

Annual Report 2006

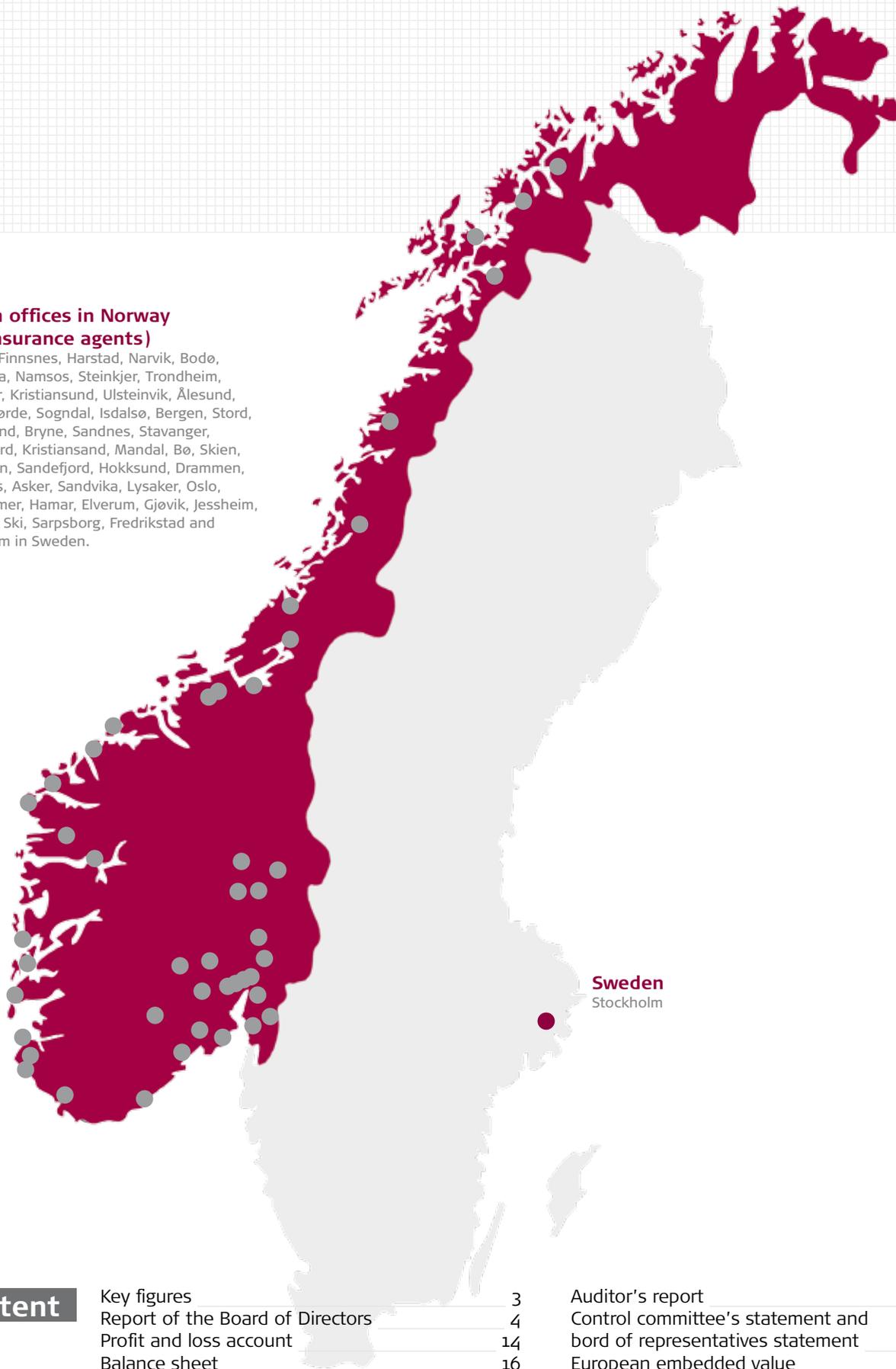
Storebrand Livsforsikring

 storebrand



**Branch offices in Norway
(inc. insurance agents)**

Tromsø, Finnsnes, Harstad, Narvik, Bodø, Mo i Rana, Namsos, Steinkjer, Trondheim, Orkanger, Kristiansund, Ulsteinvik, Ålesund, Molde, Førde, Sogndal, Isdalsø, Bergen, Stord, Haugesund, Bryne, Sandnes, Stavanger, Flekkefjord, Kristiansand, Mandal, Bø, Skien, Porsgrunn, Sandefjord, Hokksund, Drammen, Hønefoss, Asker, Sandvika, Lysaker, Oslo, Lillehammer, Hamar, Elverum, Gjøvik, Jessheim, Skjetten, Ski, Sarpsborg, Fredrikstad and Stockholm in Sweden.



Sweden
Stockholm

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Key figures Storebrand Livsforsikring AS¹

NOK million	2006	2005	2004	2003	2002
Storebrand Livsforsikring AS					
Return on capital I ²	7.12%	6.89%	6.41%	7.26%	2.73%
Return on capital II ²	8.28%	7.55%	7.19%	8.84%	1.92%
Return on capital III ²	6.52%	6.89%	7.64%	11.19%	2.64%
Average yield	6.76%	6.40%	5.88%	6.79%	2.96%
Solvency capital as percentage of minimum requirement	174.6%	175.9%	174.3%	158.8%	161.3%
Average guaranteed return	3.57%	3.64%	3.77%	3.83%	3.82%
Cost ratio	1.10%	1.10%	0.96%	1.00%	0.98%
Profit analysis (parent company figures)					
- Interest result	5 573	4 402	3 128	3 643	-1 066
- Risk result	220	365	209	199	195
- Administration result	-601	-384	-198	-217	-184
- Other	-18	-11	-181	-1 010	-241
Total	5 175	4 372	2 958	2 616	-1 295
Storebrand livsforsikring group					
Key figures					
Profit and loss account					
Premium income exc. Reserves transferred	13 069	16 805	15 822	9 754	7 281
Net transfers	5 260	564	-758	1 493	381
Net income from financial assets	12 687	10 445	8 724	9 414	2 044
Net income from financial assets with investment choice	685	721	253	607	-808
Claims excluding transferred reserves	-12 948	-8 780	-7 010	-6 076	-6 352
Change in insurance reserves					
excluding transferred additional statutory reserves	-9 659	-12 577	-11 651	-9 597	-3 389
Insurance and financial investment related admin. costs	-1 755	-1 457	-1 136	-1 088	-1 016
Other items	-130	-232	-205	-200	-280
To/from market value adjustment reserve	-2 034	-1 117	-1 078	-1 690	844
Operating profit	5 176	4 373	2 961	2 617	-1 295
Profit before allocation					
5 176	4 373	2 961	2 617	-1 295	
Funds transferred to policyholders	-3 994	-3 215	-2 019	-1 839	
- of which conditional additional statutory allocations	-1 000	-950	-500	-470	
Released from additional statutory reserves to meet the shortfall in guaranteed return				21	1 012
Pre-tax profit	1 182	1 158	941	799	-283
Tax	-1	26	-65	-185	-114
Minority interests share in profit	-1		-1	-1	-1
Profit for the year	1 181	1 184	876	614	-398
Assets					
Real estate	18 169	14 136	12 872	9 661	9 787
Bonds to be held to maturity	43 099	40 672	39 352	42 368	40 023
Loans	2 340	656	399	1 468	1 118
Shares and other equity investments	45 516	39 447	28 688	19 189	10 781
Bonds held as current assets	43 870	42 908	31 859	20 143	14 380
Commercial paper	669	5 966	12 254	17 383	21 251
Other financial assets	2 815	1 967	3 407	3 761	5 619
Total financial assets	156 477	145 751	128 831	113 972	102 959
Life insurance assets with investment choice	7 364	5 719	4 476	3 975	3 259
Other assets	8 540	6 060	5 518	5 110	5 005
Total assets	172 381	157 530	138 825	123 058	111 223
Policyholders' funds for own account					
146 138	134 496	121 084	108 913	99 118	
- of which additional statutory reserves	5 551	4 538	3 706	3 393	3 034
Reserve for life insurance with investment choice	7 364	5 719	4 476	3 975	3 259
Market value adjustment reserve	5 918	3 884	2 767	1 690	
Equity	5 361	5 012	4 604	3 466	3 181
Capital adequacy (group)	9.70%	10.92%	14.39%	15.68%	18.41%

¹ Comparable figures have been restated for the effect of Storebrand Fondsforsikring.

² 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

Report of the Board of Directors

Main features

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

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

Subsidiaries and associated companies

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

Storebrand opened a Swedish branch in 2005. The branch offers pension insurance in the Swedish market based on Norwegian insurance legislation. Sales are made through insurance brokers.

Storebrand Eiendomsholding AS has been incorporated as a holding company for real estate activities. The company is wholly owned by Storebrand Livsforsikring AS. Properties owned directly by Storebrand Livsforsikring AS were demerged and sold to Storebrand Eiendomsholding AS as of 30 September 2006.

Sales through external distributors represent an important part of the company's focus on the retail market. In order to strengthen distribution capacity, Storebrand has acquired a 34% interest in Caveo ASA, which has 65 advisers working from 12 offices around Norway, and has also acquired a 34% interest in Økonomiforvaltning AS.

Storebrand Fondsforsikring AS was merged into Storebrand Livsforsikring AS with effect from 1 January 2006.

Sales

Corporate market

2006 was dominated by the introduction of mandatory occupational pension schemes. 2006 was the first year in which occupational pension schemes became mandatory. All companies had to have occupational pension arrangements in place for their employees by 31 December 2006. Companies are required to contribute at least 2% of each employee's salary (on salary between 1 and 12 times the current National Insurance Scheme basic amount), starting no later

than 1 July 2006. The employer must also meet the administration and management costs of the pension scheme.

Storebrand has developed a new standard product, Storebrand Folkepension, which is specifically designed for companies required to establish an occupational pension scheme for their employees in 2006. The product emphasises customer-friendly service solutions that make it easy for companies to administer their pension arrangements.

Storebrand has established a sizeable number of framework agreements with employers' organisations and trade associations over recent years, and these agreements played an important role when mandatory occupational pension schemes were introduced. Storebrand enjoyed success in sales of mandatory occupational pension products through these arrangements.

By the close of 2006, Storebrand had set up mandatory occupational pension schemes for some 15,500 companies with 200,000 employees in total. At the start of 2007, 180,000 of these employees were pension scheme members. The number of members will increase over time as part-time employees and seasonal workers build up sufficient service to meet the requirement of 20% employment in order to become a member of their employer's pension scheme. The annual premium volume for these pension schemes as at 31 December 2006 was just under NOK 700 million. A further NOK 200 million has accrued in 2007.

The municipality market in 2006 was characterised by little pension transfer activity. While around 30 municipalities invited competitive bidding for their pension arrangements in 2005, only 11 municipalities took this step in 2006. Only three of these subsequently decided to change their pension supplier. Karasjok municipality invited competitive bidding for its pension scheme with Storebrand, and elected to stay with the company. No municipality with a Storebrand pension scheme has yet moved its arrangements away from Storebrand.

Following the introduction of mandatory employers' pensions, the occupational pension market will in future mainly be a market for transfers between pension suppliers. Storebrand is well equipped for this change. As in 2005, Storebrand was again a winner in the market for transfers of occupational pension schemes in 2006, with transfers (sales agreed) of NOK 2.6 billion.

Many of the company's largest companies have started to evaluate whether to transfer from defined benefit to defined contribution pension arrangements. A number of companies have decided to make this change, and we expect to see further companies make this decision over the course of 2007.

Retail market

After 2-3 years of record sales of savings-related life insurance products, sales in this area levelled off in 2006, partly due to changes

in the tax rules and partly due to restrictions on sales imposed by the company. Nonetheless, sales of savings-related life insurance products totalled over NOK 2.5 billion in 2006.

One of the major surprises of 2006 was the Norwegian government's decision to abolish the favourable taxation treatment of private pension saving. With effect from 12 May 2006, contributions to personal pension plans (IPA pensions) are no longer tax deductible. In addition, from 1 January 2007 annuity policies are no longer exempt from wealth tax. At the close of 2006, Storebrand managed some NOK 18 billion of investments in IPA pensions and NOK 6.5 billion of annuity policies. Contributions to IPA pension and annuity policies totalled NOK 1 billion in 2006 as compared to NOK 1.1 billion in 2005.

Financial results

Storebrand Livsforsikring AS reported a profit for the year before allocation between policyholders and the owner of NOK 5,175 million, as compared to NOK 4,372 million for 2005. (Equivalent figures for the Storebrand Livsforsikring group are a profit of NOK 5,176 million in 2006 and NOK 4,373 million in 2005). Of the profit for the year, NOK 3,994 million was allocated to policyholders (of which NOK 1,000 million was transferred to additional statutory reserves) and NOK 1,181 million was allocated to the owner. The owner's profit included NOK 135 million from products not included in profit sharing with policyholders, excluding insurance products with investment choice. Insurance products with investment choice generated a loss of NOK 77 million. The owner's profit after tax was NOK 1,181 million.

Interest result is the difference between the booked return and the guaranteed return on policies. The average guaranteed return on insurance policies in 2006 was 3.6%. Good investment returns on the assets managed for customers represent the most important element of profitability for savings-related products. The company produced a good book investment return in 2006. Interest result for the year was NOK 5,573 million for 2006, as compared to NOK 4,402 million for 2005.

Risk result arises as a consequence of the incidence of mortality and disability during the period differing from that assumed for the premium tariffs. The risk result for 2006 was NOK 220 million as compared to NOK 365 million in 2005. The decline of NOK 145 million reflects decreases of NOK 99 million for group pension business, NOK 47 million for group life business and NOK 32 million for non-life business. Individual endowment policies (single payments) and individual pension insurance showed increases of NOK 9 million and NOK 24 million respectively.

Administration result shows the difference between the administration premium charged for the year and actual operating costs. The administration result was a deficit of NOK 600 million, representing a weakening of NOK 216 million from 2005. All lines of business showed a decline in administration result. The reasons for this included increased investment management fees as a result of

the good investment return achieved and costs incurred in respect of mandatory occupational pension products.

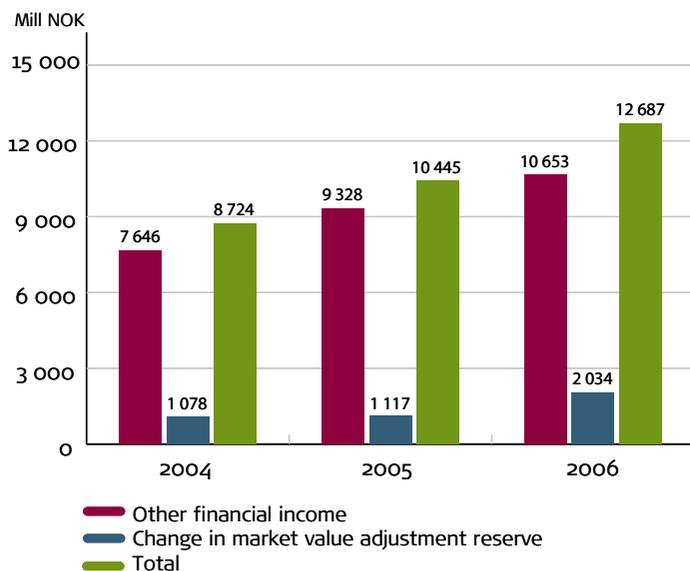
With effect from the 2005 accounting year, Storebrand has prepared its consolidated accounts in accordance with International Financial Reporting Standards (IFRS). Life insurance companies in Norway are not currently permitted to report in accordance with IFRS. Storebrand Livsforsikring AS/Group will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

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

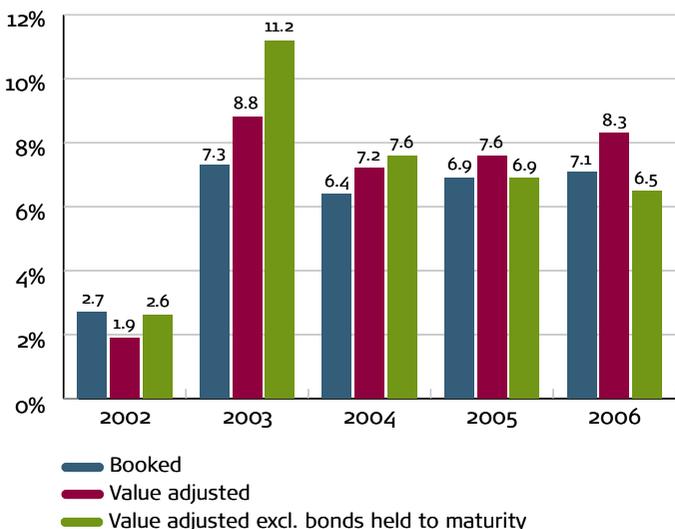
Premium income: Storebrand Livsforsikring's total premium income for 2006, including policy transfers, was NOK 19,619 million. This represents an increase of 2% from 2005, when total premium income was NOK 19,227 million. The total inflow of premium reserves from transfers between companies was NOK 5,260 million as compared to NOK 564 million in 2005. Premiums written decreased by 22% from 2005. The lines of business showing the largest percentage increase were products with investment choice, where group pension insurance was up by 139% and individual endowment/pension insurance was up by 59%. Non-life insurance (products provided within the life insurance regulatory framework) also showed good growth, with a 42% increase. Defined benefit group pension insurance and group life insurance showed increases in premium income of 16% and 6% respectively. Individual endowment insurance showed a decline of 65% due to the restrictions imposed by the company on sales of life insurance related savings products to the retail market. If these savings products are excluded, premium income showed an increase of 21%. Individual annuity/personal pension products showed a decline of 27% from 2005. This was caused by the Norwegian Government's proposal to abolish the current tax arrangements for personal pensions.

Investment return: Storebrand Livsforsikring produced a good investment return in 2006. The book value of the portfolio of investment properties was increased by NOK 928 million in 2006. The booked investment return was 7.1%, as compared to 6.9% for 2005. The value-adjusted return including gains on current asset investments was 8.3% as compared to 7.6% in 2005. At the close of 2006 unrealised gains on current asset investments totalled NOK 5,918 million, while unrealised gains on bonds held to maturity totalled NOK 1,097 million. 10 of the company's 13 discretionary investment mandates produced a better return than their benchmark index in 2006.

Net income from financial assets



Investment return



Costs: Storebrand Livsforsikring incurred operating costs of NOK 1,755 million in 2006 as compared to NOK 1,457 million in 2005. The increase of NOK 298 million was caused mainly by increased investment management fees as a result of the good investment return achieved, the new branch in Sweden, and work on mandatory employer's pension products. Policyholders' funds, excluding insurance products with investment choice, increased by 9% in 2006 and costs relative to average policyholders' funds were 1.10% in 2006, unchanged from 2005. The company has targeted further improvements in operational efficiency that will create the basis to absorb further growth in business volumes without an equivalent increase in costs.

Insurance claims and benefits: Claims and benefits paid for own account increased by 35% in 2006 to NOK 14,425 million. The change reflects a decrease in outward transfers of policyholders' assets from NOK 1,916 million in 2005 to NOK 1,477 million in 2006, and also an increase of NOK 3,361 million in cancellations and withdrawals to NOK 6,242 million in 2006. The increase in withdrawals relates to savings-related products in the retail market. Other claims and benefits paid totalled NOK 6,706 million, an increase of NOK 807 million for the year that is normal in relation to the total insurance portfolio.

Allocations to the insurance fund: Good net sales and a good investment return caused an increase in policyholders' funds of NOK 11.6 billion in 2006 to NOK 146.1 billion at 31 December 2006. Of the profit allocated to policyholders, NOK 1,644 million was allocated to the premium fund, which totalled NOK 6.8 billion at 31 December 2006. Additional statutory reserves are conditionally allocated customer funds that act as risk capital for fluctuations in the value of the investment portfolio. Additional statutory reserves were strengthened by NOK 1,000 million and totalled NOK 5.6 billion at 31 December 2006. This represents approximately NOK 0.6 billion in excess of the amount equivalent to one year's guaranteed return.

Risk management and capital adequacy

The majority of savings-related life insurance products incorporate a guaranteed minimum return. These savings products currently offer an average annual guaranteed return just under 3.6%. The average guaranteed return will fall over time since the return guaranteed on new policies cannot exceed 2.75%. The life company's financial risk relates both to its ability to generate an investment return at least equal to the guaranteed minimum return and its commitment to deliver future pension benefits. This places particular demands on how the life insurance company invests in financial securities and other assets, and on the quality of the company's risk management. Increases in interest rates over the course of 2006 helped to strengthen the life company's risk-bearing capacity. The company has invested a significant proportion of its financial assets in bonds classified as hold to maturity with a running yield of over 5%.

In early 2004, the Norwegian parliament approved a number of significant changes to the Insurance Activities Act. One important change is that insurance companies, for certain products, must charge the customer in advance for the guarantee of a minimum interest rate. The new Insurance Activities Act comes into effect from 1 January 2008 (the Act itself came into force on 1 July 2006, but the transitional regulations mean that the new business rules come into effect from 1 January 2008).

The allocation of financial assets is determined by the company's investment strategy. The investment strategy establishes guidelines for the composition of financial assets by setting limits and guidelines for the company's risk management. The strategy also includes limits and guidelines for credit and counterparty exposure, foreign exchange risk and the use of derivatives. The objective of continuous

risk management is to maintain sound risk bearing capacity and to continuously adjust financial risk exposure to the company's solidity, while at the same time creating the potential for a good investment return.

Insurance policies are long-term agreements, and involve uncertainty in respect of assumptions about future rates of mortality and invalidity. The company uses tariffs drawn up on the basis of statistical experience, and these tariffs are notified to the authorities. The company follows developments in mortality and invalidity rates very closely, and adjusts its reserves in accordance with these trends.

