

Storebrand Livsforsikring AS

Annual Report 2001

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KEY FIGURES: STOREBRAND LIVSFORSIKRING AS

NOK million	2001	2000	1999	1998	1997
STOREBRAND LIVSFORSIKRING AS:					
RETURN ON CAPITAL I *)	3,56 %	8,69 %	9,97 %	5,85 %	9,96 %
RETURN ON CAPITAL II *)	1,51 %	3,12 %	15,74 %	3,50 %	10,45 %
RETURN ON CAPITAL III *)	1,80 %	3,00 %	14,91 %	2,93 %	10,55 %
AVERAGE YIELD:	3,95 %	8,30 %	9,51 %	5,38 %	9,50 %
SOLVENCY CAPITAL AS PERCENTAGE OF MINIMUM REQUIREMENT:	184,4 %	195,1 %	208,2%	220,4%	194,8%
AVERAGE GUARANTEED RETURN:	3,8%	3,8%	3,8%	3,8%	3,8%
COST RATIO	0,88 %	0,94 %	0,96 %	0,94 %	0,86 %
PROFIT ANALYSIS (PARENT COMPANY FIGURES): **)					
- INTEREST RESULT	-535	4 836	5 619	1 655	4 671
- RISK RESULT	238	159	284	279	388
- ADMINISTRATION RESULT	-102	-153	-123	-90	-30
- OTHER	-26	-55	-548	-63	-675
TOTAL	-425	4 787	5 232	1 781	4 354
STOREBRAND LIVSFORSIKRING GROUP:					
KEY FIGURES					
<u>PROFIT AND LOSS ACCOUNT</u>					
PREMIUM INCOME EXC. RESERVES TRANSFERRED	7 240	7 034	7 167	6 882	6 437
NET TRANSFERS	-1 222	-3 020	11	847	-705
NET INCOME FROM FINANCIAL ASSETS	1 561	3 510	15 316	3 346	9 304
CLAIMS EXCLUDING TRANSFERRED RESERVES	-6 955	-6 237	-5 571	-5 392	-4 400
CHANGE IN INSURANCE RESERVES					
EXCLUDING TRANSFERRED ADDITIONAL STATUTORY RESERVES	-1 938	-812	-4 950	-4 874	-4 227
INSURANCE AND FINANCIAL INVESTMENT RELATED ADMIN. COSTS:	-875	-930	-896	-817	-701
OTHER ITEMS	-388	-354	-254	-214	-298
TO/FROM MARKET VALUE ADJUSTMENT RESERVE	2 154	5 598	-5 868	2 008	-1 052
OPERATING PROFIT	-422	4 789	4 956	1 786	4 359
EXTRAORDINARY ITEMS			234		
PROFIT BEFORE ALLOCATION	-422	4 789	5 190	1 786	4 359
FUNDS TRANSFERRED TO POLICYHOLDERS		-3 951	-4 333	-1 286	-3 797
- OF WHICH CONDITIONAL ADDITIONAL STATUTORY ALLOCATIONS		-451			-1 000
RELEASED FROM ADDITIONAL STATUTORY RESERVES TO MEET THE SHORTFALL IN GUARANTEED RETURN	408				
PRE-TAX PROFIT	-15	838	857	501	562
TAX	78	-129	-150	-42	-104
MINORITY INTERESTS SHARE IN PROFIT	-0	-1	-1		
PROFIT FOR THE YEAR:	63	708	706	459	458
<u>ASSETS</u>					
REAL ESTATE	11 293	10 907	10 103	8 504	7 669
BONDS TO BE HELD TO MATURITY	25 044	27 402	25 125	17 781	14 644
LOANS	1 402	2 057	3 177	4 983	7 840
SHARES AND OTHER EQUITY INVESTMENTS	22 133	35 248	37 325	28 057	22 731
BONDS HELD AS CURRENT ASSETS	28 102	28 044	33 123	30 563	32 531
COMMERCIAL PAPER	11 353	4 110	1 907	1 784	4 063
OTHER FINANCIAL ASSETS	730	1 612	468	1 065	1 674
TOTAL FINANCIAL ASSETS	100 057	109 380	111 229	92 737	91 152
OTHER ASSETS	7 962	3 802	4 005	7 069	4 604
TOTAL ASSETS	108 019	113 181	115 234	99 807	95 756
POLICYHOLDERS' FUND FOR OWN ACCOUNT					
- of which additional statutory reserves	4 301	4 847	5 847	6 112	6 306
MARKET VALUE ADJUSTMENT RESERVE	844	2 998	8 596	2 728	4 736
EQUITY	3 189	3 126	2 949	2 888	2 766
CAPITAL ADEQUACY (GROUP):	12,03 %	10,46 %	11,98 %	12,10 %	10,51 %

*) 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 2001 results

The overall results for life insurance comprise three elements, namely interest result, risk result and administration result. In a normal year interest result accounts for the major part of the company's overall profit. Accordingly when investment return is weaker, the company's overall results are also weaker. The realised investment return for 2001 was 3.6 percent. This fell short of the return guaranteed to policyholders, which is on average 3.8 percent. The low level of investment income was caused by the considerable turbulence seen in international equity markets. This meant that the company recorded a negative interest result, and for the first time in its history Storebrand needed to release additional statutory reserves in order to deliver the guaranteed return.

The operating result for 2001 was a loss of NOK 425 million before the release of additional statutory reserves (loss of NOK 422 million for the Storebrand Livsforsikring Group). Following the release of additional statutory reserves, the reduction in equity caused by the year's result was NOK 17 million (a reduction of NOK 15 million for the Storebrand Livsforsikring Group). The other components of the year's results showed

improvement in 2001. Risk result was a surplus of NOK 238 million in 2001 as compared to a surplus of NOK 159 million in 2000. The improvement is largely due to group life products, where the risk result improved from a deficit of NOK 39 million in 2000 to a surplus of NOK 42 million. In addition both individual capital and pension insurance products produced better risk results. However increased disability claims caused a reduction of NOK 48 million in the risk result for collective pension insurance. The administration result was again a deficit for the year, but showed an improvement of NOK 51 million from 2000. The Storebrand Livsforsikring group has satisfactory solidity and capital adequacy, and the company's accounts have been prepared in accordance with the going concern accounting principle.

Premium income

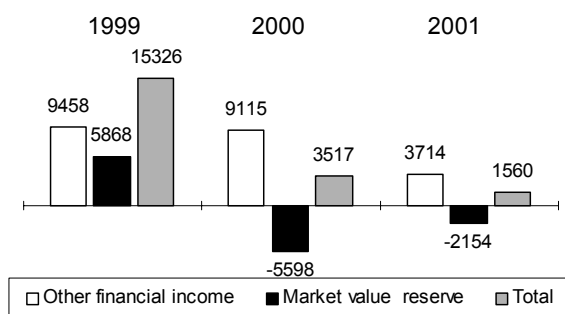
Total premium income increased by 7% in 2001 to NOK 8,506 million. The company enjoyed a significant increase in premium income for collective pension insurance. Ordinary collective pension premiums increased by 13%, and transfers of premium reserve were 46% higher. Group life insurance premiums were 7% higher in 2001, but the market for policies sold to private individuals was weaker, giving a reduction of 32% in premium income for individual endowment policies. Individual annuity policies showed a 9% fall in premium income. The company's market share in terms of total policyholders' funds was 30% at the close of 2001 as compared to 30% a year earlier. The market share for total premiums written including transferred premium reserves was 20% at 31 December 2001 as compared to 24% in the previous year.

Net income from financial assets

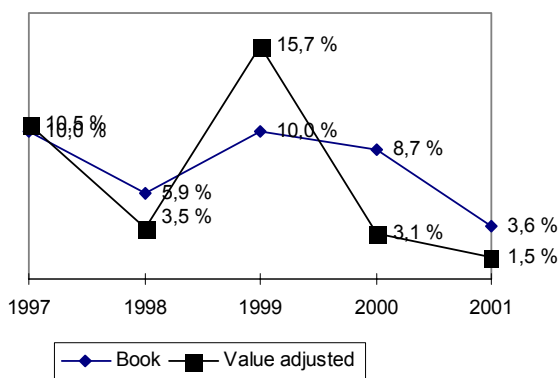
The very turbulent conditions seen in stock markets caused a weak investment return in 2001. Net financial income recognised to profit and loss account amounted to NOK 3,714 million as compared to NOK 9,115 million in 2000. The company achieved a

book investment return of 3.6%, which is 0.2 percentage points lower than the average guaranteed return on policyholders' funds. This made it necessary for the company to release additional statutory reserves in order to deliver the guaranteed return. The value-adjusted investment return for the year was 1.5%.

Net income from financial assets exc. Operating costs



Investment return 1997-2001



Claims

Claims payments amounted to NOK 6,934 million in 2001, representing an increase of 11% from 2000. In addition to the normal increase expected from increased business volumes, 2001 saw a relatively large increase in reductions and withdrawals of policyholders' savings. The value of reserves transferred to other companies as a result of customer decisions to change insurance company was significantly lower than in 2000. Transfers totalled NOK 2,520 million, down by 37% from 2000.

Total claims paid, including movements in claims reserves, totalled NOK 9,475 million in 2001. The equivalent figure for 2000 was NOK 10,242 million.

Allocations to the insurance fund

Statutory allocations to the premium reserve amounted to NOK 2,340 million as compared to NOK 874 million in the previous year. The premium reserve totalled NOK 86,982 million at 31 December 2001.

Since the company recorded a loss for 2001, the allocation to policyholders is restricted to the guaranteed return on policyholders' funds, with no allocation of profit.

Additional statutory reserves are conditionally allocated policyholders' funds. These reserves represent a buffer that can be used to provide the guaranteed return if the company is unable in any particular year to achieve an investment return equal to or greater than the guaranteed return. An amount of NOK 408 million was released from additional statutory reserves for 2001 and transferred to premium reserve in order to meet the shortfall between the guaranteed return and the actual investment return for the year. Following this release of funds and other changes caused by terminations and transfers, additional statutory reserves amounted to NOK 4,301 million at the close of 2001. This represents more than one year's guaranteed return.

The Ministry of Finance announced changes to the regulations on security reserves for life insurance companies in September 2001. The lower limit for the security reserves was reduced to 20% of the previous limit, and this caused a reduction of NOK 467 million in the company's security reserve to NOK 125 million at 31 December 2001.

The premium and pension adjustment fund was reduced over the course of the year by NOK 2,660 million and amounted to NOK 7,622 million at 31 December 2001.

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 875 million for the year as against NOK 930 million in 2000. The reduction in operating expenses reflects less use of external consultants, the lower level of sales to the retail market and lower purchases from other group members. Storebrand Livsforsikring has achieved a continuous reduction in its cost ratio over recent years, and costs relative to average policyholder's funds have fallen from 0.96% in 1999 to 0.94% in 2000 with a further fall to 0.88% in 2001. The company will continue to pay close attention to costs in 2002.

Future prospects

Storebrand Livsforsikring AS is well positioned for profitable growth. The importance of good pension arrangements for employees is attracting ever-increasing attention. Storebrand is Norway's leading supplier of pensions, and has developed good products and services for both traditional pension types and for the new areas of defined contribution benefits and unit linked products. The company has also developed and launched a number of new systems. These include the Wincome system for the presentation of employee benefits, automated customer service systems and Internet based financial advice systems. Storebrand Livsforsikring AS has excellent and very stable technical resources and the best possible statistical basis to understand and evaluate insurance risk, both factors that support the company's competitive advantage. The company reduced its operating expenses in 2001 and is a cost-effective operation. This gives an important advantage over major competitors. Despite the very difficult conditions seen in 2001, the company starts 2002 with unrealised gains of NOK 844 million and a satisfactory buffer capital situation.

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 reported to the authorities. The tariffs are based on past statistical experience. Storebrand considers the company's insurance risk exposure to be at a moderate level.

The company's exposure to investment risk is affected by the allocation of investments between different classes of assets, as determined by the company's investment policy. Investment policy is defined annually by the Board with the objective of achieving the best possible return for customers and owners over time whilst controlling risk to an acceptable level. An acceptable level of risk implies that exposure to risk will be incurred in a managed and efficient manner within specified limits. Investment policy therefore pays particular attention to spreading investment across classes of assets that are not closely correlated and that are geographically diverse, and to investing in a range of securities in each area of allocation to provide satisfactory risk diversification. In addition to the work involved in setting formal investment policies, Storebrand attaches great importance to risk management throughout the year

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 and monitors its exposure relative to the legal requirements based on the company.

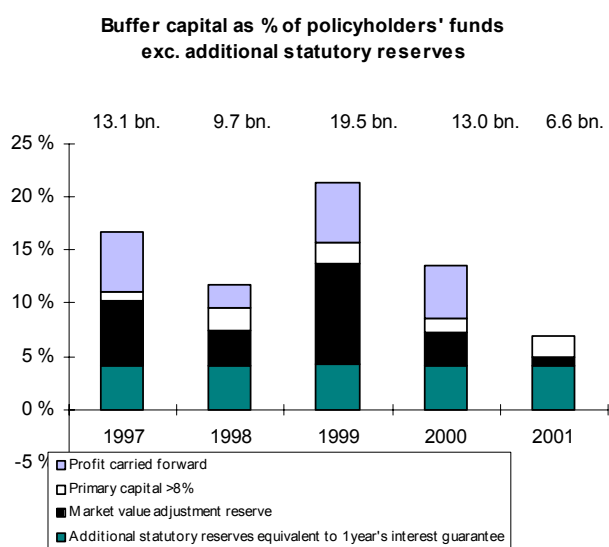
The risk of losses on lending, guarantee liabilities and other investments is evaluated routinely, and any necessary loss provisions are made.

