ANNUAL REPORT 2005

storebrand

Highlights

2005

February

- Storebrand announces plans to enter Swedish pensions market.
- Hans Aasnæs appointed managing director of Storebrand Investments from 1 February 2005. Aasnæs came from the position of Chief Investment Officer.
- Storebrand proposes dividend of NOK 7 per share.
- Storebrand Bank sells its subsidiary Finansbanken A/S (Denmark). The sale generates a profit contribution of NOK 40 million before tax.

April

- The Annual General Meeting passes resolution to pay dividend and write down capital through cancellation of own shares.

May

- Storebrand bank introduces free banking
- Storebrand offers all shareholders owning less than 200 shares (one round lot) to sell their shares or increase holding to 200 shares without incurring transaction costs.
- The Norwegian Parliament votes to introduce mandatory occupational pensions from 2006.

August

- Rating agency Moody's upgrades Storebrand Livsforsikring and Storebrand ASA. Storebrand Livsforsikring is upgradet from A3 (positive outlook) to A2 (stable outlook). Storebrand ASA is upgraded from Baa3 (positive outlook) to Baa2 (stable outlook).

September

- Storebrand once again qualifies for the two renowned socially responsible investments indices FTSE4Good and The Dow Jones Sustainability World Index.
- Storebrand Life Insurance's branch in Sweden opens.

October

- Storebrand celebrates the 10th anniversary of its commitment to socially responsible investments. The Group expands its minimum standards with four new criteria.

STOREBRAND GROUP

NOK 1.44 billion

group profit

The Storebrand group is a leading player in the markets for long-term savings and life insurance. The group's business areas are life insurance, asset management and banking, representing a comprehensive product range for private individuals, companies, municipalities and independent public sector entities. Storebrand's objective is to be the leading and most respected institution in the Norwegian market for long-term savings and life insurance.

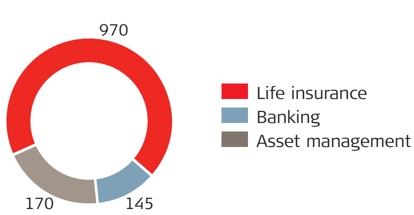
Storebrand can trace its history back to 1767. The group has offered occupational pensions since 1917, some 50 years before the Norwegian state pension scheme was established. Storebrand Bank opened for business in 1996, and in 1999 the group spun-off its casualty insurance business, which was subsequently sold. Over recent years, Storebrand has focused its activities on financial services and life insurance.

KEY FIGURES

Number of employees*	1,321
Total assets	NOK 201,846 million
Equity capital	NOK 9,278 million
Group profit	NOK 1,442 million
Market capitalisation	NOK 15,059 million

* Includes all employees in the Storebrand group

EMPLOYEES PER BUSINESS AREA



STOREBRAND LIFE INSURANCE

NOK 16 billion

premium income

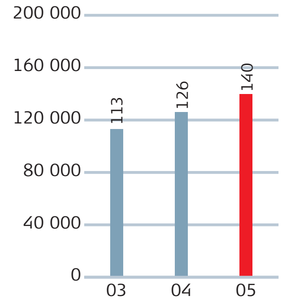
Storebrand Life Insurance offers a wide range of products for occupational pensions, individual pension savings, life insurance and health insurance for companies, public sector entities and private individuals.

NUMBER OF CUSTOMERS

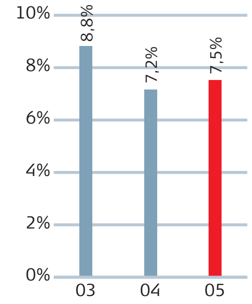
Number of corporate customers [1]	11,000
Employees and former employees in group pension schemes [2]	520,000
Retail market customers [3]	280,000

[1] Companies with occupational pension, group life insurance or health insurance policies
[2] Employees who are members of group pension schemes or have a paid-up policy from previous membership
[3] Individual customers for savings or insurance products

TOTAL INSURANCE RESERVES (NOK billion)



INVESTMENT RETURN



* Due to new accounting standards (IFRS)

Storebrand Life Insurance's objective is to be the most respected and customer focused life insurance company in Norway by offering its customers the best advice, the most attractive products and superior customer service.

November

- Storebrand participates in the global initiative on microfinancing as the only Norwegian company.
- Storebrand is mandated by Gjensidige Forsikring to manage the main part, NOK 23 billion, of their investment portfolio, starting in 2006.
- Storebrand's commitment to the municipal pension market results in many new customers and growth of NOK 4.5 billion in public sector pension assets.
- Storebrand receives the "Senior Initiative" award from the Centre for Senior Policy for its attitudes towards senior employees as valuable resources with important competencies and its active use of senior policy to build trust in the market.
- For the second time in a row Storebrand is awarded the Grip prize for the best report on corporate social responsibility. Storebrand wins the class for large corporates ahead of 17 other Norwegian companies.

December

- Storebrand sells its 50% stake in Danish non-life insurance company Fair Forsikring to Gjensidige Forsikring. The transaction will contribute NOK 40 million to group profit before tax.

STOREBRAND BANK

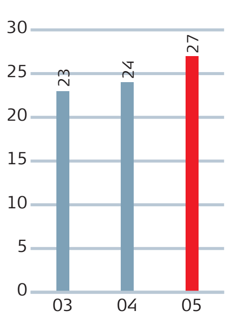
100%

increase in profit before tax

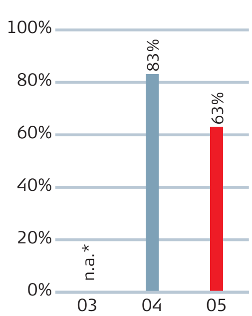
Storebrand Bank offers traditional banking services such as accounts and lending to the retail market, as well as project financing for selected corporate customers. The bank is a commercial bank with total assets of NOK 29 billion.

NUMBER OF CUSTOMERS	
Retail market customers	59,000
- of which customers with both accounts and loans	17,600
Corporate customers	3,600

TOTAL LENDING (NOK million)



COSTS/INCOME



* Due to transition to new accounting standards (IFRS)

Storebrand Bank's objective is to be a modern and reliable bank for private individuals and selected segments of the corporate market. The bank shall be easy to relate to, with attractive products and prices. By offering free banking for routine banking services, the bank will actively recruit new customers to Storebrand.

STOREBRAND INVESTMENTS

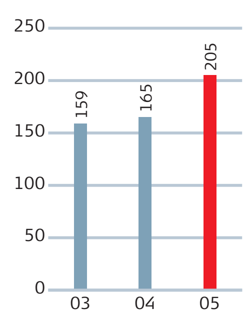
24%

increase in assets under management

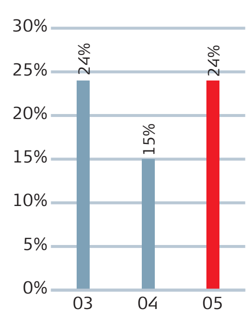
Storebrand Investments offers a complete asset management concept with a clear socially responsible investment profile for institutional investors and the retail market. Asset management products include discretionary management, specialist products and mutual funds.

NUMBER OF CUSTOMERS	
Retail market customers	70,700
Corporate customers	800
-of which with discretionary portfolios	50

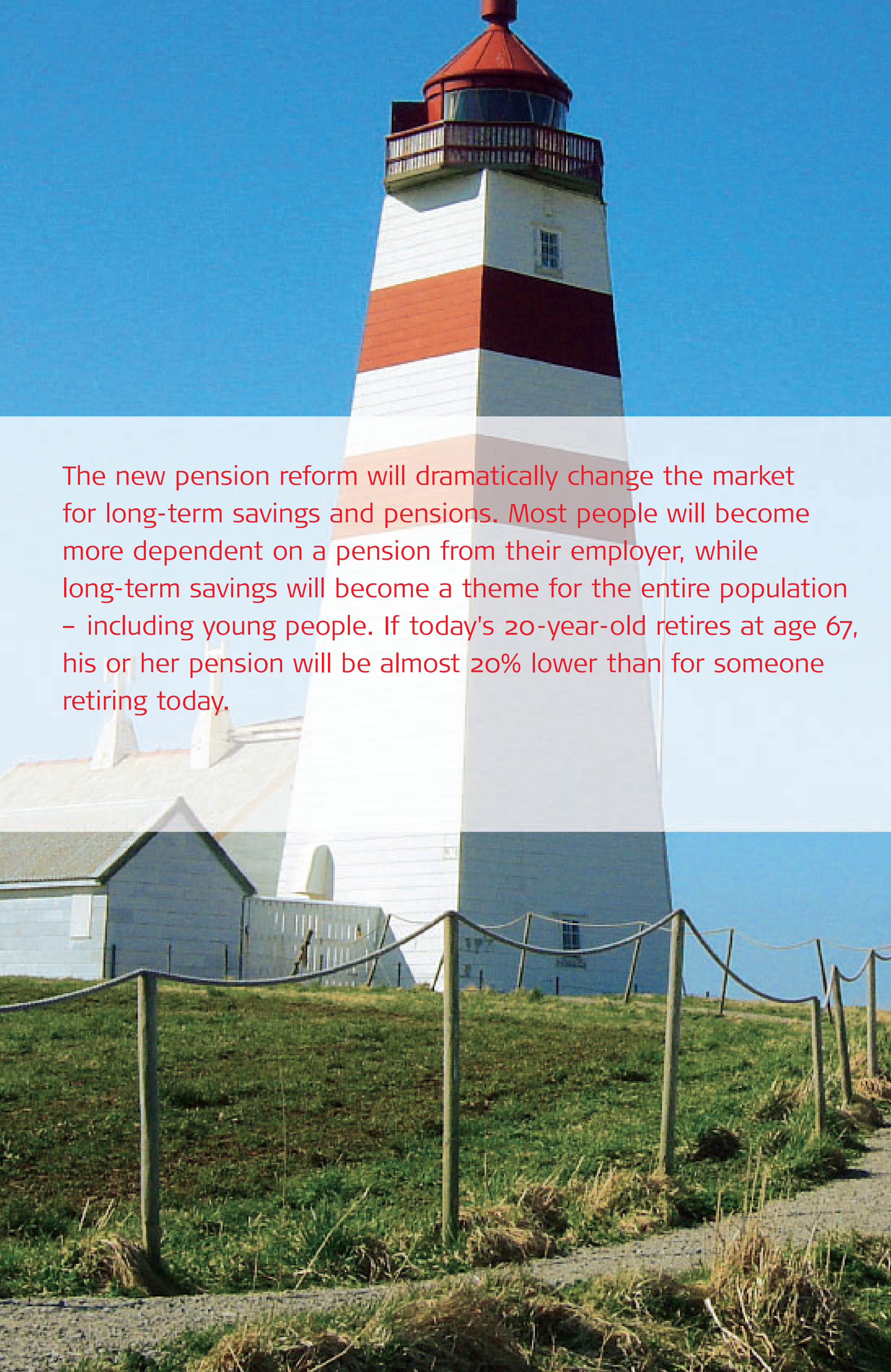
ASSETS UNDER MANAGEMENT (NOK billion)



PROPORTION OF ASSETS MANAGED FOR EXTERNAL CUSTOMERS



Storebrand Investments' objective is to be the preferred asset manager for long-term savings and pension assets. Storebrand Investments concentrates on selected investment areas and developing specialist expertise in the major asset management functions.



The new pension reform will dramatically change the market for long-term savings and pensions. Most people will become more dependent on a pension from their employer, while long-term savings will become a theme for the entire population – including young people. If today's 20-year-old retires at age 67, his or her pension will be almost 20% lower than for someone retiring today.

CONTENT

2005 was a good year for Storebrand's customers and shareholders. The group's financial condition strengthened, and a strong inflow of new customers confirmed Storebrand's competitiveness. We look forward to a new and important year during which our market will undergo the most extensive changes since the launch of the Norwegian national insurance scheme in 1967.

Our objective is to be the leading and most respected institution in the Norwegian market for long-term savings and life insurance. 2005 demonstrated Storebrand's ability to deliver this objective. We demonstrated our competitiveness by winning a number of major and important contracts. At the same time, we received awards for our reporting on corporate social responsibility and our work on policies for older employees.

The market research surveys we carry out every year show that many people are not fully aware of the financial consequences of changes in their life situation. Major changes in the pension system with the introduction of mandatory employers' occupational pensions will help to ensure that more people have some savings for the future. There is, however, still an important need to improve the general level of awareness of the financial implications of retirement, illness and disability. We expect to see significant growth in the Norwegian savings and insurance market as people move towards making better arrangements in this respect.

Growth in the markets where Storebrand operates is encouraging many additional players to compete for customers. Storebrand's position in the market, its long traditions and highly developed expertise provide a good foundation for success. However, past success is no guarantee for the future. Three factors are key to meeting this competition:

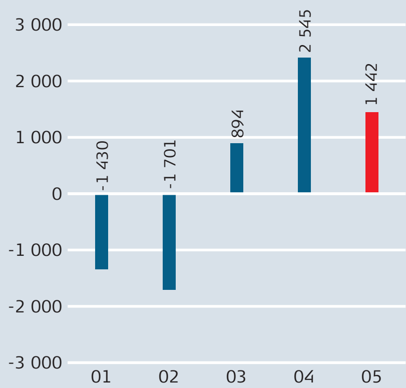
- Attractive products that meet clearly identified customer needs: We will see greater innovation and more frequent changes in products. This will make it even more important to offer efficient service solutions that reflect customer preferences.
- Productivity for core processes: High quality must be combined with low error rates and short processing times. Experience from other sectors shows that there is still considerable room for improvement.
- Effective distribution: We aim to make our own distribution channels more effective and develop more productive interaction between all the distribution channels we use, as well as building value-added partnerships with external distributors.

Our plans for Storebrand's development will make considerable demands on our organisation. We are therefore very dependent on ensuring that our employees enjoy their work and have the experience and skills needed to meet our customers' needs. Through management development programs and even greater emphasis on training, we will continue to recruit, develop and retain the right people for our business. Our expertise and willingness to learn is the key to Storebrand's future success.

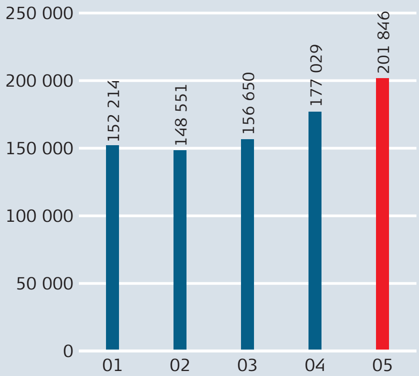
Idar Kreutzer,
Group Chief Executive Officer

OPERATING PROFIT (NOK million)

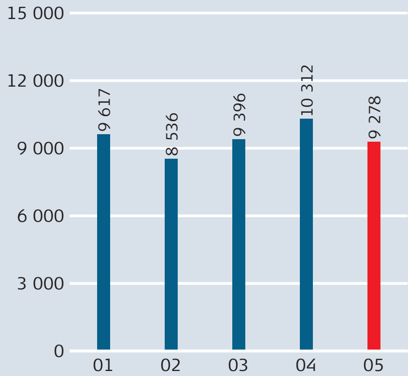
GROUP PROFIT (NOK million)



TOTAL ASSETS (NOK million)



EQUITY (NOK million)



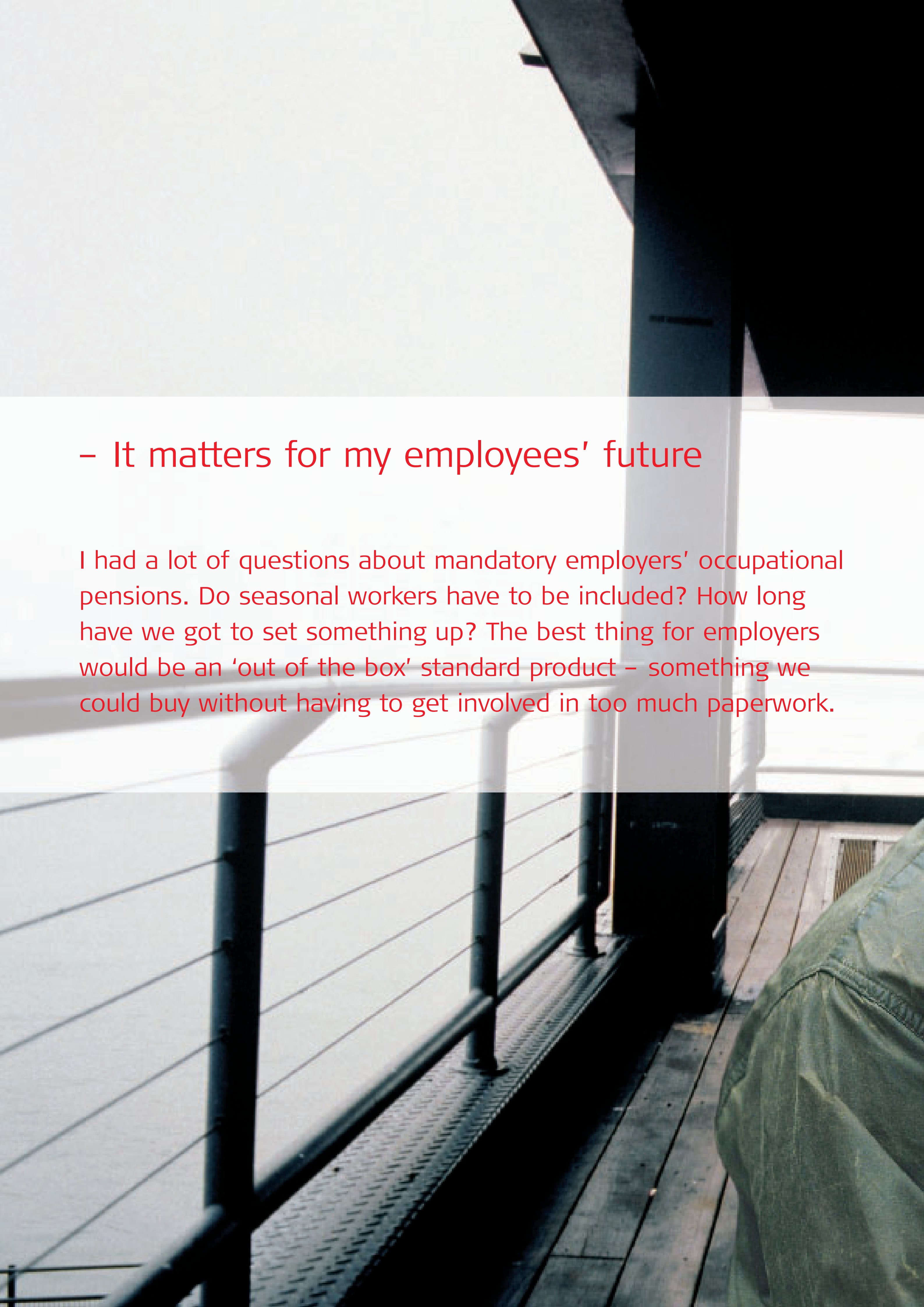
KEY FIGURES

NOK million	2005	2004	2003	2002	2001
Operating profit	4 728	4 541	2 711	–2 713	–1 837
Group profit	1 442	2 545	894	–1 701	–1 430
Total assets	201 846	177 029	156 650	148 551	152 214
Equity capital	9 278	10 312	9 396	8 536	9 617
No. of employees (full time equivalents)	1 327	1 224	1 263	1 337	1 473
Capital ratio (%)	11.2%	15.3%	14.9%	16.0%	12.9%

Figures for 2001 – 2003 are historic NGAAP figures, while the figures for 2004 and 2005 are prepared in accordance with IFRS.

Key figures per share					
Average number of ordinary shares (000)	258 576	272 933	277 927	277 715	277 554
Earnings per ordinary share *⁾	5.41	8.53	2.67	–3.73	–4.15
Dividend per ordinary share (NOK)	4.00	7.00	0.80		

*⁾ Calculation is based on profit for the year adjusted for the year's legally required post-tax allocations to security reserves etc. for non-life insurance.



– It matters for my employees’ future

I had a lot of questions about mandatory employers’ occupational pensions. Do seasonal workers have to be included? How long have we got to set something up? The best thing for employers would be an ‘out of the box’ standard product – something we could buy without having to get involved in too much paperwork.

In autumn 2005 Storebrand launched its Folkepensjon product. The concept behind Folkepensjon is to make a complicated product as simple as possible, without compromising on quality. Company owners who do not want to get involved in understanding all the new rules for mandatory employers' pensions simply need to tell us how many employees their company has, their national insurance number and current salaries – and we can give them a complete solution. An employers' pension scheme that is simple to set up and manage is precisely what companies are looking for.

Storebrand Life Insurance has been a specialist in occupational pensions for many generations. Norske Folk, a company that later became part of Storebrand, first launched group pension insurance products in Norway in 1917 – some 50 years before the Norwegian national social security scheme was established. In the corporate market, 2005 was one of the best years for sales of occupational pensions products since their introduction 79 years ago.

Strong starting point. Storebrand starts 2006 with a strong position in occupational pensions. In terms of pension assets managed, Storebrand has a market share of around 40% for defined contribution and defined benefit occupational pensions (excl. private pension funds and municipal pension schemes). Storebrand won a number of major mandates in 2005. ISS, with 10,000 employees, chose Storebrand for its defined contribution scheme, and Oslo Sporveier appointed Storebrand as the new supplier of its group pension scheme representing over NOK 2 billion of pension assets. In addition, Storebrand was again the most successful company in 2005 in bidding for the municipalities transferring away from Kommunal Landspensjonskasse (KLP). Storebrand enjoyed its best year ever in 2005 for transfers of group pension business, with a net inflow (sales notified) of over NOK 4 billion. The main part of these reserves will be included in Storebrand's accounts from 2006.

Customer-adapted solutions, good customer service and a commitment to the quality of its products and asset management are important reasons for Storebrand's success in 2005.

A winner on quality. Customer-adapted solutions, good customer service and a commitment to the quality of its products and asset management are important reasons for Storebrand's success in 2005. For the second year in a row, Storebrand received the highest score in the Norsk Kundebarometer survey of customer satisfaction and customer loyalty. This independent survey shows that, relative to competitors, Storebrand's customers are particularly well satisfied with financial return.

A key element of pension products is the long-term management of pension assets. Storebrand Investments (100% owned by Storebrand ASA) is responsible for managing Storebrand Life Insurance's pension assets in accordance with the guidelines set by Storebrand Life Insurance. The strength of Storebrand as an asset manager was confirmed in 2005 when Storebrand Investments won one of the largest mandates ever put out to open competition in the Norwegian investment management market.

Gjensidige Forsikring chose Storebrand to manage the main part of its investment portfolio of around NOK 23 billion.

Trends in the occupational pensions market. Financial markets have fluctuated widely since 2001, with sharp falls in share prices for the first two years followed by stock market upturn and sizeable interest rate cuts. Companies that offer defined benefit pensions have also had to adapt to new rules for how pension benefit is accrued (linear accrual) and new accounting rules, increasing the proportion of total pension costs recognised earlier in an employee's working life and making annual pension costs more volatile. Companies and employees' need for pension arrangements better suited to today's labour market, together with the need for greater financial predictability has led many larger companies to close their defined benefit schemes and replace them with defined contribution arrangements.

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

Storebrand's solution for mandatory employers' pensions. The introduction of mandatory employers' pensions will increase annual premiums in the pensions market by at least NOK 3 billion. In Autumn 2005 Storebrand adapted its organisation to meet the requirements of the new market for mandatory

1917	STOREBRAND'S PREDECESSOR NORSKE FOLK SETS UP THE FIRST GROUP PENSION SCHEME IN NORWAY.
1949	FIRST LEGISLATION ON OCCUPATIONAL PENSIONS.
1967	THE NORWEGIAN NATIONAL INSURANCE SCHEME COMES INTO BEING FOLLOWING PARLIAMENTARY APPROVAL IN 1966.
2001	NEW LEGISLATION ON COMPANY PENSIONS AND DEFINED CONTRIBUTION PENSIONS COMES INTO FORCE.
2004	THE NORWEGIAN GOVERNMENT PUBLISHES A WHITE PAPER ON PENSION REFORM BASED ON THE RECOMMENDATIONS OF THE PENSION COMMISSION. NEW LEGISLATION ON LIFE INSURANCE IS APPROVED BY PARLIAMENT.
2005	THE NORWEGIAN PARLIAMENT APPROVES THE MAIN PRINCIPLES OF THE PENSION REFORM, INCLUDING MANDATORY EMPLOYERS' OCCUPATIONAL PENSIONS.
2006	2006: MANDATORY EMPLOYERS' OCCUPATIONAL PENSIONS COME INTO FORCE.
2008	EXPECTED INTRODUCTION OF NEW INSURANCE ACTIVITIES ACT
2010	REFORMS TO THE NATIONAL INSURANCE SCHEME EXPECTED TO COME INTO FORCE.

9

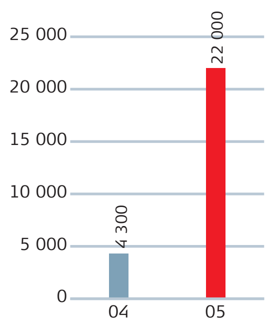
new trade association agreements signed in 2005

Storebrand has agreements with

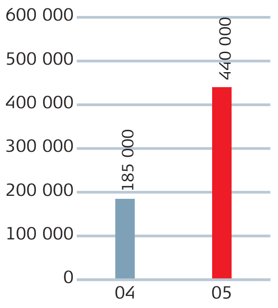
20

trade associations

NUMBER OF COMPANIES COVERED BY TRADE ASSOCIATION AGREEMENTS WITH STOREBRAND



NUMBER OF EMPLOYEES COVERED BY TRADE ASSOCIATION AGREEMENTS WITH STOREBRAND



22,000

COMPANIES WITH 440,000 EMPLOYEES ARE NOW COVERED BY TRADE ASSOCIATION AGREEMENTS WITH STOREBRAND

occupational pensions. Storebrand has developed a new standardised product, Storebrand Folkepensjon, that is specifically designed for small companies facing the new mandatory pension requirements in 2006. The Folkepensjon product can be set up through a Storebrand customer centre or over the Internet, and is very easy for companies to manage.

Storebrand's financial advisers for the corporate and retail markets form the basis for marketing the Folkepensjon product. In addition, Storebrand has significantly strengthened its competitive position through agreements with trade associations and external distributors. By the close of 2005, Storebrand had signed agreements with 20 trade associations representing over 22,000 companies and 440,000 employees. These agreements pave the way for effective distribution of Storebrand Folkepensjon, and serve to strengthen the company's competitive position. Storebrand has also signed distribution agreements for occupational pension products with a number of savings banks and commercial banks.

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

From 2007, the occupational pensions market will largely be a transfer market, as various suppliers compete to attract established occupational pension schemes. As one of the most experienced players in the market, Storebrand takes a long-term view. Focus on attracting business volume in 2006 will create a significant new customer portfolio that can be developed over time. This will give Storebrand a strong basis for sales of supplementary financial products to employees of companies with Storebrand occupational pension arrangements.

At the same time, an increase in the number of corporate customers will bring significant growth in assets under management.

New insurance legislation will create major changes for defined benefit pensions. The new Insurance Activities Act and related regulations are due to come into force on 1 January 2008. The new legislation will cause extensive changes, but Storebrand's preparations are well underway. The objective of the new Act is to create greater pricing predictability and transparency, as well as making a clearer division between policyholders' funds and the insurance company's own funds.

In future, pricing will be final and premiums will be paid in advance. This means that the current profit sharing between policyholders and the insurance company will largely come to an end. The various aspects of pensions must be priced separately, and the insurance company's charges must be included in the premiums quoted. Further information on the new legislation can be found on pages 48–49.

Storebrand Life Insurance's portfolio of public sector pension customers grew by 40% in 2005

Greater scope for growth in the public sector. The market for public sector pensions amounts to over NOK 200 billion of accumulated pension reserves, with the municipality sector accounting for the larger part. In addition to this, unfunded public sector pension liabilities are equivalent to approximately NOK 250 billion.

The provisions of the Public Procurement Act were extended in 2005 to cover the selection of pension providers by municipalities. This helped to ensure more orderly tendering arrangements, although the minimum threshold for open competition was raised. There are, at the moment, no requirements for municipalities or other members of the Association of Local and Regional Authorities to submit their pension arrangements to periodic open competition.

Fewer municipalities than expected decided to transfer their occupational pension schemes in 2005. Around 30 municipalities invited tenders, and eight of these decided to transfer away from KLP. Øvre Eiker, Sola, Frogn, Lier and Skodje, representing almost 80% of the pension assets to be transferred, chose Storebrand. In addition, Fjell municipality has appointed Storebrand to manage its pension scheme. Storebrand now provides occupational pension products for 35 municipalities.

Storebrand Life Insurance's public sector portfolio grew by 40% in 2005, with total assets under management of NOK 13 billion at year-end. Public sector occupational pension schemes remain one of the most exciting market areas for Storebrand, based on its size, the current volume of transfers and the fact that public sector pensions are subject to compulsory increases in line with salary growth and the basic state pension.

100 municipalities have now chosen a pension supplier other than KLP. The differences in market share between the various pension suppliers in this market are expected to even out over time. The public sector pension market looks likely to increase in future years as a number of public sector entities that currently arrange pensions through the Public Service Pension Fund will be allowed to invite competitive bidding for their pension arrangements.

Greater focus 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 quality of life and reduces absence due to illness. For employers, focus on HSE reduces the cost of absenteeism and contributes to value creation as well as reducing insurance premiums. Moreover, both society at large and the employer's insurance company benefit from a reduction in absenteeism and a lower incidence of disability pensions.

Storebrand was the first Norwegian insurer to launch a new product in 2005 offering lower disability premiums for businesses that focus on HSE. The new product has two elements – enhanced health insurance from Storebrand Helseforsikring and HSE advice from Storebrand Life Insurance's own specialist advisers. Health insurance secures access to treatment and can reduce the period of absence considerably. The product is available to companies that have entered into a "More inclusive working life" agreement with the National Insurance Administration. For the public sector, Storebrand has established an HSE and senior policy fund for 2006. The fund can be used for various HSE measures, as well as training and education. In addition, Storebrand offers health insurance and HSE advice for municipalities and other public sector entities.

Storebrand intends to build a position in the Swedish market as a respected and preferred business partner by offering attractive and easily understood solutions, efficient administration and rapid response to changing customer requirements.

Storebrand Life Insurance opens in Sweden. Storebrand Life Insurance opened its Swedish branch in September 2005, offering traditional life insurance products to selected sectors of the Swedish market. Storebrand's products are marketed through Swedish brokers and financial advisers who account for more than 50% of sales of such products in the Swedish market. Storebrand's Swedish distributors also contributed their knowledge of the Swedish market to the development of the products now offered. The branch has already attracted its first customers, and has been well received as an exciting newcomer. The products are based on Norwegian rules, which offer greater security for the customer and better transfer rights.

The branch will continue to build its position with brokers, advisers and key customers in 2006. Work is also underway to supplement the product range offered. Storebrand intends to build a position in the Swedish market as a respected and preferred business partner by offering attractive and easily understood solutions, efficient administration and rapid response to changing customer requirements.

The Swedish occupational pensions market saw a resumption in growth in 2005. Sales of traditional life insurance products were 17% higher in Q3 2005 than in the same period of 2004, and sales of funds products were 3% higher. The downward trend in traditional life insurance now seems to have reversed thanks to more favourable conditions in the financial markets, allowing traditional life insurance companies to improve their solidity and report good investment returns.

In December 2005, the Swedish government announced a proposal to allow unrestricted transfers of new insurance policies from 2007. Storebrand's products for the Swedish market already offer unrestricted transfers. The Swedish government also introduced a "traffic light system" for Swedish life insurance companies to encourage companies to be more aware of the financial risks associated with pension portfolios. The new rules will force companies with low solidity to reduce their exposure to equities. This will impose significant restrictions on companies with mutual ownership unable to raise new capital. Given its capital base, Storebrand Life Insurance will be seen as a strong alternative in this competitive area of the Swedish market.

New special purpose company in Sweden for personal injury insurance. Storebrand launched a new special purpose company in Sweden in 2006 for personal risk products such as industrial injury and sickness insurance. The company targets large Norwegian companies that believe the premiums they pay are too high and that want to gain better understanding and control over the costs involved. A number of Storebrand's customers are involved in developing this company, which is unique in the market.

The company was authorised by the Swedish Financial Supervisory Authority on 16 December 2005. The decision to incorporate this company in Sweden rather than Norway reflects the more suitable legislation and operating requirements for these types of insurance in Sweden. Policyholders will be part-owners of the new company, and will share in profits if claims are lower than expected. This means that the company's customers will have largely the same commercial interest as Storebrand in producing a satisfactory profit. The launch of this new insurance company is a good example of Storebrand's commitment to listening to its customers and finding innovative solutions to their requirements.

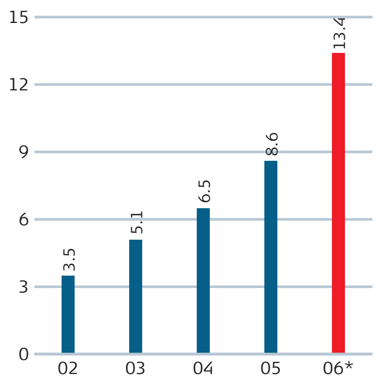
6

new municipal customers

40%

growth in assets under management for the public sector

ASSETS UNDER MANAGEMENT FOR (PUBLIC SECTOR CUSTOMERS) NOK BILLION).



* Estimate based on sales notified

77%

of pension fund transfers in the municipal market

NOK 13 bn

of total public sector customers' funds

– Do I have to start saving for a pension now?

Pensions were something my father used to talk about. I wasn't a bit interested. Then I found an article on the Internet about the pension reform. It didn't take me long to understand that decisions about savings today are not just about having some money in the bank.

Tomorrow's pensioners would rather be out skiing or wine tasting in Italy than sitting in an old people's home. People expect more of their retirement years, and this makes the market for long-term pension saving, mutual funds and health insurance extremely attractive. We are positioning Storebrand to take full advantage of these opportunities by offering our customers a broad range of products, expanding our distribution network and continuing to improve efficiency to keep our costs down.

The market for long-term savings and life insurance is growing as people recognise the increasing need to arrange savings and insurance for their retirement, life and health. Storebrand's ambition is to be the leading and most respected institution in this market. Storebrand's long history and strong traditions provide a sound foundation for a strong and prominent position, and provide a good basis for the group to achieve its objectives.

Growing markets. Following a decline from 2000 to 2002 as a result of turbulent stock markets, the market for long-term savings is growing again. The individualisation of this market as a result of the shift to defined contribution pension schemes and the modernisation of social security have both contributed. Mandatory employers' pensions will increase awareness of the need for personal savings, further creating growth going forward.

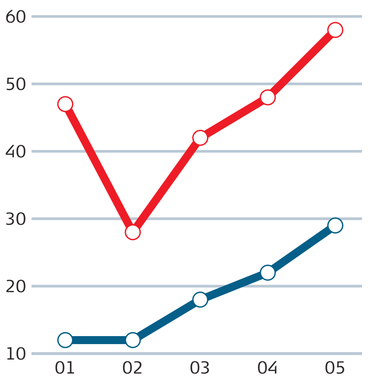
Retail customers preferred savings products with protection against loss of capital, in 2005 end sales of structured and guaranteed savings products were strong. Savings invested in equity funds reduced in 2005, and many people have failed to benefit from the strong increase in share prices, particularly in the Norwegian market, over recent years. Sales of equity funds showed an upturn in the last quarter of 2005, pointing to stronger sales in the future.

The market for life insurance and health insurance has grown over recent years, but at a more moderate pace than expected. We are still in a relatively immature market, where many people's priority is to insure their house, car, boat and other valuables rather than themselves and their family. The need for greater take-up of life and health insurance gives good reason to expect growth going forward. Charts on the following page show the performance of important elements of the market for long-term savings and life insurance.

Awareness of Storebrand and its products increased by more than 30% in 2005

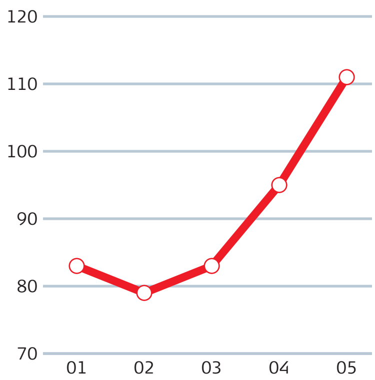
Stronger position. Storebrand has offered life-insurance products to help people build their savings and protect their income since 1861. With its 144 years of experience, the company has developed expertise, systems and procedures that make Storebrand one of the best-known brands in the Norwegian financial sector and a specialist in the long-term management of financial wealth. However, the fact that only a relatively small proportion of the population associate Storebrand with long-term savings and life insurance represents a challenge for the company. Storebrand has therefore committed considerable resources to promoting its brand, improving customer awareness and improving

DEVELOPMENT IN MARKET FOR MUTUAL FUNDS AND UNIT LINKED *



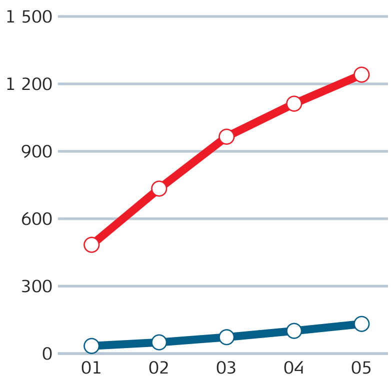
Mutual funds **
Unit linked **
*) Assets under management (NOK bn.)
**) Provisional figures for 2005

DEVELOPMENT IN MARKET FOR LIFE INSURANCE SAVING *



Life insurance saving **
*) Assets under management (NOK bn.)
**) Provisional figures for 2005

DEVELOPMENT IN MARKET FOR LIFE INSURANCE AND HEALTH INSURANCE *



Life insurance ** Health insurance **
*) Annual premiums written (NOK mill.)
**) Provisional figures for 2005

distribution. This has helped to strengthen Storebrand's position in the retail market.