Rising interest rates cause losses in the form of lower prices for interest-bearing securities such as commercial paper and bonds. However higher interest rates both in Norway and internationally have the effect of improving Storebrand Livsforsikring's risk bearing capacity. Low interest rates reduce the interest earned on the proportion of financial assets invested in interest-bearing securities, and make it more difficult to generate the guaranteed minimum annual return without recourse to the company's buffer reserves. The company has invested NOK 43.1 billion, a significant proportion of its financial assets, in bonds held to maturity with an average running yield of 5.2%.

Bonds, commercial paper and investments in bond funds held as current assets totalled NOK 44.5 billion at the close of 2006.

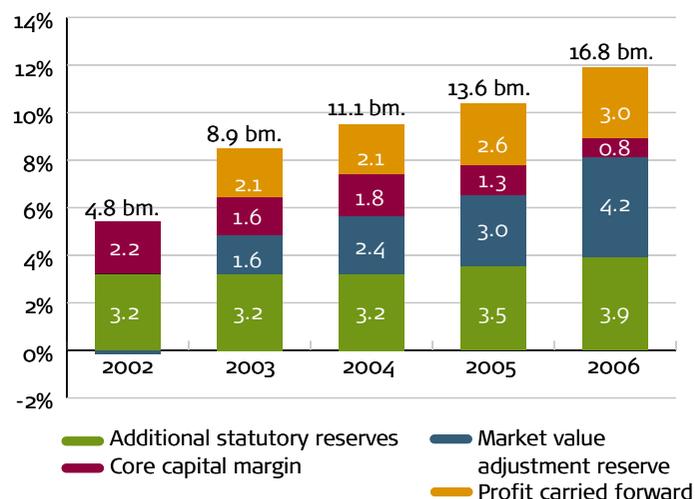
In accordance with its risk management policy, the company increased its exposure to equities, including derivatives positions, from 23% to 28% over the course of 2006. Hedging programs were again used for the equity portfolio in 2006 so that risk capital would not be unnecessarily adversely affected in the event of a sudden sharp fall in equity markets.

The company invested NOK 4 billion net in real estate in 2006, and real estate investments accounted for 11% of total investment assets at the close of 2006.

The company's lending portfolio amounted to NOK 2.3 billion at 31 December 2006, representing an increase of NOK 1.6 billion in 2006. The portfolio is made up of corporate loans.

The company's risk capital increased by NOK 3.2 billion in 2006 to NOK 16.8 billion, including NOK 0.6 billion of additional statutory reserves in excess of the amount required for one year's interest rate guarantee. Storebrand Livsforsikring satisfied all capital adequacy requirements in 2006 with a satisfactory margin. The company's solvency margin was 174.6% at 31 December 2006 as compared to 175.9% at 31 December 2005 (the minimum requirement is 100%). The Storebrand Livsforsikring group's capital ratio was 9.70% at 31 December 2006, representing a decline of 1.2 percentage points in 2006 (the minimum requirement is 8%). The decline was principally due to an increase in total assets and higher exposure to shares. The core capital margin was 6.5%.

Risk capital as % of policyholder's funds excl. additional statutory reserves



At the close of 2006, Storebrand Livsforsikring AS was rated A and A2 respectively by Standard & Poor's and Moody's. These ratings are with "stable outlook".

Regulatory matters

Norwegian life insurance companies must satisfy two sets of capital adequacy requirements – one set that monitors the company's assets (Basle) and one set that monitors liabilities (Solvency I). The Ministry of Finance resolved in December that Norwegian life insurance companies would be permitted to apply the Basle II requirements in respect of assets with effect from 1 January. This change reflected an intention to harmonise capital adequacy arrangements across the financial services sector once Basle II came into effect for other financial institutions, and was also intended to reduce the opportunity for regulatory arbitrage. For the 2007 accounting year, life insurance companies can choose to comply with either Basle I or Basle II. Life insurance companies are expected to be subject to Basle II in combination with Solvency I until the harmonised European capital adequacy requirements of Solvency II come into effect, which will be at the earliest in 2010. As part of the preparation for the introduction of the principles of Solvency II, the Ministry of Finance has asked Kredittilsynet (the Financial Supervisory Authority of Norway) to develop proposals for new stress tests that take into account the market value ("fair value") of liabilities as well as principles for risk-based supervision. The stress tests will not impose requirements for capital adequacy, but will lead to better measurement and management of risk by life insurance companies.

The EU is now working on the detailed provisions of Solvency II, and Storebrand follows the progress in this area closely. The framework directive for Solvency II is due to be published in mid-2007. Implementation of the new regulatory framework will present some particular challenges in the Norwegian market in respect of the limited size of the Norwegian bond market, currency dependency, the

Report of the Board of Directors

interrelation with the new Insurance Activities Act, the particular rules in Norway on transfers of business between companies and the level of buffer capital.

Personnel, organisation and corporate bodies

Storebrand Livsforsikring is a wholly owned subsidiary of Storebrand ASA. The Storebrand Livsforsikring group's headcount at the end of 2006 was equivalent to 1 081 full-time positions as compared to 911 at the start of the year. The average age of the employees in the Storebrand group is 42 years, with an average length of service of 10 years. All Storebrand employees are treated equally, regardless of gender, age, disability, faith, cultural differences or sexual orientation. The group carries out a systematic program of staff development, and further strengthened its focus on competence development in 2006.

In order to ensure that the group has the expertise it needs available at all times, Storebrand has developed an expertise database tool that will come into use during 2007. All the group's development and training opportunities are made readily available to employees through a competence portal.

A number of new measures have been introduced to develop expertise in technical areas and management skills. This has included the development of a compulsory module-based management program.

Storebrand has a comprehensive system for employee appraisal and remuneration. Training requirements are agreed and documented through the performance appraisal process, and managers are committed to actively monitoring the development of their employees.

Storebrand is fully committed to increasing the number of women in senior management. The group's target is for 40% female representation among its management staff and on its internal and external boards of directors. In 2006, 33% of the members of the Board of Storebrand Livsforsikring AS were women. 37.9% of the group's managers are female.

Storebrand implemented targeted measures in the period to encourage more women to take on management responsibility. This included the company's active participation in an external mentoring program for female staff, and ensuring a virtually equal participation of men and female staff on internal management development programs. The group participated in 2006 in Futura, the Norwegian Financial Services Association's management training program for women. Storebrand insists that external recruitment consultants put forward both male and female candidates on short lists for management recruiting. Employee benefits, such as flexi-working, extending full salary for sick leave to include attending to children or parents, and full salary for maternity leave, are seen as important measures in encouraging gender equality.

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

Storebrand is committed to offering a good senior policy. The group employed 21 employees over the pension age of 65 in 2006 as compared to 13 in 2005. 45 new members of staff over the age of 45 were recruited in 2006. Storebrand carries out an annual senior survey, and one of its targets is that 90% of older employees should be satisfied with Storebrand as an employer. This target was not achieved in 2006, but continues unchanged for 2008. A particularly positive feature of the survey was that 39.4% of older employees wished to continue working after reaching 65 years of age as compared to 24.4% in 2003.

Storebrand reviewed and updated its ethical guidelines in 2006, and distributed new ethical rulebooks to all employees. In addition, ethical issues were a standard agenda item at a number of employee gatherings. Employees can seek advice anonymously from an ethics page on the Storebrand Intranet, and the company publishes its replies for all employees to see. This can also be used for employees to anonymously communicate concerns directly to the Board of Directors.

Storebrand has assisted the Norwegian Financial Services Association in producing ethical guidelines for financial advisers. These guidelines have been distributed to and reviewed by all Storebrand's advisers.

Storebrand has worked systematically to reduce absence due to illness over many years, and the group has participated in the 'Inclusive workplace' scheme since 2002. Absence due to illness in the group in 2006 was 5.1%. This represents an increase from 2005 and is somewhat above the target of 4.8%. The incidence of long-term sickness has increased, while short-term absence has remained stable. Storebrand will continue to concentrate on reducing absence due to illness, and this will include training employees in the internal procedures for sick leave that were reissued in 2006.

Storebrand did not incur any reported personal injury, property damage or accidents of significance in 2006.

The following changes were made to the Board of Directors in 2006. Andreas Enger replaced Jan Kildal and Inger- Johanne Strand replaced Hege Hodnesdal as the employee representative.

Corporate social responsibility

Storebrand's commitment to corporate responsibility is an integrated part of the group's activities. The company sets specific targets for the areas of building financial wealth, social responsibility and environmental issues, and communicates these to its most important stakeholders.

The group's two-year corporate responsibility action plan expired in 2006. The majority of the objectives were achieved. In addition, a number of measures were implemented that were not included in the two-year plan, including investment in microfinancing. Some of the targets in the action plan proved too challenging to achieve within the timetable set for various reasons, but these objectives are included in the next two-year action plan.

In 2006, Storebrand was included in the Global 100, a list of the hundred most sustainable companies in the world. Norwegian students voted Storebrand as the best company in Norway for business ethics and corporate responsibility, and Storebrand continued to qualify for inclusion in the sustainability indices sFTSE4Good and Dow Jones Sustainability Index.

The Corporate Responsibility action plan can be found or ordered on www.storebrand.com/corporate-responsibility

Storebrand's impact on the external environment

Storebrand is committed to reducing its impact on the environment. This includes measuring the group's consumption of water, reducing energy consumption and paper usage, sorting waste and recycling all electronic equipment through FairRecycling. In addition, Storebrand sets environmental standards for the management of its properties, and has developed a purchasing policy that imposes environmental and social responsibility requirements on its suppliers. Storebrand's holding of forest land at Værdalsbruket is certified in accordance with the Living Forest standard. During the course of 2008, Storebrand will start monitoring and reporting its CO₂ discharges and will evaluate measures to become a carbon-neutral company.

New life insurance legislation

The new Insurance Activities Act comes into force from 1 January 2008. The new Act will create considerable changes for the life insurance industry, and Storebrand is developing new products and systems solutions in order to be as well prepared as possible for the transition. The overall objective of the new legislation is to make the pricing of pension products more predictable and transparent, and to make a clearer distinction between the assets of the insurance company and its policyholders. As an overall rule, the new legislation requires that premiums must be fixed and paid in advance.

The new legislation will introduce a new profit sharing model for paid up policies, with a reduction from 35% to 20% for the maximum proportion of the profit that can be allocated to the company. However, the company will receive the return on all capital in the balance sheet that does not belong to policyholders. In addition, any surplus or deficit on the administration result will be for the owner's account. The owner must also meet any deficit in the risk result.

In the case of defined benefit group pension schemes, as well as new individual products with guaranteed return, the new Act will bring to an end the traditional allocation of profit between the customer and the life insurance company. The various elements of pension products must in future be priced separately, and the pricing must include the insurance company's remuneration. The following rules will apply to products that are no longer subject to profit sharing:

- **Premium for the interest rate guarantee:** The customer (company or private individual) must pay for the interest guarantee in advance. The investment return in excess of the guaranteed level will accrue to the customer, less any allocations to additional statutory reserves. Additional statutory reserves cannot be used to cover any negative return, but can be used to offset a shortfall in return between 0% and the guaranteed return. The new Act stipulates the maximum size of additional statutory reserves. The insurance company carries all the downside risk, and must carry reserves against the policy if the buffer is not sufficient or not available. The price charged for the interest guarantee will depend on factors such as the level of buffer capital associated with the policy, the level of exposure to equities in the portfolio, the level of the interest guarantee and the current market situation, including the level of interest rates. Currently there is no specific premium for the interest rate guarantee and it is paid for through the allocation of profit between the life insurance company and its policyholders.
- **Risk premium:** The customer (company or private individual) will receive any surplus from the risk result achieved on insurance cover for death, disability and dependants in the pension policy, but the insurance company will, in principle, be responsible for meeting any deficit on risk result. There is, however, provision for up to half of any risk surplus on a particular line of insurance to be held in a risk equalisation fund. Deficits in subsequent years can then be met out of the equalisation fund before the insurance company is required to contribute from its own equity.
- **Premium for pension scheme administration:** Administration costs must be charged in advance and represent the final cost for the customer (company or private individual). The insurance company must then meet any deficit in the administration result, and similarly any surplus is retained by the insurance company. Where a policy's assets are managed in the investment trust portfolio, the price of asset management must also be shown as a separate element of the overall charge.

New opportunities: investment choice, separating group portfolios and long-term contracts

At present, Storebrand determines how a pension policy's assets are invested, and the entire portfolio is managed in the same portfolio. The new legislation will allow companies with defined benefit pension schemes to exercise greater influence over the portfolio's asset allocation and risk profile. The new legislation will also make it

possible for group pension policies to be divided into sub-portfolios with different asset allocation and risk profile.

Policies with a low interest rate guarantee and high risk capital (additional statutory reserves and unrealised gains) may therefore be able to maintain a higher exposure to equities in their portfolio at the same price as similar contracts that have a higher level of guaranteed interest or lower buffer capital. The basis for pricing the interest rate guarantee is the risk to which the available equity is exposed. This means that the customer can choose an investment profile with a lower equity exposure and therefore lower risk exposure in order to reduce the level of premium, although this will also reduce the expected return. A higher exposure to equities represents a higher expected return and higher contributions to the premium fund. Under the new Act, a shortfall in the return on the customer's policy can be met from its additional statutory reserves, and the new rules allow greater flexibility in building up the level of additional statutory reserves.

The new legislation also permits a new type of long-term policy. The interest rate guarantee has so far been linked to a single financial year, but it will now be possible to agree a guaranteed return for periods of up to five years. The premium for a guaranteed return over a number of years will be lower than for annual guarantees over the same period. The employer's liabilities must still be supported by sufficient insurance reserves. If necessary, equity can be used to ensure satisfactory reserves during the agreed guarantee period.

Future prospects

Corporate market

Changes in the occupational pension market

Until quite recently, occupational pensions in the Norwegian market were synonymous with defined benefit pensions. The legislation permitting pensions where benefits are not defined in advance but depend on the contributions made and the return they earn was approved by the Norwegian parliament in 2001. At that time, the authorities saw defined contribution pensions as a supplement to the established defined benefit schemes, and a simpler alternative for companies that did not have a pension scheme at all.

Companies can satisfy the minimum requirements for occupational pensions that came into force in 2006 through either defined contribution or defined benefit arrangements. However, the great majority of companies setting up pension schemes to meet the new requirements have chosen the defined contribution alternative, contributing at least 2% of each employee's salary (calculated on salary between 1 and 12 times the current National Insurance Scheme basic amount). Over 600,000 employees became members of defined contribution pension schemes in 2006 as a result of the introduction of mandatory employers' pensions

Many companies that operate defined contribution pension schemes are now re-evaluating their pension arrangements. Around 130

of Storebrand's corporate customers, representing some 17,000 employees in total, transferred from defined benefit to defined contribution schemes during 2006. In 2002, defined contribution pensions accounted for only 2% of the occupational pensions market. Recent research by FAFO has estimated that the number of employers operating defined contribution schemes will outstrip the number of defined benefit schemes in 2007. However, in terms of the value of accumulated pension assets, defined benefit schemes will continue to dominate for the foreseeable future.

Paid-up policies

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

Pension reform

The Norwegian pension reform will be implemented in 2010. In October 2006, the government published a White Paper on a new model for accruing pension rights in the national insurance scheme and the payment of state pensions. The White Paper proposes that pension rights will only accrue in respect of income up to seven times the national insurance base amount, and will accrue on this amount at the equivalent of 1.35% of income. The "best years" rule and the 40-year maximum pension contribution period are to be abolished. All years with income from employment will count towards the state pension. The proposals also include a flexible retirement age and the opportunity to draw state pension from 62 years of age. People who retire before 67 years of age will receive a reduced pension, while those who work beyond 67 will increase their annual pension. The existing early retirement scheme (AFP) will be adapted to the new proposals in collaboration with employers, and it seems that AFP will continue in the form of an annual addition to the state pension.

The government has announced that once the new rules for the national insurance pension scheme have been approved, it will evaluate the need for changes in legislation on private sector occupational pensions, including the question of how a flexible pension age might be introduced in employers' pensions. The Norwegian Parliament is expected to debate the White Paper during the 2007 spring session. In 2006, Parliament approved a proposal by the government to withdraw the taxation incentives for personal pension contracts (IPA) and both personal and group annuities. However, in November 2006 the government parties agreed to a proposal from the opposition for general agreement on the need for a new model of tax incentives for private pension savings.

Municipalities awaiting new insurance legislation

The public sector pension market represents over NOK 200 billion of accumulated premium reserves. The municipality sector accounts for a major part of this total, but a number of other bodies such as energy and transport companies also provide public sector occupational pensions. In 2005, legislation on the conduct of public sector purchasing was extended to include pension schemes. This has helped to ensure more competitive bidding arrangements, while at the same time increasing the threshold at which such procedures must be carried out. The regulations also impose requirements for public sector pension arrangements to be submitted to competitive bidding on a regular basis.

Many insurers brokers have advised municipalities to delay inviting competitive bidding on their pension schemes until the new insurance legislation is in force. Insurance companies will introduce new pricing structures once the legislation comes into force on 1 January 2008. This is a major reason for the small number of municipality schemes put out to tender in 2006 relative to earlier years. In addition, with effect from 2006 municipalities did not have the same freedom to determine the procedures and criteria for competitive bidding as in earlier years, and this played a part in reducing the number of schemes put out to tender.

Storebrand focuses on health and safety at work

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

Focus on HSE improves employees' job satisfaction and quality of life. For employers, focus on HSE reduces the cost of absenteeism and contributes to value creation as well as reducing insurance premiums. Moreover, a reduction in absenteeism and a lower incidence of disability pensions benefits society at large. Storebrand offers lower disability premiums for businesses that enter into a Storebrand HSE agreement. This product provides both health insurance and HSE advice from Storebrand. Health insurance secures prompt access to treatment when employees fall ill, while HSE advice helps companies to work towards a better working environment and reduced sick leave. Storebrand's HSE agreement is only available to companies that have entered into a "More inclusive working life" agreement with the National Insurance Administration. For public sector customers, Storebrand has established an HSE and senior policy fund. The fund can be used for various HSE measures, as well as training and education. In addition, Storebrand offers health insurance and HSE advice for municipalities and other public sector entities.

Storebrand Life Insurance branch office in Sweden

Storebrand Life Insurance opened its Swedish branch office in September 2005. Storebrand's products are marketed through Swedish brokers and financial advisers, and are based on Norwegian legislation. This means that Storebrand, in contrast to its Swedish

competitors, offers a stronger guarantee structure with better security for customers, as well as a statutory right to transfer.

Storebrand's products and solutions have been well received in the Swedish market. In autumn 2006, Storebrand launched a pension-backed mortgage product in collaboration with Ikano Bank, representing its first product for the Swedish retail market.

Storebrand's Swedish branch has so far focused on sales of traditional life and pension insurance products with guaranteed returns. In 2007, it will expand its activities to include mutual fund products. This will make Storebrand a complete alternative supplier in the Swedish market.

Storebrand operates as a flexible challenger in the Swedish pension market, able to rapidly adapt to changing customer requirements while at the same time drawing on Storebrand's extensive experience of the Norwegian pensions market. The launch of the Swedish branch and sales in the Swedish market also provide an important stimulus to developing Storebrand's pensions business in Norway, not least by providing experience from operating under a different national framework.

Retail market

Work on improving the efficiency of customer service systems continued in 2006. The retail market unit carried out a project to improve the efficiency of opening new policies and settlement for life insurance products as well as projects for the external distribution channel and for deposits and sales support at Storebrand Bank. The objective of this program is to address efficiency in all units before the start of 2009, and to improve efficiency by more than 20% in all these units. Improvements of over 30% have already been achieved on some of the business processes that have been reviewed. Improving efficiency also plays a role in ensuring that the company can cope with increasing business volumes while at the same time improving customer satisfaction.

The government has announced that the minimum contractual periods for tax periods on annuity policies and small IPA pension contracts will be abolished with effect from 2007. The Ministry of Finance will issue new regulations in this respect early in 2007. Storebrand is committed to finding good solutions for its IPA pension and annuity customers and retaining the assets under management for these products.

It is pleasing to see that discussions between the parties on the government's proposed pension reforms do suggest that tax shelter for private pension savings may continue in one form or another if the parties reach agreement in spring 2007. It is as yet uncertain whether any new arrangement will continue to apply to IPA contracts or annuity policies, or whether it would involve a different solution. The timing of the introduction of any new arrangements is also uncertain.

Report of the Board of Directors

2007 will be a year of cross selling. Storebrand intends to increase the number of products it sells to each customer. With 200,000 new mandatory occupational pension customers in 2006, Storebrand has an extremely strong position for successful cross selling.

Growth

Storebrand Livsforsikring expects growth in its total portfolio in the corporate market of between 8% and 10% annually. The market for long-term savings continues to grow. The introduction of mandatory occupational pensions in 2006 has made Norwegians more aware of the need for personal saving. The group gained around 15,500 new corporate customers in 2006, representing some 200,000 employees

in total. This major increase in the customer base will be of great importance for Storebrand's retail market activities in future years. These new customers will be offered attractive solutions for personal insurance and for personal savings.

Allocation of the result for the year

Storebrand Livsforsikring AS reports a profit available for sharing between policyholders and the owner of NOK 5,175 million for the year. After allocating NOK 1,000 million to additional statutory reserves, the profit for the year was NOK 4,175 million. The company's distributable reserves amount to NOK 3,079 million. The Board proposes the following allocation of the profit for the year:

Allocation NOK million	Total	To the owner		To policyholders	
		To the owner	%	To policyholders	%
Profit/loss for products not subject to profit allocation	57.8	57.8			
Profit/loss for products subject to profit allocation	4 116.8	1 122.7	27%	2 994.1	73%
Total	4 174.6	1 180.5		2 994.1	
The Board proposes that the owner's profit be allocation as follows:					
Dividend		885.3			
Transfer to the equity		295.2			

Oslo, 12 February 2007

The Board of Directors of Storebrand Livsforsikring AS

Translation, not to be signed

Leiv L. Nergaard
Chairman

Camilla Grieg

Trond Wilhelmsen

Hans Henrik Klouman

Andreas Enger

Inger-Johanne Strand

Idar Kreutzer
Managing Director

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Profit and loss account Storebrand Livsforsikring

1.1.-31.12.