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

The company's definition of buffer capital is in accordance with the current regulations, and comprises the market value adjustment reserve, additional statutory reserves equivalent to up to one year's guaranteed interest and primary capital in excess of the minimum requirement. In addition the result for the year forms part of buffer capital until it is allocated by the decision of the Annual General Meeting. The turbulent conditions seen in capital markets in 2001 caused a reduction in the company's risk bearing capacity. The company reduced its equity exposure over the first half of the year from 32% to around 22 percent, and then maintained this level for the second half of the year. Risk bearing capacity at the end of 2001 was satisfactory. Storebrand starts 2002 with a positive market value adjustment reserve and additional statutory reserves in excess of one year's interest guarantee. Storebrand Livsforsikring intends to strengthen its buffer capital and continue its strategy of holding a well differentiated securities portfolio with a significant international allocation in order to retain the ability to increase risk exposure over time. Buffer capital amounted to NOK 6.6 billion at the close of 2001.



The life insurance company's capital ratio was 12% at 31 December 2001 as compared to 10.5% in 2000. The increase of 1.5 percentage points is caused by a reduction in risk-weighted assets, principally as a result of a lower exposure to equities. Eligible primary capital was virtually unchanged between 2000 and 2001. Storebrand Livsforsikring has a solvency margin requirement of NOK 4,329 million which is matched by solvency margin capital of NOK 7,985 million at 31 December 2001. This is equivalent to a solvency margin of 184.4% as compared to 195.1% in 2000.

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 552, Værdalsbruk 12 and other subsidiaries 46. The company attaches great importance to maintaining a good working environment. Internal surveys of employee satisfaction are carried out three times each year in order to provide an indication of the views of employees, motivating factors and any necessary or possible areas for improvement. 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. 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 frequency of absence due to sickness at Storebrand Livsforsikring was 4.3% in 2001. The company did not incur any personal injuries, damage to property or other accidents of any significance in 2001.

There were no changes to the Board of Directors in 2001.

The Board wishes to thank the staff for their commitment and co-operation in 2001.

**Corporate Social
Responsibility/Environmental issues**

Storebrand does not pollute the external environment.

In 2001 Storebrand Livsforsikring became the first European life insurance company to apply ethical investment criteria to its entire equity portfolio. The company's investment portfolio is managed by Storebrand Kapitalforvaltning, which applies environmental and ethical criteria to around NOK 25 billion of its total of NOK 39 billion of funds under management invested in equities.

Allocation of the result for the year

Storebrand Livsforsikring AS reports a loss of NOK 17 million for the year after

releasing NOK 407.6 million from additional statutory reserves in order to meet the return guaranteed to policyholders. Since the company recorded a loss for the year, the guaranteed return represents the only allocation to policyholders.

	NOK million	%
Profit		
Policyholders	0	0
Owner	-17.0	

Allocation:	NOK million
To other equity	62.9
Tax	-79.9
<hr/> Total	<hr/> -17.0

Oslo, 13 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 I.1. - 31.12.		Storebrand Liv AS		
1999	2000	2001	NOK million	Note	2001	2000	1999
TECHNICAL ACCOUNT:							
7 173,8	7 040,0	7 249,4	1.1 Gross premiums written		7 249,4	7 040,0	7 173,8
-7,1	-6,5	-9,0	1.2 Reinsurance premiums ceded		-9,0	-6,5	-7,1
2 097,5	916,1	1 265,2	1.3 Premium reserves transferred from other companies	4	1 265,2	916,1	2 097,5
9 264,2	7 949,6	8 505,6	1. Premiums for own account	1,2	8 505,6	7 949,6	9 264,2
	-2,5	-0,9	2.1 Income from shares and participations in group companies		4,1	3,3	92,5
	-1,4	1,4	2.2 Income from participations in associated companies		4,6	0,4	3,0
11,0	8,4	7,2	2.3 Income from receivables due/securities issued by group companies		7,2	8,4	11,0
772,9	858,9	942,2	2.4 Income from property and real estate investments		836,4	803,5	637,9
4 549,9	4 779,4	4 919,0	2.5 Income from other financial assets		4 914,5	4 773,5	4 544,1
166,6	476,5	520,4	2.6 Revaluation of property and real estate investments		520,4	476,5	166,6
5 868,4			2.7 Unrealised gains/reversals of unrealised losses on financial current assets				5 868,4
2,1	26,6	0,7	2.8 Reversal of write-downs of financial assets		0,7	26,6	1,6
11 748,8	17 807,9	12 513,4	2.9 Gains on sales of financial assets		12 513,4	17 807,9	11 740,5
23 119,7	23 953,8	18 903,4	2. Income from financial assets	6	18 851,3	23 900,1	23 065,6
53,9	20,4	35,8	3. Other insurance related income		35,8	20,4	53,9
-5 562,7	-6 230,9	-6 933,7	4.1 Gross claims paid		-6 933,7	-6 230,9	-5 562,7
3,8	3,9	13,8	4.2 Claims paid - reinsurance		13,8	3,9	3,8
-12,4	-9,7	-34,7	4.3 Gross change in claims reserve		-34,7	-9,7	-12,4
-2 207,3	-4 004,9	-2 520,0	4.4 Premium reserves etc. transferred to other companies	4	-2 520,0	-4 004,9	-2 207,3
-7 778,6	-10 241,6	9 474,6	4. Claims for own account	1	9 474,6	-10 241,6	-7 778,6
-4 890,2	-873,8	-2 339,9	5.1 To/from premium reserve in the insurance fund (gross)		-2 339,9	-873,8	-4 890,2
-176,5	-206,7	-217,3	5.2 Guaranteed return on premium/pension adjustment fund		-217,3	-206,7	-176,5
	-450,9	0,0	5.3 Additional statutory allocations for the year			-450,9	
126,0	279,3	159,2	5.4 To/from additional statutory reserves in connection with claims/repurchases		159,2	279,3	126,0
120,8	68,5	32,9	5.5 Transfers of additional statutory reserves from other companies		32,9	68,5	120,8
0,0	0,0	466,9	5.6 To/from security reserve		466,9		
-8,9	-10,7	-7,2	5.7 To technical reserves for non-life insurance business		-7,2	-10,7	-8,9
-4 828,8	-1 194,3	-1 905,4	5. Changes in insurance reserves etc. for own account	1	-1 905,4	-1 194,3	-4 828,8
-298,6	-304,7	-248,0	6.1 Sales expenses (insurance)	3	-248,0	-304,7	-298,6
-456,7	-479,9	-303,9	6.2 Insurance related administration expenses	8	-303,9	-479,9	-456,7
-755,3	-784,6	-751,9	6. Insurance related operating expenses for own account		-751,9	-784,6	-755,3
-13,4	-15,0	-6,7	7.1 Administration expenses: properties and real estate investments		-6,7	-15,0	-13,4
-126,9	-129,9	-116,5	7.2 Administration expenses: other financial assets		-116,5	-129,9	-126,9
-123,7	-11,6	-5,9	7.3 Interest expense arising from financial assets		-10,9	-7,3	-119,6
-146,7	-160,7	-148,3	7.4 Other expenses arising from financial assets		-91,3	-104,5	-87,6
-163,8	-393,6	-81,3	7.5 Revaluation of properties and real estate investments		-81,3	-393,6	-163,8
	-5 598,2	-2 154,2	7.6 Unrealised losses/reversals of unrealised gains on financial current assets		-2 154,2	-5 598,2	
	-35,0	0,0	7.7 Write-downs to other financial assets		0,0	-35,0	
-7 369,2	-14 244,3	-14 952,7	7.8 Loss on disposal of financial assets		-14 952,7	-14 244,3	-7 369,2
-7 943,7	-20 588,3	-17 465,6	7. Expenses in respect of financial assets	6	-17 414,3	-20 527,8	-7 880,5
-61,5	-111,7	-110,0	8. Other insurance related expenses after reinsurance share		-110,0	-111,7	-61,5
-5 868,4	5 598,2	2 154,2	9. To/from market value adjustment reserve		2 154,2	5 598,2	-5 868,4
5 201,5	4 601,5	-108,5	10. TECHNICAL RESULT		-109,3	4 608,3	5 210,6
		407,6	11. Released from additional statutory reserves in the policyholders' fund to meet the shortfall in guaranteed return		407,6		
-1 867,9	-1 618,7		12.1 Transfers to the premium reserve in the insurance fund			-1 618,7	-1 867,9
-2 465,0	-1 881,8		12.2 Transfers to the premium and pension adjustment fund in the insurance fund			-1 881,8	-2 465,0
-4 332,9	-3 500,5		12. Funds transferred to policyholders	1		-3 500,5	-4 332,9
868,6	1 101,0	299,3	13. BALANCE OF THE TECHNICAL ACCOUNT		298,3	1 107,8	877,7
NON-TECHNICAL ACCOUNT:							
47,1	57,8	59,8	14. Other income				0,5
-292,9	-321,2	-373,6	15. Other expenses		315,3	-272,2	-255,1
622,8	837,6	14,7	16. PROFIT FROM ORDINARY ACTIVITIES		-17,0	835,6	623,1
234,1			17. Extraordinary income				275,9
-150,0	-128,9	78,0	18. Tax	7,23	79,9	-128,0	-146,7
-0,6	-1,1	0,4	19. Minority interests' share of profit				
706,3	707,6	62,9	20. PROFIT FOR THE YEAR		62,9	707,6	752,3
ALLOCATIONS:							
			21.1 Group contribution paid				-642,8
			21.2 Dividend paid			-530,6	
			21.3 Transferred to other equity		-62,9	-177,0	-109,5
			21. Total allocated		-62,9	-707,6	-752,3

Storebrand Livsforsikring

Storebrand Liv Group			Balance sheet at 31 December		Storebrand Liv AS		
1999	2000	2001	NOK million	Note	2001	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	11 293,1	2.1 Properties and real estate	17,18	11 244,3	10 898,1	8 840,9
			2.2 Shares and participations in group companies	10	48,0	46,2	1 416,4
135,6	97,4	58,5	2.3 Receivables due/securities issued by group companies	19,25	58,5	97,4	135,6
32,7	33,1	37,7	2.4 Shares and participations in associated companies	10,19	37,7	33,1	32,7
36,7	34,3	35,1	2.5 Shares and other equity investments	9,19	2,2	0,3	0,3
25 124,8	27 402,3	25 043,6	2.6 Bonds to be held to maturity	13,19	25 043,6	27 402,3	25 124,8
2 907,9	1 842,7	1 236,1	2.7 Secured lending	16	1 236,0	1 842,6	2 907,9
268,8	214,0	166,0	2.8 Other lending	16	166,0	214,0	268,7
38 609,9	40 531,0	37 870,1	Long term financial assets		37 836,3	40 534,0	38 727,3
37 255,8	35 180,3	22 060,4	2.9 Shares and other equity investments	9,19	22 060,4	35 180,3	37 255,8
35 030,3	32 153,8	39 455,4	2.10 Bonds and other fixed income securities	12,19	39 455,4	32 153,8	34 896,5
310,2	1 500,4	400,5	2.11 Money market placements	19	400,5	1 500,4	310,2
22,4	14,1	97,6	2.12 Financial derivatives	19	97,6	14,1	22,4
		173,0	2.13 Other financial current assets		173,0		
72 618,7	68 848,6	62 186,9	Financial assets held as current assets		62 186,9	68 848,6	72 484,9
111 228,6	109 379,6	100 057,0	2. Total financial assets		100 023,2	109 382,6	111 212,2
662,1	450,5	706,2	3.1 Receivables due from insurance customers (direct business)		706,2	450,5	662,1
10,1	9,0	10,5	3.2 Receivables due arising from reinsurance		10,5	9,0	10,1
118,7	98,0	2 759,1	3.3 Other receivables		2 701,7	50,8	46,7
3,7	19,3	9,8	3.4 Intra-group receivables	25	57,7	21,7	102,2
794,6	576,8	3 485,6	3. Total receivables		3 476,1	532,0	821,1
20,6	12,2	13,5	4.1 Fixed assets	18	12,5	10,9	18,4
1 582,9	1 807,6	2 674,8	4.2 Cash and bank		2 602,0	1 743,9	1 453,5
81,0	69,9	61,0	4.3 Other assets by type	8	50,2	58,9	70,0
1 684,5	1 889,7	2 749,3	4. Total other assets		2 664,7	1 813,7	1 541,9
1 516,6	1 332,7	1 727,4	5.1 Accrued but not received lease rentals, interest etc.		1 723,8	1 332,7	1 516,6
6,2	0,7		5.2 Other prepaid costs and accrued income				
1 522,8	1 333,4	1 727,4	5. Total prepaid costs and accrued income		1 723,8	1 332,7	1 516,6
115 234,0	113 181,3	108 019,3	TOTAL ASSETS		107 887,8	113 062,8	115 139,0

