

# Annual Report 2008

Storebrand Livsforsikring



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# Report of the Board of Directors

## Main features

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

The Norwegian life insurance market has gone through changes in a number of areas in recent years, including the introduction of a new regulatory framework for life insurance in 2008. The work carried out by Storebrand in response to these developments has included changes to product pricing, portfolio structure and risk management, as well as changes to internal systems.

## Subsidiaries and associated companies

Storebrand Livsforsikring owns 100% of Storebrand Holding AB, which in turn owns 100% of the SPP group and SPP Fonder. SPP is a leading Swedish life insurance and occupational pension provider. SPP offers unit-linked products, traditional insurance products and defined benefit pension products, as well as consulting services for occupational pensions. It also offers insurance and administrative solutions for municipalities and other organisations. The acquisition of SPP made Storebrand and SPP the leading life insurance and pension provider in the Nordic region. SPP's head office is in Stockholm.

Storebrand Livsforsikring owns 25% of Nordben Life and Pension Insurance Company Ltd. of Guernsey directly, and holds a further 50% indirectly through SPP.

Storebrand also offers actuarial services, systems and a full range of operational services for pension funds through its subsidiaries Aktuar Systemer AS and Storebrand Pensjontjenester AS.

Storebrand Livsforsikring opened a Swedish branch in 2005. The branch offers pension insurance and unit linked policies in the Swedish market based on Norwegian insurance legislation. Sales are made through insurance brokers. The branch was integrated with SPP in 2008.

Storebrand Finansiell Rådgivning (Storebrand Financial Advice - SFA) was established as a wholly owned subsidiary in response to changes in the statutory requirements for financial advice services (MiFID requirements) that came into effect from 1 November 2007. The company is wholly owned by Storebrand Livsforsikring.

Storebrand Eiendom Holding is the holding company for Storebrand Livsforsikring's real estate activities. The company is wholly owned by Storebrand Livsforsikring.

Storebrand Livsforsikring sold its ownership interest in Caveo in 2008.

Storebrand Livsforsikring directly owns 58% of Foran Real Estate in Latvia, and has a further 31% ownership interest through SPP Livförsäkring. The company invests in forest land in Latvia.

## Sales

Following the introduction of mandatory occupational pensions in 2006, the Norwegian occupational pension market has increasingly become a transfer market. Storebrand is very competitive in this market. In 2008, as in 2007, Storebrand was the most successful company in the transfer market for occupational pension schemes, with a net inflow (transfers notified) of NOK 2.5 billion.

A considerable number of the company's corporate customers have either already switched from defined benefit pension schemes to defined contribution schemes, or are considering this alternative.

The market for Norwegian municipality pension schemes was characterised by little pension transfer activity in 2008. Only eight municipalities invited competitive bidding for their pension arrangements in 2008, and three of these decided to change their pension provider. Four of Storebrand's municipality customers invited competitive bidding for their pension arrangements in 2008. Three of these remained with Storebrand, while one municipality transferred to KLP. Kongsvinger municipality transferred its pension arrangement from KLP to Storebrand.

The retail market in 2008 was characterised by a decline in individual life insurance-related saving, reflecting high interest rates throughout the year that made bank deposits a more attractive form of saving. The new system for individual pension saving with tax deduction, IPS, was launched in the autumn of 2008. More than 10,000 agreements were sold in total, of which Storebrand won a market share of around 15%. Many of these sales took place through direct channels and to employees of companies where Storebrand provides the occupational pension scheme. The total market was smaller than expected. This was partly because long-term savings that are tied up until retirement age appeared less attractive as the financial crisis developed, and partly because savers may find the tax treatment of the product unattractive and unpredictable.

## The SPP transaction and integration

Storebrand ASA took out a bridge loan of EUR 580 million from a syndicate of banks in connection with the acquisition of SPP. Storebrand ASA in turn lent this money to Storebrand Livsforsikring AS in the form of a subordinated loan. In the first half of 2008, Storebrand Life Insurance issued capital securities and perpetual subordinated loan in the market. Storebrand Life Insurance used the proceeds to reduce the loan from Storebrand ASA by a total of EUR 510 million. The bridge loan was repaid in full in Q3 2008 from these proceeds and a new term loan facility of EUR 70 million for Storebrand ASA.

## Integration

Four different sub-projects have worked on the integration between SPP and Storebrand during 2008. The integration is proceeding well:

- **The 100 days programme** has focused on increasing activity levels and product improvements with a view to increasing sales in SPP. SPP's extra sales in excess of general market growth as per Q4 amounted to NOK 61 million measured on an APE basis. The target for the extra sales synergy is defined by the increased value of new business.
- **The separation and integration project** has worked on separating SPP from Handelsbanken, introducing Lean into SPP, and putting a common IT infrastructure in place in the group. The efficiency projects that have been started in SPP are showing positive results.
- **The investments project** has implemented Storebrand's investment philosophy for SPP's assets and ensured an efficient transfer of SPP's assets from Handelsbanken to Storebrand Investments from 1 January 2009.
- **The risk management project** has worked on conversion to Storebrand's risk management model with a view to increasing returns and reducing hedging costs in SPP.

The costs synergies are developing well and the yearly effects as per Q4 makes about NOK 24 million. Tax synergies exceeded targets as per Q4 by just under NOK 50 million.

## Purchase analysis

A preliminary acquisition analysis was presented in the accounts as per 31 December 2007. A final acquisition analysis has now been conducted and this has been used in the annual accounts as per 31 December 2008, and is presented in note 4. The acquisition analysis has been assessed by both internal and external assessors during 2008.

## Implementation of the transaction in the account

The transaction was conducted on 21 December 2007. It was implemented

in the accounts on the basis of SPP's equity as per 31 December 2007. SPP's earnings for 2008 are consolidated in the Storebrand group result.

## New life insurance legislation in Norway

The new Insurance Activities Act and related regulations came into force from 1 January 2008. The new Act represents considerable changes for life insurance companies. Storebrand worked intensively in 2008 to strengthen its competitiveness by taking advantage of the new business opportunities that became available as a result of the changes. The overall objective of the new legislation is to make the pricing of insurance products more predictable and transparent, and to make a clearer distinction between the assets of the insurance company and its policyholders. As an overall rule, the new legislation requires that premiums must be fixed and paid in advance.

## New opportunities for asset management

Until 2008, customers' assets and the company's own assets were managed in the same portfolio, and customers had no influence on how their assets were invested. The new legislation makes it possible for the company's total portfolio to be divided into sub-portfolios with different asset allocation and risk profile. This means that customers can exercise greater influence over how their funds are invested.

The new Insurance Activities Act stipulates that where group pension insurance business provides a guaranteed return, the premium charged for the guarantee must be fixed in advance. The level of a pension scheme's guaranteed return, the size of its buffer capital (i.e. additional statutory reserves and unrealised gains) and the level of investment risk associated with the portfolio in which the customer's assets are invested will be key factors in determining the premium the customer pays for the guaranteed return. The basis for pricing the guaranteed return is the risk to which the available equity is exposed. A group pension customer can choose an investment profile with a lower exposure to

equities that will normally represent a lower risk exposure and a lower expected return. A higher exposure to equities will normally represent a higher expected return, but it will also increase the price of the guaranteed return. Over the longer term, a higher return will reduce the customer's pension costs. Under the new Act, a policy's additional statutory reserves can only be used to meet a shortfall in the return on the customer's policy, and the new rules allow greater flexibility in building up the level of additional statutory reserves.

Under the new legislation, group pension customers can choose to invest their pension assets in a specified investment portfolio. This gives these customers greater freedom of choice. They can choose between using standardised risk profiles or making their own investment choices subject only to the limitations imposed by legislation and regulations. This means that a customer can define its own investment strategy more or less in the same way as if the funds were being managed through a separate company pension fund.

The new legislation also permits a new type of long-term policy. The guaranteed return was previously linked to a single financial year, but it is now possible to agree a guaranteed return for periods of up to 5 years. The premium for a guaranteed return over a number of years will be lower than for annual guarantees over the same period. The liabilities to the insured parties must still be supported by sufficient insurance reserves. If necessary, equity capital can be used to ensure satisfactory reserves during the agreed guarantee period. The new regulatory framework for longer periods of guaranteed return allows greater flexibility for the customer and insurance company to reach agreement on terms specific to the customer. For example, the customer may decide to make its buffer capital available as collateral in the event that the investment return falls short of the guaranteed return stipulated in the policy. While this increases the customer's risk exposure, it also reduces the total price the customer pays for the guaranteed return.

### New rules for profit sharing

In the case of defined benefit group pension schemes, as well as new policies for individual products with guaranteed return, the new legislation specifies that the customer will be entitled to the surplus generated by the policies in respect of investment result and insurance result. The various elements of the product offered must now be priced separately in advance, and the pricing of each element can include the insurance company's remuneration.

The new legislation introduces a modified profit sharing model for existing paid-up policies and new paid-up policies for individuals leaving group pension schemes, which means that the company can retain up to 20% of the surplus on these policies defined as a total of investment result and risk result. The modified profit sharing model also allows for any loss on risk result to be deducted

from the customer's investment result surplus. In addition, the company will receive the return on all capital in the balance sheet that does not belong to policyholders.

Traditional individual products written before the new legislation came into force can continue to follow the profit-sharing rules that applied in 2008, and Storebrand intends to continue to manage this business in accordance with this profit-sharing model. No new policies may be added to this portfolio.

### New rules for premium payments

#### Pricing of the guaranteed return

The premium is calculated for one year at a time, and is paid in advance unless the parties agree on payment by instalments. The customer must pay for the guaranteed return in advance each year. This means that the insurance company cannot take its profit in arrears by retaining part of the investment

surplus due to the customer's insurance policy. However, the legislation includes transitional provisions that permit insurance companies to retain part of the investment surplus in the case of pensioner members of group pension schemes for the years 2008-2010. It will still be possible to make transfers to additional statutory reserves, which can be used in years of low return to offset a shortfall in investment return between 0% and the guaranteed return. Additional statutory reserves must be allocated to individual policies. The Insurance Activities Act stipulates the maximum size of additional statutory reserves. The insurance company carries all the downside risk, and must carry reserves against the policy if the buffer reserves are not sufficient or are not available.

#### Risk premium

The customer will receive any surplus from the risk result for insurance cover, but the

## 1) Profit and loss - Storebrand Livsforsikring Group

NOK million	2008	2007
Storebrand Livsforsikring AS	-383	1 622
SPP Group	831	
Other subsidiaries	74	13
Profit before amortisation and write-downs	523	1 635
Amortisation of intangible assets	-476	
Write-downs of intangible assets	-2 500	
<b>Pre-tax profit</b>	<b>-2 453</b>	<b>1 635</b>
Tax	-489	-34
<b>Profit after tax</b>	<b>-2 942</b>	<b>1 601</b>

## 2) Profit Storebrand Livsforsikring Norwegian business

NOK million	2008	2007
Investment result *)	-2 137	7 887
Administration result	-255	-669
Risk result	604	244
Other	-180	-3 042
Profit before drawing on additional statutory reserves	-1 968	4 420
Transfers from additional statutory reserves to meet the guaranteed return	2 241	
Profit after transfers from additional statutory reserves	272	4 420
Profit allocated to customers in addition to the guaranteed return	-655	-2 797
<b>Profit to the owner Storebrand Livsforsikring AS</b>	<b>-383</b>	<b>1 622</b>
Result other subsidiaries	74	
<b>Profit before tax Norwegian business</b>	<b>-309</b>	<b>1 622</b>

\*) Figure shown for 2007 include the return on the company's equity capital, subsidiary companies' earnings are included in the 2007 figures for Storebrand Livsforsikring AS in accordance with the equity method.

insurance company will, in principle, be responsible for meeting any deficit on risk result. There is, however, provision for up to half of any risk surplus on a particular line of insurance to be held in a risk equalisation fund. Deficits on risk elements can be met out of the equalisation fund before the insurance company is required to contribute from its own equity.

#### **Premium for administration and management**

Administration and management costs must be charged in advance each year, and represent the final cost for the customer. The insurance company must then meet any deficit in the administration and management result, and similarly any surplus is retained by the insurance company. Where a policy's assets are managed in the investment choice portfolio, the premium charged for asset management must be shown as a separate element of the overall charge.

#### **Profit and loss**

The following sections provide commentary on the financial performance of Storebrand Livsforsikring AS, its other subsidiaries, and the SPP group respectively <sup>1)</sup>.

### **Storebrand Livsforsikring AS: Profit and loss**

#### **Financial performance during the period**

The profit and loss statement at page 5 shows the total of the investment, administration and risk results from the life business, i.e. the profit available to be shared between the customers and the owner. The allocation to the owner represents a loss of NOK 136 million in 2008 and a profit of NOK 1,622 million in 2007. The profit or loss for the year is generated through the earnings on various product areas and the returns on the company portfolio, as described in the "Profit allocated to the owner" section <sup>2)</sup> at page 5.

#### **Investment result**

Investment result is the difference between the booked return and the guaranteed return on policies. The average guaranteed return on insurance policies in 2008 was 3.5%, unchanged from 2007. The investment

result amounted to a deficit of NOK 2,137 million for 2008 as compared to a surplus of NOK 7,887 million in 2007.

Financial markets were very turbulent in 2008, and stock indices around the world fell sharply. The Oslo stock market was no exception, although its performance in the second quarter went against the global trend due to the strong increase in oil prices. However, the fall in prices from the middle of the second quarter to the close of 2008 was very substantial. Conditions in the Norwegian credit market were possibly even more troubled than in the equities market, with a sharp increase in credit spreads and much reduced liquidity. Interest rates fell sharply in 2008, both short-term and long-term. Long-term Norwegian rates moved higher in the first two quarters of the year, but then fell back sharply to close the year significantly below the level at the start of the year. This resulted in a good result from fixed income securities in 2008. Short-term interest rates also rose over the first two quarters, and the third quarter saw exceptionally high NIBOR rates as a result of the crisis in global credit markets accompanied by liquidity shortages in the interbank market. The fourth quarter saw a sharp fall in money market rates, due in part to sizeable cuts in the central bank's official interest rate.

The investment result was affected by the recognition to profit and loss of unrealised gains that arose from the reclassification of parts of the portfolio of bonds at amortised cost to bonds at fair value. This reclassification of the «hold to maturity» portfolio contributed NOK 1.8 billion to the investment result for the year and so contributed approximately NOK 0.6 billion to the profit allocated to the owner.

#### **Administration result**

Administration result is the difference between the administration premium charged for the year and actual operating costs. The administration result for 2008 was a deficit of NOK 255 million as compared to a deficit of NOK 669 million in 2007. The administration result was affected in 2008 by lower asset management fees, commission costs

and bonus costs. The implementation of Lean methodology has resulted in an underlying positive trend for the general level of costs.

#### **Risk result**

Risk result arises as a consequence of the incidence of mortality and disability during the period differing from that assumed for the premium tariffs. The risk result for 2008 was a surplus of NOK 604 million as compared to a surplus of NOK 244 million in 2007. The result for the year was affected by the release of NOK 65 million from the closure of the security fund. Excluding the effect of the closure of the security fund, the risk result showed an improvement from 2007 for all lines of insurance due to improvement in disability result, with the sole exception of public sector group pension insurance.

#### **Premium income and transfers balance**

Premium income from occupational pensions business showed sound growth. Group insurance products with investment choice showed a 39% increase in premium income from 2007 to 2008. The increase was due to an increase in the number of customers switching from defined benefit pensions to defined contribution pensions and a net inflow of transfers from competitors. Defined benefit group pension business showed an increase of 31% in 2008 as the result of factors including wage inflation.

The retail market was affected by the lack of new business in traditional individual endowment insurance and annuity/pension insurance, as well as withdrawals from savings contracts without fixed periods. Unit linked products showed an increase of 109% due to good sales of guaranteed return accounts, especially in the first half of the year, and of the new product for individual pension saving with tax deduction, IPS, which was launched in the autumn of 2008. More than 10,000 agreements were sold in total, of which Storebrand's market share was around 15%. Risk products showed an overall increase of 8% in 2008.

Total premium income, excluding premium reserves transferred to Storebrand

### 3) Profit allocated to the owner per product area as at 31.12.2008

NOK million	Group benefit fee based	Group investment selection and unit linked fee based	Risk product	Individual and paid up policies profit-sharing	Company portfolio/ other	Total
Administration result	32	- 97	- 118	29		-154
Investment result			71		- 381	-310
Risik result	80		254	8		343
Premium for guaranteed interest and risk profit	398					398
Profit sharing				- 320		-320
Profit subsidiaries					74	74
Other results	- 31				- 136	-167
<b>Pre-tax profit Storebrand Life Insurance Norwegian business</b>	<b>479</b>	<b>- 97</b>	<b>208</b>	<b>- 282</b>	<b>- 443</b>	<b>-136</b>

Livsforsikring, amounted to NOK 16.3 billion (NOK 16.6 billion) in 2008, a decrease of 2%. Total premium income was depressed by the situation mentioned above in respect of traditional individual products.

The net booked inflow of customer assets to Storebrand amounted to NOK 2,834 million in 2008 as compared to NOK 1,056 million in 2007. Sales of group life and personal insurance policies were strong in 2008. Growth in group pension sales was somewhat slower than in 2007, but was still satisfactory. Sales of individual policies were weaker, which was partly due to the instability in the financial markets and higher bank interest rates. The outflow of savings agreements without fixed rate periods was 35% higher in 2008 than in 2007. Customers' expectations of higher returns on other products such as bank savings were the primary cause of the outflow.

The increase in transferred premium reserves for group pensions is also reflected in total new business premiums in 2008. Total new premiums in 2008, expressed as annual premium equivalent (APE), amounted to NOK 1,583 million as compared to NOK 1,790 million in 2007. The reduction in relation to 2007 was primarily due to the incoming transfer of a single customer with a large APE in 2007. New business premiums for group pensions developed well. New group pensions premiums (APE) worth NOK 37 million were signed with public sector customers in 2008 as compared to NOK 18 million in 2007. Individual products showed a fall in APE.

#### Analysis of profit allocated to the owner by product areas

The total profit allocated to the owner is generated from four primary product areas with different earnings structures, as well as the return on the company portfolio <sup>3)</sup>.

The table above is prepared in accordance with the new Insurance Activities Act, and accordingly does not show comparable figures for 2007.

In total, the profit allocated to the owner before tax amounted to a deficit of NOK 136 million in 2008, as compared to a surplus of NOK 1,340 million in 2007.

As a result of the pricing in advance of the guaranteed return and the company retaining the profit from insurance risk in accordance with the new Insurance Activities Act, the profit allocated to the owner is now less dependent on the booked return recognised in the customer portfolios. Total income of NOK 398 million was recognised as income from pricing in advance in 2008. The risk result for 2008 consists of allocations to the risk equalisation fund of NOK 112 million and a deficit of NOK 31 million on the risk result for public sector group pensions. The allocation of profit to the owner was also reduced by NOK 31 million because certain policies that reported a negative investment return did not have sufficient additional statutory reserves to meet the shortfall.

Up to 50% of the risk result for group pensions and paid-up policies can be allocated

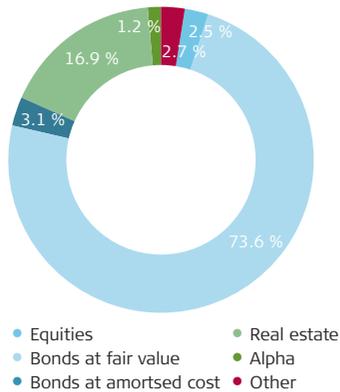
to the risk equalisation fund to cover any future deficits on risk result. NOK 120 million was allocated to the risk equalisation fund in 2008, of which NOK 112 million related to private sector group pensions and NOK 8 million related to paid-up policies

In the case of risk products, the security fund was dissolved in 2008 and included in the risk result. The administration result for products with no profit sharing was a deficit of NOK 118 million in 2008 and was charged to the profit allocated to the owner. The overall profitability of risk products is considered to be satisfactory.

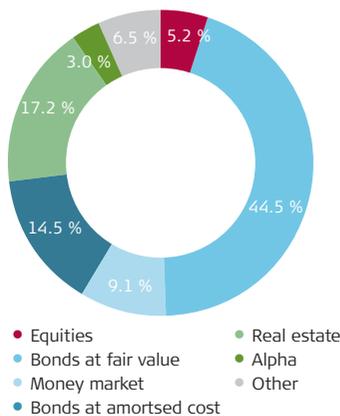
Individual endowment insurance and pension insurance with profit sharing, together with paid-up policies with modified profit sharing, accounted for NOK 282 million of the net deficit for the owner in 2008 as a result of a shortfall of additional statutory reserves in some policies. Paid-up policies achieved a surplus on administration result of NOK 29 million in 2008.

The company portfolio delivered a deficit, excluding subsidiaries, of NOK 381 million in 2008. The return on investment assets was 3.0% in 2008. Holdings of bonds showed losses in the first half of the year as interest rates rose, but this turned to gains in the second half of the year as market interest rates fell. The overall investment return was affected by losses incurred on equities and credit instruments in the first three quarters of the year. Interest costs on Storebrand

### Assets profile for customer portfolios with guaranteed return



### Asset profile company portfolio



Livsforsikring's borrowings amounted to a net charge of NOK 170 million in the quarter. The owner's share of the market value adjustment reserve at 1 January 2008 amounted to NOK 320 million, and was recognized directly to equity in the balance sheet in 2008.

The results reported by subsidiaries were satisfactory with the exception of Storebrand Finansiell Rådgivning (SFR), which was affected by turbulent conditions in the financial and savings markets. SFR worked to reduce its cost base throughout 2008, and the restructuring process that started in the third quarter has been completed. In the fourth quarter, a decision was made to amalgamate the regional branches for the corporate and retail market, and this will substantially reduce the costs base of SFR and Storebrand Livsforsikring. It was decided in connection with this reorganisation to implement a further restructuring of SFR and Storebrand Livsforsikring. This restructuring process will be completed by March 2009.

### Profit allocated to customers

The profit allocated to customers depends on developments in the financial markets and the profile customers have chosen for their investments, as well as investments using the profile based on buffer capital. A surplus for customers of NOK 655 million has been calculated for 2008. The surplus consists of the positive risk result after allocations to the risk equalisation fund of NOK 120 million, and NOK 535 million in surplus from the investment result. A transfer of NOK 2,241 million from additional statutory reserves has been calculated to compensate for returns

that were lower than the guaranteed return in some of the customer portfolios.

### Return on investments, asset allocation and risk capital

The exposure to equities in Storebrand's customer portfolios and company portfolio was reduced over the course of 2008. The risk adjusted exposure to equities (taking into account derivatives) for customer portfolios with a guaranteed return was 5.2% at the close of the fourth quarter. The equivalent exposure in the company portfolio was 2.5%. The overall exposure to equities at the close of 2007 was 26%.

The investment portfolios in the group portfolio achieved a weighted market return of minus 0.2% for 2008 as a whole. Booked return for 2008 was 2.0%. The overall market return and the booked return for 2007 were 8.9% and 7.3% respectively.

Due to reclassification, the asset allocation to short-term bonds recognised at fair value increased, while the allocation to bonds at amortised cost was reduced by NOK 23.6 billion during the fourth quarter, and amounted to NOK 22.4 billion at the close of 2008.

78% of assets under management for customers with investment choice (defined contribution pensions and unit linked) were invested in equity funds and combination funds, compared with 79% at the close of 2007. The returns on the recommended investment choices for defined contribution pensions in the fourth quarter were minus 5.8% for the cautious profile, minus 22.3%

### Profit and loss SPP Group

NOK million	2008	2007
Administration result	-103	102
Risk result	287	185
Financial result	340	-377
Other	293	284
Currency effect	14	
<b>Profit before amortisation and write-downs</b>	<b>831</b>	<b>194</b>
Amortisation of intangible assets	-456	-30
Write-downs of intangible assets	-2 520	
<b>Pre-tax profit</b>	<b>-2 145</b>	<b>164</b>

for the balanced profile, and minus 35.5% for the aggressive profile.

Total assets under management increased by NOK 2 billion in 2008 and amounted to NOK 199 billion at the close of the year.

### Result SPP

SPP's administration result amounted to a deficit of NOK 103 million in 2008 as compared to a surplus of NOK 102 million in 2007. The administration result was affected by lower income due to a reduction in assets under management over the course of the year. The positive investment return achieved in the fourth quarter broke the negative trend in 2008 and contributed to an increase in assets under management. Costs were at a satisfactory level in 2008. The owner is entitled to the administration result in full.

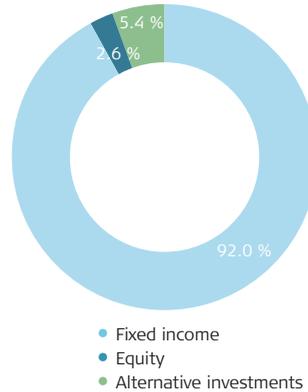
The risk result in 2008 amounted to a surplus of NOK 287 million as compared to a surplus of NOK 185 million in 2007. The risk result can be volatile because of changes in the reserves held for sickness/disability claims. The release of sickness/disability reserves made a positive contribution to the risk result throughout 2008. The owner is entitled to the risk result in full.

The financial result in 2008 amounted to a surplus of NOK 340 million in 2008 as compared to a deficit of NOK 377 million in 2007. The financial result was significantly improved in the fourth quarter by a reversal of net deferred capital contribution (DCC) (reserves) amounting in total to NOK 375 million. The primary reason for this reversal of DCC is the transition to an improved calculation model for evaluating insurance liabilities.

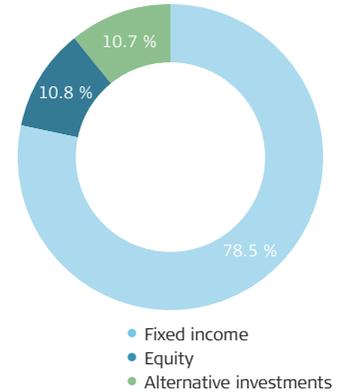
In the new cash flow based model, insurance liabilities are discounted using the yield curve rather than a single interest rate. This results in better correlation between assets and liabilities, whilst at the same time reducing hedging costs and the volatility of the financial result caused by fluctuations in interest rates. The revised discounting model also resulted in a very good hedging result in the fourth quarter. In addition to the DCC reversal and a strong hedging result,

### Assets profile for customer portfolios with guaranteed return

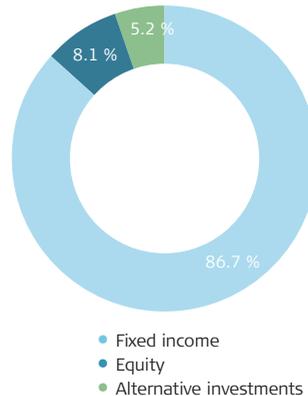
Defined Benefit (DB)



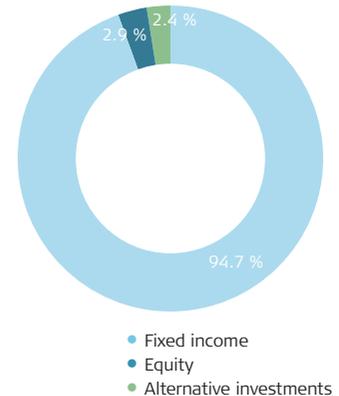
Defined Contribution (DC) SPAR 250



Defined Contribution (DC) SPAR 300



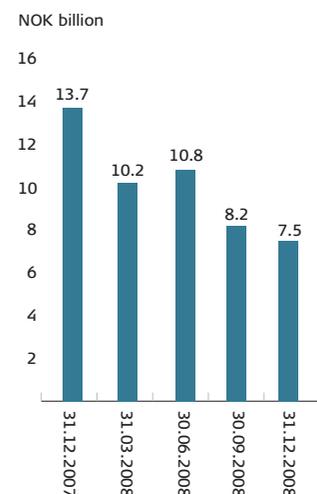
Defined Contribution (DC) SPAR 520



the return achieved by one of the customer portfolios exceeded the guaranteed return, causing profit sharing of NOK 174 million in the fourth quarter.