Storebrand Life Group				Storebrand Livsforsikring AS			
2004	2005	2006	NOK million	Note	2006	2005	2004
TECHNICAL ACCOUNT:							
15 315.2	16 028.0	13 125.4	1.1 Gross premiums written		13 125.4	16 028.0	15 315.2
-22.4	-28.3	-56.9	1.2 Reinsurance premiums ceded		-56.9	-28.3	-22.4
2 619.3	2 317.8	6 550.0	1.3 Premium reserves transferred from other companies	4	6 550.0	2 317.8	2 619.3
17 912.1	18 317.5	19 618.5	1. Premiums for own account	1,2	19 618.5	18 317.5	17 912.1
		1.5	2.1 Income from shares and participations in group companies		38.2	5.5	17.3
4.4	0.4	18.0	2.2 Income from participations in associated companies		19.2	0.4	4.4
0.3			2.3 Income from receivables due/securities issued by group companies				0.4
888.7	1 052.9	1 347.3	2.4 Income from property and real estate investments		1 143.0	959.5	804.0
4 578.3	4 703.7	5 168.8	2.5 Income from other financial assets		5 168.8	4 702.0	4 577.4
202.8	263.7	967.2	2.6 Revaluation of property and real estate investments		967.2	263.7	202.8
1 077.7	1 116.8	2 033.9	2.7 Unrealised gains/reversals of unrealised losses on financial current assets		2 033.9	1 116.8	1 077.7
3.0		39.7	2.8 Reversal of write-downs of financial assets		39.7		3.0
8 286.7	10 987.7	11 050.7	2.9 Gains on sales of financial assets		11 035.7	10 987.7	8 286.7
15 041.9	18 125.2	20 627.1	2. Income from financial assets	6	20 445.7	18 035.6	14 973.7
		685.4	3. Net income from financial assets with investment choice		685.4		
66.5	18.2	33.4	4. Other insurance related income		33.4	18.2	66.5
-6 824.1	-8 525.5	-12 906.3	5.1 Gross claims paid		-12 906.3	-8 525.5	-6 824.1
6.8	13.8	5.9	5.2 Claims paid - reinsurance		5.9	13.8	6.8
-31.2	-20.5	-47.7	5.3 Gross change in claims reserve		-47.7	-20.5	-31.2
-3 231.5	-1 830.9	-1 476.8	5.4 Premium reserves etc. transferred to other companies	4	-1 476.8	-1 830.9	-3 231.5
-10 080.0	-10 363.1	-14 424.9	5. Claims for own account	1	-14 424.9	-10 363.1	-10 080.0
-11 221.5	-11 223.5	-7 774.6	6.1 To/from premium reserve in the insurance fund (gross)		-7 774.6	-11 223.5	-11 221.5
-134.2	-125.4	-147.2	6.2 Guaranteed return on premium/pension adjustment fund		-147.2	-125.4	-134.2
-500.0	-950.0	-1 000.0	6.3 Additional statutory allocations for the year		-1 000.0	-950.0	-500.0
140.9	43.2	-79.8	6.4 To/from additional statutory reserves in connection with claims/repurchase		-79.8	43.2	140.9
24.6	58.9	187.1	6.5 Transfers of additional statutory reserves from other companies		187.1	58.9	24.6
-6.9	-10.6	-17.7	6.6 To/from security reserve		-17.7	-10.6	-6.9
-21.6	-15.2	-78.2	6.7 To technical reserves for non-life insurance business		-78.2	-15.2	-21.6
		-1 561.1	6.8 To/ from reserves for life insurance with investment choice		-1 561.1		
-11 718.7	-12 222.6	-10 471.5	6. Changes in insurance reserves etc. for own account	1	-10 471.5	-12 222.6	-11 718.7
-357.9	-509.5	-545.7	7.1 Sales expenses (insurance)	3	-545.7	-509.5	-357.9
-523.8	-757.8	-1 005.2	7.2 Insurance related administration expenses	8	-1 005.2	-757.8	-523.8
-881.7	-1 267.3	-1 550.9	7. Insurance related operating expenses for own account		-1 550.9	-1 267.3	-881.7
-5.5	-6.5	-7.5	8.1 Administration expenses: properties and real estate investments		-7.5	-6.5	-5.5
-151.6	-80.1	-196.4	8.2 Administration expenses: other financial assets		-196.4	-80.1	-151.6
-33.6	-7.3		8.3 Interest expense arising from financial assets			-6.2	-21.3
-137.9	-153.8	-265.9	8.4 Other expenses arising from financial assets		-53.4	-72.6	-75.9
-34.1	-232.8	-39.7	8.5 Revaluation of properties and real estate investments		-39.7	-232.8	-34.1
-0.3	-4.7		8.6 Write-downs to other financial assets			-4.7	-0.3
-6 139.0	-7 325.1	-7 634.1	8.7 Loss on disposal of financial assets		-7 634.1	-7 325.1	-6 139.0
-6 502.0	-7 810.3	-8 143.6	8. Expenses in respect of financial assets	6	-7 931.1	-7 728.0	-6 427.7
-164.9	-100.7	-60.9	9. Other insurance related expenses after reinsurance share		-60.9	-100.7	-164.9
-1 077.6	-1 116.8	-2 033.9	10. To/from market value adjustment reserve		-2 033.9	-1 116.8	-1 077.6
2 595.6	3 580.1	4 278.7	11. TECHNICAL INSURANCE RESULT		4 309.8	3 572.8	2 601.7

Storebrand Life Group				Storebrand Livsforsikring AS			
2004	2005	2006	NOK million	Note	2006	2005	2004
-764.0	-1 054.8	-1 350.2	12.1 Transfers to the premium reserve in the insurance fund		-1 350.2	-1 054.8	-764.0
-755.4	-1 209.9	-1 643.9	12.2 Transfers to the premium and pensioner's surplus fund		-1 643.9	-1 209.9	-755.4
-1 519.4	-2 264.7	-2 994.1	12. Funds transferred to policyholders	1	-2 994.1	-2 264.7	-1 519.4
1 076.2	1 315.4	1 284.6	13. BALANCE OF THE TECHNICAL ACCOUNT		1 315.7	1 308.1	1 082.3
NON-TECHNICAL ACCOUNT:							
65.7	86.1	108.1	14. Other income				
-176.2	-234.4	-210.4	15. Other expenses		-135.2	-141.6	-119.7
965.7	1 167.1	1 182.3	16. PROFIT FROM ORDINARY ACTIVITIES		1 180.5	1 166.5	962.6
-33.4	26.0	-0.7	17. Tax	7,24		26.6	-31.0
-0.7		-1.1	18. Minority interests' share of profit				
931.6	1 193.1	1 180.5	19. PROFIT FOR THE YEAR		1 180.5	1 193.1	931.6
ALLOCATIONS:							
			20.1 Group contribution paid				
			20.2 Dividend paid		-885.3	-775.4	-538.7
			20.3 Transferred to other equity		-295.2	-417.7	-392.9
			20. Total allocated		-1 180.5	-1 193.1	-931.6

Balance sheet Storebrand Livsforsikring

at 31 December

Storebrand Life Group				Storebrand Livsforsikring AS			
2004	2005	2006	NOK million	Note	2006	2005	2004
ASSETS:							
41.6	24.9	8.2	1.1 Intangible assets	19	0.5		
		5.4	1.2 Deferred tax assets	24			
41.6	24.9	13.6	1. Intangible assets		0.5		
12 872.4	14 135.7	18 169.4	2.1 Properties and real estate	18,19	17 936.8	13 963.4	12 864.9
			2.2 Shares and participations in group companies	10,14	272.4	341.2	126.5
61.6	100.0	207.9	2.3 Shares and participations in associated companies	10,20	188.7	62.0	61.6
		4.4	2.4 Shares and other equity investments	14,19	4.2		
39 351.5	40 671.6	43 098.8	2.5 Bonds to be held to maturity	14,12,20	43 098.8	40 671.6	39 351.5
267.8	607.5	2 295.6	2.6 Secured lending	14,15	2 295.6	607.5	267.8
130.8	48.6	44.2	2.7 Other lending	14,15	44.2	48.6	130.8
1.1			2.8 Other financial long term assets				
52 685.2	55 563.4	63 820.3	Long term financial assets		63 840.7	55 694.3	52 803.1
28 616.4	39 338.4	45 515.7	2.9 Shares and other equity investments	9,13,14,16,20	45 515.7	39 336.8	28 579.3
44 039.8	48 785.3	44 538.6	2.10 Bonds and other fixed income securities	11,13,14,20	44 538.6	48 785.3	44 039.8
3 032.2	1 528.5	1 743.6	2.11 Money market placements	14,20	1 743.6	1 528.5	3 032.2
374.1	438.7	858.8	2.12 Financial derivatives	13,14,20	858.8	438.7	374.1
76 062.5	90 090.9	92 656.7	Financial assets held as current assets		92 656.7	90 089.3	76 025.4
128 747.7	145 654.3	156 477.0	2. Total financial assets		156 497.4	145 783.6	128 828.5
		3 028.7	3.1 Equityfund		3 028.7		
		127.0	3.2 Bondfund		127.0		
		1 094.7	3.3 Money market fund		1 094.7		
		2.0	3.4 Combination fund		2.0		
		3 111.7	3.5 Investments fund	16	3 111.7		
		7 364.1	3. Life insurance assets with investment choice	17	7 364.1		
1 189.7	957.0	1 628.8	4.1 Receivables due from insurance customers (direct business)		1 628.8	957.0	1 189.7
4.3	4.3	4.3	4.2 Receivables due arising from reinsurance		4.3	4.3	4.3
566.5	1 498.8	777.6	4.3 Other receivables		617.9	1 384.0	244.3
33.5	25.6	23.0	4.4 Intra-group receivables	26	41.1	240.8	51.4
1 794.0	2 485.7	2 433.7	4. Total receivables		2 292.1	2 586.1	1 489.7
2.6	26.5	28.2	5.1 Fixed assets	19	26.3	24.2	0.5
2 053.9	1 777.6	4 057.2	5.2 Cash and bank		3 829.1	1 581.9	1 939.0
96.2			5.3 Other assets by type	8			89.6
2 152.7	1 804.1	4 085.4	5. Total other assets		3 855.4	1 606.1	2 029.1
1 390.1	1 697.0	1 996.7	6.1 Accrued but not received lease rentals, interest etc.	11,12	1 992.1	1 694.4	1 386.6
85.2	6.5	10.3	6.2 Other prepaid costs and accrued income		10.3	6.5	85.2
1 475.3	1 703.5	2 007.0	6. Total prepaid costs and accrued income		2 002.4	1 700.9	1 471.8
134 211.3	151 672.5	172 380.8	TOTAL ASSETS		172 011.9	151 676.7	133 819.1

Storebrand Life Group				Storebrand Livsforsikring AS			
2004	2005	2006	NOK million	Note	2006	2005	2004
EQUITY AND LIABILITIES:							
1 411.2	1 411.2	1 411.2	7.1 Share capital		1 411.2	1 411.2	1 411.2
726.4	726.5	870.6	7.1 Share premium		870.6	726.5	726.4
2 137.6	2 137.7	2 281.8	7. Total paid-in share capital	29	2 281.8	2 137.7	2 137.6
2 366.2	2 783.9	3 079.0	8.1 Other equity		3 079.1	2 783.9	2 366.2
2 366.2	2 783.9	3 079.0	8. Total accrued capital	29	3 079.1	2 783.9	2 366.2
13.0	12.7	13.8	9. Minority interests' share in equity				
2 966.8	2 875.4	2 961.7	10.1 Other subordinated loan capital		2 961.7	2 875.4	2 966.8
2 966.8	2 875.4	2 961.7	10. Total subordinated loan capital	13,25	2 961.7	2 875.4	2 966.8
2 767.2	3 884.0	5 917.8	11. Market value adjustment reserve	20	5 917.8	3 884.0	2 767.2
111 819.5	124 051.7	133 257.3	12.1 Premium reserve for own account		133 257.3	124 051.7	111 819.5
3 706.1	4 537.5	5 550.7	12.2 Additional statutory reserves		5 550.7	4 537.5	3 706.1
4 946.2	5 228.1	6 492.8	12.3 Premium fund		6 492.8	5 228.1	4 946.2
199.2	215.0	280.0	12.4 Pensioner's surplus fund		280.0	215.0	199.2
313.8	334.3	382.6	12.5 Claims reserve for own account		382.6	334.3	313.8
81.4	96.6	174.8	12.6 Other technical reserves	23	174.8	96.6	81.4
121 066.2	134 463.2	146 138.2	Insurance fund reserves for own account		146 138.2	134 463.2	121 066.2
148.6	159.2	179.0	12.7 Security reserve		179.0	159.2	148.6
121 214.8	134 622.4	146 317.2	12. Total insurance related reserves for own account	21	146 317.2	134 622.4	121 214.8
		7 188.5	13.1 Premium reserve		7 188.5		
		175.6	13.2 Deposit fund		175.6		
		7 364.1	13. Reserve for life insurance with investment choice		7 364.1	0.0	0.0
187.6	245.1	207.6	14.1 Pension liabilities etc.	8	190.0	226.5	181.2
180.2	180.9	107.6	14.2 Deferred tax	24			26.6
0.3	0.3	0.3	14.3 Other reserves		0.3	0.3	0.3
368.1	426.3	315.5	14. Total reserves for other risks and costs		190.3	226.8	208.1
481.1	724.4	385.2	15.1 Accounts payable in respect of direct insurance		385.2	724.4	481.1
80.8	111.6	86.9	15.2 Accounts payable in respect of reinsurance		86.9	111.6	80.8
	684.1	626.8	15.3 Financial derivatives representing current liabilities	13,20	626.8	684.1	
1 018.3	2 301.0	1 688.0	15.4 Other liabilities		1 463.6	2 441.8	712.2
538.7	776.6	885.3	15.5 Allocated to dividend		885.3	775.4	538.7
12.8	14.9	49.8	15.6 Due to group companies	26	49.8	119.4	124.7
2 131.7	4 612.6	3 722.0	15. Total liabilities		3 497.6	4 856.7	1 937.5
46.7	42.6	57.3	16.1 Prepayments received of lease rental, interest etc.		57.3	42.6	46.7
199.2	274.9	350.6	16.2 Other accrued costs and deferred income		344.9	247.2	174.2
245.9	317.5	407.9	16. Total accrued costs and deferred income		402.2	289.8	220.9
134 211.3	151 672.5	172 380.8	TOTAL EQUITY AND LIABILITIES		172 011.9	151 676.7	133 819.1
			Off-balance sheet contingent liabilities		4 237		

Oslo, 12 February 2007

The Board of Directors of Storebrand Livsforsikring AS

Translation, not to be signed

Leiv L. Nergaard
Chairman

Camilla Grieg

Andreas Enger

Trond Wilhelmsen

Inger-Johanne Strand

Hans Henrik
Klouman

Idar Kreutzer
Managing Director

Cash flow analysis Storebrand Livsforsikring

1 January - 31 December

NOK million	Group			Parent company		
	2006	2005	2004	2006	2005	2004
Cash flow from operations						
Net premiums received - direct insurance	10 554.3	15 096.7	14 048.4	10 554.3	15 096.7	14 383.5
Net claims/benefits paid - direct insurance	-13 294.1	-8 288.9	-6 966.8	-13 294.1	-8 288.9	-6 907.7
Net receipts/ payments - policy transfers	5 073.2	486.9	-212.2	5 073.2	486.9	-612.2
Net receipts/payments - lending to customers	-1 610.0	-236.5	1 126.1	-1 610.0	-236.5	1 126.4
Net receipts/payments - loans to and claims on other financial institutions						
Net receipts/payments - customer deposits with the banking activities	121.6	106.1	98.5	118.3	104.8	98.5
Net receipts/payments - deposits from Norges Bank and other financial institutions						
Net receipts/payments - securities in the trading portfolio:						
Shares and other equity investments	274.0	-5 592.0	-6 172.4	328.7	-5 805.9	-5 653.9
Bonds and other fixed income securities	6 072.4	-694.9	1 279.2	6 056.2	-697.9	976.6
Financial derivatives and other financial instruments	-477.4	619.5		-477.4	619.5	-222.9
Dividend receipts from the trading portfolio						
Payments to suppliers for goods and services	-760.1	-53.0	-994.7	-1 023.4	-80.8	-854.4
Net receipts/payments - real estate activities	-2 003.5	-315.1	-2 111.4	-1 950.0	-162.5	-2 310.3
Payments to employees, pension scheme, employers' contribution etc.	-804.5	-599.0	-663.3	-761.8	-576.7	-393.6
Payments of tax, duties, etc.	-79.3	26.7				
Net receipts/payments - other operational activities						
Net cash flow from operations	3 066.6	556.5	-568.6	3 014.0	458.7	-370.0
Cash flow from investment activities						
Net receipts from sales of subsidiaries		0.1			0.1	
Net payments on purchase/capitalisation of subsidiaries						
Receipts from sales of property						
Payments on purchase of property	-12.4	-12.4		-12.4	-12.4	0.0
Net receipts/payments on sale/purchase of fixed assets, etc.	-31.9	-50.1	0.1	-14.2	-31.9	-4.1
Net cash flow from investment activities	-44.3	-62.4	0.1	-26.6	-44.2	-4.1
Cash flow from financing activities						
Repayment of long term lending						
Receipts from taking up term loans						
Receipts from issuance of commercial paper/short-term loans						
Repayment of commercial paper/short-term loans						
Receipts from issuance of subordinated loan capital						
Repayment of subordinated loan capital						
Interest payments on subordinated loans	-48.9	-233.0	178.2	-48.9	-233.0	178.2
Receipts from issue of bond loans and other long-term funding						
Repayment of bond loans and other long-term funding						
Receipts from issue of new share capital	53.5	0.1	750.0	53.5	0.1	750.0
Payments on redemption of share capital						
Group contribution/dividend paid	-775.4	-537.5		-775.4	-538.7	-230.3
Net cash flow from financing activities	-770.8	-770.4	928.2	-770.8	-771.6	697.9
Net cash flow for the period	2 251.5	-276.3	359.7	2 216.6	-357.1	323.8
Net change in cash and cash equivalent assets	2 251.5	-276.3	359.7	2 216.6	-357.1	323.8
Cash and cash equivalent assets at the start of the period for new companies						
Liquid assets 01.01	1 808.2	2 053.9	1 694.2	1 612.5	1 939.0	1 615.2
= Liquid assets at 31.12	4 059.7	1 777.6	2 053.9	3 829.1	1 581.9	1 939.0

00 Accounting principles

General

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

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

Consolidation

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

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

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

Merger

Storebrand Fondsforsikring AS was merged with Storebrand Livsforsikring AS with accounting effect from 1 January 2006. The merger was carried out with accounting continuity. Prior year figures have not been restated for the merger.

Assets and liabilities denominated in foreign currency

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

Profit and loss account

Premium income

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

Claims paid

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

Income/expense arising from financial assets

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

Transfers of premium reserve etc. (policy transfers)

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

Movements in reserve for life insurance with investment choice

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

Profit allocated to policyholders

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

Financial assets

Financial current assets

Real estate

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

Shares held as fixed assets

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

Bonds held to maturity

Bonds acquired with the intention of holding to maturity are classified as financial fixed assets. Bonds are valued at amortised cost to the next interest fixing date using the effective yield method. Accrued premium/discount is shown in the accounts as part of income from other financial assets. In the event of a significant adverse change in the credit standing of an issuer, the value of bonds held will be written down as necessary.

Mortgage loans – other lending

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

Financial current assets

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

Shares and other equity investments

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

If a market for a financial instrument is not active, fair value is determined by using valuation techniques. Such valuation techniques make use of recent arm's length market transactions between knowledgeable and willing parties where available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis, and options pricing models.

Stock lending

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

Bonds and other fixed income securities

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

Financial derivatives

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

Equity options /Equity index options

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

Stock futures

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

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

The same accounting treatment is applied as for share options.

Interest rate futures

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

Interest rate swaps

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

Asset swap

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

FRA-Forward rate agreements

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

Forward foreign exchange contracts

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

Currency swaps

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

Credit derivatives

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

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

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

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

Life insurance assets with investment choice

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

Other assets

Intangible assets

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

Tangible fixed assets

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

Cash and bank

Cash and bank includes cash and bank deposits. Long-term deposits are classified as part of the item 'Money market placements'.

Long-term liabilities

Subordinated loan capital

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

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

Insurance reserves - life insurance

The insurance fund

Premium reserve

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

Additional statutory reserves

The company is permitted to make additional statutory allocations to the insurance fund in order to ensure the solidity of its life insurance business. The maximum additional allocation to statutory reserves is set at the difference between the premium reserve calculated on the basis of 3.5% guaranteed yield and the premium reserve calculated on the basis of actual guaranteed yield under the contracts. The Financial Supervisory Authority of Norway has specified a level for the additional statutory reserves that apply to each policy. This is defined as the premium reserve for the policy multiplied by twice the basic interest rate for the policy. The company is permitted to apply a higher multiple of the basic interest rate than that defined by the Financial Supervisory Authority of Norway. The allocation to additional statutory reserves is a conditional allocation to policyholders that is recognised in the profit and loss account as a statutory allocation and accordingly reduces net profit. Additional statutory reserves can be used to meet a shortfall in the guaranteed return. This is shown in the profit and loss account after the technical (insurance) result as amounts released from additional statutory reserves to meet the shortfall in guaranteed return.

Premium fund

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

Pensioners' surplus fund

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

Claims reserve

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

Security fund

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

Reserve for life insurance with investment choice

Total of customers' investments at market value. This item is equal to Life insurance assets with investment choice.

Pension liabilities in respect of own employees

The company uses the Norwegian standard for pensions accounting NRS 6A, which permits the use of IAS 19 (International Financial Reporting Standards) 'Employee Benefits'.

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

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

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

The scheme is treated as an external insurance arrangement.