Twin strategies have been at the core of Storebrand's marketing and publicity. The first has been to build better awareness and knowledge of Storebrand as a supplier of long-term savings and life insurance. The second has been to encourage existing and new customers to buy Storebrand's products through targeted marketing of specific products. A new communication concept has been developed to achieve these objectives, principally using TV advertising. The concept uses some of Norway's best-known actors to deliver monologues on a variety of themes, including life insurance, pensions, investments, health insurance, disability insurance and free banking, as well as the Norwegian population's inherent but perhaps unjustified loyalty to their bank.

The commitment to developing brand awareness has been successful. The choice of media, the message, the format, and the presentation has brought Storebrand closer to being seen as the leading and most respected institution in the Norwegian market for long-term savings and life insurance. The marketing campaign has also fostered employee pride and positive customers. Awareness of Storebrand and its products increased by more than 30% in 2005 (source: TNS Gallup/market tracker), and the proportion of respondents that said they would contact Storebrand for private pension savings products also increased sharply.

Sound growth for free banking. Storebrand Bank plays a central role in the group's focus on the retail market, and is particularly important for attracting new customers. The bank has succeeded in improving its market position through its clear and simple profile of free banking and competitive mortgage lending. Increased media visibility, including television advertising, has built public awareness of the bank, helping the bank to achieve significant customer growth in 2005. Storebrand Bank has a strong track record for customer satisfaction and loyalty, and customer surveys carried out in 2005 showed a further improvement. The survey also showed increasing interest from banking customers in buying long-term savings and life insurance products from Storebrand.

Growth in customer numbers. Storebrand's strong position in the corporate market and its success in attracting new customers through banking products helped to increase the customer base in 2005. By the close of 2005, Storebrand's retail market unit had around 311,000 customers. In addition to this around 312,000 private individuals hold paid-up policies from Storebrand and over 240,000 Norwegians are members of occupational pension schemes run by Storebrand.

The launch of free banking has boosted Storebrand's customer numbers.

Storebrand's focus on the retail market, combined with the introduction of mandatory employers' pensions, will lead to further growth in the group's customer base. This makes it important for Storebrand to improve its understanding of its customers in order to build loyalty and increase the average number of Storebrand products each customer buys. This involves using analytical tools for cross-selling and customer retention activities, and will help to ensure both greater customer satisfaction and higher per customer revenue.

Stronger distribution capacity. Storebrand's distribution network consists of three channels; financial advisers, direct sales and external distribution. All three channels are under continual development. Results achieved in 2005 demonstrate that this distribution model works well as Storebrand increased sales considerably without significant investment.

Financial advisers offering a complete personal advisory service, numbered almost 120 in Storebrand's 40 offices nationwide at year-end. 2005 saw continuing focus on developing their expertise, with particular emphasis on mutual funds products and investment advice. Specialist training in this area was arranged for many of the funds products advisers so that they can give better advice. In addition, specialist banking and insurance advisers were appointed in 2005 to meet the need for advice to customers and employees of companies where Storebrand manages the occupational pension scheme. The experience to date has been so encouraging that Storebrand intends to make further appointments both centrally and regionally in 2006.

The direct sales channel offers customer service through a call centre and Storebrand's web site. This channel is important both for sales and customer service. The number of calls received by the customer centre increased in 2005, particularly in the last months of the year, indicating a response to Storebrand's marketing campaign. The combination of easy access and a high standard of service and advice is reflected in improving customer satisfaction levels. Storebrand sees this as clear evidence that skilled and customer-oriented staff generate good customer relations, satisfied customers and higher sales. Sales through the direct channel in 2005 were higher for all product areas.

External distributors are an important part of Storebrand's commitment to the retail market. The objective has been to increase the scale of external distribution through higher sales by existing distributors as well as attracting new distributors. Storebrand increased the number of external customer advisers selling its products by approximately 500 in 2005, due in part to a new distribution agreement with Fokus Bank which now offers annuity and individual pension savings products solely from Storebrand. Through extensive training and follow up of Fokus Bank's employees, Storebrand expects the sales performance to improve further in 2006.

Ring Eiendomsmegling was established in 2004. Storebrand offers lending and other banking services through this real estate broker's chain of offices. Ring Eiendomsmegling grew strongly in 2005, and added over 20 new offices. By the close of 2005, Ring Eiendomsmegling was well represented throughout Norway with over 30 offices.

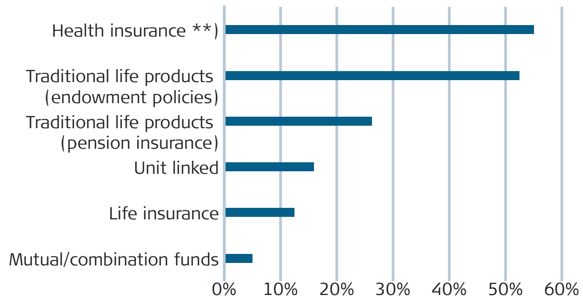
Storebrand has expanded its agreements with a number of existing distributors, and built up its own organisation to service growth in sales through external channels. This will ensure Storebrand's continuing competitive strength in external distribution. 2005 was the best year ever for sales through external distributors for all product areas, and represents a very strong starting point for 2006.

Insurance agencies are independent businesses that have an exclusive distribution agreement with Storebrand. This channel was expanded in 2005, and now has 21 agencies with 34 financial

NOK
8.95
billion

Storebrand sold almost NOK 9 billion of life insurance in 2005

MARKET SHARES *)



*) Annual premiums for Life insurance and health insurance and assets under management for savings products
**) Includes both retail and corporate market

100% increase
Storebrand doubled its sales of structured products from 2004 to 2005

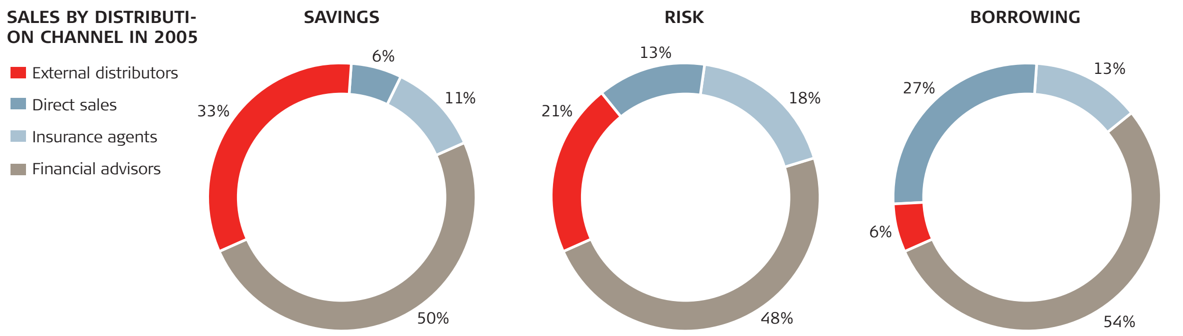
32% increase
Sales of funds-based products increased by 32% from 2004

500
new advisers through external distributors in 2005

Ring Eiendomsmegling

Ring eiendomsmegling collaborates with Storebrand to offer mortgage financing and other banking services on competitive terms. Ring operates 30 real estate offices throughout Norway.

IN 2005 WE APPOINTED SPECIALISED BANKING AND INSURANCE ADVISERS. EXPERIENCE FROM USING THESE SPECIALISTS HAS BEEN SO ENCOURAGING THAT STOREBRAND INTENDS TO MAKE MORE APPOINTMENTS BOTH CENTRALLY AND REGIONALLY IN 2006.



advisers. Three of these agencies were appointed in 2005, and 10 new financial advisers were recruited. The largest agencies are in Oslo and the surrounding area, but Storebrand has agents in most larger towns and cities around Norway. Sales through insurance agencies were satisfactory for all product areas in 2005.

New products well received. Storebrand is committed to launching new products in quick response to changing customer needs, new trends and changes in the regulatory environment. Market demand for real estate investment led Storebrand to launch a real estate investment fund in September 2005 in collaboration with Union Eiendomsinvest. The fund attracted NOK 275 million of capital in Q4 2005, giving it total assets approaching NOK 900 million. The fund, known as Storebrand Eiendomsfond, is a competitive alternative to other forms of real estate investment. Minimum investment is NOK 50,000, making it possible for private individuals to invest in a class of investment previously only available to institutional investors. The new fund has been well received.

Storebrand also launched a new money market fund in mid-September 2005 known as Storebrand

Rente+. The new fund has attracted great interest and had total assets of a NOK 1.6 billion by the close of 2005, primarily from retail customers.

There is every reason to expect increasing retail market interest in equity funds over the next few years, not least because a large proportion of the population will be introduced to funds selection through mandatory pensions. Market research carried out by MMI shows that Norwegians see mutual funds as the savings alternative likely to produce the best return. In view of the very wide choice of funds available in the market, Storebrand is working to simplify and improve its products and processes to better meet customer requirements, and plans to launch a new mutual funds concept early in 2006. Interest in products where Storebrand manages the allocation between fixed-income and equity markets is strong, and this is expected to continue.

Successful focus on external distribution channels led to higher sales and improved distribution capacity.

Improved efficiency delivers results. The retail market unit put particular emphasis on customer focus and cost efficient operations in 2005. Banking operations focused on realising gains from work on the credit approval process for retail customers, resulting in 25% improvement in efficiency so far, and shorter processing times. Extensive projects are also underway to improve sales support and banking services, including measures to make it easier for customers to change bank. Further work is planned to realise efficiency gains in a number of areas in 2006.

Storebrand's offices

Tromsø
Finnsnes
Harstad
Narvik
Bodø
Mo i Rana
Namsos
Steinkjer
Trondheim
Tiller

Orkanger
Kristiansund
Molde
Aalesund
Ulsteinvik
Førde
Sogndal
Bergen
Stord
Isdalstø

Hamar
Elverum
Lillehammer
Gjøvik
Hønefoss
Hokksund
Drammen
Haugesund
Stavanger
Sandnes

Bryne
Flekkefjord
Kristiansand
Mandal
Arendal
Bø
Tønsberg
Sandefjord
Larvik
Porsgrunn

Skien
Jessheim
Ski
Sandvika
Asker
Lysaker
Oslo
Sarpsborg
Fredrikstad

– Socially responsible saving

When I started to invest in international funds, I wanted to have some control over where my money was invested. How else could I be sure that my money wasn't encouraging child labour? Or going to companies involved in extensive corruption?

Storebrand has worked systematically to recognise its corporate responsibility for over 10 years. Socially responsible investment has always been an important part of this commitment. We now have a leading specialist team in this area, and are one of the world's foremost life insurance companies for socially responsible investment. All the company's funds and pension assets are subject to a detailed minimum standard for social responsibility. This is Storebrand's most important contribution to sustainable development, and reflects our objective to be the leading and most respected institution in the Norwegian market for long-term savings and life insurance.

Storebrand shall be the leading and most respected institution in the Norwegian market for long-term savings and life insurance. We shall create and secure value, but are not indifferent to how this is achieved. In order to realise our vision, it is important to consider those affected by our activities. We therefore apply principles of corporate responsibility to all our activities.

Storebrand has been actively committed to corporate responsibility (CR) for over 10 years. Work in this area is firmly anchored in the company's overall plans and strategies and contributes to the group's value creation. CR objectives are formalised in a two-year action plan, most recently set for 2005 and 2006. Targets defined in the action plan are monitored continuously and progress is reported internally every six months and externally once a year. Responsibility for reaching each target lies with the line management of the business unit affected. This makes CR an integrated part of daily operations. Storebrand's head of CR co-ordinates work on the program and reports to the executive management and the board of directors, ensuring integration both at the management level and throughout the organisation.

The results achieved in 2005 are considered satisfactory, and show that 28 of the 38 targets set in the current two-year action plan have already been achieved. This article describes a number of important areas of our CR work in 2005. A number of the measures described are new since the 2005-2006 action plan was launched, and are the result of the group's continuous commitment to developing CR. Information on the status of the action plan targets can be found in a separate table.

Storebrand introduced a new group policy on socially responsible investment in October 2005

Socially responsible investment is Storebrand's most important contribution to sustainable development. In October 2005, Storebrand introduced a new policy to apply socially responsible investment (SRI) criteria to all Storebrand's funds and pension assets. This prohibits investment in companies involved in violation of human rights, corruption or serious environmental damage, or that produces landmines, cluster munitions, nuclear weapons or tobacco products. In addition, Storebrand will not invest in companies that are among the worst 10% on environmental and social criteria in high-risk industries. As a result of this policy, Storebrand excluded 70 companies in total at the close of 2005. Storebrand's commitment to SRI resulted in the company being nominated for the Brooklyn Bridge's Trippel Bottom Line Award.

WE MEASURE OUR PERFORMANCE BY		Status 2004	Status 2005	Targets 2006
BUILDING FINANCIAL WORTH				
Shareholders	Return on capital employed	26.5%	17.1%	15% (2007)
	Percentage of post-tax group profit distributed as dividend	78%	71%	> 30%
	Sound capital adequacy	15.3%	11.2%	Min. 10%
	Storebrand Life Insurance solvency margin	169.4%	175.2%	> 150%
	Inclusion in the Dow Jones Sustainability Index and FTSE4Good	Included	Included	Included
Customers	Percentage of problem-free customer enquiries via internet	97.8%	98.2%	98%
	Answer 80% of all telephone calls within 20 seconds	80%	85.9%	80%
	Customer satisfaction – corporate market	No.1 in the sector	No.1 in the sector	No.1 in the sector
	Customer satisfaction – retail market (scale 0-100)	62 (all customers)	61	68
	Better complaints procedures across the entire group	Work started	In progress	Completed
Employees	Percentage of female managers	38%	37.3%	40%
	Percentage of employees satisfied with opportunities for development in Storebrand	80.3%	62%*	80%
	Mix of women/men on management training programs	48/52%	53/47%	Min. 40/60%
	Percentage of employees with an understanding of Storebrand's corporate social responsibility	78.5%	77%	80%
SOCIAL RESPONSIBILITY				
Customers	Storebrand Life Insurance maintains its position as one of the global leaders on SRI in the insurance industry	Among the global leaders	Among the global leaders	Among the global leaders
	Avoid investing in companies involved in corruption	Criteria introduced	Follow up	Follow up
	Investment return from Storebrand Global SRI relative to benchmark index	+1.49%	– 0.61%	Better than benchmark
	SRI criteria for investment in Emerging Market Debt	New target	Implemented	Monitoring
	Environmental and social responsible criteria included in credit approval processes	Target established	In progress	Further development
	Launch a new HSE product	New target	In progress	Launch 2005
Employees	Employee satisfaction	93.4%	89%	90%
	Absence due to illness as an average annual percentage	4.1%	4.8%	Max. 4%
	Employee satisfaction – senior employees	89%	**	90%
	Percentage of employees aware of ethical guidelines	94.7%	88%	100%
Society as a whole	Financial support for charities and other social measures	NOK 3.5 mill.	NOK 3.2 mill.	No target set
	Employee satisfaction with choice of charity partners	77% (2003)	88%	80%
	Charity partners' satisfaction with Storebrand	74%	86%	80%
	International collaboration: Membership of WBCSD and UNEP	Member	Member	Member
	Use Max Havelaar coffee at the head office	New target	Introduced	Introduce in 2005
ENVIRONMENTAL ISSUES				
Suppliers	Environmental and social responsibility standards for suppliers	Work started	In progress	Standards introduced
Society as a whole	Energy consumption at head office	331 kwh/m2	278 kwh/m2	Reduce by 7%
	Energy consumption at managed properties	266 kwh/m2***	248 kwh/m2	Reduce by 5%
	Waste sorted by type – head office	53%	46.6%	60%
	Waste sorted by type – tenants of managed properties	37%	37.7%	50%
	Monitor and quantify internal paper consumption, set targets for reduced use (head office)	56 251 kg	In progress	Reduction targeted
	Water consumption (head office)	26,636 m3	31,680 m3	Monitor
	Re-use/recycling of electronic equipment	100%	100%	100%
	'Living forest' certification for Værdalsbruket	Certified	Certified	Certified

* Figures for 2004 and 2005 are not comparable since a new questionnaire format was used. ** To be measured spring 2006. *** Updated due to measurement error.

FTSE4Good

70

companies excluded from investments in accordance with new group policy on socially responsible investments

Norges Røde Kors

Storebrand's main charity partners

Microfinance is a natural extension of our involvement in SRI. 2005 was the UN International Year of Microcredit. In November, Storebrand signed an agreement to contribute USD 4 million to The Global Commercial Microfinance Consortium. The Consortium works to make financing available for local business development in poor countries. The Consortium is headed by Deutsche Bank, and includes a number of leading companies such as AXA, Hewlett Packard, Merrill Lynch and Munich Re.

Competence development is important for employees and is essential for Storebrand's commercial progress. Each employee's training requirements are agreed and documented through the performance appraisal process, and managers are committed to actively monitoring the development of their employees. In addition, Storebrand offers a number of development programs for both younger and more experienced managers, female staff and recent graduates. As part of this, Storebrand launched a module based management development program in 2005 for all the group's managers.

Storebrand shall have a good balance between men and women at all levels of the organisation. We have therefore implemented targeted measures for a number of years to improve the representation of female staff in senior management. We have met our target for equal participation of men and women in internal management development programs. Storebrand also participates in an external mentor program, and runs a board director training program for female employees. Storebrand's target is 40% female representation in management, as well as on internal and external boards of directors. Women now make up 50% of the members of the board of directors elected by shareholders, and 37.3% of Storebrand's managers are women.

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

Storebrand has been an "Inclusive workplace" company since 2002. The company has a systematic program of work to reduce absence due to illness, which was 4.8% in 2005. The group also pays particular attention to its policy on senior employees, and a number of measures have been implemented to cater for this important group. Employees over 50 years of age account for 26.9% of Storebrand's staff. Employees over 60 years are able to reduce their working hours to 80% on 90% of salary, and employees are encouraged to work beyond the normal retirement age. Storebrand received the "Senior Initiative" award in 2005 from the Centre for Senior Policy, which works to promote the role of seniors in working life and society.

Storebrand launched a new Health and Safety product in December 2005. The new product has two elements: an extended health insurance, and HSE advice from Storebrand's own specialist advisers. The product is available to companies that have entered into an "Inclusive workplace" agreement with the National Insurance Administration. The customer's employees benefit from quicker access to medical treatment leading to a better quality of life and less absence due to illness. For their employer, the product reduces the cost of absence due to illness and contributes to value creation as well as reducing insurance premiums. The extended health insurance element includes long-term and complicated musculature illness as well as minor mental health problems – currently the most common causes of long-term sick leave and disability in Norway.

In 2005 Storebrand received the "Senior Initiative" award from the Centre for Senior Policy.

Storebrand strives to reduce the environmental impact of its activities. This includes taking steps to reduce energy and paper consumption, sorting waste, monitoring water consumption and recycling all electronic equipment. In addition, we have environmental standards for the management of the company's premises and we are in the process of introducing environmental and social standards for our suppliers. Storebrand's forest holdings at Værdalsbruket are certified in accordance with the Living Forest standard.

The prize for the best CR reporting went to Storebrand in 2005. We competed with 17 other large Norwegian companies. The prize was awarded by a group of major Norwegian business organisations. Storebrand won this prize in 2003 as well.

Among the priority areas for 2006 is the follow-up of the new HSE product, developing a standard contract for suppliers including environmental and social criteria, improving the complaint procedures and increasing the degree of waste sorting. Work on most areas of the action plan is already well under way, and proposals for new measures will also be looked at.

Storebrand will hold a stakeholder conference in 2006. This is held every second year to get feedback and ideas on our work on a new CR action plan. Representatives from our most important stakeholder groups are invited; customers, employees, shareholders, suppliers and other representatives of society at large.

Report Of The Board Of Directors

MAIN FEATURES

The Storebrand group is made up of three business areas: Life Insurance, Asset Management and Banking. The group offers a comprehensive range of products for long-term savings and life insurance. Storebrand carries out the major part of its business activities in Norway, and its head office is in Oslo. It has in addition established life insurance, asset management and health insurance activities in Sweden. Storebrand Life Insurance opened a branch office in Sweden in September 2005.

A revised version of the Norwegian Code of Practice for Corporate Governance was published on 8 December 2005. Storebrand will review the revised Code in 2006.

The Board looks back on 2005 as a year of sound growth in business volume and strong sales performance. In the retail market, this related principally to individual endowment products. In the corporate market, 2005 was a good year for business in both the private and public sectors. The company's long-term focus on the public sector occupational pensions market led to a strong inflow of new customers and sizeable growth in assets under management. With the help of competitive terms on its lending products and the introduction of free banking, Storebrand Bank successfully created a more prominent position in the market and attracted an increasing number of customers. At year-end, Storebrand took over management of the major part of Gjensidige Forsikring's investment portfolio. This is the largest asset management mandate ever made available for open competition in the Norwegian market.

Storebrand continues to work in a systematic and coordinated manner to realise its vision of being the leading and most respected institution in the Norwegian market for long-term savings and life insurance. The key requirement for realising this vision is that Storebrand is recognised for its customer focus, expertise and corporate responsibility. This work is combined with continuing attention to improving productivity.

EARNINGS PERFORMANCE

With effect from 2005, the Storebrand group prepares its consolidated accounts in accordance with the EU-approved International Financial Reporting Standards (IFRS). The accounts of the holding company, Storebrand ASA, continue to apply Norwegian generally accepted accounting principles (NGAAP). The Storebrand group reports an operating profit of NOK 4,728 million for 2005 as compared to NOK 4,541 million for 2004. Group profit before tax and changes to security reserves was NOK 1,442 million as compared to NOK 2,545 million in 2004. Excluding the contribution to group profit from If Skadeförsäkring in 2004, the comparable group profit for 2004 was NOK 974 million. Earnings per share, based on the average number of shares outstanding, amounted to NOK 5.41 in 2005 and NOK 8.53 in 2004.

Life insurance and Banking both reported improved profits in 2005. Investment return achieved represented a good result for both the life company and its policyholders, and served to strengthen the company's risk capital. The improvement in earnings reported by Storebrand Bank reflects both stronger profit from operations and lower provisions for loan losses. Storebrand Investments reported a fall in earnings due to lower revenue from performance-based and volume-dependent fees. Norwegian equities and short-term Norwegian fixed-income securities in particular generated investment returns better than benchmark indices, but the return from North American and Asian equity portfolios fell short of these benchmarks and held back overall investment return.

The holding company Storebrand ASA reports a pre-tax profit of NOK 1,009 million as compared to NOK 2,360 million in 2004 which included a gain on the sale of shares in If Skadeförsäkring of NOK 1,925 million.

In accordance with Norwegian accounting legislation, the Board confirms that the company meets the requirements for the accounts to be prepared on a going concern basis.

BUSINESS AREAS

Life Insurance. Storebrand's life insurance activities reported good results for 2005 in many areas. Storebrand Life Insurance maintained its market share as measured in terms of average policyholders' funds at 28%. Sales to the corporate market were very strong in 2005. A number of major companies decided to transfer their pension schemes to Storebrand, and the company also won most of the mandates from municipalities seeking to transfer their pension schemes. The pension reserves to be trans-

Leiv L. Nergaard (61), senior adviser, Norsk Hydro ASA, MBA, member of the Board's Remuneration Committee

Nina E. Smeby (40), Principal employee representative, member of the Board's Remuneration Committee

Knut G. Heje (55), President and CEO, Agra Group, MBA, member of the Board's Audit Committee

Erik Haug Hansen (50), Sales Manager, Corporate Life, Insurance degree

Mette K. Johnsen (61), Assistant Vice President Finance, Wallenius Wilhelmsen Lines, MBA

ferred by these municipalities will be recognised in the 2006 accounts. Total premium income for Storebrand Life Insurance in 2005 (excluding pension transfers) was NOK 16,000 million, an increase of 5%. Pension transfers represented a net inflow of NOK 546 million. The need to adapt pension arrangements to the labour market of today and the attraction of more predictable costs have led many companies to switch from defined benefit to defined contribution pension schemes. The introduction of mandatory employers' pensions will lead to a sharp increase in the number of defined contribution pension schemes over the course of 2006. Storebrand is well positioned to win its share of this market. Storebrand produced good results from its retail market business in 2005 and strengthened its position in this market. This was particularly the case for individual endowment business. The Norwegian population is recognising the need to make better arrangements for retirement and to protect their life and health, and this is reflected in the growth of the market for long-term savings and life insurance.

The Storebrand Life Insurance group reported operating profit for 2005 of NOK 4,382 million as compared to NOK 2,985 million in 2004. Of the profit for the year, NOK 3,215 million was allocated to policyholders and NOK 1,167 million to the owner. The owner's profit for the year includes NOK 168 million from products not subject to profit sharing with policyholders. Additional statutory reserves were strengthened by NOK 950 million in 2005 to stand at NOK 4,538 million at the start of 2006. The level of additional statutory reserves is equivalent to the guaranteed return for approximately one year. These reserves allow the company greater flexibility in managing its investment portfolio, and strengthen its ability to weather turbulent conditions in the financial markets.

Storebrand Life Insurance achieved a satisfactory investment return in 2005. The booked investment return was 6.9% and the value-adjusted return including current financial assets was 7.5%. Unrealised gains on current financial assets amounted to NOK 3,683 million at the close of 2005, representing an increase in unrealised gains for the year of NOK 1,150 million. The equivalent gains on bonds held to maturity totalled NOK 3,573 million, representing a reduction of NOK 640 million. The capital ratio at 31 December 2005 was 10.9%.

Storebrand Fondsforsikring reported a 60% increase in premium income for 2005 to NOK 992 million. Both unit linked products and defined contribution pension products contributed to this growth. The company made a loss of NOK 9 billion in 2005, an improvement from the loss of NOK 15 million reported for 2004. The introduction of mandatory employers' pensions is expected to lead to sizeable growth in premium income in 2006. However, investment in this new product area will also cause an increase in costs.

Storebrand's 50% interest in Storebrand Helseforsikring generated group profit of NOK 5 million in 2005 as compared to NOK 4 million for 2004. Storebrand Helseforsikring reported higher sales in 2005.

The insurance companies have prepared their accounts in accordance with the Norwegian accounting regulations for the annual accounts of insurance companies. The business area reports a consolidated profit on this basis of NOK 1,163 million for 2005 as compared to NOK 946 million for 2004. The equivalent profits restated in accordance with IFRS would be NOK 1,217 million for 2005 and NOK 931 million for 2004.

Asset management activities. Storebrand Investments implemented measures in 2005 to strengthen its range of mutual funds and fixed-income products. To emphasise quality and make the product range as simple and straightforward as possible, Storebrand Investments is working to reduce the number of funds that it offers. 2005 was a very successful year for new institutional business. At the close of the year, Storebrand took over responsibility for managing the major part of Gjensidige Forsikring's investment portfolio, around NOK 23 billion. In addition to the assets managed directly by Storebrand, the asset management area also took over operational responsibility for customer-managed funds totalling NOK 8 billion, bringing the total mandate to over NOK 30 billion.

Asset management reported an overall pre-tax profit of NOK 24 million for 2005 as compared to NOK 47 million for 2004. Weaker investment returns from international equities caused a reduction in performance-based fee income in 2005. Continuing close attention to costs and lower performance-based salary payments as a result of weaker investment performance explain the 16% fall in total costs in 2005.

Assets under management increased by over NOK 40 billion in 2005, to stand at NOK 205 billion at year-end. The increase reflects Gjensidige's decision to award Storebrand the major part of its asset management mandate, as well as good sales of pension and insurance products and rising equity markets.

Banking activities. 2005 was a satisfactory year for Storebrand Bank in terms of both its competitive position and its financial results. Work continued in 2005 to rationalise the bank's operations, reduce its cost base, build-down the non-strategic part of the loan book, and secure and reduce loss-exposed lending. Measures were also introduced to help realise the bank's growth targets. Free retail banking and significantly more competitive terms on mortgage lending are important factors in the business growth now being generated. The lending portfolio increased by NOK 2.6 billion in 2005 to NOK 26.8 billion.

The bank has experienced weaker lending margins. This reflects increasing competition on margins for mortgage lending and the bank's general refocus towards the retail market. This makes continued growth whilst achieving further reductions in the relative cost level essential. Net interest income as a percentage of average total assets fell from 1.69% to 1.60% in 2005, while the ratio of costs to total income fell from 83% to 63% in 2005.

The Storebrand Bank Group reported profit before loan losses and losses on securities of NOK 207 million for 2005 as compared to NOK 114 million for 2004. Impairment losses on loans and guarantees represented a net write-back of NOK 34 million for 2005 as compared to a write-back of NOK 7 million in 2004. Pre-tax profit for 2005 was NOK 241 million, an improvement of NOK 120 million from 2004.

Non-performing and loss-exposed lending fell by NOK 236 million from 1 January 2005 (following the introduction of IFRS) and totalled NOK 754 million at year-end.

Other activities, including Storebrand ASA (holding company). Other activities principally comprise Storebrand ASA, Fair Forsikring and the run-off activities of Storebrand Skadeforsikring.

Storebrand ASA reported pre-tax profit of NOK 1,009 million for 2005 as compared to NOK 2,360 million in 2004. The profit reported for 2004 included a gain of NOK 1,925 million on the sale of shares in If Skadeförsäkring. Income from investments in subsidiaries amounted to NOK 1,027 million, an increase of NOK 383 million from 2004.

Storebrand ASA has applied the same accounting principles (NGAAP) as in previous years. The proposed dividend of NOK 1,011 million therefore reduces equity capital at 31 December 2005. In the consolidated accounts, which are prepared in accordance with IFRS, the proposed dividend for 2005 will not reduce equity capital until it has been approved by the 2006 AGM.

Storebrand ASA has entered into an agreement to sell its 50% interest in the Danish non-life insurance company Fair Forsikring to Gjensidige Forsikring. The transaction is conditional on approval by the relevant authorities. The transaction will give Storebrand a pre-tax gain in its consolidated accounts of around NOK 40 million, and is expected to complete in the first half of 2006. Storebrand's pre-tax share in Fair's profits amounted to NOK 22 million in 2005. The run-off activities of Storebrand Skadeforsikring and Oslo Reinsurance Company produced operating profit of NOK 19 million in 2005 as compared to NOK 21 million in 2004. In addition to operating profit, the

Grace Reksten Skaugen (52) Consultant, MBA and Ph.D., member of the Board's Audit Committee

Rune Eikeland (44) Regional manager, Retail Distribution, Norwegian Military Academy and Authorised Financial Adviser, employee representative

Halvor Stenstadvold (61), Executive Vice President, Orkla ASA, Master of Political Science, member of the Board's Audit Committee

Birgitte Nielsen (42), consultant, Nielsen & Axelsson Aps Bachelor of Commerce – accounting and finance, member of the Board's Audit Committee

run-off activities recognised NOK 7 million to profit from statutory security reserves.

RISK MANAGEMENT

Storebrand is exposed to various categories of risk through its business areas: insurance risk in respect of its insurance activities, investment risk in respect of its financial assets and credit risk in respect of its banking activities, as well as liquidity risk and operational risk. Continuous monitoring and active management of risk is therefore a central and integrated feature of the group's activities and organisation.

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

In order to reduce financial risk, Storebrand has fixed the future rate of return on part of its money market investments. In addition, a significant proportion of the investment portfolio is invested in hold to maturity bonds with a running yield in excess of 5.5%. However, if interest rates remain at their current low level over the longer term, this will make it challenging to produce a return on the company's assets that represents a good margin over the guaranteed minimum return. In early 2004, the Norwegian parliament approved a number of significant changes to the Insurance Activities Act. One important change for some products is that insurance companies will charge policyholders in advance for the cost of guaranteeing the minimum return.

The allocation of financial assets follows the company's approved investment policy. The investment policy establishes guidelines for the composition of financial assets by setting limits and guidelines for the company's risk management. The policy also includes limits and guidelines for credit and counterparty exposure, foreign exchange risk and the use of derivatives. The objective of active risk management is to maintain sound risk bearing capacity and to continuously adjust financial risk exposure to the company's solidity, while at the same time creating the potential for a good investment return.

Total risk capital of the life insurance company increased by NOK 2.5 billion in 2005, of which additional statutory reserves accounted for NOK 0.8 billion and the market value adjustment reserve accounted for NOK 1.1 billion.

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

Storebrand Bank: The bank has standard procedures for reviewing its lending, and all new lending is approved in accordance with the bank's credit policy. The bank monitors its credit risk through a risk classification system. The overall risk associated with the bank's lending portfolio reduced in 2005, evidenced by a reduction in the incidence of default and a shift towards retail and mortgage lending.

The volume of loss exposed and defaulted exposures totalled NOK 754 million following a reduction of NOK 236 million over the course of 2005, and is equivalent to 2.8% of gross lending.

Storebrand has established sound liquidity buffers in Storebrand Bank and other group companies, and continuously monitors liquidity relative to internal limits. Committed credit facilities with other banks have also been established which the group companies can draw on if necessary.

Identifying and managing operational risk is an integrated part of management responsibility throughout the organisation. In addition, the management groups in each business area carry out an annual risk evaluation in order to produce an overall risk summary and recommendations for improvement. The Board reviews this summary.

CAPITAL SITUATION

The level of equity and debt in the company is managed relative to financial risk exposure and regulatory requirements. The group has set long-term targets for its capital ratio to be 10% and for the life insurance solvency margin to be at least 150%. Storebrand Life Insurance is rated at the A level. The level of indebtedness is managed in relation to the company's commercial risk and capital requirements. The holding company aims to have a net debt ratio of zero over the longer term.

Storebrand ASA redeemed the remaining bonds outstanding under its Exchangeable Bond issue in 2005 by delivering Orkla shares in accordance with the bond agreement. Two new bond issues were made in September 2005 with maturities of four and six years respectively for a total amount of NOK 1.5 billion.

Storebrand ASA repurchased 10.3 million of its own shares in 2005 at a total cost of NOK 618 million. The company reduced its share capital in November by 19.6 million shares to 258.5 million shares by cancelling own shares.

The group's equity fell by NOK 1,034 million in 2005 to stand at NOK 9,278 million at year-end. The minimum capital requirement imposed by the authorities is 8%. The group's capital ratio was 11.2% at 31 December 2005, with a core capital ratio of 7.8%.

The group's capital base, which consists of equity, subordinated loan capital, the market value adjustment reserve and additional statutory reserves, amounted to NOK 21.2 billion at 31 December 2005 as compared to NOK 20.4 billion at the end of 2004.

Storebrand ASA had total liquid assets of NOK 2.5 billion at the close of 2005, and also has available an undrawn long-term credit facility of EUR 225 million, refinanced in December 2005 for a further five year period. Both Standard & Poor's and Moody's upgraded their ratings for Storebrand ASA and Storebrand Livsforsikring AS in 2005. At the close of 2005, Storebrand ASA was rated BBB+ and Baa2 by Standard & Poor's and Moody's respectively, both with "Stable outlook". Storebrand Livsforsikring AS was rated A by Standard & Poor's and A2 by Moody's, both with "Stable outlook". Moody's rating for Storebrand Bank ASA is Baa2 with "Stable outlook".

CORPORATE SOCIAL RESPONSIBILITY

Storebrand's commitment to corporate social responsibility (CSR) is an integrated part of the group's activities. The group's current two-year action plan for CSR runs to the end of the 2006. Performance is reported annually. A detailed report on the current status of the targets can be found in the section on CSR (see page 23).

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

Storebrand was awarded a prize in 2005 for the best company report on CSR. Storebrand continued to qualify for inclusion in the sustainability indices FTSE4GOOD and Dow Jones Sustainability Index in 2005.

Environment: Storebrand is committed to reducing its impact on the environment. This includes measuring the group's consumption of water, reducing energy consumption and paper usage, sorting waste and recycling all electronic equipment. In addition, Storebrand sets environmental standards for the management of its properties, and is in the process of including environmental and social responsibility requirements in contracts with suppliers.

Storebrand's holding of forest land at Værdalsbruket is certified in accordance with the Living Forest standard.

Human recources and organisation: Employment in the group totalled 1,295 full time equivalent positions at the year end as compared to 1,224 at the start of 2005. Employment is virtually equally split between male and female employees. The average age of the group's employees is 44 years, with an average length of service of 13 years. All Storebrand employees are treated equally, regardless of gender, age, disability, faith, cultural differences or sexual orientation.

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

Gender equality/diversity: Storebrand has implemented targeted measures over many years to increase the number of women in senior management, producing improvements in many areas. Storebrand has set an ambitious target for 40% female representation among its management staff and on its internal and external boards of directors. Following the election of a new member to the Board of Directors of Storebrand ASA in 2005, 50% of the members of the Board elected by shareholders are female. 37.3% of Storebrand's managers are female.

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

Storebrand insists that external recruitment consultants put forward both male and female candidates when shortlists are prepared for the recruitment of managers. Storebrand produces salary statistics at specified management levels to facilitate the comparison of salaries between male and female employees.

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

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

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

Absence due to illness: As a participant in the "More inclusive working life" scheme, Storebrand has worked systematically since 2002 to reduce absence due to illness, which was 4.8% in 2005. Figures for short-term absence and long-term sickness are stable, but the incidence of absence due to illness for periods between 16 days and 8 weeks showed some increase in 2005.

Storebrand did not incur any reported personal injury, property damage or accidents of significance in 2005.