Storebrand Livsforsikring

Storebrand Liv Group			Balance sheet at 31 December		Storebrand Liv AS			
1999	2000	2001	NOK million	Note	2001	2000	1999	
			EQUITY AND LIABILITIES:					
1 361,2	1 361,2	1 361,2	6.1 Share capital	28	1 361,2	1 361,2	1 361,2	
1 361,2	1 361,2	1 361,2	6. Total paid-in share capital		1 361,2	1 361,2	1 361,2	
1 587,6	1 764,6	1 827,5	7.1 Other equity	28	1 827,5	1 764,6	1 587,6	
1 587,6	1 764,6	1 827,5	7. Total accrued capital		1 827,5	1 764,6	1 587,6	
11,8	11,6	11,3	8. Minority interests' share in equity					
1 597,8	1 776,2	1 796,1	9.1 Perpetual subordinated loan capital		1 796,1	1 776,2	1 597,8	
2 603,4	1 722,0	1 639,1	9.2 Other subordinated loan capital		1 639,1	1 722,0	2 603,4	
4 201,2	3 498,2	3 435,2	9. Total subordinated loan capital	24	3 435,2	3 498,2	4 201,2	
8 596,3	2 998,1	843,9	10. Market value adjustment reserve	19	843,9	2 998,1	8 596,3	
81 783,4	84 600,1	86 981,5	11.1 Premium reserve for own account		86 981,5	84 600,1	81 783,4	
5 846,7	4 847,3	4 301,0	11.2 Additional statutory reserves		4 301,0	4 847,3	5 846,7	
9 159,9	10 282,3	7 621,5	11.3 Premium fund and pension adjustment fund		7 621,5	10 282,3	9 159,9	
206,4	216,1	250,8	11.4 Claims reserve for own account		250,8	216,1	206,4	
28,4	39,0	46,2	11.5 Other technical reserves	22	46,2	39,0	28,4	
97 024,8	99 984,8	99 201,0	Insurance fund reserves for own account	21	99 201,0	99 984,8	97 024,8	
591,8	591,8	125,0	11.6 Security reserve		125,0	591,8	591,8	
97 616,6	100 576,6	99 326,0	11. Total insurance related reserves for own account	20	99 326,0	100 576,6	97 616,6	
128,7	128,5	130,8	12.1 Pension liabilities etc.	8	121,1	118,9	119,5	
33,7	155,6	71,3	12.2 Deferred tax	23	4,5	84,4		
13,4	13,7	13,3	12.3 Other reserves	8	13,2	13,2	11,5	
175,8	297,8	215,4	12. Total reserves for other risks and costs		138,8	216,5	131,0	
404,1	1 665,3	357,7	13.1 Accounts payable in respect of direct insurance		357,7	1 665,3	404,1	
40,8	62,1	55,5	13.2 Accounts payable in respect of reinsurance		55,5	62,1	40,8	
40,3	3,0	12,4	13.3 Financial derivatives representing current liabilities	19	12,4	3,0	40,3	
284,9	238,3	410,8	13.4 Other liabilities		373,4	193,6	231,0	
0,6	530,6	0,6	13.5 Allocated to dividend			530,6		
766,9	31,5	23,9	13.6 Due to group companies	25	22,6	57,8	806,4	
1 537,6	2 530,8	860,9	13. Total liabilities		821,6	2 512,4	1 522,6	
85,3	84,8	75,8	14.1 Prepayments received of lease rental, interest etc.		75,8	84,8	85,3	
60,6	57,6	62,1	14.2 Other accrued costs and deferred income		57,8	50,4	37,2	
145,9	142,4	137,9	14. Total accrued costs and deferred income		133,6	135,2	122,5	
115 234,0	113 181,3	108 019,3	TOTAL EQUITY AND LIABILITIES		107 887,8	113 062,8	115 139,0	

Off-balance sheet contingent liabilities, see Note 9

1 200

Oslo, 13 February 2002
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 8

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:	3-6 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.

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

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	1,845.5		0.0	35.8	54.7	1,936.0	
1.2 Annual premiums	3,446.3	364.3	155.8	208.2		4,174.6	419.0
1.3 Account products			722.5	416.3		1,138.8	122.3
Total premiums written	5,291.8	364.3	878.3	660.3	54.7	7,249.4	541.3
1.4 Reserve transfers received	1,226.6		7.5	31.1		1,265.2	-0.1
1.5 Reinsurance ceded	-4.2	-1.5	-2.4	-0.5	-0.4	-9.0	-1.9
1 Premium income 2001	6,514.2	362.8	883.4	690.9	54.3	8,505.6	539.3
Premium income 2000	5,500.8	339.4	1,288.9	771.0	49.5	7,949.6	473.8
Premium income 1999	6,529.4	373.0	1,510.2	813.0	38.6	9,264.2	408.4
2 Income from financial assets	13,497.1	102.2	1,312.7	3,931.0	8.3	18,851.3	138.3
3 Other insurance related income	22.3	0.2	2.9	10.4		35.8	0.2
4.1 Claims paid	-2,535.2	-289.8	-534.6	-1,364.5	-26.1	-4,750.2	-315.9
4.2 Agreements terminated/withdrawals from life account	-207.2		-1,853.2	-123.1		-2,183.5	-27.7
4.3 Re-insurance ceded	10.7		0.7	1.7	0.7	13.8	0.7
4.3 Movements in claims reserve	2.4	-4.7	-31.1	-1.3		-34.7	-14.7
4.4 Reserve transfers disbursed	-1,501.4		0.1	-1,018.7		-2,520.0	0.0
4 Claims 2001	-4,230.7	-294.5	-2,418.1	-2,505.9	-25.4	-9,474.6	-357.6
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
5.1 Movements in premium reserve	-4,913.9	-13.0	1,481.2	1,105.8		-2,339.9	-39.2
5.2 Guaranteed interest on premium/pension adj. fund	-202.5			-14.8		-217.3	
5.3 Additional statutory allocations for the year						0.0	
5.4 Transfers of additional statutory allocations and market value adjustment reserve	37.7		50.2	71.3		159.2	
5.5 Change in additional statutory allocations in the insurance fund	31.8			1.1		32.9	
5.6 Movement in security reserve	348.0	44.7	36.1	38.1		466.9	57.9
5.7 Technical reserves for non-life insurance business					-7.2	-7.2	-7.2
5 Change in insurance related reserves 2001	-4,698.9	31.7	1,567.5	1,201.5	-7.2	-1,905.4	11.5
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
6 Insurance related operating costs	-362.9	-46.5	-173.3	-153.1	-16.1	-751.9	-103.9
7.1 Admin. costs financial assets	-88.2	-0.6	-8.6	-25.7	-0.1	-123.2	-0.9
7.2 Other costs: financial assets	-12,380.0	-93.8	-1,204.1	-3,605.6	-7.6	-17,291.1	-126.8
7 Costs related to financial assets	-12,468.2	-94.4	-1,212.7	-3,631.3	-7.7	-17,414.3	-127.7
8 Other insurance related costs	-86.1	-4.5	-5.1	-14.3		-110.0	-4.6
9 To/from market value adjustment reserve	1,483.7	12.8	164.4	492.3	1.0	2,154.2	17.3
10 Released from additional statutory reserves to meet shortfall in guaranteed return	232.8		38.3	136.5		407.6	
10 Funds transferred to policyholders						0.0	
11 Technical result	-96.7	69.8	160.0	158.0	7.2	298.3	112.8
12 Other income							
13 Other costs	-225.8	-1.7	-22.0	-65.8		-315.3	-2.3
14 Profit from ordinary operations	-322.5	68.1	138.0	92.2	7.2	-17.0	110.5
15 Extraordinary income							
16 Extraordinary expense							
17 Tax	1,516.1	-320.1	-648.8	-433.6	-33.7	79.9	-519.2
18 PROFIT FOR THE YEAR	1,193.6	-252.0	-510.8	-341.4	-26.5	62.9	-408.7

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

Premiums:	Collective pension insurance	Group life insurance	Endowment insurance	Annuity/pension insurance	Non-life insurance	TOTAL
NOK million						
2001	2,118.2	40.8	130.8	248.3	6.9	2,545.0
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

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	2001	2000	1999
Salaries and other costs	-214.9	-251.8	-233.9
Commissions paid	-33.1	-52.8	-64.7
- of which commissions paid to other companies	13.3	36.4	
Total sales costs	-248.0	-268.2	-298.6

NOTE 4 MOVEMENTS OF RESERVES TO/FROM THE COMPANY

NOK million	Collective pension insurance	Endowment insurance *)	Annuity/pension insurance	TOTALT 2001	TOTALT 2000	TOTALT 1999
Funds received						
Premium reserve	1,226.6	0.2	38.4	1,265.2	916.1	2,097.5
Additional statutory reserves	31.8		1.1	32.9	68.5	120.8
Transfers of premium reserve etc.	1,258.4	0.2	39.5	1,298.1	984.6	2,218.3
Premium/Pension adjustment funds	62.7			62.7	75.1	172.1
Annual premium volume	46.0	0.1	1.3	47.4	68.3	170.4
Number of policies/customers	332	6	99	437	576	848
Funds transferred out						
Premium reserve	-1,392.2	0.1	-954.3	-2,346.4	-3,617.2	-1,991.5
Additional statutory reserves	-64.2		-59.7	-123.9	-272.9	-163.8
Revaluation reserve	-45.0		-4.7	-49.7	-114.8	-52.0
Transfers of premium reserve etc.	-1,501.4	0.1	-1,018.7	-2,520.0	-4,004.9	-2,207.3
Premium/Pension adjustment funds	-678.8		-38.7	-717.5	-346.6	-161.1
Annual premium volume	-222.7		-31.5	-254.2	-282.3	-106.5
Number of policies/customers	-551	-4	-4,070	-4,625	-7,378	-5,954

*) 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 2001	Total 2000	Total 1999
1. Financial income a)	2/3/7.2/8/9 14/16	2,349.9	19.4	248.6	744.5	1.6	3,364.0	8,825.8	9,510.7
2. Guaranteed yield		-2,768.8	-4.5	-273.4	-852.5		-3,899.2	-3,990.1	-3,891.5
- of which transferred to premium fund	5.2	-202.3			-15.0		-217.3	-206.7	-176.5
3. Interest result		-418.9	14.9	-24.8	-108.0	1.6	-535.2	4,835.7	5,619.2
Administration costs - subsidiaries d)		7.9	0.1	0.7	2.3		11.0	13.0	13.4
4. Risk premium		438.7	336.7	310.9	-64.7	44.1	1,065.7	1,050.3	1,047.1
5. Risk addition		-403.1	-289.3	-193.2	129.0	-33.3	-789.9	-814.6	-721.1
6. Net reinsurance etc. a)		-32.0	-5.6	-1.7	1.2	0.3	-37.8	-76.3	-42.5
7. Risk result		3.6	41.8	116.0	65.5	11.1	238.0	159.4	283.5
8. Administration premium		426.1	43.0	154.3	138.9	10.6	772.9	776.4	773.1
9. Operating expenses	6/7.1	-451.1	-47.2	-181.9	-178.8	-16.1	-875.1	-929.5	-895.6
10. Administration result		-25.0	-4.2	-27.6	-39.9	-5.5	-102.2	-153.1	-122.5
Administration costs - subsidiaries d)		-7.9	-0.1	-0.7	-2.3		-11.0	-13.0	-13.4
11. Change in premium/security reserve		-115.0	15.6	36.1	38.1		-25.2	-55.0	-548.3
12. Gross result for sector (3+7+10+11)	5.3/11/18/19	-555.3	68.1	99.7	-44.3	7.2	-424.6	4,787.0	5,231.9
To equity capital:									
-net return on equity etc. b)								-363.8	-407.7
-0.40% of customers' funds c)								-375.5	-386.8
-risk return on equity								-55.2	
-other							17.0	-41.1	
-extraordinary items									-104.5
13. Profit for the year							17.0	-835.6	-899.0
14. Additional statutory reserves released	10	232.8		38.3	136.5		407.6		
14. Profit due to policyholders	5.3/11						0.0	3,951.4	4,332.9

- 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 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	2001	2000	1999
Income from group and other related companies	7.7	4.5	11.0
Income from properties and real estate	942.2	858.9	772.9
Interest income: bonds	3,435.3	3,744.0	3,344.7
Interest income: certificates	416.4	131.2	228.2
Interest income: loans	159.3	203.2	329.7
Interest income: other	522.9	235.6	177.5
Share dividends	385.1	465.4	469.8
Revaluation of real estate	520.4	476.5	166.6
Reversal of write-downs of financial assets	0.7	26.6	2.1
Gain on sale of shares including FX gain	9,976.4	13,748.2	8,160.2
Gain on sale of interest bearing securities	2,504.4	4,054.1	3,568.7
Gain of sale of other investments	32.6	5.6	19.9
Unrealised gains on short term holdings of financial investments			5,868.4
Income from other financial assets			
Financial assets: Income	18,903.4	23,953.8	23,119.7
Costs arising from real estate	-130.4	-72.1	-134.5
- of which administration costs	-6.7	-15.0	-13.4
Interest costs	-16.2	-11.6	-123.7
Mark-to-market adjustment for financial assets		-35.0	0.0
Write-downs of real estate	-81.5	-393.6	-163.8
Loss on sale of shares including FX loss	-13,298.4	-9,925.3	-4,202.5
Loss on sale of interest bearing securities	-1,653.1	-4,314.6	-3,150.6
Unrealised losses on short term holdings of financial investments	-1.2	-4.4	-16.1
Write-back of unrealised gains on short term holdings of financial assets	-2,154.2	-5,598.2	0.0
Financial assets: Other costs	-130.6	-233.5	-152.5
- of which administration costs	-116.5	-129.9	-126.9
Financial assets: costs	-17,465.6	-20,588.3	-7,943.7
Financial assets: Income/costs	1,437.8	3,365.5	15,176.0
- of which administration costs	-123.2	-144.9	-140.3
Of which in subsidiaries:			
Income from financial assets	52.1	53.7	54.1
Costs arising from financial assets	-51.3	-60.5	-63.2

Foreign securities is booked at current value.