SPP's conditional bonus reserves function as a buffer that absorbs the effects of negative return for most policies. However, policies that do not have conditional bonuses have a negative effect on the financial result in the form of increases in the reserves (DCC). The composition of assets in the customer portfolios is tailored to the various portfolios' risk capacity, and is continuously monitored through dynamic risk management. SPP utilises an in-house hedging program to limit the effect of DCC on the financial result. The hedging program made a positive contribu-

### Development of conditional bonuses



tion to earnings of NOK 1,786 million in 2008. However, the hedging program is expected to have less effect on the financial result in more normalised market conditions. Amounts allocated to the DCC reserves can be reversed via the profit and loss account to the owner at a later point in time if the return is higher than the interest rate used to discount the insurance liabilities.

“Other profit” amounted to NOK 293 million in 2008 as compared to NOK 284 million in 2007. The investment return on the company’s equity capital portfolio accounted for a large proportion of other profit. This portfolio is invested entirely in interest bearing securities, which performed well in the fourth quarter. In addition, other profit also includes the profit element of interest on subordinated loan capital.

#### Return on investments, asset allocation and risk capital

Financial returns	2008	2007
Defined Benefit (DB) %	0.59	0.46
Defined Contribution (DC) %		0.40
Spar 250 %	-5.89	
Spar 300 %	1.19	
Spar 520 %	9.59	

In order to reduce its exposure to financial risk and reduce the use of hedging derivatives, on 1 October 2008 SPP split the management of the traditional Defined Contribution (DC) portfolio into three management portfolios based on the level of guaranteed return and the level of risk capital.

Risk management of the customer portfolios was successful, and made a positive contribution to the investment return. The value of holdings of interest bearing securities with long duration were very positively affected by falling interest rates. This was particularly marked for portfolios that hold a high proportion of bonds.

The guaranteed return for new premium receipts for DC policies was 2.5% in 2008. Due to falling market interest rates, this was reduced to 1.25% with effect from 1 February 2009.

At the start of 2008, both the Defined Benefit (DB) and Defined Contribution (DC) customer portfolios had an exposure to equities of 40.6%. The proportion of equities was gradually reduced over the course of the year, and at the close of the year the DB portfolio had an exposure to equities of 2.6%. At the same date the exposure to equities of the DC portfolios was 10.8% in SPAR 250, 8.1% in SPAR 300 and 2.9% in SPAR 520. The duration of the customer portfolios was extended considerably in the third quarter. This resulted in the interest rate portfolio generating a strong positive contribution to investment return in the fourth quarter.

Conditional bonus (the policyholders’ buffer capital) amounted to NOK 7.5 billion at the close of 2008. The improved method for calculating insurance liabilities which was introduced in December 2008 has, together with the investment return achieved for the customer portfolios, helped to reduce the fall in conditional bonus in a market environment of falling interest rates.

Assets under management at the close of 2008 amounted to NOK 120 billion, representing a decrease of 19% over the course of the year. Premium income for the unit linked fund insurance portfolio was approximately NOK 2.4 billion higher than claims payments in 2008, but total assets nonetheless declined due to market conditions. Unit linked insurance accounts for NOK 22 billion of total assets under management.

The solvency margin fell from 178% to 135% over the course of 2008.

#### Premium income SPP Group

NOK million	2008	2007
Single premiums	1 681	1 718
Current premiums	5 615	5 473
<b>Total</b>	<b>7 296</b>	<b>7 191</b>

Premium income amounted to NOK 7,296 million in 2008 as compared to NOK 7,191 million in 2007. The 2007 figures include a very large single premium in Euroben of approximately NOK 750 million, which largely explains the difference. Premium income for mutual fund insurance/unit linked products

amounted to NOK 3,010 million in 2008 as compared to NOK 2,720 million in 2007, representing an increase of 11%. Premium income, excluding Euroben, increased by 5% in 2008. SPP’s premium income increased during the year as a result of an 8% increase in premium income for occupational pensions and a 19% increase in premium income for early retirement pensions.

Relative to 2007, new policies expressed as APE increased by 42% in total (excluding Euroben). The increase came primarily from sales through broker channels. New policies written through broker channels more than doubled between 2007 and 2008. New policies with recurring premiums increased by 21% in 2008 compared to the previous year.

#### Risk management and capital adequacy

Through the products and policies it has signed with customers, Storebrand has established liabilities that generate risks. These vary in nature depending on the product area. The group’s activities create exposure to various types of insurance risk. Storebrand’s financial assets fluctuate in value due to the risks associated with the financial markets – including equity risk, real estate risk, interest rate risk and credit risk. In addition, the banking business area is also exposed to credit risk, and the operation of the group’s businesses creates exposure to liquidity risk and operational risk. Continuous monitoring and active management of risk is therefore a central and integral feature of the group’s activities and organisation.

Identifying and managing operational risk forms an integral part of management responsibility throughout the organisation. In addition to this, the group’s executive management conducts an annual risk assessment that results in a summary of risks and pertinent improvement measures. This summary is presented to and considered by the Board.

#### Storebrand Livsforsikring

The majority of savings-related life insurance products incorporate a guaranteed minimum return. These savings products currently offer an average annual guaranteed return just

over 3.5%. 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 largely relates to its ability to generate an investment return at least equal to the guaranteed minimum return. This places particular demands on how the life insurance company invests in different classes of securities and other assets, and on the quality of the company's risk management. Seen in isolation, falling interest rates over the second half of 2008 caused gains on holdings of bonds, but in more general terms lower interest rates mean that future returns and hence the company's risk bearing capacity will be somewhat lower in the future. For Norwegian life insurance companies, high market interest rates are preferable to low interest rates since high interest rates make it easier to achieve the return guaranteed to policyholders. The company has placed a proportion of its financial assets in bonds classified as «Loans and receivables». These bonds are not marked to market value, but instead generate a stable booked return significantly in excess of the guaranteed return. This helps to reduce the company's sensitivity to changes in interest rates.

The Norwegian parliament approved a number of significant changes to the Insurance Activities Act at the end of 2004. The business rules required by the new legislation came into effect on 1 January 2008. One important change is that for many products insurance companies now charge the customer in advance for the guarantee of a

minimum return. This accordingly reduces the risk for loss of income for these products.

The allocation of financial assets is determined by the company's investment strategy. The investment strategy sets limits and guidelines for the company's risk management, credit and counterparty exposure, foreign exchange risk, use of derivatives and the level of liquidity to be maintained. The objective of the dynamic risk management is to maintain sound risk bearing capacity and to continuously adjust financial risk exposure to the company's solidity. By applying this type of management, the company expects to generate a good investment return both from year to year and over the longer term.

In response to the turbulent financial market conditions seen in 2008, Storebrand Life Insurance operated with solvency-based risk management, and accordingly markedly reduced the exposure to equities of its customers' investment portfolios. Changes were made to the bond portfolios in 2008 by reclassifying certain bonds in the «Hold to maturity» category so that they are now recognized in accordance with the market value principle. This change improved the overall return for 2008.

#### SPP Livförsäkring

SPP is exposed to the same types of risks as Storebrand Livsförsäkring, but the terms and conditions of the insurance products it offers differ somewhat. SPP offers insurance products with a guaranteed return on premiums

paid in, as well as defined contribution/unit-linked products where customers assume the financial risk. SPP's defined benefit products include inflation-linked increases, and SPP is therefore exposed to inflation risk on part of its insurance portfolio. Since the Swedish regulations for life insurance are, to a large extent, harmonised with the European Solvency II regulations whereby the level of interest rates has an effect on the size of insurance liabilities, SPP is exposed to a different form of financial risk in respect of changes in interest rates. This affects the asset side of the company's balance sheet and its risk management.

SPP was demutualised with effect from 1 January 2006 and thereby assumed some of the financial risk previously carried by customers. This means that some customers can suffer a latent deficit. SPP maintains a reserve (deferred capital contribution) in its accounts to allow for this, and monitors the related risk through measures including Value at Risk.

In order to manage its exposure to various market risks, SPP's investment strategy defines a framework for risk asset allocation and specifies the risk management to be applied. Risk management is carried out by adjusting both the customer portfolio and the company's own assets. This may take the form of changing the allocation between asset classes or by using derivatives. The company's investment strategy also sets limits and guidelines for credit and counterparty exposure. Liquidity risk is managed by

#### Solidity

NOK million	2004	2005	2006	2007	2008
Equity	4 604	5 012	5 361	14 304	17 116
Subordinated loan capital	2 967	2 875	2 962	8 814	9 833
Fund for risk-smoothing				197	153
Market value adjustments reserves	2 767	3 884	5 918	3 889	
Additional statutory reserves (ASR)	3 706	4 538	5 551	5 757	3 437
Conditional bonus (CB)				13 699	7 499
Excess value of bonds at amortised cost	4 213	3 573	1 097	40	-313
Earned profit	2 458	3 422	4 175	1 340	-1 870
<b>Total</b>	<b>20 715</b>	<b>23 304</b>	<b>25 063</b>	<b>48 041</b>	<b>35 856</b>
<b>Capital as % of customer funds excl. ASR and CB</b>	<b>17.7 %</b>	<b>17.9 %</b>	<b>17.8 %</b>	<b>21.6 %</b>	<b>15.4 %</b>

holding part of the company's financial investments in listed securities with good liquidity.

In order to ensure that insurance companies have sufficient capital to meet their liabilities, the Swedish Financial Supervisory Authority (Finansinspektionen) requires that insurance companies carry out stress tests of their entire insurance activities using predefined methods. The stress test applies to both the asset and liability sides of the balance sheet. This is known in Sweden as the 'traffic light' model. The capital requirement dictated by the stress test can be reduced by the available buffer capital, known in the Swedish system as conditional bonus, giving a net capital adequacy requirement.

#### Capital situation

Storebrand pays particular attention to active management of the level of equity and borrowings in the group on a continuous, planned basis. This management is tailored to the financial risk and capital requirements of its business activities, and the composition of its business areas and their growth will be an important driver for the group's capital requirements. The goal of Storebrand's capital management is to ensure an effective capital structure and to ensure an appropriate balance between internal goals in relation to regulatory requirements and the standards required by the credit rating agencies. The group has set a long-term target for the solvency margin in its life insurance business to be at least 150%. In addition, Storebrand Livsforsikring AS aims to be rated at the 'A' level. At the close of 2008, Storebrand Livsforsikring AS was rated 'A2' by Moody's and 'A-' by Standard & Poor's.

The solvency margin of the Storebrand Livsforsikring Group at 31 December 2008 was 160%. The group's solvency margin increased in 2008 as a result of the long-term financing arranged for the acquisition of SPP.

The Storebrand Livsforsikring Group had a capital adequacy ratio of 17.4% at 31 December 2008, representing an increase of 7.4 percentage points over the course of the year (the regulatory minimum requirement is 8%). The core capital ratio was

11.5%. The life-insurance group's primary capital includes NOK 2.3 billion in respect of interest-adjusted conditional bonus in SPP.

The group's capital base, which is made up of shareholder's capital, subordinated loan capital, the market value adjustment reserve, conditional statutory reserves, conditional bonus and other solidity capital in the life insurance activities, amounted to NOK 35.9 billion at 31 December 2008 as compared to NOK 48 billion at the close of 2007.

#### Regulatory matters

Norwegian life insurance companies must satisfy two sets of capital adequacy requirements – one set that monitors the company's assets (Basle) and one set that monitors liabilities (Solvency I). With effect from 2008, life insurance companies in Norway are subject to new regulations on capital adequacy that are an adaptation of the new capital adequacy rules for banks (through Basle II). Life insurance companies are expected to be subject to Basle II in combination with Solvency I until the harmonised European capital adequacy requirements of Solvency II come into effect. The EU is now working on the detailed provisions of Solvency II. Implementation of the new regulatory framework will present some particular challenges in the Norwegian market in respect of the limited size of the Norwegian bond market, the interrelation with the new Insurance Activities Act, the particular rules in Norway on transfers of business between companies and the level of buffer capital in Norwegian companies. The EU commission presented a proposed outline directive in 2007, and the final directive is due to be introduced in 2012.

As part of the preparation for the introduction of the principles of Solvency II, Kredittilsynet (the Financial Supervisory Authority of Norway) has produced risk modules adapted for the activities of insurance companies and the principles for risk-based supervision. The methodology applied is to a large extent based on the current content of Solvency II with stress tests that also take into account the fair value of liabilities. The stress tests will not impose requirements for capital adequacy, but will lead to better

measurement and management of risk by life insurance companies. Regular reporting of risk-based supervision was introduced with effect from the first quarter of 2008.

## Personnel, organisation and corporate bodies

### Human resources and organisation

Storebrand Livsforsikring is a wholly owned subsidiary of Storebrand ASA. The Storebrand Livsforsikring group's headcount at the end of 2008 was 1,805 as compared to 1,735 at the start of the year. Of the total headcount, 1,208 employees work in Norway and 588 work abroad. The average age is 43 and the average length of service is 10 years. Storebrand has included the following statement in all its recruitment advertising in Norway: "We are committed to diversity, and encourage applications from all qualified candidates regardless of age, gender, disability, cultural background or sexual orientation".

### Skills and training

Storebrand places great weight on the development of its employees at all levels. Raising competence is fundamental for good employee development. During 2008, Storebrand performed a consolidation of the environments that work with competence development. The co-operation with the competence development environments at SPP have also been strengthened, particularly in the area of sales training. Managerial development has also received a significant emphasis during 2008. The company's managers go through mandatory managerial training modules. The group's management development programme has been expanded by an additional module connected to awareness of the management role itself. A programme has been carried out aimed at young employees – the Young Professionals Programme (YPP). The competency offerings for specialist and professional competencies have been expanded and strengthened in close co-operation with the business areas. The co-operation with the environments that are working with continuous improvements have also become tighter. This contributes to amplifying the effects of improvement projects by adjusting the content of the training, based upon the knowledge that emerges during the impro-

vement projects. Work is also being done on adapting the competency offerings for specific development paths for out employees.

### **Gender equality/diversity**

Storebrand is fully committed to increasing the number of women in senior management. In 2008, 50 percent of the members of the Board of Storebrand Livsforsikring were women, compared with 40 percent in 2007. A total of 20 percent of the group's executive managers are female. For the next planning period a goal will be set for female managers on the level reporting to the group's executive managers. At the end of 2008, a total of 39 percent of those with management responsibilities in the group were women. Among the 1,616 employees in Norway, 628 took part in internal training programmes in 2008, and of these 54 percent were women. Storebrand participated in Futura, the Norwegian Financial Services Association's management training programme for women, contributing two candidates. The company poses requirements for working relationships with recruitment bureaus to the effect that both genders must be represented as final candidates for management positions. Employee benefits, such as flexi-working, extending full salary for sick leave to include attending to children or parents, and full salary during maternity leave, are seen as important measures in encouraging gender equality. Salary statistics are produced at specified management levels in order to facilitate the comparison of salaries between male and female employees. Storebrand has its own diversity committee, which in addition to working on gender equality also systematically works to include people from groups that are underrepresented in the labour market, including disabled people and groups from diverse ethnic backgrounds. The latter-mentioned group represented 8 percent of the new employees in 2008. In order to attract qualified employees in the second group, Storebrand explicitly encourages disabled persons and persons who have disability benefits or rehabilitation benefits to apply for positions. The Norwegian Ministry of Children and Equality with its Minister, as well as the Norwegian Ministry of Labour and Social Inclusion, have

performed company visits in order to learn about Storebrand's work in the area.

### **Senior policy**

Storebrand is committed to offering a good senior policy. The group employed 43 people over the pension age of 65 in 2008, compared with 34 in 2007 and 21 in 2006. There are no employees over age 65 at SPP. In Norway there were 35 new employees over the age of 45, compared with 30 in 2007. Internal studies show that there are an increasing number (more than 50 percent) of senior employees who want to continue working after they have turned 65 years old.

### **Ethical guidelines**

Storebrand has prepared its own ethical rules for the group and its employees. Ethical issues are a standard agenda item at all gatherings of new employees and have been integrated into training modules for all managers. Employees can pose questions concerning ethical problems directly to the manager of the auditing committee of Storebrand ASA (so-called whistle-blowing), and in 2009 we will be revising and relaunching a separate question and answer service on the Internet where employees can pose questions anonymously concerning ethics. Training in ethics was conducted in 2008 for the group's sales mechanism in Norway. Working meetings involving ethics and customer care were also held for central staffs and business units. The new guidelines for customer care will be implemented and integrated into the ethical guidelines in connection with the revising and relaunching of such in 2009. From 2009, it will be the corporate responsibility unit that will have the overall responsibility for the guidelines concerning ethics, notifications, anti-corruption and violations. Competency requirements were ratified in 2008 for financial consultants, with ethics as an integrated part, and where tangible organisational prerequisites are also described for the business in order to be able to comply with ethical guidelines within the group.

### **Sick leave**

Storebrand has systematically worked to reduce sick leave over many years, and the

group has participated in the "Inclusive workplace" scheme since 2002. Sick leave in the Storebrand Livsforsikring group in 2008 was 3.8 percent compared with 4.8 percent in 2007 and 5.1 percent in 2006. Internal guidelines, entitled "If you fall ill", have been produced to support this work and the health of the individual employees. In 2008, Storebrand has been able to offer its employees an internal health clinic, with a holistic and interdisciplinary treatment concept, including psychology and mastery services. Studies show that over 40 percent of those surveyed report that the clinic caused them to avoid or shorten sick leave absences and over 80 percent regard Storebrand as a more attractive workplace in consequence of the clinic. Employees are offered courses in quitting smoking through co-operation with the Cancer Society, subsidised memberships in fitness centres, fitness training during working hours for seniors, a subsidised personnel restaurant, a fresh and present concept including bicycling to work and stairway contests. Storebrand Sport is the sports club for employees, with 18 active branches and a total of 600 members. Employees can call an 800 number for free personal assistance, where Storebrand has no access to the results. No injuries to people, property damage or accidents of significance were reported within Storebrand in 2008.

### **Management**

Maalfrid Brath resigned from her employment with the company with effect from the 31 December 2008.

### **Changes to the Board Directors**

The following changes were made to the Board of Directors in 2008. Idar Kreutzer replaced Leiv L. Nergaard as Chair of the Board. Maalfrid Brath replaced Anders Røed, and Else-Lill Grønli replaced Inger-Johanne Strand as an employee representative.

### **Corporate responsibility**

Storebrand's ambition is to be a leader for corporate responsibility and socially responsible investment. The group's commitment to corporate responsibility stretches back almost 15 years, and corporate responsibility is now fully integrated in its strategies and plans,

and is firmly anchored in the group's executive management. The industry winners of the future will be those who develop products and services in a way that unites sustainability with the company's own profitable growth.

Important results in 2008 include the in-house development and introduction of specific climate criteria for investment, increased commitment to active ownership and micro-financing, the development of purchasing guidelines with more specific requirements for environmental and corporate responsibility compliance, the launch of a group-wide Code of Conduct that can also be linked to performance evaluation, a reduction in sick leave, and the launch of a web-based course in environmentally-responsible driving techniques. Storebrand again qualified to be included in the Dow Jones Sustainability Index in 2008, making this the 10th consecutive year.

A range of corporate responsibility measures was implemented in SPP in 2008. This played an important part in the repositioning of the company in the Swedish market. A more detailed description of the results achieved in the environmental area can be found below, but more comprehensive information on corporate responsibility can be found at [www.storebrand.no/samfunnsansvar](http://www.storebrand.no/samfunnsansvar).

### **Environmental impact**

Storebrand is aiming to reduce the environmental impact of its business operations investment, procurement and property management. This has given results. The group has, among other things, reduced its energy consumption at its head office by 16 percent in 2008, significantly better than the goal that had been established. The degree of sorting for waste has increased from 55 to 59 percent. In conjunction with the Norwegian Driving School Association, Storebrand has developed and launched an ecological driving course on the Internet. More than 10,000 persons have taken the course up to now. A number of measures have been initiated in order to reduce the group's emissions of carbon dioxide (CO<sub>2</sub>). Energy follow-up systems have been installed for most of the self-managed buildings, and financial environmental incentives are

included in the company vehicle programme. Even though we are working actively to reduce emissions, as per the present it is not possible to reduce CO<sub>2</sub> emissions to a zero level. In order to compensate for this, Storebrand is buying UN-certified climate quotas (CER, certified emissions reductions). Storebrand is the first Nordic financial enterprise to be climate-neutral, by buying climate quotas for its total CO<sub>2</sub> emissions from air travel, energy consumption and company vehicles.

### **Procurement policy**

Storebrand makes purchases in Norway worth more than NOK 1 billion per year. We use this position to contribute to more sustainable development. New procurement guidelines were adopted in the autumn of 2008. We will continue the implementation of those in 2009. The guidelines weight environment and corporate responsibility a minimum of 20 percent for all types of purchasing. Suppliers who are excluded from investments with respect to Storebrand's corporate standard for responsible investments are not allowed to submit offers.

### **Future prospects**

#### **Occupational pensions market**

Following the introduction of mandatory occupational pensions in 2006, which led to some 700,000 employees becoming members of pension schemes, the majority of private sector employees are now members of defined contribution occupational pension schemes.

Recent years have been characterised by an increasing trend for companies to move from offering defined benefit pensions in favour of defined contribution schemes. The main reason for this is the more predictable costs that companies achieve by following the defined contribution route.

2008 saw 241 pension schemes insured with Storebrand, involving almost 10,000 members, affected by conversion from a defined benefit arrangement to a defined contribution arrangement. This represents 20% fewer pension schemes making this change than 2007, but the conversions in 2008 affected 26% more members. The schemes that converted in 2008 had on average 28 members per insurance contract, while in 2007 the average number of affected employees was 23 per insurance contract.

However, in terms of the value of accumulated pension assets, defined benefit schemes will continue to dominate for the foreseeable future.

### **Paid-up policies**

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

In autumn 2008, the Ministry of Finance issued a discussion document on a proposal that the right to issue paid-up policies would no longer be restricted to the supplier of the member's occupational pension contract. If this proposal is approved, customers will be able to enter into an agreement for paid-up policies with a company other than the company that administers the occupational pension scheme for its active members. The consultation period has ended, and the matter is now under consideration by the Ministry.

### **Pension reform**

The timetable for the Norwegian pension reform has been put back to 2011. When the Norwegian parliament debated the future of pensions in spring 2007, there was broad agreement on how the new national insurance pension scheme would operate in terms of the accrual of old-age pension and pension payment. The government put forward proposals for the legislative changes required to implement the agreed arrangements in February 2009, and these are likely to be approved by parliament in spring 2009. It is anticipated that work on adapting occupational pension arrangements to reflect the terms of the new national insurance pension scheme will start in spring 2009 by means of a report to be prepared by the Banking

Law Commission. The changes that will affect occupational pensions include new pension accrual rules, which make final salary less relevant as the basis for pensions payments, and flexibility in the choice of pension age. The Ministry of Finance has appointed a commission to report on "Broader occupational pension arrangements» with a mandate to investigate how the various parties in working life can achieve greater influence over occupational pension schemes. The commission is due to report in May 2009.

#### **Storebrand focuses on health and safety at work (HSE)**

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

Focus on HSE improves employees' job satisfaction and quality of life. For employers, focus on HSE reduces the cost of absenteeism and contributes to value creation as well as reducing insurance premiums. Moreover, a reduction in absenteeism and a lower incidence of disability pensions benefits society at large. Through HSE advice, Storebrand helps companies to work towards a better working environment and reduced sick leave. For public sector customers, Storebrand has established an HSE and senior policy fund. The fund can be used for various HSE measures, as well as training and education for customers. In addition, Storebrand offers health insurance and HSE advice for municipalities and other public sector entities.

#### **SPP**

SPP started work in 2008 on introducing the Lean methodology that has been developed and applied in Storebrand since 2006. Lean

methodology will help SPP to improve and develop its relationships with customers and external business partners in order to achieve greater productivity, higher quality standards and improved customer satisfaction.

#### **Storebrand Livsforsikring's branch office in Sweden**

Storebrand Livsforsikring opened its Swedish branch office in September 2005. Storebrand's products are marketed through Swedish brokers and financial advisers, and are based on Norwegian legislation, which means that Storebrand offers a stronger guarantee structure with better security for customers, as well as a statutory right to transfer. As a result of the acquisition and the integration of SPP, the Storebrand Livsforsikring Sweden unit has also been integrated. The products offered by Storebrand Livsforsikring Sweden are mainly sold to the group's Swedish customers through external brokers.

#### **Improving efficiency**

Work on improving the efficiency of systems for customer service, policy administration and settlement continued in 2008. The objective of this program is to improve efficiency by more than 20% in all the units involved. Improvements of over 30% have already been achieved on some of the business processes that have been reviewed. Improving efficiency also plays a role in ensuring that the company can cope with increasing business volumes while at the same time improving customer satisfaction.

Storebrand has integrated the previously separate financial advice units for the corporate and retail markets. The objective of this integration is to encourage an even stronger sales culture, ensure better local co-ordinati-

on, increase sales and improve the profitability of the group's physical distribution. The new single sales organisation for both the corporate and retail markets will come into full operation no later than 1 March 2009.

#### **Growth**

Storebrand Livsforsikring expects growth in its total portfolio in the corporate market of between 6% and 8% annually. The market for long-term savings continues to grow. The introduction of mandatory occupational pensions in 2006 has made Norwegians more aware of the need for personal saving. The group has gained around 24,000 new corporate customers, representing some 450,000 employees in total, and this inflow of customers will be of great importance for Storebrand's retail market activities in future years. Storebrand offers its customers attractive solutions for personal insurance and personal savings. When the Norwegian pension reform is implemented in 2011, it will enhance the importance of good occupational pension arrangements supplemented by personal savings.

#### **Allocation of the result for the year**

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

It is proposed that the loss for the year of NOK 2,077 million should be charged to other equity. The company's distributable reserves amount to NOK 2,388 million.