CORPORATE GOVERNANCE

Storebrand established its policy on corporate governance in 1998. The Board reviews and revises this policy annually. A Norwegian Code of Practice for Corporate Governance was published in December 2004. Storebrand meets the recommendations set out in the Code in all major respects.

A revised version of the Norwegian Code of Practice for Corporate Governance was issued on 8 December 2005. Storebrand will consider whether the changes should be reflected in any amendments to the company's policy on corporate governance.

Further information on Storebrand's policies and procedures for corporate governance can be found in a separate article on page 36 of the annual report.

The Board carried out an evaluation of its work in 2005 where the executive management team also participated. The Board held 11 meetings and one Board Conference in 2005. The work of the Board is subject to a specific mandate. The Board has established advisory committees on remuneration and internal audit. The question of whether to elect a deputy chairman for the Board of Storebrand ASA is currently under consideration by the Board and the Election Committee.

Changes in the membership of Storebrand's corporate bodies in 2005 were as follows:

Board of Directors: Birgitte Nielsen was elected as a new member of the Board to replace John Giverholt who had been a member since 2003.

Board of Representatives: Finn Jebsen retired from the Board of Representatives. Deputy member Roar Engeland was elected as a full member, and Anders Berggren was elected as a new deputy member.

Election Committee: Finn Jebsen and Stein Erik Hagen retired from the Election Committee. Dag J. Opedal and Johan H. Andresen jr. were elected as new members.

Control Committee: There were no changes to the membership of the Control Committee in 2005.

The Board wishes to thank the retiring members of the Board of Directors, Board of Representatives and the Election Committee for the valuable contribution they have made to the company.

FUTURE PROSPECTS

Storebrand further strengthened the group's financial solidity and competitiveness in 2005. The risk-bearing capacity of Storebrand Life Insurance is satisfactory, while Storebrand Bank has satisfactory capital adequacy and reserves against loan losses. The financial condition of the holding company, Storebrand ASA, is very strong.

The life insurance, banking and asset management business areas were all very successful in attracting new customers in 2005, and this serves to demonstrate the group's competitiveness.

Storebrand expects sizeable growth in business volume in future years. The introduction of mandatory employer's pensions in 2006 will lead to around 500,000 employees becoming members of a pension scheme for the first time. In the public sector, Storebrand expects an increasing number of municipalities and other public sector entities to invite competitive bidding for their occupational pension schemes. Storebrand intends to continue to be a winning player in this market.

The introduction of mandatory employer's pensions is also expected to encourage increasing volumes in the retail market. Changes to state and private pensions in Norway have had a positive effect on the general level of public interest in pensions and other welfare benefits. In addition, demographic changes are having a positive effect on sales. Increasing life expectancy, combined with expectations for a high standard of living in retirement, is creating increasing demand for personal risk and savings products.

Given this attractive growth Storebrand expects increasing competition with the risk of downward pressure on pricing. The group is well prepared for such a challenge. In the corporate market, Storebrand combines maintaining and strengthening its existing customer relationships with effective sales activity in new segments of the market. In the retail market, Storebrand will continue to strengthen its brand image as well as increasing the effectiveness of its distribution and sales.

Increasing competition means that Storebrand's focus on productivity and operational efficiency will continue with undiminished vigour. Greater efficiency will improve competitiveness and the cost/income ratio. Storebrand will also continue its work on adapting and optimising the group's capital structure. Efficient use of capital allows the group to maintain a capital structure that ensures it can take advantage of growth in business volumes.

Storebrand maintains the financial objectives it has previously announced, and will continue to pursue its commitment to being the leading and most respected institution in the Norwegian market for long-term savings and life insurance.

At the start of 2006, Storebrand looks forward to particularly promising and exciting market conditions, both in terms of growth in business volumes and the pace of change. In terms of the financial markets, Storebrand's risk management system will ensure that the group is fully prepared for any turbulence. Through its long traditions and the expertise and motivation of its employees, Storebrand is well positioned to reach its financial and market objectives.

APPLICATION OF STOREBRAND ASA'S PROFIT FOR THE YEAR

Storebrand ASA recorded a profit for 2005 of NOK 1,008.7 million. The company's dividend policy aims for stable year-on-year growth in dividend per share. The policy is also intended to contribute towards giving shareholders a competitive return and optimising the company's capital structure.

The dividend to shareholders will normally represent above 30% of the full-year profit after tax. The Board wishes to have a dividend policy with a long-term horizon. The objective of the dividend policy is that the Storebrand group should make effective use of a sufficient level of capital relative to its risk profile.

The Board is of the view that the group's capital situation is sound relative to Storebrand's risk profile and rating, and the Board therefore recommends a total dividend of NOK 4 per share (excluding shares bought back), equivalent to NOK 1,010.6 million. Of this dividend, NOK 1.50 represents ordinary dividend, while NOK 2.50 represents an extraordinary dividend as a result of the sound capital situation. The Board proposes the following application of the profit for the year:

Amounts in NOK million:

From other equity:	– 1.9
Dividend:	1,010.6

Distributable reserves amounted to NOK 3,510.5 million at 31 December 2005.

Oslo, 14 February 2006

Translation – not to be signed

Leiv L. Nergaard
Chairman of the Board

Halvor Stenstadvold | Grace Reksten Skaugen | Mette K. Johnsen

Knut G. Heje | Birgitte Nielsen | Rune Eikeland

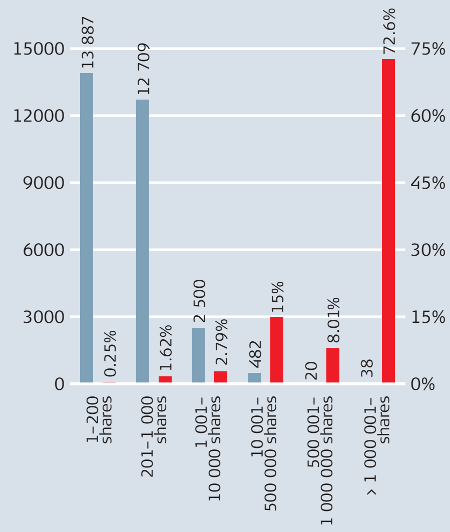
Erik Haug Hansen | Nina E. Smeby | Idar Kreutzer *Chief Executive Officer*

Shareholder matters

Share capital and shares. Shares in Storebrand ASA are quoted on the Oslo Stock Exchange (Oslo Børs). Share capital at the start of 2005 was NOK 1,390.9 million. Following a resolution passed by the extraordinary general meeting held on 14 September 2005, the share capital was reduced in November 2005 by cancelling 19,655,637 own shares. Following this, share capital at 31 December 2005 amounted to NOK 1,292.6 million, made up of 258,526,245 shares each with a par value of NOK 5.

The annual general meeting held on 20 April 2005 granted a mandate for the company to buy back up to 10% of its own shares. Storebrand has used this mandate, and at 31 December 2005 the company held 5,878,000 of its own shares, equivalent to 2.27% of total share capital. The company has not issued any options that could dilute share capital.

Shareholders. With 27,730 shareholders from almost all the municipalities in Norway and from 40 countries, Storebrand ASA is the seventh largest company listed on the OSE by this measure. Storebrand has traditionally had many shareholders who hold fewer than one round lot of shares (200 shares). In order to offer an additional service to this shareholder group, combined with the company's wish to reduce the number of shareholders with fewer than 200 shares, Storebrand offered all shareholders holding fewer than 200 shares in 2005 the opportunity to either sell their shares or purchase additional shares up to a round lot without incurring transaction charges. The offer was well received, and accepted by 51% of the 26,744 shareholders eligible. Around two thirds sold their shares for cash while the remaining one third increased their holding to one round lot.



ANALYSIS OF SHAREHOLDERS BY NUMBER OR SHARES AND OWNERSHIP AT 31 DECEMBER 2005

LARGEST SHAREHOLDERS AT 31.12.05:

Shareholder	Account type	No. of shares	%	Country
Folketrygdfondet	ORD	27 861 600	10.78	NOR
Orkla ASA	ORD	19 648 956	7.60	NOR
State Street Bank Trust	NOM*)	13 158 068	5.09	USA
Fidelity Funds – Europe	ORD	10 817 840	4.18	LUX
State Street Bank & Trust	NOM*)	10 647 280	4.12	USA
Euroclear Bank S.A.	NOM*)	9 566 620	3.70	BLE
JPMorgan Chase Bank	NOM*)	8 731 568	3.38	GBR
Arion Custody	NOM*)	7 140 879	2.76	ISL
Goldman Sachs International	NOM*)	6 888 470	2.66	GBR
JPMorgan Chase Bank	ORD	6 000 000	2.32	USA
Storebrand ASA	ORD	5 878 000	2.27	NOR
Banca Intesa S.P.A.	NOM*)	5 793 307	2.24	ITA

*) Nominee account

Employee share purchase scheme. Every year since 1996, Storebrand ASA has given its employees the opportunity to participate in a share purchase scheme. The object of the scheme is to involve employees more closely in the company's value creation. Employees were again offered this opportunity in March 2005, when each employee was offered the opportunity to buy 118 ordinary shares at NOK 50.59 per share. 51% of employees participated, purchasing 74,812 shares. Note 9 provides information on shares held by senior management.

Foreign ownership. As at 31 December 2005 total foreign ownership amounted to 66.1%, as compared to 51.6% at the end of 2004.

Storebrand share (NOK)	2005	2004	2003	2002	2001
Highest closing price	**66.50**	58.50	43.60	57.00	73.00
Lowest closing price	**47.00**	40.40	20.50	19.20	41.80
Closing price on 31.12	**58.25**	58.50	43.30	26.00	52.00
Market cap 31.12 (NOK million)	**15 059**	16 274	12 040	7 223	14 439
Dividend for the accounting year	**4.00**	7.00	0.80	–	–
Annual turnover (1,000 shares)	**516 323**	471 331	372 970	301 691	316 914
Average daily turnover (1,000 shares)	**2 041**	1 863	1 492	1 212	1 273
Annual turnover (NOK million)	**30 318**	22 149	12 842	11 934	18 798
Rate of turnover (%)	**187**	169	134	109	114
No. Of ordinary shares at 31.12 (1,000)	**258 526**	278 181	278 070	277 715	277 554
Earnings per ordinary share	**5.41**	8.49	2.67	–3.73	–4.15
Total return (%)	**13**	38	67	–50	–15

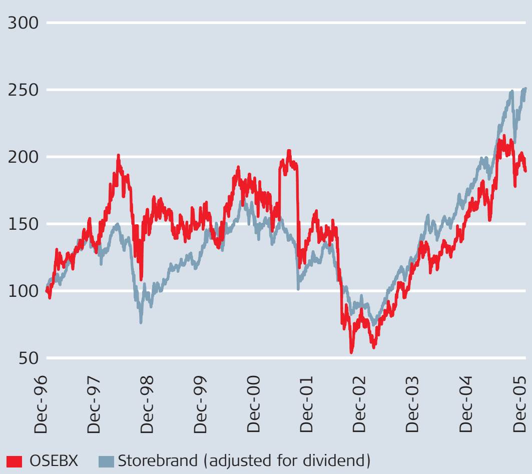
Geographic distribution of shares:

At 31.12.05		At 31.12.04	
Norway	34.90%	Norway	48.40%
USA	19.00%	Great Britain	15.60%
Great Britain	16.70%	USA	15.30%
Luxembourg	9.10%	Luxembourg	8.70%
Italy	3.80%	Germany	1.90%
35 other countries	16.50%	36 other countries	10.10%

Turnover in the Storebrand share. Almost 516 million Storebrand shares changed hands in 2005, 10% more than 2004 (471 million shares traded). The value of shares traded in 2005 was NOK 30,318 million, up from NOK 22,149 million in 2004. This made Storebrand the 10th most traded share on Oslo Børs in terms of value, with a turnover rate of 186.6%.

Share price development. The Storebrand share produced a total return (including dividend) of 13% over the course of 2005. The Oslo Børs benchmark index (OSEBX) rose by 40% over the same period. Over the last three years, the Storebrand share has produced a total return of 159%, while the OSEBX index showed a return of 189% for the same period.

SHARE PRICE DEVELOPMENT COMPARED TO OSEBX



Dividend policy. Storebrand's dividend policy shall contribute towards giving shareholders a competitive return and optimising the company's capital structure. The dividend to will normally represent above 30% of the full-year profit after tax. The Board wishes to have a dividend policy with a long-term horizon, and will aim for stable year-on-year growth in dividend per share.

Based on the company's dividend policy and earnings reported for 2005, the Board of Storebrand ASA recommends that the Annual General Meeting approve a dividend of NOK 1,011 million for 2005, equivalent to NOK 4 per share, of which NOK 1.50 represents ordinary dividend.

RISK adjustment. (Only relevant for Norwegian shareholders.) RISK amounts for shares in Storebrand ASA:

As at	RISK amount NOK	As at	RISK amount NOK
01.01.93	-2.59	01.01.99	-0.89
01.01.94	0.12	01.01.00	0.49
01.01.95	0.84	01.01.01	1.88
01.01.96	-0.14	01.01.02	4.99
01.01.97	0.75	01.01.03	4.52
01.01.98	0.31	01.01.04	-2.21
		01.01.05	-6.70

On a sale of shares, the opening value/purchase price of the shares will be adjusted by the total of the RISK amounts during the period of ownership. The RISK amount as at 1 January 2006 is estimated at NOK -4.30 per share. New Norwegian tax rules on dividends will first apply to dividends received in the 2006 tax year.

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

Investor Relations. Storebrand places great importance on comprehensive and efficient communication with financial markets. Maintaining a continuous dialogue with shareholders, investors and analysts both in Norway and internationally is a high priority. The group has a separate investor relations unit responsible for establishing and co-ordinating contact with analysts, the stock exchange, shareholders, investors and others.

All interim reports, press releases and presentations of interim reports are published on the Storebrand website at: www.storebrand.no/ir.

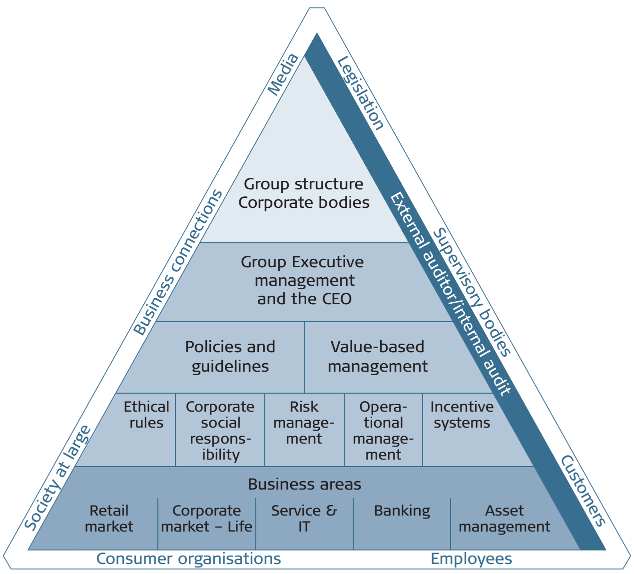
General meetings. Storebrand has one class of shares, each carrying one vote. The company holds its AGM each year before the end of June. Shareholders who wish to participate in a general meeting must notify the company no later than 16.00 hours 3 business days before the meeting. Shareholders who do not give notice of attendance will be able to attend, but not vote.

Shareholders' contact with the company. Shareholders should generally contact the administrator of their share account with queries and notice of changes. Storebrand's own shareholders' office can also provide guidance and information (Tel: +47 22 31 26 20).

Corporate governance

As a large stock exchange listed company and an important member of society, Storebrand is committed to building good relationships with its stakeholders, who include shareholders, corporate bodies, management, employees, customers, lenders, and society as a whole. Corporate governance plays a central role in this objective, and defines the legal and operational framework by which Storebrand directs and controls its activities in order to create value for its stakeholders.

Some of the most important elements of corporate governance for Storebrand are illustrated as follows:



This article provides information on major features of the group's structure and its management. Certain aspects of corporate governance are dealt with elsewhere, including financial risk management (page 53-55), shareholder matters (page 34) and corporate social responsibility (page 20–25).

Storebrand launched its principles for corporate governance in 1998. In December 2004, a broadly based working group published a Norwegian Code of Practice for Corporate Governance. As a natural consequence of its own corporate governance principles Storebrand has been actively involved in the process of developing the Norwegian Code of Practice.

The Code of Practice takes into account international developments and other national codes, but is built upon national considerations such as Norwegian legislation and practice. The rules of Oslo Børs make it compulsory for listed companies to issue an annual statement of practice in accordance with the Norwegian Code of Practice for Corporate Governance.

Storebrand's principles for corporate governance correspond in all material respects with the Code of Practice. The question of whether a deputy chairman of the board of directors should be appointed is currently under consideration by the Board of Directors of Storebrand ASA and the Election Committee. Further information can be found in the final section of this article.

BUSINESS OBJECTIVE

The Articles of Association of Storebrand ASA stipulate its role as the holding company of a financial business group, managing its equity interests in the Group in compliance with the relevant legislation. Further information on the company's objectives and strategies can be found on pages 40-42. In addition, Storebrand keeps the market advised of its objectives and strategies through investor presentations held in connection with account presentations and other specialised presentations.

STOREBRAND'S CORPORATE BODIES

General meetings. Storebrand ASA holds its Annual General Meeting (AGM) no later than the end of June each year. The 2005 AGM was held on 20 April. All shareholders of known address receive written notice of the AGM by post, sent out no later than 14 days before the AGM. The notice calling the meeting includes supporting papers for all resolutions to be considered by the meeting.

Storebrand ASA has only one class of shares. All shareholders are entitled to attend general meetings, and arrangements are also made for proxy voting. In order to ensure a high level of participation, Storebrand is currently considering a system for future use that will allow shareholders to vote over the Internet. Storebrand has no specific restrictions on ownership of shares or voting rights in the company other than the restrictions imposed by the Financial Institutions Act.

Board of Representatives. The Board of Representatives in Storebrand ASA is a legal requirement, and has 18 members, of which 12 are elected by the AGM and six by the group's employees. Members are each elected for a two-year term of office so that half the members retire each year. It is a statutory requirement that the members elected by the general meeting shall reflect the company's interest groups, customer structure and its function in society. A broad cross-section of shareholders are represented.

The duties of the Board of Representatives include making recommendations to the AGM on the Board's proposal for the annual report and accounts, electing the six shareholder nominated directors, including the Chairman, to the Board of Directors, determining the fees paid to the directors, issuing the mandate for the work of the Control Committee and considering reports from the Control Committee. The Board of Representatives is entitled to make recommendations to the Board of Directors on any matter.

Board of Directors. The Board of Directors of Storebrand ASA (the "Board") has nine members, each elected for a two-year term of office so that half the members retire each year. Six members are elected by the Board of Representatives after considering recommendations made by the Election Committee. Three members are elected by and from among the employees. The CEO of Storebrand ASA (the "Group CEO") is not a member of the Board. None of the members elected by the Board of Representatives have any employment, professional or consultancy relationship with the group other than their appointment to the Board. CVs for the members of the Board are provided on pages 27–29 and on our website. The Board of Storebrand ASA satisfies the requirements for the independence of the Board of Directors stipulated in the Norwegian Code of Practice.

The Board meets at least nine times each year. In 2005 the Board held 11 meetings and one Board conference. Attendance records of individual Board members can be found on our website. The work of the Board is subject to a specific mandate. In order to ensure sound and well-considered decisions, meetings of the Board are well prepared so that all members can participate in the decision-making process. The Board prepares an annual schedule for its meetings and the issues to be considered. The agenda is set by the Chairman based on the approved schedule for the year and a list of matters carried forward from previous meetings. Time is made available at every second board meeting to discuss matters without the management present. The Board is entitled to appoint external advisers whenever it considers this necessary.

The Board carries out an annual appraisal of its work, which is made available to the Election Committee for consideration in their work. The members of the Board and Board committees do not receive incentive-based consideration, but do receive a fixed annual fee plus additional payments if more than 11 board meetings are held in a year. The shareholder-elected members of the Board are not members of the company's pension scheme. Further information on fees, shareholdings and loans to members of the Board can be found in notes 4 and 14 to the accounts.

Board committees. The Board has established a Remuneration Committee and an Audit Committee. Each comprises two shareholder elected and one employee elected board member. This helps to ensure thorough and independent attention to matters such as financial reporting and the remuneration of senior employees.

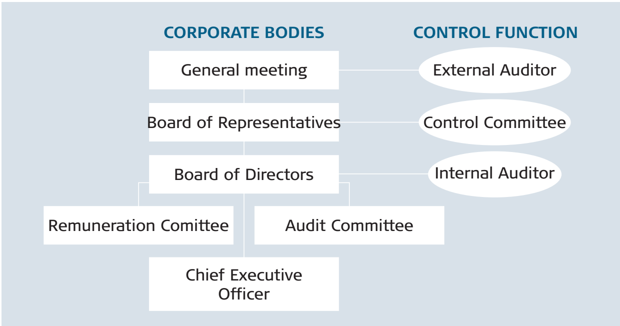
The Remuneration Committee monitors the remuneration of the group's senior managers, and assists the Board in setting terms and conditions for the Group CEO. The Remuneration Committee held five meetings in 2005. The Group CEO and EVP – Human Resources attend the meetings as required.

The Audit Committee assists the Board by reviewing, evaluating and where necessary proposing appropriate measures in respect of the group's overall controls, financial and operational reporting, risk management and internal and external auditing. The Audit Committee held five meetings in 2005, where the external and internal auditors participated. The Group CFO reports directly to the Audit Committee, and attends meetings as the committee requires.

The committees assist the Board by preparing matters for consideration, but decisions are taken by the entire Board. Both committees are able to carry out meetings and consider matters without involvement from the company's management.

Control Committee. The control committee of Storebrand ASA is a legal requirement, and has five members elected by the AGM. The committee is independent of the company's Board and management. Members are elected for a two-year term of office. The Control Committee is responsible for ensuring that the entire group conducts its activities in a prudent and proper manner, and this includes collaborating with the control committees of the group companies. The committee ensures that the group adheres to all relevant legislation and regulations, and that it operates in accordance with the Articles of Association and resolutions passed by the group's corporate bodies. The committee is entitled to look into any matter, and has access to all relevant documentation and information. The committee has the power to demand information from any employee and any member of the company's corporate bodies. The Control Committee met nine times in 2005 and submitted reports to the Board of Representatives for 2004 and the first six months of 2005 on 3 May 2005 and 30 August 2005 respectively. The control committee for Storebrand Life Insurance is identical to the Storebrand ASA Control Committee. Storebrand Bank has its own control committee.

Election Committee. Storebrand ASA's Articles of Association regulate the company's Election Committee, which has four members and is chaired by the Chairman of the Board of Representatives. The other members are elected by the AGM. The company's employees elect an observer to the committee, who participates as a full member in making recommendations for the election of the Chairman of the Board of Directors. The Election Committee is independent of the company's Board and management, and its composition ensures a broad representation of shareholder interests. The Election Committee reviews the annual appraisal of the work of the board, and is responsible for proposing candidates to the Board of Representatives, the Board of Directors, the Control Committee and the Election Committee. The Election Committee applies specific criteria, and works in accordance with a formal mandate. The members of the Storebrand ASA Control Committee are also elected to the election committees for Storebrand Life Insurance and Storebrand Bank.



Relationship between Storebrand's corporate bodies and control functions. The internal audit function in Storebrand is founded on a corporate governance model, whereby management is based on group wide policies and internal regulations in areas such as ethics, corporate social responsibility and information security, as well as a value based system for managing financial and operational risk. The group has a common internal audit function which carries out an independent review of the robustness of the management model. The internal auditor is appointed by and reports to the boards of the respective group companies.

In addition to its own controlling bodies and external audit, the group is subject to statutory supervision by Kredittilsynet (the Financial Supervisory Authority of Norway). Kredittilsynet is responsible for supervising financial institutions to ensure that they operate in a prudent and proper manner in accordance with legislation, business objectives and the Articles of Association. Kredittilsynet supervises all of Storebrand's activities.

The external auditor is elected by the AGM, and is responsible for the financial audit of the group. The external auditor issues the audit opinion on the annual accounts, undertakes a limited scope review of the interim accounts, attends the board meetings that approve the quarterly interim accounts, and attends meetings of the Audit Committee as appropriate.

Annual programs for internal audit work are determined by the boards of the group companies, based on the auditor's recommendations and a risk evaluation carried out by the group's senior management. Internal audit produces quarterly reports for the boards. Reports from special investigations initiated by internal audit or management in respect of possible breaches of ethical rules are immediately reported to the chairman of the Audit Committee and the Group CEO with copies to the heads of Legal Services and Human Resources. Internal audit is subject to a formal mandate in accordance with current legislation, regulations and international standards. The Control Committee is entitled to use the resources of internal audit as required.

Deloitte has been elected by Storebrand ASA's general meeting as the company's external auditor. The Board of Storebrand ASA has appointed KPMG as the company's internal auditor. The other companies in the group used the same external and internal auditors as Storebrand ASA.

GROUP MANAGEMENT

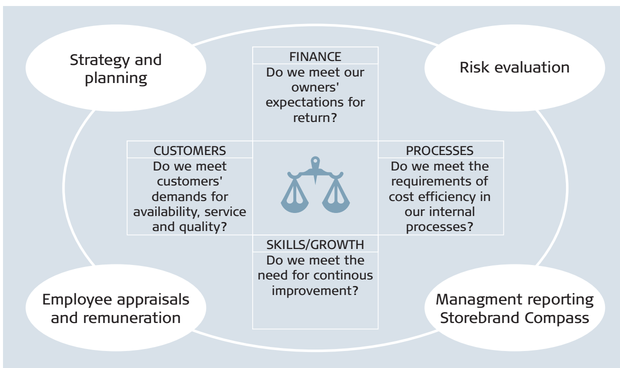
Internal management bodies. Storebrand operates a management structure with particular emphasis on life insurance. This means that the Chairman of the Board and Group CEO are respectively the Chairman and Managing Director of Storebrand Life Insurance. The Group CEO is chairman of the boards of Storebrand Investments and Storebrand Bank. The other members of the boards of Storebrand Life Insurance, Storebrand Bank and Storebrand Investments are drawn from the group's senior employees, together with employee representatives, as well as external members with expertise relevant to the business of the company in question.

The Board has issued a written mandate setting out the management responsibilities of the CEO of Storebrand ASA. The CEO's role does not give rise to any conflicts of interest.

Storebrand's executive management is charged with implementing the strategies approved by the Board, and is directly responsible for the group's overall profitability and for making optimal use of resources across the entire group. Information on the executive management team can be found on page 104.

The group's management and monitoring of the business areas takes place largely through the subsidiaries' board meetings.

Storebrand's value-based management system. The management system is central to the internal audit function and is intended to ensure a relationship between targets and actions at all levels of the group and the overall objective of value creation. The system is based on a balanced scorecard where the four dimensions of finance, customers, processes and skills/growth reflect both short-term and long-term value creation in the group.



Each business area carries out an annual strategy and planning process used to produce a rolling three-year plan for the group, including detailed targets, strategies and budgets. The Board of Storebrand ASA is involved throughout the strategy and planning process.

Risk evaluation and internal control reporting form an integrated part of the strategy and planning process. The management teams work actively to identify areas of risk and measures to promote the company's strategy and objectives. This work is summarised in an internal control report submitted to the Audit's Committee and the boards.

Storebrand's management reporting system, Storebrand Compass, provides management and the Board with monthly reports on financial and operational performance relative to approved targets. The system highlights parameters that fall short of targets so that appropriate measures can be implemented.

The appraisal and remuneration of Storebrand employees forms an integral part of the value-based management system, and is designed to ensure that the group's strategies are implemented. Bonus payments are linked both to the overall level of value creation and to individual performance. Storebrand's remuneration systems follow internationally recognised principles.

Management through group-wide policies and internal guidelines. Group-wide policies have been approved for the following functions in the Storebrand Group: accounting, finance and risk management, investor relations, corporate communications, branding, IT, human resources and legal services.

Internal guidelines have been established for share trading by employees and insiders. Storebrand's Intranet also provides both rules and practical guidance on security of information, catastrophe planning, money laundering and financial crime.

Business ethics and "whistle blowing". Storebrand has established ethical rules for the group and its employees. Seminars for new employees address business ethics and ethical dilemmas. Employees can seek advice anonymously from a business ethics page on the Storebrand Intranet, and can refer any concerns directly to Storebrand ASA's Audit Committee.

Other matters. The appointment of a deputy chairman of the Board of Directors of Storebrand ASA is currently under consideration by the Board and the Election Committee, and will be decided in 2006. Neither legislation nor the company's Articles of Association make a deputy chairman compulsory. The Board may elect a deputy chairman if it wishes, and this was discussed in 2005. The Board's initial view is that it sees no need to appoint a deputy chairman, particularly since this could lead to undesirable differentiation between members of the Board. In the occasional absence of the Chairman, the Board sees it as more appropriate to appoint a chairman for the meeting in question.

As one of the largest investors in the Norwegian stock market, Storebrand has considerable potential influence over listed companies, and pays great attention to exercising its ownership on the basis of straightforward and consistent ownership principles. Storebrand applies the Norwegian Code of Practice for Corporate Governance in this role, a natural extension of the principles it first established in 1998.

Further information on Storebrand's Corporate Governance can be found at www.storebrand.no/ir, including information on members of Storebrand's corporate bodies, the company's Articles of Association and further information on its ownership principles as an investor.

MEMBERS OF STOREBRAND'S CORPORATE BODIES AND CONTROL FUNCTIONS

BOARD OF REPRESENTATIVES

Chairman: Sven Ullring
Deputy chairman: Inger Lise Gjørv
Members (shareholder elected): Eli Sætersmoen, Johan H. Andresen jr., Rune Selmar, Vibeke Hammer Madsen, Merete Egelund Valderhaug, Roar Engeland, Stein Erik Hagen, Ole Enger, Arvid Grundekjøn, Barbara RM Thoralfsson
Members (employee elected): Per Alm Knudsen, Kjell Jostein Sæther, Inger-Johanne Strand, Ann-Mari Gjøstein, Rune Pedersen, Astrid Olive Aanerud
Deputy members (shareholder elected): Terje R. Venold, Lars Tronsgaard, Marius Steen, Anders Berggren, Margareth Øvrum
Deputy members (employee elected): Paul Eggen jr., Ann Jeanette Magnussen

BOARD OF DIRECTORS OF STOREBRAND ASA

Chairman: Leiv Nergaard
Board members: Halvor Stenstadvold, Knut G. Heje, Grace Reksten Skaugen, Mette K. Johnsen, Birgitte Nielsen
Board members (employee elected): Nina Elisabeth Smeby, Rune Eikeland, Erik Haug Hansen

REMUNERATION COMMITTEE

Chairman: Leiv L. Nergaard
Members: Nina Elisabeth Smeby, Birgitte Nielsen

AUDIT COMMITTEE

Chairman: Mette K. Johnsen
Members: Rune Eikeland, Grace Reksten Skaugen

CONTROL COMMITTEE

Chairman: Sverre Bjørnstad
Members: Harald Moen, Carl Graff-Wang, Hanne Harlem
Deputy member: Jon Ansteinsson

ELECTION COMMITTEE

Chairman: Sven Ullring
Members (shareholder elected): Rune Selmar, Dag J. Opedal, Johan H. Andresen jr.
Observer (employee elected): Per Alm Knudsen

Management Report: Financial Performance And Business Development

This report provides an account of the Storebrand group's financial performance in 2005 set against the background of historical performance and the trends apparent at the start of 2006. Further information on Storebrand's strategy for the markets in which it operates can be found in the articles earlier in this Annual Report on the group's activities in the retail and corporate markets.

This report should be read in conjunction with the information provided in the Directors' Report, the consolidated accounts and notes to the accounts. Further information on the accounts and notes to the accounts for subsidiaries can be found in the subsidiaries' annual reports.

KEY FIGURES – STRATEGIC AND FINANCIAL DEVELOPMENT

SUMMARY OF KEY FIGURES

(NOK million)		2005	2004	2003	2002	2001
Group	Profit/loss	1 442	2 545	894	–1 701	–1 430
	Earnings per ordinary share (NOK)	5.41	8.53	2.67	–3.73	–4.15
	Return on equity *)	17.1%	26.5%	9.3%	–9.3%	–9.3%
	Ordinary dividend per share (NOK)	1.50	1.20	0.80	0	0
	Extraordinary dividend per share (NOK)	2.50	5.80	0	0	0
	Average number of shares (in million)	258.6	272.9	277.9	277.7	277.6
	Capital ratio	11.2%	15.3%	14.9%	16.0%	12.9%
Life Insurance	Total policyholders' funds (traditional life insurance)	134 463	121 066	108 760	99 108	99 201
	Total premium income (excluding policy transfers)	16 000	15 293	9 527	7 083	7 240
	Net transfers (traditional life insurance)	546	–588	1 471	–381	–1 222
	Operating costs as % of policyholders' funds **)	1.06%	0.90%	0.96%	0.92%	0.88%
	Booked investment return	6.86%	6.39%	7.24%	2.71%	3.56%
	Value-adjusted investment return (excl. unrealised gains on hold to maturity bonds)	7.52%	7.17%	8.82%	1.91%	1.51%
	Risk capital in excess of minimum (excl. unrealised gains on hold to maturity bonds)	13 529	10 950	8 854	4 724	5 823
	Total policyholders' funds (unit linked and defined contribution)	5 719	4 476	3 975	3 259	3 213
Storebrand Bank	Interest margin	1.60%	1.69%	1.85%	1.90%	
	Cost/income	63%	84%	87%	97%	
	Deposits/loans	42%	48%	55%	51%	
	Gross lending	26 758	24 047	22 661	25 851	
	Retail mortgages as proportion of total lending	55%	55%	48%	43%	
	Volume of non-performing and loss-exposed loans	754	909	1 717	2 362	
	Loan loss provisions as % of non-performing and loss-exposed loans	64%	62%	49%	35%	
Storebrand Investments	Total funds under management	204 800	165 000	158 800	139 700	144 600
	Of which funds under management for external clients	49 700	25 400	38 500	32 300	35 500
	Percentage of total funds under management invested in equities	23%	21%	17%	16%	24%
	Ratio of retail/institutional clients by external funds under mgmt. (%)	20 / 80	26 / 74	17 / 83	16 / 84	17 / 83
	Total net sales	23 300	1 600	800	2 100	1 000
	Cost/income	96%	88%	95%	107%	97%

Figures for 2004 and 2005 are based on IFRS. Figures for 2001–2003 are based on NGAAP.

*) Profit after tax/(Opening equity – provision for dividend – 50% of own shares purchased during the year)

**) 2005 includes 10 basis points in one-off costs relating to pensions.

THE GROUP'S STRATEGIC DEVELOPMENT

Strong growth for the Norwegian economy. Norges Bank reported on the performance of the Norwegian economy in 2005 in its Financial Stability Report[1]. The central bank concluded that the economy is enjoying an upturn, driven by low interest rates, high oil prices and high prices for Norwegian exports. The upturn also impacts employment, and unemployment fell over the course of 2005. The fall in interest rates since 2003, combined with low inflation, has boosted household disposable income. This positive picture is very favourable for the products and services in which Storebrand specialises.

Storebrand's vision is to be the leading and most respected

[1] Financial Stability, Norges Bank's reports, No. 5, 2005

institution in the Norwegian market for long-term savings and life insurance. Storebrand is the only large financial institution in the Norwegian market that has long-term savings and life insurance as its core activity, and the company works to make the best use of this unique position in the interests of its customers, owners, employees and other stakeholders.

Key themes for Storebrand's strategic development over the next few years will be growth, productivity and capital efficiency.

Growth. In addition to maintaining its strong position in the corporate market for pensions and personal risk insurance, Storebrand strengthened its position in the market for public sector occupational pension schemes in 2005. A number of municipalities put their pension schemes out to competitive bidding in 2005, and Storebrand won most of this business resulting in an inflow of almost NOK 4.4 billion of public sector occupational pension reserves in 2006. In addition, the introduction of mandatory employers' pensions in Norway will lead to a sharp increase in the number of defined contribution pension schemes over the course of 2006. Storebrand is focusing its resources on this market.

Storebrand is also targeting the Swedish corporate market for pensions and life insurance products, and opened its Swedish branch in 2005. In addition, Storebrand incorporated UNI Norden Holding AS og Norden Personförsäkring AB in December 2005, a new special purpose company in Sweden for personal risk products such as industrial injury and sickness insurance. Operations started in 2006, and the target customer group is large companies.

Storebrand has a strong position in asset management for institutional customers, particularly for long-term insurance and pension fund assets. Focus in this area produced good growth in 2005, including a successful bid to manage around NOK 23 billion of Gjensidige Forsikring's investment portfolio.

Storebrand Bank continues to target selected segments of the corporate market, where the bank operates as a niche bank for real estate investors and developers in the greater Oslo area.

In addition to its activities in the corporate market, Storebrand will continue to focus on long-term savings and life insurance products for the retail market. The markets for life insurance and long-term saving are both growing, and Storebrand has ambitious product development plans. Lending products, principally residential mortgages, are important for attracting new customers, and banking products play an important role in developing the group's customer base. The introduction of free banking, together with significantly more competitive mortgages, had a very positive impact on Storebrand's banking activities in 2005, with over 8,000 new account customers in the second half of 2005.

Storebrand launched an extensive marketing campaign in the Norwegian media in May 2005 aimed at strengthening the Storebrand brand in the retail market and promoting sales-generating dialogue. The main objective was to improve the visibility of the Storebrand brand and encourage greater public interest in savings and life insurance. Further information on the marketing campaign can be found on page 15.

