.12.00	2,423.6	2,923.4
Solvency margin capital at 31.12.	8,494.1	8,865.9

CASH FLOW ANALYSIS

NOK million	Group		Parent company	
	2000	1999	2000	1999
Cash flow from operations:				
Premiums received - direct insurance	5,439.8	5,264.0	5,439.8	5,264.0
Receipts - reinsurance	5.9	3.4	5.9	3.4
Payments - reinsurance	14.6	2.1	14.6	2.1
Claims/benefits paid - direct insurance	-6,358.3	-5,570.0	-6,358.3	-5,570.0
Receipts - policy transfers	1,011.0	2,852.8	1,011.0	2,852.8
Payments - policy transfers	-2,727.9	-2,065.8	-2,727.9	-2,065.8
Payments to suppliers for goods and services	-645.6	-543.6	-613.8	-448.7
Payments to employees, pension scheme, employers' contribution etc.	-334.3	-397.7	-334.3	-409.9
Interest paid	-334.8	-336.6	-326.9	-462.3
Interest received	4,312.6	4,085.2	4,320.2	4,085.2
Dividend received	465.4	469.8	465.4	469.8
Tax paid	-2.2	-0.6	-	-
Net receipts arising from securities	4,539.6	4,959.0	4,478.3	4,962.7
Net cash flow from operations:	5,386.1	8,722.0	5,374.1	8,683.4
Cash flow from investment activities:				
Loan payments to customers etc.	-124.0	-4,155.6	-124.0	-4,155.6
Loan receipts from customers etc.	1,244.0	5,962.4	1,244.0	5,962.4
Receipts from sales of shares and other equity investments	23,843.8	17,101.1	23,843.8	15,738.1
Payments for shares and other equity investments	-28,416.3	-18,891.0	-27,049.1	-18,943.2
Receipts from sales of bonds	34,382.5	20,409.6	34,380.8	20,409.6
Payments on purchase of bonds	-30,702.3	-30,325.9	-30,737.4	-30,178.9
Receipts from sales of certificates	17,829.0	20,402.2	17,829.0	20,402.2
Payments on purchase of certificates	-20,025.5	-20,524.7	-20,025.5	-20,524.7
Receipts from sales of property	103.8	721.0	103.8	721.0
Payments on purchase of property	-798.2	-2,317.2	-2,051.6	-1,070.8
Receipts from sales of other financial assets	38.1	192.1	38.1	192.1
Payments on purchase of other financial assets	-	-	-	-
Receipts from sales of fixed assets	-	1.3	-	-
Payments on purchase of fixed assets	-0.5	-0.8	0.2	-0.8
Net cash flow from investment activities:	-2,625.7	-11,425.5	-2,548.0	-11,448.6
Cash flow from financing activities:				
Subordinated loan capital received	-	-	-	-
Subordinated loan capital repaid	-	-	-	-
Received from issue of shares	-	-	-	-
Payments on redemption of shares	-	-	-	-
Interest payments on subordinated loans	-	-	-	-
Capital paid in	-	1,238.9	-	1,238.9
Capital paid out	-703.1	-	-703.1	-
Group contribution received	-	-	-	-
Group contribution/dividend paid	-642.8	-371.8	-642.8	-371.8
C. Net cash flow from financing activities:	-1,345.9	867.1	-1,345.9	867.1
Net cash flow for the period	1,414.5	-1,836.3	1,480.3	-1,898.1
Effect of currency movements on cash and cash equivalent assets	-	-	-	-
Net change in cash and cash equivalent assets	1,414.5	-1,836.3	1,480.3	-1,898.1
Liquid assets 01.01	1,893.1	3,729.4	1,763.6	3,661.8
= Liquid assets at 31.12	3,307.6	1,893.1	3,243.9	1,763.7
Profit before tax	837.6	856.3	835.6	899.0
Tax for the period	2.2	1.2	-	-
Gains/losses on sale of fixed assets	-	-	-	-
Ordinary depreciation	-8.6	10.6	7.4	9.7
Fixed assets written down	428.7	-	428.7	-
Other non-cash items	5,215.6	4,792.2	5,216.5	4,736.1
Difference between booked pension costs and payments to/from pension scheme	2.7	0.7	-	0.7
Effect of currency movements	-	-	-	-
Items classed as investment or financing activity	-	-	-	-
Other accruals	-1,092.1	3,061.0	-1,114.0	3,026.6
Net cash flow from the year's operational activities	5,386.1	8,722.0	5,374.1	8,683.4

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 2000 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. 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 (Allocation of surplus to policyholders) of the Act on Insurance Activity and other approved rules.