Oslo, 3 March 2009

The Board of Directors of Storebrand Livsforsikring AS

Translation, not to be signed

Idar Kreutzer  
Chairman of the Board

Andreas Enger

Nina Udnes Tronstad

Maalfrid Brath

Else-Lill Grønli

Gorm Leiknes

Lars A. Løddesøl  
Managing Director

# Profit and loss account Storebrand Livsforsikring

1 January – 31 December 2008

Storebrand Livsforsikring Group	NOK million	Note	Storebrand Livsforsikring AS
<b>TECHNICAL ACCOUNT:</b>			
24 153.3	1.1 Gross premiums written		16 362.9
-251.2	1.2 Reinsurance premiums ceded		-59.3
5 027.7	1.3 Premium reserves transferred from other companies	8	5 019.1
<b>28 929.7</b>	<b>1. Premiums for own account</b>	<b>5,6</b>	<b>21 322.7</b>
8 962.9	2.1 Interest income and dividends etc. from financial assets	10	5 982.8
1 253.6	2.2 Net operating income from property	26	1 185.0
933.2	2.3 Changes in investment value	10	-3 576.1
-7 803.4	2.4 Realised gains and losses on investments	10	-3 971.3
<b>3 346.3</b>	<b>2. Total net income from investments in the collective portfolio</b>	<b>5</b>	<b>-379.6</b>
951.8	3.1 Interest income and dividends etc. from financial assets	10	249.3
18.4	3.2 Net operating income from property	26	18.4
-10 667.4	3.3 Changes in investment value	10	-1 655.2
-802.0	3.4 Realised gains and losses on investments	10	-853.6
<b>-10 499.2</b>	<b>3. Total net income from investments in the investment selection portfolio</b>	<b>5</b>	<b>-2 241.1</b>
<b>762.7</b>	<b>4. Other insurance related income</b>	<b>5</b>	<b>127.1</b>
-23 835.5	5.1 Gross claims paid		-18 539.0
56.5	5.2 Claims paid - reinsurance		2.3
-33.2	5.3 Gross change in claims reserve		-38.4
-2 414.3	5.4 Premium reserves etc. transferred to other companies	8	-2 294.2
<b>-26 226.5</b>	<b>5. Claims for own account</b>	<b>5</b>	<b>-20 869.3</b>
-11 167.5	6.1 To (from) premium reserve, gross		-996.9
2 192.8	6.2 Additional statutory allocations for the year		2 192.8
110.0	6.3 To/from additional statutory reserves in connection with claims/repurchase		110.0
3 529.3	6.4 Change in value adjustment fund		3 529.3
-148.7	6.5 Change in premium fund, deposit fund and the pension surplus fund		-148.7
-33.9	6.6 To/from technical reserves for non-life insurance business		-56.5
7 801.9	6.7 Change in conditional bonus		
124.4	6.8 Transfer of additional statutory reserves and value adjustment fund from other insurance companies/pension funds	8	109.2
<b>2 408.2</b>	<b>6. Changes in insurance obligations recognised in the Profit and Loss Account - contractual obligations</b>	<b>5,32</b>	<b>4 739.2</b>
5 465.4	7.1 Change in premium reserve		-213.4
109.6	7.2 Change in other provisions		109.6
<b>5 575.0</b>	<b>7. Changes in insurance obligations recognised in the Profit and Loss Account - investment portfolio separately</b>	<b>5,32</b>	<b>-103.8</b>
-449.8	8.1 Profit on investment result		-449.8
-132.3	8.2 The risk profit allocated to the insurance agreements		-119.7
-85.6	8.3 Other allocation of profit		-85.6
<b>-667.7</b>	<b>8. Funds allocated to insurance contracts, contractual obligations</b>	<b>5</b>	<b>-655.1</b>

# Profit and loss account Storebrand Livsforsikring

1 January – 31 December 2008

Storebrand Livsforsikring Group	NOK million	Note	Storebrand Livsforsikring AS
-345.8	9.1 Management expenses		-121.3
-617.4	9.2 Selling expenses	7	-413.3
59.0	9.3 Change in pre-paid direct selling expenses		
-1 612.0	9.4 Insurance-related administration expenses (incl. commissions for reinsurance received)		-959.5
69.6	9.5 Reinsurance commissions and profit participation		13.8
<b>-2 446.7</b>	<b>9. Insurance-related operating expenses</b>	<b>5</b>	<b>-1 480.3</b>
<b>-333.1</b>	<b>10. Other insurance related expenses after reinsurance share</b>	<b>5</b>	<b>-241.1</b>
<b>848.8</b>	<b>11. Technical insurance result</b>		<b>218.7</b>
<b>NON-TECHNICAL ACCOUNT</b>			
-72.1	12.1 Income from investments in subsidiaries, associated companies and joint-controlled companies		94.4
961.5	12.2 Interest income and dividends etc. from financial assets	10	1 165.2
87.8	12.3 Net operating income from property	26	82.7
-379.7	12.4 Changes in investment value	10	-2 644.1
163.7	12.5 Realised gains and losses on investments	10	-29.7
-829.6	12.6 Interest costs	10	-741.2
<b>-68.5</b>	<b>12. Net income from investments in company portfolio</b>		<b>-2 072.7</b>
<b>278.0</b>	<b>13. Other income</b>		
-38.9	14.1 Management expenses		-15.9
-3 299.8	14.2 Other costs	27	
<b>-3 338.7</b>	<b>14. Total management expenses and other costs linked to the company portfolio</b>		<b>-15.9</b>
<b>-3 129.2</b>	<b>15. Profit or loss on non-technical account</b>		<b>-2 088.6</b>
<b>-2 280.4</b>	<b>16. Profit before tax</b>		<b>-1 869.9</b>
<b>-488.9</b>	<b>17. Tax costs</b>	<b>11</b>	
<b>-2 769.3</b>	<b>18. PROFIT BEFORE OTHER COMPREHENSIVE INCOME</b>		<b>-1 869.9</b>
-206.8	19.1. Actuarial gains and losses on defined benefit pensions - benefits to employees		-206.8
<b>-206.8</b>	<b>19. Other comprehensive income and costs</b>		<b>-206.8</b>
<b>-2 976.1</b>	<b>20. COMPREHENSIVE INCOME</b>		<b>-2 076.7</b>
11.6	Minority interest's share of profit		
-2 987.6	Majority interest's share of profit		

# Balance sheet Storebrand Livsforsikring

at 31 December 2008

Storebrand Livsforsikring Group	NOK million	Note	Storebrand Livsforsikring AS
<b>ASSETS</b>			
<b>ASSETS IN COMPANY PORTFOLIO</b>			
753.0	1.1 Goodwill	4	
6 316.8	1.2 Other intangible assets	4,27,28	34.0
<b>7 069.8</b>	<b>1. Total intangible assets</b>		<b>34.0</b>
1 607.1	2.1 Properties and real estate	26	
47.7	2.2 Shares and units in subsidiaries, associated companies and joint-controlled companies of which investment in real estate companies	14	7 056.7 1 696.4
	2.3 Loans to and securities issued by subsidiaries, associated companies	22,23	7 883.9
20.9	2.4 Loans and receivables	22,23	19.9
383.5	2.5 Bonds at amortised cost	16,22,23	383.5
996.1	2.6 Shares and other equity participations at fair value	3,13,22,23	975.2
19 105.2	2.7 Bonds and other fixed-income securities at fair value	3,15,22,23	8 893.4
684.5	2.8 Derivatives at fair value	3,18,22,23	684.5
<b>22 845.0</b>	<b>2. Total investments</b>		<b>25 897.1</b>
<b>103.1</b>	<b>3. Reinsurance share of insurance obligations</b>		<b>103.1</b>
2 658.3	4.1 Receivables in connection with direct business transactions		2 649.5
62.2	4.2 Receivables in connection with reinsurance transactions		
44.0	4.3 Receivables with group company		98.6
1 177.0	4.4 Other receivables		1 072.6
<b>3 941.5</b>	<b>4. Total receivables</b>	<b>22,23</b>	<b>3 820.7</b>
2 026.2	5.1 Plants and equipment	29	46.3
4 878.8	5.2 Cash, bank	22,23	1 939.1
523.0	5.3 Other assets designated according to type	34	
<b>7 428.0</b>	<b>5. Total other assets</b>		<b>1 985.4</b>
215.5	6.1 Pre-paid direct selling expenses		
60.0	6.2 Other pre-paid costs and income earned and not received		11.9
<b>275.5</b>	<b>6. Total pre-paid costs and income earned and not received</b>	<b>22,23</b>	<b>11.9</b>
<b>41 662.9</b>	<b>Total assets in company portfolio</b>		<b>31 852.2</b>
<b>ASSETS IN CUSTOMER PORTFOLIOS</b>			
20 961.4	7.1 Properties and real estate	26	
	7.2 Shares and units in subsidiaries, associated companies and joint-controlled companies of which investment in real estate companies	14	22 332.4 22 226.4
21 378.4	7.3 Loans to and securities issued by subsidiaries, associated companies	16,22,23	21 378.4
3 758.3	7.4 Loans and receivables	22,23	3 733.5
31 702.1	7.5 Bonds at amortised cost	3,13,22,23	20 030.3
144 226.0	7.6 Shares and other equity participations at fair value	3,15,22,23	76 205.9
10 849.2	7.7 Bonds and other fixed-income securities at fair value	3,18,22,23	5 575.2
11 798.2	7.8 Other financial assets	22,23,24	6 242.8
<b>244 673.5</b>	<b>7. Total investments in collective portfolio</b>		<b>155 498.5</b>
431.4	8.1 Properties and real estate	26	

# Balance sheet Storebrand Livsforsikring

at 31 December 2008

Storebrand Livsforsikring Group	NOK million	Note	Storebrand Livsforsikring AS
0.2	8.2 Shares and units in subsidiaries, associated companies and joint-controlled companies of which investment in real estate companies	14	432.9 431.4
602.8	8.3 Loans to and securities issued by subsidiaries, associated companies	16,22,23	602.8
56.7	8.4 Loans and receivables	22,23	56.7
21 464.9	8.5 Bonds at amortised cost - shares and other equity participations at fair value	3,13,22,23	4 542.4
9 614.5	8.6 Bonds and other fixed-income securities at fair value	3,15,22,23	4 457.4
429.6	8.7 Financial derivatives at fair value	3,18,22,23	429.6
1 516.5	8.8 Other financial assets	22,23,24	1 089.2
<b>34 116.6</b>	<b>8. Total investments in investment selection portfolio</b>		<b>11 611.0</b>
<b>278 790.2</b>	<b>Total assets in customer portfolio</b>		<b>167 109.5</b>
<b>320 453.0</b>	<b>TOTAL ASSETS</b>		<b>198 961.7</b>
<b>EQUITY AND LIABILITIES</b>			
3 430.4	9.1 Share capital		3 430.4
9 270.6	9.2 Share premium reserve		9 270.6
<b>12 701.0</b>	<b>9. Total paid in equity</b>	<b>39</b>	<b>12 701.0</b>
153.1	10.1 Fund for risk-smoothing		153.1
1 677.6	10.2 Other earned equity		2 392.4
202.5	10.3 Minority's share of equity		
<b>2 033.3</b>	<b>10. Total earned equity</b>	<b>39</b>	<b>2 545.5</b>
6 683.5	11.1 Perpetual subordinated loan capital		5 266.6
1 926.8	11.2 Dated subordinated loans		1 926.9
1 474.5	11.3 Perpetual capital		1 474.5
<b>10 084.8</b>	<b>11. Total subordinate loan capital etc.</b>	<b>22,23,33</b>	<b>8 668.0</b>
225 587.2	12.1 Premium reserve		142 772.9
3 779.5	12.2 Additional statutory reserves		3 408.0
556.4	12.3 Claims allocation		494.1
5 764.2	12.4 Premium fund, deposit fund and the pension surplus fund		5 764.2
7 499.2	12.5 Conditional bonus		
385.1	12.6 Other technical reserves		385.1
<b>243 571.6</b>	<b>12. Total insurance obligations in life insurance - contractual obligations</b>	<b>31,32</b>	<b>152 824.3</b>
33 304.4	13.1 Premium reserve		10 797.5
0.5	13.2 Supplementary reserves		0.5
0.6	13.3 Claims allocation		0.6
30.0	13.2 Additional statutory reserves		30.0
468.6	13.5 Premium fund, deposit fund and the pension surplus fund		468.6
<b>33 804.1</b>	<b>13. Total insurance obligations in life insurance - investment portfolio separately</b>	<b>31,32</b>	<b>11 297.2</b>

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# Balance sheet Storebrand Livsforsikring

at 31 December 2008

Storebrand Livsforsikring Group	NOK million	Note	Storebrand Livsforsikring AS
1 214.9	14.1 Pension liabilities etc.	12	592.7
901.0	14.2 Period tax liabilities	11	1.1
85.7	14.3 Other provisions for liabilities		59.1
<b>2 201.7</b>	<b>14. Total provisions for liabilities</b>		<b>652.9</b>
1 225.2	15.1 Liabilities in connection with direct insurance		613.8
138.7	15.2 Liabilities in connection with reinsurance		85.8
8 376.7	15.3 Financial derivatives	3,18,22,23	7 402.5
72.8	15.4 Liabilities to group companies		84.3
5 294.0	15.5 Other liabilities	35	1 245.9
<b>15 107.4</b>	<b>15. Total liabilities</b>		<b>9 432.3</b>
572.5	16.1 Received, unearned leasing income		572.5
376.9	16.2 Other accrued expenses and received, unearned income		268.0
<b>949.4</b>	<b>16. Total accrued expenses and received, unearned income</b>		<b>840.5</b>
<b>320 453.1</b>	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>198 961.7</b>
	<b>ITEMS NOT ON BALANCE SHEET</b>		
6 140	Contingent liabilities		4 376

Oslo, 3 March 2009  
The Board of Directors of Storebrand Livsforsikring AS

Translation, not to be signed

Idar Kreutzer  
Chairman of the Board

Andreas Enger

Nina Udnes Tronstad

Maalfrid Brath

Else-Lill Grønli

Gorm Leiknes

Lars A. Løddesøl  
Managing Director

# Profit and loss account Storebrand Livsforsikring

Corresponding figures 1 January – 31 December

Storebrand Livsforsikring Group			Storebrand Livsforsikring AS	
2006	2007	NOK million	2007	2006
<b>TECHNICAL ACCOUNT:</b>				
13 125.4	16 642.0	1.1 Gross premiums written	16 642.0	13 125.4
-56.9	-64.3	1.2 Reinsurance premiums ceded	-64.3	-56.9
6 550.0	3 139.1	1.3 Premium reserves transferred from other companies	3 139.1	6 550.0
<b>19 618.5</b>	<b>19 716.8</b>	<b>1. Premiums for own account</b>	<b>19 716.8</b>	<b>19 618.5</b>
1.5		2.1 Income from shares and participations in group companies	-14.7	38.2
18.0	-18.8	2.2 Income from participations in associated companies	-25.3	19.2
1 347.3	1 401.8	2.3 Income from property and real estate investments	1 192.1	1 143.0
5 168.8	5 573.6	2.4 Income from other financial assets	5 590.6	5 168.8
967.2	2 975.6	2.5 Revaluation of property and real estate investments	2 975.6	967.2
2 033.9		2.6 Unrealised gains/reversals of unrealised losses on financial current assets		2 033.9
39.7		2.7 Reversal of write-downs of financial assets		39.7
11 050.7	14 489.6	2.8 Gains on sales of financial assets	14 489.6	11 035.7
<b>20 627.1</b>	<b>24 421.8</b>	<b>2. Income from financial assets</b>	<b>24 207.9</b>	<b>20 445.7</b>
<b>685.4</b>	<b>353.4</b>	<b>3. Net income from financial assets with investment choice</b>	<b>353.4</b>	<b>685.4</b>
<b>33.4</b>	<b>85.8</b>	<b>4. Other insurance related income</b>	<b>85.8</b>	<b>33.4</b>
-12 906.3	-15 285.3	5.1 Gross claims paid	-15 285.3	-12 906.3
5.9	2.1	5.2 Claims paid - reinsurance	2.1	5.9
-47.7	-73.7	5.3 Gross change in claims reserve	-73.7	-47.7
-1 476.8	-2 223.3	5.4 Premium reserves etc. transferred to other companies	-2 223.3	-1 476.8
<b>-14 424.9</b>	<b>-17 580.2</b>	<b>5. Claims for own account</b>	<b>-17 580.2</b>	<b>-14 424.9</b>
-7 774.6	-8 629.0	6.1 To/from premium reserve in the insurance fund (gross)	-8 629.0	-7 774.6
-147.2	-157.6	6.2 Guaranteed return on premium/pension adjustment fund	-157.6	-147.2
-1 000.0	-400.0	6.3 Additional statutory allocations for the year	-400.0	-1 000.0
-79.8	55.7	6.4 To/from additional statutory reserves in connection with claims/repurchase	55.7	-79.8
187.1	140.2	6.5 Transfers of additional statutory reserves from other companies	140.2	187.1
-17.7	-18.4	6.6 To/from security reserve	-18.4	-17.7
-78.2	-63.3	6.7 To technical reserves for non-life insurance business	-63.3	-78.2
-1 561.1	-1 432.3	6.8 To/ from reserves for life insurance with investment choice	-1 432.3	-1 561.1
<b>-10 471.5</b>	<b>-10 504.7</b>	<b>6. Changes in insurance reserves etc. for own account</b>	<b>-10 504.7</b>	<b>-10 471.5</b>
-545.7	-722.7	7.1 Sales expenses (insurance)	-722.7	-545.7
-1 005.2	-1 111.3	7.2 Insurance related administration expenses	-1 111.3	-1 005.2
<b>-1 550.9</b>	<b>-1 834.0</b>	<b>7. Insurance related operating expenses for own account</b>	<b>-1 834.0</b>	<b>-1 550.9</b>
-7.5	-8.5	8.1 Administration expenses: properties and real estate investments	-8.5	-7.5
-196.4	-84.0	8.2 Administration expenses: other financial assets	-84.0	-196.4
	-6.0	8.3 Interest expense arising from financial assets	-6.0	
-265.9	-206.2	8.4 Other expenses arising from financial assets	-36.1	-53.4
-39.7	-0.8	8.5 Revaluation of properties and real estate investments	-0.8	-39.7
	-2 028.9	8.6 Unrealised loss/reversals of unrealised gains on financial current assets	-2 028.9	
		8.7 Write-downs to other financial assets		
-7 634.1	-10 211.2	8.8 Loss on disposal of financial assets	-10 211.2	-7 634.1
<b>-8 143.6</b>	<b>-12 545.6</b>	<b>8. Expenses in respect of financial assets</b>	<b>-12 375.5</b>	<b>-7 931.1</b>

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# Profit and loss account Storebrand Livsforsikring

Corresponding figures 1 January – 31 December

Storebrand Livsforsikring Group			Storebrand Livsforsikring AS	
2006	2007	NOK million	2007	2006
-60.9	-163.0	9. Other insurance related expenses after reinsurance share	-163.0	-60.9
-2 033.9	2 028.9	10. To/from market value adjustment reserve	2 028.9	-2 033.9
4 278.7	3 979.2	11. TECHNICAL INSURANCE RESULT	3 935.4	4 309.8
-1 350.2	-1 232.0	12.1 Transfers to the premium reserve in the insurance fund	-1 232.0	-1 350.2
-1 643.9	-1 165.4	12.2 Transfers to the premium and pensioner's surplus fund	-1 165.4	-1 643.9
-2 994.1	-2 397.4	12. Funds transferred to policyholders	-2 397.4	-2 994.1
1 284.6	1 581.8	13. BALANCE OF THE TECHNICAL ACCOUNT	1 538.0	1 315.7
<b>NON-TECHNICAL ACCOUNT:</b>				
108.1	121.6	14. Other income		
-210.4	-338.9	15. Other expenses	-197.1	-135.2
1 182.3	1 364.5	16. PROFIT FROM ORDINARY ACTIVITIES	1 340.9	1 180.5
-0.7	-19.8	17. Tax	-0.7	
-1.1	-4.5	18. Minority interests' share of profit		
1180.5	1 340.2	19. PROFIT FOR THE YEAR	1 340.2	1 180.5
<b>ALLOCATIONS:</b>				
		20.1 Dividend paid	-268.0	-885.3
		20.2 Transferred to other equity	-1 072.2	-295.2
		20. Total allocated	-1 340.2	-1 180.5

# Balance sheet Storebrand Livsforsikring

Corresponding figures 31 December

Storebrand Livsforsikring Group			Storebrand Livsforsikring AS	
2006	2007	NOK million	2007	2006
<b>ASSETS:</b>				
8.2	9 578.4	1.1 Intangible assets	7.4	0.5
5.4	32.1	1.2 Deferred tax assets		
<b>13.6</b>	<b>9 610.5</b>	<b>1. Intangible assets</b>	<b>7.4</b>	<b>0.5</b>
18 169.4	22 334.0	2.1 Properties and real estate	22 262.4	17 936.8
		2.2 Shares and participations in group companies	7 187.5	272.4
		2.3 Loan to group companies	6 889.0	
207.9	145.9	2.4 Shares and participations in associated companies	165.1	188.7
4.4	5.7	2.5 Shares and other equity investments	5.7	4.2
43 098.8	40 380.1	2.6 Bonds to be held to maturity	40 380.1	43 098.8
2 295.6	2 687.3	2.7 Secured lending	2 687.3	2 295.6
44.2	15.5	2.8 Other lending	15.5	44.2
	11.1	2.9 Other financial long term assets		
<b>63 820.3</b>	<b>65 579.5</b>	<b>Long term financial assets</b>	<b>79 592.6</b>	<b>63 840.7</b>
45 515.7	74 408.9	2.10 Shares and other equity investments	44 521.1	45 515.7
44 538.6	107 008.8	2.11 Bonds and other fixed income securities	48 008.5	44 538.6
1 743.6	98.1	2.12 Money market placements	98.1	1 743.6
858.8	3 545.4	2.13 Financial derivatives	1 749.0	858.8
	4 989.3	2.14 Other financial current assets		
<b>92 656.7</b>	<b>190 050.6</b>	<b>Financial assets held as current assets</b>	<b>94 376.7</b>	<b>92 656.7</b>
<b>156 477.0</b>	<b>255 630.1</b>	<b>2. Total financial assets</b>	<b>173 969.3</b>	<b>156 497.4</b>
3 028.7	4 562.5	3.1 Equityfund	1.2	3 028.7
127.0	326.4	3.2 Bondfund	1.0	127.0
1 094.7	817.9	3.3 Money market fund		1 094.7
2.0	20 087.1	3.4 Combination fund		2.0
3 111.7	13 289.5	3.5 Investments fund	8 926.6	3 111.7
<b>7 364.1</b>	<b>39 083.4</b>	<b>3. Life insurance assets with investment choice</b>	<b>8 928.8</b>	<b>7 364.1</b>
2.1	3.4	4.1 Reinsurers' share of premiums not earned	3.4	2.1
26.5	53.5	4.2 Reinsurers' share of gross claims reserve	53.5	26.5
<b>28.6</b>	<b>56.9</b>	<b>4. Total reinsurers' share of gross technical insurance reserves</b>	<b>56.9</b>	<b>28.6</b>
1 628.8	1 517.7	5.1 Receivables due from insurance customers (direct business)	1 509.8	1 628.8
4.3	57.2	5.2 Receivables due arising from reinsurance	4.3	4.3
777.6	1 167.8	5.3 Other receivables	166.5	617.9
23.0	18.2	5.4 Intra-group receivables	340.6	41.1
<b>2 433.7</b>	<b>2 761.0</b>	<b>5. Total receivables</b>	<b>2 021.2</b>	<b>2 292.1</b>
28.2	37.2	6.1 Fixed assets	32.6	26.3
4 057.2	18 941.6	6.2 Cash and bank	9 679.3	3 829.1
	3.4	6.3 Other assets by type		
<b>4 085.4</b>	<b>18 982.2</b>	<b>6. Total other assets</b>	<b>9 711.9</b>	<b>3 855.4</b>
1 996.7	2 895.0	7.1 Accrued but not received lease rentals, interest etc.	1 985.6	1 992.1
10.3	155.0	7.2 Other prepaid costs and accrued income	10.2	10.3
<b>2 007.0</b>	<b>3 050.1</b>	<b>7. Total prepaid costs and accrued income</b>	<b>1 995.8</b>	<b>2 002.4</b>
<b>172 409.4</b>	<b>329 174.2</b>	<b>TOTAL ASSETS</b>	<b>196 691.3</b>	<b>172 040.5</b>

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# Balance sheet Storebrand Livsforsikring

Corresponding figures 31 December

Storebrand Livsforsikring Group			Storebrand Livsforsikring AS	
2006	2007	NOK million	2007	2006
<b>EQUITY AND LIABILITIES:</b>				
1 411.2	1 980.4	8.1 Share capital	1 980.4	1 411.2
870.6	9 270.6	8.2 Share premium reserve	9 270.6	870.6
2 281.8	11 251.0	8. Total paid-in share capital	11 251.0	2 281.8
3 079.0	4 125.3	9.1 Other equity	4 135.3	3 079.1
<b>3 079.0</b>	<b>4 125.3</b>	<b>9. Total accrued capital</b>	<b>4 135.3</b>	<b>3 079.1</b>
<b>13.8</b>	<b>130.1</b>	<b>10. Minority interests' share in equity</b>		
2 961.7	8 813.8	11.1 Other subordinated loan capital	7 469.6	2 961.7
<b>2 961.7</b>	<b>8 813.8</b>	<b>11. Total subordinated loan capital</b>	<b>7 469.6</b>	<b>2 961.7</b>
<b>5 917.8</b>	<b>3 888.9</b>	<b>12. Market value adjustment reserve</b>	<b>3 888.9</b>	<b>5 917.8</b>
133 257.3	213 804.6	13.1 Premium reserve for own account	143 371.7	133 257.3
5 550.7	5 757.3	13.2 Additional statutory reserves	5 757.3	5 550.7
6 492.8	5 975.2	13.3 Premium fund	5 975.2	6 492.8
280.0	280.0	13.4 Pensioner's surplus fund	280.0	280.0
382.6	1 969.9	13.5 Claims reserve for own account	456.3	382.6
	13 699.4	13.6 Conditional bonus	0.0	
203.4	295.1	13.7 Other technical reserves	295.1	203.4
<b>146 166.8</b>	<b>241 781.4</b>	<b>Insurance fund reserves for own account</b>	<b>156 135.6</b>	<b>146 166.8</b>
179.0	197.4	13.8 Security reserve	197.4	179.0
<b>146 345.8</b>	<b>241 978.8</b>	<b>13. Total insurance related reserves for own account</b>	<b>156 333.0</b>	<b>146 345.8</b>
7 188.5	38 900.3	14.1 Premium reserve	8 620.9	7 188.5
175.6	307.9	14.2 Deposit reserve	307.9	175.6
<b>7 364.1</b>	<b>39 208.2</b>	<b>14. Reserve for life insurance with investment choice</b>	<b>8 928.8</b>	<b>7 364.1</b>
207.6	736.5	15.1 Pension liabilities etc.	397.4	190.0
107.6	621.6	15.2 Deferred tax		
0.3	51.4	15.3 Other reserves	0.3	0.3
<b>315.5</b>	<b>1 409.5</b>	<b>15. Total reserves for other risks and costs</b>	<b>397.7</b>	<b>190.3</b>
385.2	1 041.1	16.1 Accounts payable in respect of direct insurance	656.0	385.2
86.9	173.2	16.2 Accounts payable in respect of reinsurance	97.1	86.9
626.8	2 382.3	16.3 Financial derivatives representing current liabilities	1 042.6	626.8
1 688.0	13 814.5	16.4 Other liabilities	1 536.2	1 463.6
885.3	268.0	16.5 Allocated to dividend	268.0	885.3
49.8	41.4	16.6 Due to group companies	135.6	49.8
<b>3 722.0</b>	<b>17 720.5</b>	<b>16. Total liabilities</b>	<b>3 735.5</b>	<b>3 497.6</b>
57.3	86.4	17.1 Prepayments received of lease rental, interest etc.	86.4	57.3
350.6	561.7	17.2 Other accrued costs and deferred income	465.0	344.9
<b>407.9</b>	<b>648.1</b>	<b>17. Total accrued costs and deferred income</b>	<b>551.4</b>	<b>402.2</b>
<b>172 409.4</b>	<b>329 174.2</b>	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>196 691.3</b>	<b>172 040.5</b>