Productivity. Storebrand's growth objectives, combined with improved operational efficiency, will create the basis for more cost-effective operations. Storebrand is experiencing intense competition and downward pressure on margins in a number of its business areas. This is expected to continue, and the company is continually taking steps to improve efficiency. In 2004 Storebrand announced a number of efficiency targets to be achieved by the close of 2007 covering all the most important business areas in the group, namely life insurance, banking, asset management and the holding company.

The target for the bank was to achieve a cost/income (C/I) ratio of 55%. The bank's C/I ratio for 2005 was 63%, down from 84% in 2004. The target for the asset management activities is to achieve a C/I ratio of under 75%. This area reported a C/I ratio of 96% in 2005, up from 88% in 2004, due to amongst others weak investment performance from the international share portfolio which caused a significant reduction in performance-related fees.

The target announced for Storebrand ASA (the holding company) was a reduction in annual operating costs of NOK 50 million from the level at the start of 2004. Operating costs for 2005 were NOK 113 million, in line with costs at the start of 2004.

The target announced for Storebrand Life Insurance was for costs expressed as a percentage of policyholders' funds to be 0.7% by the close of 2007. A project to identify and implement measures to meet this target was launched in 2005. At the same time the company took steps to expand its business, of which products for mandatory occupational pensions, increased sales to the retail market, greater focus on promoting the Storebrand brand and a new business focus on Sweden were the most important areas. In addition, Storebrand expects more customers to consider changing from defined benefit to defined contribution pensions in the future. These factors have caused Storebrand to recognise the need for a more relevant and better target than the efficiency target published in 2004. Work was carried out in autumn 2005 to analyse the main challenges in the life company's value chain and to produce an overall plan to prioritise measures to tackle the main challenges identified.

Capital efficiency. Storebrand's subsidiaries currently have sufficient capital resources for the growth expected over the next few years. Storebrand ASA (the holding company) aims to achieve zero net indebtedness over time. At the close of 2005, the holding company's holdings of liquid assets exceeded its borrowings, and this will continue to be the case after distributing the proposed dividend. Maintaining an efficient capital base is one of the essential factors in ensuring that the company is able to generate a satisfactory annual profit relative to the group's equity (return on equity), and the board intends to ask

ANALYSIS OF EARNINGS BY BUSINESS AREA

NOK million	2005	2004	2003	2002	2001
Life insurance activities	1 217	931	800	-304	-111
Asset Management	24	47	22	-13	14
Banking	241	121	-137	-476	-145
Other activities *)	-41	1 446	209	- 908	-1 188
Group profit	**1 442**	**2 545**	**894**	**-1 701**	**-1 430**
Change in non-life security reserves etc	3	12	66	199	279
Profit before tax	**1 445**	**2 557**	**960**	**-1 502**	**-1 151**
Tax	-41	-218	-169	612	199
Minority interests' share of profit	-4	-2	-1	-3	
Profit for the year	**1 400**	**2 337**	**790**	**-892**	**-952**

Figures for 2004 are based on IFRS. Figures for 2001–2003 are based on NGAAP.
*) Includes NOK 1,571 million of profit contribution from If Skadeförsäkring in 2004.

the 2006 Annual General Meeting (AGM) for a new mandate to buy back more of the company's own shares.

FINANCIAL OBJECTIVES FOR THE GROUP

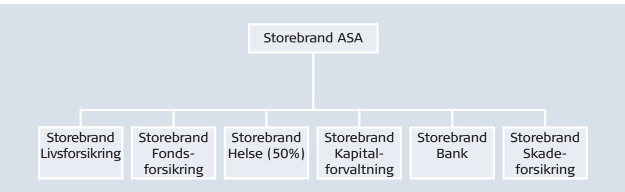
Storebrand has published financial objectives for the group and for each business area. This provides the basis for setting targets for each department and employee. Storebrand has communicated its financial objectives to the market. The objectives represent a sound and efficient use of capital with growth in profitability and dividends. All the group's financial objectives were achieved in 2005, well ahead of the original schedule (close of 2007).

Return on equity after tax	15%
Annual dividend as percentage of group profit after tax	>30%
Consolidated capital ratio	>10%
Life company solvency margin	>150%
Life company rating	A level

Achieving the target for return on capital in any particular year is dependent on normal conditions in the financial markets.

GROUP STRUCTURE AND MANAGEMENT REPORTING

The chart below shows the legal structure of the group's main subsidiaries, which is also the basis for the group's accounting structure:



In addition to the presentation of consolidated profit and loss on page 56, the group result can be analysed by business area as shown in the above table.

GROUP PROFIT IN 2005

Strong group profit. The Storebrand group reported a group profit of NOK 1,442 million for 2005 as compared to NOK 2,545 million in 2004. Excluding the contribution to group profit from If Skadeförsäkring in 2004, the comparable group profit for 2004 was NOK 974 million. Earnings per share, based on the average number of shares outstanding, amounted to NOK 5.41 in 2005 and NOK 8.53 in 2004. Life insurance and banking both reported improved profits in 2005. Further information on the business areas can be found on pages 43–52.

The Storebrand group produced a post-tax return on equity (RoE) of 17.1% in 2005. Storebrand has made plans for the next few years to continue to achieve the profitability target of 15% ROE going foward. Achieving the expected levels of sales and portfolio growth are important elements in this respect, together with the successful implementation of measures to create a more effective capital structure and to achieve the efficiency targets described above.

CAPITAL SITUATION

Storebrand pays particular attention to the active management of its equity and borrowings. The composition of its business areas and their growth will be an important driver for the group's capital requirements. The level of indebtedness is managed in relation to the company's commercial risk and capital requirements. The group has set long-term targets for capital ratio to be 10% and the life insurance solvency margin to be at least 150%. Storebrand Life Insurance is rated at the A level. The holding company aims to have a net debt ratio of zero over the longer term. Storebrand ASA redeemed the remaining bonds outstanding under its Exchangeable Bond issue in 2005 by delivering Orkla shares in accordance with the bond agreement. Two new bond loans were issued in September 2005 with maturities of four and six years respectively for a total amount of NOK 1.5 billion.

STOREBRAND'S CAPITAL SITUATION – KEY FIGURES

		2005	2004	2003	2002	2001
Storebrand Group:	Capital ratio	11.2%	15.3%	14.9%	16.0%	12.9%
	Core capital ratio	7.8%	10.9%	9.9%	10.3%	8.1%
Storebrand ASA:	Net debt ratio*)	–10%	–13%	15%	16%	8%
Storebrand Livsforsikring AS:	Capital ratio	10.9%	14.4%	15.7%	18.4%	12.0%
	Core capital ratio	7.0%	8.8%	9.1%	10.0%	6.6%
	Solvency margin	175.2%	169.4%	158.6%	160.5%	184.4%
Storebrand Bank ASA: **)	Capital ratio	10.4%	13.8%	12.3%	11.4%	na
	Core capital ratio	8.2%	11.6%	9.8%	8.8%	na

*) Net debt ratio is debt minus liquid assets divided by assets minus liquid assets

**) Storebrand Bank AS and Finansbanken ASA were merged in 2003. Comparable historic figures for the new bank have only been produced for 2002.

Storebrand ASA held liquid assets of NOK 2.5 billion at the close of 2005 and also has an undrawn long-term committed credit facility of EUR 225 million. The credit facility was renewed for a new five-year period in December 2005.

The above table shows key figures for the group's capital situation. The reduction in capital adequacy reflects the implementation of planned and previously announced measures to improve the group's capital efficiency, together with increased investments in the life insurance company in higher capital weighted assets.

Storebrand ASA's dividend policy seeks to contribute towards giving shareholders a competitive return and optimising the company's capital structure. The Board of Directors of Storebrand ASA has recommended that the 2006 AGM should approve a dividend payment for 2005 of NOK 4 per share, representing a total distribution of NOK 1.0 billion, of which the dividend from the year's ordinary operations accounts for NOK 1.50 per share.

The 2005 AGM authorised the Board to buy back up to 10% of the company's own shares in the period up to the 2006 AGM. Storebrand ASA repurchased 10.3 million of its shares in 2005 at an average price of NOK 59,95 per share, representing a total cost of NOK 618 million. The shares were bought in the market, with purchases taking place on 58 trading days. The company reduced its share capital in November by 19.6 million shares to 258.5 million shares by cancelling own shares.

TAXATION

The Storebrand group's effective tax charge for 2005 was 3%. Storebrand's tax charge is affected by a number of factors that cause the tax rate to differ from the normal rate of 28% for Norwegian companies. This is particularly the case for Storebrand Life Insurance. Investments in shares in the EEA area held by Storebrand Life Insurance have caused sizable permanent differences in the accounts. On the taxation exemption principle, gains and losses on such shares are not taxable, and similarly losses on such shares are not tax deductible.

In view of the group's sizeable tax losses carried forward and the low tax rate expected for the life insurance activities in normal financial market conditions, it is unlikely that Storebrand will pay any tax for several years. For further information, see note 05 to the annual accounts on page 69. The group has net negative timing differences between accounting and tax values of around NOK 6.4 billion that provide the basis for a deferred tax asset of NOK 1.8 billion (28% tax rate). This amount includes losses carried forward of NOK 5.7 billion and tax allowances carried forward of NOK 1.4 billion. The basis figure used for recognising deferred tax asset in the balance sheet has been written-down by NOK 6.1 million to NOK 0.4 billion. The book value of deferred tax is therefore NOK 0.1 billion. The basis figure has been written down as a result of uncertainty over whether future taxable income will reach a level that will allow all the tax losses carried forward to be used.

INFORMATION ON THE BUSINESS AREAS

LIFE INSURANCE ACTIVITIES

MARKETS AND STRATEGY

Building on a strong position. The Norwegian pensions market is changing rapidly. The reform of state national insurance pensions, deregulation of public sector pensions and the introduction of compulsory employers' pension schemes will create new market opportunities and challenges. Storebrand Life Insurance intends to build on its strong position in this market by offering customer oriented and attractive product solutions.

Pensions and life insurance are Storebrand Life Insurance's core business. Storebrand Life Insurance's objective is to be recognised by customers as the most respected and customer focused life insurance company in Norway. Storebrand's competitive position was confirmed by the number of major new customers that it won in 2005, as well as the high level of customer satisfaction reported by the Norsk Kundebarometer surveys. Group pension insurance represents the major part of activities as measured in terms of both policyholders' funds and profit to the owner. Group pension insurance accounted for 70% of Storebrand's policyholders' funds at 31 December 2005, while individual pensions and life insurance products represented 30% of total policyholders' funds. In terms of profit to the owner, group pension insurance contributed 59%, personal life insurance products contributed 32% and group life insurance contributed 9% in 2005.

Storebrand adapted its organisation to meet the requirements of the new market for mandatory occupational pensions in autumn 2005. This new market will increase annual premiums in the occupational pensions market by at least NOK 3 billion. Storebrand has developed a new standardised product known as Storebrand Folkepensjon specifically for small companies facing the new mandatory pension requirements in 2006. A Folkepensjon policy is very easy to set up and manage, either through a Storebrand customer centre or over the Internet.

In addition, Storebrand has significantly strengthened its competitive position through agreements with trade associations and a number of external distributors. The company has also signed a distribution agreement for occupational pension products with a number of savings banks and commercial banks. Storebrand's financial advisers in the Retail Market unit will also work on sales of the Folkepensjon product.

FINANCIAL RESULTS FOR 2005

The total contribution of profit from the life insurance activities to group profit in accordance with IFRS amounted to NOK 1,217 million in 2005 as compared to NOK 931 million in 2004. The following table shows the breakdown of this profit contribution between the life insurance business areas.

LIFE INSURANCE ACTIVITIES

NOK million	2005	2004
Storebrand Life Insurance Group	1 221	259
Storebrand Fondsforsikring	–9	–24
Other life insurance activities	5	3
Group profit – life insurance	1 217	931

Norwegian insurance companies are not currently able to prepare their accounts in accordance with IFRS. Except as otherwise stated, the following comments apply to accounting figures prepared in accordance with Norwegian accounting legislation and accounting regulations for insurance companies.

Good operating result and profit to owner. Operating profit for 2005 was NOK 4,381 million, as compared to NOK 2,982 million in 2004. The profit allocated to policyholders for 2005 was NOK 3,215 million (including NOK 950 million allocated to additional statutory reserves) and the profit to the owner was NOK 1,166 million, including NOK 168 million from products not subject to profit sharing. The good result to policyholders means that pensions currently in payment and fully paid-up pension policies will increase. After IFRS effects of NOK 54 million, Storebrand Life Insurance produced a pre-tax profit of NOK 1,221 million equivalent to 25% return on equity in 2005, in line with 2004 and 2003.

Analysis of results – explanatory notes. (table next page) Interest result is the difference between the net booked return (including interest costs on subordinated loan capital) and the guaranteed return on policies. Average guaranteed return on insurance policies in 2005 was 3.6%. Risk result arises as a consequence of the incidence of mortality and disability during the period differing from that assumed for the premium tariffs. Administration result shows the difference between the administration premium charged and actual operating costs.

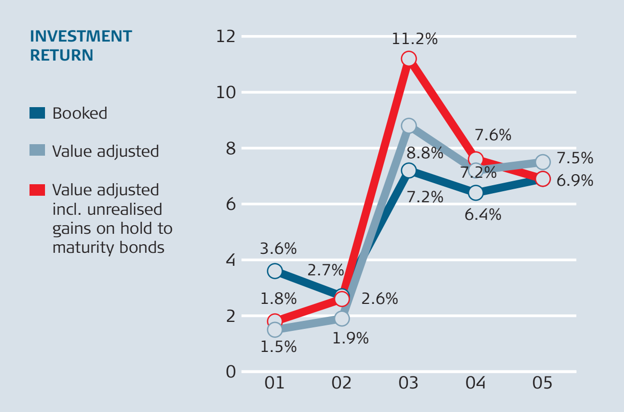
Growth in premium income. Storebrand Life Insurance's total premium income for 2005, excluding policy transfers, was NOK 16,000 million. This represents an increase of 5% from NOK 15,293 million in 2004. The lines of business showing the largest percentage growth were non-life insurance (for example critical illness and child insurance), individual annuity/pension insurance and individual endowment insurance with increases from 2004 of 43%, 19% and 8% respectively. Group pension insurance premium income was in line with 2004, while group life insurance showed a decline of 4%.

Good net pension inflows. Storebrand Life Insurance saw net inflows of pension reserves of NOK 546 million in 2005, compared to a net outflow of NOK 588 million in 2004. In addition, a number of major pension mandates won in 2005 will be booked in 2006.

Satisfactory investment return, solidity and risk capital. Storebrand Life Insurance produced a satisfactory investment return in 2005. The booked investment return for 2005 was 6.9%, as compared to 6.4% for 2004. The value-adjusted return on current asset investments was 7.5% as compared to 7.2% in 2004. The value adjusted return including bonds held to maturity was 6.9% in 2005 as compared to 7.6% in 2004. At the close of 2005 unrealised gains on current asset investments totalled NOK 3,884 million, while unrealised gains on bonds held to maturity totalled NOK 3,573 million. The overall increase in unrealised gains in 2005 was NOK 511 million.

The life insurance company's risk bearing capacity was satisfactory at the close of 2005. The solvency margin was 175% as compared to 169% at the close of 2004. The company's capital ratio was 10.9% in 2005 while the minimum required is 8%.

Risk result. The risk result for 2005 was NOK 363 million as compared to NOK 206 million in 2004. The increase of NOK 157 million reflects increases of NOK 192 million for group pension insurance, NOK 32 million for group life insurance and NOK 19 million for non-life insurance. The risk result for individual endowment policies (single payments) and individual pensions business fell by NOK 31 million and NOK 55 million respectively.



Costs. Storebrand Life Insurance incurred operating costs of NOK 1,354 million in 2005 as compared to NOK 1,039 million in 2004. The increase of NOK 315 million was caused mainly by increased commission payments on higher sales volumes, experience adjustments for the in-house pension scheme charged to profit and loss and increased headcount from the new venture in Sweden and work on mandatory occupational pensions. As a result, costs relative to average policyholders' funds increased from 0.90% in 2004 to 1.06% in 2005. Asset management fees paid to Storebrand Investments were lower in 2005 due to the weaker performance relative to the benchmark indices

Additional statutory reserves strengthened. Additional statutory reserves are conditionally allocated policyholders' funds that act as risk capital to absorb price fluctuations in the investment portfolio. These strengthened by NOK 950 million in 2005 to stand at NOK 4,358 million at the start of 2006. This combined with the strength of risk management systems ensures that Storebrand Life Insurance is again well equipped to generate a good expected investment return in 2006.

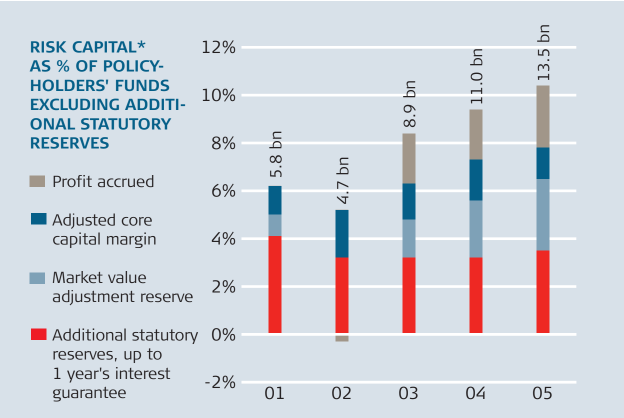
Changes to the investment portfolio. It is Storebrand Life Insurance's policy to make efficient use of risk capital in order to increase the expected investment return for its policyholders. The company accordingly increased its equity exposure over the course

ANALYSIS OF RESULTS BY CLASS OF INSURANCE STOREBRAND LIVSFORSIKRING AS (NGAAP)

NOK million	Group pension private	Group pension public	Group life insurance	Individual endowment insurance	Individual pension insurance	Non-life insurance	**Total 2005**	Total 2004	Total 2003
Financial income	5 818	630	45	1 263	1 360	7	**9 123**	7 520	7 550
Guaranteed yield	-3 136	-299	-4	-596	-730		**-4 764**	-4 426	-3 937
– of which transferred to premium reserve	-110	-8			-8		**-125**	-134	-127
Interest result	2 682	331	41	667	631	7	4 359	3 094	3 613
Subsidiaries' admin. expenses*	1	0		0	0		**2**	11	17
Risk premium	421	50	385	370	-76	95	**1 245**	1 278	1 173
Risk bonus	-104	-79	-289	-293	21	-54	**-798**	-968	-907
Net reinsurance etc.	-56	0	-18	-4	1	-7	**-84**	-104	-69
Risk result	261	-29	77	74	-55	34	363	206	198
Administration premium	482	69	54	268	131	20	**1 024**	902	845
Operating expenses	-608	-70	-66	-376	-187	-48	**-1 354**	-1 039	-995
Administration result	-126	-1	-12	-108	-55	-29	-330	-137	-149
Subsidiaries' admin. expenses*	-1	0	0	0	0		**-2**	-11	-17
Change in premium reserve/security fund	-6	4	0	-1	0		-11	-181	-1 010
Gross result by sector	2 812	297	106	632	521	12	4 381	2 982	2 652
Transferred from additional statutory reserves							0	0	21
Transferred to policyholders' funds							-3 215	-2 019	-1 839
-net return on share capital**							**491**	409	334
-0.40% of policyholders' funds							**521**	455	414
-risk margin earned by owner's equity							**47**	46	46
-other							**107**	53	40
Profit/loss for the year							1 167	963	835

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

of 2005 from 21% to 23%. Hedging programs were again used for the equity portfolio in 2005 to limit the effect on risk capital in the event of a sudden sharp fall in equity markets.



*) Excluding unrealised gains on the hold to maturity portfolio

The proportion of the portfolio invested in bonds held as current assets remained low throughout 2005, reflecting expectations that long-term interest rates will rise over time. The proportion held in money market instruments is consequently relatively high. From mid-2004, part of the money market holdings have been hedged against producing a lower return than the minimum guaranteed to policyholders. The money market portfolio will respond relatively quickly if short-term interest rates begin to rise. In total, the company's money market and bond investments are robust to changes in interest rates.

A large proportion of the company's unrealised gains on bonds arises from the portfolio of government and government guaranteed bonds held to maturity. The hold to maturity portfolio represented 28% of total investment assets at the close of 2005, with an average duration of around 5 years and an average effective yield of 5.5% on book value. The high stable return the portfolio generates for policyholders helps to ensure that the yield Storebrand Life Insurance can be expected to produce is relatively robust to continuing low interest rates levels.

FINANCIAL RESULTS FOR OTHER LIFE INSURANCE ACTIVITIES

Storebrand Fondsforsikring AS. Storebrand Fondsforsikring AS reported a pre-tax operating loss and loss for the year of NOK 9 million for 2005 as compared to a loss of NOK 24 million for 2004. The loss derives from the company's defined contribution pension activities, where the company is still building business. The significant investment Storebrand is making in mandatory occupational pension products will also affect results in 2006. Premiums written for defined contribution pensions increased by 59% from NOK 259 million in 2004 to NOK 413 million in 2005, while premiums written for unit linked products increased by 46% from NOK 270 million in 2004 to NOK 393 million in 2005. Storebrand Fondsforsikring set up approximately 500 new defined contribution pension schemes in 2005, making a total of 1,530 schemes since the launch in 2001.

Customers' assets totalled approximately NOK 5.7 billion at 31 December 2005, of which 74% was invested in mutual funds. Approximately NOK 4.6 billion of customers' assets related to unit linked, while NOK 1.1 billion related to defined contribution pensions. Customers' assets at 31 December 2004 totalled NOK 4.5 billion, of which 66% was invested in mutual funds.

Storebrand Helseforsikring AS. (Storebrand ASA owns 50%) Storebrand Helseforsikring reported an operating profit of NOK 10.4 million for 2005 and a pre-tax profit of NOK 0.6 million as compared to NOK 7.0 million and NOK 0.2 million respectively in 2004.

INVESTMENT RETURN AND ASSET ALLOCATION

	2005				2004	
			Asset allocation		Asset allocation	
Portfolios	Return %	Market value NOK mill.	Market value %	Exposure %	Market value %	Exposure %
TOTAL INVESTED ASSETS	7.5%	152 421				
Securities	7.6%	130 503	89.6%	89.4%	89.5%	89.3%
Shares	21.3%	35 114	24.1%	22.9%	21.0%	20.8%
Bonds	3.6%	28 245	19.4%	19.7%	14.1%	14.4%
Money market in total	2.3%	21 773	14.9%	15.2%	22.3%	22.7%
Hold to maturity bonds	5.7%	45 371	31.2%	31.6%	32.1%	32.6%
Real estate	7.8%	14 559	10.0%	10.52	10.3%	10.5%
Loans		607	0.4%	0.4%	0.2%	0.2%

Asset allocation is based on asset management principles and will deviate from the accounts..
Exposure is adjusted for derivative holdings in the separate portfolios.

Premium income for health insurance products increased by 26% from 2004 to 2005, and totalled NOK 138 million for 2005. Of the growth in premiums earned for own account, growth in Norway was 21% and growth in Sweden was 29%.

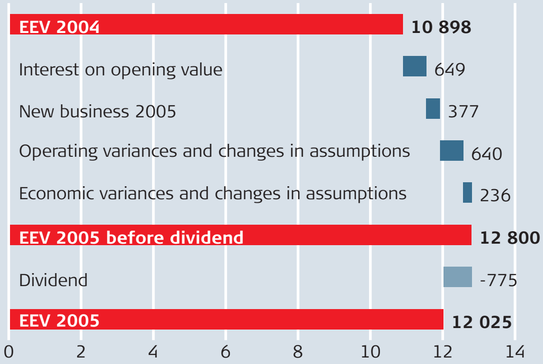
EUROPEAN EMBEDDED VALUE

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 new 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 2005 in accordance with the new principles, and has also restated Embedded Value for 2004. Applying the new principles increases the Embedded Value of Storebrand Life Insurance and Storebrand Fondsforsikring for 2004 by 6.7% to NOK 10,898 million. Embedded value at the close of 2005 was NOK 12,025 million. Dividend paid in 2005 was NOK 775 million, giving a total Embedded Value result (change in EV before dividend) of NOK 1,902 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.

MOVEMENT ANALYSIS 2004–2005
STOREBRAND LIFE INSURANCE AND STOREBRAND FONDSFORSIKRING
(NOK MILLION)



Development in Embedded Value 2005. Interest on the opening balance based on the economic assumptions in the model amounted to NOK 649 million. The value of new business written in 2005 increased Embedded Value by NOK 377 million. Operating variances from lower outward transfers of business and better than expected claims experience caused an increase in Embedded Value of NOK 640 million. Lower long-term interest rates in 2005 and the resulting downward revision of the assumption for long-term yield increased the cost of financial options and guarantees to a total of NOK 1,158 million. However a good investment return in 2005, economic variances and assumption changes have an overall positive effect and increased Embedded Value by NOK 236 million.

EMBEDDED VALUE 2004-2005

NOK million	EV 2004 (TEV)	EEV 2004 restated	EEV 2005
Shareholder capital	4 956	4 956	5 512
of which			
– Required capital	2 224	3 544	3 713
– Free surplus	2 732	1 411	1 799
Cost of capital	–399	–628	–711
Value of business in-force	5 765	7 252	8 614
of which			
– Group with-profit business*	3 518	4 596	5 508
– Individual with-profit business*	937	1 192	1 135
– Total non-profit business*	925	1 031	1 175
– Defined contribution pension business**	204	245	612
– Unit linked business**	182	188	184
Cost of volatility*	n/a	–551	–1 158
Tax**	–112	–130	–232
Total EV	**10 209**	**10 898**	**12 025**

*) Relates to Storebrand Livsforsikring
**) Relates to Storebrand Fondsforsikring

STOREBRAND LIVSFORSIKRING AND STOREBRAND FONDSFORSIKRING

NOK million	Total EV	Change in %	Value of new business	Change in %
EV at 31.12.05	12 025		377	
1. Risk discount rate +1%	11 101	–7.7%	325	–14.0%
2. Risk discount rate -1%	13 116	9.1%	440	16.6%
3. Beta 1.1	11 819	–1.7%	366	–3.1%
4. Beta 0.9	12 239	1.8%	390	3.2%
5. Interest rates +1%*	13 465	12.0%	452	19.7%
6. Interest rates -1%*	8 575	–28.7%	230	–39.1%
7. Equity and property risk premiums +1%	12 936	7.6%	402	6.6%
8. Equity and property market values -10%	10 659	–11.4%	387	2.6%
9. Salary/price inflation +0.5%	12 251	1.9%	401	6.2%
10. Costs -10%	12 070	0.4%	382	1.1%
11. Mortality/morbidity -5%	11 951	–0.6%	376	–0.2%
12. Lapse rate +10%	11 781	–2.0%	348	–7.7%

*) Change in market value of Storebrand Fondsforsikring's underlying customer funds not considered

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

NEW NORWEGIAN LIFE INSURANCE LEGISLATION

The new Insurance Activities Act (implementation planned 2008) will create considerable changes for the life insurance industry, and Storebrand's preparations are well underway. The overall objective of the new legislation is to make pricing more predictable and transparent and to make a clearer distinction between the assets of the insurance company and its policyholders. Regulations relating to the new act have not yet been finalised, so the following commentary is based on Storebrand's provisional evaluation.

The new legislation will also make it possible to merge Storebrand Life Insurance and Storebrand Fondsforsikring so that defined contribution and defined benefit pensions can be offered from the same company. It seems likely that this change will come into effect sometime in 2006.

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

- Premium for the interest rate guarantee: The customer must pay for the interest guarantee in advance. The entire investment return will accrue to the pension policy. The premium charged may depend on factors such as the policy's level of risk capital, the percentage of the policy assets invested in equities and the level of the interest rate guarantee. 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 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 surplus to be held on a risk equalisation fund. Subsequent deficits 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. The insurance company must then meet any deficit in the administration result, and similarly retains any surplus.

For individual policies in place prior to the new legislation, as well as existing paid-up policies and policies that become paid-up, the new legislation will cause a transition to a modified profit-sharing model. The maximum percentage of profits that can be allocated to the owner will be reduced from 35% to 20%, but the owner will receive all the return on the proportion of balance sheet capital that does not belong to policyholders. The same rules described above will apply to risk result and administration result.

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

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

Additional statutory reserves are an important part of a policy's risk capital, and the new regulations permit greater flexibility in building these. Customers with high reserves will be able to increase the equity exposure to achieve a higher expected return. Alternatively, higher reserves can be used to reduce the cost of the interest rate guarantee. The new legislation stipulates that additional statutory reserves can only be used to meet a shortfall in return within the policy to which they relate.

Customers that select specific investment portfolios for their pension policies will enjoy greater flexibility, with a choice of standardised risk profiles or their own investment profile (within the limits set by legislation and regulations). This will allow companies to choose their own investment policy almost as though they were running their own pension fund. Storebrand assumes that the regulations for investment choice products will be changed in due course so that the assets permitted are as far as possible the same as for the group pension.

The legislation also permits a longer-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 a longer period. 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, and any shortfalls in premium reserves due to a low return in a particular year will have to be met by transfers from the customer's premium fund or risk capital reserve, or alternatively by the insurance company.

ASSET MANAGEMENT ACTIVITIES

MARKETS AND STRATEGY

Internationally recognised asset manager. Storebrand Investments is one of the leading asset managers in Norway, offering products that are competitive in both the domestic and international markets.

Exciting fixed-income products. Storebrand Investments offers a full range of savings and investment products, from equity and bond funds for personal saving to advanced specialist funds for professional investors. Steps were taken in 2005 to revitalise the fixed-income products offered by Storebrand Investments. This included the launch of two new mutual funds, Storebrand Rente+ and Storebrand Obligasjon+, which give customers better access to Storebrand's expertise in managing fixed-income investments. In order to emphasise the quality of its products and make the product range as simple and straightforward as possible, Storebrand Investment is working to reduce the number of funds that it offers. Fund products are distributed through Storebrand's network of financial advisers, external distributors and direct sales channels such as the Internet and customer call centres. Storebrand Investments also offers its products through defined contribution pension products and savings-related life insurance products, areas in which Storebrand Life Insurance enjoys a strong position.

Strong sales to institutional customers. A separate unit of investment advisers works closely with major institutional customers to develop customised investment strategies that meet the customers' financial objectives, investment time horizon and risk profile. 2005 was a very good year for Storebrand Investments' institutional sales.

At the close of 2005, Storebrand took over management of the major part of Gjensidige Forsikring's investment portfolio, around NOK 23 billion of investments. The company also took over operational responsibility for customer-managed funds totalling NOK 8 billion, bringing the total mandate to over NOK 30 billion. This is the largest asset management mandate ever made available for open competition in the Norwegian market. The mandate is broken down into various asset classes, with fixed-income portfolios making up the major part.

Automation. Storebrand Investments works continually to simplify its procedures and standardise and automate its work processes from investment decision through to settlement, control and reporting. This focus has improved the cost effectiveness and scalability of activities, ensuring a robust and flexible asset management platform that can produce stand-alone asset management products as well as managing the complex and flexible investment profiles offered through defined contribution pension schemes.

New developments in socially responsible investment. Storebrand takes a clear stand on how it invests, and the group has a firm commitment to socially responsible investment (SRI). On 18 October 2005, Storebrand celebrated the 10th anniversary of its involvement in this area. At the same time the company expanded its SRI policy to include four new investment criteria, excluding 70 companies from its investment portfolios from 31 December 2005.

The group recognises its corporate responsibility by avoiding investment in companies involved in breaches of human rights, corruption, land mines, cluster bombs, tobacco or serious environmental damage, as well as companies that are among the worst 10% in high-risk industries.

FINANCIAL RESULTS FOR 2005

Storebrand's asset management activities produced an overall pre-tax profit of NOK 24 million in 2005 as compared to NOK 47 million in 2004. The year-on-year reduction of NOK 23 million reflects weaker investment returns on funds and portfolios with performance-based fees and lower volume-based fees as a result of If taking its assets back into its own management in 2004.

STOREBRAND INVESTMENTS

NOK million	2005	2004
Total revenue	242	316
Total costs	–231	–278
Net financial items	4	4
Storebrand Alternative Investments	11	5
Profit before tax	24	47

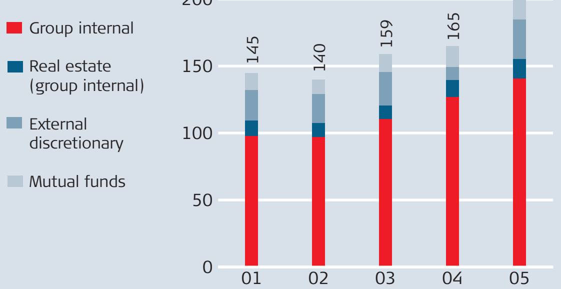
Decline in revenue. Total revenue fell by 23% in 2005. Fixed volume-based revenue showed little change. Rising prices in the Norwegian and international equity markets and new business in 2005 helped to outweigh the loss of revenue from the termination of the If mandate in 2004. Weak investment returns from international equities led to lower performance-based fees in 2005. Storebrand Alternative Investments reported a profit of NOK 11 million for 2005, up from NOK 5 million in 2004.

Lower costs. Total costs fell by 17% in 2005. The decline in costs mainly reflects lower performance-based salary payments as a result of weaker investment performance. Continuing focus on costs led to a reduction of NOK 16 million in operating costs, representing a cost saving of 8%. Despite this, the overall cost/income ratio increased from 88% in 2004 to 95% in 2005 against the background of lower revenue. The company's objective is to reduce its cost/income ratio to under 75% by 2007. Total operating costs were equivalent to 0.13% of average assets under management in 2005 as compared to 0.17% in 2004.

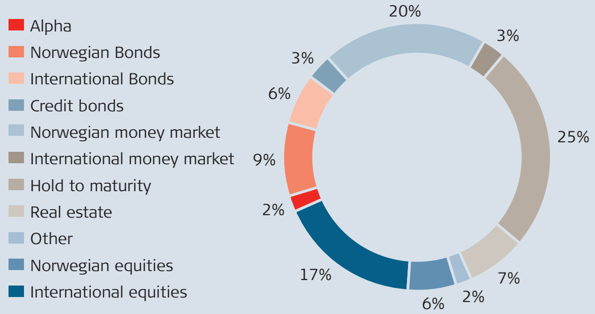
Increase in assets under management. Assets under management increased by NOK 40 billion to NOK 205 billion at the close of 2005. The increase reflects Gjensidige's asset management mandate, as well as good sales of pension and insurance products and rising equity markets.

Despite three very good years for the Norwegian stock market, the total Norwegian market for personal investment in equity funds (including unit linked) showed a net withdrawal in 2005 of NOK 3.5 billion. Storebrand recorded a net withdrawal of NOK 0.8 billion. Storebrand Investments had a 10.8% share of the market for Norwegian registered securities funds at the close of 2005, in line with 2004. The proportion of assets under management invested in equities increased from 21% to 23% in 2005. Specialist products represented a modest proportion of total assets under management, but larger discretionary risk limits combined with higher fixed and performance-based fees mean that the potential income from these products is considerable.

TOTAL ASSETS UNDER MANAGEMENT (NOK billion)



ALLOCATION OF ASSETS UNDER MANAGEMENT



Mixed investment returns for Storebrand Life Insurance. Of the 11 portfolios managed for Storebrand Life Insurance, five produced a better return than benchmark. However weak performance from the international equity portfolio caused the overall return to fall short of benchmark. The major positive contributions came from the Norwegian equity and bond portfolios.

Among the mutual funds offered by Storebrand, Norwegian equity funds consistently outperformed the benchmark index for Oslo Børs. International equity funds also produced a good return in 2005, but did not outperform their benchmark indices. Money market funds produced a better return than benchmark, while bond funds were somewhat weaker than benchmark. The Delphi mutual funds are managed with a distinct and focused investment philosophy which has generated very good results for many years, including 2005.

Profitable growth. Storebrand Investments continued work on improving cost efficiency and simplifying its asset management products in 2005. The Gjensidige mandate confirms the quality at all stages of the Storebrand Investments asset management process, and provides a sound foundation for winning new mandates in future years.

BANKING

MARKETS AND STRATEGY

A modern bank. Storebrand Bank is a modern and ambitious commercial bank for private individuals and selected segments of the corporate banking market. The bank aims to be seen as a bank that is easy to relate to, with competitive products and prices. Storebrand Bank had total assets of NOK 29 billion at the close of 2005. The bank's objective is to build a stronger and more visible presence in the Norwegian banking market through closer collaboration with Storebrand's other business areas.

Storebrand Bank supports Storebrand's overall strategy of being a leading financial institution for savings and insurance by building good customer relationships with a broad range of attractive customers. The bank's products play a central role in developing customer relationships through regular contacts and a good understanding of individual customers' personal finances. Competitively priced banking products help to increase customer interest in Storebrand and create opportunities for cross selling.

Selective growth. Storebrand Bank implemented a number of measures to further the bank's growth objectives in 2005. The introduction of free banking together with significantly more competitive terms and conditions for mortgage lending played an important role in promoting this growth. The lending portfolio grew from NOK 24 billion to NOK 27 billion in 2005. The bank also saw very strong growth in the number of new accounts with almost 12,000 accounts opened in 2005 as compared to 6,100 in 2004. The bank continued its focus on selected sectors of the corporate market. Storebrand Bank operates in the corporate market as a niche bank for real estate investors and developers in Oslo and the surrounding area, with total corporate banking assets of around NOK 9.5 billion. The bank offers financial products and services only to companies in its defined geographic area. The focus on real estate financing is based on the bank's particular expertise in this area and the earnings potential it represents for the bank as a whole.