NOK million	2001	2000	1999
Profit on shares	-5,201.8	-2,328.6	11,847.6
Profit on bonds	4,325.6	4,477.1	2,218.8
Profit on certificates	495.8	148.8	233.2
Profit on lending	159.8	222.0	339.1
Profit on real estate	1,283.6	882.6	653.2
Other profit	498.0	108.5	24.4
Financial assets: income/costs	1,561.0	3,510.4	15,316.3
Financial assets: administration costs	-123.2	-144.9	-140.3
Financial assets: income/costs including admin. costs	1,437.8	3,365.5	15,176.0

NOTE 7 TAX CHARGE: STOREBRAND LIVSFORSIKRING AS

NOK million	2001	2000	1999
Profit before tax	-17.0	835.6	850.6
+/- Permanent differences	-75.4	-31.2	-124.3
+/- Group contribution			*)
+/- Change in timing differences	2,074.2	-2,184.3	-76.1
Tax losses carried forward/deferred tax allowances applied	-1,981.8		-650.2
Tax base for the year	0.0	-1,379.9	0.0
Rate of tax	28%	0.3	0.3
Tax	0.0	0.0	0.0
+/- Tax at source	0.0	0.0	0.0
+/- Tax losses carried forward	-126.3	-2,079.3	-739.1
+/- Allowance for Norwegian dividend	-1,460.8	-1,296.8	-904.2
Tax payable on income	0.0	0.0	0.0
Deferred tax - net change	-79.9	128.0	146.7
Tax cost	-79.9	128.0	146.7

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	-79.9	128.0	146.7
Overseas			
Total deferred tax	-79.9	128.0	146.7
Tax on capitalised items			
Tax cost	-79.9	128.0	146.7

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	2001	2000	1999
Pre-tax profit	-14.7	837.6	856.3
Tax payable	-1.0	-7.0	-0.2
Net change in deferred tax	79.0	-121.9	-149.8
Tax payable	78.0	-128.9	-150.0

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 %
-Average employers contribution	13.5 %

Actuarial assumptions:

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

The calculations apply to 586 full time equivalent positions (Average number of employees).
Net accrued pension costs are shown in the table below.

Net pension costs NOK million	2001			2000	1999
	Insured scheme	Uninsured scheme	Total	Total	Total
Pension rights accrued over the year	-14.2	-4.0	-18.2	-23.9	-23.5
Interest costs	-11.5	-3.3	-14.8	-58.3	-43.4
Expected return on pension funds	11.4	0.0	11.4	65.8	52.1
Effect of change in estimates recognised to profit and loss	-4.1	4.2	0.1		
Net pension cost	-18.4	-3.1	-21.5	-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	2001			2000	1999
	Insured scheme	Uninsured scheme	Total	Total	Total
Pension liability earned	-140.4	-46.9	-187.3	-552.4	-546.9
Estimated effect of future salary growth	-42.0	-13.8	-55.8	-67.4	-64.4
Estimated pension liability	-182.4	-60.7	-243.1	-619.8	-611.2
Market value of pension funds	158.8	0.0	158.8	541.3	578.6
Net estimated pension liability/surplus	-23.6	-60.7	-84.3	-78.5	-32.6
Deviation from estimate at 1.1.*	84.1	-70.1	14.0	29.4	-1.8
Net pension liability as shown in balance sheet	60.5	-130.8	-70.3	-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 13.4 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)				
Intra AS			32.7	32.7
Eiendom På Internett	2	10.00%	0.1	0.1
Finansnæringens Hus	203	9.67%	0.2	0.2
Stasjonskvartalet KS/AS	12		1.9	1.9
Shares and participations (long term holdings)			0.2	0.2
Total shares and participations (long term holdings)			35.1	35.1
Herav børsnotert				0.0
Norwegian finance industry				
Acta	4,495,888	6.38%	89.5	28.1
Bolig- og Næringsbanken	64,300	0.66%	11.7	12.0
DnB Holding	6,577,000	0.84%	235.3	265.7
Gjensidige NOR Sparebank	40,000	0.09%	10.4	10.9
Kredittbanken	8,800	0.07%	0.4	0.3
Nordlandsbanken	561,016	7.53%	123.3	122.9
Romsdals Fellesbank	570,951	9.10%	8.7	68.5
Total norwegian finance industry			479.2	508.3
Other Norwegian shares				
Aker Maritime	650,400	1.15%	44.1	44.9
Bergesen d.y. A	479,330	0.72%	61.5	76.2
Bergesen d.y. B	453,493	0.69%	74.0	64.4
Bosvik	720,000	12.00%	16.1	14.4
Dagbladet	125,154	5.20%	23.2	48.8
Dagbladet P	49,464	2.06%	9.2	19.3
EDB Business Partner	2,261,202	2.50%	227.9	114.2
Ekornes	423,532	1.27%	28.1	32.6
Elkem	575,300	1.17%	87.1	86.3
Expert Eilag	358,200	1.11%	20.3	12.9
Farstad Shipping	1,814,925	4.00%	64.2	81.7
Fred. Olsen Energy	899,250	1.49%	62.8	39.1
Glava	80,574	8.39%	25.2	52.4
Golar LNG LTD	673,000	1.20%	31.0	31.6
Gyldendal	78,585	3.34%	14.3	17.3
Hafslund A	588,252	0.51%	28.4	19.7
Hafslund B	504,800	0.44%	18.0	15.4
Hansa Borg Bryggerier	3,225,000	11.10%	20.4	21.5
Hydralift	1,610,356	4.04%	59.2	106.3
Håg	401,100	4.19%	27.8	14.8
Industrifinans SMB III	49,781	8.10%	30.4	27.4
Jøtul	374,700	12.76%	38.7	15.7
Kverneland	183,320	1.84%	18.8	19.7
Leif Høegh & Co	250,034	0.69%	18.2	19.8
Mamut ASA	2,750,000	11.16%	20.1	14.0
Merkantildata	4,587,907	2.44%	68.0	48.6
Nera	4,617,391	3.74%	175.7	89.6
Network Electronics	2,969,865	12.18%	17.3	14.5
Norges Handels og Sjøfartstidene	59,094	5.13%	12.0	50.2
NorgesInvestor Vekst	133,500	13.14%	13.5	13.3
Norsk Hydro	1,855,681	0.70%	606.1	697.7
Norske Skogindustrier A	2,435,467	1.85%	270.3	410.4
Odfjell A	156,354	0.61%	21.7	21.1
Odfjell B	32,700	0.13%	3.4	4.4
Opticom	178,685	0.08%	201.2	65.8
Organic Power	451,500	15.62%	37.5	37.6

NOK million	Number held	Interest	Acquisition cost *)	Actual value
Orkla	8,989,631	4.10%	511.2	1,366.4
Pan Fish	2,715,229	1.77%	62.6	40.7
Petroleum Geo-Services	1,607,390	1.56%	173.9	111.7
Photocure	107,300	0.34%	8.7	12.9
Prosafe	1,262,706	3.74%	151.7	151.5
Reitan Narvesen	2,439,500	2.32%	101.2	162.2
Rieber & Søn	317,933	0.37%	16.5	15.3
Schibsted	1,671,250	2.41%	273.9	144.6
Smedvig A	956,400	1.15%	40.1	69.8
Smedvig B	515,600	0.62%	27.0	31.7
Software Innovation	253,503	2.27%	22.1	14.3
Solstad Offshore	1,031,550	2.92%	32.7	41.3
Statoil ASA	3,472,900	0.16%	233.6	213.6
Steen & Strøm	3,598,144	12.90%	196.5	341.8
Super Office	1,565,800	7.63%	50.5	16.4
Tandberg	463,760	0.74%	31.6	92.8
Tandberg Television	757,300	1.38%	47.1	22.6
Telenor	5,844,200	0.32%	241.9	225.6
Telenor Venture	137,040	13.70%	29.2	58.3
TGS Nopec Geophysical Company	606,250	2.48%	69.4	75.5
Tomra Systems	2,819,900	1.58%	242.8	242.5
Veidekke	2,931,621	10.84%	172.6	149.5
Visma	286,651	1.05%	18.5	21.2
Vmetro	749,000	3.03%	79.9	54.7
Other			508.4	252.1
Total other Norwegian shares			5,839.2	6,392.7
Units in Norwegian mutual funds				
FSN Capital Limited Partnership 1	11,242,295		89.7	87.6
Storebrand Asia A	17,899		17.9	18.1
Storebrand Barnespar	422,249		42.2	45.0
Storebrand Bedriftspensjon	58,617		58.7	68.2
Storebrand Energi	36,349		36.3	39.2
Storebrand Europa I	379,327		300.0	309.2
Storebrand Nord Amerika I	700,000		700.0	695.1
Storebrand Optima Norge A	3,587		35.9	34.4
Storebrand Telecom	35,000		35.0	27.5
Other mutual funds			26.5	23.0
Total Norwegian mutual funds			1,342.3	1,347.3
Norwegian shares and other equity investments			7,660.7	8,248.2
Of which listed Norwegian equities				6,326.7
Foreign shares:				
Australia				
BHP Billiton	430,000		18.4	20.7
Commonwealth Bank of Australia	155,000		22.8	21.3
National Australian Bank	157,000		24.3	23.0
News Corporation Ord.	190,000		12.2	13.6
News Corporation P	347,000		23.7	20.8
Telstra Corp	554,000		15.5	13.8
Other Australia			101.2	86.0
			218.0	199.2
Belgium				
Fortis B	64,000		15.0	14.9
Other Belgium			7.2	1.5
			22.2	16.4

NOK million	Number held	Interest	Acquisition cost *)	Actual value
Bermuda				
Frontline	622,375		63.6	57.9
Other Bermuda			1.6	2.9
			65.2	60.8
Canada				
Alcan	39,760		12.2	12.8
Bank of Nova Scotia	51,000		13.8	14.0
BCE	100,382		19.7	20.5
Bombardier B	169,945		14.7	15.8
Canadian Pacific	64,620		16.8	22.7
Manulife Financial	131,000		31.7	30.6
Nortel Networks Corp	395,319		27.8	26.4
Royal Bank of Canada	61,000		16.8	17.8
Thomson	78,035		19.7	21.2
Other Canada			29.1	32.3
			202.3	214.1
Denmark				
Carlsberg B	39,228		14.5	14.7
Novo-Nordisk B	50,290		17.8	18.4
Superfos Industries	234,520		25.5	25.2
Other Denmark			38.2	31.0
			96.1	89.3
Finland				
Addtek Intenational A	155,860		2.1	15.6
Nokia A	441,942		92.4	102.2
Salcomp P	31,508		6.2	19.4
Upm-Kymmene	44,074		13.2	13.1
Other Finland			22.8	40.3
			136.8	190.7
France				
Air Liquide	11,251		14.1	14.1
Aventis	165,478		97.0	105.4
Axa Uap	160,000		29.2	30.0
BNP Paribas	27,000		21.5	21.7
Carrefour	32,087		14.7	15.0
Cie De St Gobain	12,452		17.4	16.9
France Telecom	233,598		63.2	83.8
Infogrames Entertainment	127,784		9.3	13.9
Lafarge	19,808		15.3	16.6
L'Oréal	26,673		18.2	17.2
LVMH	41,094		14.5	15.0
Pinault Printemps-Redoute	13,247		12.0	15.3
Sanofi-Synthelabo	74,477		41.9	49.8
Société Generale	62,000		29.9	31.1
ST Microelectronics	174,261		42.4	50.2
Vivendi Universal	185,272		88.0	91.0
Other France			68.3	64.6
			596.8	651.5
Hong Kong				
Hang Seng Bank	135,000		13.5	13.3
Hong Kong Exchanges & Clearing	1,580,000		19.1	21.5
Hutchison Whampoa	411,500		35.2	35.6
Sun Hung Kai Properties	295,000		21.6	21.4
Other Hong Kong			55.0	46.5
			144.5	138.3
Ireland				
CRH (dub)	101,512		14.2	16.1
Elan Corporation Dub	40,284		19.6	16.7

NOK million	Number held	Interest	Acquisition cost *)	Actual value
Other Ireland			4.0	5.2
			37.8	38.0
Italy				
Enel	343,255		16.8	17.3
ENI	967,528		103.8	108.6
San Paolo - IMI	163,000		18.3	15.7
Telecom Italia	326,923		25.0	25.1
Telecom Italia Mobile	644,283		33.6	32.3
UniCredito Italiano	482,000		19.1	17.3
Other Italy			36.5	35.4
			252.9	251.6
Japan				
Canon	46,000		15.6	14.2
Daiwa Securities	270,000		13.6	12.7
Disco	60,000		26.5	25.5
Fanuc	77,900		38.8	29.7
Fuji Television Network	1,200		51.1	43.4
Honda Motor	55,000		15.8	19.7
Keyence	22,400		27.1	33.4
Kyocera	81,600		63.5	47.7
Matsushita Communication Industrial	66,400		21.6	16.1
Murata Manufacturing	107,900		70.8	58.0
Nintendo	24,500		33.0	38.5
NTT	862		25.0	25.2
NTT DoCoMo	235		24.7	24.8
Rohm	56,200		72.7	65.4
SMC	36,900		36.3	33.7
Sony	198,200		82.3	81.2
Takeda Chemical	45,000		20.7	18.3
Tokyo Electron	105,000		47.6	46.2
Toyota Motor	303,600		79.9	69.0
UMC Japan	580		45.7	47.6
Other Japan			523.4	392.0
			1,335.8	1,142.5
Liberia				
Royal Caribbean Cruises	1,353,660		246.9	192.2
			246.9	192.2
Luxembourg				
Stolt Nielsen	1,004,955		146.3	141.7
Stolt Offshore	589,600		55.2	46.6
Other Luxembourg	2,500		1.8	4.0
			203.3	192.3
Holland				
ABN Amro	120,000		19.9	17.3
Aegon	130,000		29.7	31.6
ASML Holding NV	238,491		34.2	37.2
Intrum Justitia Holdings A	236,511		2.9	24.2
Koninklijke Ahold	80,421		21.2	21.0
Koninklijke Philips Electronics	450,717		111.3	120.2
Royal Dutch Petroleum	276,121		116.6	125.5
Unilever NL	62,511		28.8	32.9
Other Holland			55.2	40.4
			419.7	450.2
New Zealand				
Other New Zealand	0		7.4	4.7
			7.4	4.7
Portugal				
Vodafone Telecel Comunicacoes	811,858		56.4	58.4