Deferred tax/deferred tax assets

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

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

NOK million	Group pension private insurance	Group pension public insurance	Group life insurance	Endowment insurance	Annuity/pension insurance	Non-life insurance	Total	Of this not eligible for profit allocation
1.1 Single premium	1 999.6	865.5			8.6		2 873.7	457.9
1.2 Annual premiums	4 607.1	788.7	499.1	707.6	173.4	185.7	6 961.6	2 010.3
1.3 Account products				2 776.7	513.4		3 290.1	211.9
Total premiums written	6 606.7	1 654.2	499.1	3 484.3	695.4	185.7	13 125.4	2 680.1
1.4 Reserve transfers received	2 367.3	3 892.3		5.6	284.8		6 550.0	113.3
1.5 Reinsurance ceded	-15.3		-3.0	-4.3	-0.3	-34.0	-56.9	-38.2
1 Premium income 2006	8 958.7	5 546.5	496.1	3 485.6	979.9	151.7	19 618.5	2 755.2
Premium income 2005	6 510.1	1 867.2	467.1	8 261.8	1 104.3	107.0	18 317.5	882.5
Premium income 2004	7 147.0	1 453.7	489.5	7 646.5	1 096.5	78.9	17 912.1	752.3
2 Income from financial assets	12 978.5	1 859.5	99.5	2 568.1	2 918.5	21.6	20 445.7	269.0
3 Income from financial assets with investment choice	123.2			88.7	473.5		685.4	685.4
4 Other insurance related income	21.0	3.0	0.2	4.3	4.9		33.4	0.4
5.1 Claims paid	-2 936.0	-864.5	-350.5	-789.6	-1 680.9	-42.5	-6 664.0	-633.3
5.2 Agreements terminated/withdrawals from endowment policies	-217.5			-5 950.7	-74.1		-6 242.3	-297.5
5.3 Re-insurance ceded	1.2			4.5	0.1	0.1	5.9	4.9
5.4 Movements in claims reserve	-35.3	-12.5	35.7	-30.2	-5.4		-47.7	19.3
5.5 Reserve transfers disbursed	-1 263.6	-40.5		-3.5	-169.2		-1 476.8	-155.1
5 Claims 2006	-4 451.2	-917.5	-314.8	-6 769.5	-1 929.5	-42.4	-14 424.9	-1 061.7
Claims 2005	-4 642.6	-671.4	-316.5	-3 141.6	-1 552.7	-38.3	-10 363.1	-451.4
Claims 2004	-5 934.1	-583.0	-341.1	-1 658.6	-1 536.2	-27.0	-10 080.0	-420.8
6.1 Movements in premium reserve	-6 278.9	-4 844.4	-71.3	3 257.1	162.9		-7 774.6	-341.3
6.2 Guaranteed interest on premium/ pensioners' surplus fund	-125.9	-13.9			-7.4		-147.2	
6.3 Additional statutory allocations for the year	-636.9	-93.3		-125.4	-144.4		-1 000.0	
6.4 Change in additional statutory allocations in the insurance fund	-33.6	-100.8		46.7	7.9		-79.8	
6.5 Transfers of additional statutory allocations and market value adjustment reserve	81.9	101.1			4.1		187.1	
6.6 Movement in security reserve	-10.4	-5.8	-0.7	-0.7	-0.1		-17.7	-7.8
6.7 Technical reserves for non-life insurance business						-78.2	-78.2	-78.2
6.8 To/from reserves for life insurance with investment choice	-892.5			-382.8	-285.8		-1 561.1	-1 561.1
6 Change in insurance related reserves 2006	-7 896.3	-4 957.1	-72.0	2 794.9	-262.8	-78.2	-10 471.5	-1 988.4
Change in insurance related reserves 2005	-4 818.8	-1 526.2	-8.2	-5 505.8	-348.4	-15.2	-12 222.6	-106.7
Change in insurance related reserves 2004	-4 192.1	-1 107.8	-10.8	-6 065.0	-321.4	-21.6	-11 718.7	-73.3
7 Insurance related operating costs	-725.7	-98.8	-69.6	-358.2	-241.0	-57.6	-1 550.9	-473.7
8.1 Admin. costs financial assets	-129.3	-18.5	-1.0	-25.6	-29.3	-0.2	-203.9	-3.0
8.2 Other costs financial assets	-4 916.1	-704.6	-37.7	-970.9	-1 089.7	-8.2	-7 727.2	-77.9
8 Costs related to financial assets	-5 045.4	-723.1	-38.7	-996.5	-1 119.0	-8.4	-7 931.1	-80.9
9 Other insurance related costs	-25.7	-2.4	-25.1	-3.6	-4.1		-60.9	-25.4
10 To/from market value adjustment reserve	-1 287.4	-187.1	-10.0	-257.8	-289.4	-2.2	-2 033.9	-20.8
11 Released from additional statutory reserves to meet shortfall in guaranteed return								
12 Funds transferred to policyholders	-1 964.4	-419.0		-286.1	-324.6		-2 994.1	
13 Technical result	685.3	104.0	65.6	269.9	206.4	-15.5	1 315.7	59.1
14 Other income								
15 Other costs	-86.0	-12.3	-0.7	-17.0	-19.1	-0.1	-135.2	-1.4
16 Profit from ordinary operations	599.3	91.7	64.9	252.9	187.3	-15.6	1 180.5	57.7
17 Tax								
18 PROFIT FOR THE YEAR	599.3	91.7	64.9	252.9	187.3	-15.6	1 180.5	57.7

Of which products with investment choice

NOK million	2006			Total
	Group pension	Endowment insurance	Annuity/pension	
Premiums written	988.3	581.8	41.0	1 611.1
- which saving premium	972.9	576.2	13.6	1 562.7
- which risk premium	-0.3	0.5	1.2	1.4
- which administration premium	15.7	5.1	26.2	47.0
Net transferes premium reserve	-11.0	2.0	6.2	-2.8
Net income of financial investment	14.8	5.6	41.9	62.3
Net income of financial assets with investment choice	123.2	88.7	473.5	685.4
Other insurance related income	0.1			0.1
Claims paid	-4.3	-273.4	-212.2	-489.9
Change in insurance related reserves	-1 074.2	-385.4	-273.6	-1 733.2
Insurance related operating costs	-132.6	-16.3	-60.9	-209.8
Other insurance related costs			-0.1	-0.1
Technical result	-95.7	3.0	15.8	-76.9
Other income				
Other costs				
Tax				
Profit for the year	-95.7	3.0	15.8	-76.9

02 Sales of insurance (new business) Storebrand Livsforsikring AS

Premiums: NOK million	Group pension private insurance	Group pension public insurance	Group life insurance	Endowment insurance	Annuity/pension insurance	Non-life insurance	Total
2006	1 344.3	1.3	21.2	2 485.5	441.5	71.9	4 365.7
2005	210.6	2.6	14.6	7 150.5	584.0	35.4	7 997.7
2004	211.5	0.3	15.3	6 258.2	431.5	14.1	6 930.9

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

Of which products with investment choice

NOK million	Group pension	Endowment kapital	Annuity/pension	Total
Sales of new business 2006	1 016.4	602.0	24.6	1 643.0

03 Sales costs Storebrand Livsforsikring AS

NOK million	2006	2005	2004
Salaries and other costs	-360.2	-320.0	-249.0
Commissions paid	-185.5	-189.5	-108.9
- of which commissions paid to other companies	-101.2	-129.4	-72.5
Total sales costs	-545.7	-509.5	-357.9

04 Movements of reserves to/from Storebrand Livsforsikring AS

NOK million	Group pension private insurance	Group pension public insurance	Endowment insurance	Annuity/ pension insurance	Total 2006	Total 2005	Total 2004
Funds received							
Premium reserve	2 367.3	3 892.3	5.6	284.8	6 550.0	2 317.8	2 619.3
Additional statutory reserves	82.0	101.0		4.1	187.1	58.9	24.6
Transfers of premium reserve etc.	2 449.3	3 993.3	5.6	288.9	6 737.1	2 376.7	3 374.9
Premium/Pension adjustment funds	216.2				216.2	97.4	220.2
Annual premium volume	336.2	139.3	0.5	5.4	481.4	263.7	298.6
Number of policies/customers	773	29	20	1 012	1 834	1 196	1 082
Funds transferred out							
Premium reserve	-1 206.0	-40.0	-3.5	-164.8	-1 414.3	-1 742.2	-3 078.9
Additional statutory reserves	-38.2	-0.4		-3.3	-41.9	-62.7	-126.1
Revaluation reserve	-19.4	-0.1		-1.1	-20.6	-26.0	-26.5
Transfers of premium reserve etc.	-1 263.6	-40.5	-3.5	-169.2	-1 476.8	-1 830.9	-3 231.5
Premium/Pension adjustment funds	-243.5	-0.4		-0.6	-244.5	-316.7	-480.7
Annual premium volume	-362.4	-2.6	-0.2	-4.3	-369.5	-356.1	-312.5
Number of policies/customers	-1 812	-20	-10	-735	-2 577	-1 028	-687

Of which products with investment choice

NOK million	2006
Funds received	
Transfers of premium reserve etc.	152.3
Funds transferred out	
Transfers of premium reserve etc.	-155.1

05 Profit and loss by class of insurance Storebrand Livsforsikring AS

NOK million	Group Line reference in note 1	Group pension private insurance	Group pension public insurance	Group life insurance	Endowment insurance	Annuity/pension insurance	Non-life insurance	Total 2006	Total 2005	Total 2004
1. Financial income ¹	2/3/4/8.2/9 10/15	6 816.8	956.1	51.1	1 411.9	1 994.2	11.0	11 241.1	9 123.4	7 520.0
2. Guaranteed yield		-3 489.4	-248.4	-4.0	-722.2	-1 204.4		-5 668.4	-4 764.3	-4 426.2
- of which transferred to premium fund	6.2	-125.9	-13.9			-7.4		-147.2	-125.4	-134.2
3. Interest result		3 327.4	707.7	47.1	689.7	789.8	11.0	5 572.7	4 359.1	3 093.8
4. Risk premium		427.9	39.2	372.6	388.5	-81.3	155.7	1 302.6	1 245.0	1 277.5
5. Risk addition		-203.8	-108.8	-314.2	-305.1	53.0	-119.2	-998.1	-798.0	-968.1
6. Net reinsurance etc. ¹	9	-22.2		-27.9	0.2	-0.2	-34.0	-84.1	-84.0	-103.6
7. Risk result		201.9	-69.6	30.5	83.6	-28.5	2.5	220.4	363.0	205.8
8. Administration premium		537.0	89.0	58.6	275.7	165.0	28.6	1 153.9	1 023.6	901.9
9. Operating expenses	7/8.1	-855.3	-117.3	-70.6	-383.8	-270.0	-57.8	-1 754.8	-1 353.9	-1 038.7
10. Administration result		-318.3	-28.3	-12.0	-108.1	-105.0	-29.2	-600.9	-330.3	-136.8
11. Change in premium/security reserve		-10.4	-5.8	-0.8	-0.7	0.0		-17.7	-10.6	-180.9
12. Gross result for sector (3+7+10+11)	6.3/12/16	3 200.6	604.0	64.8	664.5	656.3	-15.7	5 174.5	4 381.2	2 981.9
13. Profit due to policyholders	6.3/11/12	-2 601.3	-512.3		-411.5	-469.0		-3 994.1	-3 214.7	-2 019.3
To equity capital:										
- net return on equity etc. ²								579.0	491.3	408.7
- 0.40% of customers' funds								567.4	520.9	454.8
- risk return on equity								48.7	47.1	46.2
- other								-14.6	107.2	52.9
14. Profit for the year	18							1 180.5	1 166.5	962.6

1 The items other insurance-related income (line 4 in note 1) and other insurance-related costs (line 9 in note 1) are allocated in accordance with their purpose.
2 Includes: Security reserve, subordinated loan capital, equity at book value and liabilities.

Of which products with investment choice

NOK million	2006			
	Group pension	Endowment kapital	Annuity/pension	Total
Interest result	15.3	5.7	42.1	63.1
Risk result	-0.3	0.3	3.4	3.4
Administration result	-110.2	-3.0	-29.6	-142.8
Change in security reserve	-0.4		-0.1	-0.5
Gross result for sector	-95.6	3.0	15.8	-76.8

Surplus/deficit on result elements solely for the company's account.

06 Financial assets income and expense Storebrand Livsforsikring Group

NOK million	2006	2005	2004
Income from group and other related companies	19.5	0.4	4.7
Income from properties and real estate	1 347.3	1 052.9	888.7
Interest income bonds	4 012.5	3 716.2	3 490.9
Interest income commercial paper	99.3	207.4	273.4
Interest income lending	73.7	21.0	56.7
Interest income cash and bank	118.3	104.8	98.5
Interest income other	58.2	17.1	0.9
Share dividends	743.6	637.2	657.9
Revaluation of real estate	967.2	263.7	202.8
Reversal of write-downs of financial assets	39.7		3.0
Gain on sale of shares	10 598.5	10 051.6	7 494.6
Gain of sale of bonds	351.5	808.8	617.1
Gain on sale of commercial paper	85.5	122.2	165.0
Gain of sale of other investments	15.2	5.1	10.0
Unrealised gain on short term holdings of financial investments	2 033.9	1 116.8	1 077.7
Other income financial assets	63.2		
Financial assets income	20 627.1	18 125.2	15 041.9
Costs arising from real estate	-36.2	-58.5	-95.9
- of which administration costs	-7.5	-6.5	-5.5
Interest costs		-7.3	-33.6
Mark-to-market adjustment for financial assets		-4.7	-0.3
Write-downs of real estate	-39.7	-232.8	-34.1
Loss on sale of shares including FX loss	-7 024.1	-6 527.4	-4 792.1
Loss on sale of bonds including FX loss	-488.1	-662.6	-1 211.8
Loss on sale of certificates	-115.6	-135.1	-134.7
Loss on sale of other investments	-6.3		-0.4
Financial assets: Other costs	-433.6	-181.9	-199.1
- of which administration costs	-196.4	-80.1	-151.6
Financial assets costs	-8 143.6	-7 810.3	-6 502.0
Financial assets net income	12 483.5	10 314.9	8 539.9
- of which administration costs	-203.9	-86.6	-157.1
Of which in subsidiaries			
Income from financial assets	181.4	250.5	63.8
Costs arising from financial assets	-212.5	82.3	-74.3

Foreign securities are booked using the balance sheet date method.

NOK million	2006	2005	2004
Profit on shares	6 895.6	5 626.0	4 098.1
Profit on bonds	3 391.4	3 510.3	3 243.9
Profit on commercial paper	69.2	194.5	303.7
Profit on lending	67.4	21.0	56.0
Profit on real estate	2 251.9	1 037.6	973.8
Other profit	11.9	12.1	21.5
Financial assets net income	12 687.4	10 401.5	8 697.0
Financial assets administration costs	-203.9	-86.6	-157.1
Financial assets net income including administration costs	12 483.5	10 314.9	8 539.9

07 Tax charge Storebrand Livsforsikring AS

NOK million	2006	2005	2004
Profit before tax	1 180.5	1 166.5	962.6
+/- Permanent differences	-5 353.7	-4 778.9	-884.4
+/- Group contribution			
+/- Change in timing differences	828.8	-1 369.6	-295.9
Tax losses carried forward/deferred tax assets applied			
Tax base for the year			
Tax rate	28%	28%	28%
Tax			
+/- Tax at source			
+/- Tax losses carried forward			
+/- Allowance for Norwegian dividend			
Tax payable on income			
Tax on group contribution			
Deferred tax - net change		-26.6	31.0
Tax cost		-26.6	31.0
Taxes payable			
Norway			
Overseas			
Total tax payable			
Deferred tax/ deferred tax assets			
Norway		-26.6	31.0
Overseas			
Total deferred tax		-26.6	31.0
Tax on capitalised items			
Tax on group contribution			
Tax cost		-26.6	31.0

Tax charge Storebrand Livsforsikring Group

NOK million	2006	2005	2004
Pre-tax profit	1 182.3	1 167.1	965.7
Tax payable	-0.1	-0.3	-1.0
Net change in deferred tax	-0.6	26.3	-32.4
Tax on group contribution			
Tax cost	-0.7	26.0	-33.4

08 Pension costs and pension liabilities Storebrand Livsforsikring AS

Employees are assured a retirement pension to 70% of pensionable salary at the time of retirement. The ordinary retirement age is 65. Staff pensions are provided by a group pension scheme with Storebrand Livsforsikring AS. Pension payments from the scheme come into effect from the pension age, which is 67 for executives and 65 for underwriters. Pension payments to employees between 65 and 67 are paid directly by the company. Pension rights are part to the group's collective employment agreement.

Reconciliation of pension assets and liabilities in the balance sheet:

NOK million	2006	2005	2004	NGAAP 2004
Present value of insured pension benefit obligations incl. employment taxes	845.2	614.6	596.9	641.4
Pension assets at fair value	-551.4	-455.0	-423.2	-421.1
Net pension liability/ surplus for the insured schemes	293.8	159.6	173.7	220.3
Present value of uninsured pension benefit obligations incl. employment taxes	181.4	177.6	153.1	0.0
Experience adjustments and difference between actual and expected investment return not applied to profit and loss	-285.2	-110.7	-105.2	-128.6
Net pension liability in the balance sheet	190.0	226.5	221.7	91.7

Reconciliation to show the change in net defined benefit pension liability in the period:

NOK million	2006	2005	2004
Net pension liability at 1.1. including provision for employment taxes	794.2	773.9	430.9
Net pension cost recognised in the period including provision for employment taxes	72.1	52.8	35.2
Interest on pension liabilities	34.9	32.1	23.3
Experience adjustments	143.3	-13.4	97.0
Pension paid	-17.9	-9.7	-4.3
Changes to the pension scheme		-43.4	
Other changes			167.8
Net pension liability at 31.12.	1 026.6	792.2	750.0

Reconciliation to show the change in fair value of pension assets in the period:

NOK million	2006	2005	2004
Fair value pension assets at 1.1.	455.8	423.2	229.4
Expected return	27.8	24.5	18.3
Experience adjustments	-10.3	0.2	-8.1
Premium paid	86.9	50.8	40.4
Changes to the pension scheme		-36.9	
Pension paid	-8.8	-6.8	-2.3
Other			145.5
Net pension assets at 31.12.	551.4	455.0	423.2

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

	2006	2005	2004
Properties and real estate	11%	10%	10%
Bonds held to maturity	28%	28%	31%
Loans	1%	1%	
Shares and other equity investments	29%	27%	22%
Bonds and other securities - fixed yield	28%	29%	25%
Certificates		4%	10%
Other short term financial assets	2%	1%	3%
Total	100%	100%	100%

The tabel shows percentage asset allocation of pension assets managed by Storebrand Livsforsikring at year end. The booked (realised) investment return on assets managed by Storebrand Livsforsikring was 7.1% in 2006 and 6.9% in 2005.

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

NOK million	2006	2005	2004	NGAAP 2004
Current service cost including provision for employment taxes	50.5	55.1	35.2	28.6
Interest on pension liabilities	34.9	32.0	23.3	23.2
Expected return on pension assets	-27.8	-24.5	-18.3	-19.0
Experience adjustments	2.0	2.5		1.0
Changes to the pension scheme		-6.5		
Net pension cost booked to profit and loss in the period	59.7	58.6	40.3	33.8

Net pension cost is included in operating costs.

Main assumptions used when calculating net pension liability at 31.12:

Financial:	2006	2005	2004	NGAAP 2004
Discount rate	4.3%	4.7%	4.7%	5.5%
Expected return on pension fund assets in the period	5.6%	6.0%	6.0%	6.0%
Expected earnings growth	4.3%	3.0%	3.0%	3.0%
Expected annual increase in social security pensions	4.3%	3.0%	3.0%	3.0%
Expected annual increase in pensions in payment	1.7%	2.0%	2.0%	2.0%

Actuarial:

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

Net pension liability/ surplus pr. 31.12:	2006	2005	2004
Discounted current value of defined benefit pension liabilities	1 026.6	792.2	750.0
Fair value pension assets	-551.4	-455.0	-423.2
Deficit	475.2	337.2	326.9

Pension costs and pension liabilities Storebrand Livsforsikring Group

Employees are assured a retirement pension to 70% of pensionable salary at the time of retirement. The ordinary retirement age is 65. Staff pensions are provided by a group pension scheme with Storebrand Livsforsikring AS. Pension payments from the scheme come into effect from the pension age, which is 67 for executives and 65 for underwriters. Pension payments to employees between 65 and 67 are paid directly by the company. Pension rights are part to the group's collective employment agreement.

Reconciliation of pension assets and liabilities in the balance sheet:

NOK million	2006	2005	2004	NGAAP 2004
Present value of insured pension benefit obligations incl. employment taxes	902.2	658.4	641.7	687.0
Pension assets at fair value	-589.1	-489.8	-457.4	-455.1
Net pension liability/ surplus for the insured schemes	313.1	168.6	184.3	231.9
Present value of uninsured pension benefit obligations incl. employment taxes	192.9	189.3	164.0	
Experience adjustments and difference between actual and expected investment return not applied to profit and loss	-298.4	-112.8	-109.2	-140.4
Net pension liability in the balance sheet	207.6	245.1	239.2	91.5

Reconciliation to show the change in net defined benefit pension liability in the period:

NOK million	2006	2005	2004
Net pension liability at 1.1. including provision for employment taxes	849.3	829.6	477.9
Net pension cost recognised in the period including provision for employment taxes	76.0	55.5	34.3
Interest on pension liabilities	37.3	33.9	25.5
Experience adjustments	151.0	-18.4	104.4
Pension paid	-18.6	-9.7	-5.4
Changes to the pension scheme		-43.4	
Other changes			168.7
Net pension liability at 31.12.	1 095.1	847.5	805.4

Reconciliation to show the change in fair value of pension assets in the period:

NOK million	2006	2005	2004
Fair value pension assets at 1.1.	490.6	457.5	257.4
Expected return	30.0	22.7	20.1
Experience adjustments	-12.1	0.2	-5.2
Premium paid	89.6	53.0	42.5
Changes to the pension scheme		-36.9	
Pension paid	-9.0	-6.8	-3.3
Other			146.0
Net pension assets at 31.12.	589.1	489.7	457.4

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

	2006	2005	2004
Properties and real estate	1%	10%	10%
Bonds held to maturity	28%	28%	31%
Loans	1%	1%	
Shares and other equity investments	29%	27%	22%
Bonds and other securities - fixed yield	28%	29%	25%
Certificates		4%	10%
Other short term financial assets	2%	1%	3%
Total	100%	100%	100%

The tabel shows percentage asset allocation of pension assets managed by Storebrand Livsforsikring at year end. The booked (realised) investment return on assets managed by Storebrand Livsforsikring was 7.1% in 2006 and 6.9% in 2005.