Storebrand Bank reported a profit for 2005, with clear improvements in important areas. The bank has increased its lending portfolio in strategic areas, costs continue to fall, and non-performing and loss-exposed loans have been reduced further. The bank has good capital adequacy and liquidity.

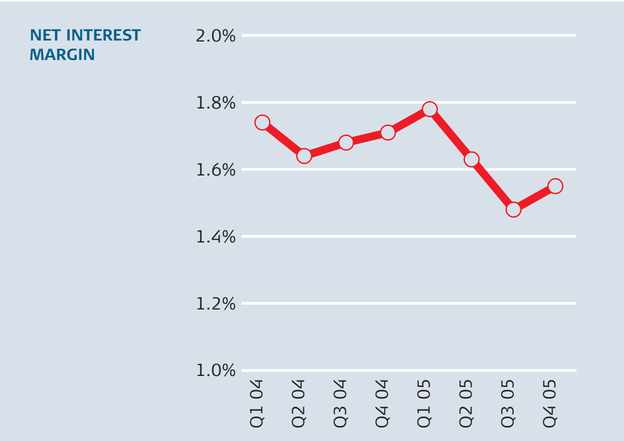
FINANCIAL RESULTS FOR 2005

The Storebrand Bank Group reported a profit before loan losses of NOK 206.6 million in 2005, as compared to NOK 113.2 million in 2004. Loan losses and provisions represented a net write-back of NOK 34.4 million for 2005, compared to a write-back of NOK 7.4 million in 2004. Pre-tax profit for 2005 was NOK 241.1 million, up from NOK 120.7 million in 2004. After a tax charge of NOK 47.0 million, the bank group reported a profit for the year of NOK 194.1 million.

STOREBRAND BANK

NOK million	2005	2004
Net interest income	451	444
Other income	102	242
Operating expenses	–346	–573
Loan losses and provisions	34	7
Profit before tax	241	120
Profit after tax	194	72

Lower net interest income. Net interest income amounted to NOK 450.6 million. This represents a net interest margin calculated on average total assets of 1.60%. Net interest income improved in 2005, mainly as a result of increased lending.



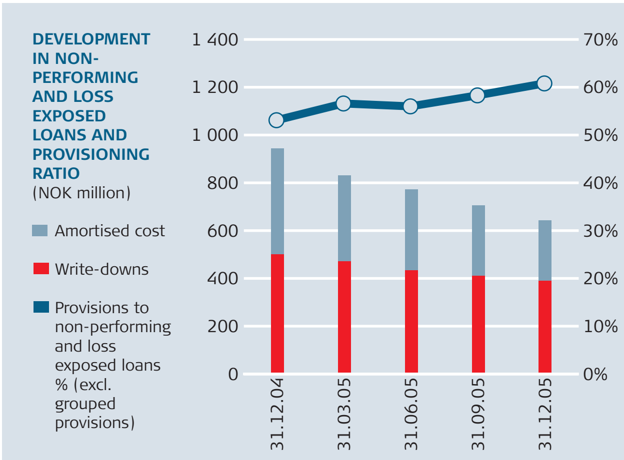
Other income. Other income totalled NOK 102.4 million. This represents a natural decline from 2004 due to the sale to Storebrand Life Insurance of the Retail Market unit, which is responsible for the Storebrand group's distribution to the retail market.

Significant reduction in operating expenses. Operating expenses totalled NOK 346.3 million, equivalent to 63% of operating income. This represents a reduction of NOK 227 million, or 40%, from 2004. The main reason for this is the sale of the Retail Market unit as mentioned above. Operating expenses for the banking activities in isolation have shown a positive trend expected to continue.

LOAN PORTFOLIO AND PROVISIONS. Gross customer lending increased by NOK 2.7 billion in 2005, equivalent to 11.3%. If the figures are corrected for the sale of Finansbanken AS (Denmark), growth in lending was NOK 3.6 billion. Growth in lending was principally to the retail market and was largely the result of the introduction of free banking for routine banking services and better interest rates on large loans with good security. The bank further reduced its portfolio of non-performing and loss exposed loans, while strategic corporate lending showed sound growth.

The bank's customer deposits fell by NOK 276 million in 2005. The deposit-to-loan ratio was 42% at year-end, a decline of 6 percentage points in the year. The bank has a balanced and well-adapted funding structure, basing its funding on customer deposits, issuing securities and borrowing in the Norwegian and international markets. At the close of 2005 the bank had available undrawn committed credit facilities totalling NOK 2.4 billion.

NON-PERFORMING LOANS, LOAN LOSSES AND ASSETS REPOSSESSED. The volume of non-performing loans on which impairment has been identified reduced in 2005. The value of non-performing and loss exposed loans on which impairment has been identified was NOK 641.1 million at year end, an overall reduction of NOK 301.8 million since 1 January 2005 (following the introduction of IAS 39). The net value of non-performing and loss exposed loans on which impairment has been identified after individual write-downs was NOK 251.5 million at the close of 2005, equivalent to 1% of gross lending. Under the previous accounting regulations, non-performing and loss exposed loans on which impairment had been identified totalled NOK 853.8 million at 31 December 2004.



Losses on loans and guarantees represented a net write-back in 2005 of NOK 34.4 million, and write-downs of individual loans totalled NOK 389.6 million at 31 December 2005. The bank has also made grouped provisions of NOK 89.2 million, equivalent to 0.3% of gross lending.

CAPITAL ADEQUACY. Storebrand Bank group's primary capital amounted to NOK 1,958 million at the close of 2005, and the parent bank had primary capital of NOK 1,951 million. This represents a capital ratio of 10.4% (10.4% for the parent bank) and a core capital ratio of 8.2% (8.2% for the parent bank). The bank reduced its primary capital by NOK 399 million in 2005. A more efficient capital base combined with improving earnings will help the bank to generate a significantly stronger return on equity in future periods.

BASLE II. Storebrand Bank intends to implement internal rating-based methods for the new capital adequacy regime. The bank's preparations for Basle II will focus on the commercial opportunities of the new regime. The transition to Basle II will require major investments in systems and procedures as well as changes to the bank's organisation and main business processes, but will also create significant commercial gains.

The preparations for Basle II support the bank's strategy and competitive position. Increased automation, improved decision support and use of customer data in market modelling will pave the way for rapid but controlled growth. Individual risk pricing will enable concentration on profitable customers. The systems developments driven by the Basle II regulations will also be of general commercial benefit for financial management and marketing. This will ensure that the bank retains a competitive position relative to its competitors.

OTHER ACTIVITIES

Other activities principally comprise Storebrand ASA, Fair Forsikring and the run-off activities of Storebrand Skadeforsikring.

OTHER ACTIVITIES

NOK million	2005	2004
Storebrand ASA*)	599	2 280
Fair Forsikring	22	14
Storebrand Skadeforsikring	19	-16
Other activities/elimininations **)	-681	-831
Profit before tax	-41	1 446

*) Including dividends/group contributions from subsidiaries.

**) Including elimination of dividends/group contributions from subsidiaries and gains from sale of If Skadeförsäkring

STOREBRAND ASA (HOLDING COMPANY). The following table shows the profit before tax of Storebrand ASA in accordance with IFRS. The statutory accounts of Storebrand ASA are prepared in accordance with Norwegian accounting legislation and NGAAP and can be found on page 88. Storebrand ASA reported profit before tax in accordance with IFRS of NOK 599 million for 2005 as compared to NOK 2,280 million for 2004.

STOREBRAND ASA

NOK million	2005	2004
Group contributions and dividends	611	568
Interest income	58	87
Interest expense	-53	-112
Gain/loss on securities	213	1 945
Other financial items	-116	-60
Net financial items	101	1 861
Operating costs	-113	-149
Profit before tax	599	2 280

Net financial items were positive in 2005, principally due to three factors: Firstly, the sale of Fair had a positive effect of NOK 70 million due to the reversal of previous write-downs. Secondly, interest expenses was considerably lower following repayment of the exchangeable bond. Finally, Storebrand ASA has significant unrealised gains on its shares in Steen & Strøm.

Storebrand ASA's operating costs were 15% lower in 2005 than in 2004. The company continues to target a reduction in annual operating costs of NOK 50 million from the 2003 level to NOK 60 million in 2007.

FAIR FORSIKRING AND THE RUN-OFF ACTIVITIES OF STOREBRAND SKADEFORSIKRING. Following the sale of Storebrand's interest in If in 2005, the group's non-life insurance activities now consist of Fair Forsikring (50% ownership interest), Storebrand Skadeforsikring AS and Oslo Reinsurance Company ASA.

Fair Forsikring, established in 1998, sells non-life insurance in the Danish market. Storebrand ASA announced on 19 December 2005 that it had reached agreement to sell its 50% interest in Fair Forsikring to Gjensidige Forsikring. The transaction is conditional on approval by the relevant authorities, and is expected to complete in the first half of 2006. The transaction values Fair Forsikring at DKK 425 million, and will give Storebrand a pre-tax gain in its consolidated accounts of around NOK 40 million. Storebrand's share of the profits of Fair amounted to NOK 22 million for 2005 as compared to NOK 14 million for 2004.

Oslo Reinsurance Company, 100% owned by Storebrand Skadeforsikring, is principally involved in the run-off of its own reinsurance business and managing other companies' run-off business. The other activities of Storebrand Skadeforsikring presently comprise the run-off of its gross insurance commitments (fronting responsibility) which are reinsured with If Skadeförsäkring. Storebrand Skadeforsikring and Oslo Re generated an operating profit of NOK 19 million in 2005 as compared to a loss of NOK 16 million in 2004.

MONITORING VALUE DRIVERS – STOREBRAND'S VALUE-BASED MANAGEMENT SYSTEM

Storebrand's strategic planning process brings together targets, action plans, reporting and employee remuneration, as described in the article on corporate governance on pages 36–39.

In addition to monitoring financial and accounting results, Storebrand also monitors the group's performance in relation to defined value drivers. This lets the Board and management identify trends at an early stage, implement measures and focus on long-term value creation.

The monthly management report, Storebrand Compass, reports on performance of key figures and value drivers relative to targets for each business area. Storebrand Compass is based on balanced scorecard management principles, with the value drivers divided into the areas of finance, customers, processes and skills/growth. The table below shows, as an example, selected parameters in the categories of finance and customers together with an evaluation of the company's performance in these areas in 2005.

FINANCIAL RISK MANAGEMENT

Storebrand assumes financial risk in the ordinary course of its core business activities. Good risk management and control of risk exposure is essential to the group's profitability and to ensuring that the group has the financial strength to withstand adverse developments and limit the losses these may cause.

Risk management for life insurance. Risk exposure in respect of the group's life insurance activities relates to investment of policyholders' assets until they are paid as benefits, and the contractual commitments that Storebrand has to its policyholders. As an example, all savings-related life insurance policies are guaranteed a minimum annual return, currently 3.6% on average. This places particular demands on how the life insurance company allocates its investments between asset classes.

The aim of risk management is to achieve the highest possible return for customers and the owner over the long term at an acceptable risk level. Investment risk is continuously monitored using a range of statistical tools and tests. For instance, Storebrand uses 'Conditional Value at Risk' as a method for calculating the potential for loss on a one-year horizon for a given probability, including worst-case losses. This is evaluated in the light of the guaranteed annual return and the company's risk capital financed by policyholders and the owner.

The expected return on the investment portfolio is calculated on the basis of asset allocation and the expected return on each

	2005	Performance
Finance		
Ranking life company's investment return relative to selected competitors (1-5) [1]	5	Room for improvement
Growth in life insurance premium income excluding transfers last year (NOK million)	984	Very good
Profit from products not subject to profit-sharing (NOK million)	168	Very good
Growth in net interest income last year (Storebrand Bank) (NOK million)	7	Satisfactory
Growth in investment management fees from external clients last year (Storebrand Investments) (NOK million)	(28)	Room for improvement
Customers		
Market share (new business)		
– Occupational pensions (benefit/contribution) excluding transfers	43%	Very good
– Group life [2]	16%	Satisfactory
– Long-term pension savings and mutual funds [3]	6%	Room for improvement
– Individual endowment policies	59%	Very good
– Personal risk products [4]	12%	Room for improvement
Transfers of pension business (NOK million)	564	Very good
KTI – Norwegian customer survey [5]	67	Very good
Number of products per retail customer	1.47	Room for improvement
Number of new banking customers (gross) [6]	5 427	Satisfactory
Brand awareness [7]	55%	Room for improvement

1) Investment return III. Storebrand's ranking in terms of Investment return III vs. Sparebank 1, Nordea, Vital and KLP as at Q4 2005.
2) Storebrand's market share for corporate group life business as at Q3 was 40.2%.
3) Equity/combination funds, Unit Linked and Annuity/IPA weighted by total market sales volumes.
4) Norwegian Financial Services Association statistics, which exclude disability pensions amongst others
5) Scale from 0-100 showing whether corporate customers are satisfied with product delivery, whether we meet their expectations and their experience of Storebrand relative to our competitors.
6) Both retail and corporate customers. Measured in terms of new customer numbers.
7) From brand position market research in November 2005.

asset class based on historic return, expected risk premium and forward prices. Expected return for the next few years is between 5% and 6%.

Active risk management and hedging transactions reduce the likelihood of a low investment return. If investment return is not sufficient to meet the guaranteed interest rate on policyholders' funds, currently 3.6% on average, the shortfall will be met by using risk capital built up from previous surpluses. The owner is responsible for meeting any remaining shortfall. The average guaranteed interest rate is expected to fall in future years. New contracts include a guaranteed interest rate of 2.75%.

The company's risk capital is the total of the market value adjustment reserve, statutory additional reserves, core capital in excess of the regulatory minimum and accrued earnings. Risk exposure is monitored using stress tests that estimate potential loss in the event of extreme market movements. Storebrand ensures that it meets all regulatory requirements such as capital ratio and solvency capital ratio by a comfortable margin. The Board of Directors approves limits for these and other risk measures. The life insurance company monitors risk exposure and reports to management regularly (daily if required).

Financial markets can fluctuate widely in a short space of time, affecting the company's risk exposure. Storebrand continually manages its risk exposure to keep it within limits approved by the Board of Directors in several ways: Firstly, considerable importance is attached to building sufficient risk capital to absorb losses. Secondly, risk exposure is diversified as much as possible by investing in assets that are not expected to cause losses as the same time. Thirdly, securities with different risk levels are bought and sold. Finally, hedging instruments such as options are used. This combination allows a good control of the life insurance company's total exposure to financial risk.

Life insurance policies are long-term commitments, and there are risks associated with the assumptions made about life expectancy and disability. Premiums paid by policyholders and the investment returns achieved may therefore not be sufficient to meet the payments guaranteed in the future. Mortality, disability and other insurance risks are monitored by using actuarial analyses, including stress testing the existing portfolio of policies. The company has arranged reinsurance cover for death and disability risk in the event of unexpectedly large losses or a large number of losses caused by a single event.

Life insurance profits are shared between the owner and policyholders (except products without profit-sharing). The profit allocated to the owner is subject to an upper limit of 35% of the year's profit for investment returns up to between 5% and 6%. Where investment returns are higher, the proportion of surplus allocated to the owner is limited by the profit-sharing model already communicated to the market.

Following the introduction of the new Insurance Activities Act, expected in 2008, part of the portfolio will be subject to a modified profit-sharing model. For other parts of the portfolio, the profit-sharing model will in principle cease to apply.

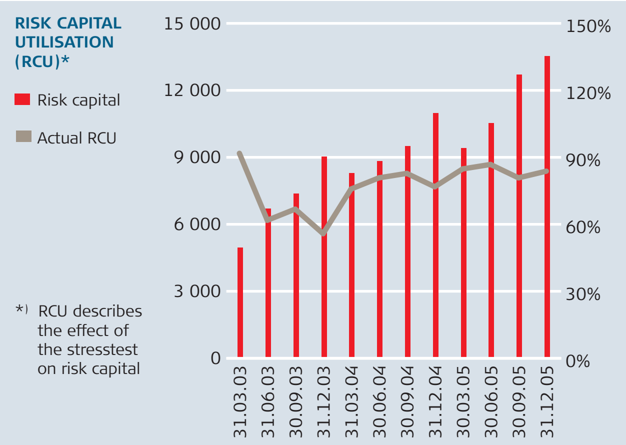
The Financial Supervisory Authority of Norway (Kredittilsynet) published a report dated 9 December 2005 on transitional capital adequacy requirements for Norwegian insurance companies in the period 2007-2009. The report considers alternatives to the capital adequacy regime known as Basle I currently in force (due to be replaced by Basle II for banks from 1 January 2007) for the period leading up to the introduction of the harmonised European capital adequacy regulations known as Solvency II that will come into force in 2010 at the earliest. Kredittilsynet's recommendation to the Ministry of Finance is to introduce regulations similar to the future Solvency II regulations, following the example of Denmark, Sweden, Holland and the United Kingdom.

This requires insurers' liabilities to be discounted using the risk-free interest rate and assets to be subject to a stress test. Introducing such a regime in Norway involves challenges related to the size of the Norwegian government bond market, integration with other financial markets, interaction with the new Insurance Activities Act, the unique Norwegian rules on transfers of insurance business and the level of risk capital in Norwegian insurance companies. Storebrand is of the view that an uncritical acceptance of the proposed regulations may have unfortunate consequences for policyholders and owners. It is as yet unclear whether and to what extent the Ministry of Finance will follow the recommendations made by Kredittilsynet.

Consequences of a low interest rate level. The current low level of interest rates causes various problems for the company. In the short term, the most apparent risk is that the company's investments will fall in value if bond prices are reduced by an unexpected increase in interest rates. At the close of 2005, Storebrand had sufficient risk capital to absorb a fall in market values equivalent to the company's stress test, which assumes an unexpected simultaneous increase in interest rates of one percentage point internationally and two percentage points in Norway combined with a sharp fall in equity and property values.

In the longer term, a persistently low level of interest rates could cause weaker earnings for the company if investment returns are close to the return guaranteed to policyholders. Over time this would weaken the company's ability to build up risk capital and this would, in isolation, increase the possible impact of the short-term risk of a fall in market values.

Storebrand takes a serious view of the challenge that low interest rates may represent over the longer term, and has implemented a number of measures to limit this risk. The group has invested in bonds to be held to maturity that generate a higher return than current interest rates. These bonds will produce a stable book investment return of 5% to 6% for a number of years. Storebrand has also hedged part of its money market portfolio against low interest rates. Investment opportunities that offer a higher return are closely evaluated, but the prospects for higher return are balanced against the risk of losses and falls in value. Real estate is an asset class with higher return than current interest rates, but where the risk of loss or depreciation is higher than for government bonds. Other alternative investment classes include infrastructure and natural resources (forestry, commodities etc.). Storebrand currently has small investments in such assets, but is looking at possibilities for increasing alternative investments with higher long-term return.



Risk management and control for asset management. Storebrand actively manages a large portion of its assets. This means that its fund managers are allowed a degree of freedom with the objective of producing a better return than the market. The group's asset management activities are structured into a number of specialist teams so that each team concentrates solely on taking advantage of investment opportunities in a specific area, subject to clearly defined investment criteria and risk limits. Performance, risk exposure and investment profile are continuously monitored. In addition, the co-variance of the teams' exposure is monitored to ensure the greatest possible independence in order to achieve the highest possible risk-adjusted return.

A separate team is responsible for managing market risk. This team's duties include currency hedging, program trading, hedging transactions, SRI criteria and liquidity transactions. The structure permits more efficient use of resources and greater control over active risk positions in the group's investment portfolio.

Credit risk in banking. Storebrand places great importance on maintaining close relationships with its corporate customers and monitoring credit risk, and has credit review policies in place. A significant proportion of the bank's corporate lending is linked to real estate in the greater Oslo area. Storebrand follows economic conditions and the real estate market in this region closely.

Lending to corporate customers over a certain limit requires the approval of a credit committee chaired by the bank's managing director, or by the bank's board of directors. Credit risk is monitored through a risk classification system that ranks each customer by ability to pay, financial condition and collateral.

The risk classification system estimates the likelihood of a borrower defaulting (ability to pay/financial condition) and the likely loss given default (collateral). All loans on the bank's watch list are reviewed at least quarterly in respect of the condition of the borrower and collateral, and of the steps being taken to protect the bank's position.

Over the last two years the bank has significantly upgraded its lending policies and credit approval procedures. Separate credit approval processes are now used for retail lending on the basis of credit scoring, combined with case-by-case evaluation of the borrower's ability to repay. Approximately 70% of lending to retail customers is secured by mortgages with loan to value ratios not exceeding 60%.

The Basle Committee has proposed changes to the regulations for calculating minimum capital requirements for banks from 2007. Storebrand has initiated a project to evaluate the changes required, and is preparing changes to internal systems for calculating and monitoring credit risk and operational risk.

Liquidity risk. Storebrand Bank maintains sufficient liquidity to support balance sheet growth and to repay funding and deposits as they mature. The bank manages its liquidity position on the basis of a rolling liquidity gap that shows the mismatch between expected inward and outward cash flows.

Storebrand has established good liquidity buffers in Storebrand Bank and other group companies, and continuously monitors liquidity reserves against internal limits. Committed credit lines from other banks are also available if necessary. Storebrand maintains relationships with a number of international banks, ensuring access to international capital market and providing greater diversity in the group's funding.

Overall risk management for the group. Storebrand invested in building a system for risk management reporting based on integrated balance sheet management of its life insurance activities in 2005. This allows the liabilities and assets of the life insurance company to be evaluated in relation to changes in exogenous variables such as interest rate levels. The system also incorporates established management principles for handling financial risk.

The system is already used for reporting European Embedded Value, and will be further developed in 2006 to cover economic capital and its return. The system will in due course be extended to companies in the group. The group Accounting and Finance function is responsible for the group's financial risk management. Organisational changes have been made so that the risk management functions in Storebrand Bank and Storebrand Investments are now integrated with the group Accounting and Finance function, ensuring more efficient control and management of the group's overall financial risk exposure.

Profit and loss account Storebrand Group

1 January–31 December

NOK MILLION	NOTE	2005	2004
Net premium income	33	19 466.0	18 653.2
Net interest income – banking	17	450.6	427.2
Net income and gains from financial assets at fair value:			
– shares, equity derivatives and other equity investments	17	6 016.5	5 645.7
– bonds, interest rate derivatives and other fixed-income securities	17	1 512.8	1 154.6
– financial derivatives and currency gains/losses, etc.	17	–281.0	–3.9
– income from financial assets with investment choice		721.3	252.6
Net income from bonds at amortised cost	17	2 409.9	2 492.0
Income from investment properties	14	885.7	878.7
Profit from investments in associated companies	10	6.8	195.3
Other income	12	635.2	835.9
Total income	3	**31 823.8**	30 531.3
Insurance claims for own account		–10 905.7	–10 631.0
Change in insurance reserves		–12 434.6	–11 539.5
Interest expense	17	–202.3	–245.1
Loan losses	18	34.4	7.4
Operating costs	4,8	–2 181.2	–2 186.1
Other costs		–255.9	–318.5
Total costs		**–25 945.3**	–24 912.8
To/from market value adjustment reserve	33	–1 150.1	–1 077.6
Operating profit/loss		**4 728.4**	4 540.9
To/from additional statutory reserves – life insurance		–950.0	–500.0
Funds allocated to policyholders – life insurance		–2 336.8	–1 496.0
Group profit/loss	3	**1 441.6**	2 544.9
Changes in security reserves etc. – non life insurance		3.2	11.7
Profit/loss from ordinary activities before tax		**1 444.8**	2 556.6
Tax payable	5	–41.1	–217.8
Minority interests' share of profit		–3.6	–1.6
Profit/loss for the period		**1 400.1**	2 337.2
Earnings per ordinary share		5.41	8.53

Balance sheet Storebrand Group

31 December

NOK MILLION	NOTE	2005	2004
ASSETS			
Deferred tax assets	5	109.5	186.2
Intangible assets	6	508.2	503.5
Pension assets	8	183.2	148.2
Tangible fixed assets	7	752.0	762.1
Investments in associated companies	10	138.3	137.5
Bonds held to maturity	19,22	31 412.1	33 050.5
Other bonds at amortised cost	19,22	9 259.5	6 301.0
Lending	19,29	26 976.6	24 124.3
Reinsurers' share of technical insurance reserves	33	2 395.5	2 804.8
Real estate at actual value	14	13 503.6	12 240.8
Other assets		150.7	109.0
Due from customers and other current receivables		6 306.6	4 117.0
Financial assets at fair value:			
– Shares and other equity investments	19,23	39 589.1	28 311.3
– Bonds and other fixed-income securities	19,24	57 539.3	51 262.8
– Derivatives	19,26	1 481.1	1 103.0
– Life insurance assets with investment choice	19,25	5 719.4	4 476.4
Other current assets		52.1	432.8
Bank deposits		5 768.7	6 957.8
Total assets	3	**201 845.5**	177 029.0
EQUITY AND LIABILITIES			
Paid in capital		3 081.8	3 133.2
Retained earnings		6 176.5	7 169.2
Value adjustment fund		12.0	7.2
Minority interests		7.2	2.3
Total equity		**9 277.5**	10 311.9
Subordinated loan capital	19,27	3 524.7	3 611.3
Market value adjustment reserve	33	3 862.5	2 767.2
Insurance reserves – life insurance	33	134 621.7	121 118.4
Reserve for life insurance with investment choice	33	5 719.4	4 476.4
Premium and claims reserves – non life insurance	33	2 992.1	3 396.9
Security reserves etc. – non life insurance	33	97.3	89.6
Pension liabilities	8	624.9	634.6
Financial liabilities			
– Liabilities to financial institutions	19,27	1 464.6	2 151.8
– Deposits from banking customers	19,27	11 187.0	11 463.0
– Securities issued	19,27	15 653.7	12 033.8
– Derivatives	19,26	5 302.9	1 693.3
Other current liabilities		7 517.2	3 280.8
Total equity and liabilities		**201 845.5**	177 029.0

Oslo, 14 February 2006

Translation – not to be signed

Leiv L. Nergaard
Chairman

Halvor Stenstadvold

Grace Reksten Skaugen

Mette K. Johnsen

Knut G. Heje

Birgitte Nielsen

Rune Eikeland

Erik Haug Hansen

Nina E. Smeby

Idar Kreutzer
Chief Executive Officer

Equity reconciliation Storebrand Group

	MAJORITY'S SHARE OF EQUITY				
	PAID-IN SHARE CAPITAL	VALUE ADJUSTMENT FUND	OTHER EQUITY	MINORITY INTERESTS	TOTAL EQUITY
Equity at 01.01.04 IFRS	**3 204.4**		**5 978.6**	**1.8**	**9 184.8**
Items posted directly to equity		7.2			7.2
Profit for the period			2 337.1	1.6	**2 338.7**
Equity transactions with owners:					
Own shares purchased	-76.3		-668.1		-744.4
Employee share issue	5.1				5.1
Dividend paid			-222.5	-1.0	-223.5
Foreign exchange differences/other			-255.9	-0.1	-256.0
Equity at 31.12.04	**3 133.2**	**7.2**	**7 169.2**	**2.3**	**10 311.9**
IAS 39 effects					
Financial assets and liabilities			-1.6		-1.6
Equity at 01.01.05	**3 133.2**	**7.2**	**7 167.6**	**2.3**	**10 310.3**
Items posted directly to equity					
Write up of properties for own use		4.8	0.2		5.0
Profit for the period			1 400.1	3.6	1 403.7
Equity transactions with owners:					
Own shares purchased	-51.4		-567.1		-618.5
Dividend paid			-1 823.4	-1.7	-1 825.1
Other			-0.9	3.0	2.1
Equity at 31.12.05	**3 081.8**	**12.0**	**6 176.5**	**7.2**	**9 277.5**

Cash flow analysis Storebrand Group

1 January – 31 December

NOK MILLION	2005	2004
Cash flow from operational activities		
Net premiums received – direct insurance	16 116.4	14 773.9
Net claims and benefits paid – direct insurance	–8 629.9	–7 185.5
Net claims and benefits paid – reinsurance	–3.9	
Net receipts/payments – policy transfers	505.1	–382.5
Interest, commission and fees received from customers	1 229.9	2 094.7
Interest, commission and fees paid to customers	–651.9	–981.9
Net receipts/payments – lending to customers	–3 055.5	–407.3
Net receipts/payments – loans to and claims on other financial institutions	153.7	–921.5
Net receipts/payments – customer deposits with the banking activities	84.2	–788.2
Net receipts/payments – deposits from Norges Bank and other financial institutions	–687.2	2.4
Net receipts/payments – securities in the trading portfolio:		
Shares and other equity investments	–7 447.6	–6 606.6
Bonds and other fixed-income securities	–3 787.5	–1 991.6
Financial derivatives and other financial instruments	2 806.7	1 237.8
Dividend receipts from the trading portfolio	36.4	134.4
Payments to third parties for goods and services	1 713.3	–1 801.2
Net receipts/payments – real estate activities	–315.2	–2 090.2
Payments to employees, pensioners, employment taxes etc.	–1 078.9	–1 286.6
Payments of tax, duties etc.	25.8	–4.2
Net receipts/payments – other operational activities	0.4	
Net cash flow from operational activities	**–2 985.8**	**–6 204.1**
Cash flow from investment activities		
Net receipts from sales of subsidiaries	250.2	4 852.0
Receipts on sale of real estate		2.7
Payments on purchase of real estate	–12.4	–2.7
Net receipts/payments on sale/purchase of fixed assets etc.	–40.9	14.4
Net cash flow from investment activities	**196.9**	**4 866.4**
Cash flow from financing activities		
Repayment of long term lending	–79.5	–1 039.7
Receipts from taking up term loans	1 578.2	
Receipts from issue of commercial paper/short-term loans	182.2	
Receipts from subordinated loan capital	6.9	
Interest payments on subordinated loans	–255.3	178.2
Receipts from issue of bond loans and other long-term funding	3 007.6	3 612.5
Repayment of bond loans and other long-term funding		–0.1
Receipts from issue of new capital	0.7	4.2
Payments on redemption of share capital	–1 017.8	
Dividend/group contribution payments	–1 823.4	–222.5
Net cash flow from financing activities	**1 599.7**	**2 532.6**
Net cash flow for the period	**–1 189.1**	**1 194.9**
Net movement in cash and cash equivalent assets	–1 189.1	1 194.9
Cash and cash equivalent assets at start of the period	6 957.8	5 762.9
Cash and cash equivalent assets at the end of the period	**5 768.7**	**6 957.8**

Contents Notes to the accounts of Storebrand Group

Accounting Principles Storebrand Group

The accounting principles used for the preparation of the consolidated accounts are described below. The principles are applied consistently to similar transactions and to other events under similar circumstances.

The consolidated accounts of Storebrand ASA are prepared in accordance with the EU-approved International Financial Reporting Standards (IFRS). The accounts are prepared in accordance with the historic cost principle, with the exception of:

- Investment properties valued at fair value
- Properties valued at written-up value
- Financial instruments valued at fair value

USE OF ESTIMATES IN PREPARING THE ANNUAL ACCOUNTS

The preparation of the accounts has involved the use of estimates and assumptions that have an effect on assets, liabilities, revenue, costs, the note to the accounts and information on potential liabilities. The final values realised may differ from these estimates.

CONSOLIDATION

The consolidated financial statements combine Storebrand ASA and companies where Storebrand ASA has the power to exercise a controlling influence. A controlling influence is normally achieved where the group owns, directly or indirectly, more than 50% of the shares in a company and the group has the power to exercise control over the company. Minority interests are included in the group's equity capital.

The acquisition method of accounting is used to account for the purchase of subsidiaries. No acquisitions were made in the period. Investments in associated companies (normally investments of between 20% and 50% of the associated companies' equity capital) where the company exercises significant influence are consolidated in accordance with the equity method. 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.

Presentation currency and currency translation of foreign companies. The group's presentation currency and functional currency is the Norwegian krone (NOK). Foreign companies included in the group that use a different functional currency are translated to NOK by translating the profit and loss account at the average exchange rate for the accounting year and translating the balance sheet at the exchange rate at close of the accounting year. Any translation differences are booked directly to equity.

Elimination of internal transactions. Internal receivables and payables, internal profits and losses, interest and dividends, etc. between group companies are eliminated in the consolidated accounts.

Consolidation of fund investments. In the consolidated accounts, fund investments are consolidated if they are considered to be of particular importance for Storebrand's investment needs, Storebrand holds a high proportion of the fund, and Storebrand is the manager of the fund.

SEGMENT REPORTING

The group is organised into life insurance activities, banking activities, asset management activities and other activities in accordance with the range of products/services offered. Business areas are the group's primary reporting segments. Financial information in respect of these segments is presented in note 3. No geographic segment information is produced since there are no material differences in risk or yield profile between different geographic areas within Norway, and the group's foreign activities are immaterial in relation to the activities in Norway.

TANGIBLE FIXED ASSETS

The group's tangible fixed assets comprise equipment, fixtures and fittings, vehicles, IT systems and properties used by the group for its own activities.

Equipment, fixtures and fittings, vehicles and IT systems are valued at acquisition cost reduced by accumulated depreciation and any write-downs.

Properties used for the group's own activities are valued at written-up value less accumulated depreciation and write-downs. The fair value of these properties is tested annually in the same way as described for investment properties. Increases in the value of properties used for the group's own activities are not recognised to profit and loss but are recognised as a change in the revaluation reserve that forms part of equity. Any write-down of the value of such a property is first applied to the revaluation reserve for increases in the value of the property in question. If the write-down exceeds the revaluation reserve for the property, the excess is recognised to profit and loss.

Straight-line depreciation is applied over the following periods:

Properties	15-50 years
Equipment, fixtures and fittings	4 years
Vehicles	5 years
IT systems	3-6 years

The depreciation period and the method of depreciation are reviewed annually to ensure that the method and period used correspond with the commercial reality for the asset in question. This also applies to the disposal value. Properties are split into components if different parts have different periods of expected commercial life. The depreciation period and method of depreciation are evaluated separately for each component.

Consideration is given to writing down the value of an asset if there are indications of a fall in its value.

INVESTMENT PROPERTIES

Properties leased to tenants outside the group are classified as investment properties. In the case of properties occupied partly by the group for its own use and partly let out to tenants, the identifiable tenanted portion is treated as an investment property.

Investment properties are valued at fair value. Fair value is assessed at each reporting date. Changes in value are recognised to profit and loss. Each investment property is valued separately by discounting the future net income stream by the appropriate yield requirement for the investment in question. The net income stream takes into account current and future loss of income due to vacancy, essential investment and an estimate of future changes in market rent. The yield requirement is determined on the basis of the expected future risk-free interest rate plus an individually determined risk premium dependent on the rental situation and the location and standard of the property. Valuation is also compared against observed market prices

When an investment property is first capitalised it is valued at acquisition cost, i.e. the purchase price plus costs directly attributable to the purchase.

If an investment property becomes a property used by the group for its own activities, the cost price for the property in own use is deemed to be fair value at the time of reclassification. If a property previously used by the group for its own activities is rented to external tenants, the property is reclassified as an investment property and any difference between book value and fair value at the time of reclassification is recognised as a valuation change to properties carried at written-up value. (See the description for properties held as fixed assets). Changes in fair value that arise following the reclassification are applied to profit and loss.

INTANGIBLE ASSETS

Other than goodwill, the group's intangible assets largely relate to customised software developed in-house. Such intangible assets are valued at acquisition cost reduced by accumulated depreciation and any write-downs. The depreciation period and the method of depreciation are reviewed annually. New intangible assets are only capitalised if it can be demonstrated that it is likely that the group will gain future commercial benefit that is directly applicable to the asset in question. In addition, it must be possible to estimate the cost price of the asset reliably. The value of an intangible asset is tested for impairment if there are indications of a fall in its value, otherwise intangible assets are subject to write-downs and reversals of write-downs in the manner described for tangible fixed assets.

GOODWILL

Excess value arising from the acquisition of business activities that cannot be allocated to specific asset or liability items at the date of acquisition is classified as goodwill in the balance sheet. Goodwill is not appreciated, but is tested annually for impairment. If the discounted cash flow in respect of future earnings from the unit to which goodwill is allocated is lower than the book value of the unit, goodwill is written down to fair value. Write-downs of goodwill are never reversed, even if there is information in future periods that the impairment no longer exists or is of a lesser amount. Gains or losses on the sales of companies in the group include the goodwill related to the company in question

PENSION LIABILITIES FOR OWN EMPLOYEES

Storebrand's pension scheme for its own employees is a defined benefit pension scheme. Pension costs and pension liabilities for defined benefit pension schemes are calculated using a linear accrual of entitlement to pension and expected final salary, based on assumptions for discount rate, future salary increases, pensions and benefits from the national insurance fund, the future return on pension assets and actuarial assumptions on mortality, early leavers etc. The discount rate is equivalent to the risk-free interest rate taking into account the average remaining period for accrual of pension entitlement. The net pension cost for the period is made up of the sum of pension entitlement accrued in the period, interest cost on the calculated pension liability and the expected return on pension assets.

The effect of differences between assumptions and actual experience (experience adjustments) 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).

Storebrand has both insured and uninsured pension arrangements. The insured scheme is insured with Storebrand Livsforsikring AS (Storebrand Life Insurance), which is a company in the Storebrand group. Premiums paid in respect of Storebrand employees are therefore eliminated from consolidated premium income.

TAX

The tax charge in the profit and loss account consists of tax payable for the accounting year and changes in deferred tax. Deferred tax and deferred tax assets are calculated on the basis of differences between accounting and tax values of assets and liabilities. Deferred tax assets are recorded in the balance sheet to the extent it is considered likely that the group will have sufficient taxable profit in the future to make use of the tax asset.