NOK million	Number held	Interest	Acquisition cost *)	Actual value
Other Portugal			25.8	23.0
			82.3	81.4
Singapore				
Development Bank Singapore	202,000		13.2	13.5
Great Eastern Holdings	390,000		20.6	18.8
Other Singapore			56.8	48.9
			90.6	81.3
Spain				
Banco Santander	358,000		26.6	26.9
Endesa	124,033		19.5	17.4
Iberdrola	128,000		14.5	14.9
			60.6	59.3
Great Britain				
Amersham	1,838,165		106.1	156.1
BAE SYSTEMS PLC	340,382		15.0	13.8
Barclays Bank	205,000		55.8	60.9
BG Group	524,109		18.1	19.2
Boc Group	107,412		14.8	14.9
BP P.L.C	585,041		38.9	40.8
British Sky Broadcasting Group	152,659		14.4	15.1
BAA	216,333		18.1	15.5
Celltech	187,057		21.9	21.3
Centrica	533,331		17.4	15.5
Compass Group	298,804		22.1	20.1
Diageo	332,872		26.0	34.1
GlaxoSmithkline	440,581		98.3	99.1
HBOS	267,000		28.2	27.7
HSBC Holdings GB	477,000		51.1	50.2
Intrum Justitia Holdings C	894,631		11.5	14.8
Invensys	1,861,453		28.9	29.0
Land Securities	136,174		15.7	13.9
Lattice Group	696,708		12.9	14.2
Marks & Spencer	366,305		11.0	17.3
National Grid	227,928		14.7	12.7
Oriflame International	908,092		31.1	45.3
Prudential	359,000		37.3	37.3
Rentokil	446,587		14.1	16.1
Reuters Group	336,218		32.8	29.8
Rio Tinto	124,000		21.1	21.3
Royal Bank of Scotland	174,000		37.7	38.0
Scottish Power	309,757		15.2	15.4
Six Continents	202,135		19.7	17.9
Standard Chartered	200,000		22.5	21.4
Tesco	1,264,644		43.3	41.1
Unilever GB	309,821		21.5	22.8
Vodafone Group	8,198,843		189.5	192.4
WPP Group	140,650		14.7	14.0
Other Great Britain			180.5	128.7
			1,322.1	1,347.6
Switzerland				
Credit Suisse Group RG	76,000		28.3	29.1
Givaudan	5,274		14.2	14.4
Holcim	6,964		12.3	13.5
Nestle	39,102		64.5	74.8
Novartis	94,044		32.0	30.5
Roche Holding Genuss F	82,000		51.3	52.5
Swisscom	7,725		16.0	19.2
UBS	167,000		72.1	75.6

NOK million	Number held	Interest	Acquisition cost *)	Actual value
Other Switzerland			25.9	23.3
			316.5	332.8
Sweden				
Ballingsløv Holding	892,541		8.5	13.0
Duni Holding	105,711		29.9	43.4
Eniro	600,000		37.8	38.5
Ericsson B	1,694,679		52.5	82.6
Findus Group B	1,805,166		15.7	14.2
Flexlink	993,914		11.0	21.8
Hennes & Mauritz B	102,468		18.6	19.0
Nobia	168,034		10.5	104.8
SAS	816,126		58.7	46.9
Skandia	450,000		27.8	29.2
Skandinaviska Enskilda Banken A	225,000		16.1	18.4
Tac	722,880		7.0	35.9
Tac B	59,088		10.2	9.3
Viking Sewing Machines A	172,949		20.7	29.4
Other Sweden			108.2	107.3
			433.4	613.6
Germany				
Deutsche Bank	86,000		57.6	54.5
EON	68,868		30.1	32.0
Epcos	34,000		14.4	15.7
Fraport	65,276		13.7	13.8
Rwe	53,658		18.5	18.1
Sap	27,000		31.5	31.5
Schering A	29,535		13.6	14.1
Siemens	139,000		78.8	82.5
Other Germany			51.1	28.6
			309.4	290.9
USA				
Abbott Labotatories	89,722		33.8	44.9
Alcoa	64,122		15.6	20.4
American Elec Power	38,253		14.7	14.9
American Express	116,000		37.2	37.1
American Home Products	77,011		36.0	42.4
American International Group	137,000		99.3	97.6
Amgen	62,054		22.6	31.4
Anheuser Busch	69,471		24.2	28.2
AOL Time Warner	246,986		98.0	71.1
AT&T	200,188		65.4	32.6
AT&T Corp Liberty Media	159,350		22.1	20.0
AT&T Wireless Services	475,066		59.4	61.2
Automatic Data Processing	39,723		10.4	21.0
Baker Hughes	49,432		14.7	16.2
Bank of America Corp	160,000		85.7	90.3
Bank Of New York	54,000		19.6	19.8
Bank One Corp.	80,000		25.4	28.0
Baxter International	41,787		9.6	20.1
Bellsouth	216,236		72.7	74.0
Boeing	57,130		23.5	19.9
Bristol-Myers Squibb	197,474		96.4	90.3
Cardinal Health	31,451		12.0	18.2
Caterpillar	33,631		11.6	15.8
Chevron Texaco	56,985		41.4	45.8
Cisco Systems	844,687		139.8	137.2
Citigroup	376,000		171.1	170.2
Clear Channel Communications	37,884		24.6	17.3

NOK million	Number held	Interest	Acquisition cost *)	Actual value
Coca-Cola	125,971		55.0	53.3
Compaq Computer	571,111		49.6	50.0
Conagra	64,912		13.1	13.8
Costco Wholesale	33,862		9.0	13.5
Dell Computer	146,308		30.9	35.7
Delphi Automotive Systems	81,548		11.6	10.0
Disney	434,164		83.5	80.7
Dominion Resources	28,853		14.0	15.6
Dow Chemical	209,965		67.8	63.7
Duke Energy	55,769		13.0	19.6
DuPont (E.I) De Nemours	63,752		27.2	24.3
El Paso Corporation	42,173		17.6	17.3
Electronic Data Systems	30,547		15.8	18.8
EMC	134,569		16.7	16.2
Emerson Electric	35,269		20.3	18.1
Equity Office Properties	53,838		11.8	14.5
Equity Residential Properties	58,659		14.5	15.1
Exelon	34,024		17.3	14.6
Exxon Mobil	519,252		170.2	183.0
Fannie Mae	68,000		50.1	48.5
Fedex Corp	28,086		8.7	13.1
First Data	26,689		10.2	18.8
Firstenergy	41,202		12.2	12.9
Fleet Boston Financial	73,000		25.4	23.9
Ford Motor Co	125,287		17.3	17.7
Freddie Mac	29,000		17.9	17.0
Gannett	26,105		13.9	15.7
General Electric	540,561		199.7	194.3
General Mills	30,096		11.8	14.0
Gillette	301,728		80.3	90.4
HCA	39,336		7.8	13.6
Hewlett-Packard	116,461		21.9	21.5
Home Depot	130,881		32.5	59.9
Household International	37,000		19.5	19.2
IBM	96,684		91.7	104.9
Illinois Tool Works	26,333		13.1	16.0
Infocus Corporation	277,947		46.7	56.7
Ingersoll-Rand Corp	149,367		55.3	56.0
Intel	373,465		109.0	105.3
International Paper	39,789		13.1	14.4
J.P Morgan Chase and Co	227,000		75.1	74.0
Johnsen & Johnsen	166,441		66.9	88.2
Kimberly-Clark	35,550		13.3	19.1
Lilly Eli	60,763		37.5	42.8
Marathon Oil Corp.	53,129		13.0	14.3
Mbna Corp	62,000		19.6	19.6
McDonalds	391,379		96.8	92.9
Medtronic	73,834		24.3	33.9
Merck & Co	127,192		69.3	67.1
Merrill Lynch	55,000		25.4	25.7
Microsoft	283,898		139.0	168.7
Minnesota Mng & Mfg	77,520		78.5	82.2
Morgan Stanley Dean Witter	80,000		41.3	40.1
Motorola	130,171		26.2	17.5
Occidental Petroleum	89,880		17.3	21.4
Oracle Corporation	640,375		83.8	79.3
Pepsico Inc	45,549		20.3	19.9
Pfizer	508,449		170.4	181.7

NOK million	Number held	Interest	Acquisition cost *)	Actual value
Pharmacia	253,298		96.0	96.9
PNC Financial Services	26,000		13.1	13.1
Procter & Gamble	70,682		48.6	50.2
Qualcomm	44,794		18.0	20.3
Qwest Communications	101,142		12.3	12.8
Sara Lee	66,362		13.1	13.2
SBC Communications	184,655		69.7	64.9
Schlumberger	44,467		18.5	21.9
Scientific Atlanta	219,658		61.7	47.2
Sears Roebuck & Co	33,162		12.6	14.2
Siem Industries	2,214,500		30.6	152.7
Southern	68,771		9.7	15.6
Sun Microsystems	739,511		78.0	81.8
Suntrust Banks	23,000		13.7	12.9
Sysco Corp	53,812		10.3	12.7
Target Corporation	58,657		10.4	21.6
Tenet Healthcare	27,339		8.6	14.4
Texas Instruments	296,533		73.9	74.5
Texas Utilities	36,431		14.9	15.4
Tyco International	164,379		75.9	86.8
United Health Group	24,238		6.8	15.4
United Technologies	34,840		18.2	20.2
US Bancorp	131,000		24.4	24.6
Verizon Communications	145,989		54.1	62.1
Viacom Inc -CI B	95,068		26.5	37.6
Wachovia corp	91,000		25.9	25.6
Wallgreen	61,643		9.9	18.6
Wal-Mart Stores	204,670		101.0	105.6
Washington Mutual	66,000		19.3	19.4
Waste Mangement	46,269		11.5	13.2
Wells Fargo	110,000		43.1	42.9
Worldcom	176,239		22.9	22.3
Other USA			636.4	559.7
			5,511.2	5,796.4
Austria				
Omv	17,348		12.1	13.0
			12.1	13.0
Foreign mutual investments:				
Apax Europa IV-D L.P. STB LIVSFORSIKRIN	109		86.8	68.7
Apax Europe V - E, L.P.	1,782,000		14.2	13.5
Apax France V	720		90.7	87.5
Apax Globis Japan Fund . L.P.	426,622,036		34.5	24.8
Apax UK V-B, Limited Partnership	25		27.8	46.3
Apax Uk Vi-B L.P.	68		43.7	23.1
Apax UK Vi-D L.P.	68		43.4	23.1
Bain Capital Fund	2,201,335		20.2	14.2
Clayton,Dubilier & Rice fund VI ltd Part	5,431,405		47.8	48.6
Head Insurance Investors L.P.	91		62.7	29.3
HEALTHCAP 1999 KB	54,060,000		48.9	42.2
HMTF Europe Fund Capital Call First Clos	8,318,862		67.6	62.0
Industri Kapital 2000 Fund	17,060,479		138.7	133.0
KKR European Fund, Limited Partnership	2,551,665		20.8	14.3
RHJ Industrial Partners	224,796,113		16.8	13.5
Sector Maritime Investment Ltd	30,000		24.4	38.3
Storebrand Principle Europe Fund CI A	41,000		51.1	34.9
Storebrand Principle Global Fund	57,440		145.6	97.2
Storebrand Principle UK Fund	24,000		47.6	36.5
Unison Capital Partners , L.P	466,591,417		37.4	31.2

NOK million	Number held	Interest	Acquisition cost *)	Actual value
Viking Global Equities III Ltd	7,500,000		58.4	189.0
Wand Partners	131		100.4	97.0
Other			105.8	75.0
Total foreign mutual investments:			1,335.1	1,243.3
Sum utenlandske aksjer og fondsandeler			13,459.0	13,691.4
Of which listed international equities				11,768.4
Total shares and participations (short term holdings)			21,118.2	21,939.6
Acquisition cost at the exchange rate applicable on the balance sheet date			21,303.0	
Forward foreign exchange contracts - shares				120.8
Total shares and participations and forward foreign exchange contracts			21,303.0	22,060.4
Of which held by subsidiaries				
- Shares held as fixed assets			32.9	32.9

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 1,200 million at 31.12.01.

EXPOSURE TO EQUITY MARKETS IN 2001

Storebrand Livsforsikring reduced its total exposure to equity markets over the course of the year. Investments in shares accounted for 32% of the company's total investment assets at the start of the year, but this was reduced to 22% at year-end. Sales of shares were carried out in the first half of the year.

The company's equity investments are allocated between the four regions of Norway, Europe, North America and Asia. Unless the asset manager's market view indicates otherwise, investments are allocated between these regions in accordance with the weights set out in the company's Investment Policy. However in 2001 the asset manager's market view indicated that a higher proportion of funds should be invested in international equities. The risk arising from this type of deviation from the Investment Policy is subject to strict risk limits and is carefully monitored. The relative risk in the company's equity portfolios - i.e. the risk that actual return will differ from the return on the company's benchmark portfolio - was modest and stable throughout the year.

Storebrand Livsforsikring's equity investments are made up almost entirely of listed shares, and these investments will therefore generally be very liquid. Unlisted shares only feature to a material extent in the company's portfolio of Private Equity investments. Such investments are characterised by a somewhat higher level of risk than for other equity investments, due in part to the fact that until such time as the companies are listed their shares will be far less liquid than other securities in which Storebrand Livsforsikring invests. The market value of the company's Private Equity portfolio amounted to circa NOK 2.4 billion at the close of 2001.