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

NOK million	2006	2005	2004	NGAAP 2004
Current service cost including provision for employment taxes	53.1	58.2	38.4	30.3
Interest on pension liabilities	36.8	34.5	25.5	24.1
Expected return on pension assets	-29.2	-26.6	-20.1	-19.6
Experience adjustments		2.5		1.0
Planendringer		-6.5		
Changes to the pension scheme				
Net pension cost booked to profit and loss in the period	60.7	62.1	43.8	35.8

Net pension cost is included in operating costs.

Main assumptions used when calculating net pension liability at 31.12:

Financial:	2006	2005	2004	NGAAP 2004
Discount rate	4.3%	4.7%	4.7%	5.5%
Expected return on pension fund assets in the period	5.6%	6.0%	6.0%	6.0%
Expected earnings growth	4.3%	3.0%	3.0%	3.0%
Expected annual increase in social security pensions	4.3%	3.0%	3.0%	3.0%
Expected annual increase in pensions in payment	1.7%	2.0%	2.0%	2.0%

Actuarial:

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

Net pension liability/ surplus pr. 31.12:	2006	2005	2004
Discounted current value of defined benefit pension liabilities	1 095.1	847.5	805.7
Fair value pension assets	-589.1	-489.7	-457.4
Deficit	506.0	357.8	348.3

As fund investments represent an increasing proportion of the company's assets, indirect investments in fund where Storebrand Kapitalforvaltning manages allocation and risk are reported in all relevant notes to the accounts in 2006.

09 Shares and other equity investments

NOK million	Number held	Interest	Acquisition cost ¹	Market value	Market value include indirect investment in fund
Norwegian finance industry					
DnB NOR	5 088 403	0.4%	407.2	450.3	457.2
ABG Sundal Collier	1 239 537	0.4%	10.0	16.1	16.2
Sparebanken Rogaland G	5 950	0.0%	1.1	1.1	1.1
Total Norwegian finance industry			418.3	467.6	474.6
Other Norwegian shares					
Steen & Strøm	3 598 144	12.9%	196.5	1 205.4	1 205.4
Orkla	3 112 452	1.5%	751.7	1 098.7	1 104.8
Norsk Hydro	4 152 336	0.3%	697.7	803.5	815.2
Telenor	3 844 764	0.2%	378.8	450.8	458.2
Statoil	1 822 472	0.1%	309.3	301.2	309.0
Petroleum Geo-Services	1 127 201	0.6%	108.1	165.1	160.5
Yara International	1 058 980	0.3%	107.0	150.1	151.3
Veidekke	625 512	2.2%	32.1	148.2	148.5
Prosafe	1 435 460	0.6%	100.0	127.0	138.2
SeaDrill Ltd	1 278 922	0.3%	91.2	134.6	135.6
Tandberg Television	1 237 477	1.6%	91.1	96.8	97.5
Pan Fish	13 776 152	0.4%	91.7	78.5	89.8
Ganger Rolf	336 482	0.9%	37.0	80.4	80.8
Tandberg	450 223	0.4%	32.8	42.3	66.0
APL	1 021 917	2.3%	42.9	62.8	63.3
Arrow Seismic	804 332	4.3%	39.7	60.3	60.7
Wavefield Inseis	1 107 300	1.1%	29.6	39.9	60.3
Aker	137 749	0.1%	42.3	55.2	55.6
Subsea 7	464 315	0.3%	45.1	53.4	53.8
Aker Kværner	99 050	0.2%	46.2	77.1	53.6
Deep Ocean	1 769 765	2.0%	37.0	52.2	52.6
Det Norske Oljeselskap	4 281 741	0.5%	49.8	49.2	49.6
Renewable Energy Corporation	430 489	0.1%	41.1	49.1	49.4
Fred. Olsen Energy	153 558	0.2%	38.8	44.8	45.3
Tomra Systems	1 039 277	0.6%	53.1	44.7	45.1
Schibsted	196 774	0.3%	35.4	43.9	44.3
Glava	65 000	6.9%	42.6	42.3	42.3
Reservoir Exploration Technology - B	764 600	3.0%	30.8	41.7	42.0
Scorpion Offshore Ltd	561 729	1.1%	38.7	40.4	40.8
Wilh. Wilhelmsen A	156 180	0.3%	20.4	37.1	37.3
Odfjell A	291 382	0.3%	32.0	33.5	33.9
Oceanteam ASA	523 700	4.6%	26.8	33.5	33.7
Grenland Group	1 153 830	4.3%	35.5	32.2	32.4
TGS Nopec Geophysical Company	192 662	0.2%	16.7	24.9	30.1
Proserv Group Preferanse	990 000	14.7%	26.8	28.3	28.3
Aker Yards	56 370	0.2%	21.0	27.2	27.5
SeaBird Exploration BVI	635 880	0.8%	18.6	25.1	25.2
Ability Group	471 270	0.7%	23.3	24.0	24.2
Elixia Holding AS A-aksjer	1 387 474	12.8%	23.1	23.1	23.1
Other			513.0	481.9	460.9
Total Norwegian mutual funds			4 395.3	6 410.5	6 476.2
Norwegian shares and other equity investments			4 813.5	6 878.0	6 950.7
Of which listed Norwegian equities			4 334.1	6 392.1	6 443.6

NOK million	Number held	Interest	Acquisition cost ¹	Market value	Market value include indirect investment in fund
Australia					
BHP Billiton	449 220		42.1	55.8	63.2
Aust & Nz Bank Group	231 977		23.1	32.1	46.4
National Australian Bank	202 725		30.0	40.2	45.6
Commonwealth Bank of Australia	161 907		28.8	39.3	44.3
Westpac Banking Corp	234 375		23.9	27.9	31.5
Westfield Group	193 330		16.5	19.9	22.2
			164.4	215.2	253.2
Belgium					
Fortis B	139 564		36.3	37.0	57.9
Kredietbank	23 005		15.0	17.5	23.0
			51.3	54.6	80.9
Canada					
Royal Bank of Canada	79 592		23.2	23.6	61.1
Manulife Financial	85 507		18.1	18.0	47.1
Bank of Nova Scotia	61 258		17.3	17.1	44.2
Suncor Energy	29 189		13.4	14.3	38.8
Barrick Gold	79 153		15.8	15.2	38.5
Canadian Imperial Bank of Commerce	23 415		11.6	12.3	32.0
CanadaN Nat. Resources	35 502		10.4	11.8	30.5
Bank of Montreal	30 273		12.1	11.2	29.0
Nexen Inc	20 290		6.9	7.0	28.6
Canadian National Railway	38 897		10.6	10.4	26.3
Talisman Energy	85 137		8.9	9.0	24.9
Telus Corp	20 509		7.5	5.9	24.7
Petro-Canada	30 613		8.0	7.8	23.0
Sun Life Financial Inc	34 997		9.5	9.2	21.9
			173.4	172.9	470.9
Cayman Island					
SBL Vintage 1999 Ltd – Class B-1	320 197 832		320.2	381.0	381.0
			320.2	381.0	381.0
Denmark					
Superfos Industries	287 074		31.2	29.5	29.5
Novo-Nordisk B	31 713		12.3	16.4	21.8
			43.6	45.9	51.3
Finland					
Orion OYJ					39.4
Nokia A	472 821		62.2	60.1	39.1
Dynea Oy A	218 687		30.2	23.6	23.6
			92.4	83.7	102.1
France					
Total (PAR)	245 859		102.6	110.3	153.4
Sanofi-Aventis	114 298		65.6	65.6	99.3
Societe Generale	47 875		51.6	50.5	73.2
Cap Gemini	15 351		5.3	6.0	67.6
Axa	204 188		51.2	51.4	65.1
Vallourec	5 494		8.1	9.9	64.2
France Telecom	195 304		35.7	33.6	56.7
Vivendi	137 810		32.2	33.6	54.6
Sodexo Alliance	15 073		4.1	5.9	53.4
Suez	114 463		32.3	36.9	47.4
Neopost	2 118		1.6	1.7	42.0
Credit Agricole	88 539		24.8	23.2	39.5
Cie De St Gobain	40 548		19.4	21.2	37.2
Danone	27 573		24.8	26.0	33.7

Notes Storebrand Livsforsikring

NOK million	Number held	Interest	Acquisition cost ¹	Market value	Market value include indirect investment in fund
France cont.					
Schneider Electric	31 216		20.6	21.6	27.2
Michelin B	21 282		7.8	12.7	26.6
L Oreal	33 392		21.1	20.8	26.4
Air Liquide	13 303		17.6	19.6	24.8
LVMH	30 440		20.4	20.0	24.3
Vinci	24 855		15.8	19.8	24.2
Veolia Environment	35 231		11.0	16.9	22.7
Lafarge	17 919		14.3	16.6	21.9
			588.0	623.7	1 085.6
Greece					
Coca-Cola HBC	19 607		3.5	4.8	45.1
			3.5	4.8	45.1
Ireland					
CRH	71 011		13.0	18.4	63.2
Bank of Ireland	112 654		12.4	16.2	31.2
Anglo Irish Bank					30.0
			25.4	34.6	124.4
Italy					
UniCredito Italiano	892 723		48.1	48.7	75.2
ENI	303 913		58.7	63.6	49.6
Enel	514 072		30.0	33.0	41.9
Assicurazioni General	107 776		26.8	29.4	37.6
Intesa SanPaolo	557 384		19.8	24.9	31.3
Telecom Italia Spa	1 211 587		22.9	22.8	29.5
Fiat	111 466		9.0	13.2	26.8
San Paolo – IMI	142 065		19.7	20.5	26.2
			235.1	256.1	318.2
Japan					
Toyota Motor	382 000		126.8	158.9	190.0
Mitsubishi UFJ Holdings Group	1 097		92.7	84.3	94.9
Mizuho Financial Group	1 220		60.5	54.2	75.1
Takeda Pharmaceutical	114 700		45.1	49.0	65.5
Murata Manufacturing	26 900		11.9	11.3	59.2
Sumitomo Mitsui Financial Group	786		53.4	50.1	56.4
Canon	138 200		38.0	48.4	54.5
Nippon Steel	793 000		20.4	28.3	44.1
Nissan Motor	346 800		24.2	26.0	39.2
Sony	129 700		33.1	34.6	39.2
Matsushita Electric Industrial	255 000		36.5	31.6	35.6
Tokyo Electric Power	156 000		26.7	31.4	35.1
Nomura Holdings	225 800		22.4	26.5	33.3
Jfe Holdings	73 600		17.8	23.6	32.0
NTT DoCoMo	2 436		24.8	23.9	29.8
Astellas PharmaR	70 200		21.0	19.8	27.5
Mitsubishi Estate	150 000		17.8	24.1	27.4
Mitsui	206 000		18.9	19.2	26.9
Millea	92 100		24.1	20.2	25.6
KDDI Corp	327		13.4	13.8	25.6
Ricoh	97 000		9.9	12.3	24.3
East Japan Railway	453		19.8	18.8	24.2
Orix	11 790		19.6	21.2	24.1
Seven and I holdings	108 600		23.5	21.0	23.8
Shin-Etsu Chemical	50 300		19.5	20.9	23.7
Mitsubishi	177 100		22.6	20.7	23.3

NOK million	Number held	Interest	Acquisition cost ¹	Market value	Market value include indirect investment in fund
Japan cont.					
Nintendo	12 800		10.2	20.7	23.3
Denso	83 300		18.9	20.5	23.3
NTT	673		22.6	20.6	23.0
Mitsui OSK Lines	158 000		8.7	9.7	21.8
			905.0	965.7	1 251.7
Liberia					
Royal Caribbean Cruises	259 014		70.7	67.1	68.5
			70.7	67.1	68.5
Luxembourg					
Acergy	1 027 434		95.6	123.3	146.7
			95.6	123.3	146.7
Holland					
Royal Dutch Shell A ord	778 311		163.3	170.7	210.9
Ing-Group	212 992		59.6	58.7	87.4
ABN Amro	218 015		41.4	43.6	53.9
Philips Electronics (Koninklijke)	153 341		34.2	36.0	47.4
Unilever NL	198 786		31.3	33.8	42.8
Aegon	166 779		20.2	19.8	39.4
Koninklijke KPN	220 572		15.1	19.5	35.1
Mittal Steel Company	83 306		15.7	21.9	27.3
Koninklijke Ahold	193 947		12.7	12.8	26.4
			393.6	416.8	570.6
New Zealand					
Taumata Plantations Ltd.	17		637.6	658.6	658.6
			637.6	658.6	658.6
Singapore					
Development Bank Singapore	151 000		10.7	13.8	26.2
United Overseas Bank	158 000		8.7	12.4	24.3
			19.4	26.3	50.6
Spain					
Telefonica	551 712		62.4	73.0	100.9
Banco Santander	690 037		72.8	80.1	100.1
BBVA (Bilbao Vizcaya Argentaria)	389 785		58.8	58.4	74.4
Industria De Deseno Textil	29 306		7.5	9.8	53.4
Banco de Sabadell					46.1
Endesa	112 568		29.9	33.1	44.4
Repsol Ypf	114 184		23.1	24.6	41.1
Iberdrola	98 977		26.2	26.9	36.2
			280.7	305.9	496.6
Great Britain					
BP Plc	2 305 057		151.9	159.4	208.4
HSBC Holdings GB	1 324 518		141.4	150.3	197.1
GlaxoSmithkline	692 522		121.4	113.4	144.6
Vodafone Group	6 233 690		99.6	107.5	136.5
Royal Bank of Scotland	362 256		71.9	88.0	127.3
Barclays Bank	731 754		51.3	65.1	93.7
HBOS	427 634		46.1	59.0	84.9
Compass Group	288 190		7.9	10.2	83.4
Easyjet Plc					70.7
Lloyds Bank	635 143		38.4	44.2	66.0
Anglo American Plc	161 038		39.1	48.9	63.1
Alliance Boots Plc	125 462		10.8	12.8	62.2
Tesco	933 856		35.4	46.0	59.2
AMEC	91 827		3.4	4.7	56.9

Notes Storebrand Livsforsikring

NOK million	Number held	Interest	Acquisition cost ¹	Market value	Market value include indirect investment in fund
Great Britain cont.					
Diageo	357 101		36.7	43.6	56.0
National Grid Plc	340 729		23.1	30.6	50.7
Burberry Group	88 950		4.3	7.0	48.9
BG Group	412 668		34.0	34.8	45.7
BT Group	934 200		25.3	34.3	43.7
Homeserve					41.6
ITV Ordinary shares	483 264		5.8	6.3	40.6
Aviva PLC	313 421		28.9	31.4	40.1
Xstrata	71 582		14.6	22.2	36.4
Unilever GB	156 094		21.4	27.2	34.4
Allied Irish Bank UK	99 286		16.8	18.4	33.6
Csr (Gb)	15 584		2.2	1.2	32.9
Astrazeneca	180 747		66.7	60.4	31.1
Reckitt Benckiser	83 193		19.0	23.7	31.1
Prudential	278 411		18.7	23.7	30.7
Scottish & Southern Energy	119 840		15.8	22.7	29.8
Cadbury Schweppes	289 411		18.7	19.3	27.8
Utd Utilities	117 326		8.6	11.2	24.1
Land Securities	66 098		13.5	18.7	23.6
Centrica	442 980		13.9	19.1	23.5
Scottish Power	198 207		13.3	18.1	23.5
Scottish & Newcastle	145 765		8.7	9.9	22.9
International Power	210 842		6.8	9.8	22.2
			1 235.5	1 403.3	2 248.9
Switzerland					
Nestle	45 622		83.0	100.8	126.2
Novartis	259 867		86.3	93.1	122.2
UBS	246 912		83.0	93.3	117.8
Roche Holding Genuss	78 507		80.0	87.5	111.5
Credit Suisse Group RG	145 687		50.0	63.4	80.5
Sulzer AG	662		3.0	4.7	73.1
Phonak Holding					52.1
Zurich Financial Services Group	17 398		23.4	29.1	37.1
Swiss Reinsurance	39 357		16.6	20.8	36.1
Richemont - Cie Fin	65 361		17.4	23.7	30.6
Holcim	28 620		13.2	16.3	25.7
Baloise Holding RG					24.8
			456.0	532.6	837.6
Sweden					
Ericsson B	1 951 732		44.4	49.1	115.1
Duni Holding	105 711		29.9	32.9	32.9
PA Resources	477 160		26.4	31.3	31.5
Nordea Bank AB	243 065		17.5	23.3	30.1
Hennes & Mauritz B	55 910		13.3	17.6	23.3
			131.4	154.2	232.9
Germany					
Rwe	59 137		33.8	40.5	121.1
EON	73 276		55.6	61.9	80.8
Deutsche Bank	67 455		53.1	56.1	79.9
Allianz SE (Societas Europea)	49 405		56.6	62.8	79.7
Henkel Kgaa-Vorzug	9 585		7.1	8.8	59.5
Deutsche Telecom	321 187		33.7	36.5	51.5
Basf	65 186		34.6	39.5	50.3
Muenchener Rueckversicherungs RG	24 725		24.8	26.5	42.8

NOK million	Number held	Interest	Acquisition cost ¹	Market value	Market value include indirect investment in fund
Germany cont.					
Bayer	87 791		28.0	29.3	37.2
Software AG					36.2
Hugo Boss Pref					34.5
ThyssenKrupp	48 589		9.9	14.2	28.9
Commerzbank	89 731		19.6	21.3	27.8
Deutsche Post	92 328		14.6	17.3	24.2
			371.3	414.7	754.5
USA					
Exxon Mobil	342 868		136.0	163.6	430.6
General Electric	582 617		132.4	135.0	350.9
J.P Morgan Chase and Co	198 945		51.0	59.8	293.2
AT&T Inc	213 523		44.8	47.5	262.2
Citigroup	281 724		88.4	97.7	253.3
Microsoft	520 393		92.8	96.8	251.3
Wachovia Corp	97 199		35.2	34.5	230.3
Cisco Systems	348 691		46.4	59.3	217.1
Pepsico Inc	99 802		35.8	38.9	200.9
Procter & Gamble	183 583		73.8	73.5	195.3
Allstate Corp	41 880		13.7	17.0	193.3
Pfizer	415 094		60.4	66.9	184.1
Johnsen & Johnsen	163 445		69.4	67.2	176.4
Chevron Corp	131 461		55.1	60.2	167.2
General Mills	31 789		10.3	11.4	161.1
Nothern Trust	25 112		9.5	9.5	160.3
National City	49 436		11.9	11.3	148.5
Genworth Financial A					148.3
Air Products & Chemicals	22 871		10.1	10.0	146.3
International Business Machine (IBM))	89 611		46.1	54.2	140.8
Textron	22 242		12.7	13.0	138.9
Apple Inc	50 193		23.9	26.5	137.5
Constellation Energy					135.3
Clorox Corp	14 200		6.0	5.7	134.8
American International Group	117 464		50.8	52.4	134.8
Qualcomm	99 623		23.4	23.4	134.1
Occidental Petroleum	60 019		19.3	18.2	133.6
Kellogg Co	16 900		5.6	5.3	132.9
CVS Corp	57 980		12.4	11.2	129.1
Illinois Tool Works	31 868		9.7	9.2	121.4
Cooper Industries	10 504		6.1	5.9	115.7
Masco	49 915		9.0	9.3	114.3
Hewlett-Packard Co	166 286		40.3	42.6	113.1
Intel	342 604		45.4	43.2	111.9
Norfolk Southern Corp	25 420		7.4	8.0	110.7
El Paso Corporation	52 255		4.7	5.0	104.9
Coca-Cola	125 053		36.5	37.6	97.3
Bank of America Corp	253 487		87.7	84.3	96.7
CIT Group	15 354		5.3	5.3	95.6
Time Warner	264 422		32.1	35.9	93.6
Corning	99 533		13.2	11.6	92.6
Electronic Arts	24 116		6.2	7.6	92.2
Newell Rubbermaid	29 667		5.7	5.3	91.8
Verizon Communications	156 367		32.6	36.3	91.8
Google Class A	11 840		31.7	33.9	89.6
Merck & Co	123 397		30.3	33.5	87.1