PROVISION FOR DIVIDEND

In accordance with IAS 10 that addresses events after the balance sheet date, proposed dividend is classified as equity until such time as the general meeting approves the dividend payment.

ACCOUNTING FOR INSURANCE BUSINESS

The accounting standard IFRS 4 addresses the accounting treatment of insurance policies. The Storebrand group's insurance policies fall within the scope of the standard. The accounting reserves required in respect of insurance policies are the subject of specific Norwegian legislation and are in accordance with IFRS 4.

LIFE INSURANCE

Premium income. Net premium income comprises premium amounts that fall due during the year, transfers of premium reserves and premiums on reinsurance ceded. Accrual of premiums earned is made through allocations to the premium reserve in the insurance fund.

Claims paid. Claims for own account comprise claims settlements paid out less reinsurance received, premium reserves transferred to other companies, reinsurance ceded and changes in claims reserves. Claims not settled or paid out are provided for by allocation to the claims reserve as part of allocations to technical insurance reserves.

Transfers of premium reserves etc. Transfers of 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 reduced/increased at the same date. The premium reserve transferred includes the policy's share in additional statutory reserves, the market value adjustment reserve 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 transfers is recognised as part of the item 'other insurance related income and expenses'.

Profit allocated to insurance policyholders. The guaranteed yield on the premium reserve and on the premium 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'.

Technical insurance reserves – life insurance. The accounting standard for insurance policies (IFRS 4) requires the use of a so-called sufficiency test to determine whether insurance reserves are sufficient. This test has not caused any changes to the size of the technical insurance reserves.

Premium reserve. Premium reserve represents the present value (discounted at a rate equivalent to the guaranteed interest rate) of the company's total insurance obligations including administration costs in accordance with the individual insurance policies, after deducting the present value of 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 equivalent to 100% of the guaranteed surrender/transfer value of insurance policies prior to any charges for early surrender/transfer and the policies' share of the market value adjustment reserve.

The premium reserve is calculated using the same assumptions as those used to calculate premiums for individual insurance policies, i.e. assumptions on mortality and disability rates, interest rates and costs. Premium tariffs are based on the observed level of mortality and disability in the population with the addition of security margins that take into account, inter alia, expected future developments in this respect.

The premium reserve includes reserve amounts for future administration costs for all lines of insurance including settlement costs (administration reserve). In the case of paid-up policies, the present value of all future administration costs is provided in full 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.

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 statutory reserve is set at the difference between the premium reserve calculated on the basis of a 3.5% guaranteed return on policies outstanding, and the premium reserve calculated on the basis of the actual guaranteed return in the policies. Kredittilsynet (the Financial Supervisory Authority of Norway) has specified a limit for the additional statutory reserves that apply to each policy 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 Kredittilsynet. The allocation to additional statutory reserves is a conditional allocation to policyholders that is recognised in the profit and loss account as a statutory reserve 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. The amount released cannot exceed the equivalent of one year's interest rate guarantee.

Premium fund/deposit fund. The premium fund contains - premiums prepaid by policyholders as a result of taxation regulations for individual and group pension insurance and allocated profit share. Credits and withdrawals are not booked through the profit and loss account but are taken directly to the balance sheet.

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 either not yet reported or not yet settled (IBNR and RBNS). The reserve only covers amounts which might have been paid in the accounting year had the claim been settled.

Security reserve. The security reserve is a statutory reserve to cover unexpected insurance risks. The calculations are made by an actuary in accordance with regulations published by Kredittilsynet. It is possible to increase the reserve by 50% above the minimum allocation. In special situations Kredittilsynet may permit all or part of the reserve be used to cover a fall in the value of in the value of bonds or of shares classified as current assets. In the accounts the entire reserve is shown as a mandatory reserve.

Unit Linked/defined contribution pensions. Unit linked products and defined contribution pension products are sold through Storebrand Fondsforsikring AS. Financial assets are valued at market value. The level of technical reserves required in respect of such policies is determined by the market value of the financial assets. The company is not exposed to any investment risk on customers' funds since it does not guarantee any minimum return. The sole exception is in the event of death, when the deceased's estate is entitled to a refund of premiums paid for annuity insurance.

NON-LIFE INSURANCE

Premium reserve and claims reserve. The premium reserve is a reserve for unearned premiums in respect of the unexpired risk period, and is a reserve against claims not yet incurred. The claims reserve is a reserve for expected claims that have been notified but not settled. The reserve also covers expected claims for losses that have been incurred, but have not been reported at the expiry of the accounting period. The reserve includes the full amount of claims reported but not paid. A calculated provision is made in the reserve for claims incurred but not reported (IBNR) and claims reported but not settled (RBNS).

FINANCIAL INSTRUMENTS

GENERAL PRINCIPLES AND DEFINITIONS

Recognition and derecognition. Financial assets and liabilities are included in the balance sheet from such time as Storebrand becomes party to the instrument's contractual terms and conditions. Normal purchases and sales of financial instruments are booked on the transaction date. When a financial asset or a financial liability is first recognised in the accounts, it is valued at fair value plus, in the case of a financial asset or a financial liability that is not a financial asset or a financial liability at fair value through profit and loss, transaction costs directly related to the acquisition or issue of the financial asset or the financial liability.

Financial assets are derecognised when the contractual right to the cash flow from the financial asset expires, or when the company transfers the financial asset to another party in a transaction by which all, or virtually all, the risk and reward associated with ownership of the asset is transferred.

Definition of amortised cost. Subsequent to inception, hold to maturity financial assets, loans and receivables as well as financial liabilities not at fair value through profit and loss, are valued at amortised cost using the effective interest method. The calculation of the effective interest rate involves estimating all cash flows and all contractual terms of the financial instruments (for example early repayment, call options and equivalent options). The calculation includes all fees and margins paid or received between the parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Definition of fair value. "Fair value" is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. 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, and in the case of an asset that is to be acquired or a liability that is held, the offer price.

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. If a valuation technique is in common use by participants in the market and this technique has proved to provide reliable estimates of prices actually achieved in market transactions, this technique is used.

The fair value of loans recognised at amortised cost is estimated on the basis of the current market rate of interest on similar lending. Write-downs of loans are taken into account both in the amortised cost and when estimating fair value. When estimating the fair value of a loan, consideration is also given to the development of the associated credit risk in general.

Impairment of financial assets. In the case of financial assets that are not recognised at fair value, consideration is given on each balance sheet date to whether there are objective signs that the value of a financial asset or a group of financial assets is impaired.

If there is objective evidence that impairment has occurred, the amount of the loss is measured as the difference between the asset's book value and the present value of estimated cash flows (excluding future credit losses that have not occurred) discounted at the financial asset's original effective interest rate. (i.e. the effective interest rate calculated at the time of inception). The book value of the asset is reduced either directly or by using a provision account. The amount of the loss is recognised to profit and loss.

Losses that are expected to occur as a result of future events are not included in the accounts, regardless of how likely it is that the loss will occur.

CLASSIFICATION AND MEASUREMENT OF FINANCIAL ASSETS AND LIABILITIES

Financial assets are classified into one of the following categories:

- available for sale,
- at fair value through profit or loss in accordance with the fair value option (FVO),
- hold to maturity investments,
- loans and receivables.

Available for sale. A financial asset is classified as available for sale if it is:

- acquired or incurred principally for the purpose of selling or repurchasing it in the near term, is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking, or
- is a derivative (except for a derivative that is a designated as an effective hedging instrument).

With the exception of derivatives, only a limited proportion of Storebrand's financial assets fall into this category.

Available for sale financial assets are measured at fair value at the balance sheet date. Changes in fair value are recognised to profit and loss.

At fair value through profit and loss in accordance with the fair value option. At the time of implementing IFRS and upon subsequent inception, any financial asset or liability can be classified at fair value through profit and loss if it is the case that:

- such a classification reduces a mismatch that would otherwise have occurred in measurement or recognition as a result of different rules for measurement of assets and liabilities
- the financial assets form part of a portfolio that is managed and evaluated on a fair value basis.

A significant proportion of Storebrand's holdings of financial instruments are classified in this group.

The accounting treatment is equivalent to that for hold to maturity instruments.

Hold to maturity investments. "Hold to maturity investments" are non-derivative financial assets with fixed or determinable payments and fixed maturity that the company has the intention and ability to hold to maturity, with the exclusion of:

- assets that are designated at inception as assets at fair value through profit and loss
- assets that are defined as loans and receivables.

Hold to maturity investments are valued at amortised cost, using the effective interest method. All investments in this category are owned by Storebrand Life Insurance.

Loans and receivables. "Loans and receivables" are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, with the exception of such assets that the company intends to sell immediately or in the short term that are classified as available for sale and such assets that the company designates at inception as assets at fair value through profit and loss.

Loans and receivables are valued at amortised cost using the effective interest method. Assets in this group relate principally to loans made by Storebrand Bank and unlisted securities held by Storebrand Life Insurance.

Loans and receivables that are designated as hedged items are subject to measurement in accordance with the requirements of hedge accounting.

Derivatives

Derivatives are defined as follows: A "derivative" is a financial instrument or other contract within the scope of IAS 39 with all three of the following characteristics:

- its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable (sometimes called the 'underlying'),
- it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors
- it is settled at a future date.

Accounting treatment of derivatives that are not hedging. Derivatives that do not meet the criteria for hedge accounting are treated as available for sale financial instruments. The fair value of such derivatives is classified as either an asset or a liability with changes in fair value through profit and loss.

The major part of derivatives used routinely for asset management fall into this category.

Accounting treatment of derivatives for hedging. Storebrand uses only fair value hedging where the items hedged are financial assets and financial liabilities measured at amortised cost. Derivatives that fall within this category are recognised at fair value through profit and loss, while changes in the value of the hedged item that relate to the risk hedged are applied to the book value of the item and are recognised through profit and loss.

Hedge accounting is principally relevant to the interest rate hedging of fixed rate funding and lending carried out by Storebrand Bank. In view of the unified principles for measuring hedged items and hedging instruments in the other parts of the group, this hedging reflects the group's ordinary valuation rules.

Market value adjustment reserve. Net unrealised gains/losses for the current year on financial assets at fair value 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 the profit and loss account. 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. The market value adjusted reserve applies only to Storebrand Life Insurance. In accordance with the accounting standard for insurance policies (IFRS 4) the market value adjustment reserve is shown as a liability.

Net 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. Similarly, the change in the value of the hedging instrument is not transferred to the market value adjustment reserve, but is charged 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.

Financial liabilities. Subsequent to inception, all financial liabilities are measured at amortised cost using the effective interest method.

Structured products. Storebrand Bank has issued equity index linked bonds. These products principally comprise the issue of a bond and the sale of an equity index option. At the time of issue, the equity index option is measured at fair value since the option is a derivative that is not closely related to the bond issue. The bonds issued are simultaneously measured at amortised cost. No gain is recognised in respect of structured gains at the time of issue ("day 1 gains").

Income recognition for asset management activities. Asset management fees are recognised to profit and loss when they are earned. Commissions paid to distributors of securities funds are reported in the profit and loss account as a reduction in revenue.

Notes to the accounts of Storebrand Group

01 Information on the transition to IFRS

Reconciliation of equity: NGAAP and IFRS

NOK MILLION	31.12.04	01.01.04
Equity at 31.12 (NGAAP)	8 917.2	9 396.0
Pensions	-629.4	-744.0
Bonus scheme for senior executives	-8.4	-6.7
Properties	32.7	34.3
Goodwill	30.1	
Deferred tax/deferred tax assets	18.3	127.3
Security reserves	111.0	156.5
Provision for dividend	1 840.4	221.4
Equity at 31.12/01.01 (IFRS)	10 311.9	9 184.8

IAS 39 effects	
Financial assets and liabilities	-1.6
Equity at 01.01.05 (IFRS)	10 310.3

Reconciliation of profit and loss: NGAAP and IFRS

NOK MILLION	2004
Profit and loss 2004 (NGAAP)	2 358.1
Pensions	-10.5
Bonus scheme for senior executives	-1.9
Depreciation of properties for own use	-10.9
Goodwill	30.1
Gains/losses	123.3
Tax	-105.0
Security reserves	-46.0
Profit and loss 2004 (IFRS)	2 337.2

NGAAP refers to Norwegian generally accepted accounting principles excluding IFRS.
The transition to IFRS had little effect on the cash flow analysis for 2004.

02 Profit and loss account Storebrand group 2004 and 2003 in accordance with NGAAP

NOK MILLION	2004	2003
Insurance premiums for own account	18 740.6	13 805.6
Net interest and other income – banking	1 171.8	1 803.9
Financial income – insurance	15 565.2	17 656.2
Financial income – other activities	1 489.4	238.6
Share in profit of If Skadeförsäkring	189.0	324.3
Other income	452.1	406.5
Total income	37 608.1	34 235.1
Claims and benefits paid for own account – insurance	-10 631.2	-8 295.2
Change in insurance reserves – life insurance	-11 626.5	-9 862.0
Interest and similar costs – banking	-744.7	-1 311.2
Losses on loans, guarantees etc. – banking	7.4	-173.8
Financial expense – insurance	-6 538.1	-7 540.0
Financial expense – other activities	-237.1	-284.8
Operating costs	-2 011.0	-2 041.7
Other costs	-314.7	-325.4
Total costs	-32 095.9	-29 834.1

CONT.	2004	2003
To/from market value adjustment reserve	–1 077.6	–1 689.6
Operating profit	**4 434.6**	**2 711.4**
To/from additional statutory reserves – life insurance	–500.0	–448.9
Funds allocated to policyholders – life insurance	–1 519.4	–1 368.9
Group profit	**2 415.2**	**893.6**
Changes in security reserve etc. – non life insurance	57.2	66.1
Profit/loss before tax	**2 472.4**	**959.7**
Tax payable	–112.6	–169.2
Minority interests' share of profit	–1.7	–0.9
Profit/loss for the period	**2 358.1**	**789.6**

See the 2004 Annual Report for information on the accounting principles used in 2004.

03 } Segment reporting

	LIFE INSURANCE		BANKING		ASSET-MANAGEMENT		OTHER		GROUP	
NOK MILLION	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
Revenue from external customers	30 696.2	27 742.2	552.9	701.5	184.9	186.3	389.8	1 901.3	31 823.8	30 531.3
Revenue from other group companies					82.8	147.4	–82.8	–147.4		
Group profit	1 217.0	930.8	241.0	120.8	24.2	46.9	–40.6	1 446.4	1 441.6	2 544.9
Assets	165 442.9	140 792.7	29 455.9	27 196.5	293.1	339.4	6 653.6	8 700.4	201 845.5	177 029.0
Liabilities	159 583.6	130 585.3	27 743.4	25 215.1	129.4	203.5	5 111.6	10 713.2	192 568.0	166 717.1

Key figures by business area – cumulative figures

NOK MILLION	**2005**	2004
Group		
Earnings per ordinary share (NOK)	**5.41**	8.53
Equity	**9 278**	10 312
Capital ratio	**11.2%**	15.3%
Life Insurance		
Storebrand Livsforsikring		
Premiums for own account *)	**18 318**	17 912
Policyholders' funds inc. accrued profit	**134 463**	121 066
Investment yield I **)	**6.9%**	6.4%
Investment yield II **)	**7.5%**	7.2%
Capital ratio (Storebrand Life group)	**10.9%**	14.4%
Operating costs as % of policyholders' funds	**1.06%**	0.90%
Storebrand Fondsforsikring		
Premiums for own account	**992**	619
Policyholders' funds	**5 719**	4 476
Storebrand Bank		
Interest margin %	**1.60%**	1.69%
Cost/income %	**63%**	84%
Non-interest income/total income %	**19%**	39%
Net lending	**26 279**	23 474
Capital ratio	**10.5%**	13.8%
Storebrand Investments (Asset management)		
Total funds under management	**204 825**	165 009
Funds under management for external clients	**49 716**	25 389

*) Including inward transfers of premium reserves

**) Investment yield I: Realised financial income including revaluations (positive or negative) of real estate.
Investment yield II: As Investment yield I but including change in unrealised gains on financial current assets.

04 Operating costs

MILL. KRONER	SB LIFE 2005	SB BANK 2005	OTHER 2005	STOREBRAND GROUP 2005	STOREBRAND GROUP 2004
Operating costs:					
Personnel costs	613.3	147.8	230.3	991.4	1 040.1
Depreciation	51.0	15.9	14.1	81.0	87.5
Other operating costs	661.8	182.6	264.4	1 108.8	1 058.6
Total operating costs	**1 326.1**	**346.3**	**508.8**	**2 181.2**	**2 186.1**

05 Tax

Tax charge to profit

NOK MILLION	2005	2004
Tax payable for the period	-2.9	-1.2
Change in deferred tax	-38.2	-216.6
Total tax charge	**-41.1**	**-217.8**

Reconciliation of expected and actual tax charge

NOK MILLION	2005	2004
Ordinary pre-tax profit	1 445.1	2 556.6
Expected tax on income at nominal rate	-404.6	-715.8
Tax effect of:		
Realised/unrealised shares	1 318.3	748.1
Dividends received	129.5	163.8
Associated companies	5.1	53.3
Permanent differences	54.4	5.0
Write-down of deferred tax assets	-1 143.8	-472.2
Tax charge	**-41.1**	**-217.8**
Effective tax rate	**-2.8%**	**-8.5%**

Calculation of deferred tax assets and deferred tax on timing differences and losses carried forward:

NOK MILLION	2005	2004
Tax increasing timing differences		
Securities	30.6	582.1
Real estate	1 050.1	965.9
Operating assets	616.3	604.0
Pre-paid pensions	186.6	242.2
Gains/loss account	1 255.1	1 542.6
Other	123.5	150.0
Total tax increasing timing differences	**3 262.2**	**4 086.8**
Tax reducing timing differences		
Securities	-1 635.4	-866.6
Real estate	-100.6	-126.4
Operating assets	-157.7	-215.1
Provisions	-75.9	-95.4
Accrued pension liabilities	-621.0	-633.8
Profit and loss account	-61.1	-76.3
Other	-12.6	-22.0
Total tax reducing timing differences	**-2 664.3**	**-2 035.6**
Losses carried forward	-5 680.6	-3 479.4
Allowances carried forward	-1 358.4	-1 139.8
Basis for net deferred tax/tax assets	**-6 441.1**	**-2 568.0**
Write-down of basis for deferred tax assets	6 050.6	1 903.0
Net basis for deferred tax/tax assets	-390.5	-665.0
Net deferred tax asset/tax liability in the balance sheet	**-109.5**	**-186.2**

Deferred tax assets have been written down as a result of uncertainty as to whether future taxable income will be sufficient for all losses carried forward to be used. The 2004 tax reform introduced exemption from taxation for dividends and gains/losses on shares in the EEA area, and it is expected that the group will continued to derive income from such investments in future years.

06 Intangible assets and goodwill

Intangible assets are depreciated on a straight line basis over 3-6 years.

NOK MILLION	OTHER INTANGIBLE ASSETS	GOODWILL	**TOTAL 2005**	TOTAL 2004
Acquisition cost at 01.01	171.1	611.5	782.6	749.6
Additions in the period:				
Developed in-house	0.1		0.1	0.2
Purchased separately	22.7		22.7	1.2
Disposals in the period	-5.4		-5.4	
Acquisition cost at 31.12	**188.5**	**611.5**	**800.0**	**751.0**
Accumulated depreciation and write-downs 01.01	-104.9	-157.5	-262.4	-220.7
Depreciation in the period	-34.3		-34.3	-26.8
Disposals in the period	4.9		4.9	
Accumulated depreciation and write-downs 31.12	**-134.3**	**-157.5**	**-291.8**	**-247.5**
Book value at 31.12	**54.2**	**454.0**	**508.2**	**503.5**

Analysis of goodwill by business acquisition

NOK MILLION	ACQUISITION COST 01.01	ACC. DE-PRECIATION 01.01	BALANCE SHEET VALUE 01.01	ADDITIONS/ DISPOSALS	DEPRECIATION	BALANCE SHEET VALUE 31.12
Goodwill						
Storebrand Bank ASA	563.2	-140.8	422.4			422.4
Delphi Fondsforvaltning AS	48.3	-16.7	31.6			31.6
Total	**611.5**	**-157.5**	**454.0**	**0.0**	**0.0**	**454.0**

Goodwill is not depreciated. but is tested annually for impairment.

07 Tangible fixed assets

Properties and operational assets

NOK MILLION	EQUIPMENT	VEHICLES	FIXTURES AND FITTINGS	PROPERTIES*)	**TOTAL 2005**	TOTAL 2004
Book value at 01.01	23.9	3.3	39.6	676.0	**742.9**	777.9
Additions	24.2	1.0	5.4	6.4	**37.1**	41.3
Disposals	-2.4	-0.2	-0.2		**-2.9**	-10.4
Changes to value over the balance sheet				24.5	**24.5**	28.9
Depreciation	-15.2	-1.0	-4.6	-31.2	**-52.0**	-75.6
Other changes	2.4	0.1			**2.4**	
Book value at 31.12	**32.9**	**3.2**	**40.2**	**675.8**	**752.0**	**762.1**
Acquisition cost opening balance	306.3	4.7	106.0	693.8	**1 110.9**	1 337.1
Acquisition cost closing balance	104.2	4.1	64.7	700.2	**873.3**	1 322.8
Accumulated depreciation and write-downs opening balance	-292.6	-2.0	-66.6	-46.6	**-407.7**	-582.8
Accumulated depreciation and write-downs closing balance	-73.0	-1.9	-24.7	-77.7	**-177.4**	-609.5
Revaluation fund opening balance				7.3		
Changes in the period				4.7		
Revaluation fund closing balance				12.0		

*) Properties for own use

Depreciation on a straight line basis over the following periods:

Equipment	4 years
Vehicles	5 years
Fixtures and fittings	4 years

08 Pensions

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

Reconciliation of pension assets and liabilities in the balance sheet:

NOK MILLION	2005	2004
Present value of insured pension benefit obligations incl. employment taxes	2 762.3	2 820.6
Pension assets at fair value	–2 599.4	–2 626.9
Net pension liability/surplus for the insured schemes	162.9	193.8
Present value of uninsured pension benefit obligations incl. employment taxes	495.6	462.6
Experience adjustments and difference between actual and expected investment return not applied to profit and loss	–216.8	–170.0
Net pension liabilities in the balance sheet	441.7	486.3

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

	2005	2004
Properties and real estate	10%	9%
Bonds held to maturity	28%	37%
Secured and other lending	1%	1%
Shares and other equity participations	27%	17%
Bonds	29%	18%
Commercial paper	4%	15%
Other short-term financial assets	1%	3%
Total	100%	100%

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

NOK MILLION	2005	2004
Current service cost	94.2	88.9
Interest on pension liabilities	143.6	153.6
Expected return on pension assets	–152.1	–164.7
Experience adjustments	1.2	
Changes to the pension scheme	–9.8	
Net pension cost booked to profit and loss in the period	77.0	77.9
Actual return on pension assets	109.0	128.5

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

NOK MILLION	2005	2004
Net pension liability at 01.01 including provision for employment taxes	486.2	559.1
Net pension cost recognised in the period	77.0	77.9
Premiums paid	–83.4	–87.0
Pensions paid	–38.1	–63.7
Net pension liability at 31.12	441.7	486.3

Booked in the balance sheet:

	2005	2004
Pension assets	183.2	148.2
Pension liabilities	624.9	634.6

Main assumptions used when calculating net pension liability at 31.12:

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

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

09 Related parties

	POST-TERMINATION SALARY (MONTHS)	NO. OF SHARES OWNED *)	LOAN NOK 1.000	INTEREST RATE AT 31.12.05	REPAYMT. BASIS **)
Senior executives *)**					
Idar Kreutzer	24	28 878	6 054	2.75-3.2	AN 2031
Hans Henrik Klouman	24	1 566	1 200	2.75	AN 2025
Odd Arild Grefstad	18	3 668	4 777	2.75-3.2	AN 2024
Maalfrid Brath	18	1 703	5 236	2.75-3.05	SE 2035
Egil Thompson	18	1 103	632	2.75	AN 2020
Erik Råd Herlofsen	18	2 303	3 925	2.75-3.05	AN 2026
Lars Aa. Løddesøl	18	1 803	4 495	2.75-3.05	AN 2029
Per Kumle	24	628	5 400	2.85	SE 2027
Roar Thoresen	18	628	1 039	2.75	AN 2022
Hans Aasnæs	18	1 672			
Rolf Corneliussen	18	115	1 208	2.75-3.2	SE 2011
Board of Directors **)**					
Leiv L. Nergaard		20 000			
Halvor Stenstadvold		3 593			
Knut G. Heje		8 500			
Mette K. Johnsen		997			
Grace Reksten Skaugen		13 000	6 000	3.1-4.3	AN 2025
Rune Eikeland			1 031	2.75	AN 2018
Erik Haug Hansen		1 653			
Birgitte Nielsen					
Nina Elisabeth Smeby		568	1 115	2.75	AN 2019

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

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

***) Senior executives are contractually entitled to performance related bonuses related to the group's value-based management system and divided into three. The group's value creation finances the overall amount of the bonus, but individual performance determines what proportion of the bonus is allocated. The bonus allocated to an individual is credited to a bonus account, and 1/3 of the balance on the bonus account is paid each year. If the employee leaves the company, the balance on the bonus account is not paid out, unless the employee leaves after 5 five years as a member of the bonus scheme or more than 10 years' service. Salary and other remuneration of senior executives totalled NOK 44.2 million. Senior executives have in total NOK 11 million in bonus accounts before allocations have been made in 2006 for the year 2005, and the discounted present value of their pensions is NOK 41.9 million. Senior executives are members of the Storebrand pension scheme on normal terms and conditions.

****) The remuneration of the Chairman of the Board was NOK 0.5 million and total remuneration paid to the members of the Board was NOK 2.1 million. Loans to employees of the group total NOK 1,327 million.

Shares in Storebrand ASA held by non-executive officers

	NO. OF SHARES
Control Committee	
Sverre Bjørnstad	2 816
Hanne Harlem	0
Harald Moen	322
Carl Graff-Wang	0
Jon Ansteinsson	0
Board of Representatives	
Sven Ullring	385
Merete Egelund Valderhaug	0
Inger-Johanne Strand	3
Stein Erik Hagen	0
Terje R. Venold	0
Eli Sætersmoen	0
Ole Enger	0
Rune Selmar	0
Kjell Jostein Sæther	200

	NO. OF SHARES
Ann Jeanette Magnussen	1 132
Lars Tronsgaard	0
Johan H. Andresen jr. *)	2 020 800
Roar Engeland	0
Arvid Grundekjøn	0
Per Alm Knudsen	0
Paul Eggen jr.	1 653
Inger Lise Gjørv	0
Margrethe Øvrum	0
Marius Steen	0
Vibeke Hammer Madsen	0
Barbara Rose Milian Thoralfsson	0
Astrid Olive Aanerud	625
Ann-Mari Gjøstein	140
Rune Pedersen	0
Anders Berggren	0

*) Corporate shareholder Ferd Invest AS

No loans have been made to any member of the Control Committee, and loans to members of the Board of Representatives total NOK 1.8 million.

Remuneration paid to Deloitte Statsautoriserte Revisorer AS and related companies:

NOK MILLION	2005
Statutory audit	6.0
Other reporting duties	0.7
Taxation advice	1.2
Other non-audit services *)	6.1

*) On which agreed control tasks NOK 2.5 million, assistance with evaluating processes and procedures at Storebrand Life Insurance NOK 3.4 million.

10 Investments in associated companies

Main accounting figures for associated companies – figures shown are for 100% of the company/companies.

NOK MILLION	2005	2004
Revenue		
Nordben Life and Pension Insurance Co. Ltd.	64.8	69.2
Other	237.5	231.8
Group profit		
Nordben Life and Pension Insurance Co. Ltd.	31.0	25.9
Other	35.3	54.6
Assets		
Nordben Life and Pension Insurance Co. Ltd.	6 417.0	6 013.2
Other	202.1	217.7
Liabilities		
Nordben Life and Pension Insurance Co. Ltd.	6 165.1	5 766.6
Other	57.9	71.7

Ownership interests in associated companies

NOK MILLION	OWNERSHIP INTEREST	ACQUISITION COST	BALANCE SHEET VALUE 1.1	ADDITIONS/ DISPOSALS	SHARE IN PROFIT	BALANCE SHEET VALUE 31.12
Norben Life & Pension Insurance Co. Ltd.	25%	29.5	61.6		0.4	62.0
Other		37.2	75.9	-6.0	6.4	76.3
Total		66.7	137.5	-6.0	6.8	138.3

11 Jointly controlled businesses

Jointly controlled businesses are businesses the group operates in partnership with external parties.

The consolidated accounts include the following companies with the amounts shown:

NOK MILLION	2005	2004
Revenue		
Storebrand Helseforsikring AS	70.8	57.4
Fair Financial Ireland plc. *)	182.7	168.1
Sjølyst Eiendom AS		
Group profit		
Storebrand Helseforsikring AS	5.3	3.2
Fair Financial Ireland plc.	10.4	2.5
Sjølyst Eiendom AS		
Assets		
Storebrand Helseforsikring AS	99.0	83.0
Fair Financial Ireland plc.	326.2	297.9
Sjølyst Eiendom AS	330.0	
Liabilities		
Storebrand Helseforsikring AS	72.9	59.1
Fair Financial Ireland plc.	307.0	286.0
Sjølyst Eiendom AS		

*) An agreement was entered into in December 2005 for the sale of these shares. The sale transaction is expected to be completed in the first half of 2006 following approval by the relevant authorities.

12 Other income

Other income relates to interest income from bank deposits. management fees and operating income for companies other than those involved in banking and insurance.

13 Contingent liabilities and conditional assets

Storebrand ASA has issued the following guarantees:

	CURRENCY	TERMS	ACCOUNTS PROVISION
[1] Institute of London Underwriters (ILU)	USD	Unlimited	0

[1] Counter indemnity of Oslo Reinsurance Company ASA, which is 100% owned by Storebrand Skadeforsikring AS.

14 Investment properties

The following amounts are included in the profit and loss account:

NOK MILLION	2005	2004
Rental income from investment properties	977.4	825.0
Operating costs (including maintenance and repairs) for investment properties that produced rental income in the period	-128.3	-110.3
Total	**849.1**	**714.7**
Change in fair value of investment properties	36.6	164.0
Total income from investment properties	**885.7**	**878.7**

Values booked in the balance sheet

NOK MILLION	2005	2004
Book value at 01.01	12 240.7	9 037.0
Additions from new purchases	962.3	2 910.1
Additions caused by supplementary expenditure	264.0	129.8
Net revaluation/write-downs	36.6	163.9
Book value at 31.12	**13 503.6**	**12 240.8**

The group entered into commitments in 2005 to purchase properties for a further NOK 2.2 billion, but transfer of risk will not take place until 2006.

15 Capital adequacy

			2005			2004	2003
	SB LIFE	SB NON-LIFE	SB BANK				
NOK MILLION	GROUP	GROUP	GROUP	SB ASA		GROUP	
Risk-weighted calculation base	70 430	119	18 742	7 039	95 163	71 998	63 331
Core (Tier 1) capital	4 897	180	1 528	6 460	7 443	7 834	6 295
Tier 2 Capital	2 824		430		3 245	3 248	3 193
Deductions	-19				-19	-78	-54
Net primary capital	**7 702**	**180**	**1 958**	**6 460**	**10 669**	**11 004**	**9 434**
Capital ratio (%)	**10.9%**	**151.3%**	**10.4%**	**91.8%**	**11.2%**	**15.3%**	**14.9%**

The required minimum capital ratio is 8%.

16 Number of employees

	2005
Number of employees at 31.12 *)	1 321
Average number of employees	1 305
Full time equivalent positions at 31.12 *)	1 295
Average number of FTEs	1 260

*) Excluding employees of Storebrand Helseforsikring and Fair Forsikring.

17 Net income analysed by class of financial instrument

Net interest income from banking activities

NOK MILLION	2005
Interest income	1 036.4
Interest expense	–585.8
Net interest income from banking activities	450.6

Net income and gains from financial assets at fair value

NOK MILLION	2005
Dividends from shares and other equity investments	640.9
Net gains/losses on disposal of shares, other equity investments and equity derivatives	3 887.0
Net unrealised gains/losses on shares, other equity investments and equity derivatives	1 488.6
Total shares, other equity investments and equity derivates	6 016.5
Interest income	1 625.1
Net gains/losses on disposal of fixed-income securities and interest rate derivatives	215.0
Net unrealised gains/losses on fixed-income securities and interest rate derivatives	–327.3
Total bonds, interest rate derivatives and other fixed-income securities	1 512.8
Net gains/losses on disposal of financial derivatives, realised currency gains/losses	–274.3
Net unrealised gains/losses of financial derivatives, unrealised currency gains/losses	–6.7
Total financial derivatives and currency gains/losses etc.	–281.0
Net income and gains from financial assets at fair value	7 248.3

Net income from bonds at amortised cost

NOK MILLION	2005
Interest income from bonds held to maturity	1 879.8
Interest income from other bonds at amortised cost	530.1
Net income from bonds at amortised cost	2 409.9

Interest expense

NOK MILLION	2005
Interest expense – subordinated loans	–142.0
Interest expense – funding	–50.6
Interest expense on other financial indebtedness	–9.7
Total interest expense	–202.3

18 Lending write-downs

NOK MILLION	2005
Write-downs of lending, guarantees etc. for the period	
Change in specific loan write-downs for the period	107.5
Change in grouped loan write-downs for the period	26.5
Other corrections to write-downs	–19.3
Realised losses on loans where provisions have previously been made	–81.9
Realised losses on loans where no provisions have previously been made	–0.9
Recovery of loan losses previously realised	2.5
Write-downs of lending, guarantees etc. for the period	34.4

Provisions for credit losses

NOK MILLION	2005
Write-downs of individual loans at 01.01	501.0
Losses realised in the period for which individual write-downs have previously been made	–81.9
Write-downs of individual loans in the period	66.8
Reversals of write-downs of individual loans in the period	–103.4
Other corrections to write-downs	7.1
Write-downs of individual loans at 31.12	389.6

Grouped write-downs of loans, guarantees etc. at 01.01	115.7
Grouped write-downs in the period	–26.5
Grouped write-downs of loans, guarantees etc. at 31.12	89.2

19 Further information on balance sheet items

Since investments in funds represent an increasing proportion of the group's balance sheet, investments in funds that are subject to operational and risk management by Storebrand Investments are reported in all the relevant notes to the accounts for 2005

Classification of financial assets

NOK MILLION	2005 BOOK VALUE	2005 FAIR VALUE
Shares and other equity investments		
Financial assets at fair value, FVO*	37 279.0	37 279.0
Financial assets at fair value, Trading	2 310.1	2 310.1
Total shares and other equity investments	39 589.1	39 589.1
Bonds and other fixed-income securities		
Financial assets at fair value. FVO*	46 765.2	46 765.2
Financial assets at fair value. Trading	10 774.1	10 774.1
Financial assets Hold to maturity	31 412.1	34 346.1
Financial assets Loans and Receivables, FVO*	252.8	252.8
Financial assets Loans and Receivables	35 983.3	36 622.7
Total bonds and other fixed-income securities	125 187.5	128 760.9
Derivatives		
Financial assets at fair value, Trading	1 481.1	1 481.1
Total derivatives	1 481.1	1 481.1
Assets for life insurance with investment choice		
Assets for life insurance with investment choice, FVO*	5 719.4	5 719.4
Total assets for life insurance with investment choice	5 719.4	5 719.4
Total financial assets	**171 977.1**	**175 550.5**
Financial assets at fair value, FVO*	90 016.4	90 016.4
Financial assets at fair value, Trading	14 565.3	14 565.3
Financial assets Hold to maturity	31 412.1	34 346.1
Financial assets Loans and Receivables	35 983.2	36 622.7
Total financial assets	**171 977.1**	**175 550.5**

Financial liabilities

NOK MILLION	2005 BOOK VALUE	2005 FAIR VALUE
Subordinated loan capital		
Subordinated loan capital at amortised cost	3 524.7	3 615.0
Total subordinated loan capital	3 524.7	3 615.0
Other financial liabilities		
Deposits from banking customers, amortised cost	11 187.0	11 187.0
Liabilities to credit institutions, amortised cost	1 464.6	1 464.4
Securities issued, amortised cost	15 653.8	15 647.9
Derivatives Trading	5 302.9	5 302.9
Total other financial liabilities	33 608.3	33 602.2
Total financial liabilities	**37 133.0**	**37 217.2**

Specification of net lending

NOK MILLION	2005
Analysis by sector and industry:	
Commercial services and real estate operations	9 121.3
Private individuals	17 529.3
Other	326.0
Total	**26 976.6**

*) Fair Value Option

20 Collateral

Collateral pledged and received

NOK MILLION	2005
Guarantees	237.1
Book value of assets pledged as security for lending etc. *)	1 703.1
Undrawn amounts of committed lending facilities	1 285.7
Security pledged for Futures trading	1 429.5
Total contingent liabilities	**4 655.4**

*) Security pledged and charges

NOK MILLION	2005
Book value of bonds pledged as security for Storebrand Bank's D-facility at Norges Bank	1 703.1
Total	1 703.1

NOK MILLION	2005
Collateral received	96.9

21 Hedge accounting

Hedge accounting is used only by Storebrand Bank. Fair value of items to be hedged is hedged against interest rate movements (fair value hedging), i.e. it is the interest rate exposure that is hedged. Credit spread is held constant in calculating hedging effectiveness. The items hedged for interest rate risk are three fixed rate bond issues, a fixed rate subordinated bond issue, a zero coupon bond issue (structured loan) and a fixed rate commercial loan. The effectiveness of hedging is monitored in accordance with the requirements of IAS 39 Financial Instruments: Recognition and Measurement.