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

NOK million	Equity method		Book value 31.12.	Interest in %	Voting interest in %	Book value 1.1.	Recognised profit 2001
	Acquisition cost	Book equity					
Company							
Aktuar Consult AS, Filipstad br.1, 0114 Oslo	6.0	-2.2	3.8	100.0%	100.0%	-0.6	-1.5
Aktuar Systemer AS, Filipstad br.1, 0114 Oslo	13.0	-8.8	4.2	100.0%	100.0%	4.1	0.2
Storebrand Pensjonstjenester AS, Filipstad br.1, 0114 Oslo	3.7	0.3	4.0	100.0%	100.0%	4.0	3.8
AS Værdalsbruket, 7660 Vuku	0.1	33.8	33.9	74.9%	74.9%	34.6	0.2
Storebrand Eiendom AS, Filipstad br.1, 0114 Oslo	2.0		2.0	100.0%	100.0%	4.0	1.4
Hoffsvn. AS, Filipstad br.1, 0114 Oslo *)	0.1	0.0	0.1	100.0%	100.0%	0.1	
Subsidiaries	24.9	23.1	48.0			46.2	4.1
Nordben Life and Pension Insurance Co. LTD	16.8	20.9	37.7	25.0%	25.0%	33.1	4.6
Associated companies	16.8	20.9	37.7			33.1	4.6
Scanvik Corporation, California USA *) **)				100.0%	100.0%	58.8	
Storebrand Kjøpesenter Holding AS, Holmensgt. 4 *)	4,717.7		4,717.7	100.0%	100.0%	4,534.4	362.9
Storebrand Nybygg AS, Filipstad br.1, 0114 Oslo *) ***)	1,419.5		1,419.5	100.0%	100.0%	1,285.4	105.1

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

NOTE 11 GOODWILL IN SUBSIDIARIES

NOK million	Goodwill	Goodwill	Goodwill
Company	2001	2000	1999
Aktuar Systemer AS		1.8	3.5
Total		1.8	3.5

Goodwill resulted from the acquisition of Aktuar Systemer AS.

See note 18

NOTE 12 BONDS AND COMMERCIAL PAPER HELD AS CURRENT ASSETS

NOK million	Commercial paper		Bonds		Total	
	Acquisition cost *)	Actual value	Acquisition cost *)	Actual value	Acquisition cost	Actual value
By type of issuer						
Public sector	2,687.0	2,717.6	17,515.5	18,054.8	20,202.5	20,772.4
Financial institutions	7,073.3	7,087.5	5,349.5	5,533.2	12,422.8	12,620.7
Other issuers	1,566.8	1,569.2	4,501.1	4,363.1	6,067.9	5,932.4
Commercial paper, bonds and forward contracts held as current assets excl. forward foreign exchange contracts	11,327.1	11,374.3	27,366.1	27,951.2	38,693.2	39,325.5
Forward foreign exchange contracts				121.9		121.9
Commercial paper, bonds and forward contracts held as current assets **)	11,327.1	11,374.3	27,366.1	28,073.1	38,693.2	39,447.4
- Of which listed securities		4,761.2		24,845.2		29,606.4
Par value	11,476.0		27,024.3		38,500.3	
Acquisition cost at exchange rate on balance sheet date	11,327.1		27,955.8		39,282.8	
Modified duration (interest sensitivity)		0.41		4.15		3.08
Average effective yield		6.01		5.22		5.25

*) Acquisition cost at historic exchange rate when acquired.

***) Differs from balance sheet figures due to fund units held on settlement accounts or bank accounts rather than invested in securities.

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.

NOK million	Commercial paper		Bonds		Total	
	Acquisition cost	Actual value	Acquisition cost	Actual value	Acquisition cost	Actual value
By currency						
NOK	11,327.1	11,374.3	7,754.9	7,683.0	19,082.0	19,057.3
USD			7,207.0	7,810.5	7,207.0	7,810.5
EUR			7,597.4	7,541.2	7,597.4	7,541.2
CAD			1,761.4	1,749.4	1,761.4	1,749.4
JPY			1,325.1	1,514.0	1,325.1	1,514.0
GBP			1,199.1	1,165.5	1,199.1	1,165.5
SEK			335.7	301.9	335.7	301.9
DKK			185.5	185.7	185.5	185.7
Commercial paper, bonds and forward contracts held as current assets *)	11,327.1	11,374.3	27,366.1	27,951.2	38,693.2	39,325.5

*) Differs from balance sheet figures due to fund units held on settlement accounts or bank accounts rather than invested in securities.

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	17,705.8	17,877.1	17,762.5	17,721.2	56.7
Financial issuers	7,226.0	7,059.6	7,183.0	7,197.9	-43.0
Other issuers	100.0	96.9	98.1	98.6	-1.9
Total portfolio	25,031.8	25,033.7	25,043.6	25,017.7	11.8
- Of which listed securities	19,185.8				
Denominated in foreign currency					
NOK	25,031.8	25,033.7	25,043.6	25,017.7	11.8
Modified duration (interest sensitivity)			3.04		
Average effective yield			6.42		

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	51.4	113.9	-50.1	1.4	-3.1	-13.4
Stock index futures	1,014.1	3,930.2	1,014.1			-8.7
Total equity derivatives	1,065.5	4,044.1	964.0	1.4	-3.1	-22.1
Forward rate agreements	146,593.7	93,273.7	1,710.1	21.8		-20.6
Interest rate futures	37,071.7	20,720.2	21,736.7			-36.9
Interest rate swaps	16,675.1	13,381.6	-12,783.9	182.9		200.3
Interest rate options		3,219.8				0.0
Total interest rate derivatives	200,340.6	130,595.4	10,662.9	204.7		142.7
Forward foreign exchange contracts	35,087.6	46,571.2	-26,699.3	139.4		242.7
Total currency derivatives	35,087.6	46,571.2	-26,699.3	139.4		242.7
Total currency derivatives	236,493.7	181,210.7	-15,072.3	345.5	-3.1	363.3

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	479.8	479.8			-3.7
Total interest rate derivatives	479.8	479.8	479.8			-3.7
Forward foreign exchange contracts	2,912.5	3,169.0	2,912.5	6.5		-2.2
Total currency derivatives	2,912.5	3,169.0	2,912.5	6.5		-2.2
Total currency derivatives	3,392.3	3,648.8	3,392.3	6.5		-5.9

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						87.9	87.9
Lending	0.7	0.7	15.8	295.6	1,096.9		1,409.5
Bonds held to maturity		277.6	2,357.6	13,960.5	9,033.7		25,629.4
Fixed term deposits	403.1						403.1
Bonds and commercial paper (current assets)	2,074.1	4,399.6	8,509.9	12,283.8	12,610.8		39,878.3
Other current assets						22,155.2	22,155.2
Total	2,477.9	4,677.8	10,883.3	26,539.9	22,741.4	22,243.1	89,563.4
Of which in foreign currency							
Long term shares and investments						37.7	37.7
Bonds and commercial paper (current assets)		650.4	731.9	9,617.9	9,438.1		20,438.3
Other current assets						14,455.8	14,455.8
Total in foreign currency		650.4	731.9	9,617.9	9,438.1	14,493.5	34,931.8

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

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						87.9	87.9
Lending		1,340.4		50.2	18.9		1,409.5
Bonds held to maturity	513.4	335.2	2,427.6	14,096.4	8,256.7		25,629.4
Fixed term deposits		403.1					403.1
Bonds and commercial paper (current assets)	2,605.8	5,889.5	8,849.1	10,493.4	12,040.5		39,878.3
Other current assets						22,155.2	22,155.2
Total							89,563.4
Of which in foreign currency							
Long term shares and investments						37.7	37.7
Bonds and commercial paper (current assets)	128.1	1,301.3	731.9	9,294.2	8,982.9		20,438.3
Other current assets						14,455.8	14,455.8
Total in foreign currency		1,301.3	731.9	9,294.2	8,982.9	14,493.5	34,931.8

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
AUD		0.1				0.1
CAD	0.1	1.9		-3.7	-78.0	-79.7
CHF	0.1	0.2				0.3
DKK	0.2	0.0		0.0	-11.3	-11.1
EUR	4.3	12.4	-32.2	-162.0	-358.6	-536.2
GBP	0.6	1.5		-12.9	-78.2	-89.0
HKD	0.1	0.1				0.1
JPY	2.3	0.1		-46.0	-235.1	-278.8
NOK	-17.9	-22.3	-52.2	-22.8	-145.7	-260.9
SEK	0.3	-3.7		-4.3	-5.9	-13.5
USD	8.7	3.1	-5.3	2.8	-321.3	-311.9
Total all currencies	-1.3	-6.7	-89.8	-248.9	-1,234.2	-1,580.8
Fixed assets						
EUR	-0.6					-0.6
NOK	1.3	-0.6	-19.4	-353.3	-405.0	-776.9
USD	-1.0					-1.0
Total all currencies	-0.2	-0.6	-19.4	-353.3	-405.0	-778.4
Total quantified interest rate sensitivity	-1.5	-7.3	-109.1	-602.2	-1,639.1	-2,359.3

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 31.12.01 of a 1 percentage point increase in interest rates.

Storebrand takes interest risk positions through the assets it holds to offset elements of the interest risk inherent in the company's insurance commitments. However the interest risk arising from insurance commitments cannot be calculated and quantified in the same way as interest sensitivity for financial items.

Foreign exchange risk

Assets and liabilities in foreign currency

NOK million	Balance sheet items			Forwards	Net position	
	Long positions	Short positions	Net balance	Net sales	in currency	in NOK
Short term portfolios						
AUD	46.9		46.9	-38.0	9.0	41.1
CAD	631.9	-231.2	400.7	-389.9	10.7	60.3
CHF	73.2	-2.1	71.0	-66.0	5.1	27.5
DKK	523.8	-170.9	352.9	-349.0	3.9	4.2
EUR	1,681.6	-908.3	773.3	-786.9	-13.6	-108.7
GBP	247.8	-37.5	210.3	-205.8	4.5	59.1
HKD	137.0		137.0	-123.5	13.5	15.5
IDR	343.6		343.6		343.6	0.3
JPY	51,598.6	-19,795.9	31,802.7	-36,900.0	-5,097.3	-348.8
KRW	660.5		660.5		660.5	4.5
MYR	0.8		0.8		0.8	1.8
NZD	1.3		1.3	-1.1	0.2	0.9
PHP	2.6		2.6		2.6	0.4
SEK	1,210.3	-54.8	1,155.5	-1,108.5	46.9	40.1
SGD	17.8		17.8	-12.2	5.6	27.0
THB	3.3		3.3		3.3	0.7
TWD	19.3		19.3		19.3	4.9
USD	2,021.1	-820.0	1,201.1	-1,190.6	10.5	94.3
Total current asset portfolios						-74.8
Long term holdings/subordinated loans						
EUR				134.5	134.5	1,073.8
GBP	2.3		2.3		2.3	29.4
USD	0.7		0.7	205.0	205.7	1,845.2
Total long term investments						2,948.4

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

NOTE 16 CHANGES IN SPECIFIC/GENERAL LOAN LOSS PROVISIONS

NOK million	2001	2000	1999
Specific provisions for losses on loans, guarantees etc. at 1.1.	3.0	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			
New specific loan loss provisions in the period			0.7
Reversal of specific loan loss provisions in the period	-0.7	-1.6	
Specific provisions for losses on loans, guarantees etc. at 1.1.	2.3	3.0	4.6
General provision for losses on loans, guarantees, etc. at 1.1.	4.7	5.9	4.9
General provision for losses on loans, guarantees, etc. in the period	0.5	-1.2	1.0
General provision for losses on loans, guarantees, etc.	5.2	4.7	5.9

LENDING VOLUME

NOK million	2001	2000	1999	1998
Non-accrual loans				
not yet provisioned	1.2	12.2	15.3	28.8
provisioned	1.2	11.9	14.1	28.1
Total of loans in default				
not yet provisioned	23.8	30.9	39.4	41.0
provisioned	21.5	28.2	35.9	37.7
Other doubtful loans				
not yet provisioned		11.4	14.2	28.7
provisioned		6.8	8.3	23.7
Interest suspended		0.4	0.6	1.2

NOTE 17 REAL ESTATE

NOK million	Actual value	Average rent/m²	Lease period	Sq.m.	%age let
Geographic location					
Office premises (inc. commercial premises, parking and storage)	6,105.1	1,405	5.3	356,519	99.7%
Shopping centres (inc. parking and storage)	4,757.5	1,228	3.0	332,938	99.0%
Parking	421.5	679	15.0	43,905	100.0%
Undeveloped sites					
Total: Directly owned	11,284.1	1,034	4.7	733,362	98.5%
Property owned by Værdalsbruk	9.0				
Total Group holdings of real estate	11,293.1				
Geografic location					
Oslo-Vika/Filipstad Brygge	4,209.0				
Oslo - other	3,366.2				
Stavanger	433.8				
Norway - other	3,275.5				
Ownership structure:					
Directly owned	4,124.7				
Property company (AS)	6,177.0				
Property partnership (ANS)	982.8				

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 31.12.01.