Off-balance sheet contingent liabilities

4 661

# Analysis of changes in equity capital

## Storebrand Livsforsikring AS

NOK million	31.12.2008
Opening equity capital	15 386.3
Effect of changes to accounting principles	464.6
Adjusted opening equity capital	15 850.9
Profit for the year	-1 869.9
Revenue and cost items, incl. net items, applied directly to equity	-184.5
Total changes in equity excluding equity capital transactions	-2 054.4
Equity capital transactions (excluding profit sharing with the owner)	1 450.0
Total equity capital transactions	1 450.0
<b>Closing equity capital</b>	<b>15 246.5</b>

## Storebrand Livsforsikring Group

NOK million	31.12.2008
Opening equity capital	15 506.4
Effect of changes to accounting principles	558.5
Adjusted opening equity capital	16 064.9
Profit for the year	-2 769.3
Revenue and cost items, incl. net items, applied directly to equity	-46.9
Total changes in equity excluding equity capital transactions	-2 816.2
Equity capital transactions (excluding profit sharing with the owner)	1 485.4
Total equity capital transactions	1 485.4
<b>Closing equity capital</b>	<b>14 734.1</b>

# Cash flow analysis Storebrand Livsforsikring

1 January – 31 December

NOK million	Storebrand Livsforsikring AS		Storebrand Livsforsikring Group	
	2008	2007	2008	2007
<b>Cash flow from operations</b>				
Net premiums received - direct insurance	18 131.0	13 686.4	27 028.4	20 088.7
Net claims/benefits paid - direct insurance	-18 911.6	-15 086.1	-24 046.9	-15 086.1
Net receipts/ payments - policy transfers	2 724.9	915.8	2 613.4	915.8
Receipts - interest, commission and fees from customers				
Payments - interest, commission and fees from customers				
Net receipts/payments - lending to customers	-1 188.2	-195.1	-817.6	-212.8
Net receipts/payments - loans to and claims on other financial institutions		-6 886.3		
Net receipts/payments - customer deposits with the banking activities				
Net receipts/payments - deposits from Norges Bank and other financial institutions	899.8	276.6	1 862.0	292.1
Net receipts/payments - securities at fair value				
Shares and other equity investments	12 736.9	-4 484.9	26 807.4	2 739.9
Bonds and other fixed income securities	-17 267.2	7 392.6	-32 647.4	4 900.7
Financial derivatives and other financial instruments	-4 421.0	-491.4	3 496.2	-3 965.4
Payments to suppliers for goods and services	6 240.3	-816.5	-4 558.3	-669.0
Net receipts/payments - real estate activities	1 744.7	367.5	1 816.9	555.7
Payments to employees, pension scheme, employers' contribution etc.	-730.7	-845.6	-1 330.3	-863.8
Payments of tax, duties, etc.	1.1	-0.7	-177.4	-52.1
Net receipts/payments - other operational activities				
<b>Net cash flow from operations</b>	<b>-40.0</b>	<b>-6 167.7</b>	<b>46.3</b>	<b>8 643.7</b>
<b>Cash flow from investment activities:</b>				
Net receipts from sales of subsidiaries				
Net payments on purchase/capitalisation of subsidiaries				-13 832.7
Receipts from sales of property				
Payments on purchase of property	-889.7	-329.3	-1 218.2	-316.9
Net receipts/payments on sale/purchase of fixed assets, etc.	-27.9	-19.7	-37.2	-23.8
<b>Net cash flow from investment activities</b>	<b>-917.6</b>	<b>-349.0</b>	<b>-1 255.4</b>	<b>-14 173.4</b>
<b>Cash flow from financing activities</b>				
Repayment of long term lending				
Receipts from taking up term loans				
Receipts from issuance of commercial paper/short-term loans				
Repayment of commercial paper/short-term loans				
Receipts from issuance of subordinated loan capital	5 518.2	4 604.5	5 518.2	4 604.5
Repayment of subordinated loan capital	-5 409.5		-5 409.5	
Interest payments on subordinated loans	-741.2	-293.7	-829.6	-291.0
Receipts from issue of bond loans and other long-term funding				
Repayment of bond loans and other long-term funding				
Receipts from issue of new share capital	1 450.0	9 000.0	1 450.0	9 000.0
Payments on redemption of share capital		30.7		-30.7
Group contribution/dividend paid	-268.0	-885.3	-268.0	-885.3
<b>Net cash flow from financing activities</b>	<b>549.5</b>	<b>12 456.2</b>	<b>461.1</b>	<b>12 397.5</b>
<b>Net cash flow for the period</b>	<b>-408.1</b>	<b>5 939.5</b>	<b>-748.0</b>	<b>6 867.8</b>
Net change in cash and cash equivalent assets	-408.1	5 850.2	-748.0	6 867.9
Cash and cash equivalent assets at the start of the period for new companies				8 016.5
Liquid assets 01.01	9 679.3	3 829.1	18 941.6	4 057.2
<b>= Liquid assets at 31.12.</b>	<b>9 271.1</b>	<b>9 679.3</b>	<b>18 193.5</b>	<b>18 941.6</b>

# Notes to the accounts

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# Notes Storebrand Livsforsikring

## 1 Accounting policies

### General

The Annual Accounts have been prepared in accordance with the 'Regulation on the annual accounts etc. of insurance companies', which was revised with effect from 1 January 2008 to correspond with the international financial reporting standards (IFRS).

In preparing the annual accounts, management has to use assumptions and estimates that will affect reported figures related to assets, liabilities, revenue and costs, as well as the information on contingent liabilities included in the notes to the accounts. The actual figures in question may differ from the original estimates. For further information, see Note 2.

### Consolidation

The consolidated financial statements combine Storebrand Livsforsikring AS and companies where Storebrand Livsforsikring AS has the power to exercise a controlling influence. A controlling influence is normally achieved where the group owns, directly or indirectly more than 50 percent 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. Investments in associated companies (normally investments of between 20 percent and 50 percent of the associated companies' equity capital) where the company exercises significant influence are consolidated in accordance with the equity method. Interests in joint ventures are consolidated in accordance with the equity method. Interests in joint ventures 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 conversion for 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 converting the profit and loss account at the average exchange rate for the accounting year and converting the balance sheet at the exchange rate at close of the accounting year. Any conversion 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. Transactions between customer portfolios and the company portfolio in Storebrand Livsforsikring AS and between customer portfolios in Storebrand Livsforsikring AS and other units in the group are not eliminated.

### *Integration of business*

The acquisition method is used when business is acquired. The acquisition cost is measured at its fair value after taking into account any equity instruments as well as direct expenses with respect to the acquisition. Any share issue expenses are not included in the acquisition cost, but are charged to equity.

Identified materials and intangible assets and liabilities that have been taken over are valued as their fair value at the time of acquisition. If the acquisition cost exceeds the value of the identified assets and liabilities, the difference is recognised in the accounts as goodwill.

If the acquisition costs is less than the identified assets and liabilities, the difference is recognised in the profit and loss account at the time of the transaction. In the event of acquisitions of less than a 100 per cent of a company, 100 per cent of the extra value or shortfall in market value is recognised in the balance sheet, with the exception of goodwill of which only Storebrand's share is recognised.

### 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, and vehicles 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 in the profit and loss account 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 in the profit and loss account.

The depreciation period and the method of depreciation are reviewed annually to ensure that the method and period used correspond with the financial lifetime of 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.

Assets are assessed for impairment if there are indications of a fall in its value. Any write-downs are recognised as the difference between the value recognised in the balance sheet and the recoverable amount. The recoverable amount is the highest of fair value less deductions for selling expenses and the value in use. Whether or not any previous write-downs of non-financial assets can be reversed must be assessed on every reporting date.

### 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 on each reporting date. Changes in value are recognised in the profit and loss account. 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 its 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.

### Operational leases

Leases in which the majority of the risk is borne by the contractual opposite party are classified as operational leases. Operational leases are not included in the balance sheet.

### Intangible assets

Intangible assets with limited useable lifetimes 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 same manner described for tangible fixed assets. When insurance contracts are purchased as part of the integration of an enterprise, the insurance obligations are recognised on the basis of the underlying company's accounting policies. Shortfalls in value linked to these obligations, which are often referred to as value of business in force (VIF), are recognised as an assets. A sufficiency test must be conducted of the insurance obligation, including VIF, pursuant to IFRS 4 every time the accounts are presented. The test looks at the current values of the policy issuer's cash flows, which is often referred to as embedded value. Any write-downs of VIF will be reversed if the basis for the write-down no longer exists.

Straight-line depreciation is applied over the following periods:

Contractual customer relationships	5-7 years
Value of business in force - VIF	20 years
IT systems	3-8 years

Intangible assets with unspecified usable lifetimes are not written down, but are tested for impairment annually and at other times if there are indications of a fall in their value with a consequent need for a write-down.

### 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 valued at its acquisition cost at the time of acquisition. Goodwill acquired by acquiring subsidiaries is classified as intangible assets. Goodwill acquired through interests in associated companies is included in the investment in the associated company and is tested for impairment as part of the value of the write-down recognised in the balance sheet.

Goodwill is not amortised, but is tested annually for impairment. If the relevant discounted cash flow is lower than the book value, 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.

Goodwill is allocated to the relevant cash flow generating units that are expected to benefit from the acquisition so that it can subsequently be tested for impairment. Cash flow generating units are identified in relation to operational segments.

### 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, disability and early leavers. 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 are recognised against equity in the statement of recognised income, expenses and value changes in the period they arose. The effect of changes to the pension scheme are recognised in the profit and loss account as they are incurred, unless the change is conditional on future accrual of pension entitlement. In such a case, the effect is amortised linearly over the time until the entitlement is fully earned. Employer's social security contributions are included in pension liability and in experience adjustments shown in equity.

Storebrand has both insured and uninsured pension arrangements. The insured scheme in Norway is insured in own company.

### Tax

The tax charge in the profit and loss account consists of tax payable for the accounting year and changes in deferred tax. Tax is recognised in the profit and loss account, except when it relates to items that are recognised directly against equity. If this is the case, the tax is also recognised directly against equity. 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 companies in the group will have sufficient taxable profit in the future to make use of the tax asset.

### Accounting for the insurance business

The accounting standard IFRS 4 addresses the accounting treatment of insurance contracts. The Storebrand group's insurance contracts fall within the scope of the standard. In the consolidated accounts the technical insurance reserves in the respective subsidiaries, calculated on the basis of the individual countries' particular laws, are carried forward. The accounting policies for the most important technical insurance reserves are explained below.

### Sufficiency test

Sufficiency tests are conducted in life and P&C insurance on every balance sheet day pursuant to IFRS 4 to check whether the level of provisions to the premium reserves and claims reserves match the

obligations to the customers. Any negative discrepancy between the original provision and the sufficiency test entails a provision for unincurred risk (premium provisions).

#### **Premium income**

Gross premiums written comprise premium amounts which fall due during the year. The result from reinsurance ceded is shown separately under the heading of premiums for own account. The fee charged in advance for the guaranteed return, and the profit element of risk, are included in premium income. Accrual of premiums earned is made through allocations to premium reserve in the insurance fund.

#### **Claims paid**

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

#### **Transfers of premium reserve etc. (policy transfers)**

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

#### **Changes in insurance liabilities recognised to profit and loss – Separate investment portfolio**

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

#### **Funds allocated to insurance contracts**

The guaranteed return on the premium reserve and on the premium/pension adjustment fund is recognised to profit and loss as part of the item 'Changes in insurance liabilities recognised to profit and loss'. Other profit allocated to customers is shown under the item 'Funds allocated to insurance contracts'.

#### **Insurance reserves – life insurance**

##### *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 contracts, 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 per cent of the guaranteed surrender/transfer value of insurance contracts 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 contracts,

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 allowed 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 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 allowed 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 individual customer's guaranteed return. This is shown in the profit and loss account in the item 'to/from additional statutory reserves'. The amount released cannot exceed the equivalent of one year's interest rate guarantee.

#### **Claims reserve**

Amounts 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.

#### **Market value adjustment reserve**

Net unrealised gains/losses for the current year on financial assets at fair value in the group portfolio in Storebrand Livsforsikring AS are applied to the market value adjustment reserve in the balance sheet under the assumption that the portfolio has a net unrealised extra value. That part of the 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. In accordance with the accounting standard for insurance contracts (IFRS 4) the market value adjustment reserve is shown as a liability.

#### **Premium fund, deposit reserve and pensioners' surplus 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.

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.

#### *Insurance obligations special investments portfolio*

The insurance reserves allocated to cover obligations associated with the value of the special investments portfolio must always equal the value of the investments portfolio assigned to the contract. The proportion of profit in the risk result is included. The company is not exposed to investment risk vis-à-vis customer assets since the customers are not guaranteed a minimum return. The only exception is in the event of death when the beneficiaries are paid back the amount originally paid-in for annuity insurance.

If a return guarantee is linked to a special investments portfolio, a supplementary provision is made to cover the guarantee obligation. The supplementary provision to cover the company's obligation pursuant to section 11-1, fourth paragraph, of the Companies Pension Act shall equal the difference between the capitalised value of the company's obligations vis-à-vis the insured, calculated pursuant to section 9-16 of the Insurance Act and the value of the investments portfolio.

#### *Selling expenses*

Selling expenses in the Norwegian life insurance business are recognised as costs, while in the Swedish subsidiaries selling expenses are recognised in the balance sheet. Pursuant to IFRS 4 non-uniform accounting policies can be used for insurance contracts in subsidiaries.

#### **Fund for risk-smoothing**

The security reserve for paid-up policies was transferred to the fund for risk smoothing on 1 January 2008. Other security reserves were dissolved and recognised in the profit and loss account in 2008. Up to 50 per cent of the risk result for group pensions and paid-up policies can be allocated to cover any future negative risk result. The fund for risk smoothing is included as part of equity.

#### **SPP**

##### *Life insurance reserves*

Life insurance reserves are calculated on the basis of the expected payments for each individual insurance contract. Assumptions concerning interest rates, mortality, disability, tax, duties and other risk elements affect the value of the life insurance reserves. Changes in these elements can affect the reserves and thus also the company's accounting result.

In Q4 2008, SPP introduced a cash flow model for discounting life insurance.

The model employs a swap curve (monthly) for the term to maturity in those cases where it is assessed that there is sufficient liquidity in the Swedish market.

A normal rate is fixed for other cash flows. This is the sum of the long-term inflation assumptions, real interest rate and risk premium.

##### *Death risk*

Assumptions concerning mortality vary depending on the various policies that are signed. The assumptions that are used as the basis are based on general sector statistics.

#### *Reserves for unfixed insurance instances*

The reserves for claims that have been incurred consist of reserves for disability pensions, established claims, unestablished claims and claims processing reserves. When assessing the reserves for disability pensions a risk free market interest rate is used, which takes into account future index adjustment of the payments. Unestablished insurance instances are insurance instances that have not been reported yet, but which, using statistical methods, are calculated to have been incurred (IBNR).

#### *Conditional Bonus reserves*

Conditional bonus reserves represent that part of the insurance capital which is not subject to guarantees. Included in this is capital set aside by the company as reserves to secure future guarantees.

## **FINANCIAL INSTRUMENTS**

### **General policies and definitions**

#### *Recognition and derecognition*

Financial assets and liabilities are included in the balance sheet from such times 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. First time recognition includes transaction costs directly related to the acquisition or issue of the financial asset or the financial liability if it is not a financial asset or a financial liability at fair value in the profit and loss account.

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.

Financial liabilities are derecognised in the balance sheet when they cease to exist, i.e. once the contractual liability has been fulfilled, cancelled or has expired.

#### **Definition of amortised cost**

Subsequent to inception, hold to maturity financial assets, loans and receivables as well as financial liabilities not at fair value in the profit and loss account, 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, independent parties in an arm's length transaction. The fair value of financial assets listed on a stock exchange or in another regulated market place in which regular trading takes place 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 independent 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 method has proved to provide reliable estimates of prices actually achieved in market transactions, this method is used.

The fair value of loans, which is 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 in the profit and loss account.

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:*

- held 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

##### *Held for sale*

A financial asset is classified as held 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
- it is a derivative except for a derivative that is designated as an effective hedging instrument.

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

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

##### *At fair value through profit or loss in accordance with the fair value option (FVO)*

A significant proportion of Storebrand's financial instruments are classified as at fair value through profit and loss because:

- such 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, or because
- the financial assets form part of a portfolio that is managed and reported on a fair value basis.

The accounting treatment is equivalent to that for held for sale assets.

##### *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 in the profit and loss account, and
- assets that are defined as loans and receivables.

Hold to maturity investments are recognised at amortised cost using the effective interest method. In 2008, all the investments included in the hold to maturity category were reclassified as per 31 December 2008 and included in the available for sale category. The hold to maturity cannot be used in Storebrand's consolidated accounts in 2009 and 2010.

##### *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 held for sale and such assets that the company designates at inception as assets at fair value in the profit and loss account.

Loans and receivables are valued at amortised cost using the effective interest method.

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

##### *Available for sale*

Financial assets are classified as available for sale if they are non-derivative financial assets that are classified as available for sale or are not classified as a) loans and receivables, b) hold to maturity investments, or c) financial assets at fair value through profit or loss.

##### *Stock lending*

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

##### *Derivatives*

Derivatives are defined as follows: A derivative is a financial instrument or other contract within the scope of IAS 39 and which has 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 will be settled at a future date

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

#### *Equity options /Equity index options*

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

#### *Stock futures*

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

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

The same accounting treatment is applied as for share options.

#### *Interest rate futures*

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

#### *Interest rate swaps*

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

#### *Asset swap*

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

#### *FRA-Forward rate agreements*

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

#### *Forward foreign exchange contracts*

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

#### *Currency swaps*

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

#### *Credit derivatives*

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

#### **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 in the profit and loss account.

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

#### **Accounting treatment of derivatives for hedging**

##### *Fair value hedging*

Storebrand uses 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 in the profit and loss account, 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 in the profit and loss account.

This method is used for hedging fixed-rate subordinated loan capital for Storebrand Life Insurance. Due to of the unified policies for measuring hedged items and hedging instruments in the other parts of the group, this hedging reflects the group's ordinary valuation rules.

##### *Hedging of net investments*

Hedging of net investments in foreign businesses is recognised in the accounts in the same way as cash flow hedging. Gains and losses with respect to the hedging instrument that relates to the effective part of the hedging is recognised directly against equity, while gains and losses that relate to the ineffective part are recognised in the accounts in the profit and loss account immediately.

The total loss or gain in equity is recognised in the profit and loss account when the foreign business is sold or run-off.

Storebrand utilises the rules concerning the hedging of net investments with respect to the investments in SPP and is recognised in the following way:

Changes in the fair value of a derivate earmarked as a hedging instrument are included directly in equity to the extent the hedging is effective. Otherwise the change in fair value is recognised in the profit and loss account. Once the hedging instrument no longer fulfils the criteria for hedge accounting, expires or is sold, is ended or is exercised, the hedge accounting ceases. Accumulated gains or losses that are included in equity are kept there until the shares are disposed of.

#### **Financial liabilities**

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

#### **Distribution of life insurance inventories, income and expenses pursuant to the new insurance act**

The distribution of the various assets between the various portfolios/sub-portfolios as per 1 January 2008 was based on market value. The portfolio is divided into the main portfolios group, with investment choice and company portfolio. The group portfolio consists of seven profiles. The with investment choice portfolio consists of 24 profiles. The company portfolio is a separate portfolio group with underlying discretionary portfolios. The various profiles invest in "building blocks" that consist of notional funds and securities funds that enable common management of Storebrand Life Insurance's financial assets. The building blocks are reposted to profiles at the close of the period so that asset and result elements can be reported by distribution between the group, with investment choice, and company portfolios. This distribution is based on each profile's return in NOK in the relevant building block. This proportion of a profile's NOK return in the building blocks is used as an average ownership interest, both in the balance sheet and profit and loss items, during the period.

## 2 Important accounting estimates and judgements

Estimates and judgements are continually evaluated on the basis of historical experience and anticipated future events. In the future, actual experience may deviate from these accounting estimates, but the estimates are based on best judgement at the time the accounts are produced. The estimates and assumptions that have a significant risk of causing a material adjustment to the balance sheet values of assets and liabilities are discussed below.

### Investment properties

The company conducts its own valuations of its properties. Each investment property is valued separately by discounting the future net cash flow by a rate equivalent to the yield requirement for the investment in question. The net cash flow 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 long-term real interest rate plus an individually determined risk premium dependent on the rental situation, the building's location and standard of the property. Shopping centre buildings are valued on the basis of a market yield (direct yield in year one) for the individual property and non-discounted long-term cash flow. Where it is known there will be substantial changes in expected cash flows in later years, these are taken account of in the valuation. The number of transactions in the market has been limited due to the financial instability and in general the uncertainty associated with the base data used for valuations has increased compared with 2007. External valuations have also been obtained for a representative selection of the company's properties to support its own valuations. The Swedish property is acquired in December 2008 and is valued at acquisition cost i.e. the purchase price as per 31 December 2008.

The properties are valued on the basis of the following effective required rate of return as per 31 December 2008 (including 2.5% inflation):

Segment	Required rate of return %	
	2008	2007
Office portfolio Oslo city centre	7.95 - 9.00	7.95 - 8.45
Shopping centre portfolio	8.45 - 9.50	7.70 - 9.00
Other properties	8.45 - 10.75	8.20 - 10.00

A change in the required rate of return of 0.25% will result in a change in the recognised values of around 2.8%. Any changes in expected market rents will also affect the recognised values. The properties are included in the customer portfolios in the life insurance company. Any effect of a change in value on the owner's capital (equity) will also depend on other recognised returns in the life insurance company, as well as any use of additional statutory reserves necessary to achieve an overall return equal to the insurance contracts' guaranteed interest. If the recognised return, including any use of additional statutory reserves, in one financial year is lower than the contracts' guaranteed interest, the owner's capital will be charged with the shortfall in the return. The average guaranteed interest rate is around 3.5% as per 31 December 2008.

### Intangible assets

Goodwill and intangible assets with undefined usable lifetimes are tested for impairment annually. Goodwill is allocated to the group's cash flow generating units identified by the relevant country in which one is carrying out activities. The test's valuation involves estimating the cash flows that arise in the relevant cash flow generating units and applying a relevant discount rate. Fixed assets and other intangible assets are assessed annually to ensure the method and period being used correspond with economic realities.

Please also refer to note 4, which discusses the acquisition of SPP in 2007 in more detail. The majority of the intangible assets recognised from the acquisition were linked to the existing insurance contracts in SPP at the time of the acquisition. These recognised intangible assets are, together with the pertinent recognised insurance obligations, tested for impairment using a sufficiency test pursuant to IFRS 4 Insurance Contracts. A key element of this assessment involves calculating future profit margins using embedded value calculations. Embedded value calculations are affected by, among other things, volatility in the financial markets, interest rate expectations and the amount of buffer capital in SPP.

The major areas of risk and uncertainty in the rest of the life insurance business are associated with the incidence of death and disability. 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. In terms of death benefits, increasing life expectancy could affect future expected payments and reserves. In the Norwegian life insurance business the majority of the calculated payments are discounted by the appropriate guaranteed interest rate, while in the Swedish business (SPP) market interest rates are used for discounting. Any changes in the discount rate can have a significant effect on the recognised insurance obligations.

### Pensions own employees

The discounted current value of pension liabilities depends on the economic and demographic assumptions used in the calculation. The assumptions used must be realistic, mutually consistent and kept up to date in the sense that they should be based on uniform expectations of future economic conditions. The pension obligations as per 31 December were calculated by actuaries. Any changes associated with the expected growth in pay and the discount rate, etc. could have a significant effect on the recognised pension obligations relating to our own employees (IAS 19).

### Financial instruments

The situation in the financial markets has resulted in the proportion of financial instruments that can be valued based on observable prices or assumptions having fallen. The valuations of the types of securities priced on the basis of non-observable assumptions are more uncertain than they were in 2007. Any changes to the assumptions could affect the recognised values. The majority of such financial instruments are included in the customer portfolio. Please refer to the paragraph above concerning properties in which the possible effects of changes in value on the owner's capital is described. Please also refer to note 3 in which the valuation of financial instruments is described in more detail.

Financial instruments valued at amortised costs are assessed on the balance sheet date to see whether or not there are objective indications that the financial asset or a group of financial assets have fallen in value.

### Technical insurance reserves

Technical insurance reserves in life insurance are based on assumptions concerning lifetimes, mortality, disability, etc. Changes in such assumptions will affect the size of the liabilities. SPP's liabilities are discounted using a yield curve in which parts of the yield curve are not liquid. Any changes in the discounting rate will affect the size of the liabilities.

### 3 Valuation of financial instruments

The situation in the financial markets means that the proportion of financial instruments that can be valued on the basis of observable prices or assumptions has declined compared with earlier periods. Storebrand has assessed the appropriateness of previously used price sources and valuation techniques, and has chosen to continue using these.

Below follows a description of the groups of "Financial assets at fair value" with references to whether the various types of securities are valued on the basis of quoted prices and/or observable assumptions, or whether they are valued on the basis of unobservable assumptions.

Compared with 2007 the uncertainty associated with the valuations is higher for securities priced on the basis of unobservable assumptions. These securities are discussed in more detail below with references to the type of security and the valuation method.

In Storebrand's opinion the valuation represents the best estimate of the market values of the securities.

#### Shares and units

The shares valued using models based on unobservable assumptions primarily include all Norwegian and foreign listed equity investments in forestry companies. The equity investments are valued on the basis of value-adjusted equity reported by external sources.