	2005		
	CONTRACT/	HEDGING VALUE	
NOK MILLION	NOMINAL VALUE	ASSETS	LIABILITIES
Underlying items	3 159.1	142.9	–2 964.0
Hedging effectiveness – prospective		81%	91%
Hedging effectiveness – retrospective		87%	95%

Gain/loss on fair value hedging:

NOK MILLION	2005 GAIN / LOSS
On hedging instruments	–57.9
On items hedged	61.1

22 Bonds at amortised cost

NOK MILLION	NOMINAL VALUE	ACQUISITION COST	BOOK VALUE	FAIR VALUE
Bonds held to maturity	30 662.3	31 608.1	31 412.1	34 346.1
Other bonds at amortised cost	9 220.9	9 269.3	9 259.5	9 898.9
Total bonds	39 883.2	40 877.4	40 671.6	44 245.0
Analysis by sector:				
Public sector	29 802.0	30 822.8	30 613.2	33 553.5
Financial institutions	9 573.5	9 544.3	9 550.9	10 155.0
Other issuers	507.7	510.2	507.4	536.5
Modified duration				4.74
Average effective yield			5.50	3.72

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

23 Shares and other equity investments

NOK MILLION	ACQUISITION COST	FAIR VALUE	FAIR VALUE INCL. INDIRECT INVESTMENTS IN FUNDS
Listed shares Norway	6 254.1	8 263.9	8 304.9
Listed shares within EEA	4 720.9	7 703.1	6 499.1
Listed shares outside EEA	9 143.1	9 703.6	17 592.1
Unlisted shares Norway	362.9	278.9	314.9
Unlisted shares within EEA	310.4	274.2	274.6
Unlisted shares outside EEA	104.6	80.5	116.7
Fund units managed by SBK	9 686.0	8 440.4	1 439.9
Other fund units	4 820.8	4 844.4	5 046.8
Total shares	**35 402.7**	**39 589.1**	**39 589.1**

24 Bonds, bond funds and other fixed-income securities

NOK MILLION	COMMERCIAL PAPER	BONDS	TOTAL	BOND FUNDS	TOTAL INCLUDING BOND FUNDS
Commercial paper, bonds and bond funds, fair value	10 545.5	45 918.2	**56 463.7**	1 075.6	**57 539.3**
Of which listed	4 962.0	27 393.3	**32 355.3**		**32 355.3**
Direct investments in bonds and commercial paper	10 545.5	45 918.2	**56 463.7**		
Indirect investments in commercial paper and bonds through funds managed by Storebrand	461.4	-894.4	**-433.0**		
Base amount for analysis by sector and currency	**11 006.8**	**45 024.0**	**56 030.8**		
Public sector	5 631.4	11 689.1	**17 320.5**		
Financial institutions	4 002.7	25 417.1	**29 419.7**		
Other issuers	1 372.8	7 917.8	**9 290.6**		
Total	**11 006.8**	**45 024.0**	**56 030.8**		

	COMMERCIAL PAPER	BONDS	TOTAL
NOK	8 017.3	24 107.3	**32 124.5**
EUR	2 345.6	13 308.1	**15 653.7**
USD	644.0	4 653.5	**5 297.5**
DKK	–	385.7	**385.7**
GBP	–	1 346.8	**1 346.8**
CAD	–	297.8	**297.8**
SEK	–	104.6	**104.6**
JPY	–	630.7	**630.7**
CHF	–	145.1	**145.1**
AUD	–	44.4	**44.4**
Total	**11 006.8**	**45 024.0**	**56 030.8**
Modified duration	0.44	2.23	1.89
Average effective yield	2.73	3.70	3.66

Short positions in indirect investments are included in the note.
Effective yield on the individual security has been calculated based on the security's market value.
Average effective yield is calculated using the individual security's share of total interest rate sensitivity as weight.

25 Assets in life insurance with investment choice

NOK MILLION	FAIR VALUE
Equity funds	2 601.3
Bond funds	119.1
Money market funds	1 098.4
Combination funds	1.6
Participations in investment portfolios	1 492.2
Bank deposits	406.8
Total	**5 719.4**

26 Financial derivatives

Nominal volume

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

Unlike gross nominal volume, the calculation of net nominal volume also takes into account which direction of market risk exposure the instrument represents by differentiating between long (asset) positions and short (liability) positions. A long position in an equity derivative produces a gain in value if the share price increases. For interest rate derivatives, a long position produces a gain if interest rates fall, as is the case for bonds. A long position in a currency derivative produces a gain if the currency strengthens against the NOK .

Figures for average gross nominal volume are based on daily calculations of gross nominal volume.

	GROSS	AVERAGE NOM.	NET NOM.	FAIR VALUE		FAIR VALUE – HEDGING	
NOK MILLION	NOM. VOLUME	VOLUME	VOLUME	ASSET	LIABILITY	ASSET	LIABILITY
Equity options	21 034.3	14 993.5	-10 256.6	590.9	404.9		
Equity index futures	1 619.8	3 943.9	-734.3				
Total equity derivatives	**22 654.1**	**18 937.4**	**-10 990.9**	**590.9**	**404.9**		
Forward rate agreements	251 197.4	199 255.6	-4 296.0	20.3	3.3		
Interest rate futures	3 459.0	3 065.8	98.0		0.2		
Interest rate swaps	59 226.5	49 163.2	15 063.8	496.0	476.1	17.1	4.3
Interest rate options	161 666.2	127 575.5	161 000.0	201.0	17.4		
Total interest rate derivatives	**475 549.1**	**379 060.1**	**171 865.8**	**717.3**	**497.0**	**17.1**	**4.3**
Foreign exchange forwards	56 390.5	52 454.4	-44 918.7	120.2	681.7		
Currency options	2 717.6	2 915.8	44.3				
Total currency derivatives	**59 108.1**	**55 370.2**	**-44 874.4**	**120.2**	**681.7**		
Credit derivatives	31 329.8	22 444.3	2 658.1	72.4	128.4		
Total credit derivatives	**31 329.8**	**22 444.3**	**2 658.1**	**72.4**	**128.4**		
Interest accrued but not due on interest-rate swaps				-19.7	7.4		
Short position equities					2 307.8		
Short position bonds					1 213.3		
Total derivatives	**588 641.1**	**475 812.0**	**118 658.6**	**1 481.1**	**5 302.9**	**17.1**	**4.3**

Interest rate swaps include interest accrued but not due. Investments in credit derivatives and short positions in equities and bonds relates only to indirect investments in securities funds managed by Storebrand Investments. The above table includes net positions in indirect investments.

27 Financial liabilities

Subordinated loan capital

NOK MILLION	AMOUNT NOK	CURRENCY	INTEREST RATE IN %
Perpetual subordinated bond issue 2004	166.4	NOK	NIBOR + 1.5%
Perpetual subordinated bond issue 2004	108.1	NOK	5.9%
Subordinated loan 2002-2012, call 2007	100.0	NOK	NIBOR + 2.0%
Subordinated loan 2003-2013, call 2008	100.0	NOK	NIBOR + 2.25%
Subordinated loan 2005-2015, call 2010	175.0	NOK	NIBOR + 0.7%
Subordinated loan 2003-2023, call 2008	1 481.1	EUR	EURIBOR + 2.2%
Subordinated loan 2004-2014, call 2009	1 394.1	EUR	EURIBOR + 0.9%
Total	3 524.7		

Debt to credit institutions

NOK MILLION	BOOK VALUE
Loans and deposits from credit institutions without notice or fixed term	76.5
Loans and deposits from credit institutions with notice or fixed term	1 388.1
Total	1 464.6

Deposits from banking customers

NOK MILLION	BOOK VALUE
Commercial customers	4 524.2
Private individuals	6 380.8
International	282.0
Total	11 187.0

Liabilities created by issuing securities

NOK MILLION	BOOK VALUE
Commercial paper	4 465.2
Bonds	11 188.5
Total	15 653.7

28 } Further information on financial risk

Liquidity risk

Storebrand has established good liquidity buffers in the group companies, and continuously monitors liquidity reserves against internal limits. Committed credit lines from banks have also been established that the companies can draw on if necessary. Storebrand Bank manages its liquidity position on the basis of a rolling liquidity gap that shows the mismatch between expected future inward and outward cash flows. Storebrand Life Insurance has NOK 22 billion invested in the money market and can therefore meet claims of an equivalent amount at short notice. In addition, the company has sizeable investments in bonds that can be liquidated if required.

Market risk

Market risk relates to the risk that the value of the group's assets might be reduced by unexpected and unfavourable movements in the market. At the close of 2005, Storebrand had sufficient risk capital to absorb a fall in market values equivalent to the company's stress test. The stress test assumes an unexpected simultaneous increase in interest rates of 1 percentage point internationally and 2 percentage points in Norway, combined with a sharp fall in share prices and property values. Market risk is monitored continuously using a range of statistical tools and tests. For instance, Storebrand uses 'Conditional Value at Risk' as a method for calculating the potential for loss for the investment portfolio on a one-year horizon for a given probability. This method also takes into account the size of worst-case losses.

Storebrand Life Insurance is contractually committed to guarantee an annual return for all its savings customers, and the average return guaranteed is currently 3.6%. The guaranteed annual return places particular demands on how investments are allocated between different classes of security and other assets. Given the current investment portfolio, the annual return will normally fluctuate between 2% and 9%. Active risk management and hedging transactions reduce the likelihood of a low investment return. If investment return is not sufficient to meet the guaranteed interest rate of 3.6%, the shortfall will be met by using risk capital built up from previous surpluses. The owner is responsible for meeting any shortfall that cannot be covered from risk capital. The average guaranteed interest rate is expected to fall in future years. New contracts include a guaranteed interest rate of 2.75%.

Under current legislation and regulations, the technical insurance reserves that Storebrand Life Insurance is required to hold are not affected by changes in market interest rates. Storebrand Bank manages its interest rate risk through swap agreements to minimise the effect of a change in interest rates on its deposits and lending.

It is Storebrand's policy to fully hedge currency risks. Currency position limits are set for investment management to ensure effective practical implementation of currency hedging. Currency hedging is mainly carried out through rolling short-term forward foreign exchange contracts.

Credit risk

Maximum limits for credit exposure to individual debtors and for overall credit exposure to rating categories for Storebrand Life Insurance and other companies in the group are set by the board. Particular attention is paid to ensuring diversification of credit exposure to avoid concentrating credit exposure on any particular debtors or sectors. Storebrand Investments monitors changes in the credit standing of debtors. Storebrand uses published credit ratings wherever possible, supplemented by the company's own credit evaluation where there are no published ratings.

All credit approvals by Storebrand Bank over a certain limit require the approval of a credit committee chaired by the bank's managing director, or by the bank's board of directors. Credit risk is monitored through a risk classification system that ranks each customer by ability to pay, financial condition and collateral. The risk classification system estimates the likelihood of a borrower defaulting (ability to pay/financial condition) and the likely loss given default (collateral). All loans on the bank's watch list are reviewed at least quarterly in respect of the condition of the borrower and collateral, and of the steps being taken to protect the bank's position. Retail lending is assessed on the basis of credit scoring, combined with case-by-case evaluation of the borrower's ability to repay.

29 Credit risk

Analysis of credit risk by rating

SHORT-TERM HOLDINGS OF INTEREST-BEARING SECURITIES	AAA	AA	A	BBB	NIG	TOTAL
Category of issue or guarantor	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value
NOK million						
Public sector	14 509.6	2 693.6		152.2		17 355.5
Financial institutions	132.6	3 902.2	19 927.3	4 852.8	604.8	29 419.7
Other issuers	4 936.4	410.8	1 860.9	1 178.5	869.0	9 255.6
Total	19 578.6	7 006.7	21 788.2	6 183.5	1 473.9	56 030.8

LONG-TERM HOLDINGS OF INTEREST-BEARING SECURITIES	AAA	AA	A	BBB	NIG	TOTAL
Category of issue or guarantor	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value
NOK million						
Public sector	29 073.2	7 450.1				36 523.2
Financial institutions	1 293.1	1 813.9	1 041.3			4 148.3
Total	30 366.3	9 264.0	1 041.3			40 671.6

Lending

RISK GROUP NOK MILLION	LENDING	UNDRAWN COMMITTED FACILITIES	GUARANTEES	TOTAL EXPOSURE	WRITE-DOWNS OF INDIVIDUAL LOANS AND GUARANTEES	GROUPED WRITE-DOWNS	RESIDUAL EXPOSURE
Low risk	25 189.8	1 125.6	210.9	26 526.3		6.1	26 520.2
Medium risk	1 050.3	47.8	14.7	1 112.8		25.7	1 087.1
High risk	230.9	6.0	3.2	240.1		44.3	195.9
Unclassified	233.2	103.3		336.6		1.4	335.2
Loans in default and loss-exposed lending	751.2	3.0	8.3	762.4	393.6	11.8	357.1
Total	27 455.4	1 285.7	237.1	28 978.2	393.6	89.2	28 495.4

Grouped write-downs	89.2
Specific write-downs	389.6
Book value of lending 31.12.05	26 976.6

NOK MILLION	2005	2004
Loans in default		
Loans in default without identified impairment	112.9	55.7
Loans in default and loss-exposed loans with identified impairment	641.1	853.8
Gross loans in default	754.0	909.5
Specific write-downs	-389.6	-378.9
Net loans in default	364.4	530.6

30 Liquidity risk

Amounts reported include accrued interest.

RESIDUAL CONTRACTUAL PERIOD FOR FINANCIAL ASSETS NOK MILLION	UP TO 1 MONTH	1-3 MONTHS	3 MONTHS – 1 YEAR	1-5 YEARS	OVER 5 YEARS	TOTAL VALUE
Lending *)	1 762.9	211.8	2 011.5	2 873.9	20 596.8	27 456.9
Bonds at amortised cost		1 049.3	1 890.0	11 134.0	27 713.6	41 786.9
Bonds and other fixed-income securities **)	2 070.3	3 380.7	10 600.0	23 458.3	16 841.2	56 350.5
Fixed-term deposits	1 068.5	66.5	513.8			1 648.8
Derivatives ***)	-279.5	-303.6	208.7	147.2	12.4	-214.9
Total	4 622.2	4 404.6	15 224.0	37 613.4	65 164.0	127 028.2

Bonds issued by Fair Financial Ireland Limited, fair value NOK 246.3 million, are not included in the table since the sale of the company has been agreed.

*) Lending is presented excluding write-downs

**) In this note, bonds and other fixed-income securities includes short positions

**) In this note, derivatives are presented net and excluding short positions

RESIDUAL CONTRACTUAL PERIOD FOR FINANCIAL LIABILITIES NOK MILLION	UP TO 1 MONTH	1-3 MONTHS	3 MONTHS – 1 YEAR	1-5 YEARS	OVER 5 YEARS	TOTAL VALUE
Subordinated loan capital					3 524.7	3 524.7
Liabilities to credit institutions	76.6			1 038.1	350.0	1 464.6
Deposits from banking customers	11 031.9	93.6	37.0	15.0	9.5	11 187.0
Securities issued	100.0	1 305.1	5 116.2	7 562.6	1 569.8	15 653.7
Total	11 208.5	1 398.7	5 153.2	8 615.7	5 454.0	31 830.0

Residual contractual period provides only limited information on the company's liquidity risk since the majority of investment assets can be realised in the secondary market earlier than expiry of the contractual period.

31 Interest rate risk

PERIOD TO NEXT INTEREST RATE FIXING FOR FINANCIAL ASSETS NOK MILLION	UP TO 1 MONTH	1-3 MONTHS	3 MONTHS – 1 YEAR	1-5 YEARS	OVER 5 YEARS	TOTAL VALUE
Lending *)	8.0	25 736.6	975.9	629.9	106.5	27 456.9
Bonds at amortised cost		1 150.9	1 952.2	11 118.7	27 565.1	41 786.9
Bonds and other fixed-income securities **)	8 169.7	18 213.8	10 894.7	8 747.1	10 325.3	56 350.5
Fixed-term deposits	1 068.5	66.5	513.8			1 648.8
Derivatives ***)	-1 571.5	-5 822.9	1 331.1	3 624.1	2 224.4	-214.9
Total	7 674.6	39 344.9	15 667.7	24 119.7	40 221.3	127 028.2

Bonds issued by Fair Financial Ireland Limited, fair value NOK 246.3 million, are not included in the table since the sale of the company has been agreed .

*) Lending is presented excluding write-downs

**) In this note, bonds and other fixed-income securities includes short positions

***) In this note, derivatives are presented net and excluding short positions

PERIOD TO NEXT INTEREST RATE FIXING FOR FINANCIAL LIABILITIES NOK MILLION	UP TO 1 MONTH	1-3 MONTHS	3 MONTHS – 1 YEAR	1-5 YEARS	OVER 5 YEARS	TOTAL VALUE
Subordinated loan capital	442.8	100.0	106.8		2 875.1	3 524.7
Liabilities to credit institutions	76.5	1 388.1				1 464.6
Deposits from banking customers	11 031.9	103.1	52.0			11 187.0
Securities issued	1 129.1	6 167.5	4 852.1	1 935.2	1 569.8	15 653.7
Total	12 680.3	7 758.7	5 010.9	1 935.2	4 444.9	31 830.0

INTEREST SENSITIVITY (EXCLUDING STOREBRAND BANK) NOK MILLION	UP TO 1 MONTH	1-3 MONTHS	3 MONTHS – 1 YEAR	1-5 YEARS	OVER 5 YEARS	TOTAL FAIR VALUE
Short-term holdings of financial assets						
AUD	0.4	-0.1		-0.2	-1.8	-1.8
CAD		1.1		-2.3	-16.8	-18.0
CHF	0.5	-0.1	-0.4		-2.8	-2.9
DKK		0.3		-2.2	-3.4	-5.2
EUR	-6.2	5.1	-115.9	10.8	-204.7	-310.9
GBP	1.2	-0.1	-1.7	-5.7	-45.7	-52.0
HKD	0.1					0.1
JPY	2.0			-12.3	-41.2	-51.5
NOK	-10.2	-63.6	-83.5	-85.6	-531.3	-774.2
PLN		0.1				0.1
SEK	0.4	0.3	-16.9	23.6	-3.7	3.6
USD	0.8	29.6	-6.9	-20.2	-120.7	-117.3
Total short-term holdings of financial assets	-10.9	-27.4	-225.4	-94.1	-972.2	-1 329.9

CONT.	UP TO 1 MONTH	1-3 MONTHS	3 MONTHS – 1 YEAR	1-5 YEARS	OVER 5 YEARS	TOTAL FAIR VALUE
Long-term holdings of financial assets						
DKK			-1.3			-1.3
EUR		5.2	0.0			5.2
NOK		1.2	-17.4	-286.1	-1 842.2	-2 144.5
Total long-term holdings of financial assets		6.4	-18.7	-286.1	-1 842.2	-2 140.6
Total quantified interest rate sensitivity	-10.9	-21.0	-244.1	-380.2	-2 814.4	-3 470.5

Interest sensitivity is a measure of interest rate risk based on how changes in interest rates will affect the market value of bonds, interest rate derivatives and other interest rate sensitive financial items. This summary shows how the values of financial current assets and financial fixed assets (bonds held to maturity) at 31 December 2005 would be affected by an increase of 1 percentage point in all interest rates. Storebrand creates interest rate positions through its assets in order to partly offset the interest rate risk implicit in the company's insurance obligations. However, the interest rate risk represented by insurance policies cannot be calculated and quantified in the same way as interest rate risk for financial items.

Interest-rate risk: Storebrand Bank:
An interest rate shock of 2 percentage points would cause a net change in the fair value of the bank's financial instruments of approximately NOK 18 million.

32 } Currency risk

FINANCIAL ASSETS AND LIABILITIES IN FOREIGN CURRENCY	BALANCE SHEET ITEMS EXCL. CURRENCY DERIVATES	CURRENCY FORWARDS	NET POSITION	
NOK MILLION	NET BALANCE SHEET VALUE	NET SALES	IN CURRENCY	IN NOK
AUD	112.3	-102.2	10.1	50.0
CAD	155.6	-140.8	14.8	85.1
CHF	230.6	-202.7	27.9	143.3
DKK	182.8	-145.3	37.5	40.0
EUR	2 139.4	-2 138.2	1.2	9.0
GBP	293.5	-259.4	34.1	396.5
HKD	189.2	-150.8	38.4	33.5
IDR	1.8		1.8	
INR	-7.2		-7.2	-1.1
JPY	53 106.4	-53 016.3	90.2	5.1
LYD	-0.1		-0.1	-0.4
KRW	288.4		288.4	1.9
MYR	-1.3		-1.3	-2.5
OMR				-0.7
NZD	2.7	-0.5	2.2	9.9
PHP	1.1		1.1	0.1
PLN	5.1		5.1	10.6
SEK	1 135.6	-1 087.4	48.2	41.0
SGD	22.1	-17.3	4.8	19.2
USD	2 900.9	-2 901.2	-0.4	-3.4
ZAR	2.6		2.6	2.8
Total short-term foreign currency				839.9
DKK	220.7	-231.8	-11.1	-11.8
EUR	-360.1	363.2	3.1	25.3
SEK	34.6	-15.7	18.8	16.0
USD	0.1		0.1	0.4
Total long-term foreign currency				29.9

The group actively hedges the major part of its foreign currency risk. Currency risk arises from investments in international securities, and to a lesser extent from subordinated loans denominated in foreign currencies. Currency risk is hedged through forward foreign exchange contracts at the portfolio level, and currency positions are regularly monitored within specified total limits. Short positions are closed no later than the business day following the date on which they arise. In addition, there are separate limits for creating active currency positions. These positions are included in the note relating to short-term debt instruments and bonds. The currency positions outstanding at 31 December 2005 are typical of the group's small limits for currency positions.

33 } Technical Insurance Information

Technical insurance reserves

Specification of balance sheet items in respect of life insurance and non-life insurance:

NOK MILLION	GROUP PENSION INSURANCE PRIVATE SECTOR	GROUP PENSION INSURANCE PUBLIC SECTOR	GROUP LIFE INSURANCE	INDIVIDUAL ENDOWMENT INSURANCE	INDIVIDUAL ANNUITY/ PENSION INSURANCE	NON-LIFE INSURANCE	TOTAL 2005	TOTAL 2004
Reinsurers' share of technical insurance reserves						2 395,5	2 395.5	2 804.8
Receivables in respect of insurance policies	2.0	2.0		0.3		59.6	63.9	14.1
Total assets	2.0	2.0	0.0	0.3	0.0	2 455.1	2 459.4	2 818.9
Premium reserve	77 943.7	9 034.2	317.8	19 344.5	23 097.3		129 737.5	116 166.7
– of which RBNS	6.7	3.3	89.5	16.7	16.7		132.9	131.3
– of which IBNR	83.8	41.2	18.1	13.9	6.0		163.0	145.1
– of which premium income received in advance	595.9		69.8	24.5	90.4		780.6	762.0
Additional statutory reserves	3 130.3	179.3		302.6	925.3		4 537.5	3 706.1
Pensioners' surplus reserve	215.0						215.0	199.2
Premium reserve/deposit reserve	4 672.9	431.5			252.6		5 357.0	4 946.2
Claims reserve	11.0	9.3	152.4	150.3	11.9		334.9	428.0
– of which RBNS	0.6	0.5	88.2	75.9	8.9		174.1	163.5
– of which IBNR	10.4	8.8	64.2	74.4	3.0		160.8	150.3
Security reserve – life insurance	107.7	15.0	16.4	12.2	7.9		159.2	148.6
Total reserves – life insurance	86 778.0	9 723.1	816.4	20 015.0	24 420.0		140 341.1	125 594.8
Premium and claims reserves – non-life						2 992.1	2 992.1	3 396.9
Security reserve etc. – non-life						97.3	97.3	89.6
Total reserves – non-life						3 089.4	3 089.4	
Insurance fund reserves 2005	86 778.0	9 723.1	816.4	20 015.0	24 420.0	3 089.4	143 430.5	
Insurance fund reserves 2004	88 098.6		470.6	13 723.3	23 302.3	3 486.5		129 081.3
Reinsurance liabilities	32.5		35.1	2.4	0.1	75.8	145.9	70.4
Insurance liabilities 2005							143 576.4	
Insurance liabilities 2004								129 151.7

Life Insurance:
The item Reserves – life insurance includes NOK 6.4 billion that the company assumes will be paid as claims or benefits in 2006.

Non-life insurance:
The item Reinsurers' share of technical insurance reserves includes NOK 420 million that the company assumes will fall due/be recognised to income in 2006. The item Reserves – non-life insurance includes NOK 450 million that the company assumes will fall due/be recognised to income in 2006.

Changes in insurance liabilities – life insurance

INSURANCE LIABILITIES	2005						
NOK MILLION	PREMIUM RESERVE	RESERVE FOR UNIT LINKED	PREMIUM RESERVE DEPOSIT RESERVE	ADDITIONAL STATUTORY RESERVES	SECURITY RESERVE	TOTAL	2004 TOTAL
Balance at 01.01	112 004.1	4 478.1	5 258.0	3 706.0	148.6	125 594.8	112 864.8
+ Gross premium income	18 380.7	939.6		58.9		19 379.2	18 545.6
– Gross claims	−10 230.8	−416.0	−1 159.1	−88.8		−11 894.7	−11 428.5
+ G'teed interest rate/unit linked return	4 584.7	719.4	142.9			5 447.0	4 648.7
– Administration contribution	−1 017.9					−1 017.9	−911.5
– Risk result	−440.1			−13.3		−453.4	−324.6
+/– Transfers and additions to reserves	−46.1		121.4	−75.3		0.0	174.0
+ Share of profit	1 115.2	0.4	1 209.9	950.0	10.6	3 286.1	2 026.3
Balance at 31.12	124 349.8	5 721.5	5 573.1	4 537.5	159.2	140 341.1	125 594.8

Market value adjustment reserve and unrealised gains

NOK MILLION	2005	CHANGE 2005	CHANGE 2004
Equities	3 639.0	1 502.2	729.9
Interest-bearing	223.5	−352.1	347.7
Gains/losses/write-downs – current assets	3 862.5	1 150.1	1 077.6
Gains/losses – bonds at amortised cost *)	3 573.4	−639.3	818.6
Total	7 435.9	510.8	1 896.2

*) Unrealised gains on hold to maturity bonds are not included in the accounts.

Changes in insurance liabilities – non-life insurance

NOK MILLION	2005	2004
Reinsurers' share of technical insurance reserves		
Balance at 01.01	2 804.8	3 477.3
Change in claims reserve	–434.5	–645.8
Currency movements	24.9	–27.0
Other changes	0.3	0.3
Balance at 31.12	2 395.5	2 804.8
Insurance liabilities		
Balance at 01.01	3 486.5	4 128.8
Change in claims reserve	–459.9	–583.1
Change in security reserve	7.7	–1.3
Currency movements	54.5	–58.6
Other changes	0.6	0.7
Balance at 31.12	3 089.4	3 486.5

Non-life insurance liabilities relate mainly to Storebrand Skadeforsikring and Oslo Reinsurance Company. These companies are in run-off.

An agreement was entered into on 19 December 2005 for the sale of Fair Ireland Ltd. to Gjensidige Nor. The sale will complete and settlement will take place once the necessary approvals from the authorities in Ireland and Denmark are received. Storebrand ASA owned 50% of Fair Ireland Ltd. This company in turn owns 100% of the Danish insurance company Fair Forsikring AS. Premium and claims reserves from Fair (50% interest) amounted to 168.9 million for 2005 and NOK 166.9 million in 2004. Fair's profit for 2005 (50% interest) of NOK 22.4 million is included in profit for the year.

Profit and loss items:

Analysis of net premium income

NOK MILLION	2005	2004
Group pension insurance – private sector	6 929	7 340
Group pension insurance – public sector	1 867	1 454
Group life insurance	467	490
Individual endowment insurance	8 547	7 827
Individual annuity and pension insurance	1 309	1 255
Non-life insurance	347	287
Total	19 466	18 653

Life insurance – profit sharing between policyholders and the owner

Storebrand Life Insurance offers both products subject to profit sharing with policyholders and products not subject to profit sharing. Products not subject to profit-sharing are group life insurance, annual risk policies (including non-life cover) in the life account, and annual policies in connection with group pension insurance that do not include entitlement to paid-up value. The profit or loss earned on these products is entirely for the account of the owner.

For products subject to profit sharing, the profit is in principle allocated between policyholders and the owner in accordance with the company's internal profit-sharing model. The profit to the owner is made of three elements: net return on the company's equity, a return of up to 0.40% of policyholders funds (subject to investment return being sufficiently higher than the guaranteed return to permit this) and a risk margin of 12% of actual risk premium (subject to the risk surplus being sufficient to permit this). Under current legislation, the owner's share of profit cannot exceed 35%.

The proportion of profit allocated to each customer is determined on the basis of the contribution the customer's policies have made to the total profit available for sharing. The amount allocated to the individual customer therefore depends on the product group(s) to which the customer's policy/policies belongs.

For individual endowment insurance (life account) policies, profit allocations are accumulated on each policy and are paid out together with the sum assured. In the cases of traditional individual endowment insurance and individual annuity and pension insurance, the profit allocated is applied to increasing the insured benefit. Individual policies based on group schemes are handled in an equivalent manner. In the case of group pension insurance, the profit allocated is credited to the surplus on the scheme's premium reserve and pensioners' surplus reserve in accordance with the legislation on occupational pensions.

Profit-sharing model

NOK MILLION	2005	2004
-net return on equity *)	491.3	408.7
-0.40% of policyholders' funds	520.9	454.8
-risk margin earned by owner	47.1	46.2
-products without profit sharing	122.2	144.5
-other	–15.0	–91.6
Profit allocated to the owner	1 166.5	962.6

*) Includes security reserve, subordinated loan capital, book equity and liability items

In the short-term the company aims to build up the level of additional statutory reserves to an amount equivalent to the guaranteed return for one year. The allocation to additional statutory reserves from the profit for 2005 represents a balance between this objective, the desire to produce a reasonable return on equity, including building up solvency capital, and the desire for the unconditional profit allocation to customers to be of a reasonable size.

Risk exposure/sensitivity
Life insurance
Mortality and disability

The following table shows the net annual risk premium for the most common types of cover. The premiums apply to persons of normal health and risk.

Net annual risk premium for an insured sum 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

Tariffs for group life insurance and individual risk insurance within group pensions also depend on industry/occupation in addition to age and gender. Group life insurance also applies tariffs based on claims experience.

For individual insurance, the premiums for life and accident cover are based on tariffs produced by insurance companies on the basis of their shared experience, namely T1984 for endowment insurance and R1963 for pensions insurance. Disability premiums are based on the company's own experience, and were last amended in 2002.

The company's standard tariff for group life insurance, both for life and disability cover, is based on the company's own experience and was last amended in 2003.

Premiums for group pension insurance follow the industry tariff K1963 for traditional life and dependents' risk. Premiums for disability pensions are based on the company's own experience, and were last amended in 2003 for the private sector and 2004 for the public sector. Premiums for risk cover with and without entitlement to a paid-up value taken out in connection with a defined contribution pension are based on the company's own experience. Expense premiums are determined annually with a view to securing full cover for the next year's expected costs.

The company's tariffs do not involve any assumptions on inflation or voluntary termination/transfers.

No changes were made to premium tariffs in 2005 that caused any additions to or withdrawals from the premium reserve. The disability tariff for the public sector was increased in 2004, leading to an equivalent increase of NOK 84 million in the premium reserve.

Basic interest rate

Kredittilsynet sets the highest basic interest rate permitted for new policies and for new members/new accrual of benefits in group pension insurance. The highest basic interest rate for new policies was set at 3% in 1993 and subsequently reduced in 2005 to 2.75% for policies entered into after 1 January 2006. The highest basic interest rate for new members/new accrual of benefits in group pension insurance was reduced from 4% to 3% with effect from renewals in 2004.

The following table shows the proportions of insurance fund reserves at 31 December relating to policies with various basic annual interest rates:

GUARANTEED INTEREST RATE	2005	2004
6%	0.8%	0.9%
5%	1.1%	1.2%
4%	66.2%	70.9%
3.4%	4.6%	4.4%
3%	23.4%	19.0%
0%	3.9%	3.6%

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

The total average guaranteed interest rate for all lines of insurance has reduced from 3.83% in 2000 to 3.64% in 2005. The guaranteed interest rate must be delivered on an annual basis. If the company's investment return in a year is lower than the guaranteed interest rate, current legislation permits the equivalent of up to one year's guaranteed return to be met by transfer from additional statutory reserves. Any negative return must be met from the company's equity.

AVERAGE INTEREST RATE GUARANTEE	2005	2004
Individual endowment policies	3.2%	3.4%
Individual endowment policies	3.7%	3.7%
Group pension insurance	3.7%	3.8%
Group life insurance	0.9%	0.9%
Non-life insurance	0.0%	0.0%
Aggregate	3.64%	3.77%

New business written in 2005 is subject to a 3% basic interest rate. In the case of policies transferred to the company, the basic interest rate is determined by the rate applied to the policy by the insurance company from which the business is transferred, subject to a maximum of 4%.

Premiums and reserves for pension entitlements earned in 2004 and 2005 in group pension insurance are calculated on the basis of a 3% basic interest rate.

Insurance risk:
Most of the company's lines of insurance include cover for disability through either disability pension, exemptions from premiums or one-off payments. Individual policies and group life policies also include life cover. Group pension insurance also provides widow or widower's pensions with payment commencing on the death of the insured.

Changes to the rules for payment from the national social security scheme for disability benefits etc. may have a significant effect on insurance companies in terms of the number of claims for disability and disability reserves. This currently relates principally to group pension insurance for the public sector, where insurance benefits are fully linked to national social security scheme benefits. The proposed changes to occupational pensions legislation may also cause changes in this respect for private sector occupational pensions.

In terms of death benefits, increasing life expectancy will affect future expected payments and reserves, although reserves are currently considered to be sufficient.

Right to transfer insurance between companies
The right to transfer insurance between companies, subject to two months' notice for policies where the transfer value exceeds NOK 300 million, can represent a liquidity risk for smaller life insurance companies if one or more customers elect to transfer large policies to other companies in the space of a short time. The fee that can be charged for transfers is limited to NOK 5,000. For large insurance companies, if transfers out exceed transfers in for an extended period, this will have an adverse effect on future cash flow.

Risk management – life insurance:
Evaluation of insurance risk (underwriting)
When writing individual risk cover, the customer is subject to a health check. The result of the health check is reflected in the level of premium quoted. When arranging group policies with risk cover, all employees of small companies are subject to a health check, while for companies with many employees the company requires declarations of fitness for work. Underwriting also takes into account the company's industrial category, sector and sickness record.

Control and monitoring of insurance risk
Insurance risk is separately monitored for every line of insurance in the current insurance portfolio. The risk result for each product group is broken down into the elements of death, accident and disability. The development of risk result is followed throughout the year. For each type of risk, the ordinary risk result for a period represents the difference between the risk premiums the company has collected for the period and the sum of provisions and payments that must be made for insured events that occur in the period. The risk result takes into account insured events that have not yet been notified but which the company, on the basis of its experience, assumes will have occurred.

Reinsurance
The company also manages its insurance risk through a variety of reinsurance programs. Through catastrophe reinsurance (excess of loss) the company covers losses (single claims and reserves provision) where a single event causes more than 3 deaths or disability. This cover is also subject to an upper limit. Surplus reinsurance on life policies covers death and disability risk that exceeds the maximum risk amount for own account the company is permitted to carry by its articles of association. The company's maximum risk amount for own account is relatively high, and the risk reassured is therefore relatively modest. Quota reinsurance covers part of the company's risk for workmen's compensation insurance.

Non-life insurance
Risk exposure and insurance risk – Storebrand Skadeforsikring AS
In 2000, Storebrand Skadeforsikring transferred all its land-based Norwegian non-life insurance and all direct marine insurance to If through a 100% reinsurance arrangement. The result is that Storebrand Skadeforsikring has retained fronting responsibility, but has no commercial responsibility for the business transferred.

Risk exposure and insurance risk – Oslo Reinsurance Company
The company's commercial operations are concentrated on the run-off of its existing reinsurance portfolios, either by paying claims that are reported to the company or by seeking to extricate itself from policies by negotiating a settlement amount with the insured party (cedent) by commuting the cover.

The portfolios with the largest remaining risk exposure are liability insurance and cover for large market losses in the 1980s. In addition, certain types of claim have shown an adverse development over the last 10 years, principally claims related to asbestos and environmental damage, but also other types of health-related claims. For these types of cover, the company estimates its liabilities by evaluating each cedent's exposure for the types of claim mentioned and evaluating the claims history.

Insurance risk
The principal source of insurance risk lies in the risk of increasing asbestos-related claims.
The company has strived for some considerable time to reduce this risk by entering into commutation agreements with insured parties/cedents, and this has resulted in a significant reduction in exposure to this type of claim.

Actual claims experience compared with earlier forecasts
Storebrand Skadeforsikring AS has reinsured all its insurance risk, and its claims performance is therefore largely dependent on the requirements imposed by Kredittilsynet for the minimum level of claims reserves that must be held for the various lines of insurance.

Oslo Re's claims experience over recent years has largely been dependent on the extent to which the company has succeeded in commuting its incoming reinsurance contracts, i.e. reaching agreement on early settlement of its liability to policyholders (cedents). The company has been particularly active in commuting policies in liability-related lines, and this has caused a reduction in exposure and IBNR requirements.