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	10,044.0	37.3	10,081.3	8.9	27,453.6	34.3
Revaluations in the year	471.5		471.5			
Revaluations in earlier years	926.6		926.6			
Additions	92.4	10.0	102.4			0.8
Disposals at acquisition cost	-177.8		-177.8		-2,393.8	
Re-classification						
Amortised over/under value for the year					-16.2	
Aggregate write-downs and depreciation at 31.12.	-63.6	-33.8	-97.4	-8.9		
Book value at 31.12.00	11,293.1	13.5	11,306.6	0.0	25,043.6	35.1
Revaluations/reversals for the year	438.8		438.8			
Ordinary depreciation for the year		8.6	8.6	1.8		

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:	3-6 years
Goodwill:	5 years

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

NOK million	2001					2000	1999
	Acquisition cost (Book value)	Loss provisions	Currency change	Unrealised gain	Actual value	Unrealised gain	Unrealised gain
Long term investments							
Shares and other equity investments	35.1				35.1		
Bonds	25,043.6			-25.9	25,017.7	-331.7	-179.2
Total long term investments	25,078.7			-25.9	25,052.8	-331.7	-179.2

NOK million	2001					2000	1999
	Acquisition cost	Loss provisions	Currency change	Unrealised gain	Actual value (Book value)	Unrealised gain	Unrealised gain
Other financial assets (short term)							
Shares and other equity investments	21,118.2	-39.9	184.8	797.3	22,060.4	3,061.9	9,710.3
Bonds	27,395.9		711.5	-5.0	28,102.4	-70.7	-1,084.4
Commercial paper	11,306.3			46.7	11,353.0	7.5	0.6
Deposits with credit institutions	400.0			0.5	400.5	0.4	0.1
Financial derivatives - asset positions			81.4	16.2	97.6	0.3	10.0
Financial derivatives - liability positions	-3.1			-9.3	-12.4	-1.3	-40.3
Other financial assets	177.1		-1.6	-2.5	173.0		
Total short term current assets	60,394.4	-39.9	976.1	843.9	62,174.5	2,998.1	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 2001	Total 2000	Total 1999
Premium reserve	61,579.0	308.5	5,816.0	19,278.0		86,981.5	84,600.1	81,783.4
Additional statutory reserves	2,955.5		284.4	1,061.1		4,301.0	4,847.3	5,846.7
Premium and pension adjustment fund	7,205.1			416.4		7,621.5	10,282.3	9,159.9
Claims reserve	18.8	125.3	98.1	8.6		250.8	216.1	206.4
Other technical reserves					46.2	46.2	39.0	28.4
Insurance fund reserves 2001	71,758.4	433.8	6,198.5	20,764.1	46.2	99,201.0		
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 2001	94.0	12.4	9.7	8.9		125.0		
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 2001	71,852.4	446.2	6,208.2	20,773.0	46.2	99,326.0		
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 2001 ACCOUNTS

NOK million	Collective	Individual	Total
To/from premium fund	564.9	409.9	974.8
To/from premium reserve	228.7	-203.5	25.2
To/from additional statutory allocations	-793.6	-206.4	-1,000.0

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

NOK million	2001	2000	1999
Premiums for own account	54.3	49.5	38.7
<u>Gross business</u>			
Premiums earned	54.7	49.4	38.9
Claims accrued	-26.1	-17.2	-12.2
Insurance related operating expenses	-16.1	-24.6	-11.6
Technical result	12.5	7.6	15.1
<u>Reinsurance ceded</u>			
Premiums earned	-0.4	-0.3	-0.2
Claims accrued	0.7	0	0.1
Technical result	0.3	-0.3	-0.1
<u>For own account</u>			
Technical result	12.8	7.3	15.0
Claims reserve	22.5	18.1	13.1
<i>BISC minimum requirement</i>	22.5	18.1	13.1
Security reserve	20.5	18.1	13.1
<i>BISC minimum requirement</i>	19.1	16.8	13.1
Administration reserve	3.2	2.8	2.1
<i>BISC minimum requirement</i>	3.2	2.7	2.1

NOTE 23 DEFERRED TAX ALLOWANCES AND DEFERRED TAX: GROUP FIGURES

NOK million	2001		2000		Net change	1999	
	Tax increasing	Tax reducing	Tax increasing	Tax reducing		Tax increasing	Tax reducing
Temporary differences							
Shares held as current assets		39.9		39.9			29.6
Current value of securities	735.0		2,236.9		-1,501.9	1,623.5	
Forward foreign exchange contracts	242.7		1,260.0		-1,017.3		240.3
Revaluations of real estate	856.6		483.9		372.7	233.3	
Write down of KS/ANS participations	11.9	66.2	11.6	146.0	80.1	26.0	
Book difference KS/ANS participations		105.9		105.9			105.9
Operating assets	231.4	9.3	240.8	8.9	-9.8	253.9	5.3
Insured pension scheme	54.2		61.0		-6.8	73.2	
Uninsured pension scheme		124.8		121.4	-3.4		134.2
Other	85.3	25.6	89.4	28.1	-1.6	92.5	17.4
Total temporary differences	2,217.1	371.7	4,383.6	450.2	-2,088.0	2,302.4	532.7
- of which subsidiaries	251.9	10.6	265.8	9.0		284.8	8.4
Tax losses carried forward		130.0		2,080.9			699.5
Allowable losses carried forward		1,460.8		1,296.8			901.9
Applied/settled	-1,962.5	-1,962.5	-3,827.9	-3,827.9		-2,134.1	-2,134.1
Revaluation/write off of fixed assets							
Net temporary differences	254.6	0.0	555.7	0.0	-301.1	168.3	0.0
Tax	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%
Deferred tax/tax allowances	71.3	0.0	155.6	0.0	-84.3	47.1	0.0
Changes applied directly to the balance sheet or profit and loss account					5.3		
Change in deferred tax/deferred tax allowance					-79.0		

See note 7

NOTE 24 SUBORDINATED LOAN CAPITAL

NOK million	Amount NOK	Currency code	Currency amount	Maturity	Interest rate %	Currency gains/losses
Lender/date drawn down						
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 *)	1,079.0	EUR	135.0	2009	5.55%	37.8
J. P. Morgan 24.2.98 *)	1,795.2	USD	200.0	Perpetual	5.88%	17.7
Total subordinated loan capital	3,435.2					55.5

NOK 2,750.4 million of the subordinated loan total (80% 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 315.3 million.

NOTE 25 TRANSACTIONS WITH CONNECTED PARTIES

Transactions between companies in the group

NOK million	Amount	Terms
Profit and loss items:		
Interest on debt	1.4	Interbank rate + 1%
Interest on receivables	7.2	
Services bought	302.0	Full cost Monthly settlement
Services sold	90.4	Full cost Monthly settlement
Transfer of reserves - received	13.5	
Transfer of reserves - disbursed	724.9	
Balance sheet items:		
Receivables	9.8	
Debt	23.9	
Receivable - Skandia	58.5	6 month NIBOR

Loans made by Storebrand Livsforsikring AS to employees of the Storebrand group totalled NOK 187.5 million as at 31.12.01.

NOTE 26 MANAGEMENT SALARIES AND CONTRACTUAL ARRANGEMENTS

Remuneration paid to the company's Managing Director, Espen Klitzing, amounted to NOK 2.7 million and the annual pension cost amounted to NOK 0.2 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.

The Chairman of the Board, Idar Kreutzer, does not receive 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 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	775	350000	1,803	6,3-8,15	AN2010
Maalfrid Brath	710	95000	2,369	6,3-7,85	SE2021
Rolf Corneliussen	115	100000	2,347	6,3-7,85	SE2011
Sveinung Lindaas	889	15000	1,544	6,3-7,85	AN2021
Helge Ivar Magnussen	300		1,171	6.30	AN2020
Arve Myrvang	1711	45000	1,506	6.30	AN2020
Frederic Ottesen	256	25000	2,676	6,3-7,95	SE2030
Ole Ruud	325	200000	800	6.30	SE2022
Per Ivar Sandvik	475		1,842	6,3-7,85	AN2023
Helge Tryti	325	45000	2,349	6,3-7,85	AN2020
Morten Unneberg	875	45000	2,118	6,3-8,1	AN2031
Board of Directors					
Idar Kreutzer *)	600	500000	5,893	6,3-8,25	AN2031
Per Henry Christiansen	0				
Aase Fagerhaug	594		597	6.30	SE2021
Erik Haug Hansen	860				
Jan Kildal	61				
Hans Henrik Kloumann	938	400000	1,435	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 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 1.1 million are taken to the accounts. The break down is as follows:

Fees recorded for audit and related duties:	NOK 1.1 million
Fees recorded for consultancy:	NOK 0.0 million

NOTE 28 CHANGE IN EQUITY CAPITAL

NOK million	Parent company		
	2001	2000	1999
Equity capital at 01.01	1,361.2	1,361.2	1,361.2
Equity capital at 31.12	1,361.2	1,361.2	1,361.2
Other equity at 1.1.	1,764.6	1,587.6	1,478.1
Profit for the year	62.9	177.0	109.5
Other equity at 31.12.	1,827.5	1,764.6	1,587.6
Equity capital at 31.12 as per balance sheet	3,188.7	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		
	2001	2000	1999	2001	2000	1999
Risk-weighted calculation base	107,911.8	110,150.5	106,604.0	107,783.7	110,032.0	106,508.7
Risk weighting 0%	31,424.0	32,292.7	37,487.8	31,413.0	32,281.7	37,520.4
Risk weighting 10%	1,841.2	2,021.0	1,076.2	1,841.2	2,021.0	1,076.2
Risk weighting 20%	32,173.6	25,210.0	24,319.6	32,148.7	25,148.8	24,154.6
Risk weighting 50%	1,228.8	1,818.1	2,639.8	1,228.7	1,818.1	2,639.8
Risk weighting 100%	41,244.2	48,808.7	41,080.6	41,152.1	48,762.4	41,117.7
Assets associated with life insurance policies offering investment choice						
Weighted on-balance sheet assets	48,477.4	54,961.9	47,372.0	48,380.3	54,903.3	47,376.1
Weighted interest rate and currency contracts	352.0	510.7	141.6	352.0	510.7	141.6
"Cross ownership" deduction for holdings in other financial institutions	-135.0	-66.1		-135.0	-66.1	0.0
Unrealised gains on short term holdings of financial investments	-818.1			-818.1		
Loan loss provisions	-7.5	-7.6	-10.6	-7.5	-7.6	-10.6
Risk weighted calculation base	47,868.8	55,398.9	47,503.0	47,771.7	55,340.3	47,507.1
Tier 1 capital	3,141.8	3,092.8	2,910.3	3,152.7	3,103.8	2,877.6
Perpetual subordinated loan capital	1,512.0	1,512.0	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	1,319.6	1,319.6
Reduction in eligible subordinated loan capital	-81.2	-65.0	-48.8	-81.2	-65.0	-48.8
Eligible subordinated loan capital	2,750.4	2,766.6	2,782.8	2,750.4	2,766.6	2,782.8
"Cross ownership" deduction for holdings in other financial institutions	-135.0	-66.1	0.0	-135.0	-66.1	0.0
Net primary capital	5,757.2	5,793.3	5,693.1	5,768.1	5,804.3	5,660.4
Capital ratio %	12.03	10.46	11.98	12.07	10.49	11.91

Book equity of the Storebrand Liv group is NOK 3,188.7 million. The difference between equity and Tier 1 capital of NOK -46.9 represents deductions for over-funding of pension liabilities.

NOTE 30 SOLVENCY MARGIN

The estimated solvency margin requirement for Storebrand Livsforsikring AS for 2001 was NOK 4,329 million. (NOK 4,359 million in 2000). Solvency margin capital amounts to NOK 7,985 million (NOK 8,503 million). This gives a solvency margin percentage of 184.4 % (195.1 %).

NOK million	2001	2000	1999
Primary capital 31.12.	5,768.1	5,804.3	5,660.4
Counting security reserve	66.2	275.4	282.1
50% of additional statutory reserves at 31.12.	2,150.5	2,423.6	2,923.4
Solvency margin capital at 31.12.	7,984.8	8,503.3	8,865.9

THE CHIEF ACTUARY'S REPORT

To the Board of Directors in Storebrand Livsforsikring AS

ALLOCATIONS TO THE INSURANCE FUND AND THE SECURITY FUND

With reference to the annual report for 2001 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, 5 february 2002

Helge-Ivar Magnussen
Chief Actuary

KPMG AS

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Enterprise NO 935 174 627**

To the Annual Shareholders' Meeting of Storebrand Livsforsikring AS

AUDITOR'S REPORT FOR 2001

Respective Responsibilities of Directors and Auditors

We have audited the annual financial statements of Storebrand Livsforsikring AS as of 31 December 2001 showing a profit of NOK 62,9 million for the parent company and a profit of NOK 62,9 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 2001, 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, 13 February 2002
KPMG AS

Translation, not to be signed

Arne Frogner
State Authorised Public Accountant

Translation, not to be signed

Geir Moen
State Authorised Public Accountant

Control Committee's Statement – 2001

With references to the auditor's report of 13 February 2002 the Control Committee recommends that the Annual Accounts proposed be adopted as the Annual Accounts of Storebrand Livsforsikring for 2001.

Oslo, 28 February 2002

Translation, not to be signed

Nils Erik Lie
Chairman of the Control Committee

Management report

THE COMPANY'S PERFORMANCE

The results reported by the group's life insurance activities in 2001 were not satisfactory. This reflects the very weak investment return that resulted from turbulent conditions in international stock markets.

CORPORATE MARKET

Storebrand's collective pensions business saw strong growth in both premiums written and premium reserves transferred to the company in 2001. Premiums written for collective pension insurance increased by 13.5%, and premium reserves transferred were 46% higher than in 2000. Part of the growth in premiums written is due to changes in accruals in connection with the move to linear accrual of premium reserves.

The company had a 21% share of the corporate market at the close of 2001.

PUBLIC SECTOR

2001 saw major changes in the Norwegian public sector pension market. A total of 26 municipalities transferred their pension schemes away from KLP to private insurance companies. Initially 73 municipalities indicated that they would take their schemes away from KLP, but 47 of these subsequently decided to stay with KLP. However almost half of these municipalities have indicated that they intend to carry out a new evaluation of a possible change of pension supplier in 2002. Experience also suggests that other municipalities will now seek to evaluate pension suppliers other than KLP. There is therefore every reason to expect that a significant number of municipalities will decide to transfer their pension schemes away from KLP during the course of this year.

Storebrand attracted a good share of the transfers of municipality pension schemes. Six municipalities representing total premium reserves of NOK 858 million decided to transfer their schemes to Storebrand, including Skedsmo municipality, the largest to leave KLP. In addition Ås, Bø, Mosvik, Storfjord and Sortland chose Storebrand as their pensions supplier. Storebrand now provides pension schemes for 22 of the 68 municipalities that have so far transferred to private sector insurance companies. The pension

schemes managed for these 22 municipalities represent funds of NOK 3.3 billion, equivalent to circa 35% of all municipality pension fund assets managed by private companies.