Notes Storebrand Livsforsikring

NOK million	Number held	Interest	Acquisition cost ¹	Market value	Market value include indirect investment in fund
USA cont.					
Flowserve					86.3
Hess Corp					86.0
Enesco International Inc	15 890		4.4	5.0	84.7
Home Depot	123 191		34.1	30.8	83.6
Schlumberger	76 082		30.0	29.9	79.8
Morgan Stanley	52 332		24.7	26.5	79.3
Wyeth	82 150		27.1	26.0	77.6
United Health Group	83 291		27.4	27.9	75.8
Intuit	33 582		7.2	6.4	74.0
Bellsouth	99 777		27.5	29.3	73.9
US Bancorp	106 325		23.1	24.0	72.2
Rockwell Collins	61 827		20.2	24.4	71.7
Wellpoint Inc	43 707		22.1	21.4	71.4
Oracle Corporation	248 454		28.0	26.5	71.3
Amgen	67 794		31.6	28.8	69.7
Metlife	54 721		17.4	20.1	69.4
Abbott Laboratories	86 946		27.6	26.4	68.6
McDonalds	88 439		20.5	24.4	67.4
Adobe Systems	42 008		10.3	10.8	66.8
Merrill Lynch	46 868		24.1	27.2	64.4
Emerson Electric	73 312		20.1	20.1	63.7
Walt Disney	113 059		22.6	24.1	62.6
Tyco International	127 458		23.0	24.1	62.5
Motorola	156 871		25.8	20.1	62.2
Goldman Sachs	20 606		19.8	25.6	61.7
Medtronic	70 547		21.6	23.5	60.0
Target Corporation	61 551		23.2	21.9	59.9
Prudential Financial Inc	35 267		17.5	18.9	59.0
Transocean	25 385		12.0	12.8	56.8
Caterpillar	44 488		19.2	17.0	55.2
Fannie Mae	55 361		19.7	20.5	53.1
St. Paul Travelers Cos Inc	49 265		14.9	16.5	52.9
Chubb Corp	40 155		12.0	13.2	52.4
Dell Inc.	128 480		18.9	20.1	52.3
American Express	57 187		20.6	21.6	51.9
Lilly Eli	61 688		21.9	20.0	51.8
Marathon Oil Corp.	25 177		12.5	14.5	51.8
Sprint Nextel Group	168 501		18.9	19.8	51.8
Sandisk Corp	13 062		4.8	3.5	50.9
Comcast Corp-Special	73 091		17.1	19.1	50.1
News Corporation B	139 954		18.6	19.4	50.0
Bristol-Myers Squibb	116 054		18.9	19.0	49.3
Duke Energy Corp	91 345		18.3	18.9	49.2
Hartford Financial Services	24 590		13.9	14.3	49.0
Equity Office Properties	47 315		12.4	14.2	48.3
Exelon	45 509		16.7	17.5	47.9
Wallgreen	63 816		19.2	18.2	47.2
Texas Instruments	98 291		21.2	17.6	46.6
Lowe's Cos Inc	92 062		17.1	17.9	46.3
Countrywide Financial	45 315		10.4	12.0	45.8
Citrix					45.5
Freddie Mac	41 245		17.5	17.4	45.2
Lehman Brothers	30 921		14.9	15.0	44.3
Capital One Financial	38 645		19.6	18.5	44.3

NOK million	Number held	Interest	Acquisition cost ¹	Market value	Market value include indirect investment in fund
USA cont.					
DuPont (E.I) De Nemours	56 181		14.5	17.0	44.2
Dominion Resources	25 132		12.6	13.1	44.1
Federated Department Stores	47 985		13.5	11.4	43.7
Firstenergy	33 315		12.4	12.5	43.6
Genentech	30 472		15.1	15.4	43.3
J.C. Penney	23 541		10.6	11.3	41.8
American Elec Power	46 305		11.1	12.3	41.8
Valero Energy	37 319		12.6	11.9	41.5
ACE Ltd	30 265		10.8	11.4	41.4
McGraw Hill	33 395		12.6	14.1	40.9
Lincoln National Corp	27 911		11.3	11.5	40.2
Dow Chemical	61 566		15.6	15.3	40.0
Equity Residential Properties	40 861		13.6	12.9	39.8
Sirf Technology Holdings Inc					39.7
Phelps Dodge Corp	15 623		8.8	11.6	39.6
Avid Technology Inc.					39.5
ITT Corporation	40 406		12.3	14.3	38.3
Washington Mutual	52 156		14.7	14.8	38.1
Fedex Corp	20 459		14.5	13.8	37.6
United Parcel Services	30 780		14.6	14.4	37.5
Baxter International	48 019		14.3	13.9	37.3
Marriott Intl	37 786		9.7	11.2	36.6
Suntrust Banks	26 916		13.5	14.2	36.6
Automatic Data Processing	45 041		14.0	13.8	35.8
Starbucks Corp	56 671		12.6	12.5	35.6
Caremark Rx Inc	33 289		11.2	11.8	35.3
Eaton Corp	20 371		9.3	9.5	35.1
Baker Hughes	21 448		9.5	10.0	34.9
Gilead Sciences Inc	33 045		12.2	13.4	34.8
Plum Creek Timber	44 553		10.0	11.1	34.8
Applied Materials	113 827		13.2	13.1	34.3
EMC	160 453		12.3	13.2	34.2
Monsanto	39 941		12.2	13.1	34.2
Aetna	35 167		9.0	9.5	33.7
Devon Energy	25 637		10.6	10.7	33.6
Mellon	47 092		12.0	12.4	33.3
Safeway	37 070		7.3	8.0	32.8
Apache Corp	27 883		11.5	11.5	32.4
Southern	54 569		12.4	12.5	32.4
Parker Hannifin	18 196		9.2	8.7	32.4
Cardinal Health	30 814		13.6	12.4	32.3
Deere & Co	19 174		10.5	11.3	32.0
Ingersoll-Rand Corp	34 550		8.8	8.4	32.0
Union Pacific Corp	14 929		8.5	8.6	31.9
Archer-Daniels-Midland	41 087		10.3	8.2	31.9
Kroger	55 778		8.4	8.0	31.6
Anheuser Busch	42 384		13.2	13.0	31.3
Sysco Corp	51 306		11.1	11.7	31.2
Alcoa	63 918		11.6	11.9	31.2
Entergy	20 095		9.8	11.6	31.1
Yahoo	77 821		13.5	12.4	31.0
Ebay	63 579		19.0	11.9	30.7
Public Service Enterprise Gp	22 803		9.1	9.4	29.9
Harley-Davidson	23 511		9.6	10.3	29.8

Notes Storebrand Livsforsikring

NOK million	Number held	Interest	Acquisition cost ¹	Market value	Market value include indirect investment in fund
USA cont.					
Kohls Corp	26 090		11.3	11.1	29.6
Johnson Controls	16 123		7.7	8.6	29.4
PG&E Corp.	37 103		10.1	10.9	28.7
General Motors A	35 887		7.7	6.9	28.7
Schwab (Charles)	90 120		10.4	10.9	28.3
Staples	59 862		9.6	10.0	28.3
Comcast Corp A	47 436		9.3	12.5	28.2
SLM Corp	32 424		10.9	9.8	28.2
Weyerhaeuser	24 249		9.8	10.7	28.1
PP&L Resources	40 390		8.8	9.0	28.1
Omnicom Group	14 956		9.1	9.7	28.1
Franklin	15 406		10.5	10.6	28.0
Progressive Corp	63 767		10.1	9.6	28.0
Carnival	33 786		12.2	10.3	27.7
Paccar	20 052		7.5	8.1	27.6
Viacom INC ClassB	41 451		10.8	10.6	27.6
Fortune Brands Inc	17 743		8.7	9.4	27.0
Conagra	57 179		9.0	9.6	26.9
Comerica Inc	28 507		10.6	10.4	26.9
XTO Energy	31 917		8.7	9.4	26.9
Danaher Corp	22 685		10.0	10.2	26.8
Host Hotels & Resorts	45 406		7.0	6.9	26.6
Vulcan Materials	14 674		7.5	8.2	26.4
BB&T CORP	29 739		8.6	8.1	26.3
Xerox	61 874		6.2	6.5	26.3
Zimmer Holdings	20 512		9.1	10.0	26.2
Moody's	20 045		8.4	8.6	25.9
Praxair	27 035		10.4	10.0	25.8
Sears Holdings Corp	9 306		9.7	9.7	25.4
Globalsantafe Corp	25 327		8.0	9.3	25.2
Texas Utilities	27 288		11.2	9.2	25.0
Becton Dickinson & Co	21 544		9.8	9.4	25.0
Nisource Inc	64 703		9.1	9.7	24.8
Lexmark International	11 237		4.3	5.1	24.1
Best Buy	29 488		8.8	9.0	24.1
Medco Health Solutions	24 989		9.9	8.3	23.8
Agilent Technologies	38 567		7.6	8.4	23.8
Stryker Corp	26 547		8.7	9.1	23.6
First Data	56 905		8.3	9.0	23.5
Computer Sciences Corp	15 749		5.0	5.2	23.5
Heinz (H.J)	32 310		8.8	9.1	23.4
Paychex	36 146		8.7	8.9	23.4
Boston Scientific	83 810		8.4	9.0	23.4
Gannett	17 491		6.5	6.6	23.3
Dover	29 343		9.2	9.0	23.2
International Paper	41 968		9.5	8.9	23.2
State Street	20 818		8.5	8.7	22.7
CBS Corp class B	50 095		9.4	9.7	22.7
Thermo Fisher Scientific Inc	20 021		5.2	5.6	22.5
Sara Lee	77 328		8.0	8.2	22.3
Sun Microsystems	253 466		8.4	8.6	22.2
Prologis	21 254		8.1	8.0	22.1
Intl Game Technology	28 699		7.7	8.3	22.0
Noble Corp	11 726		5.6	5.6	21.9
			3 660.2	3 801.2	13 842.8

NOK million	Number held	Interest	Acquisition cost ¹	Market value	Market value include indirect investment in fund
Other Oceania			1 830.6	1 880.9	2 285.6
Other Europe			1 675.5	2 010.1	1 584.6
Other North-America			1 024.9	1 002.8	-158.3
Other contry			63.8	78.2	67.1
Total foreign shares			14 549.0	15 714.2	27 851.6
Of which listed international equities			13 391.2	14 517.2	26 648.5

Mutual investments managed by Storebrand Kapitalforvaltning

Storebrand Nord Amerika I	9 166 221		6 639.5	7 589.4	
Storebrand Global Quant Equity	2 000 000		2 000.0	2 020.4	
Storebrand Europa I	947 785		1 112.7	1 590.4	
Storebrand Alpha SICAV-North America Class M	196 501		1 362.0	1 434.7	
Storebrand Alpha SICAV-Europe Class M	119 499		992.2	1 012.6	
Storebrand Alpha SICAV-Global Class M	117 822		772.1	849.3	
Storebrand Global Indeks I	399 760		400.0	438.2	
Storebrand Asia Pacific Indeks I	343 578		346.0	352.7	
Storebrand WGA Health Care	68 837		70.5	86.4	
Storebrand Barnespar	396 006		39.6	68.4	
Storebrand Global I	75 659		50.0	50.5	
Storebrand Energi	24 652		23.8	39.9	
Storebrand Futura 2	10 000		10.0	10.6	
Storebrand F & C Emerging Markets	5 481		5.3	7.5	
Storebrand Goldman SMB Europa	2 539		2.5	2.7	
Other					3 242.3
Total			13 826.1	15 553.6	3 242.3

Other mutual investments

Storebrand Multi Strategy Limited - class B-3	1 157 156 103		1 202.7	1 386.6	1 386.6
Storebrand Special Opportunities Ltd. - B3	761 191 734		750.0	837.3	837.3
Storebrand Investment Fund - Storebrand TA Fund	862 539		695.7	670.3	670.3
Storebrand International Private Equity IV - B2	376 349 773		385.0	435.8	435.8
Storebrand International Private Equity V Ltd - B3	393 636 690		376.2	371.2	371.2
Storebrand Selecta Limited - Class B-3	258 461 234		236.4	307.5	307.5
Outlet Mall Fund	31 709 644		265.3	282.7	282.7
Storebrand International Private Equity VI Ltd -B3	251 515 152		250.0	246.0	246.0
Lasalle Euro Growth II	20 831 271		166.2	182.8	182.8
Macquarie European Infrastructure Fund II	19 497 219		159.1	160.1	160.1
Henderson PFI	12 009 237		145.8	150.1	150.1
API Eiendomsfond Norge	234		127.6	144.2	144.2
Pradera European Retail Fund	16 189 434		133.8	133.8	133.8
CBRE Strategic Property Partners UK	9 837 208		116.4	128.5	128.5
European Office Income Venture	14 025 638		114.3	124.8	124.8
TransEuropean Property Ltd.Partnership III	14 079 132		113.9	124.3	124.3
Grainger unitholder No.1 Limited	9 693 840		117.5	119.6	119.6
Carlye Europe Real Estate Partners L.P.	11 312 892		93.0	116.8	116.8
European Retail Income Venture	11 965 770		98.3	103.0	103.0
Storebrand Norwegian Private Equity 2006 Ltd. - B3	106 060 605		105.0	100.8	100.8
Global Health Care Equity Portofolio					85.9
Heitman European Property Partners III	8 907 567		73.3	77.1	77.1
HealthCap III, KB	83 334 859		72.0	74.1	74.1
European Property Invesators	9 862 887		78.2	73.9	73.9
Storebrand Principle Global Fund Z	39 891		57.9	72.4	72.4
FSN Capital Limited Partnership 1	2 133 446		17.0	71.5	71.5
Bain Capital Fund	6 476 790		44.3	70.7	70.7
Menlo Ventures IX	10 212 931		72.9	68.2	68.2

NOK million	Number held	Interest	Acquisition cost ¹	Market value	Market value include indirect investment in fund
Other mutual investments cont.					
Celogix N.V.	18 423		63.2	67.4	67.4
Abn Amro Infrastructure Capital Equity Partners	7 514 218		61.6	61.7	61.7
Apax France VI	5 885 830		48.0	53.4	53.4
Carlye Europe Real Estate Partners L.P. II	6 103 482		50.6	53.3	53.3
AIPP Active – Partial Draw Down	6 151 801		50.2	50.7	50.7
Apax Europe V – E, L.P.	4 383 940		36.1	49.0	49.0
Storebrand Emerging Private Equity Markets B3	50 000 000		50.0	48.0	48.0
Wand Partners	101		75.8	44.0	44.0
Bridgepoint – The Second European PE Fund E	3 807 403		30.5	41.8	41.8
EQT IV ISS Co-Investment LP	5 000 000		39.5	41.1	41.1
J.W. Childs III, L.P.	5 183 265		33.7	40.3	40.3
Storebrand International Private Equity III KB	21 000 000		15.6	26.7	26.7
Ferd Private Equity (GP-I) Limited	7 194 996		7.2	24.8	24.8
Apax France V	84		9.8	24.6	24.6
Other			192.6	109.4	124.6
Total			6 832.1	7 369.9	7 471.0
Total shares and participations (short term holdings)			40 020.8	45 515.7	45 515.7
Acquisition cost at the exchange rate applicable on the balance sheet date			39 303.1		

¹ Equal to acquisition cost in historical currency.

Uncalled commitment to subscribe capital to Limited Partnerships amounted to NOK 4,237 million at 31.12.06.

Exposure to shares in 2006

Storebrand Livsforsikring increased its overall exposure to stock markets in 2006. Exposure to shares and other equity investments accounted for 23% of the company's total investment assets at the start of the year, rising to 28% at the close of the year.

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

Only one investment portfolio, the Private Equity portfolio, has a significant exposure to un-listed shares. Investment in un-listed shares are characterised by both higher risk and a higher expected return than is the case for other investment in shares. This partly because shares in unlisted companies are less liquid until such time as the companies are admitted to stock market listing. The market value of the company's Private Equity portfolio was slightly over NOK 2 billion at the close of 2006.

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

NOK million Company	Equity method		Book value 31.12.	Interest in %	Voting interest in %	Book value 1.1.	Recognised profit 2006
	Acquisition cost	Book equity					
Aktuar Systemer AS, Filipstad br.1, 0114 Oslo	13.0	-8.2	4.8	100.0%	100.0%	4.7	2.0
Storebrand Pensjonstjenester AS, Filipstad br.1, 0114 Oslo	9.7	-2.9	6.8	100.0%	100.0%	6.9	12.9
AS Værdalsbruket, 7660 Vuku	0.1	41.3	41.4	74.9%	74.9%	38.0	3.5
Storebrand Eiendom AS, Filipstad Brygge 1, 0114 Oslo	2.0	2.0	4.0	100.0%	100.0%	3.7	1.5
Storebrand Systemutvikling AS, Filipstad Brygge 1, 0114 Oslo	27.0	1.6	28.6	100.0%	100.0%	72.2	0.9
Uni Norden Holding Konsern, Filipstad Brygge 1, 0114 Oslo	30.7	0.8	31.5	100.0%	100.0%	30.1	0.9
Stor Ulven AS, Filipstad Brygge 1, 0114 Oslo				100.0%	100.0%	0.1	
Storebrand Optimer AS, Filipstad Brygge 1, 0114 Oslo							1.5
Subsidiaries	82.4	34.6	117.0			155.7	23.2
Sjølyst Eiendom AS, Sjølyst Plass 2, 0278 Oslo	140.4	15.0	155.4	50.0%	50.0%	165.4	15.0
Jointly-controlled companies	140.4	15.0	155.4			165.4	15.0
Shares and participations in associated companies	222.8	49.6	272.4			321.1	38.2
Nordben Life and Pension Insurance Co. LTD	25.3	50.5	75.8	25.0%	25.0%	62.0	18.0
UNI Norden Personforsikring AB, Kungsgatan 34, 111135 Stockholm	20.4	0.7	21.1	40.0%	40.0%	19.9	1.2
Norsk Pensjon AS	2.5		2.5	25.0%	25.0%		
Caveo ASA	89.3		89.3	34.0%	34.0%		
Associated companies Storebrand Livsforsikring AS	137.5	51.2	188.7			81.9	19.2
Storebrand Eiendom Holding AS, Filipstad Brygge 1, 0114 Oslo	17 186.5		17 186.5	100.0%	100.0%		
Properties owned through a limited company¹	17 186.5		17 186.5				

¹ For notes on properties owned through a limited company see Note 18- Properties. These investments are booked as real estate.

Shares in Caveo ASA were acquired on 11 December 2006. Share of equity at the time of acquisition represented NOK 39.8 million, whilst goodwill represented NOK 49.5 million.

Associated companies Storebrand Livsforsikring Group

NOK million	Acquisition cost	Book value 1.1	Addition/ disposal	Recognised profit 2006	Book value 31.12	Interest in %
Norben Life and Pension Insurance CO. Ltd	29.5	62.0	-4.2	18.0	75.8	25%
Caveo ASA	89.3		89.3		89.3	34%
Norsk Pensjon AS	2.5				2.5	25%
InnTre Holding AS	2.2	38.0	2.2		40.2	34%
Total	123.5	100.0	87.3	18.0	207.9	

11 Bonds and short-term debt instruments held as current assets: Storebrand Livsforsikring Group

NOK million	Short-term	Bonds debt instruments	Total	Fixed-income	Total funds
Short-term debt instruments and bonds held as current assets					
Market value	706.7	34 960.7	35 667.4	8 871.2	44 538.6
Of which listed securities	585.1	26 197.6	26 782.7		26 782.7
Acquisition cost	697.9	35 401.1	36 099.0	8 662.0	44 761.0
Nominal value	715.0	34 536.1	35 251.1		35 251.1
Direct investment in short-term debt instruments and bonds	706.7	34 960.7	35 667.4		35 667.4
Indirect investments in commercial paper and bonds through mutual funds managed by Storebrand	1 445.7	4 995.8	6 441.5		6 441.5
Fixed-income fund not managed by Storebrand				817.6	817.6
Interest accrued but not yet due	1.5	403.5	404.9		404.9
Base amount for analys by sector and currency	2 153.9	40 359.9	42 513.8	817.6	43 331.4
Public sector	1 557.7	9 476.6	11 034.3		11 034.3
Financial institutions	497.9	22 060.8	22 558.7	817.6	23 376.3
Other issuers	98.3	8 822.5	8 920.8		8 920.8
Total			42 513.8	817.6	43 331.4
Modified duration (interest sensitivity)	0.32	2.16	2.07		
Average effective yield	4.00	4.41	4.41		

The effective yield for each security is calculated using the booked value and the observed market price (market value). Calculated effective yields are weighted to give an average effective yield for the total portfolio on the basis of each security's share of the total interest rate sensitivity.

NOK million	Commercial paper	Bonds	Fixed-income funds	Total
By currency				
NOK	797.6	19 285.6	17.2	20 100.5
EUR	754.1	13 452.3	146.6	14 353.1
USD	602.1	5 045.5	653.7	6 301.3
GBP		1 046.2		1 046.2
JPY		806.1		806.1
CAD		298.2		298.2
DKK		145.7		145.7
SEK		134.4		134.4
CHF		103.3		103.3
AUD		42.6		42.6
Commercial paper and bonds held as current assets	2 153.9	40 359.9	817.6	43 331.4

12 Bonds to be held to maturity

NOK million	Nominal value	Acquisition cost	Book value	Market value	Amortisation outstanding
Bonds held to maturity - Norwegian					
Public sector	28 803.4	29 805.5	29 507.6	30 726.2	704.2
Financial issuers	13 258.5	13 221.9	13 240.1	13 110.5	-18.4
Other issuers	351.0	352.1	351.1	358.6	0.1
Total portfolio	42 412.9	43 379.6	43 098.8	44 195.3	685.9
Of which listed securities	29 271.4	30 194.9	29 922.3	31 108.9	650.9
Currency					
NOK	42 412.9	43 379.6	43 098.8	44 195.3	685.9
Modified duration (interest rate sensitivity)				4.54	
Average effective yield			5.22	4.65	

Interest accrued but not yet due totalled NOK 1 215.6 million, total book value including interest accrued but not yet due is NOK 44 314.4 million. The effective yield of individual fixed income securities is calculated on the basis of both the observed market price and the booked value. The weighted average effective yield for the total portfolio is calculated on the basis of weighting by each security's proportion of the total interest rate sensitivity.

13 Financial derivatives

Storebrand Livsforsikring makes active use of financial derivatives. Derivative contracts are used in particular to make effective use of exposure to investment risk in order to create the potential for a sound long-term risk-adjusted investment return. Derivatives often provide a quicker, simpler and cheaper way to increase or reduce exposure to specific risks, and can also be used to protect the investment portfolio against adverse developments. The individual share and bond portfolios use financial derivatives to manage the overall risk exposure within the limits applied. Definitions of the various derivatives contracts used can be found in the "Terms and expressions" section.

Nominal volume

Financial derivative contracts are related to underlying amounts which are not capitalised in the balance sheet. Gross, net and average nominal volume give an indication of the size of the derivative position relative to the underlying values. Gross nominal volume principally indicates the size of the exposure, whilst net nominal volume gives some indication of risk exposure by taking into account the direction of market risk exposure the derivative position represents. Average nominal volume gives an indication of the size of the derivative exposure over the course of the year.