Oslo, 7 february 2001

Helge-Ivar Magnussen
Chief Actuary

KPMG AS

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N-0611 Oslo

Brynsveien 12
N-0667 Oslo

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Enterprise NO 935 174 627

To the Annual Shareholders' Meeting of Storebrand Livsforsikring AS

AUDITOR'S REPORT FOR 2000**Respective Responsibilities of Directors and Auditors**

We have audited the annual financial statements of Storebrand Livsforsikring AS as of 31 December 2000 showing a profit of NOK 707,6 million for the parent company and a profit of NOK 707,6 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 financial statements comprise the balance sheet, the statements of income and cash flows, the accompanying notes and the group accounts. These financial statements are the responsibility of the Company's Board of Directors and 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.

Basis of Opinion

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

Opinion

In our opinion,

- the financial statements are prepared in accordance with the law and regulations and present the financial position of the Company and of the Group as of 31 December 2000, and the results of its operations and its cash flows for the year then ended, in accordance with accounting standards, principles and practices generally accepted in Norway
- the company's management has fulfilled its duty to produce a proper and clearly set out registration and documentation of accounting information as required by law and accounting standards, principles and practices generally accepted 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 are consistent with the financial statements and comply with the law and regulations.

Oslo, 15 February 2001

KPMG AS

Translation, not to be signed

Arne Frogner

State Authorised Public Accountant

Translation, not to be signed

Geir Moen

State Authorised Public Accountant

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Statsautoriserte
revisorer - medlemmer
av Den norske
Revisorforening

Kontorer i:

Oslo
Alta
Arendal
Bergen
Elverum
Hamar
Kristiansand

Lillehammer
Molde
Røros
Sandefjord
Sandvika
Stavanger

Stord
Tromsø
Trondheim
Tønsberg
Ålesund

Control Committee's Statement – 2000

With reference to the auditor's report of 15 February 2001 the Control Committee recommends that the Annual Accounts proposed be adopted as the Annual Accounts of Storebrand Livsforsikring for 2000.

Oslo, 1 March 2001

Translation, not to be signed

Nils Erik Lie
Chairman of the Control Committee

Management report

THE COMPANY'S PERFORMANCE

2000 was a satisfactory year for the profitability of the life insurance business. The life insurance company reported total premium income of NOK 7,950 million and operating profit for the year amounted to NOK 4,789 million.

Customers also benefit from the strong results the company reports. Statistics from the Norwegian Financial Services Association show that Storebrand Livsforsikring AS has produced the highest average return in the Norwegian life insurance market for all product groups over recent years.

CORPORATE MARKET

Storebrand is a market leader in the private sector corporate market, with a 23% market share of total premiums in the collective pensions market at the end of 2000.

Premiums written in respect of group pension insurance increased by 3.1% in 2000. The market for small and medium-sized companies showed particularly strong growth, with an increase in the total volume of business outstanding of 5%. However premium income for the year in respect of group pension insurance was 16% lower than in 1999 as a result of a reduction in reserves transferred.

The growing internationalisation of Norwegian industry has increased the need for international pension solutions. During the course of the year Storebrand received all the permissions and licenses necessary for Euroben to be established in Dublin with branches in Norway and Sweden.

Public Sector

The new national employment conditions which came into force for local authorities in 2000 finally gave public sector occupational pension schemes a real opportunity to change the supplier of their pension arrangements, and a total of 16 local authorities took the opportunity to transfer to a different company. The authorities of Vadsø, Ballangen and Trysil chose to transfer to Storebrand, and the company now has 16 local authorities in its portfolio.

Storebrand is the only company that has not attracted criticism for its public sector pension product from the local authority sector pensions working group, and this represents a valuable stamp of quality at the start of 2001 from the parties to the national employment conditions.

RETAIL MARKET

Storebrand maintained its leading position in the retail market for life insurance and mutual funds products in 2000. The company had a 28% share of this market as at the end of 2000. Personal lines of insurance in particular are expected to make an increasing contribution to the life company's profits in the years to come.

Embedded value

Storebrand has calculated and published figures for Embedded Value for 2000. The equivalent figures were first calculated in 1999. Embedded Value is defined as the discounted current value of future allocations of post-tax profit to the company's owner, and is a measure used to an increasing extent for the valuation of life insurance companies. Calculations of Embedded Value are based on

the best possible estimates and assumptions in respect of the owner's share of future post-tax earnings from the company's current portfolio of insurance business, plus the value of free equity. The overall value of the life company, termed Appraisal Value, is the sum of Embedded Value and the discounted current value of future new business.