At the start of 2002, pension arrangements for 20% of Norwegian municipalities and 40% of employees in this sector are placed with life insurance companies or managed through the municipalities' own pension funds.

Storebrand is still the only company that has not attracted any adverse comments in respect of its public sector pension product from the municipality pensions working group, and this represents a valuable stamp of quality from the parties to the municipalities' national employment conditions for the start of 2002.

RETAIL MARKET

Sales of retail market products were weaker than expected in 2001. Sales of savings products were depressed by the turbulent conditions seen in the equity markets in 2001.

Storebrand will focus on growth in sales of personal risk products in 2002. A strategy review carried out in 2001 demonstrated that there is a large and under-insured market for such products in Norway. Personal risk products are expected to make an increasing contribution to the life insurance company's results in future years.

The company had a 24% share of the retail market at the close of 2001.

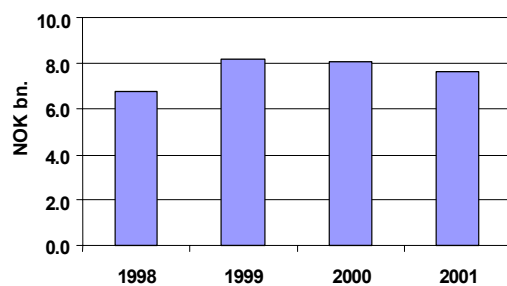
Embedded Value

Storebrand Livsforsikring has again calculated and published figures for Embedded Value (EmbV) for 2001. These calculations were first made for the 1998 accounting year. EmbV is defined as the current value of future post-tax profits for the company's owners, and is based on the best possible forecast of the expected post-tax profits from existing business that will be allocated to the company's owners, plus the value of unrestricted equity. The use of EmbV as an analytical tool to value life insurance companies is becoming increasingly common. The company's calculations of EmbV are based on international standards and are prepared with assistance from independent external advisers.

The EmbV of Storebrand Livsforsikring was NOK 7.4 billion at the close of 2001, representing a reduction of NOK 0.4 million from the previous year, due principally to the lower level of investment return reported for 2001. The value of new business written was almost unchanged at NOK 166 million for 2001 as compared to NOK 168 million for 2000.

The reduction in EmbV in 2001 was modest despite the turbulent conditions seen in the financial markets over the course of the year. This demonstrates that the underlying factors that determine the value of life insurance activities are relatively little affected by the state of the financial markets in a single year, and the long-term strength and stability of the life insurance business will generate good future returns.

**EmbV for Storebrand Livsforsikring and
Storebrand Fondsforsikring**



Analysis of results

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

Interest result is the difference between the book return and the guaranteed return on policies. The average guaranteed return on insurance policies in 2001 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: NOK million	2001	2000	1999	1998	1997
<u>COLLECTIVE:</u>					
- INTEREST RESULT	-419	3,502	3,798	1,164	3,079
- RISK RESULT	3	52	167	161	249
- ADMINISTRATION RESULT	-25	-30	-6	1	1
- CHANGE IN PREMIUM RESERVE/SECURITY RESERVES	-115	-55	-550	-63	-675
- TOTAL	-556	3,469	3,409	1,263	2,654
<u>GROUP LIFE:</u>					
- INTEREST RESULT	15	44	52	26	46
- RISK RESULT	42	-39	-26	-11	-33
- ADMINISTRATION RESULT	-4	-23	-9	-10	-1
- CHANGE IN PREMIUM RESERVE/SECURITY RESERVES	15				
- TOTAL	68	-18	17	5	12
<u>INDIVIDUAL ENDOWMENT:</u>					
- INTEREST RESULT	-25	335	454	127	365
- RISK RESULT	116	103	82	82	110
- ADMINISTRATION RESULT	-27	-60	-79	-59	-30
- CHANGE IN PREMIUM RESERVE/SECURITY RESERVES	36		-7		
- TOTAL	100	378	450	150	445
<u>INDIVIDUAL ANNUITY/PENSION:</u>					
- INTEREST RESULT	-108	952	1,312	336	1,181
- RISK RESULT	66	31	51	43	62
- ADMINISTRATION RESULT	-40	-25	-25	-18	
- CHANGE IN PREMIUM RESERVE/SECURITY RESERVES	38		9	3	
- TOTAL	-44	958	1,347	364	1,243
<u>NON-LIFE INSURANCE:</u>					
- INTEREST RESULT	2	3	3	1	
- RISK RESULT	11	12	10	3	
- ADMINISTRATION RESULT	-6	-15	-4	-3	
- CHANGE IN PREMIUM RESERVE/SECURITY RESERVES					
- TOTAL	7	0	9	1	
<u>TOTAL FOR ALL CLASSES</u>					
- INTEREST RESULT	-535	4,836	5,619	1,654	4,671
- RISK RESULT	238	159	284	278	388
- ADMINISTRATION RESULT	-102	-153	-123	-90	-30
- CHANGE IN PREMIUM RESERVE/SECURITY RESERVES	-26	-55	-548	-63	-675
- TOTAL OF ALL CLASSES	-425	4,787	5,232	1,781	4,354

CAPITAL MARKETS

Equity markets

Norway

Stock markets around the world produced weak returns in 2001, and the terrorist attacks in September also affected the Oslo market. The Oslo Børs benchmark index fell by 14.7% over the course of the year, a somewhat smaller fall than the European average. The IT sector showed the greatest fall (26.5%). Events in the Norwegian market that affected the out-turn for the year included the collapse of Enitel and the protracted struggle for control of Kværner. The Kværner share was prominent amongst the list of under-performers for 2001, whilst the videoconferencing equipment company Tandberg was the winning performer for the year, gaining 147%. The Storebrand share fell sharply from NOK 70 to NOK 50 following Sampo's decision to allow its NOK 75 per share offer for Storebrand to lapse. Statoil was finally listed on Oslo Børs in June after a long period of political indecision, and was the largest listing so far seen in the Oslo market.

Europe

European stock markets saw a broadly based fall in share prices in the third quarter that gathered pace towards the end of the quarter to give a fall of 20%. September alone accounted for a 10% fall in prices. However following the low point reached on 21 September, prices recovered for three months in a row through to December. The Dow Jones Stoxx index gained 3% in December alone, and following the rally in the fourth quarter European markets closed the year more or less back to the levels seen at the end of August, having recovered all of the September slump. However European markets were weaker than the US market for the year as a whole, with a fall of 17.1%.

USA

The weakness that characterised the US market from the end of the second quarter gathered pace in the third quarter. The terrorist attacks of 11 September served to accelerate the falling trend. The broadly based S&P 500 index showed a weak recovery in December, but closed the year 13% lower. The Nasdaq index, with its heavy technology content, showed a stronger recovery in the fourth quarter but still recorded a loss of 20% for the year as a whole. December also saw a recovery for energy, industrial and power

generator shares after two weak months. This was principally a response to more stable oil prices and a more balanced view of the consequences of the Enron collapse. Enron was the largest operator for gas and electric power in the USA, with total assets estimated at USD 62 billion.

Japan/Asia

The Japanese stock market started the year on a falling trend, but staged a sharp recovery in mid-March. The unexpected rally was caused by a change in monetary policy. The central bank cut its discount rate, and also expressed a new willingness to change its rigid approach to other monetary policy measures. The prospects of more accommodating monetary policy sent share prices higher. However the broadly based Topix showed a general decline over the rest of the year. Tokyo was clearly the weakest global market in December with a fall of 1.7%, and the fall of 19.6% for the year was weaker than either the US or European markets. The latter months of the year were characterised by a return of negative sentiment, and both the Tokyo stock market and the Japanese yen weakened. The Japanese market clearly under-performed the other Asian markets, with banking & telecommunications shares putting in a particularly weak performance. Japan has accordingly suffered one of the longest economic recessions any industrialised country has seen since the Second World War.

Fixed income markets

The American central bank again cut interest rates by 0.25 percentage points on 11 December in line with market expectations. This was the 11th interest rate cut in 2001, bringing US rates down to a record 1.75% at year end. Economic statistics started to indicate that the US economy was stabilising, although it was still weak. European 10-year bond yields rose by 0.45 percentage points in December to 5.0%. Signs of falling inflation and lower growth in early December prompted expectations of a cut in European interest rates, but this view was quickly undermined by early signs of recovery in the American economy. There now looks to be little chance of further cuts in European interest rates. Japan now has the highest budget deficit and the highest indebtedness of any OECD country. The Japanese authorities have few policy tools left to stimulate the economy, and confidence in future economic prospects has taken a further tumble. In addition a number of major companies collapsed in December. Three-month Japanese money market rates closed the year at 0.1%, with ten-

year government bonds yielding just 1.40%. The Norwegian central bank cut Norwegian interest rates by 0.50 percentage points on 12 December 2001. Most market commentators expected a further cut at the bank's meeting on 23 January 2002, but this did not materialise. Rates in the Norwegian money market at the end of 2001 anticipated a cut of more than one percentage point by Summer 2002, but this now looks less likely. Short-term Norwegian money market rates fell sharply in December, with three-month NIBOR closing the year at 6.33%.

INVESTMENT RETURN AND ASSET ALLOCATION

Asset management is a core-activity for the Storebrand Group, and we have every expectation

that as a sizeable and professional asset manager, Storebrand will maintain its position against future competition.

Storebrand Life has strong solidity. 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. 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)	2001				2000	
	Yield	Asset allocation			Asset allocation	
	%	Market value	%	Exposure	Market value	Exposure
By sub-portfolio						
TOTAL ALL ASSETS	1.5 %	106,541				
Securities	0.8 %	93,395	88.0 %	86.6 %	88.5 %	92.0 %
Equities	-13.5 %	22,634	21.3 %	22.2 %	31.3 %	32.4 %
Fixed income	8.3 %	31,448	29.7 %	27.2 %	29.5 %	31.9 %
Money market (total)	7.7 %	13,636	12.9 %	13.1 %	2.4 %	2.6 %
Bonds held to maturity	6.5 %	25,677	24.1 %	24.1 %	25.1 %	25.1 %
Real estate	12.4 %	11,392	10.7 %	10.7 %	9.7 %	9.7 %
Lending	9.0 %	1,400	1.3 %	1.3 %	1.8 %	1.8 %

Figures for exposure take into account derivative positions by sub-portfolio.

Total investment assets

For 2001 as a whole, the overall return on investment assets under-performed the benchmark index by 0.61 percentage points (1.51% as compared to 2.12%) due both to asset allocation and the selection of particular securities.

Strategic asset allocation in isolation accounted for an under-performance of 0.49 percentage points, whilst the selection of securities reduced the return by 0.07 percentage points.

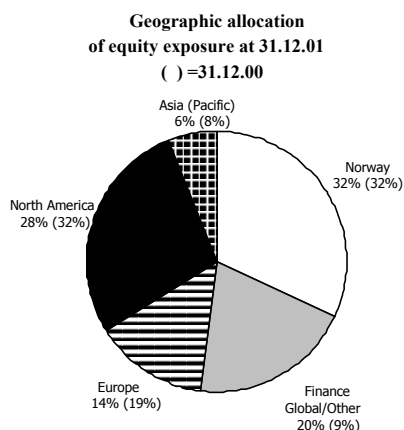
Equities

The total exposure to equities, taking into account derivative positions, amounted to 22.2% as

compared to 32.4% one year earlier. Whilst Storebrand allocates significant assets to international securities, the company remains a major and long-term investor in the Norwegian equity market. Norwegian shares accounted for 32% of total exposure to equities. The Norwegian portfolio is well diversified and concentrates on the larger companies quoted on Oslo Børs.

Investment in shares in other financial situation increased significantly in 2001 following the decision to establish a new internal global financial institutions fund for Storebrand Life, and amounted to NOK 1.8 billion at 31 December 2001.

For the year as a whole the equity portfolio produced a return 0.04% below the benchmark return (-13.49% as compared to -13.45%). Norwegian shares made a positive contribution, whilst international shares (Europe and North America) had a significant negative effect.



Interest bearing securities

The return for the year was 0.13 percentage points below the benchmark index return (7.58% as compared to 7.71%). International corporate bonds and the money market portfolio made a major positive contribution, whilst Norwegian bonds and international government bonds had a negative effect relative to the benchmark return. International bonds now account for 88% of the total bond portfolio held as current assets.

Lending

The lending portfolio reduced from NOK 2.0 billion to NOK 1.4 billion over the course of 2001. 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 2001 amounted to NOK 0.2 million, and loans in default represented 1.7% of the total portfolio at the end of the year.

The return on lending was 9.0% in 2001 as compared to 8.6% in 2000.

Real estate

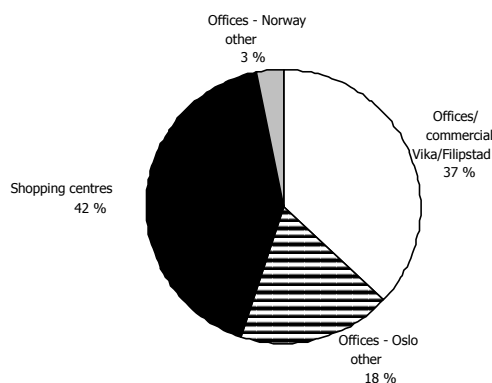
Storebrand's real estate investments are concentrated on shopping centres around the country and office premises in Oslo. The commercial real estate rental market in these areas was generally stable and strong in 2001.

The total value of real estate investment is in the order of NOK 11.3 billion and comprises 733,000 square metres. No additional properties were acquired in 2001, but certain smaller properties and a site in Sacramento (USA) were sold.

Real estate produced an operational return of 7.6% in 2001. The revaluation of Storebrand life's real estate portfolio carried out in 2001 showed an increase in value of NOK 439 million. The total return on the real estate portfolio in 2001, including net revaluation, was 12.4%.

Occupancy amounted to 99.4% at 31 December 2001. (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 rate 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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