NOK million	Gross nominal volume	Average nominal volume	Net nominal volume	Market value	
				Assets	Liabilities
Share options	11 551.6	12 208.6	-11 551.6	147.8	-0.2
Forward equity contracts	2 009.6		2 009.6	179.0	
Stock index futures	7 291.6	5 369.0	5 782.0		
Total equity derivatives	20 852.8	17 577.6	-3 760.0	326.8	-0.2
Forward rate agreements	402 686.1	389 763.9	8 973.4	168.2	-135.6
Interest rate futures	1 799.5	3 690.6	1 095.7		
Interest rate options	94 500.0	130 029.6	94 500.0	20.3	-1.1
Interest rate swaps	78 907.2	63 979.0	13 864.5	397.3	-588.1
Total interest rate derivatives	577 892.8	587 463.2	118 433.6	585.9	-724.8
Forward foreign exchange contracts	65 987.4	59 848.0	-53 597.7	475.5	-388.6
Cross currency interest rate swap		33.7			
Total currency derivatives	65 987.4	59 881.7	-53 597.7	475.5	-388.6
Credit derivatives	19 148.7	28 435.7	5 083.8	86.9	-77.1
Total credit derivatives	19 148.7	28 435.7	5 083.8	86.9	-77.1
Total derivatives	683 881.7	693 358.2	66 159.7	1 475.1	-1 190.8
Indirect investments in funds				-616.2	-564.0
Booked value				858.8	-626.8

Investments in credit derivatives includes only indirect investments funds managed by Storebrand Kapitalforvaltning.

14 Financial risk Storebrand Livsforsikring AS**Liquidity risk**

Contractual period to maturity NOK million	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	No fixed maturity	Total value
Current/fixed assets						4,4	4,4
Long term shares and investments							
Lending	75.0	50.0	136.7	321.8	1 756.3		2 339.8
Bonds held to maturity	1 862.6	49.6	831.4	10 683.5	30 887.4		44 314.4
Other long term assets		49.4					49.4
Fixed term deposits	1 447.3	300.9					1 748.2
Bonds and commercial paper (current assets)	70.4	2 122.2	2 306.6	22 652.4	15 361.4	818.4	43 331.4
Other current assets	-1.6	76.0	255.3	172.1	-121.4	50 047.6	50 428.1
Total	3 453.7	2 648.2	3 530.0	33 829.8	47 883.6	50 870.4	142 215.7
Of which in foreign currency							
Long term shares and investments							
Bonds held to maturity							
Bonds and commercial paper (current assets)	70.3	1 744.4	1 321.1	6 702.1	12 591.9	801.1	23 230.9
Fixed term deposits							
Other current assets	-8.2	95.4	101.7	38.5	-31.4	34 139.0	34 335.0
Total in foreign currency	62.0	1 839.7	1 422.8	6 740.5	12 560.6	34 940.2	57 565.9

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

Interest rate fixing NOK million	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	No fixed maturity	Total value
Current/fixed assets						4,4	4,4
Long term shares and investments							
Lending	145.0	1 232.1	908.5	44.2	10.0		2 339.8
Bonds held to maturity	1 862.6	49.6	831.4	10 730.0	30 840.9		44 314.4
Other long term assets		49.4					49.4
Fixed term deposits	1 447.3	300.9					1 748.2
Bonds and commercial paper (current assets)	6 859.2	18 754.8	3 349.2	6 136.9	7 412.9	818.4	43 331.4
Other current assets	-2 504.4	-12 172.7	1 376.4	10 849.6	2 850.8	50 028.4	50 428.1
Total	7 809.7	8 214.1	6 465.5	27 760.7	41 114.6	50 851.1	142 215.7
Of which in foreign currency							
Long term shares and investments							
Bonds held to maturity							
Bonds and commercial paper (current assets)	4 140.3	8 005.8	1 364.7	4 111.7	4 807.1	801.1	23 230.9
Fixed term deposits							
Other current assets	-8.2	95.4	101.7	38.5	-31.4	34 139.0	34 335.0
Total in foreign currency	4 132.1	8 101.2	1 466.5	4 150.2	4 775.8	34 940.2	57 565.9

Interest rate risk

Interest rate sensitivity NOK million	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total value
Short term portfolios						
AUD		1.2		-1.0	-0.6	-0.4
CAD	0.1	2.6	-0.3	-2.5	-13.1	-13.3
CHF		1.1	-0.4	-0.1		0.6
DKK		0.1		-1.4	-3.0	-4.3
EUR	-0.4	18.0	-25.2	111.7	-243.6	-139.6
GBP	0.2	4.6	12.3	-174.2	-62.7	-219.8
HKD		0.3				0.2
JPY	0.3	5.0		-17.0	-65.6	-77.4
MXN		-0.1				-0.1
NOK	-4.0	-85.8	-44.1	-165.4	-487.8	-787.1
NZD		0.7				0.7
PLN		0.2				0.2
SEK	-0.1	0.7	0.6	-1.6	-4.3	-4.7
SGD		0.2				0.2
USD	0.5	38.3	14.5	-35.0	-107.1	-88.8
Total	-3.6	-13.1	-42.6	-286.6	-987.8	-1 333.6
Long term holdings/subordinated loans						
EUR		0.2				0.2
NOK	-0.8	5.0	-7.8	-265.7	-1 786.3	-2 055.6
SEK						0.1
Total	-0.8	5.2	-7.8	-265.7	-1 786.3	-2 055.3
Total quantified interest rate sensitivity	-4.3	-7.9	-50.4	-552.2	-2 774.1	-3 389.0

Interest rate sensitivity is a method of measuring interest rate risk which is based on the effect of interest rate changes on the market value of bonds, interest rate derivatives and other interest-sensitive financial items. The summary provided demonstrates the effect on the value of financial current assets and financial fixed assets (bonds held maturity) at 31.12.06 of a 1 percentage point increase in interest rates.

Foreign exchange risk

Assets and liabilities in foreign currency NOK million	Balance sheet items Net balance	Forwards Net sales	Net position	
			in currency	in NOK
Short term portfolios				
AUD	162.1	-144.7	17.4	85.2
CAD	232.4	-229.8	2.6	14.1
CHF	176.7	-164.1	12.6	64.3
DKK	263.4	-229.4	34.0	37.5
EUR	2 723.7	-2 727.5	-3.8	-31.1
GBP	346.4	-343.2	3.1	38.4
HKD	308.4	-240.7	67.8	54.3
ITL	168.9		168.9	0.7
JPY	70 512.6	-68 599.4	1 913.3	100.0
KRW	92.4		92.4	0.6
MXN	-0.4		-0.4	-0.2
NZD	154.7	-150.0	4.7	20.6
PHP	0.4		0.4	0.1
PLN	5.2		5.2	11.1
SEK	778.8	-708.8	70.0	63.7
SGD	36.9	-26.2	10.7	43.3
USD	3 575.2	-3 554.2	21.0	130.7
ZAR	0.2		0.2	0.2
Total short term portfolios				633.2
Long term holdings/subordinated loans				
EUR	-369.0	358.8	-10.2	-83.4
SEK	83.8	-70.6	13.3	12.2
USD	0.6		0.6	3.6
Total long term investments				-67.6

The company continuously hedges all material exposure to currency risk. Currency risk arises as a result of investments in international securities and to some extent as a result of taking up subordinated loans denominated in foreign currency. Hedging is carried out at the portfolio level by using forward foreign change contracts, and total currency exposure is continually monitored within the total limit set. The currency exposure shown for 31.12.06 is representative of the company's restricted limits for currency exposure.

15 Changes in specific/general loan loss provisions

NOK million	2006	2005	2004	
Specific provisions for losses on loans, guarantees etc. at 1.1.				1.9
Realised losses on loans, guarantees etc. where specific provision has previously been made				
Increase in specific loan loss provisions for the period				
New specific loan loss provisions in the period				
Reversal of specific loan loss provisions in the period				-1.9
Specific provisions for losses on loans, guarantees etc.				
General provision for losses on loans, guarantees, etc. at 1.1.				2.6
General provision for losses on loans, guarantees, etc. in the period				-2.6
General provision for losses on loans, guarantees, etc.				
Lending volume				
NOK million	2006	2005	2004	2003
Non-accrual loans				
not yet provisioned				
provisioned				
Total of loans in default				
not yet provisioned			0.8	7.6
provisioned			0.8	5.7
Other doubtful loans				
not yet provisioned				
provisioned				
Interest suspended				

16 Underlying investments in investment portfolios for products with investment choice

The composition of the investment portfolios at 31 December 2006 was as follows.

NOK million	Market value
Liquidity	146.4
Foreign exchange contracts	-2.2
Short-term investments	294.5
Awaiting settlement	-2.9
Storebrand Credit Fund	119.9
Storebrand Global Obligasjon A	168.6
Storebrand Likviditet	124.2
Storebrand Obligasjon	237.6
Storebrand Obligasjon+	268.0
Storebrand Rente+	385.4
Skagen Kon-Tiki	31.9
Storebrand Aksje Innland	93.4
Storebrand Asia	8.2
Storebrand Europa	227.3
Storebrand Global Indeks I	342.3
Storebrand Japan	168.5
Storebrand Nord-Amerika	194.3
Storebrand Verdi	197.7
American International Group	1.5
AT&T Inc	1.4
Bank of America Corp	1.5
BHP Billiton	1.4
Chevron Corp	1.4
Citigroup	1.6
Coca-Cola	1.5
Exxon Mobil	1.4
General Electric	1.5
GlaxoSmithkline	1.4
Home Depot	1.4
Intel	1.3
International Business Machine (IBM))	1.6
Johnsen & Johnsen	1.5
Microsoft	1.5
Nestle	1.5
Nokia A	1.4
Novartis	1.5
Pepsico Inc	1.5
Pfizer	1.4
Procter & Gamble	1.5
Royal Bank of Scotland	1.4
Sanofi-Aventis	1.4
Time Warner	1.4
Total (PAR)	1.4
Toyota Motor	1.5
UBS	1.5
United Parcel Services	1.5
Vodafone Group	1.4
Wells Fargo	1.5
Storebrand Privat Investor ASA	61.6
Total investments fund	3 108.4
Of which investments for equity	1.6
Of which investments for customers	3 106.8

17 Life insurance assets with investments choice

NOK million	Number held	Market value	Return 2006 %
AB Global Growth Trends Pf	34 000.74	13.3	5.19
AB Global Value Pf	118 902.07	13.1	16.32
Danske Fund Norge I	1 200.49	5.2	30.67
Danske Fund Norge Vekst	106.69	1.1	24.32
Danske Fund Norsk Likviditet I	2 696.51	3.0	0.18
Danske Fund Norsk Obligasjon	9 086.01	9.1	-2.81
Delphi Europa	42 636.58	70.5	34.24
Delphi Norden	15 786.57	171.1	29.61
Delphi Norge	6 344.23	53.8	23.33
Delphi Vekst	13 050.94	38.6	23.09
Delphi Verden	49 493.27	61.8	24.78
Holberg Norden	16 473.83	3.5	32.8
Holberg Norge	1 352.87	0.4	26.43
Invesco Global Leisure Fund	54 437.28	7.6	13.61
Invesco Global Real Estate Securities	61 102.56	5.9	41.73
Invesco PRC Equity Fund (Kina)	369 105.13	87.5	66.65
MLIIF Global Opportunities	21 669.34	4.3	4.01
MLIIF India Fund	7 434.57	0.9	32.47
MLIIF Japan Opportunities	23 124.14	7.6	-25.67
MLIIF World Energy Fund	69 708.74	9.8	0.44
MS Global Value Equity Fund	2 966.01	0.9	11.93
MS Latin America	9 495.22	32.7	39.34
MS US Small Cap Growth	9 064.36	2.7	2.75
Schroder BRIC (Braz Rus In Ch)	7 511.86	7.9	42.79
Schroder Emerging Europe	334 119.80	64.7	26.78
Schroder Emerging Market Debt	114 709.40	15.5	4.4
Skagen Global	558 236.74	416.8	24.07
Skagen Kon-Tiki	946 804.92	348.9	22.75
STB Goldman (Sachs) SMB Europa	22 667.98	23.8	27.47
STB WGA Health Care	38 970.61	48.9	2.09
Storebrand Aksje Innland	257.91	7.5	37.08
Storebrand Asia	56 984.85	92.0	12.51
Storebrand Asia B	1 567.76	2.6	12.84
Storebrand Europa	123 179.31	160.9	20.07
Storebrand Futura 1 (Høyrente)	57 252.34	585.8	2.44
Storebrand Global	281 057.34	481.3	8.53
Storebrand Global Institusjon	17 692.63	27.2	9.16
Storebrand Global med Sikring	17.90	0.0	3.74
Storebrand Global Milj_	17 969.25	16.2	11.18
Storebrand Japan	59 822.85	87.7	-5.34
Storebrand Likviditet	7 066.91	72.9	2.84
Storebrand Nord Amerika	20 267.39	23.1	1.76
Storebrand Norge	945.00	158.7	36.74
Storebrand Obligasjon Institusjon	9 471.52	9.9	0.98
Storebrand Obligasjon+	79 517.94	81.0	2.5
Storebrand PensjonS	686 909.55	124.1	21.96
Storebrand Rente+	416 281.49	433.0	4.05
Storebrand S 2010	31.20	0.1	7.24
Storebrand S 2020	145.83	0.4	16.48
Storebrand S 2030	377.83	1.4	23.33
Storebrand S 2040	24.28	0.1	29.67
Storebrand Teknologi	73 570.43	76.9	-1.67
Storebrand Vekst	794.74	74.7	21.66
Storebrand Verdi	531 193.94	192.6	36.49
T.Rowe Price Global High Yield Bond Fund	100 467.01	11.5	5.9

NOK million	Number held	Market value	Return 2006 %
Orkla Storebrand ipf2	154 875.68	185.1	5.85
STB Link Balansert Allokering	630 158.34	1 000.9	10.06
STB Link Balansert Pensjon	2 634 281.35	338.6	10.18
STB Link Balansert Pensjon I	150 461.84	80.6	7.17
STB Link Balansert Pensjon N	5 662.04	5.8	2.41
STB Link Balansert Pensjon O	21 267.57	23.2	9
STB Link Forsiktig Allokering	277 270.14	364.9	6.72
STB Link Forsiktig Pensjon	2 436 326.37	280.8	5.59
STB Link Forsiktig Pensjon I	58 231.37	30.4	4.31
STB Link Forsiktig Pensjon O	44 475.22	46.7	5.05
STB Link Global Indeks ipf	12 677.38	1.4	10.26
STB Link Offensiv Allokering	107 074.15	196.2	14.43
STB Link Offensiv Pensjon	223 570.09	31.7	15.38
STB Link Offensiv Pensjon I	4 788.91	2.6	10.28
STB Link Offensiv Pensjon O	9 112.68	10.3	13.32
Storebrand Link Bankkonto	352 427.08	403.8	2.29
Storebrand Link Global Topp 30	13 204.07	14.7	11.45
Storebrand NHO Balansert Pensjon	85 906.97	94.0	9.38
Assets with investments choice		7 364.1	

18 Real estate: Storebrand Livsforsikring Group

NOK million	Market value	Ave. rent per sq.m.	Term of lease	Sq.m.	Percentage let
Type of real estate					
Office premises (inc. commercial premises, parking and storage)	10 138.8	981	5.4	699 895	97.3%
Shopping centres (inc. parking and storage)	7 312.0	1 251	3.3	390 078	98.5%
Parking	486.0	735	14.0	44 085	100.0%
Total directly-owned real estate	17 936.8	1 065	4.8	1 134 058	97.8%
Real estate owned by Sjølyst Eiendom AS	225.0				
Real estate owned by Værdalsbruket	7.6				
Total real estate - Group	18 169.4				

Geografic location

Oslo- Vika/Fillipstad Brygge	4 201.9
Oslo - other	4 157.6
Shopping centres	5 985.5
Norway - other	3 824.4

Ownership structure

Directly owned	
Property company (AS)	17 916.4
Property partnership (ANS)	253.0

NOK million	2006	2005	2004	2003	2002
Additions	3 466.5	1 067.7	3 045.4	71.8	67.7
Disposals	-434.0			-363.9	-1 314.6

Property valuation methods

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

Actual value has been determined for all properties at 31.12.06.

19 Movements in the Group's fixed assets during the year

NOK million	Real estate	Machinery, cars and equipment	Intangible assets	Bonds held to maturity	Long term shares and investment
Acquisition cost at 1.1	12 928.6	47.1	117.3	40 671.6	0.5
Revaluations in the year	779.8			0.0	
Revaluations in earlier years	38.5			0.0	
Additions	4 856.9	15.3	0.9	5 600.0	4.0
Disposals at acquisition cost	-434.4	-3.5		-3 057.3	-0.1
Amortised over/under value for the year				-115.5	
Aggregate write-downs and depreciation at 31.12.		-30.7	-110.0	0.0	
Book value at 31.12.06	18 169.4	28.2	8.2	43 098.8	4.4
Revaluations/reversals for the year	927.5				
Ordinary depreciation for the year		-13.0	-17.2		

Straight line depreciation periods for operating assets are as follows:

Machinery and fittings:	4 years
Cars:	6 years
Computer systems:	3–6 years
Intangible assets:	3–6 years

20 Marked value (actual value) of securities: Storebrand Livsforsikring Group

NOK million	2006					2005	2004
	Acquisition cost (Book value)	Loss provisions	FX change at closing exchange rate	Unrealised gains/losses	Actual value	Unrealised gains/losses	Unrealised gains/losses
Investments held as fixed assets							
Shares and other equity instruments	4.4						
Bonds	43 098.8			1 096.6	44 195.3	3 573.4	4 212.7
Total investments held as fixed assets	43 103.2			1 096.6	44 195.3	3 573.4	4 212.7
Of which held by subsidiaries							
- Shares and participations	50.1						
NOK million	2006					2005	2004
	Acquisition cost (Book value)	Loss provisions	FX change at closing exchange rate	Unrealised gains/losses	Actual value	Unrealised gains/losses	Unrealised gains/losses
Shares and other equity investments	40 022.3	-4.9	-717.7	6 120.2	45 515.7	3 807.6	2 387.1
Bonds	44 063.1		-257.5	26.3	43 832.0	186.7	398.2
Commercial paper	699.5		7.5	-0.3	706.7	-1.8	1.9
Deposits with credit institutions	1 743.6				1 743.6		
Financial derivatives	378.7		81.7	-228.3	232.1	-108.5	-20.0
Total short term current assets	86 907.2	-4.9	-886.0	5 917.8	92 030.0	3 884.0	2 767.2

21 Insurance reserves by class of business

NOK million	Group pension private insurance	Group pension public insurance	Group life insurance	Endowment insurance	Annuity/pension insurance	Non-life insurance	Total 2006	Total 2005	Total 2004
Premium reserve	85 595.3	14 139.2	388.9	16 750.6	23 571.8		140 445.8	124 051.7	111 819.5
Additional statutory reserves	3 778.7	374.9		374.2	1 022.9		5 550.7	4 537.5	3 706.1
Premium fund/ deposit fund	5 450.1	992.1			226.2		6 668.4	5 228.1	4 946.2
Pensioners surplus fund	280.0						280.0	215.0	199.2
Claims reserve	46.3	21.8	116.7	180.4	17.4		382.6	334.3	313.8
Other technical reserves						174.8	174.8	96.6	81.4
Insurance fund reserves 2006	95 150.4	15 528.0	505.6	17 305.2	24 838.3	174.8	153 502.3		
Insurance fund reserves 2005	84 831.3	9 649.9	470.0	19 345.0	20 070.4	96.6		134 463.2	
Insurance fund reserves 2004	79 447.3	8 012.0	454.6	13 530.5	19 540.4	81.4			121 066.2
Security reserve 2006	118.5	20.9	17.0	13.0	9.6		179.0		
Security reserve 2005	107.7	15.0	16.4	12.2	7.9			159.2	
Security reserve 2004	101.6	11.4	16.1	11.5	8.0				148.6
Insurance related reserves 2006	95 268.9	15 548.9	522.6	17 318.2	24 847.9	174.8	153 681.3		
Insurance related reserves 2005	84 939.0	9 664.9	486.4	19 357.2	20 078.3	96.6		134 622.4	
Insurance related reserves 2004	79 548.9	8 023.4	470.7	13 542.0	19 548.4	81.4			121 214.8

Reserves in respect of non-life insurance products are detailed in Note 23.