#### Private Equity

The majority of Storebrand's private equity investments are investments in private equity funds. It also has a number of direct investments.

The investments in private equity funds are valued on the basis of the values reported by the funds. The private equity funds Storebrand has invested in value their own investments in accordance with pricing guidelines stipulated by, among others, EVCA (European Private Equity Venture Capital Association) or in accordance with FASB 157. Most of the private equity funds report on a quarterly basis, while a few report less often. In those cases where Storebrand has not received an updated valuation with respect to an investment from a fund by the time the annual accounts are closed, the latest received valuation is used and adjusted for cash flows and any significant market effects during the period from the last valuation up to the reporting date. These market effects are estimated on the basis of the type of valuations made of the companies in the underlying funds; the financial performance of relevant indexes, adjusted for estimated correlation between the relevant company and the relevant index.

In the case of direct private equity investments, the valuation is based on either recently conducted transactions or a model in which a company that is in continuous operation is assessed by comparing the key figures with equivalent listed companies or groups of equivalent listed companies. The value is reduced by a liquidity discount, which can vary from investment to investment. Companies that are in a start up phase, have undergone previous expansions, or which are undergoing structural changes for some other reasons that make them harder to price in relation to a reference group will be valued at the lowest of costs and estimated value, where the estimated value is apparent from a variance analysis vis-à-vis its plans.

In the case of investments in Storebrand participates as a co-investor together with a leading investor who carries out valuations, and there is no recent transaction, this value will be used once it has been quality assured by Storebrand. In the case of investments for which Storebrand has not received an up-to-date valuation as per 31 December from a leading investor by the time the annual accounts are closed, the previous valuation is used and adjusted for any market effects during the period from the last valuation up to the reporting date. In those cases where no valuation is available from a leading investor in the syndicate, a separate valuation will be made, as described above.

#### Bonds and other fixed-income securities

The bonds that are valued using models based on unobservable assumptions primarily include investments in non-guaranteed foreign asset backed securities that are not traded in an active market. These asset back securities are valued on the basis of prices from external providers and quality assured using price checks at the close of the year, primarily by comparing prices with prices delivered by various price providers.

### STOREBRAND LIVSFORSIKRING AS

#### Shares and other equity instruments

NOK million	Quoted prices and observable pre-conditions	Non-observable pre-conditions	Total 2008
Shares	2 309.1	1 165.3	3 474.4
Fund units excluding hedge funds	10 074.5		10 074.5
Private Equity (incl. real estate investment funds)		10 259.6	10 259.6
Hedge funds	1 739.4		1 739.4
<b>Total</b>	<b>14 123.0</b>	<b>11 424.9</b>	<b>25 547.9</b>

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## STOREBRAND LIVSFORSIKRING AS

## Bonds and other fixed-income securities

NOK million	Quoted prices and observable pre-conditions	Non-observable pre-conditions	Total 2008
Asset backed securities		1 905.3	1 905.3
Corporate bonds	1 151.0	2.9	1 153.9
Finance, bank and insurance	27 110.8		27 110.8
Real estate	242.5		242.5
State and state guaranteed	47 125.7		47 125.7
Supranational organisations	290.8		290.8
Local authority, county	2 307.5		2 307.5
Covered bonds (Class J)	4 655.6		4 655.6
Bond funds	4 764.6		4 764.6
<b>Total</b>	<b>87 648.5</b>	<b>1 908.2</b>	<b>89 556.7</b>

## STOREBRAND LIVSFORSIKRING AS

## Derivatives

NOK million	Quoted prices and observable pre-conditions	Non-observable pre-conditions	Total 2008
Share options	2 579.8		2 579.8
Future interest rate agreements	-144.6		-144.6
Interest rate swaps	942.7		942.7
Interest rate options	39.9		39.9
Forward exchange contracts	-3 954.5		-3 954.5
Basis swaps	2.8		2.8
Credit derivatives	-103.4		-103.4
<b>Total</b>	<b>-637.4</b>		<b>-637.4</b>
- Derivatives earmarked for hedge accounting	75.8		75.8
<b>Total derivatives excl. hedge accounting</b>	<b>-713.2</b>		<b>-713.2</b>

## STOREBRAND LIVSFORSIKRING GROUP

## Shares and other equity instruments

NOK million	Quoted prices and observable pre-conditions	Non-observable pre-conditions	Total 2008
Shares	10 204.8	2 144.7	12 349.5
Fund units excluding hedge funds	29 706.9		29 706.9
Private Equity (incl. real estate investment funds)		10 367.1	10 367.1
Hedge funds	1 739.4		1 739.4
<b>Total</b>	<b>41 651.1</b>	<b>12 511.7</b>	<b>54 162.8</b>

## STOREBRAND LIVSFORSIKRING GROUP

### Bonds and other fixed-income securities

NOK million	Quoted prices and observable pre-conditions	Non-observable pre-conditions	Total 2008
Asset backed securities	23 912.2	1 905.3	25 817.5
Corporate bonds	3 407.6	333.7	3 741.3
Finance, bank and insurance	35 878.4		35 878.4
Real estate	242.5		242.5
State and state guaranteed	82 688.1		82 688.1
Supranational organisations	1 459.4		1 459.4
Local authority, county	8 785.1		8 785.1
Covered bonds (Class J)	4 764.2		4 764.2
Bond funds	9 569.2		9 569.2
<b>Total</b>	<b>170 706.5</b>	<b>2 239.0</b>	<b>172 945.5</b>

## STOREBRAND LIVSFORSIKRING GROUP

### Derivatives

NOK million	Quoted prices and observable pre-conditions	Non-observable pre-conditions	Total 2008
Share options	2 579.8		2 579.8
Stock index futures	-47.2		-47.2
Future interest rate agreements	-149.1		-149.1
Interest rate swaps	4 957.6		4 957.6
Interest rate options	811.5		811.5
Forward exchange contracts	-4 389.6		-4 389.6
Basis swaps	2.8		2.8
Credit derivatives	-103.4		-103.4
<b>Total</b>	<b>3 662.4</b>		<b>3 662.4</b>
- Derivatives earmarked for hedge accounting	75.8		75.8
<b>Total derivatives excl. hedge accounting</b>	<b>3 586.6</b>		<b>3 586.6</b>

#### 4 Acquisition of SPP - final acquisition analysis

In September 2007, Storebrand Livsforsikring AS and Handelsbanken (Sweden) signed an agreement concerning the acquisition of SPP Livförsäkring AB and its subsidiaries, as well as some other companies directly owned by Handelsbanken ("SPP"). The purchase sum amounted to a total of SEK 16,4 billion, while SEK 265 million in transactions costs were included as part of the cost price of the shares. Storebrand Holding AB, a wholly owned subsidiary of Storebrand Livsforsikring AS, was established in connection with the acquisition of the shares in SPP. It is Storebrand Holding AB that has acquired the shares in SPP. The transaction was conducted on 21 December 2007. It was implemented in the accounts on the basis of SPP's equity as per 31 December 2007.

A preliminary acquisition analysis was presented in the accounts as per 31 December 2007. A final acquisition analysis has now been conducted and this has been used in the annual accounts as per 31 December 2008, and is presented below. The acquisition analysis has been assessed by both internal and external assessors during 2008.

During the identification of extra value, the estimated market value of the acquired insurance policies was substantially lower than the booked value of the liabilities. The difference between the booked value and the market value represents what is called the value of business in force (VIF) and is calculated on the basis of embedded value calculations. At the time of the acquisition this value represented around NOK 7,7 billion and is included as intangible assets in the balance sheet. In relation to the preliminary acquisition analysis VIF has been adjusted upwards by around NOK 0.5 billion due to the longer lifespans of policyholders in Sweden. A corresponding amount has increased the insurance reserves. Correspondingly VIF has been adjusted downwards by around NOK 0.2 billion due to calculated surplus reserves in risk insurance (sickness reserve). The insurance reserves increased by a net amount of around NOK 0.3 billion.

Based on the expected duration of the insurance policies the included VIF will be amortised over a period of 20 years. This intangible value will be evaluated in connection with the pertinent insurance policies taking into account whether or not the total values are adequate to meet the pertinent insurance liabilities, cf. the adequacy test in IFRS 4 - Insurance policies.

Extra values associated with the brand name and customer relationships (that are not included in VIF) have been identified. These are valued at around NOK 657 million, which is amortised over 7-13 years. Identified extra values and shortfalls in value are adjusted for the appropriate deferred tax of around NOK 301 million. It is assumed, with respect to the included VIF, that it is only the result associated with the risk result that will be subject to tax. The taxable proportion of VIF amounts to around 10% of the included VIF.

Goodwill amounts to around NOK 691 million and is a residual item. The preliminary analysis included around NOK 887 million of goodwill. Goodwill is not amortised. Instead it is subjected to regular write-down tests. Goodwill includes, among other things, expected synergies, extra sales opportunities, the employees' competence, the potential for new customers, and intangible values associated with customers in which the values cannot be assessed reliably.

##### Final acquisition analysis SPP

NOK million	Balance sheet entry prior to the transaction	Adjustments to the fair value	Amounts included upon takeover
Intangible assets	707	8 265	8 971
Financial assets	119 968		119 968
Other assets	9 351		9 351
<b>Total assets</b>	<b>130 025</b>	<b>8 265</b>	<b>138 290</b>
Technical insurance reserves	-109 523	-350	-109 873
Deferred tax obligations		-301	-301
Long-term liabilities	-1 569		-1 569
Short-term liabilities	-13 418		-13 418
<b>Net identifiable assets and liabilities</b>	<b>5 515</b>	<b>7 614</b>	<b>13 129</b>
<b>Goodwill</b>			<b>691</b>
<b>Purchase price</b>			<b>13 820</b>

## 5 Profit and loss statement by class of business

NOK million	Group pension private insurance	Group pension public insurance	Group life insurance	Endowment insurance	Annuity/pension insurance	Non-life insurance	Total Storebrand Livsforsikring AS	SPP Group and Nordben Life & Pension	Total Storebrand Livsforsikring Group
Premium income	14 526.0	2 856.2	540.1	2 379.3	842.3	178.8	21 322.7	7 638.2	28 929.7
Net income from financial assets - collective portfolio	-599.4	194.6	40.2	-9.0	-16.3	10.3	-379.6	3 658.2	3 346.3
Net income from financial assets with investment choice	-1 131.1	-5.9		-253.0	-851.1		-2 241.1	-8 258.1	-10 499.2
Other insurance related income	49.5		21.6	21.8	34.0	0.1	127.1	635.6	762.7
Claims	-5 561.4	-1 648.4	-381.5	-9 695.4	-3 524.2	-58.4	-20 869.3	-5 388.4	-26 226.4
- of which agreements terminated/ withdrawals from endowment policies	-37.8	-571.7		-9 149.6	-1 751.7		-11 510.8	-20.1	-11 530.9
Changes in insurance obligations recognised in the Profit and Loss Account - contractual obligations	-4 660.2	-701.7	-22.5	7 965.8	2 519.7	-50.5	5 050.6	-2 331.0	2 719.7
Changes in insurance obligations recognised in the Profit and Loss Account - investment portfolio separately	-1 214.8	-410.7		40.0	1 170.2		-415.2	5 678.8	5 263.6
Funds allocated to insurance contracts, contractual obligations	-483.2	-86.3		-85.0	-0.6		-655.1	-12.6	-667.7
Insurance related operating costs	-757.0	-110.2	-64.9	-274.2	-205.7	-68.3	-1 480.3	-1 029.4	-2 446.7
Other insurance related costs	-116.6	-86.8	-26.7	-5.8	-5.2		-241.1	-92.0	-333.1
<b>Technical result</b>	<b>51.8</b>	<b>0.9</b>	<b>106.3</b>	<b>84.5</b>	<b>-36.8</b>	<b>12.0</b>	<b>218.6</b>	<b>499.3</b>	<b>848.9</b>

### Analysis by profit-sharing model

NOK million	Subject to former rules	Not eligible for profit allocation	Investment choice	Endowment insurance
Premium income	1 113.8	262.8	1 002.7	2 379.3
Net income from financial assets - collective portfolio	-8.6	-0.4		-9.0
Net income from financial assets with investment choice			-253.0	-253.0
Other insurance related income	6.6	7.8	7.4	21.8
Claims	-8 849.8	-75.6	-770.0	-9 695.4
Changes in insurance obligations recognised in the Profit and Loss Account - contractual obligations	8 021.8	-56.0		7 965.8
Changes in insurance obligations recognised in the Profit and Loss Account - investment portfolio separately			40.0	40.0
Funds allocated to insurance contracts, contractual obligations	-85.0			-85.0
Insurance related operating costs	-157.7	-92.0	-24.6	-274.2
Other insurance related costs	-5.5	-0.3		-5.8
<b>Technical result</b>	<b>35.7</b>	<b>46.4</b>	<b>2.4</b>	<b>84.5</b>

NOK million	Subject to former rules	Investment choice	Annuity/pension insurance
Premium income	678.8	163.5	842.3
Net income from financial assets - collective portfolio	-16.3		-16.3
Net income from financial assets with investment choice		-851.1	-851.1
Other insurance related income	7.4	26.6	34.0
Claims	-3 073.4	-450.8	-3 524.2
Changes in insurance obligations recognised in the Profit and Loss Account - contractual obligations	2 519.7		2 519.7
Changes in insurance obligations recognised in the Profit and Loss Account - investment portfolio separately		1 170.2	1 170.2
Funds allocated to insurance contracts, contractual obligations	-0.6		-0.6
Insurance related operating costs	-122.4	-83.3	-205.7
Other insurance related costs	-5.2	-0.0	-5.2
<b>Technical result</b>	<b>-12.0</b>	<b>-24.8</b>	<b>-36.8</b>

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NOK million	Defined benefit without investment choice	Defined benefit with investment choice	Paid-up policies	Defined contribution without investment choice	Defined contribution with investment choice	Not eligible for profit allocation	Group pension private insurance
Premium income	10 684.2	110.2	907.1	35.5	2 432.4	356.5	14 526.0
Net income from financial assets - collective portfolio	39.7		-649.6	1.5		9.1	-599.4
Net income from financial assets with investment choice		-44.1			-1 087.0		-1 131.1
Other insurance related income	9.4	-	0.1		19.7	20.4	49.5
Claims	-7 223.4	-72.0	1 994.6	-13.5	-120.3	-126.8	-5 561.4
Changes in insurance obligations recognised in the Profit and Loss Account - contractual obligations	-2 200.6		-2 309.5	-20.3		-129.8	-4 660.2
Changes in insurance obligations recognised in the Profit and Loss Account - investment portfolio separately		-46.2			-1 168.6		-1 214.8
Funds allocated to insurance contracts, contractual obligations	-462.0	-1.7	-18.0	-1.5			-483.2
Insurance related operating costs	-313.9	-4.5	-201.2	-1.4	-149.5	-86.6	-757.0
Other insurance related costs	-85.6		-29.4		-1.5		-116.6
<b>Technical result</b>	<b>447.8</b>	<b>-58.3</b>	<b>-305.9</b>	<b>0.3</b>	<b>-74.9</b>	<b>42.8</b>	<b>51.8</b>

NOK million	Defined benefit without investment choice	Defined benefit with investment choice	Group pension public insurance
Premium income	2 555.8	300.4	2 856.2
Net income from financial assets - collective portfolio	194.6		194.6
Net income from financial assets with investment choice		-5.9	-5.9
Other insurance related income			
Claims	-1 528.2	-120.2	-1 648.4
Changes in insurance obligations recognised in the Profit and Loss Account - contractual obligations	-701.7		-701.7
Changes in insurance obligations recognised in the Profit and Loss Account - investment portfolio separately		-410.7	-410.7
Funds allocated to insurance contracts, contractual obligations	-86.0	-0.2	-86.3
Insurance related operating costs	-100.0	-10.2	-110.2
Other insurance related costs	-81.8	-5.0	-86.8
<b>Technical result</b>	<b>252.7</b>	<b>-251.8</b>	<b>0.9</b>

## 6 Sales of insurance (new business)

NOK million	Group pension private insurance	Group pension public insurance	Group life insurance	Endowment insurance	Annuity/pension insurance	Non-life insurance	Total Storebrand Livsforsikring AS	SPP Group and Nordben Life & Pension	Total Storebrand Livsforsikring Group
2008	314.3	3.0	19.9	1 086.1	191.0	37.4	1 651.7	2 235.6	3 887.3
2007	605.6	1.2	18.4	3 170.7	1 077.3	34.4	4 907.6		4 907.6

Sales consist of new and additional sales, with deductions for policies where the first premium has not been paid. Premium reserves transferred to the company (note 8) are not included in these figures.

## 7 Sales cost

NOK million	Storebrand Livsforsikring AS		Storebrand Livsforsikring Group	
	2008	2007	2008	2007
Salaries and other costs	-363.0	-569.0	-512.9	-569.0
Commissions paid	-50.3	-153.7	-104.4	-153.7
- of which commissions paid to other companies	-38.1	-101.8	-83.9	-101.8
<b>Total sales costs</b>	<b>-413.3</b>	<b>-722.7</b>	<b>-617.4</b>	<b>-722.7</b>

## 8 Movements of insurance reserves

NOK million	Group pension private insurance	Group pension public insurance	Endowment insurance	Annuity/pension insurance	Total Storebrand Livsforsikring AS		SPP Group and Nordben Life & Pension	Total Storebrand Livsforsikring Group	
					2008	2007	2008	2008	2007
<b>Funds received</b>									
Premium reserve	4 467.6	253.6	18.9	279.0	5 019.1	3 139.1	39.8	5 058.9	3 139.1
Additional statutory reserves	92.5	11.5	0.1	5.1	109.2	140.2	15.2	124.4	140.2
<b>Transfers of premium reserve etc.</b>	<b>4 560.1</b>	<b>265.1</b>	<b>19.0</b>	<b>284.1</b>	<b>5 128.3</b>	<b>3 279.3</b>	<b>55.0</b>	<b>5 183.3</b>	<b>3 279.3</b>
Premium funds	222.6				222.6	179.8		222.6	179.8
Pension adjustment funds									
Number of policies/customers	4 511	32	86	1 067	5 696	5 708	207	5 903	5 708
<b>Funds transferred out</b>									
Premium reserve	-1 762.6	-239.7	-3.9	-144.9	-2 151.1	-2 104.4	-155.4	-2 306.5	-2 104.4
Additional statutory reserves	-57.2	-4.3		-4.7	-66.2	-77.9		-66.2	-77.9
Conditional bonus							4.1	4.1	
Value adjustment fund	-52.0	-24.7		-0.2	-76.9	-41.0		-76.9	-41.0
<b>Transfers of premium reserve etc.</b>	<b>-1 871.8</b>	<b>-268.7</b>	<b>-3.9</b>	<b>-149.8</b>	<b>-2 294.2</b>	<b>-2 223.3</b>	<b>-151.3</b>	<b>-2 445.5</b>	<b>-2 223.3</b>
Premium funds	-101.3			-146.4	-247.7	-188.8		-247.7	-188.8
Pension adjustment funds	-3.2				-3.2			-3.2	
Number of policies/customers	6 348	18	-27	-577	5 762	-5 891	-2 433	3 329	-5 891

## 9 Profitanalysis by class of insurance

NOK million	Group pension private insurance	Group pension public insurance	Group life insurance	Endowment insurance	Annuity/pension insurance	Non-life insurance	Total Storebrand Livsforsikring AS	SPP Group and Nordben Life & Pension	Total Storebrand Livsforsikring Group
Financial income a)	585.4	578.6	57.7	16.9	-359.9	16.5	895.2	3 420.0	4 446.1
Guaranteed yield	-2 472.3	-593.0	-2.1	-109.1	144.2		-3 032.3	-3 210.5	-6 242.8
- of which transferred to premium fund	126.1	19.6			5.1		150.8	-2 425.3	-2 274.5
Investment result before drawing on buffer capital	-1 886.9	-14.4	55.6	-92.2	-215.7	16.5	-2 137.1	209.5	-1 796.8
From additional statutory reserves and butter capital	1 911.5	100.4		48.1	204.0		2 264.0		2 264.0
<b>Investment result after drawing on additional statutory reserves and buffer reserves</b>	<b>24.7</b>	<b>86.0</b>	<b>55.6</b>	<b>-44.1</b>	<b>-11.7</b>	<b>16.5</b>	<b>127.0</b>	<b>209.5</b>	<b>467.3</b>
Risk Premium	471.2	91.1	445.9	433.1	-104.3	171.9	1 509.0	603.4	2 112.4
Risk addition	-97.8	-178.6	-381.4	-173.0	107.5	-114.4	-837.7	-336.0	-1 173.7
Net reinsurance etc. a)	-68.5		-30.3	-3.0	-0.2	-30.2	-132.2	31.9	-100.3
<b>Risk result</b>	<b>304.9</b>	<b>-87.5</b>	<b>34.2</b>	<b>257.1</b>	<b>3.0</b>	<b>27.3</b>	<b>539.1</b>	<b>299.3</b>	<b>838.4</b>
Administration premium	644.9	96.3	61.6	216.6	169.3	36.4	1 225.2	821.8	2 047.0
Operating expenses	-757.0	-110.2	-64.9	-274.2	-205.7	-68.3	-1 480.1	-945.3	-2 425.5
<b>Administration result</b>	<b>-112.0</b>	<b>-13.9</b>	<b>-3.3</b>	<b>-57.5</b>	<b>-36.4</b>	<b>-31.9</b>	<b>-255.0</b>	<b>-123.5</b>	<b>-378.5</b>
<b>Other results</b>	<b>21.9</b>		<b>19.8</b>	<b>14.0</b>	<b>8.9</b>		<b>64.6</b>	<b>126.6</b>	<b>191.2</b>
<b>Premium for guaranteed interest</b>	<b>169.5</b>	<b>60.6</b>					<b>230.1</b>		<b>230.1</b>
<b>Risk profit</b>	<b>126.0</b>	<b>41.9</b>					<b>167.9</b>		<b>167.9</b>
<b>Gross result for sector</b>	<b>535.0</b>	<b>87.1</b>	<b>106.3</b>	<b>169.5</b>	<b>-36.2</b>	<b>12.0</b>	<b>873.7</b>	<b>511.9</b>	<b>1 516.4</b>
Investmentresult and riskresult to policyholders	-483.2	-86.3	0.0	-85.0	-0.6	0.0	-655.1	-12.6	-667.6
<b>Profit of the year</b>	<b>51.8</b>	<b>0.9</b>	<b>106.3</b>	<b>84.5</b>	<b>-36.8</b>	<b>12.0</b>	<b>218.7</b>	<b>499.3</b>	<b>848.8</b>

a) The items other insurance-related income (line 4 in note 5) and other insurance-related costs (line 10 in note 5) are allocated in accordance with their purpose.

NOK million	Subject to former rules		Not eligible for profit allocation		Investment choice		Endowment insurance	
	Policy-holders	Owner	Policy-holders	Owner	Policy-holders	Owner	Policy-holders	Owner
Administration result	-10.9			-46.9		0.2	-10.9	-46.8
Investment result	-93.3			-0.4		1.9	-93.3	1.2
Risk result	176.9			93.7		0.7	176.9	94.4
Premium for guaranteed interest and risk profit								
Profit allocation	-35.8	35.8					-35.8	35.7
Additional statutory reserves and buffer applied	48.1						48.1	
Other								
<b>Technical result</b>	<b>85.0</b>	<b>35.8</b>		<b>46.4</b>		<b>2.8</b>	<b>85.0</b>	<b>84.5</b>

NOK million	Subject to former rules		Investment choice		Annuity/ pension insurance	
	Policy-holders	Owner	Policy-holders	Owner	Policy-holders	Owner
Administration result	-2.7			-33.8	-2.7	-33.8
Investmentresult	-221.0			5.3	-221.0	5.3
Risk result	8.2			3.7	8.2	3.7
Premium for guaranteed interest and risk profit						
Profit allocation	12.0	-12.0			12.0	-12.0
Additional statutory reserves and buffer applied	204.1				204.1	
Other						
<b>Technical result</b>	<b>0.6</b>	<b>-12.0</b>		<b>-24.8</b>	<b>0.6</b>	<b>-36.8</b>

NOK million	Defined benefit without investment choice		Defined benefit with investment choice		Paid-up policies	
	Policy-holders	Owner	Policy-holders	Owner	Policy-holders	Owner
Administration result		13.2		0.7		-3.9
Investmentresult	-437.3		-47.7		-1 412.0	
Risk result	109.6	109.6	1.7	1.7	14.2	8.4
Premium for guaranteed interest and risk profit		292.1		3.4		
Profit allocation					-8.2	8.2
Additional statutory reserves and buffer applied	759.0		47.1		1 105.4	
Other	30.7	-30.7	0.6	-0.6	318.6	-318.6
<b>Technical result</b>	<b>462.0</b>	<b>384.2</b>	<b>1.7</b>	<b>5.2</b>	<b>18.0</b>	<b>-305.9</b>

NOK million	Defined contribution without investment choice		Defined contribution with investment choice		Not eligible for profit allocation		Group pension private insurance	
	Policy-holders	Owner	Policy-holders	Owner	Policy-holders	Owner	Policy-holders	Owner
Administration result		0.3		-86.5		-35.8	0.0	-112.0
Investmentresult	1.5			9.1		-0.5	-1 895.5	8.6
Risk result				2.5		79.1	125.5	201.4
Premium for guaranteed interest and risk profit							0.0	295.5
Profit allocation							-8.2	8.2
Additional statutory reserves and buffer applied							1 911.5	
Other							349.9	-349.9
<b>Technical result</b>	<b>1.5</b>	<b>0.3</b>	<b>0.0</b>	<b>-74.9</b>		<b>42.8</b>	<b>483.2</b>	<b>51.8</b>

NOK million	Defined benefit without investment choice		Defined benefit with investment choice		Group pension public insurance	
	Policy-holders	Owner	Policy-holders	Owner	Policy-holders	Owner
Administration result		-12.6		-1.3		-13.9
Investmentresult	9.5		-23.9		-14.4	
Risk result		-77.5		-10.0		-87.5
Premium for guaranteed interest and risk profit		95.5		7.0		102.5
Profit allocation						
Additional statutory reserves and buffer applied		76.3		24.1		100.4
Other		0.2		-0.2		0.2
<b>Technical result</b>		<b>86.0</b>		<b>5.2</b>		<b>86.2</b>
						<b>0.9</b>