The Embedded Value of Storebrand Livsforsikring at the close of 2000 was NOK 7,730 million. This represents a reduction from NOK 8,040 million at the end of 1999. The reduction of 310 million is the result after paid dividend by 531 million. The low increase in dividend paid is largely a result of the low value-adjusted investment return for 2000. The value of new business written in 2000 was NOK 102 million, as compared to NOK 194 million in 1999, reflecting a lower level of new sales, transfers and costs.

RESULTS ANALYSIS

The **analysis of results** 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 policies in 2000 was 3.8%.

Risk result arises as a consequence of the incidence of mortality and disability during the period differing from that assumed for the premium tariffs.

Administration result shows the difference between the costs assumed for the premium tariffs and actual operating costs.

ANALYSIS OF RESULTS BY CLASS OF BUSINESS:	2000	1999	1998	1997	1996
NOK million					
COLLECTIVE:					
- INTEREST RESULT	3 502	3 798	1 164	3 079	2 304
- RISK RESULT	52	167	161	249	217
- ADMINISTRATION RESULT	-30	-6	1	1	-5
- CHANGE IN PREMIUM RESERVE/SECURITY FUND	-55	-550	-63	-675	-294
- TOTAL	3 469	3 409	1 263	2 654	2 222
GROUP LIFE:					
- INTEREST RESULT	44	52	26	46	35
- RISK RESULT	-39	-26	-11	-33	-59
- ADMINISTRATION RESULT	-23	-9	-10	-1	-1
- CHANGE IN PREMIUM RESERVE/SECURITY FUND					
- TOTAL	-18	17	5	12	-25
INDIVIDUAL ENDOWMENT:					
- INTEREST RESULT	335	454	127	365	273
- RISK RESULT	103	82	82	110	84
- ADMINISTRATION RESULT	-60	-79	-59	-30	-25
- CHANGE IN PREMIUM RESERVE/SECURITY FUND		-7			
- TOTAL	378	450	150	445	332
INDIVIDUAL ANNUITY/PENSION:					
- INTEREST RESULT	952	1 312	336	1 181	852
- RISK RESULT	31	51	43	62	54
- ADMINISTRATION RESULT	-25	-25	-18		-8
- CHANGE IN PREMIUM RESERVE/SECURITY FUND		9	3		
- TOTAL	958	1 347	364	1 243	898
NON-LIFE INSURANCE:					
- INTEREST RESULT	3	3	1		
- RISK RESULT	12	10	3		
- ADMINISTRATION RESULT	-15	-4	-3		
- CHANGE IN PREMIUM RESERVE/SECURITY FUND					
- TOTAL	0	9	1		
TOTAL FOR ALL CLASSES					
- INTEREST RESULT	4 836	5 619	1 654	4 671	3 464
- RISK RESULT	159	284	278	388	296
- ADMINISTRATION RESULT	-153	-123	-90	-30	-39
- CHANGE IN PREMIUM RESERVE/SECURITY FUND	-55	-548	-63	-675	-294
- TOTAL OF ALL CLASSES	4 787	5 232	1 781	4 354	3 427

WORLD MARKETS IN 2000

Equity markets

Norway

Despite a marginal fall in the Oslo Stock Exchange over the course of 2000, the Norwegian stock market was one of the best performing markets in 2000, and the Oslo Stock Exchange's OBX index was amongst the 7 best indices in the world. The Norwegian market shared the initial general strong increase in prices seen in early 2000, particularly for IT companies, but the "dot.com" bubble burst in March. A number of Internet companies around the world issued profit warnings, and this also affected the Norwegian market. However the overall performance of the Norwegian market was protected to a significant extent by the high oil price and a strong tanker market.

Europe

European stock markets also put in a strong performance in the first quarter, but it became increasingly apparent during the spring that economic growth was at too high a level. Conditions in labour markets were tight, oil prices were rising and a number of central banks warned of the danger of accelerating inflation. The markets' initial confidence in a modest slowdown in economic growth was replaced by expectations of a sharper fall in corporate earnings and investment activity.

USA

2000 was one of the weakest years for American equities for some considerable time. The NASDAQ index, with its strong representation of IT companies, fell by almost 40% over the course of the year, representing a scale of decline never before seen in the 29-year history of this market. However the year started very strongly, and technology stocks in particular drove the market higher through to the beginning of March. This represented a continuation of the rally that started in

Autumn 1999 when the so-called TMT companies started to outpace more traditional companies in terms of both share prices and valuation.

Japan/Asia

The financial crisis in Asian stock markets again showed no sign of coming to an end in 2000.