Of which products with investments choice

NOK million	2006			Total
	Group pension	Endowment insurance	Annuity/pension insurance	
Premium reserve	2 050.6	827.6	4 477.2	7 355.4
Deposit fund	175.6			175.6
Claims reserve			0.6	0.6
Insurance fund reserves	2 226.2	827.6	4 477.8	7 531.6
Security reserve	0.8		1.8	2.6
Insurance related reserves	2 227.0	827.6	4 479.6	7 534.2

22 Transfers between insurance fund reserves etc. on closing 2005 accounts

NOK million	Group pension	Individual	Total
To/from premium fund	-13.5	-0.9	-14.4
To/from premium reserve	38.9	46.8	85.7
To/from additional statutory allocations	-25.4	-45.9	-71.3

23 Technical result and reserves for non-life classes

NOK million	2006	2005	2004
Premiums for own account	151.7	107.0	78.9
Gross business			
Premiums earned	184.3	112.4	79.6
Claims accrued	-119.4	-51.9	-48.5
Insurance related operating expenses	-57.6	-47.8	-23.8
Technical result	7.3	12.7	7.3
Reinsurance ceded			
Premiums earned	-34.1	-7.7	-1.4
Claims accrued	0.1	0.7	0.3
Technical result	-34.0	-7.0	-1.1
For own account			
Technical result	-26.7	5.7	6.2
Claims reserve	91.8	41.8	39.3
BISC minimum requirement	91.7	41.8	39.0
Security reserve	73.0	48.6	36.8
BISC minimum requirement	71.4	47.1	35.4
Administration reserve	10.0	6.2	5.3
BISC minimum requirement	10.0	6.1	5.2

24 Deferred tax allowances and deferred tax: Storebrand Livsforsikring As

NOK million	2006		2005		Net change	2004	
	Tax reducing	Tax increasing	Tax reducing	Tax increasing		Tax reducing	Tax increasing
Temporary differences							
Current value of securities		1 212.7		397.3	-815.4		521.2
Forward foreign exchange contracts		82.1		607.1	525.0	580.7	
Revaluations of real estate	679.2		937.7		-258.5	941.7	
Write down of KS/ANS participations	83.9		83.9	100.6	100.6	74.5	126.4
Operating assets		5.3		5.7	0.4		9.2
Insured pension scheme			13.5		-13.5	85.7	
Uninsured pension scheme		189.1		240.0	50.9		155.1
Bonds to be held to maturity		280.8		205.8	-75.0		
Other		80.7		70.6	-10.1		93.1
Total temporary differences	763.1	1 850.7	1 035.1	1 627.1	-495.6	1 682.6	905.0
Tax losses carried forward		6 027.3		2 413.7			218.2
Allowable losses carried forward		683.8		683.8			464.3
Applied/settled	-763.1	-763.1	-1 035.1	-1 035.1		-1 587.5	-1 587.5
Net temporary differences		7 798.7		3 689.6	-4 109.2	95.1	
Tax	28.0%	28.0%	28.0%	28.0%	28.0	28.0%	28.0%
Deferred tax/tax allowances		2 183.6		1 033.1	-1 150.6	26.6	
Deferred tax assets not booked in balance sheet		2 183.6					

See note 7

Deferred tax allowances and deferred tax: Storebrand Livsforsikring Group

NOK million	2006		2005		Net change	2004	
	Tax reducing	Tax increasing	Tax reducing	Tax increasing		Tax reducing	Tax increasing
Temporary differences							
Current value of securities		1 212.7		397.3	-815.4		521.2
Forward foreign exchange contracts		82.1		607.1	525.0	580.7	
Revaluations of real estate	679.2		937.7		-258.5	941.7	
Write down of KS/ANS participations	83.9		112.4	100.6	72.1	24.2	126.4
Operating assets	4.8	5.5	615.6	6.0	-610.3	604.0	10.0
Insured pension scheme			13.5		-13.5	91.4	
Uninsured pension scheme		206.6		258.6	52.0		160.5
Bonds to be held to maturity		280.8		205.8	-75.0		
Other	379.8	83.0	24.4	73.6	346.0	3.3	101.8
Total temporary differences	1 147.7	1 870.7	1 703.6	1 649.0	-777.6	2 245.3	919.9
- of which subsidiaries	384.6	20.0	668.5	22.0		637.3	14.3
Tax losses carried forward		6 027.3		2 414.3			217.7
Allowable losses carried forward		683.8		683.8			464.3
Applied/settled	-763.1	-763.1	-1 057.4	-1 057.4		-1 601.9	-1 601.9
Net temporary differences	384.6	7 818.7	646.2	3 689.8	-4 390.6	643.4	
Tax	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%
Deferred tax/tax allowances	107.6	5.4	180.9		-78.8	180.2	
Deferred tax assets not booked in balance sheet		2 183.6					
Changes applied directly to the balance sheet or profit and loss account					78.2		
Change in deferred tax/deferred tax allowance					-0.6		

See note 7

25 Subordinated loan capital

NOK million Date drawn down	Amount NOK	Currency code	Currency amount	Maturity	Interest rate %	Currency gains/losses
24.02.03, 6 months euribor + 2,20%, call 2008 ¹	1 526.7	EUR	185.7	24.02.23	5.64%	
09.06.04, 3 months euribor + 0,90%, call 2009	1 435.1	EUR	174.8	09.06.14	4.56%	
Total subordinated loan capital	2 961.7					-4.8

¹ Will in capital adequacy count as everlasting subordinated loan capital. The company has entered into hedging transactions in respect of subordinated loans denominated in foreign currency. The total expense associated with the company's subordinated borrowings (including currency gains and losses) amounts to NOK 135.2 million.

There is no deduction on the amount of subordinated debt which qualifies for capital adequacy purposes.
The accounting treatment of currency hedging of subordinated loans is described in Accounting Principles.

26 Transactions with connected parties

Transactions between companies in the group

NOK million	Amount
Profit and loss items	
Services bought	-194.9
Services sold	241.4
Balance sheet items	
Receivables	23.0
Debt	49.8

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

27 Remuneration and contractual arrangements for senior management

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

The company has no obligations towards the Chairman of the Board of Directors in respect of changes to or termination of his appointment.

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

NOK 1000	Ordinary salary	Bonus paid	Other benefits ²	Post-termination salary (months)	Pension accrues for the year	Discounted percent value of pension	Loan	Interest rate at 31.12.06	Repayment period
Senior employees									
Idar Kreutzer ⁴	3 539	1 822	232	24	726	10 077	9 210	3-3.6	2031
Maalfrid Brath	2 319	902	188	18	401	4 249	5 056	3-3.45	2035
Odd Arild Grefstad ⁴	2 286	789	152	18	411	4 571	4 567	3-3.6	2024
Lars Aa. Løddesøl	2 274	1 006	161	18	467	2 181	4 390	3-3.7	2029
Roar Thoresen	2 562	1 404	213	18	754	3 004	989	3	2022
Trond Killi	1 063		136		154	635	2 544	3-3.45	2025

NOK 1000	No. of shares held ¹	Bonus bank	Return on shares bank ³
Senior employees			
Idar Kreutzer	29 288	3 644	823
Maalfrid Brath	2 113	804	413
Odd Arild Grefstad	4 078	1 278	354
Lars Aa. Løddesøl	2 213	1 013	451
Roar Thoresen	1 038	1 108	676
Trond Killi	0		

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

2 Comprises company car, telephone, insurance, concessionary interest rate, other contractual benefits and compensation on termination of employment.

3 The return on the share bank shows the annual gain in value on the individual's bonus account caused by the performance of the Storebrand share price in 2006 adjusted for dividend.

4 The cost of employment benefits in respect of Idar Kreutzer and Odd Arild Grefstad is allocated proportionately between Storebrand Livsforsikring AS and Storebrand ASA. The share of these costs allocated to Storebrand Livsforsikring AS is NOK 4.4 million and NOK 2.4 million respectively.

NOK 1000	Remuneration	No. of shares held ¹	Loan	Interest rate at 31.12.06	Payment period
Board of Directors					
Leiv L. Nergard	145	40 000			
Inger Johanne Strand	85		1 200	3	2027
Trond Wilhelmsen ⁵	183	3 708	1 114	3	2026
Morten Riiser ⁵	38				
Andreas Enger	36				
Camilla Grieg	145				
Jan Kildal	109				
Hege Hodnesdal	60				

5 Remuneration paid to the members of the board of directors of Storebrand Fondsforsikring totalled NOK 37 500.

28 Audit fees of Storebrand Livsforsikring

Remuneration paid to Deloitte AS and related companies:

NOK million	Group			Parent Company		
	2006	2005	2004	2006	2005	2004
Statutory audit	2.6	1.8	2.3	2.4	1.2	2.1
Other reporting duties	0.2			0.1		
Taxation advice	0.7	0.8	0.4	0.5	0.7	0.3
Other non-audit services ¹	0.4	3.4		0.4	3.4	

¹ Bistand knyttet til vurdering av prosesser og rutiner i 2005 og avtalte kontrollhandlinger i 2006

The amount above is excluding vat.

29 Change in equity capital

NOK million	2006	2005	2004
Share capital at 01.01	1 411.2	1 411.2	1 361.2
Share issue			50.0
Share capital at 31.12	1 411.2	1 411.2	1 411.2
Share premium at 01.01.	726.5	726.4	26.4
Merged company	90.7	0.1	
Demerged company	-1.6		
Other changes	55.0		700.0
Share premium at 31.12.	870.6	726.5	726.4
Total paid in equity	2 281.8	2 137.7	2 137.6
Other equity at 1.1.	2 783.9	2 366.2	1 973.3
Merged company	-76.8		
Profit for the year	372.0	417.7	392.9
Other equity at 31.12.	3 079.1	2 783.9	2 366.2
Equity capital at 31.12 as per balance sheet	5 360.9	4 921.6	4 503.8

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

30 Capital adequacy

NOK million	Group			Parent company		
	2006	2005	2004	2006	2005	2004
Calculation base by class of risk weighting	171 584.1	151 234.1	133 795.5	171 215.2	151 238.0	133 445.9
Risk weight 0%	47 214.2	46 915.1	49 992.9	47 201.1	46 890.1	49 986.3
Risk weight 10%	889.2	1 065.1	1 861.6	889.2	1 065.1	1 861.6
Risk weight 20%	35 557.2	35 386.1	37 529.7	35 344.7	35 456.7	37 432.7
Risk weight 50%	2 202.7	2 404.0	828.0	2 043.0	2 288.4	506.8
Risk weight 100%	78 356.7	65 463.8	43 583.3	78 373.1	65 537.7	43 658.5
Assets held in respect of life insurance contracts with investment choice	7 364.1			7 364.1		
Weighted assets in the balance sheet	87 935.8	73 849.5	51 689.4	87 829.8	73 879.8	51 584.6
Weighted interest rate and FX contracts	549.5	462.3	530.2	549.5	462.3	530.2
Cross holding deduction for shares in other financial institutions	-234.3	-18.5	-78.2	-227.8	-18.5	-78.2
Unrealised gains on financial current assets	-6 080.2	-3 863.7	-2 292.7	-6 080.2	-3 863.7	-2 292.7
Risk weighted calculation base	82 170.8	70 429.6	49 848.7	82 071.3	70 459.9	49 743.9
Core capital	5 347.2	4 896.6	4 366.2	5 360.3	4 921.5	4 414.3
Subordinated loans - perpetual	2 857.4	2 824.3	2 878.1	2 857.4	2 824.3	2 878.1
Limitation on eligible subordinated loan capital						
Eligible subordinated loan capital	2 857.4	2 824.3	2 878.1	2 857.4	2 824.3	2 878.1
Cross holding deduction for shares in other financial institutions	-234.3	-18.5	-78.3	-227.8	-18.5	-78.2
Net primary capital	7 970.3	7 702.4	7 166.0	7 989.9	7 727.3	7 214.2
Capital ratio in %	9.70	10.94	14.38	9.74	10.97	14.50

The book value of the Storebrand Livsforsikring group's equity is NOK 5,361 million. The difference between equity and core capital of is caused by NOK 35 million for other intangible assets.

31 Solvency margin

Storebrand Livsforsikring AS har et foreløpig beregnet solvensmarginkrav for 2006 på 6 232 millioner kroner (5 760 millioner kroner i 2005). Solvensmargin kapitalen ble på 10 879 millioner kroner (10 090 millioner kroner i 2005). Dette gir en solvensmarginprosent på 174,6 prosent (175,2 prosent).

NOK million	2006	2005	2004
Primary capital 31.12.	7 989.9	7 727.0	6 964.7
Counting security reserve	113.8	94.3	84.3
50% of additional statutory reserves at 31.12.	2 775.4	2 268.8	1 853.1
Solvency margin capital at 31.12.	10 879.1	10 090.1	8 902.1

32 Number of employees

	2006	2005	2004
Number of employees at 31.12.	1 045	931	852
Average number of employees	991	892	729
Full time equivalent positions at 31.12.	1 024	911	833
Average number of full time equivalents (FTEs)	971	878	713

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 2006 I confirm that the entered "Premium reserve for own account", "Additional statutory reserves", "Security reserve" and "Reserve for life insurance with investment choice" 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 expenses, income and funds etc.) and the distribution of the result to policyholders is in accordance with § 8-1 (Allocation of surplus to policyholders) of the Act on Insurance Activity and other approved rules.

Oslo, 5 February 2007

Translation, not to be signed

Trond Killi
Chief Actuary



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Translation from the original Norwegian version

To the Annual Shareholders' Meeting of Storebrand Livsforsikring AS

AUDITOR'S REPORT FOR 2006

We have audited the annual financial statements of Storebrand Livsforsikring AS as of 31 December 2006, showing a profit of NOK 1.180,5 million for the parent company and a profit of NOK 1.180,5 million for the group. We have also audited the information in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposal for the allocation of the profit. The annual financial statements comprise the parent company's financial statements and the group accounts. The parent company's financial statements comprise the balance sheet, the statements of income and cash flows, and the accompanying notes. The group accounts comprise the balance sheet, the statements of income and cash flows, and the accompanying notes. The rules of the Norwegian Accounting Act and generally accepted accounting practice in Norway have been applied to prepare the financial statements. These financial statements are the responsibility of the Company's Board of Directors and Managing Director. Our responsibility is to express an opinion on these financial statements and on other information according to the requirements of the Norwegian Act on Auditing and Auditors.

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

In our opinion,

- The financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company and of the Group as of 31 December 2006, and the results of its operations and its cash flows for the year then ended, in accordance with generally accepted accounting practice in Norway
- the Company's management has fulfilled its duty to see to proper and well arranged recording and documentation of accounting information in accordance with law and generally accepted bookkeeping practice in Norway
- the information in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposal for the allocation of the profit, is consistent with the financial statements and complies with law and regulations.

Oslo, 12 February 2007
Deloitte AS

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

Control Committee's Statement and Board of Representatives' Statement

Control Committee's Statement – 2006

At its meeting on 26 February 2007, the Control Committee of Storebrand Livsforsikring AS has reviewed the Board of Director's proposed Annual Report and Accounts for 2006 of Storebrand Livsforsikring AS.

With references to the auditor's report of 12 February 2007 the Control Committee recommends that the Annual Reports and Accounts proposed be adopted as the Annual Report and Accounts of Storebrand Livsforsikring for 2006.

Oslo, 26 February 2007
Translation, not to be signed

Elisabeth Wille
Chairman of the Control Committee

Board of Representatives' Statement – 2006

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

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

Oslo, 6 March 2007
Translation, not to be signed

Arvid Gundejøn
Chairman of the Board of Representatives

European embedded value

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

Storebrand has calculated Embedded Value for 2006 in accordance with the new principles, using the same structure as in 2005. Embedded value at the close of 2006 was NOK 14,544 million, compared to NOK 12,025 million in 2005. Dividend paid and other equity movements in 2006 totalled NOK 832 million, giving a total Embedded Value result (change in EV before dividend and other equity movements) of NOK 3,351 million.

Storebrand has issued a separate document on the company's results for European Embedded Value. This document can be downloaded from: www.storebrand.no/ir.

Embedded Value - split by business:

NOK mill.	EEV 2004 ¹	EEV 2005 ¹	EEV 2006
Total shareholder surplus	4 955	5 512	5 977
comprising			
- Required capital	3 544	3 713	4 111
- Free surplus	1 411	1 799	1 865
Cost of capital	-628	-711	-986
Value of in-force	7 252	8 614	10 813
comprising			
- Group with-profit business ¹	4 596	5 508	7 317
- Individual with-profit business ¹	1 192	1 135	1 148
- Defined contribution business	245	612	1 021
- Unit-linked business	188	184	175
- Other non-profit sharing business	1 031	1 175	1 151
Cost of volatility	-551	-1 158	-1 259
Tax	-130	-232	0
Total embedded value	10 898	12 025	14 544

¹ Including value previously reported for Storebrand Fondsforsikring AS

Interest on the opening balance based on the economic assumptions in the model amounted to NOK 735 million. The value of new business written in 2006 increased Embedded Value by NOK 700 million. Operating variances from lower outward transfers of business and better than expected claims experience, together with changes in operation assumptions, caused an increase in Embedded Value of

NOK 1,138 million. Higher interest rates in 2006 caused a reduction in relative terms of the cost of financial options and guarantees to a total of NOK 1,259 million. This combined with a good investment return in 2006, as well as higher expected returns and wage inflation, to give an increase in Embedded Value of NOK 780 million for economic variances and assumption changes.

Movement analysis: EEV Storebrand Life Insurance

Sensitivity analysis. The sensitivity analysis shows the effect of changes in assumptions on the Embedded Value of Storebrand Life Insurance

Sensitivities:

NOK mill.	Total EEV	Change in %	Value of new business	Change in %
Base	14 544		700	
1. Risk discount rate +1%	13 410	-7.8%	596	-14.9%
2. Risk discount rate -1%	15 878	9.2%	823	17.6%
3. Beta 1.2	14 273	-1.9%	675	-3.6%
4. Beta 1.0	14 825	1.9%	726	3.7%
5. Interest rates +1% ¹	16 704	14.8%	811	15.8%
6. Interest rates -1% ¹	10 246	-29.6%	523	-25.2%
7. Equity and property risk premiums +1%	15 800	8.6%	752	7.4%
8. Equity and property market values -10%	12 612	-13.3%	701	0.1%
9. Salary and expense inflation +0.5%	14 804	1.8%	712	1.7%
10. Maintenance expenses -10%	14 704	1.1%	740	5.7%
11. Mortality rates -5%	14 393	-1.0%	698	-0.2%
12. Lapse rates +10%	14 217	-2.2%	645	-7.9%

¹ Change in market value of unit funds not considered for defined contribution pensions and unit linked.

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 2004 was 3.8 percent.

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

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

Analysis of results by classes of business:

Nok million	2006	2005	2004	2003	2002
Group pension:					
- interest result	4 020	3 013	2 220	2 777	-873
- risk result	132	232	40	93	30
- administration result	-236	-126	-22	-34	-46
- change in premium reserve/security fund	-16	-10	-89	-1 008	-241
- total	3 900	3 109	2 149	1 828	-1 130
Group pension with investment choice:					
- interest result	15	5	3	2	
- risk result					
- administration result	-110	-31	-27	-35	-41
- change in premium reserve/security fund	-1				
- total	-96	-26	-24	-33	-41
Group life:					
- interest result	47	41	36	36	11
- risk result	31	78	46	37	39
- administration result	-12	-12	-10	-5	-14
- change in premium reserve/security fund	-1		-2	-1	-1
- total	65	107	70	67	35
Individual endowment:					
- interest result	684	667	305	198	-63
- risk result	83	74	105	43	81
- administration result	-105	-108	-64	-71	-19
- change in premium reserve/security fund	-1	-1		-1	
- total	661	632	346	169	-1
Individual endowment with investment choice:					
- interest result	6	3	1	1	
- risk result					
- administration result	-3		-1	-6	
- change in premium reserve/security fund					
- total	3	3	0	-5	0
Individual annuity/pension:					
- interest result	748	631	528	597	-170
- risk result	-32	-55		2	31
- administration result	-76	-55	-32	-27	-26
- change in premium reserve/security fund			-90		1
- total	640	521	406	572	-164
Individual annuity/pension with investment choice:					
- interest result	42	35	30	27	28
- risk result	3	2	3	1	1
- administration result	-29	-23	-33	-27	-31
- change in premium reserve/security fund					
- total	16	14	0	1	-2
Non-life insurance:					
- interest result	11	7	5	5	1
- risk result	3	34	15	23	13
- administration result	-29	-29	-9	-12	-7
- change in premium reserve/security fund					
- total	-15	12	11	16	7
Total for all classes					
- interest result	5 573	4 402	3 128	3 643	-1 066
- risk result	220	365	209	199	195
- administration result	-601	-384	-198	-217	-184
- change in premium reserve/security fund	-18	-11	-181	-1 010	-241
- total for all classes	5 175	4 372	2 958	2 616	-1 295

Technical insurance matters

General

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

The premium reserve is calculated as the cash value of the company's total insurance obligations, including costs, in relation to individual insurance contracts

after deducting the cash value of contractual future premiums. In the case of individual account policies with flexible premium payments, the total policy value is included in the premium reserve.

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

Other technical reserves" relates to insurance lines that the regulations define as non-life insurance. These reserves are calculated in accordance with the regulations for non-life insurance companies issued by the Banking, Insurance and Securities Commission.

Mortality and disability

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

In the case of disability pension policies, the premium shown is for an annual disability pension of NOK 10,000 paid until 67 years of age.

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

Costs

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

Mortality and disability rates

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

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

Basic interest rate

The reserves included in the insurance fund at 31 December 2006 are allocated by reference to the different basic interest rates as follows:

Guaranteed interest rate	2006	2005
6%	0.7%	0.8%
5%	0.9%	1.1%
4%	61.0%	66.2%
3.4%	4.9%	4.6%
3%	27.2%	23.4%
2.75%	0.9%	0.0%
0%	4.4%	3.9%

The above table includes the premium reserve and pensioner's surplus reserve at 3 percent and additional statutory reserves at 0 percent.

The total average guaranteed return to policyholders for the company as a whole for the 2006 accounting year was 3.6 percent.

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

Average interest rate guarantee	2006	2005
Individual endowment insurance	3.2%	3.2%
Individual pension insurance	3.6%	3.7%
Group pension insurance	3.6%	3.7%
Group life insurance	0.8%	0.9%
Non-life insurance	0.0%	0.0%
Total	3.57%	3.64%

Profit allocation

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

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

Terms and expressions

Administration reserve

The administration reserve comprises assets associated with administration of 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 reserve¹

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.

Credit derivatives

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

Interest rate options/FRA options

Interest rate options can be related to money market rates, bond yields or FRA contracts. The purchase of interest rate options related to bonds (also known as bond options) confers a right (but not an obligation) to buy or sell bonds at a pre-determined price. Interest rate options can be used as a flexible instrument for the management of both long and short-term interest rate exposure. The purchase of interest rate options related to FRA contracts confers a right (but not an obligation) to buy or sell FRAs at a pre-determined interest rate. In respect of bond options, both call options purchased and put options sold are defined as long (asset) positions.

¹ See Accounting Principles for a description of these terms.

Forward foreign exchange contracts/foreign exchange swaps

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

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 reserve¹

Premium reserve¹

Premium fund¹

Pensioner's surplus fund¹

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 fund¹

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 percent of additional statutory allocations and the balance of the security fund which is above the 55 percent level. At a minimum solvency margin capital must be sufficient to meet the solvency margin requirement.

Additional statutory allocations¹

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.

¹ See Accounting Principles for a description of these terms.



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