## 10 Financial assets income

### Specification net financial income

NOK million	Storebrand Livsforsikring AS	Storebrand Livsforsikring Group
Interest lending	914.0	315.5
Interest bank	614.5	902.5
Interest bonds and commercial paper	3 089.9	5 881.9
Interest bonds amortised cost	2 414.1	2 414.1
Interest derivatives	-146.9	-477.4
Interest income other	-69.1	-63.0
Share dividends	574.4	1 902.6
<b>Total interest income and share dividends etc. in financial assets</b>	<b>7 390.9</b>	<b>10 876.2</b>
Revaluation of real estate	424.5	423.0
Revaluation of shares	-10 585.3	-21 836.9
Revaluation bonds and commercial paper	1 615.0	5 859.5
Revaluation derivatives	670.4	5 440.5
<b>Total revaluation on investments</b>	<b>-7 875.4</b>	<b>-10 113.9</b>
Profit on real estate	-17.2	-17.2
Profit on shares	-4 309.6	-8 228.2
Profit on bonds	-1 629.2	-1 289.6
Profits on derivatives	-9 577.9	-9 577.9
Other profit	0.7	-37.9
Currency gains, shares	3 145.1	5 253.8
Currency gains, bonds and certificates	3 965.3	4 331.9
Currency gains, derivatives	3 213.8	1 944.2
Currency gains, other	354.4	-820.7
<b>Total gains and losses on financial assets</b>	<b>-4 854.6</b>	<b>-8 441.6</b>
Interest costs subordinated loans	741.2	824.1
Interest costs other financial liabilities		5.5
<b>Total interest costs</b>	<b>741.2</b>	<b>829.6</b>

## 11 Tax charge

NOK million	Storebrand Livsforsikring AS		Storebrand Livsforsikring Group	
	2008	2007	2008	2007
Tax payable for the period		-0.3	-505.0	-0.3
Change in deferred tax				
<b>Total tax charge</b>	<b>0.0</b>	<b>-0.3</b>	<b>-505.0</b>	<b>-0.3</b>
<b>Change in tax asset/ liability</b>				
- deferred tax arising from creating/reversing temporary differences		-0.4	16.4	-19.5
- deferred tax asset for former periods relating to losses carried forward, credit deductions or temporary differences that reduce deferred tax				
- deferred tax on write-down or reversal of the write-down of a deferred tax asset where it is/was uncertain whether the company will be able to benefit due to uncertainty over future taxable income			-0.3	
<b>Total change in tax asset/ liability</b>	<b>0.0</b>	<b>-0.4</b>	<b>16.1</b>	<b>-19.5</b>
<b>Total tax charge</b>	<b>0.0</b>	<b>-0.7</b>	<b>-488.9</b>	<b>-19.8</b>

### Reconciliation of expected and actual tax charge

NOK million	Storebrand Livsforsikring AS		Storebrand Livsforsikring Group	
	2008	2007	2008	2007
Ordinary pre-tax profit	-1 870.0	1 340.9	-2 280.7	1 364.5
Expected tax on income at nominal rate	523.6	-375.5	638.6	-382.1
Tax effect of:				
- realised/unrealised shares	-2 308.8	1 183.4	-1 636.0	1 183.4
- Change in intangible assets			114.1	
- associated companies		-14.0		-14.0
- permanent differences	-1.0	115.4	-1 372.4	117.2
- write-down of deferred tax assets	2 113.8	-770.5	2 130.0	-1 593.5
Write-down real estate				823.0
Other		-0.7		-13.9
Change from earlier years	-327.6	-138.8	-323.2	-139.9
<b>Tax charge</b>	<b>0.0</b>	<b>-0.7</b>	<b>-448.9</b>	<b>-19.8</b>

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

NOK million	Storebrand Livsforsikring AS		Storebrand Livsforsikring Group	
	2008	2007	2008	2007
<b>Tax increasing temporary differences</b>				
Securities	5 307.6	482.3	5 308.5	482.3
Lending				
Real Estate	3 886.4	3 461.9	3 937.0	3 461.9
Operating assets			26.0	4.9
Pre-paid pensions			1.0	0.5
Liabilities to financial institutions				
Gains/losses account				
Other		3.8	785.1	382.7
<b>Total tax increasing temporary differences</b>	<b>9 194.0</b>	<b>3 948.0</b>	<b>10 057.6</b>	<b>4 332.3</b>
<b>Tax reducing temporary differences</b>				
Securities	-4 150.8	-3 692.6	-4 150.8	-3 692.6
Lending				
Real estate				
Operating assets	-3.7	-10.0		-10.1
Provisions				
Accrued pension liabilities	-592.7	-397.4	-706.2	-511.4
Other	-40.3	-80.5	-68.9	-81.1
<b>Total tax reducing temporary differences</b>	<b>-4 787.5</b>	<b>-4 180.5</b>	<b>-4 925.9</b>	<b>-4 295.2</b>
Losses carried forward	-6 925.9	-9 628.8	-6 992.7	-9 628.7
Allowances carried forward	-689.3	-689.3	-689.3	-689.3
<b>Total losses and allowances carried forward</b>	<b>-7 615.2</b>	<b>-10 318.1</b>	<b>-7 682.0</b>	<b>-10 318.0</b>
<b>Basis for net deferred tax/tax assets</b>	<b>-3 208.7</b>	<b>-10 550.6</b>	<b>-2 550.3</b>	<b>-10 280.9</b>
Write-down of basis for deferred tax assets	3 208.7	10 550.6	3 208.7	10 550.6
<b>Net basis for deferred tax/tax assets</b>	<b>0.0</b>	<b>0.0</b>	<b>658.4</b>	<b>269.7</b>
<b>Net deferred tax asset/liability</b>	<b>0.0</b>	<b>0.0</b>	<b>184.4</b>	<b>75.5</b>
Change in deferred tax booked in the balance sheet				514.0
<b>Net deferred tax asset/liability in the balance sheet</b>	<b>0.0</b>	<b>0.0</b>	<b>184.4</b>	<b>589.5</b>
<b>Booked in the balance sheet:</b>				
Deferred tax assets				32.1
Defferd tax			184.4	-621.6

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**Write down of deferred tax assets**

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 for business in Norway. The primary reason behind this is the exemption method from taxation for share dividends and gains/losses on shares in the EEA area, and it is expected that the group will continue to derive income from such investments in future years. Allowances carried forward date from the years 1998–2003, and must be used within 10 years.

**Change in deferred tax/deferred tax asset in profit and loss account:****Deferred tax asset not included in the balance-sheet**

NOK million	Storebrand Livsforsikring AS		Storebrand Livsforsikring Group	
	2008	2007	2008	2007
Deferred tax asset not included in the balance-sheet	898.4	2 954.2	898.4	2 954.2
<b>Total deferred tax asset not included in the balance-sheet</b>	<b>898.4</b>	<b>2 954.2</b>	<b>898.4</b>	<b>2 954.2</b>

**12 Pensions****STOREBRAND LIVSFORSIKRING AS**

Employees are insured through a defined benefit pension equivalent to 70 per cent of pensionable salary at the time of retirement. The ordinary retirement age is 65. Staff pensions are provided by a group pension scheme with Storebrand Livsforsikring AS. Pension payments from this scheme come into effect from the pension age, which is 67 for employees and 65 for underwriters. Pension payments to employees between 65 and 67 and pensions linked to salaries of more than 12 times the national insurance basic amount (G) are paid directly by the company. A guarantee has been pledged for earned pensions for salaries of more than 12 G upon retirement before 65 years old. As of 31 December 2008, 12 G amounts to NOK 843,000. The company's pension scheme satisfies the requirements of this act. The company is obliged to have an occupational pension scheme pursuant to the Act relating to Mandatory Occupational Pensions.

**Reconciliation of pension assets and liabilities in the balance sheet:**

NOK million	2008	2007
Present value of insured pension benefit liabilities	880.7	725.4
Pension assets as fair value	-555.0	-539.5
Net pension liability/surplus for the insured schemes	325.7	185.9
Present value of the uninsured pension liabilities including employer's NI contributions	267.1	211.5
<b>Net pension liabilities in the balance sheet</b>	<b>592.8</b>	<b>397.4</b>

NOK million	2008	2007
Accumulated experience adjustments included in equity	0.0	0.0

**Changes in the net defined benefit pension liability in the period:**

NOK million	2008	2007
Net pension liability at 01.01. including provision for employer's national insurance contributions	937.3	1 026.6
Net pension cost recognised in the period including provision for employer's NI contributions	68.7	67.0
Interest on pension liabilities	41.2	41.8
Experience adjustments	125.1	-34.4
Pensions paid	-24.6	-21.5
Other internal transactions		-142.4
<b>Net pension liability at 31.12.</b>	<b>1 147.7</b>	<b>937.1</b>

**Changes in the fair value of pension assets in the period:**

NOK million	2008	2007
Fair value of pension assets at 01.01.	539.5	551.4
Expected return	29.3	28.9
Experience adjustments	-81.7	-29.8
Premium paid	79.2	61.1
Changes to the pension scheme	-11.3	
Pensions paid		-10.2
Other		-61.7
<b>Net pension assets at 31.12.</b>	<b>555.0</b>	<b>539.7</b>

**Pension assets are based on the financial investments held by Storebrand Livsforsikring composed of as of 31.12.:**

	2008	2007
Properties and real estate	14%	13%
Bonds at amortised cost	13%	23%
Secured and other lending	2%	2%
Shares and other equity participations	15%	30%
Bonds	46%	26%
Commercial paper	2%	1%
Other short-term financial assets	8%	5%
<b>Total</b>	<b>100%</b>	<b>100%</b>
<b>The book (realised) investment return on assets</b>	<b>2.0 %</b>	<b>8.9 %</b>

**Net pension cost booked to profit and loss account, specified as follows:**

NOK million	2008	2007
Current service cost including employer's national insurance contributions	68.5	76.8
Interest on pension liabilities	41.2	38.8
Expected return on pension assets	-29.3	-28.9
Experience adjustments		231.8
Effect of cancellation or reduction of pension plans	11.3	
Accrued employer's national insurance contributions		13.4
<b>Net pension cost booked to profit and loss account in the period</b>	<b>91.7</b>	<b>331.9</b>

The net pension cost is included in operating costs.

**Main assumptions used when calculating net pension liability at 31.12.:**

<i>Financial:</i>	2008	2007
Discount rate	4.3 %	4.7 %
Expected return on pension fund assets in the period	6.3 %	5.8 %
Expected earnings growth	4.3 %	4.3 %
Expected annual increase in social security pensions	4.3 %	1.9 %
Expected annual increase in pensions in payment	2.0 %	4.3 %
Disability table	KU	KU
Mortality table	K2005	K2005

**Actuarial assumptions:**

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

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**Net pension liability at 31.12.:**

	2008	2007
Discounted current value of defined benefit pension liabilities	1 147.8	936.9
Fair value of pension assets	-555.0	-539.5
Deficit/(surplus)	592.8	397.4
Expected premium payments (pension assets) in 2009:	71	

**STOREBRAND LIVSFORSIKRING GROUP****Storebrand Livsforsikring**

Employees are insured through a defined benefit pension equivalent to 70 per cent of pensionable salary at the time of retirement. The ordinary retirement age is 65. Staff pensions are provided by a group pension scheme with Storebrand Livsforsikring AS. Pension payments from this scheme come into effect from the pension age, which is 67 for employees and 65 for underwriters. Pension payments to employees between 65 and 67 and pensions linked to salaries of more than 12 times the national insurance basic amount (G) are paid directly by the company. A guarantee has been pledged for earned pensions for salaries of more than 12 G upon retirement before 65 years old. As of 31 December 2008, 12 G amounts to NOK 843,000. The company's pension scheme satisfies the requirements of this act. The company is obliged to have an occupational pension scheme pursuant to the Act relating to Mandatory Occupational Pensions.

**SPP**

The pension plan for employees in SPP follows the plan for bank employees. The ordinary retirement age is 65 in accordance with the pension agreement between the Employer's Association of the Swedish Banking Institutions (BAO) and the Union of Finance Sector Employees and between BAO and SACO (the Swedish Confederation of Professional Associations). The amount is 10 per cent of the annual salary up to 7.5 income base amounts. The retirement pension is 65 per cent of the annual salary for the portion of salary between 7.5-20 income base amounts, and 32.5 per cent of annual salary between 20-30 income base amounts. No retirement pension is paid for the portion of salary in excess of 30 income base amounts.

**Reconciliation of pension assets and liabilities in the balance sheet:**

NOK million	2008	2007
Present value of insured pension benefit obligations incl. employment taxes	1 094.4	888.6
Pension assets at fair value	-680.3	-635.0
Net pension liability/ surplus for the insured schemes	414.1	253.6
Present value of uninsured pension benefit obligations incl. employment taxes	292.6	257.9
Net pension liability regarding SPP	508.2	225.0
<b>Net pension liability in the balance sheet</b>	<b>1 214.9</b>	<b>736.5</b>
Booked in the balance sheet:	2008	2007
Pension assets	0,0	0,8
Pension liabilities	1 214,9	736,5
NOK million	2008	2007
Accumulated experience adjustments included in equity	49,2	0,0

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

NOK million	2008	2007
Net pension liability at 01.01. including provision for employment taxes	1 626.1	1 095.1
Net pension cost recognised in the period including provision for employment taxes	103.7	83.7
Interest on pension liabilities	70.5	45.3
Experience adjustments	130.5	-54.3
Pension paid	-29.6	-22.7
Changes to the pension scheme	-31.9	
Pension liability regarding SPP	25.6	479.0
<b>Net pension liability at 31.12.</b>	<b>1 894.9</b>	<b>1 626.1</b>

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

NOK million	2008	2007
Fair value pension assets at 01.01.	890.0	589.1
Expected return	50.3	31.6
Experience adjustments	-84.2	-40.1
Premium paid	123.2	65.4
Changes to the pension scheme	-15.7	
Net liabilities from fusions, buyout etc.	-6.2	
Pension paid	0	-10.4
Pension assets regarding SPP	13.9	254.0
<b>Net pension assets at 31.12.</b>	<b>971.3</b>	<b>889.6</b>

**Pension assets are based on financial investments held by Storebrand Livsforsikring/SPP which had the following composition at 31.12.**

	Storebrand Livsforsikring AS		SPP	
	2008	2007	2008	2007
Properties and real estate	14%	13%	1%	
Bonds at amortised cost	13%	23%		
Loans	2%	2%		
Shares and other equity investments	15%	30%	3%	42%
Bonds and other securities - fixed yield	46%	26%	65%	53%
Certificates	2%	1%	5%	
Other short term financial assets	8%	5%	26%	5%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>The booked (realised) investment return on assets</b>	<b>2%</b>	<b>8,9 %</b>		

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

NOK million	2008	2007
Current service cost including provision for employment taxes	102.9	83.2
Interest on pension liabilities	69.8	41.9
Expected return on pension assets	-49.9	-30.6
Experience adjustments	0.5	282.0
Effect of cancellation or reduction of pension plans	14.2	
Employment tax		14.5
<b>Net pension cost booked to profit and loss in the period</b>	<b>137.6</b>	<b>391.0</b>

Net pension cost is included in operating costs.

**Main assumptions used when calculating net pension liability at 31.12:**

<i>Financial:</i>	Storebrand Livsforsikring AS		SPP	
	2008	2007	2008	2007
Discount rate	4.3 %	4.7 %	3.3 %	3.8 %
Expected return on pension fund assets in the period	6.3 %	5.8 %	5.0 %	0.0 %
Expected earnings growth	4.3 %	4.3 %	3.5 %	3.5 %
Expected annual increase in social security pensions	4.3 %	1.9 %	3.0 %	3.0 %
Expected annual increase in pensions in payment	2.0 %	4.3 %	2.0 %	2.0 %
Retirement rate	KU	KU		
Mortality table	K2005	K2005	DUS 06	P94

**Actuarial:**

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

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**Net pension liability/ surplus at 31.12:**

	2008	2007
Discounted current value of defined benefit pension liabilities	1 894.9	1 371.5
Fair value pension assets	-972.5	-635.0
<b>Deficit</b>	<b>922.4</b>	<b>736.5</b>
Expected premium payments (pension assets) in 2009:	117	

As fund investments represent an increasing proportion of the company's assets, indirect investments in fund where Storebrand Kapitalforvaltning manages allocation and risk are reported in all relevant notes to the accounts in 2008.

**13 Shares and other equity investments**

NOK million	Storebrand Livsforsikring AS			Storebrand Livsforsikring Group		
	Acquisition cost	Market value	Market value include indirect investment in fund	Acquisition cost	Market value	Market value include indirect investment in fund
<b>Norwegian finance industry</b>						
ABG Sundal Collier	46.1	32.6	33.5	46.1	32.6	33.5
DnB NOR	95.4	39.7	83.5	97.4	40.4	84.2
Help Forsikring AS	25.4	17.1	17.1	25.4	17.1	17.1
Obxbull no etf			0.3			0.3
Sparebanken Midt-Norge G			0.5			0.5
Sparebanken Rogaland G			0.3			0.3
Storebrand			19.2			19.2
Verdane capital III	1.4			1.4	0.0	0.0
<b>Total Norwegian finance industry</b>	<b>168.3</b>	<b>89.4</b>	<b>154.4</b>	<b>170.3</b>	<b>90.1</b>	<b>155.1</b>
<b>Other Norwegian shares</b>						
Aker	1.1	1.1	6.0	1.1	1.1	6.0
Aker Solutions	21.6	12.2	20.8	22.0	12.3	21.0
Amfi Eiendom ASA	360.0	360.0	360.0	360.0	360.0	360.0
Atea ASA	8.2	4.4	6.8	8.2	4.4	6.8
Finansnæringens Hus	0.2	19.2	19.2	0.2	19.2	19.2
Fred. Olsen Energy	22.6	14.0	29.9	22.6	14.0	29.9
Glava	37.2	50.6	50.6	37.2	50.6	50.6
Hansa Property Group	171.7	86.9	86.9	171.7	86.9	86.9
Kongsberg Gruppen	8.0	8.3	13.8	8.0	8.3	13.8
Marine Harvest	5.2	2.4	9.7	5.2	2.4	9.7
NMI AS under stiftelse	7.5	7.5	7.5	7.5	7.5	7.5
NMI Global Fund KS under stiftelse	8.1	8.1	8.1	8.1	8.1	8.1
Nordic Capital Partner II	43.5	17.8	17.8	43.5	17.8	17.8
Norsk Hummer	11.2	11.2	11.2	11.2	11.2	11.2
Norsk Hydro	74.0	46.2	94.3	80.9	48.6	96.7
Norske Skogindustrier A	10.3	5.3	12.0	10.3	5.3	12.0
Norwegian Energy Comp	9.3	7.3	11.3	9.3	7.3	11.3
Opera Software	4.8	6.7	10.8	4.8	6.7	10.8
Orkla	121.2	88.2	177.0	122.4	89.0	177.8
Petroleum Geo-Services	56.9	20.1	54.4	56.9	20.1	54.4
Pronova Biopharma	0.6	0.7	11.6	0.6	0.7	11.6
Renewable Energy Corporation	35.9	18.4	36.0	38.1	19.4	36.9
SalMar	6.3	4.4	7.4	6.3	4.4	7.4

NOK million	Storebrand Livsforsikring AS			Storebrand Livsforsikring Group		
	Acquisition cost	Market value	Market value include indirect investment in fund	Acquisition cost	Market value	Market value include indirect investment in fund
Schibsted	14.3	7.6	12.4	14.3	7.6	12.4
Seadrill				0.8	0.3	0.3
Songa Offshore SE	1.8	0.4	13.8	1.8	0.4	13.8
StatoilHydro ASA	361.0	236.7	467.0	374.0	245.1	475.5
Storebrand Infrastruktur ASA	15.0	15.0	15.0	15.0	15.0	15.0
Storebrand Optimer ASA	9.1	6.9	6.9	9.1	6.9	6.9
Storebrand Privat Investor ASA	93.2	122.1	122.1	93.2	122.1	122.1
Storebrand Privat Investor ASA	77.1	66.8	66.8	77.1	66.8	66.8
Subsea 7	6.7	2.8	6.7	6.7	2.8	6.7
Tandberg	12.3	10.3	33.5	12.3	10.3	33.5
Telenor	151.5	76.4	123.1	155.8	78.1	124.8
TGS-NOPEC Geophysical Company	20.2	8.6	14.5	20.2	8.6	14.5
Wavefield Inseis	22.4	8.0	23.0	22.4	8.0	23.0
Yara International	130.7	68.9	155.3	134.0	70.1	156.6
Not specified	254.3	90.4	132.7	254.4	90.5	132.8
<b>Total Norwegian mutual funds</b>	<b>2 195.2</b>	<b>1 521.9</b>	<b>2 256.1</b>	<b>2 227.4</b>	<b>1 538.0</b>	<b>2 272.2</b>
<b>Norwegian shares and other equity investments</b>	<b>2 363.5</b>	<b>1 611.3</b>	<b>2 410.5</b>	<b>2 397.8</b>	<b>1 628.1</b>	<b>2 427.2</b>
Of which listed Norwegian equities	1 391.0	767.4	1 565.1	1 421.3	782.2	1 580.0
<b>Australia</b>						
Aust & Nz Bank Group	3.4	1.8	6.0	3.4	1.8	6.0
Alumina				1.3	0.3	0.3
Amtcor Australia				0.9	1.1	1.1
AMP				3.3	2.3	2.3
ANZ Bank				9.6	6.5	6.5
Aristocrat Leisure NPV				1.0	0.4	0.4
Asciano Group NPV				0.9	0.3	0.3
Asutrialian Gas Light				1.0	1.3	1.3
Aust Stk Exchange NPV				1.5	1.2	1.2
Axa Asia Pac Hlds Npv				1.0	0.9	0.9
Bendigo and Adelaide Bank Ltd				0.9	0.9	0.9
BHP Billiton	9.4	7.7	31.7	11.1	8.2	32.2
Boral				0.9	0.7	0.7
Brambles Ltd				2.7	2.3	2.3
Broken Hill Proprietary				28.6	21.5	21.5
Caltex Australia NVP				0.9	0.4	0.4
Cfs Retail Prop NPV				0.9	0.8	0.8
Coca-Cola Amatil				1.0	1.0	1.0
Cochlear				1.0	0.9	0.9
Commonwealth Bank of Australia	4.5	2.6	10.5	17.4	11.0	18.9
Computershare				0.9	0.8	0.8
Crown Ltd				1.1	0.6	0.6
CSL (AU0000CSLDA0)	1.4	1.6	7.6	5.3	5.5	11.5
CSR				1.0	0.5	0.5
Dexus Property Group fd. DB Reef Trust				0.9	0.4	0.4
Fairfax (John) Holdings				1.1	0.5	0.5
Fortescue Metals				2.0	0.5	0.5
Fosters Brewery				2.7	2.5	2.5

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NOK million	Storebrand Livsforsikring AS			Storebrand Livsforsikring Group		
	Acquisition cost	Market value	Market value include indirect investment in fund	Acquisition cost	Market value	Market value include indirect investment in fund
General Property Trust				1.6	0.4	0.4
Goodman Group				0.9	0.2	0.2
Harvey Norman Hldg NPV				0.9	0.5	0.5
Insurance Australia Group				1.6	1.6	1.6
James Hardie				0.9	0.7	0.7
Leighton Holding				1.4	0.9	0.9
Lend Lease				1.1	0.5	0.5
Lion Nathan LTD				0.9	0.8	0.8
Macquarie Airports NPV Stapled F/Paid				0.9	0.6	0.6
Macquarie Group				3.5	1.8	1.8
Macquarie Office Trust				0.9	0.2	0.2
Macquira Infrastructure				2.0	1.1	1.1
Mirvac Group				0.9	0.3	0.3
Mirvac Group RT 08					0.0	0.0
National Australian Bank	4.8	2.5	8.5	15.8	10.1	16.1
Newcrest Mining				3.4	3.2	3.2
Onesteel				1.1	0.4	0.4
Orica				2.0	0.9	0.9
Origin Energy				1.6	2.8	2.8
OZ Minerals Ltd				3.3	0.7	0.7
QBE Insurance Group	1.5	1.3	5.7	6.7	6.2	10.7
Qantas Airways				1.1	0.6	0.6
Rio Tinto				8.2	2.2	2.2
Santos				1.7	1.7	1.7
Sonic Healthcare				0.9	0.9	0.9
Stockland Trust				2.3	1.3	1.3
Suncorp Metway				3.0	1.7	1.7
Tabcorp				1.6	0.8	0.8
Tattersalls Ltd NPV				0.9	0.7	0.7
Telstra				3.3	3.5	3.5
Toll Holdings				1.1	0.8	0.8
Transurban Group Stapled Units NPV				1.5	1.2	1.2
Westfield Group	2.9	1.9	7.4	10.5	7.0	12.6
Westpac Banking Corp	5.0	3.2	10.6	17.5	12.7	20.0
Virgin Blue Holding Ltd				0.1	0.0	0.0
Woodside Petroleum				5.2	3.5	3.5
Woolworth Australia	2.9	2.8	8.9	10.8	10.1	16.3
Worleyparsons				1.0	0.4	0.4
<b>Total</b>	<b>35.9</b>	<b>25.3</b>	<b>97.0</b>	<b>226.6</b>	<b>158.0</b>	<b>229.7</b>

**Belgium**

Belgacom				2.0	2.1	2.1
Colruyt NV				0.2	0.3	0.3
Delhaize le Lion				0.5	0.5	0.5
Dexia New				2.8	0.7	0.7
Fortis Banque				0.5	0.0	0.0
Fortis Bryssel				9.9	0.8	0.8
GBL				3.0	2.5	2.5
Interbrew Anheuser-Busch Inbev NV				5.2	4.0	4.0

NOK million	Storebrand Livsforsikring AS			Storebrand Livsforsikring Group		
	Acquisition cost	Market value	Market value include indirect investment in fund	Acquisition cost	Market value	Market value include indirect investment in fund
KBC Ancora				0.3	0.1	0.1
KBC Bancass				6.9	2.0	2.0
Nationale Portefeuille				0.2	0.2	0.2
Solvay et Cie				0.7	0.5	0.5
Umicore				0.6	0.3	0.3
<b>Total</b>				<b>33.0</b>	<b>14.0</b>	<b>14.0</b>

<b>Bermuda</b>						
Mongolia Energy				1.8	0.3	0.3
SeaDrill Ltd	55.1	28.2	71.4	55.1	28.2	71.4
Seven Bank Ltd				0.6	0.6	0.6
<b>Total</b>	<b>55.1</b>	<b>28.2</b>	<b>71.4</b>	<b>57.5</b>	<b>29.1</b>	<b>72.3</b>