The year started favourably for Asia's most important economy, Japan, and the broadly based Nikkei index rose from 18,000 at the start of the year to reach 21,000 in April. However the Nikkei index started to slide back following the end of the Japanese financial year, and the level of 13,785 seen at year end represented a fall of 27% for the year as a whole.

This made 2000 the weakest year for the Japanese stock market since 1990 when the key index fell by almost 40%. Japan has accordingly suffered one of the longest economic recessions any industrialised country has seen since the Second World War.

The performance of other Asian economies was characterised by sharply fluctuating conditions and significant differences between countries.

Fixed income markets

Market attention at the start of 2000 was focused on what scale of increases in interest rates were needed in the USA and Europe to stop economic conditions becoming overheated and to keep inflation under control. Over the course of the spring the Norwegian central bank was also very concerned about inflation prospects, due in no small measure to an expensive round of wage settlements.

The American central bank increased interest rates by one percentage point, the Norwegian central bank announced a 1.5 percentage point increase and the European central bank increased rates by 1.75 percentage points.

Even the Japanese central bank increased interest rates from almost zero to 0.25%. Despite these increases, fixed income markets produced a good return for the year. Surpluses on public sector budgets leading to re-purchases of long-dated bonds, particularly in the USA, a prevailing expectation of a soft landing, again particularly in the USA, followed by concern later in the year that American and global economic growth would lead to a hard landing, all contributed to creating favourable market conditions for government bonds. The JP Morgan global bond index (in local currencies) produced a return of over 8%, whilst the return on American bonds reached almost 14%. The yield differential between American government bonds and equities (both measured in USD terms) was all of 26.5%.

INVESTMENT RETURN AND ASSET ALLOCATION

Storebrand Livsforsikring has built up its solidity over a number of years in order to maintain a high level of buffer capital to permit freedom of manoeuvre in asset

allocation. The proportion of assets invested in shares has increased in pace with the growth of buffer capital. By the close of 2000 exposure to equities represented 32.4% of all investment assets.

At the end of 2000 the company's risk capital, made up of the market value adjustment reserve, additional statutory reserves and primary capital in excess of the minimum legal requirement, amounted to NOK 8.7 billion.

Risk management plays a central role in Storebrand's investment management. Risk is managed to ensure that the available risk capital will at all times be able to absorb a sudden, sharp fall in market values affecting equity and fixed income portfolios simultaneously.

As a sizeable and professional asset manager, Storebrand is well placed to meet future competition. The combination of professional investment management, a high level of risk bearing capacity and low operating costs relative to competitors provides the basis to expect continuing competitive net investment returns for Storebrand's customers.

Investment return and asset allocation

(NOK million)	2000				1999	
	Yield	Allocation			Allocation	
By sub-portfolio	%	Market value	%	Exposure	Market value	Exposure
TOTAL INVESTMENT ASSETS	3.1 %	111,726				
Securities	2.8 %	99,106	88.5 %	92.0 %	88.2 %	87.8 %
Equities	-6.2 %	35,017	31.3 %	32.4 %	33.4 %	33.0 %
Fixed-income	9.4 %	33,043	29.5 %	31.9 %	28.7 %	28.7 %
Money market in total	6.4 %	2,634	2.4 %	2.6 %	3.0 %	3.0 %
Bonds held to maturity	6.5 %	28,137	25.1 %	25.1 %	23.1 %	23.1 %
Real estate	8.1 %	10,867	9.7 %	9.7 %	9.0 %	9.0 %
Loans	8.6 %	2,028	1.8 %	1.8 %	2.8 %	2.8 %

Figures for exposure take into account derivative positions in all portfolios.

Total investment assets

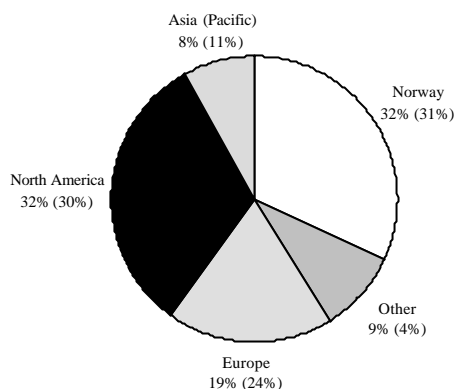
For 2000 as a whole, the overall return on investment assets under-performed the benchmark index by 0.55 percentage points (3.13% as compared to 3.68%). The company did not invest in international banking and finance stocks because of the disproportionate effect this has on eligible primary capital, but the benchmark index does include the return on stocks in the financial sector. If finance stocks are excluded from the benchmark, the company's overall return on investment assets is seen to have out-performed the benchmark by 0.39 percentage points.