Profit and Loss Account Storebrand ASA

1 January – 31 December

NOK MILLION	NOTE	2005	2004	2003
Operating income				
Income from investments in subsidiaries	1	1 026.5	643.5	536.8
Net income and gains from financial assets at fair value:				
-shares and other equity investments		199.9	2 076.5	85.6
-bonds and other fixed-income securities		62.2	73.9	64.5
-financial derivatives/other financial instruments		10.9	–83.1	19.0
Other financial income		2.7	27.4	17.4
Total operating income		**1 302.2**	2 738.2	723.3
Interest costs		-53.0	-112.1	-242.4
Other financial costs		-118.7	-121.8	-6.4
Operating costs				
Salary and personnel costs	2,3,4	–20.6	–71.6	–56.6
Depreciation	10	–0.7	–1.6	–8.7
Other operating costs		–100.5	–70.8	–48.0
Total operating costs		**–121.8**	**–144.0**	–113.3
Total costs		**-293.5**	-377.9	-362.1
Profit before tax		**1 008.7**	2 360.3	361.2
Tax	5		–231.5	17.1
Profit for the year		**1 008.7**	2 128.8	378.3
Allocations				
Other equity		1.9	–288.4	–155.8
Provision for dividend payment		–1 010.6	–1 840.4	–222.5
Total allocations		**–1 008.7**	**–**2 128.8	–378.3
Receipts of dividend/group contribution booked as equity transactions			112.0	250.0
Payments of dividend/group contribution booked as equity transactions			22.4	

Comparable figures for 2004 are restated to reflect the new pension accounting standard.

Balance Sheet Storebrand ASA

31 December

NOK MILLION	NOTE	2005	2004	2003
FIXED ASSETS				
Deferred tax assets	5			231.5
Pension assets	3	183.2	147.3	551.8
Tangible fixed assets	10	37.7	38.2	64.5
Shares in subsidiaries	6	5 967.1	6 300.3	8 723.5
Lending			10.0	271.5
Total fixed assets		**6 188.0**	6 495.8	9 842.8
CURRENT ASSETS				
Intra-group receivables		1 031.3	717.1	539.1
Other current receivables		73.0	66.9	87.1
Trading portfolio investments:				
-shares and other equity investments	7	119.3	492.6	380.7
-bonds and other fixed-income securities	8	2 394.6	3 300.7	479.9
-financial derivatives/other financial instruments	9	1.3	248.5	161.2
Cash and cash equivalents		92.9	119.4	109.1
Total current assets		**3 712.4**	4 945.2	1 757.1
Total assets		9 900.4	11 441.0	11 599.9
EQUITY CAPITAL AND LIABILITIES				
Share capital		1 292.6	1 390.9	1 390.4
Own shares		-29.4	-76.3	
Premium reserve		1 818.6	1 818.6	1 814.0
Total paid in equity	11	**3 081.8**	3 133.2	3 204.4
Other equity		3 510.5	4 061.3	4 893.5
Total equity capital	11	**6 592.3**	7 194.5	8 097.9
Long-term liabilities and commitments				
Pension liabilities	3	212.0	235.5	282.4
Securities issued	12	1 996.5	1 800.2	2 832.2
Total long-term liabilities and commitments		**2 208.5**	2 035.7	3 114.6
Current liabilities				
Intra-group liabilities			29.7	9.2
Other financial liabilities			194.7	27.0
Provision for dividend	11	1 010.6	1 840.4	222.5
Other provisions		20.8	40.2	30.2
Other current liabilities		68.2	105.8	98.5
Total current liabilities		**1 099.6**	2 210.8	387.4
Total equity capital and liabilities		**9 900.4**	11 441.0	11 599.9

Comparable figures for 2004 are amended to reflect the new pension accounting standard.
Guarantees issued: See note 16

Oslo. 14 February 2006
Translation – not to be signed

Leiv L. Nergaard
Chairman

Halvor Stenstadvold | Grace Reksten Skaugen | Mette K. Johnsen

Knut G. Heje | Birgitte Nielsen | Rune Eikeland

Erik Haug Hansen | Nina E. Smeby | Idar Kreutzer, *Chief Executive Officer*

Cash flow analysis Storebrand ASA

1 January – 31 December

NOK MILLION	2005	2004
Cash flow from operational activities		
Interest, commission and fees received from customers	82.9	85.2
Interest, commission and fees paid to customers	-72.7	-236.4
Net receipts/payments – securities in the trading portfolio:		
Shares and other equity investments	-933.0	95.8
Bonds and other fixed-income securities	909.1	-2 612.2
Financial derivatives and other financial instruments	-11.5	211.1
Dividend receipts from the trading portfolio	2.5	60.3
Payments to third parties for goods and services	-143.6	-62.2
Payments to employees, pensioners, employment taxes etc.	-58.9	-124.2
Dividends received from subsidiaries	733.1	568.5
Net cash flow from operational activities	**507.9**	**-2 014.1**
Cash flow from investment activities		
Net receipts from sale of subsidiaries		4 852.0
Net payments on purchase/capitalisation of subsidiaries	398.7	-800.0
Net payments/receipts on purchase/sale of fixed assets etc.		-15.2
Net cash flow from investment activities	**398.7**	**4 036.8**
Cash flow from financing activities		
Repayment of long term lending	-79.0	-1 039.7
Receipts from taking up term loans	1 577.8	
Receipts from taking up subordinated loans	10.0	
Repayment of subordinated loans		-10.0
Receipts from issue of new capital		4.2
Payments on redemption of share capital	-618.5	-744.4
Dividend/group contribution payments	-1 823.4	-222.5
Net cash flow from financing activities	**-933.1**	**-2 012.4**
Net cash flow for the period	**-26.5**	**10.3**
Net movement in cash and cash equivalent assets	-26.5	10.3
Cash and cash equivalent assets at start of the period	119.4	109.1
Cash and cash equivalent assets at the end of the period	**92.9**	**119.4**

Contents Notes to the accounts of Storebrand ASA

Accounting Principles 2005

The accounts of Storebrand ASA have been prepared in accordance with the Accounting Act and Norwegian generally accepted accounting principles. The Accounting Act does permit the use of IFRS for the company's unconsolidated accounts for 2005, but Storebrand ASA has elected to follow the Norwegian standards.

CLASSIFICATION AND VALUATION PRINCIPLES

The preparation of the annual accounts has involved the use of estimates and assumptions that have affected assets, liabilities, revenue, costs and information on potential liabilities. Future events may cause these estimates to change. Such changes will be recognised in the accounts when there is sufficient basis to use new estimates.

Assets and liabilities had been valued in accordance with the general valuation rules of the Accounting Act. Assets intended for permanent ownership and use are classified as fixed assets, while assets and receivables due for payment within one year are classified as current assets. Equivalent principles have been applied to liability items.

DIVIDENDS AND GROUP CONTRIBUTION

In the company's unconsolidated accounts, investments in subsidiaries and associated companies are valued at acquisition cost as reduced by any write-downs. The main income of Storebrand ASA is the return on capital invested in subsidiaries. Group contributions and dividends received in respect of these investments are therefore recorded as operating income. Proposed and approved dividends and group contributions from subsidiaries are recognised in the unconsolidated accounts of Storebrand ASA as income in the accounting year. This treatment can only be applied to income earned by subsidiaries during Storebrand's ownership. Otherwise, receipts are recognised as equity transactions, and the value of the investment in the subsidiary is reduced by the amount of group contribution or dividend received.

TANGIBLE FIXED ASSETS

Tangible fixed assets for own use are valued at acquisition cost reduced by accumulated depreciation. Fixed assets are written down if the value in the balance sheet exceeds the recoverable value of the asset.

PENSION LIABILITIES IN RESPECT OF OWN EMPLOYEES

With effect from the 2005 financial year, the company has used the Norwegian standard for pensions accounting NRS 6A, which permits the use of IAS 19 (International Financial Reporting Standards) 'Employee Benefits' in place of NRS 6 'Pension Costs'. This has caused the pension liabilities arising in respect of own employees to be calculated using new parameters. The difference between the book value of pension liabilities at 1 January 2004 and the new actuarial calculation of liabilities on 1 January 2004 has been applied directly to equity.

The net pension cost for the period consists of the sum of pension liabilities accrued in the period (current service cost), 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 (experience adjustments) 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 of the period until the entitlement is fully earned. 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 experience adjustments.

The comparable figures shown for 2004 in the accounts and the notes to the accounts in respect of pensions have been restated to reflect the application of NRS 6A in 2004, as well as the reversal of experience adjustments as at 1 January 2004.

TAX

The tax charge in the profit and loss account consists of tax payable for the accounting year and changes in deferred tax. Deferred tax and deferred tax assets are calculated on the basis of timing differences between accounting and tax values of assets and liabilities. Deferred tax assets are recorded in the balance sheet to the extent it is considered likely that the group will have sufficient taxable profit in the future to make use of the tax asset. Deferred tax is applied directly to equity to the extent that it relates to items that are themselves directly applied to equity.

FOREIGN CURRENCY

Current assets and liabilities are translated at the exchange rate on the balance sheet date. Shares held as fixed assets are translated at the exchange rate on the date of acquisition.

FINANCIAL INSTRUMENTS

Shares and other equity investments. Investments in shares in subsidiaries and associated companies are valued at cost price less any write-down of value. The need for any write-down is assessed at the end of each accounting period in the same way as for other fixed assets.

Other shares and participations are valued at fair value. Where the share or participation in question is listed on a stock exchange or other regulated market, fair value is determined as the closing price on the last trading day immediately prior to or on the date of the balance sheet.

Purchases of the company's own shares are treated as an equity transaction, and holdings of own shares are reported as a reduction in equity capital.

Bonds, bond funds and other fixed-income securities. Financial assets and liabilities are included in the balance sheet from such time as Storebrand becomes party to the instrument's contractual terms and conditions. Normal purchases and sales of financial instruments are booked on the transaction date. When a financial asset or a financial liability is first recognised in the accounts, it is valued at fair value plus, in the case of a financial asset or a financial liability that is not a financial asset or a financial liability at fair value through profit and loss, transaction costs directly related to the acquisition or issue of the financial asset or the financial liability.

Financial assets are derecognised when the contractual right to the cash flow from the financial asset expires, or when the company transfers the financial asset to another party in a transaction by which all, or virtually all, the risk and reward associated with ownership of the asset is transferred.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. 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, and in the case of an asset that is to be acquired or a liability that is held, the offer price.

Financial derivatives. Financial derivatives are valued at fair value. Financial derivatives are designated as financial assets or financial liabilities at fair value through profit and loss.

Bond loans. Bond loans are valued at amortised cost using the effective yield method. Amortised cost includes transaction costs at the date of issue.

Notes to the accounts of Storebrand ASA

01 Income from investments in subsidiaries

NOK MILLION	2005	2004	2003
Storebrand Livsforsikring AS	775.4	538.7	430.0
Storebrand Kapitalforvaltning AS	26.6	8.8	20.1
Storebrand Skadeforsikring AS *)			83.8
Storebrand Bank ASA	222.4	61.6	
Adviso AS		33.2	
Storebrand Alternative Investment ASA	2.1	1.2	2.9
Total	1 026.5	643.5	536.8
*) Dividend from Storebrand Skadeforsikring AS booked directly against equity		112.0	250.0

02 Personnel expenses

NOK MILLION	2005	2004	2003
Ordinary wages and salaries	18.6	47.7	35.6
Employer's social security contributions	4.8	9.9	8.1
Pension costs	-13.5	-3.2	-1.9
Other benefits	10.7	17.2	14.8
Total personnel expenses	20.6	71.6	56.6

03 Pension costs and pension liabilities

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

Main assumptions used when calculating net pension liability at 31.12:

Financial:	2005	2004
Discount rate	4.7%	4.7%
Expected return on pension fund assets in the period	6.0%	6.0%
Expected earnings growth	3.0%	3.0%
Expected annual increase in social security pensions	3.0%	3.0%
Expected annual increase in pensions in payment	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 entire workforce.
Comparable figures for 2004 have been restated in accordance with NRS 6A.

Reconciliation of pension assets and liabilities in the balance sheet:

NOK MILLION	2005	2004
Present value of insured pension benefit obligations	1 904.9	1 978.3
Pension assets at fair value	-1 962.0	-2 033.3
Net pension liability/surplus for the insured schemes	-57.1	-55.0
Present value of uninsured pension benefit obligations including employment taxes	223.7	227.2
Experience adjustments and difference between actual and expected investment return not applied to profit and loss	-137.8	-84.1
Net pension liabilities in the balance sheet including employment taxes	28.8	88.2

Pension fund assets are based on the financial investments held by Storebrand Livsforsikring, which had the following composition at 31.12:

	2005	2004
Properties and real estate	10%	9%
Bonds held to maturity	28%	37%
Secured and other lending	1%	1%
Shares and other equity participations	27%	17%
Bonds	29%	18%
Commercial paper	4%	15%
Other short-term financial assets	1%	3%
Total	100%	100%

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

NOK MILLION	2005	2004
Net pension liability at 01.01 including provision for employment taxes	88.2	183.0
Net pension cost recognised in the period	-13.4	-3.2
Premiums paid	-11.9	-16.2
Pensions paid	-34.0	-60.7
Other		-14.8
Net pension liability at 31.12	28.8	88.2

Booked in the balance sheet:

Pension assets	183.2	147.3
Pension liabilities	212.0	235.5

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

NOK MILLION	2005	2004
Current service cost	6.2	16.4
Interest on pension liabilities	97.8	110.7
Expected return on pension scheme assets	-117.4	-130.3
Net pension cost in the profit and loss account	-13.4	-3.2

Actual return on pension assets	81.3	110.1

04 Remuneration of the Chief Executive Officer and elected officers of the company

NOK 1.000	2005	2004	2003
Chief Executive Officer			
Salary	3 404	3 293	3 335
Bonus (performance-based)	1 489	754	
Extraordinary bonus		2 528	
Total remuneration	4 893	6 575	3 335
Other taxable benefits	207	152	181
Pension cost *)	706	414	380
Board of Representatives	436	509	572
Control Committee **)	872	999	793
Chairman of the Board	480	404	330
Board of Directors including the Chairman	2 075	1 707	1 715
Remuneration to Deloitte Statsautoriserte Revisorer AS and associated companies			
Statutory audit	2 167		
Other reporting services	61		
Taxation advice	52		
Other services not audit-related ***)	2 660		

*) Pension cost relates to accrual for the year.

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

***) Of which agreed control tasks NOK 2.5 million

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. All forms of work-related income from other sources, including consultancy assignments, will be deducted from such payments. Kreutzer is entitled to a performance-related bonus based on the group's ordinary bonus scheme, which has three aspects. The group's value creation finances the overall amount of the bonus, but individual performance determines allocation. Kreutzer's individual bonus entitlement is credited to a bonus account, and 1/3 of the balance on the bonus account is paid each year. The balance on Kreutzer's bonus account is NOK 3 million, prior to the amount to be credited for 2005. Kreutzer is a member of the Storebrand pension scheme on normal terms. The discounted present value of the pension entitlement is NOK 9.2 million, made up of NOK 1.2 million in the insured scheme and NOK 8.0 million in the uninsured scheme. These amounts represent the liability of the insured and uninsured scheme calculated on a linear basis using the financial assumptions specified in the accounts.

05 Tax

NOK MILLION	2005	2004	2003
Profit before tax	1 008.7	2 360.3	361.2
+ Prior year dividend from subsidiaries			267.8
-Dividend	-1 012.5	-695.2	-313.8
+/- Shares realised	-470.4	-1 593.2	-63.0
+/- Permanent differences	42.4	30.4	5.1
+/- Changes in temporary timing differences	-201.3	-61.6	37.5
Tax base for the year	-633.1	40.7	294.8
- Tax losses carried forward	633.1	-40.7	-294.8
Tax base for calculation of tax payable			
Change in deferred tax		-231.5	17.1
Tax		-231.5	17.1

Calculation of deferred tax assets and deferred tax	2005	2004	2003
Tax increasing timing differences			
Securities			
Pre-paid pensions	182.6	147.3	551.8
Gains/loss account	6.4	8.0	10.0
Total tax increasing timing differences	189.0	155.3	561.8
Tax reducing timing differences			
Securities	-31.8	-146.5	-6.3
Operating assets	-58.2	-75.9	-57.9
Provisions	-13.0	-24.8	-45.3
Accrued pension liabilities	-212.1	-235.5	-251.0
Total tax reducing the timing differences	-315.1	-482.7	-360.5
Net timing differences before losses carried forward	-126.1	-327.4	201.3
Losses carried forward	-1 034.9	-400.4	-366.7
Allowances carried forward	-661.3	-661.3	-661.3
Write-down of deferred tax assets *)	1 822.3	1 389.1	
Net tax increasing/reducing timing differences			-826.7
Deferred tax/Deferred tax assets			231.5

*) The balance sheet value of deferred tax assets has been written down. This is because future income from subsidiaries will principally be in the form of dividends rather than taxable group contribution.

Comparable figures for 2004 have been restated in respect of the new pensions accounting standard.

Reconciliation of tax charge and ordinary profit	2005	2004	2003
Pre-tax profit	1 008.7	2 360.3	361.2
Expected tax at nominal rate (28%)	-282.4	-660.9	-101.1
Tax effect of dividends received	283.5	194.7	92.4
Tax effect of gains on shares	131.7	446.1	17.6
Tax effect of permanent differences	-11.9	30.1	-1.4
Tax effect of the write-down of deferred tax assets	-120.9	-262.3	
Tax adjustment for previous years		20.9	9.7
Tax charge		-231.5	17.1
Effective tax rate		10%	-5%

06 Holding company's shares in subsidiaries and associated companies

NOK MILLION	REGISTERED OFFICE	SHARE CAPITAL	NO. OF SHARES (1.000)	PAR VALUE NOK	INTEREST/ VOTING IN %	BOOK VALUE
Subsidiaries						
Storebrand Livsforsikring AS	Oslo	1 411.2	14 112	100	100.0%	2 451.3
Storebrand Fondsforsikring AS	Oslo	53.9	54	1 000	100.0%	229.2
Storebrand Bank ASA	Oslo	916.6	64 037	14	100.0%	2 466.1
Storebrand Kapitalforvaltning AS	Oslo	50.0	50	1 000	100.0%	162.4
Storebrand Skadeforsikring AS	Oslo	7.8	13 807	0.56	100.0%	324.0
Storebrand Leieforvaltning AS	Oslo	10.0	100	100	100.0%	10.0
Storebrand Felix kurs og konferanse AS	Oslo	1.0	1	1 000	100.0%	8.6

CONT.	REGISTERED OFFICE	SHARE CAPITAL	NO. OF SHARES (1.000)	PAR VALUE NOK	INTEREST/ VOTING IN %	BOOK VALUE
Storebrand Alternative Investment ASA	Oslo	2.0	101	11	56.0%	1.1
Associated/jointly-controlled companies						
Storebrand Helseforsikring AS	Oslo	31.0	16	1 000	50.0%	70.0
Fair Financial Ireland plc. *)	Denmark				50.0%	244.4
AS Værdalsbruket **)	Værdal	4.8	2	625	24.9%	
Total						5 967.1

*) Book value includes a subordinated loan of NOK 141.7 million. A contract was signed in December 2005 to sell the shares. The sale is expected to take place in the first half of 2006

**) 74.9% held by Storebrand Livsforsikring AS. Minority interests amount to 0.2%

07 Shares and other equity investments

Shares and other equity investments

NOK MILLION	ACQUISITION COST	FAIR VALUE
Listed Norwegian shares	56.0	112.3
Unlisted Norwegian shares		0.1
Unlisted shares within the EEA	7.5	1.5
Unlisted shares outside the EEA	0.9	0.3
Other fund units	39.1	5.1
Total shares	**103.5**	**119.3**

08 Commercial paper and bonds

Bonds, bond funds, and other fixed-income securities

NOK MILLION	COMMERCIAL PAPER	BONDS	TOTAL
Commercial paper, bonds, bond funds and related forward foreign exchange contracts	1 346.1	1 048.5	2 394.6
Of which listed	903.5	479.7	1 383.2
Acquisition cost	1 342.8	1 048.1	2 390.9
Nominal value	1 358.3	1 037.2	2 395.5
Direct investments in bonds and commercial paper	1 346.1	1 048.5	2 394.6
Base figure for allocation by sector and currency	1 346.1	1 048.5	2 394.6
Public sector	928.5	2.1	930.6
Financial institutions	229.8	912.4	1 142.2
Other issuers	187.8	134.0	321.8
Total	1 346.1	1 048.5	2 394.6
NOK	1 346.1	1 048.5	2 394.6
Modified duration	0.58	0.18	0.41
Average effective yield	2.63	2.67	2.64

09 Financial derivatives

NOK MILLION	GROSS NOM. VOLUME	AVERAGE NOM. VOLUME	NET NOM. VOLUME	FAIR VALUE ASSET	FAIR VALUE LIABILITY
Share options		308.4			
Forward rate agreements	300.0	2 199.8	300.0	0.1	
Forward foreign exchange contracts	257.2	202.8	-257.2	1.2	
Currency options	2 717.6	2 371.0	44.3		
Total derivatives	3 274.8	5 082.0	87.1	1.3	

10 Real estate and operating assets

NOK MILLION	REAL ESTATE	EQUIPMENT, VEHICLES, FIXTURES AND FITTINGS	TOTAL
Acquisition cost at 01.01	34.7	282.6	317.3
Accumulated depreciation	-21.2	-257.8	-279.0
Book value at 01.01	13.4	24.8	38.2
Additions		0.7	0.7
Depreciation/write-down for the year	-0.5	-0.7	-1.2
Book value at 31.12	**12.9**	**24.8**	**37.7**

Straight line depreciation periods for operating assets are as follows:

Equipment, fixtures and fittings: 4 years
Vehicles: 5 years
Computer systems: 3 years

11 Equity capital

NOK MILLION	SHARE CAPITAL *)	OWN SHARES	SHARE PREMIUM	OTHER EQUITY	EQUITY CAPITAL 2005	EQUITY CAPITAL 2004	EQUITY CAPITAL 2003
Equity at 01.01	1 390.9	-76.3	1 818.6	4 061.3	7 194.5	8 097.9	7 866.6
Profit for the year				1 008.7	1 008.7	2 128.8	378.3
Cancellation of own shares	-98.3	98.3					
Own shares bought back **)		-51.3		-567.2	-618.5	-744.4	
Pensions applied to equity ***)						-452.5	
Tax on equity transaction							70.0
Over-provision for dividend 2004				17.0	17.0		
Allocated to dividend ****)				-1 010.6	-1 010.6	-1 840.4	-222.5
Employee share issue				1.2	1.2	5.1	5.5
Equity at 31.12	**1 292.6**	**-29.4**	**1 818.6**	**3 510.4**	**6 592.3**	**7 194.5**	**8 097.9**

*) 258.526.245 shares of nominal value NOK 5.
**) Share capital reduced by NOK 98.3 million in 2005 by cancellation of 19.655.637 shares. 10.268.637 own shares were bought back in 2005. The company held 5.878.000 own shares at 31.12.05. Shares have been bought back to help maintain an appropriate capital structure for the group and to benefit shareholders.
***) Effect of implementing NRS 6A as at 01.01.04.
****) No dividend is provided for on own shares bought back.

12 Bonds issued

NOK MILLION	INTEREST RATE	CURRENCY	BOOK VALUE	NOMINAL VALUE
Bond loan 2005/2009	3 m. NIBOR+0.20	NOK	829.2	830
Bond loan 2005/2011	3 m. NIBOR+0.30	NOK	748.9	750
Bond loan 2002/2007	7.18%	NOK	209.7	211
Bond loan 2002/2007	3 m. NIBOR+0.80	NOK	208.8	210
Total *)			1 996.5	

*) Loan is booked at amortised cost.

Storebrand ASA has an undrawn committed credit facility of EUR 200 million.

13 Shareholders

20 largest shareholders

	HOLDING IN %
Folketrygdfondet	10.78
Orkla ASA	7.60
State Street Bank Trust (NOM*)	5.09
Fidelity Funds-Europe	4.18
State Street Bank & Trust (NOM*)	4.12
Euroclear Bank S.A. (NOM*)	3.70
JPMorgan Chase Bank (NOM*)	3.38
Arion Custody (NOM*)	2.76
Goldman Sachs International (NOM*)	2.66
JPMorgan Chase Bank	2.32
Storebrand ASA	2.27

	HOLDING IN %
Banca Intresa S.P.A (NOM*)	2.24
Morgan Stanley & Co (NOM*)	1.65
Deutsche Bank AG (NOM*)	1.61
Bank of New York, Brussels	1.55
Mellon Bank AS (NOM*)	1.17
Capitalia S.P.A (NOM*)	1.14
Mellon Bank AS (NOM*)	1.10
Citibank, N.A. (NOM)	0.90
Cais Bank Paris (NOM*)	0.87
Foreign ownership of total share capital	66.1%

*) Nominee account

14 Holdings of shares in Storebrand ASA by executive management and members of corporate bodies

	NO. OF SHARES OWNED *)
Senior executives ***)	
Idar Kreutzer	28 878
Hans Henrik Klouman	1 566
Odd Arild Grefstad	3 668
Maalfrid Brath	1 703
Egil Thompson	1 103
Erik Råd Herlofsen	2 303
Lars Aa. Løddesøl	1 803
Per Kumle	628
Roar Thoresen	628
Hans Aasnæs	1 672
Rolf Corneliussen	115
Board of Directors	
Leiv L. Nergaard	20 000
Halvor Stenstadvold	3 593
Knut G. Heje	8 500
Mette K. Johnsen	997
John Giverholt	
Grace Reksten Skaugen	13 000
Rune Eikeland	
Erik Haug Hansen	1 653
Birgitte Nielsen	
Nina Elisabeth Smeby	568
Control committee	
Sverre Bjørnstad	2 816
Hanne Harlem	
Harald Moen	322
Carl Graff-Wang	
Jon Ansteinsson	
Board of Representatives	
Sven Ullring	385
Merete Egelund Valderhaug	
Inger-Johanne Strand	3
Stein Erik Hagen	
Terje R. Venold	
Eli Sætersmoen	
Ole Enger	
Rune Selmar	
Kjell Jostein Sæther	200
Ann Jeanette Magnussen	1 132
Lars Tronsgaard	
Johan H. Andresen jr. **)	2 020 800
Roar Engeland	
Arvid Grundekjøn	
Per Alm Knudsen	
Paul Eggen jr.	1 653
Inger Lise Gjørv	
Margrethe Øvrum	
Marius Steen	
Vibeke Hammer Madsen	
Barbara Rose Milian Thoralfsson	
Astrid Olive Aanerud	625
Ann-Mari Gjøstein	140
Rune Pedersen	
Anders Berggren	

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

Transactions between group companies

NOK MILLION	2005	2004	2003
Profit and loss account items:			
Group contribution and dividends from subsidiaries	1 026.5	643.5	536.8
Purchase and sale of services (net)	-50.1	4.6	13.4
Balance sheet items:			
Subordinated loans to group companies		10.0	271.5
Net accounts payable and receivable (incl. group contribution)	1 031.3	687.4	529.9

15 No. of employees/Full time equivalent positions

	2005
No. of employees at 31.12	10
No. of full time equivalent positions at 31.12	10
Average number of employees	10

16 Guarantees issued

Storebrand ASA has issued the following guarantees:

	CURRENCY	TERMS	ACCOUNTS PROVISION
[1] Institute of London Underwriters (ILU)	USD	Unlimited	0

[1] Counter indemnity of Oslo Reinsurance Company ASA, which is 100% owned by Storebrand Skadeforsikring AS.

Auditor's report for 2005

To the Annual Shareholders' Meeting of Storebrand ASA

We have audited the annual financial statements of Storebrand ASA as of 31 December 2005, showing a profit of NOK 1,008.7 million for the parent company and a profit of NOK 1,400.1 million for the group. We have also audited the information in the Board of Directors' report concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit. The annual financial statements comprise the parent company's financial statements and the group accounts. The parent company's financial statements comprise the balance sheet, the statements of income and cash flows and the accompanying notes. The group accounts comprise the balance sheet, the statements of income and cash flows, the statement of changes in equity and the accompanying notes. The rules of the Norwegian accounting act and good accounting practice in Norway have been applied to produce the parent company's financial statements. International Financial Reporting Standards as adopted by the EU have been applied to produce the group accounts. These financial statements are the responsibility of the Company's Board of Directors and Chief Executive Officer. Our responsibility is to express an opinion on these financial statements and on the other information according to the requirements of the Norwegian Act on Auditing and Auditors.

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

In our opinion,
- the parent company's financial statements are prepared in accordance with the law and regulations and give a true and fair view of the financial position of the Company as of 31 December 2005, and the results of its operations and its cash flows for the year then ended, in accordance with good accounting practice in Norway
- the group accounts are prepared in accordance with the law and regulations and give a true and fair view of the financial position of the Group as of 31 December 2005, and the results of its operations and its cash flows and the changes in equity for the year then ended, in accordance with the International Financial Reporting Standards as adopted by the EU
- the Company's management has fulfilled its duty to produce a proper and clearly set out registration and documentation of accounting information in accordance with the law and good bookkeeping practice in Norway
- the information in the Board of Directors' report concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit is consistent with the financial statements and complies with the law and regulations.

Oslo, 14 February 2006
Deloitte Statsautoriserte Revisorer AS

Translation – not to be signed

Ingebret G. Hisdal
State Authorised Public Accountant (Norway)

Control Committee's Statement – 2005

The Control Committee of Storebrand ASA has reviewed the Board of Directors' proposed Annual Report and Accounts for 2005 for the Storebrand Group.

With reference to the auditor's report of 14 February 2006, the Control Committee recommends that the Annual Report and Accounts proposed be adopted as the Annual Report and Accounts of Storebrand ASA and Storebrand Group for 2005.

Oslo, 22 February 2006

Translation – not to be signed

Sverre Bjørnstad
Chairman of the Control Committee

Board of Representatives' Statement – 2005

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

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

Oslo, 28 February 2006

Translation – not to be signed

Sven Ullring
Chairman of the Board of Representatives

Storebrand Group companies

Storebrand ASA	Interest
Storebrand Livsforsikring AS	**100.0%**
Storebrand Eiendom AS	100.0%
Storebrand Pensjonstjenester AS	100.0%
Aktuar Systemer AS	100.0%
Storebrand Kjøpesenter Holding AS	100.0%
Storebrand Nybygg AS	100.0%
Storebrand Nydalen AS	100.0%
Storebrand Lysaker AS	100.0%
Sjølyst Eiendom AS	50.0%
Stor Ulven AS	100.0%
Trondheimsveien 200 AS	100.0%
Storebrand Systemutvikling AS	100.0%
UNI Norden Holding AS	100.0%
Storebrand Hoffsveien 1 AS	100.0%
Norben Life and Pension Insurance Co. Ltd.	25.0%
AS Værdalsbruket *)	74.9%
Storebrand Fondsforsikring AS	**100.0%**
Storebrand Bank ASA	**100.0%**
Storebrand Finans AS (being wound up)	100.0%
Bertil O. Steen Finans AS	50.0%
Skipsinvest I AS	100.0%
Filipstad Tomteselskap AS	100.0%
Neskollen Eiendom AS	100.0%
Filipstad Eiendom AS	100.0%
Ring Eiendomsmegling AS	72.3%
Seilduksgaten 25-31 AS	50.0%

Storebrand ASA	Interest
Storebrand Kapitalforvaltning AS	**100.0%**
Storebrand Luxembourg S.A.	99.8%
Storebrand Alternative Investment ASA	**56.0%**
Storebrand International Private Equity AB	100.0%
Storebrand Skadeforsikring AS	**100.0%**
Oslo Reinsurance Company ASA	100.0%
Oslo Reinsurance Company (UK) Ltd.	100.0%
Storebrand Helseforsikring AS	**50.0%**
Fair Financial Ireland plc.	**50.0%**
Storebrand Leieforvaltning AS	**100.0%**
Storebrand Felix kurs- og konferansesenter AS	**100.0%**

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

Terms and Expressions

GENERAL

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

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

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

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

CAPITAL ADEQUACY

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.

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

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

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

LIFE INSURANCE

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

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

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

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

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

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

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

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

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

Return on capital: Return on capital shows net realised income from financial assets and changes in the value of real estate, expressed as a percentage of the year's average total assets in accordance with rules set by the Financial Supervisory Authority of Norway. Value-adjusted return on capital shows the total of realised income from financial assets, changes in the value of real estate and the year's change in unrealised gains or losses, expressed as a percentage of the year's average total assets at market value.

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

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

BANKING

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

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

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

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

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

FINANCIAL DERIVATIVES

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

Basis swaps: A basis swap is an agreement to exchange principle and interest rate terms in a foreign currency. At the maturity of the contract, the principal and interest rate terms are exchanged back to the original currency. Basis swaps are used for hedging subordinated loans.

Credit derivatives: Credit derivatives are financial contracts that transfer all or part of the credit risk associated with loans, bonds or 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 tradable instruments that make it possible to transfer the credit risk associated with particular assets to a third party without selling the assets.

Foreign exchange options: A foreign exchange option confers a right (but not an obligation) to buy or sell a currency at a pre-determined exchange rate. Foreign exchange options are used for hedging subordinated loans.

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. These contracts also include spot foreign exchange transactions.

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

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

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

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

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

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

Storebrand's management

1) HANS AASNÆS (42), Managing Director, Storebrand investments
Agronomist, Agricultural University of Norway, advanced studies business analysis, Norwegian School of Economics and Business Administration, Authorised Financial Analyst, program for Executive Development (IMD)
2001-2005 Investment Director, Storebrand Investments
1994-2001 Portfolio Manager, Norwegian and International equities, Storebrand Investments
1990-1994 Derivatives Specialist, Orkla Finans

2) HANS HENRIK KLOUMAN (44), General Counsel, Executive Vice President
Graduate in Law, University of Oslo, 1987
1993–1994 Oslo Stock Exchange,
1990–1993 Lawyer – Thommessen, Krefting, Greve & Lund,
1989–1990 Assistant Judge,
1987–1989 First consultant – Kredittilsynet

3) LARS AA. LØDDESØL (41), Executive Vice President, Corporate Life Insurance
Master of General Business, Norwegian School of Management and MBA, Thunderbird (AGSIM), USA
2001–2004 Executive Vice President, Finance Director Storebrand ASA,
1994–2001 Vice President/ Relationship Manager, Citibank International plc,
1990–1994 Assistant Treasurer, Scandinavian Airlines Systems

4) IDAR KREUTZER (43), Group Chief Executive Officer, Storebrand ASA and Managing Director, Storebrand Life Insurance AS
Norwegian School of Economics and Business Administration (NHH)
1995–2000 Storebrand – Chief Financial Officer,
1992–1995 Storebrand – Various positions in treasury and business development,
1988–1991 Medinor Project – Consultant,
1986–1987 The Municipality of Oslo – Political Secretary & Advisor to the City Council

5) MAALFRID BRATH (40), Executive Vice President, Retail Market
State Authorised Accountant, Norwegian School of Economics and Business Administration (NHH) and Master of General Business, Norwegian School of Management (BI)
2002–2004 Head of Storebrand Group Private Sector Distribution,
1999–2002 Senior Vice President, Storebrand Livsforsikring AS,
1997–2002 Managing Director, Storebrand Fondsforsikring AS,
1995–1996 Vice President, Internal Audit, Storebrand ASA,
1989–1995 Arthur Andersen & Co

6) EGIL THOMPSON (41), Executive Vice President, Corporate Communications and Brands
Degree in political science, University of Oslo, 1990
1999–2000 Deputy Director, Corporate Communications, Storebrand ASA,
1994–1999 Journalist and head of editorial staff, Aftenposten,
1990–1994 Journalist with the Norwegian News Agency (NTB)

7) ROLF CORNELIUSSEN (49), Executive Vice President, Life Production & Service/IT
Norwegian School of Economics and Business Administration (NHH) 1981
1997–2000 Chief IT Officer, Storebrand ASA,
1988–1997 Associate Partner, Andersen Consulting,
1982–1988 Advisor/ accountant, Arthur Young

8) ERIK RÅD HERLOFSEN (44), Executive Vice President, Human Resources
Graduate in Law, University of Oslo, 1987. Admitted to the Supreme Court, 1997
1996–2000 Managing Director, Storebrand Finans AS,
1990–1996 Attorney, Storebrand Finans AS,
1988–1990 First consultant, Kristiansand tax office

9) PER KUMLE (47), Managing Director, Storebrand Bank ASA
MSc in Chemical Engineering, Norwegian Institute of Technology, Trondheim
1989–2001 Managing Director, Citibank International Plc, Norway Branch and Head of Northern European Shipping, Citibank,
1986–1989 Christiania Bank og Kreditkasse,
1984–1986 Saga Petroleum

10) ODD ARILD GREFSTAD (40), Executive Vice President, Chief Finance Officer
State Authorised Public Accountant, Authorised Financial Analyst (AFA)
1998–2002 Head of Business Control, Storebrand ASA,
1997–1998 Group Controller, Life Insurance, Storebrand ASA,
1994–1997 Vice President, Internal Audit, Storebrand ASA,
1989–1994 Arthur Andersen & Co

Storebrand's management model and executive management group were reorganised with effect from 1 March 2006. Roar Thoresen has joined the executive management group as Executive Vice President, Operations. Areas of responsibility include human resources, IT and project support. Following the reorganisation, Erik Råd Herlofsen and Rolf Corneliussen have left the executive management group.

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http://www.storebrand.no

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www.storebrandhalsa.com

FINANCIAL CALENDAR FOR STOREBRAND 2006

15 February:	4th quarter results 2005
3 May:	AGM
4 May:	Ex dividend
10 May:	1st quarter results 2006
10 August:	2nd quarter results 2006
1 November:	3rd quarter results 2006

Storebrand ASA
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