<b>Canada</b>						
AET ARC Energy Trust				0.4	0.4	0.4
Agnico Eagle				2.4	2.3	2.3
Agrium Inc				1.8	1.2	1.2
Astral Media Inc				0.4	0.2	0.2
Bank of Montreal Com				5.6	3.2	3.2
Bank of Nova Scotia	3.8	2.9	11.7	3.8	2.9	11.7
Barrick Gold	2.8	4.0	11.8	13.5	13.7	21.4
BCE INC COM				2.0	1.4	1.4
Bank of Nova Scotia				10.0	7.0	7.0
Bombardier Inc B				1.4	1.2	1.2
Brookfield Asset Management				3.3	2.0	2.0
Brookfield Properties				0.9	0.4	0.4
CAE Inc				0.5	0.4	0.4
Cameco				2.4	1.5	1.5
Canadian Imperial Bank of Commerce				5.2	3.9	3.9
CanadiaN Nat. Resources	3.2	2.1	8.8	10.1	7.3	14.0
Canadian National Railway	3.0	2.5	7.2	8.1	7.0	11.7
Canadian Oil Sands Trust				1.9	1.1	1.1
Canadian PAC RY Ltd				2.1	1.2	1.2
Canadian Tire Corp				0.9	0.6	0.6
Canadian Utilities Ltd				0.3	0.3	0.3
Cenovus Energy Inc	4.5	3.8	13.6	4.5	3.8	13.6
CGI				0.5	0.5	0.5
Eldorado Gold Corporation				0.9	1.3	1.3
Enbridge				2.8	2.8	2.8
EnCana				10.4	8.6	8.6
Enerplus Res Fund				1.0	0.6	0.6
Ensign Energy Services Inc				0.4	0.3	0.3
Fairfax Financial Holdings Ltd				0.9	1.1	1.1
Finning International				0.9	0.5	0.5
First Quantum Minerals Ltd				1.3	0.3	0.3
Fortis Inc				0.8	0.6	0.6
Gildan Activewear Inc				0.8	0.3	0.3
Goldcorp Inc	2.3	2.9	8.5	2.3	2.9	8.5
Great West Lifeco				2.0	1.3	1.3

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NOK million	Storebrand Livsforsikring AS			Storebrand Livsforsikring Group		
	Acquisition cost	Market value	Market value include indirect investment in fund	Acquisition cost	Market value	Market value include indirect investment in fund
Groupe Aeroplan				0.5	0.2	0.2
Harvest Energy Tr Trust Units				0.7	0.3	0.3
Husky Energy				2.3	1.8	1.8
IGM Financial INC				0.8	0.7	0.7
Imnet Mining Corporation				0.8	0.2	0.2
Imperial Oil				3.4	2.7	2.7
Ivanhoe Mines Ltd				0.6	0.2	0.2
Kinross Gold				3.3	3.3	3.3
Loblaw				0.7	0.8	0.8
Lundin Mining Corporation				0.7	0.1	0.1
Magna International				1.5	0.7	0.7
Manulife Financial	4.5	2.8	8.2	17.7	10.3	15.7
MDS				0.2	0.1	0.1
Methanex Corporation				0.5	0.3	0.3
Metro Inc A				0.2	0.4	0.4
National Bank of Canada				1.6	0.9	0.9
Nexen				2.8	2.0	2.0
Nortel Networks Corp				0.9	0.0	0.0
Nova Chemicals				0.5	0.1	0.1
Onex				0.4	0.2	0.2
Opti Canada INC				0.6	0.1	0.1
Pan American Silver Corporation				0.7	0.4	0.4
Penn West Energy Trust				2.1	1.1	1.1
Petro Canada				4.5	2.7	2.7
Potash Corp Saskatchewan	5.1	2.7	12.0	14.1	8.4	17.7
Power Corporation of Canada				2.4	1.5	1.5
Power Financial				1.9	1.3	1.3
Precision Drilling Trust				0.1	0.0	0.0
Provident Energy Trust				0.5	0.2	0.2
Royal Bank of Canada	4.7	3.8	15.7	18.2	13.5	25.4
Research in Motion (CAD)				9.3	4.9	4.9
RioCan Real Estate Investment Trust				0.3	0.2	0.2
Ritchie Bros. Auctioneers Inc				0.4	0.4	0.4
Rogers Communications				3.7	3.6	3.6
Saputo Inc				0.9	0.7	0.7
Shaw Communication B CNV				1.4	1.5	1.5
Sherritt international Corporation				0.9	0.2	0.2
Shoppers Drug Mart Corp	2.0	1.9	6.3	4.3	4.0	8.4
Sino-Forest Corporation				0.6	0.3	0.3
SNC Lavalin Group Com				1.2	1.1	1.1
Sun Life Financial				5.6	3.3	3.3
Suncor Energy				14.6	6.5	6.5
Talisman Energy				3.4	2.6	2.6
Teck Cominco B				3.6	0.6	0.6
Thomson Reuters Corp				1.7	1.7	1.7
TMX Group Inc				0.5	0.3	0.3
Toronto - Dominion Bank	3.9	3.0	12.0	7.4	5.3	14.3
TransCanada	1.5	1.4	5.8	5.9	5.1	9.5
Trican Well Services Ltd				0.3	0.2	0.2

NOK million	Storebrand Livsforsikring AS			Storebrand Livsforsikring Group		
	Acquisition cost	Market value	Market value include indirect investment in fund	Acquisition cost	Market value	Market value include indirect investment in fund
Uranium One				0.3	0.1	0.1
Weston George Com NPV				0.6	0.7	0.7
Yamana Gold				2.5	1.5	1.5
Yellow Pages Income Fund				0.7	0.4	0.4
<b>Total</b>	<b>41.3</b>	<b>33.8</b>	<b>121.5</b>	<b>261.5</b>	<b>184.0</b>	<b>271.7</b>
<b>Cayman islands</b>						
SBL Direct Investments 2006-2008						
Ltd - Class B-1	231.9	230.1	230.1	231.9	230.1	230.1
SBL Vintage 1999 Ltd - Class B-1	187.0	233.8	233.8	187.0	233.8	233.8
<b>Total</b>	<b>418.9</b>	<b>463.9</b>	<b>463.9</b>	<b>418.9</b>	<b>463.9</b>	<b>463.9</b>
<b>Chile</b>						
Antofagasta				3.9	2.2	2.2
<b>Total</b>				<b>3.9</b>	<b>2.2</b>	<b>2.2</b>
<b>Denmark</b>						
A.P Moeller - Maersk A/S	2.0	1.4	6.2	6.7	4.2	9.0
Carlsberg				0.7	0.3	0.3
Coloplast				2.8	2.8	2.8
Dangaard Telecom Holding A/S				3.4	6.4	6.4
Den Danske Bank				3.4	1.3	1.3
DSV				0.4	0.2	0.2
FLS Industries B				0.6	0.3	0.3
Jyske Bank				0.3	0.1	0.1
NordEnergie Renewables AS	59.7	73.0	73.0	59.7	73.0	73.0
Novo-Nordisk B	2.4	2.8	15.4	2.7	3.2	15.7
Novozymes B			7.4	7.9	7.6	14.9
Nycomed A/S				19.7	46.5	46.5
Topdanmark				2.4	2.5	2.5
Superfos Industries	31.2	59.4	59.4	31.2	59.4	59.4
Vestas Wind System	2.8	1.7	17.1	8.6	5.0	20.3
William Demant Holding				0.1	0.1	0.1
<b>Total</b>	<b>98.2</b>	<b>138.4</b>	<b>178.4</b>	<b>150.7</b>	<b>212.8</b>	<b>252.8</b>
<b>Finland</b>						
Dynea Oy A	30.2	25.0	25.0	30.2	25.0	25.0
Elisa				0.1	0.1	0.1
Fortum				6.8	4.1	4.1
Kesko B				0.2	0.1	0.1
Kone				1.6	1.2	1.2
Metso				0.9	0.3	0.3
Neste Oil			-10.2	5.5	3.3	-6.9
Nokia A	6.2	5.8	69.9	41.5	24.7	88.8
Nokian Renkaat				0.6	0.2	0.2
Orion B				0.7	0.8	0.8
Outokumpu				0.4	0.2	0.2
Rautarukki				4.2	2.1	2.1
Sampo Leonia Plc	0.9	0.8	7.7	4.3	3.9	10.8

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NOK million	Storebrand Livsforsikring AS			Storebrand Livsforsikring Group		
	Acquisition cost	Market value	Market value include indirect investment in fund	Acquisition cost	Market value	Market value include indirect investment in fund
Sanoma				0.1	0.1	0.1
Wartsila B				1.5	0.8	0.8
<b>Total</b>	<b>37.3</b>	<b>31.6</b>	<b>92.4</b>	<b>98.7</b>	<b>66.8</b>	<b>127.7</b>

France						
Accor				3.9	3.3	3.3
Aeroports de Paris				0.3	0.3	0.3
Air France				0.9	0.5	0.5
Air Liquide	3.3	3.1	9.2	3.3	3.1	9.2
Alcatel-Lucent			8.5	3.8	1.5	10.0
Alstom	3.0	2.3	16.3	12.2	8.7	22.7
Arcelor (fransk line) NVP	6.3	3.0	10.4	26.2	10.9	18.2
Axa	4.2	3.8	12.4	20.3	15.9	24.6
BNP Paribas	5.8	3.4	13.1	5.8	3.4	13.1
Bouygues				4.5	3.4	3.4
Cap Gemini			28.2	3.3	2.7	31.0
Carrefour	2.9	2.8	8.4	20.1	14.8	20.5
Casino				0.3	0.3	0.3
Christian Dior				4.3	2.4	2.4
Cie De St Gobain	2.5	2.7	6.1	2.8	2.8	6.2
CNP Assurances				0.2	0.1	0.1
Credit Agricole				13.7	8.4	8.4
Danone	2.8	2.8	-11.6	13.3	13.0	-1.4
EDF Electricite de France				5.5	3.6	3.6
Eiffage EUR8				0.6	0.4	0.4
Essilor International				2.9	2.9	2.9
Eurazeo				0.2	0.1	0.1
France Telecom	4.1	4.8	53.3	18.3	19.3	67.8
Gaz de France	4.4	5.1	26.1	4.4	5.1	26.1
GDF Suez				26.3	26.6	26.6
Gecina				3.2	2.1	2.1
Hermes Intl				2.6	3.0	3.0
ICADE				0.2	0.2	0.2
JC Decaux				0.4	0.3	0.3
L Oreal	2.8	2.8	7.4	13.5	12.6	17.2
L'Air Liquide				9.3	8.4	8.4
Lafarge				5.4	2.4	2.4
Lagardere				1.5	1.1	1.1
Legrand				3.3	2.7	2.7
LVMH-Moet-Hennessy Louis	3.6	3.0	7.3	10.3	8.3	12.6
Metropole TV-(M6)				0.1	0.1	0.1
Michelin B	0.9	0.8	-9.4	3.1	2.6	-7.6
Natixis				3.4	0.6	0.6
Neopost				0.3	0.3	0.3
Pernod-Ricard	2.2	2.1	5.8	5.5	5.0	8.6
Peugeot				4.2	1.3	1.3
PPR				1.4	0.8	0.8
Publicis				0.5	0.4	0.4
Renault				3.6	1.2	1.2

NOK million	Storebrand Livsforsikring AS			Storebrand Livsforsikring Group		
	Acquisition cost	Market value	Market value include indirect investment in fund	Acquisition cost	Market value	Market value include indirect investment in fund
Saint-Gobain				4.7	3.4	3.4
Sanofi-Aventis	5.5	6.1	27.8	24.8	24.9	46.6
Schneider Electric	3.0	2.9	8.3	9.1	7.6	13.0
SCOR				0.2	0.3	0.3
Societe Generale	3.7	2.6	8.4	26.2	14.4	20.3
Sodexo Alliance				0.5	0.6	0.6
STMicroelectronics			13.5	2.3	1.6	15.2
Suez Environnement SA				3.3	3.0	3.0
Technip-Coflexip				1.2	0.6	0.6
Unibail Rodamco				3.6	2.8	2.8
Vallourec	2.3	1.3	5.7	7.1	4.1	8.5
Veritas Cie Gen Geophysique - SP ADR			-19.5			-19.5
Veolia Environ				6.0	3.0	3.0
Vinci	3.1	3.2	7.8	8.1	7.3	11.9
Vivendi	4.0	4.3	16.5	17.6	17.8	29.9
Zodiac NPV				1.2	1.1	1.1
<b>Total</b>	<b>70.4</b>	<b>63.0</b>	<b>260.3</b>	<b>384.9</b>	<b>299.3</b>	<b>496.7</b>

#### Greece

Alpha Credit Bank				2.6	1.0	1.0
Bank of Piraeus Euro				0.8	0.3	0.3
Eurobank				2.1	0.8	0.8
Hellenic Petroleum				1.3	0.8	0.8
Hellenic Telecom				2.2	1.6	1.6
National Bank of Greece				7.0	3.0	3.0
OPAP/R				0.6	0.6	0.6
Titan Cement				0.2	0.1	0.1
<b>Total</b>				<b>16.8</b>	<b>8.3</b>	<b>8.3</b>

#### Hongkong

Bank of East Asia				1.9	0.9	0.9
BOC Hong Kong				2.3	1.3	1.3
Cathay Pacific Airways				0.9	0.6	0.6
Cheung Kong Holdings	1.5	1.1	5.7	7.0	5.4	10.0
China Light and Power				4.0	4.3	4.3
Esprit Holdings				3.1	1.8	1.8
Foxconn International				0.9	0.3	0.3
Hang Lung Group Ltd				0.9	0.7	0.7
Hang Lung Property				1.9	1.3	1.3
Hang Seng Bank				3.4	3.2	3.2
Henderson Land Development				2.1	1.2	1.2
Hongkong and China Gas				2.5	1.9	1.9
Hongkong Electric				2.0	2.4	2.4
Hongkong Exchange				5.2	3.1	3.1
Hopewell				0.9	0.9	0.9
Hutchison Whampoa	2.9	1.7	6.1	8.0	5.1	9.5
Hutchison Telecom				0.9	0.2	0.2
Hysan Development				0.9	0.7	0.7
Kerry Properties				1.0	0.5	0.5

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NOK million	Storebrand Livsforsikring AS			Storebrand Livsforsikring Group		
	Acquisition cost	Market value	Market value include indirect investment in fund	Acquisition cost	Market value	Market value include indirect investment in fund
Kingboard Chemical				0.9	0.5	0.5
Li & Fung				2.0	1.2	1.2
Link Real Estate Investment Trust				1.3	1.1	1.1
MTR Corp				1.3	1.0	1.0
New World Development				1.6	0.8	0.8
Pacific Basin Shipping				0.9	0.3	0.3
PCCW				1.0	1.0	1.0
Shangri-La Asia				0.9	0.5	0.5
Sino Land				0.9	0.5	0.5
Sun Hung Kai Properties	2.6	1.9	5.9	8.5	5.4	9.4
Swire Pacific				2.5	1.8	1.8
Wharf				1.8	1.2	1.2
Wing Hang Bank				1.0	0.5	0.5
<b>Total</b>	<b>7.0</b>	<b>4.7</b>	<b>17.7</b>	<b>74.2</b>	<b>51.7</b>	<b>64.7</b>
<b>Ireland</b>						
Allied Irish Bank				3.6	0.6	0.6
Anglo Irish Bank				1.9	0.0	0.0
Bank of Ireland				3.1	0.4	0.4
CRH			33.5	5.5	4.6	38.2
Crown European Buyout Opportunities II				76.9	68.6	68.6
Elan				1.6	0.5	0.5
Ryanair Holdings				1.0	1.0	1.0
<b>Total</b>			<b>33.5</b>	<b>93.7</b>	<b>75.7</b>	<b>109.2</b>
<b>Italy</b>						
A2A Azienda Energetica Municip				0.1	0.1	0.1
Alleanza Assicurazioni				0.8	0.7	0.7
Assicurazioni General	2.6	2.9	10.0	2.6	2.9	10.0
Atlantia				2.3	1.6	1.6
Autogrill				0.0	0.0	0.0
Banca Monte dei Paschi di Siena				1.7	1.5	1.5
Banca Popolare Di Milano				1.9	1.3	1.3
Banco Popolare				2.5	1.2	1.2
Enel	2.2	2.0	8.5	15.5	11.9	18.4
ENI	7.8	8.0	36.7	36.4	31.8	60.5
Fiat				6.1	2.4	2.4
Generali Assicurazioni				11.1	9.3	9.3
Gruppo Editoriale L Espresso			-7.6			-7.6
Intesa SanPaolo	3.1	2.6	9.1	16.0	11.6	18.1
Intesa SanPaolo Savings				3.6	1.9	1.9
Lottomatica				0.1	0.1	0.1
Luvata acquisition of Eco. S.p.A.				5.1		
Luxottica				0.9	0.7	0.7
Mediaset	1.5	1.5	-15.3	1.8	1.8	-14.9
Mediobanca				2.3	1.6	1.6
Pirelli				0.8	0.4	0.4
Prysmian				1.6	1.5	1.5
Saipem				2.1	1.1	1.1

NOK million	Storebrand Livsforsikring AS			Storebrand Livsforsikring Group		
	Acquisition cost	Market value	Market value include indirect investment in fund	Acquisition cost	Market value	Market value include indirect investment in fund
Snam Rete Gas				0.2	0.2	0.2
Telecom Italia Spa	1.6	2.0	5.7	11.6	10.1	13.8
Telecom Italia S.p.A. Risp				4.0	2.6	2.6
UBI Banca				3.5	2.6	2.6
UniCredit SPA	4.3	2.5	8.9	24.3	10.4	16.8
Unipol Gruppo Finanziario				0.1	0.1	0.1
<b>Total</b>	<b>23.2</b>	<b>21.4</b>	<b>55.9</b>	<b>159.2</b>	<b>111.3</b>	<b>145.8</b>

### Japan

Advantest				1.0	0.9	0.9
Aeon				2.4	2.4	2.4
Aisin Seiki				4.8	2.0	2.0
Ajinomoto				2.6	3.2	3.2
All Nippon Airways				0.9	1.1	1.1
Amada				0.9	0.8	0.8
Asahi Breweries				2.8	3.2	3.2
Asahi Glass				3.3	2.0	2.0
Asahi Kasei				2.2	2.2	2.2
Astellas PharmaR	2.0	2.2	8.8	2.0	2.2	8.8
Bank of Yokohama				2.2	2.5	2.5
Canon	5.3	3.5	13.5	18.0	14.6	24.6
Casio Computer				0.9	0.6	0.6
Central Japan Railway	2.2	2.0	6.7	6.5	6.9	11.6
Chiba Bank				1.5	1.7	1.7
Chubu Electric Power	1.4	1.9	7.3	6.5	9.4	14.8
Chugai Pharmaceuticals				0.9	2.0	2.0
Chugoku Bank				0.6	0.7	0.7
Chugoku Electric Power	0.8	1.3	5.7	2.2	3.5	7.9
Citizen Watch				0.9	0.4	0.4
Coca-Cola West Japan Co Ltd				1.0	1.3	1.3
Cosmo Oil				1.0	1.1	1.1
Credit Saison				1.3	0.8	0.8
Daihatsu Motor company Ltd				1.9	1.8	1.8
Daiichi Sankyo	2.0	2.0	6.5	7.8	7.8	12.2
Daikin Industries				2.8	2.1	2.1
Dai-Nippon Print				3.3	2.9	2.9
Daito Trust Construction				1.0	1.3	1.3
Daiwa Bank Resona Holdings				1.9	2.4	2.4
Daiwa House Industry				1.6	1.9	1.9
Daiwa Securities				3.7	3.0	3.0
DDI				3.8	5.2	5.2
Denso				8.0	4.6	4.6
Dentsu				1.5	1.6	1.6
Diamond Lease C				0.9	0.8	0.8
DIC				0.9	0.7	0.7
East Japan Railway	2.6	3.1	10.2	10.8	12.5	19.6
Eisai	1.9	1.7	5.8	4.6	5.6	9.6
Electric Power Development				1.1	1.4	1.4
Elpida Memory				0.9	0.2	0.2

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NOK million	Storebrand Livsforsikring AS			Storebrand Livsforsikring Group		
	Acquisition cost	Market value	Market value include indirect investment in fund	Acquisition cost	Market value	Market value include indirect investment in fund
Fanuc	2.3	1.9	5.7	7.3	6.6	10.4
Fast Retailing				1.2	2.9	2.9
Fuji Heavy Industries Ltd				1.7	1.3	1.3
Fuji Photo Film				5.5	4.2	4.2
Fujitsu				3.3	2.8	2.8
Fukuoka Financial Group				1.1	1.1	1.1
Furukawa Electric				0.9	1.6	1.6
Gunma Bank NPV				0.9	1.0	1.0
Hachijuni Bank				0.9	1.0	1.0
Hankyu				1.5	2.4	2.4
Hino Motors				1.3	0.5	0.5
Hirose Electronics				0.9	1.2	1.2
Hiroshima Bank NPV				0.9	0.9	0.9
Hitachi				6.6	4.4	4.4
Hitachi Construction Machines				1.0	0.5	0.5
Hitachi Metals Ltd				1.1	0.4	0.4
Hokuhoku Financial Group				1.1	1.2	1.2
Hokuriku Electric Power			8.2			8.2
Hoya				3.0	2.5	2.5
IBIDEN				1.3	0.7	0.7
Idemitsu Kosan co NPV				0.9	0.9	0.9
Ishikawajima-Harima Heavy				0.9	0.8	0.8
Isetan Co Ltd				0.9	0.9	0.9
Isuzu Motors Ltd				1.8	0.6	0.6
Itochu Corp	2.6	1.3	6.8	6.3	3.6	9.0
J.Front Retailing				0.9	0.8	0.8
Japan Petroleum Exploration				1.0	0.8	0.8
Japan Prime Realty Reit				0.9	0.8	0.8
Japan Real Estate				1.3	1.3	1.3
Japan Retail Fund Reit				0.9	0.8	0.8
Japan Steel Work				1.1	1.2	1.2
Jfe Holdings	2.2	1.2	7.6	8.2	5.9	12.4
JGC				0.9	1.0	1.0
Joyo Bank Ltd				0.9	1.2	1.2
JSR				1.1	0.7	0.7
Kajima				0.9	1.3	1.3
Kamigumi				0.9	1.3	1.3
Kaneka				1.0	1.2	1.2
Kansai Elec Power	1.1	1.5	7.5	6.7	9.6	15.6
Kao	1.6	1.9	7.2	6.8	8.4	13.7
Kawasaki Heavy Industry				1.2	1.2	1.2
Kawasaki Kisen				1.3	0.8	0.8
KDDI Corp	1.8	2.1	8.2	1.8	2.1	8.2
Keio Electric Railway				0.9	1.2	1.2
Keyence				2.2	2.5	2.5
Kintesu				0.9	1.6	1.6
Kirin Brewery				4.1	4.0	4.0
Kobe Steel				2.3	1.7	1.7
Komatsu				5.5	3.5	3.5

NOK million	Storebrand Livsforsikring AS			Storebrand Livsforsikring Group		
	Acquisition cost	Market value	Market value include indirect investment in fund	Acquisition cost	Market value	Market value include indirect investment in fund
Konica Minolta Holdings				1.7	1.2	1.2
Koyo Seiko				1.1	0.6	0.6
Kubota				2.4	3.1	3.1
Kuraray				1.2	1.0	1.0
Kurita Water Industry				1.0	1.0	1.0
Kyocera				3.8	4.2	4.2
Kyushu Electric Power				2.7	3.5	3.5
Leopalace21				0.9	0.5	0.5
Makita				1.1	0.8	0.8
Marubeni				2.5	1.6	1.6
Marui				1.0	0.7	0.7
Matsushita Elc Ind	3.7	2.6	8.2	3.7	2.6	8.2
Mazda				1.9	1.1	1.1
Mediceo Paltac NVP				0.9	0.8	0.8
Mitsubishi Heavy Industry				3.5	4.3	4.3
Mitsubishi	3.1	1.9	8.7	13.1	7.7	14.5
Mitsubishi Chemical				2.6	2.2	2.2
Mitsubishi Electric				4.5	3.8	3.8
Mitsubishi Estate	2.7	1.9	6.2	10.2	8.0	12.3
Mitsubishi Gas Chemicals				0.9	0.6	0.6
Mitsubishi Materials				1.1	0.8	0.8
Mitsubishi Motors				2.0	2.1	2.1
Mitsubishi UFJ Holdings Group	7.5	6.1	27.1	7.5	6.1	27.1
Mitsubishi Tokyo Financial Group				23.5	20.5	20.5
Mitsui	2.4	1.4	9.1	11.6	6.8	14.4
Mitsui Chemicals				1.1	0.8	0.8
Mitsui Fudosan				4.4	4.3	4.3
Mitsui O.S.K. Lines				3.7	2.1	2.1
Mitsui Sumitomo Insurance (Nye)	1.9	1.7	5.7	5.0	5.3	9.4
Mitsui Trust Holdings				0.9	0.9	0.9
Mizuho Financial Group	7.5	3.1	11.4	17.2	12.0	20.3
Murata Manufacturing				3.3	3.0	3.0
Namco Bandai Holdings Inc				0.9	1.1	1.1
NEC				2.0	2.0	2.0
NGK Insulators				1.1	0.7	0.7
NGK Spark Plug				1.5	1.0	1.0
NHK Spring Co				0.9	0.5	0.5
Nidec				2.2	1.6	1.6
Nikon				2.0	1.1	1.1
Nintendo	3.8	3.9	15.3	16.5	16.2	27.5
Nippon Elec Glass				1.1	0.5	0.5
Nippon Express				1.7	1.6	1.6
Nippon Mitsubishi Oil				2.5	2.3	2.3
Nippon Steel	2.9	1.7	5.7	10.2	7.4	11.5
Nippon Unipac Holding				1.0	2.0	2.0
Nippon Yusen	1.1	1.1	5.8	4.1	3.6	8.2
Nishi-Nippon City Bank				0.9	1.3	1.3
Nissan Motor				8.2	4.2	4.2
Nisshin Flour Milling				0.9	1.5	1.5

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NOK million	Storebrand Livsforsikring AS			Storebrand Livsforsikring Group		
	Acquisition cost	Market value	Market value include indirect investment in fund	Acquisition cost	Market value	Market value include indirect investment in fund
Nisshin Steel				1.0	0.8	0.8
Nissin Food Products				1.2	1.6	1.6
Nitori Co Ltd				1.0	2.0	2.0
Nitto Denko				2.2	1.1	1.1
NOK Corp				1.2	0.5	0.5
Nomura Real Estate Office F Reit				1.0	0.9	0.9
Nomura Research Institute				1.0	0.8	0.8
Nomura Securities				6.5	4.4	4.4
Nippon Mining Holdings				1.3	1.2	1.2
Nippon Seiko				1.5	0.8	0.8
NTN				1.0	0.5	0.5
NTT	1.7	2.4	13.3	8.7	12.5	23.4
NTT Data				1.3	1.5	1.5
NTT DoCoMo	1.7	2.7	11.3	8.2	12.9	21.5
Obayashi				0.9	1.4	1.4
Odakyu Electric Ry				1.0	1.6	1.6
Office Building of Japan				1.8	2.0	2.0
Oji Paper				1.5	2.7	2.7
Olympus				2.1	1.8	1.8
Omron				1.6	1.3	1.3
ONO Pharmaceutical Comp Ltd				0.9	1.1	1.1
Orix				3.8	1.9	1.9
Osaka Gas				2.1	2.9	2.9
Panasonic				11.4	8.5	8.5
Panasonic Electronic Works				1.0	1.1	1.1
Rakuten				1.1	1.8	1.8
Ricoh				3.1	3.1	3.1
Rohm				2.2	1.9	1.9
Sankyo				0.9	1.0	1.0
Sapporo Hokujo Holdings NPV				0.9	0.6	0.6
SBI Holdings				0.9	0.7	0.7
Secom				3.1	3.8	3.8
Sega Sammy Holdings				1.0	1.5	1.5
Sekisui Chemical				0.9	1.2	1.2
Sekisui House				1.7	1.9	1.9
Seven and I holdings	2.4	3.3	10.9	8.6	13.7	21.3
Sharp				5.2	2.5	2.5
Shikoku Electric Power				1.2	1.9	1.9
Shimano				0.9	1.1	1.1
Shimizu				0.9	1.4	1.4
Shin-Etsu Chemical	2.4	1.9	6.8	8.3	8.4	13.2
Shionogi				1.0	1.8	1.8
Shiseido				2.1	2.4	2.4
Shizuoka Bank				1.8	2.4	2.4
Showa Denko				0.9	0.5	0.5
Showa Shell Sekiyu				1.0	1.2	1.2
SMC				2.1	2.7	2.7
Sumitomo Mitsui Financial Group				12.2	9.0	9.0
Softbank				2.6	2.8	2.8