Equities

The total exposure to equities, taking into account derivative positions, amounted to 32.4% of total investment assets in 2000 and was virtually unchanged from 1999. Whilst Storebrand allocates significant assets to international securities, the company remains a major and long-term investor in the Norwegian equity market. Norwegian stocks accounted for 32% of total exposure to equities. The Norwegian portfolio is well diversified and concentrates on the larger companies quoted on the Oslo Stock Exchange.

The return produced on equities for the year outperformed the benchmark index (after adjusting for the "finance sector effect") by 1.93 percentage points (- 6.22% as compared to - 8.15%). Norwegian stocks made a positive contribution, whilst international stocks (Asia) made a negative contribution for the year. 2000 was characterised by very turbulent conditions in the equity markets with major differences in performance from sector to sector. The best performing sectors included the finance sector, as already noted in respect of the "finance sector effect".

**Geographic allocation of equity portfolio
at 31.12.00
() =31.12.99**



Interest bearing securities

The return for the year was 0.22 percentage points better than the benchmark index return (7.88% as compared to 7.66%). However the reported performance is somewhat diluted by the bonds held to maturity portfolio, where the index corresponds to the yield. The main contribution to the out-performance came from international bonds, with an out-performance of 0.63 percentage points, although both Norwegian bonds and the money market portfolio made a positive contribution with out-performance of 0.10 and 0.13 percentage points respectively. The proportion of foreign bonds held as current assets increased over the course of the year from 60% to 81%.

Lending

The lending portfolio reduced from NOK 3.2 billion to NOK 2.0 billion over the course of 2000. This was caused by the transfer of loans to Storebrand Bank, and the fact that all new loans are now disbursed by Storebrand Bank. Realised losses on the loan portfolio in 2000 amounted to NOK 0.5 million. Loans in default represented 1.6% of the total portfolio at the end of the year.

The return on lending was 8.6% in 2000 as compared to 8.5% in 1999.

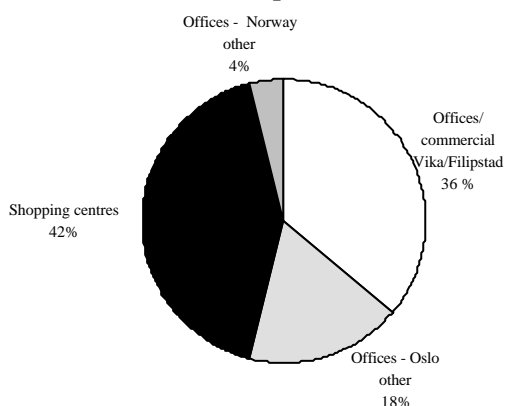
Real estate

The total value of real estate investment is in the order of NOK 10.8 billion and comprises 738,000 square metres. Storebrand's real estate investment has concentrated over recent years mainly on centrally located office properties in the Oslo area as well as larger shopping centres. The rental market for these main areas of investment continued to be at a stable and attractive level, although the market for the new commercial property in Oslo (such as the Vika development) was somewhat more difficult. Office properties are managed by Storebrand Eiendom AS, while shopping centre properties are managed by Steen & Strøm ASA, and are marketed as part of the Steen & Strøm chain.

Real estate produced an operational return of 7.1% in 2000. The Vika Shopping Mall was the main reason for the return not being higher. The total return on the real estate portfolio in 2000, including net revaluation of NOK 82 million, was 8.1%.

Occupancy amounted to 98.5% at 31 December 2000. (Occupancy refers to properties available for letting).

Allocation of SB Livsforsikring's real estate portfolio



Terms and expressions

Administration reserve:

The administration reserve comprises assets associated with administration of collective 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.

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.

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.

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 swaps:

Interest rate swaps are agreements between two parties to exchange interest rate terms for a specified period. Interest rates swaps are normally agreements to exchange fixed interest rate terms for floating interest rate terms, and this instrument is used to manage long term interest rate risk. Interest rate swaps are defined as long positions where the agreement provides for the receipt of a fixed rate of interest.

Interest rate options:

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

Forward foreign exchange contracts:

Forward foreign exchange contracts relate to the purchase or sale of a currency for an agreed price at a future date. Forward foreign exchange contracts are principally used to hedge currency denominated holdings of securities, other financial instruments and insurance related entries. Spot currency transactions are also classified as forward contracts.

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 Banking Insurance and Securities Commission.

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 Banking, Insurance and Securities Commission.

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.

Collective pension insurance:

A collective 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 fund.

Market value adjustment reserve*):

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 allocations *):

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.

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