NOK million	Storebrand Livsforsikring AS			Storebrand Livsforsikring Group		
	Acquisition cost	Market value	Market value include indirect investment in fund	Acquisition cost	Market value	Market value include indirect investment in fund
Sony	4.7	2.3	7.2	16.2	9.3	14.1
Sony Financial Holdings				0.9	1.1	1.1
Stanley Electric				1.4	0.9	0.9
Sumitomo				4.0	3.2	3.2
Sumitomo Chemical				2.9	1.8	1.8
Sumitomo Electric Industry				4.8	3.1	3.1
Sumitomo Heavy Industries				1.0	0.6	0.6
Sumitomo Metal Industries				4.2	3.1	3.1
Sumitomo Metal Mining				2.0	1.5	1.5
Sumitomo Mitsui Financial Group	5.4	3.0	10.7	5.4	3.0	10.7
Sumitomo Reality & Development				1.8	1.7	1.7
Sumitomo Rubber Industries				1.2	1.6	1.6
Sumitomo Trust & Banking				1.9	2.1	2.1
Suzuken				0.9	1.0	1.0
Suzuki				3.5	2.3	2.3
T&D Holdings				2.8	2.9	2.9
Taisho Pharmaceutical				0.9	1.2	1.2
Takashimaya				0.9	0.8	0.8
Takeda Chemical Industries				13.4	15.5	15.5
Takeda Pharmaceutical	4.3	4.1	15.8	4.3	4.1	15.8
Takefuji				0.9	0.4	0.4
TDK				2.3	1.5	1.5
Teijin				1.1	1.0	1.0
Terumo				2.3	2.4	2.4
Iyo Bank				0.7	0.9	0.9
Tohoku Electric Power	1.2	1.6	6.0	4.0	5.6	10.0
Tokio Marine Holdings	2.0	2.3	7.7	9.4	9.6	15.0
Tokyo Corp 9005				1.4	1.5	1.5
Tokyo Electric Power	2.8	3.5	13.0	11.8	17.9	27.4
Tokyo Electronic Industries				2.8	2.0	2.0
Tokyo Gas				2.6	3.7	3.7
Tokyu Land				0.9	0.6	0.6
Tonen General Sekiyu				1.2	1.7	1.7
Toppan Printing				2.1	1.8	1.8
Toray Industries				2.2	2.4	2.4
Toshiba				6.1	4.1	4.1
Tostem				1.3	1.5	1.5
Toyo Seikan				1.0	1.2	1.2
Toyoda Auto Loom Works				4.3	2.9	2.9
Toyoda Gosei				1.7	0.7	0.7
Tsumura & Company				0.6	0.7	0.7
Uni Charm				0.9	1.3	1.3
USS				1.1	1.2	1.2
West Japan Railways				1.9	2.3	2.3
Yahoo Japan				1.6	1.7	1.7
Yakult Honsha				1.0	1.0	1.0
Yamada Denki				2.3	2.3	2.3
Yamaha				1.0	0.6	0.6
Yamaha Motor				2.5	1.7	1.7

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NOK million	Storebrand Livsforsikring AS			Storebrand Livsforsikring Group		
	Acquisition cost	Market value	Market value include indirect investment in fund	Acquisition cost	Market value	Market value include indirect investment in fund
Yamanouchi Astellas Pharma				6.2	7.4	7.4
Yamato Transport				2.1	2.5	2.5
Yasuda Fire & Marine Insurance				1.9	2.0	2.0
<b>Total</b>	<b>94.6</b>	<b>80.1</b>	<b>321.6</b>	<b>715.6</b>	<b>669.1</b>	<b>910.6</b>
<b>Kazakstan</b>						
Kazakhmys				2.9	0.4	0.4
<b>Total</b>				<b>2.9</b>	<b>0.4</b>	<b>0.4</b>
<b>Cyprus</b>						
Camposol Holding Plc	17.6	5.7	6.3	17.6	5.7	6.3
Prosafe	34.2	24.6	49.8	34.2	24.6	49.8
Prosafe Production Plc	9.7	3.2	9.0	9.7	3.2	9.0
<b>Total</b>	<b>61.4</b>	<b>33.4</b>	<b>65.2</b>	<b>61.4</b>	<b>33.4</b>	<b>65.2</b>
<b>Luxembourg</b>						
Aceryg	32.1	11.0	18.1	32.1	11.0	18.1
SES Global				0.4	0.4	0.4
<b>Total</b>	<b>32.1</b>	<b>11.0</b>	<b>18.1</b>	<b>32.5</b>	<b>11.4</b>	<b>18.5</b>
<b>Holland</b>						
Aegon				4.3	2.1	2.1
Ahold				4.0	4.7	4.7
Akzo-Nobel				6.6	4.6	4.6
ASML				1.7	1.5	1.5
Corio NV				0.2	0.1	0.1
Hagemeyer				0.2	0.2	0.2
Heineken				3.3	2.3	2.3
Heineken Holding				0.5	0.4	0.4
Ing-Group	3.6	1.7	7.3	22.2	8.4	14.0
Koninklijke Ahold	1.8	2.2	8.9	1.8	2.2	8.9
Koninklijke KPN	2.6	2.9	9.3	2.6	2.9	9.3
KPN				8.0	8.2	8.2
Philips Electronics				9.7	6.2	6.2
Randstad Hld				0.2	0.1	0.1
Reed Elsevier NV				2.0	1.7	1.7
Royal Dutch Shell A (Amsterdam)				27.4	25.3	25.3
SBM Offshore				0.6	0.3	0.3
TNT				3.9	2.4	2.4
Unilever NL	4.3	4.2	-6.3	25.3	25.0	14.5
Wolters Kluwer				1.5	1.3	1.3
<b>Total</b>	<b>12.3</b>	<b>11.0</b>	<b>19.3</b>	<b>126.0</b>	<b>99.8</b>	<b>108.1</b>
<b>New Zealand</b>						
Auckland International Airport				1.0	0.6	0.6
Fletcher Building Npv				1.2	0.7	0.7
Sky City Entertainment Group				1.0	0.7	0.7
Taumata Plantations Ltd.	637.6	643.6	643.6	637.6	643.6	643.6
Telecom New Zealand				2.2	1.1	1.1
<b>Total</b>	<b>637.6</b>	<b>643.6</b>	<b>643.6</b>	<b>642.9</b>	<b>646.7</b>	<b>646.7</b>

NOK million	Storebrand Livsforsikring AS			Storebrand Livsforsikring Group		
	Acquisition cost	Market value	Market value include indirect investment in fund	Acquisition cost	Market value	Market value include indirect investment in fund
<b>Portugal</b>						
B. Espirito Santo				0.3	0.2	0.2
Banco Comercial Portugues				1.0	0.6	0.6
Brisa Auto Estrada				0.9	0.6	0.6
Electricidade de Portugal				2.6	2.1	2.1
Portugal Telecom				2.2	2.0	2.0
Zon Multimedia				0.1	0.1	0.1
<b>Total</b>				<b>7.2</b>	<b>5.5</b>	<b>5.5</b>
<b>Singapore</b>						
Capitaland				2.0	1.2	1.2
Capitamall Trust				1.0	0.6	0.6
City Development Ltd				1.3	0.9	0.9
Comfort Delgro				0.9	1.0	1.0
Cosco Corporation				0.9	0.2	0.2
DBS				3.9	2.6	2.6
Flextronic				2.0	0.6	0.6
Fraser & Neave				0.9	0.7	0.7
Jardine Cycle & Carriage				0.9	0.6	0.6
Keppel				3.4	1.7	1.7
O C B C				3.4	2.7	2.7
Sembcorp Industries				2.2	1.4	1.4
Sembcorp Marine				0.9	0.6	0.6
Singapore Airlines				1.5	1.3	1.3
Singapore Exchange				2.5	2.1	2.1
Singapore Press Hldg (Foreign)				1.3	1.1	1.1
Singapore Telecom	2.0	1.9	6.6	7.4	6.2	10.9
United Overseas Bank				3.9	3.5	3.5
<b>Total</b>	<b>2.0</b>	<b>1.9</b>	<b>6.6</b>	<b>40.3</b>	<b>28.9</b>	<b>33.7</b>
<b>Spain</b>						
Abertis				0.7	0.6	0.6
Acciona				1.3	0.8	0.8
ACS				4.0	4.4	4.4
Antena 3 Television			-8.6			-8.6
Banco Popular ESP	1.2	1.1	-10.2	4.4	3.4	-7.9
Banco Sabadell				1.0	0.9	0.9
Banco Santander	8.7	7.5	28.9	43.9	32.8	54.2
BBVA (Bilbao Vizcaya Argentaria)	4.9	4.6	16.6	26.9	19.5	31.4
Cintra Concesiones				0.5	0.3	0.3
Fomento de Construcciones y Contratas				3.2	2.1	2.1
Gas Natural SDG				1.6	0.9	0.9
Grupo Ferrival				0.9	0.5	0.5
Iberdrola	2.9	3.1	10.5	14.9	12.5	19.9
Inditex				2.8	3.2	3.2
Red Electrica Corporacion				0.5	0.5	0.5
Repsol Ypf	3.0	2.8	8.6	15.8	12.0	17.9
Sacyr Vallermosto				0.2	0.1	0.1
Telefonica	8.2	9.0	34.9	38.6	37.3	63.3

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NOK million	Storebrand Livsforsikring AS			Storebrand Livsforsikring Group		
	Acquisition cost	Market value	Market value include indirect investment in fund	Acquisition cost	Market value	Market value include indirect investment in fund
Union Electrica Fenosa				2.5	3.7	3.7
Zardoya Otis SA				0.2	0.2	0.2
<b>Total</b>	<b>28.8</b>	<b>28.1</b>	<b>80.7</b>	<b>164.0</b>	<b>135.9</b>	<b>188.6</b>

### Great Britain

3i Group Plc				0.5	0.2	0.2
Aggreko Plc			21.5			21.5
AMEC			25.7	0.5	0.3	26.0
Anglo American				22.7	9.8	9.8
Associated British Foods PLC				1.1	0.9	0.9
Astrazeneca	4.7	5.1	71.1	15.6	19.3	85.3
Autonomy			16.6			16.6
Aviva PLC	2.3	1.8	5.8	8.2	5.6	9.5
Balfour Beatty GBP				3.8	2.6	2.6
Barclays Bank				18.2	5.5	5.5
BG Group	5.4	4.6	68.1	23.9	19.7	83.2
BHP Billiton	4.8	4.4	16.4	26.1	20.0	32.1
BP Amoco				58.3	47.4	47.4
BP Plc	12.3	12.8	32.9	12.3	12.8	32.9
British Airways				3.3	2.1	2.1
British Energy GP				2.5	2.6	2.6
British Land				0.7	0.4	0.4
British Sky Broadcasting Group				5.0	4.1	4.1
British Telecom				12.1	6.7	6.7
Bunzl				0.4	0.3	0.3
Burberry Group				1.0	0.4	0.4
Cable & Wireless A			22.1	3.7	3.3	25.4
Cadbury PLC	2.4	2.2	5.8	2.4	2.2	5.8
Cadbury Sch New				6.5	5.6	5.6
Capita Group	2.0	2.0	33.4	4.6	4.7	36.1
Carnival				0.6	0.4	0.4
Carphone Warehouse				4.1	1.3	1.3
Centrica	2.6	2.4	8.3	12.8	11.4	17.4
Cobham Ord				5.4	5.6	5.6
Compass Group				7.5	6.9	6.9
Daily Mail				4.5	2.5	2.5
Diageo	5.6	5.0	40.5	20.9	18.1	53.6
Experian Group				2.1	2.0	2.0
First Group				4.0	2.9	2.9
Friends Provident				3.9	2.5	2.5
Group 4 Securicor ord GBP 0,25				1.5	1.3	1.3
GKN				1.8	0.6	0.6
GlaxoSmithkline	8.5	8.6	35.7	41.1	43.9	71.0
Halifax Bank of Scotland				13.0	1.1	1.1
Hays				3.2	2.0	2.0
Home Retail Group				1.1	0.8	0.8
HSBC Holdings GB	13.9	10.6	43.4	57.7	45.2	78.1
ICAP Ord				0.6	0.2	0.2
IMI Ord				0.2	0.1	0.1

NOK million	Storebrand Livsforsikring AS			Storebrand Livsforsikring Group		
	Acquisition cost	Market value	Market value include indirect investment in fund	Acquisition cost	Market value	Market value include indirect investment in fund
Intercontinental Hotels				0.9	0.6	0.6
International Power				1.9	1.0	1.0
Invensys				1.0	0.6	0.6
Investec				0.2	0.1	0.1
IShares MSCI World ETF, GBP			15.8			15.8
Johnson Matthey				0.8	0.4	0.4
Land Securities				5.6	3.3	3.3
Legal & General				2.3	1.3	1.3
Liberty International PLC				0.3	0.2	0.2
Lloyds TSB Group				10.2	3.2	3.2
Logica Plc				0.2	0.1	0.1
London Stock Exchange				0.3	0.1	0.1
Man Group				9.2	3.5	3.5
Marks & Spencer				3.7	1.5	1.5
Meggitt Plc				0.9	0.5	0.5
National Express Group				3.1	1.4	1.4
National Grid Plc	3.0	2.7	9.4	14.0	11.9	18.6
Next				1.1	0.9	0.9
Old Mutual				6.5	2.8	2.8
Pearson				4.3	3.7	3.7
Prudential	2.8	2.2	12.9	9.9	6.7	17.4
Royal Bank of Scotland				31.4	4.3	4.3
Royal Bank of Scotland Right 2008					0.0	0.0
Reckitt Benckiser	3.7	3.2	34.1	18.2	15.6	46.4
Reed Elsevier				3.9	3.1	3.1
Rexam	0.8	0.7	-16.9	0.8	0.7	-16.9
Rolls Royce C-share 2008					0.1	0.1
Rolls Royce				8.4	6.6	6.6
Royal Dutch Shell A				21.1	16.8	16.8
Royal Dutch Shell B				20.3	17.0	17.0
RSA Insurance Group				2.5	2.4	2.4
Rio Tinto	5.9	2.2	8.2	36.2	9.5	15.6
Royal Dutch Shell A ord	7.9	8.4	36.3	7.9	8.4	36.3
Royal Dutch Shell B shares	5.9	6.1	24.8	5.9	6.1	24.8
SABMiller				5.8	5.4	5.4
Sage Group				4.6	3.4	3.4
Sainsbury	1.6	1.4	-18.8	5.7	4.9	-15.3
Schroders				0.2	0.2	0.2
Scottish & Southern Energy				10.1	7.6	7.6
Segro Plc				0.3	0.1	0.1
Smiths Group				7.6	6.2	6.2
Smith & Nephew				0.2	0.1	0.1
Stagecoach Hldgs				3.5	2.0	2.0
Standard Chartered	3.2	2.4	9.1	15.4	9.6	16.4
Standard Life				0.9	0.8	0.8
Tesco	5.0	4.7	17.0	19.7	16.7	29.1
Thomas Cook Group Plc				0.2	0.1	0.1
Thomson Reuters				4.9	2.5	2.5
Tomkins				0.3	0.2	0.2

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NOK million	Storebrand Livsforsikring AS			Storebrand Livsforsikring Group		
	Acquisition cost	Market value	Market value include indirect investment in fund	Acquisition cost	Market value	Market value include indirect investment in fund
TUI Travel				2.8	2.4	2.4
Tullow Oil ORD				1.1	0.8	0.8
Unilever GB	3.7	3.5	11.2	8.1	7.5	15.1
United Business Media				4.7	4.1	4.1
United Utilities Group PLC				2.7	2.2	2.2
Morrison Supermarkets				6.3	5.7	5.7
Whitbread				1.2	0.8	0.8
Vodafone Group	9.6	9.9	38.5	61.5	46.9	75.6
Weir Group Plc			10.1			10.1
WPP Plc				4.9	3.2	3.2
Xstrata				11.6	1.8	1.8
<b>Total</b>	<b>117.8</b>	<b>106.7</b>	<b>639.1</b>	<b>836.8</b>	<b>595.2</b>	<b>1 127.6</b>

Switzerland						
ACE Ltd	2.0	2.1	9.8	2.0	2.1	9.8
Actelion holdg				4.1	5.7	5.7
Adecco				1.8	1.5	1.5
Credit Suisse Group RG	3.5	2.6	10.3	18.0	11.8	19.4
EFG International				1.3	0.9	0.9
Geberit AG				0.5	0.4	0.4
Givaudan,Registered				0.5	0.5	0.5
Holcim	2.8	2.4	6.0	5.8	4.8	8.3
Julius Baer Holding				3.5	2.4	2.4
Kuehne & Nagel				0.5	0.4	0.4
Logitech				4.6	3.2	3.2
Lonza Group			24.7	0.5	0.4	25.1
Nestle	13.1	13.8	103.2	62.8	69.2	158.7
Nobel Biocare Holding				1.0	0.6	0.6
Novartis	9.2	10.1	43.6	39.5	45.9	79.4
OC Oerlikon Corp				0.3	0.1	0.1
Pargesa Holding AG				0.2	0.2	0.2
Sonova Holding				3.6	3.0	3.0
Richemont				4.0	3.8	3.8
Roche Holding Genuss	8.5	9.4	38.5	45.0	48.2	77.4
Schindler-Hldg				0.5	0.4	0.4
SGS SA				1.6	1.6	1.6
Straumann HLD				0.1	0.1	0.1
Sulzer AG			7.8			7.8
Swatch Group			21.6	2.3	1.5	23.1
Swatch Group B				0.3	0.2	0.2
Swisscom				0.8	0.9	0.9
Swiss Life HLDG				0.7	0.3	0.3
Swiss Reinsurance	1.2	1.3	7.6	7.3	6.5	12.8
Syngenta	2.7	2.7	7.9	12.9	11.1	16.3
Synthes				2.4	3.0	3.0
UBS	3.4	3.8	49.0	29.3	20.2	65.5
Zurich Financial Services Group	3.3	3.3	14.9	16.4	15.1	26.7
<b>Total</b>	<b>49.7</b>	<b>51.7</b>	<b>344.8</b>	<b>274.1</b>	<b>266.2</b>	<b>559.3</b>

NOK million	Storebrand Livsforsikring AS			Storebrand Livsforsikring Group		
	Acquisition cost	Market value	Market value include indirect investment in fund	Acquisition cost	Market value	Market value include indirect investment in fund
<b>Sweden</b>						
Acando B				1.2	0.9	0.9
AddNode B				0.7	0.5	0.5
Alfa Laval	1.6	1.2	9.1	47.6	36.8	44.7
Assa Abloy B				55.6	43.2	43.2
AstraZeneca SDB				122.0	137.6	137.6
Atlas Copco A	2.7	2.0	12.7	96.3	66.7	77.4
Atlas Copco B				49.5	32.8	32.8
Atrium Ljungberg AB				4.4	4.3	4.3
Autoliv				4.6	2.1	2.1
Axfood				7.1	5.5	5.5
Bergvik Skog				255.9	669.5	669.5
Betsson B				3.0	2.9	2.9
Boliden AB				32.7	7.0	7.0
Capio AB				24.2	20.3	20.3
Carnegie				10.7	0.1	0.1
Castellum				16.2	14.4	14.4
Connecta				1.0	0.6	0.6
ConvaTec				17.8	17.5	17.5
CPS Color Group Oy				7.8	8.1	8.1
Cybercom Group Europe AB				1.4	0.4	0.4
Electrolux B			-15.5	39.6	27.1	11.6
Elekta B				12.8	9.5	9.5
Enea				1.5	0.8	0.8
Eniro				8.9	2.4	2.4
Ericsson B				327.8	249.2	249.2
Fabege				10.0	5.0	5.0
Getinge B				40.8	23.8	23.8
Getinge BTA 08				2.4	2.6	2.6
Hakon Invest				10.4	7.3	7.3
Handelsbanken A				148.0	99.5	99.5
Hennes & Mauritz B	1.8	1.9	-6.5	277.9	241.5	233.1
Hexagon B				26.6	8.7	8.7
HIQ International				2.7	1.7	1.7
Holmen B				16.1	14.3	14.3
Hufvudstaden A				10.8	8.6	8.6
Husqvarna A				4.7	2.9	2.9
Husqvarna B				26.7	16.3	16.3
IBS B				0.0	0.0	0.0
IFS B				2.3	1.2	1.2
Industrivärden A				31.3	16.1	16.1
Industrivärden C				16.6	8.6	8.6
Intrum Justitia				8.8	6.9	6.9
Investor A				28.7	24.5	24.5
Investor B				89.2	76.1	76.1
JM				17.2	5.3	5.3
Kaupthing Bunadarbanki				9.8	0.0	0.0
Kinnevik B				38.3	19.1	19.1
Know IT				1.1	0.3	0.3

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NOK million	Storebrand Livsforsikring AS			Storebrand Livsforsikring Group		
	Acquisition cost	Market value	Market value include indirect investment in fund	Acquisition cost	Market value	Market value include indirect investment in fund
Kungsleden				11.7	9.8	9.8
LB International				2.5	1.1	1.1
Loomis B				6.5	4.4	4.4
Lundbergs B				13.0	10.5	10.5
Lundin Petroleum				27.7	13.8	13.8
Meda				20.8	16.5	16.5
Menigo Holding AB (Ex. ICA Meny AB)				3.2	0.8	0.8
Millicom				59.1	30.8	30.8
Modern Times Group B				30.2	12.3	12.3
Nefab AB				4.4	4.1	4.1
Niscayah Group				7.4	2.8	2.8
Nokia Oyj SEK				8.6	6.3	6.3
Nordea Bank AB				279.8	154.7	154.7
ORC Software				2.4	1.2	1.2
Oriflame Cosmetics				21.3	13.2	13.2
PA Resources				10.1	2.2	2.2
Ratos B				32.2	22.5	22.5
Rezidor Hotel Group				3.5	1.9	1.9
Sandvik				157.6	74.4	74.4
SAS				6.1	3.9	3.9
SCA A				8.6	6.3	6.3
SCA B				86.8	56.0	56.0
Scania B				69.4	42.6	42.6
SEB A				116.2	46.1	46.1
Securitas B			7.8	29.5	28.8	36.6
Skanska B	1.8	1.2	-14.1	65.0	44.5	29.2
SKF B				59.6	42.2	42.2
Skistar B				2.8	1.8	1.8
SSAB A				51.3	19.8	19.8
SSAB B				19.5	7.7	7.7
Svenska Handelsbanken A			6.5			6.5
Swedbank AB				40.2	30.2	30.2
Tele2 B				60.3	33.2	33.2
Teleca B				0.6	0.2	0.2
Teliasonera - Se			42.0	174.3	124.9	166.9
Thule AB				29.2	3.7	3.7
TietoEnator SDB				2.4	1.7	1.7
Tradedoubler				5.3	1.5	1.5
Unibet Group				6.4	3.4	3.4
Wallenstam B				8.2	4.6	4.6
West Siberian Resources LTD				11.2	5.2	5.2
Wihlborg Fastighet				4.2	3.9	3.9
Volvo A				61.0	30.1	30.1
Volvo B			-10.9	161.1	71.0	60.0
Vostok Gas SDB				21.9	2.8	2.8
ÅF B-aktie				3.5	2.8	2.8
Öresund				8.4	4.0	4.0
<b>Total</b>	<b>8.0</b>	<b>6.3</b>	<b>30.8</b>	<b>3 785.6</b>	<b>2 956.8</b>	<b>2 981.3</b>

NOK million	Storebrand Livsforsikring AS			Storebrand Livsforsikring Group		
	Acquisition cost	Market value	Market value include indirect investment in fund	Acquisition cost	Market value	Market value include indirect investment in fund
<b>Germany</b>						
Adidas				3.4	2.5	2.5
Allianz SE (Societas Europaeae)	5.3	4.8	16.6	27.5	19.7	31.6
Basf SE	4.3	4.1	15.1	22.8	17.6	28.6
Bayer	6.0	5.3	48.0	23.7	20.5	63.2
Bayerische Mot Werke	1.5	1.4	-11.9	5.8	4.5	-8.8
BMW Pfd				0.1	0.0	0.0
CommerzBank				7.9	2.4	2.4
Continental			6.5			6.5
Deutsche Bank	3.3	2.1	6.2	19.9	8.9	13.0
Deutsche Börse				10.1	5.9	5.9
Deutsche Post				7.1	4.8	4.8
Deutsche Postbank				0.7	0.2	0.2
Deutsche Telekom				14.0	14.0	14.0
Douglas Holding			-14.0			-14.0
EON	7.5	7.1	32.3	43.2	34.7	59.9
Fraport				0.2	0.1	0.1
Fresenius Medical Care				1.2	1.3	1.3
Fresenius pref				0.9	0.8	0.8
GEA Group				1.9	1.2	1.2
Gehe AG Celesio N				0.3	0.2	0.2
Heidelberg Cement AG				2.8	1.1	1.1
Henkel KGaA				1.1	0.9	0.9
Henkel Pref				0.9	0.7	0.7
Hochtief				1.4	0.8	0.8
Hotel. De AG			11.6			11.6
Hypo Real Estate Holding				0.5	0.1	0.1
Hugo Boss Pref			13.8	0.7	0.1	13.9
K+S AG			9.0	4.1	3.0	12.0
Krones			6.6			6.6
Linde	2.1	1.9	5.7	5.1	4.2	8.1
Lufthansa				1.2	1.0	1.0
MAN				2.3	1.2	1.2
Merck KGAA				3.4	3.0	3.0
Metro				4.6	3.0	3.0
Muenchener Rueckversicherungs RG	2.5	3.3	15.5	13.4	15.0	27.2
Puma				0.2	0.2	0.2
Q-Cells				0.7	0.3	0.3
RWE				18.3	15.7	15.7
RWE Pref				3.3	3.0	3.0
Salzgitter				3.8	2.1	2.1
Sap AG	4.4	3.4	12.0	16.4	13.5	22.2
SGL Carbon AG			11.4			11.4
Solarworld				0.4	0.2	0.2
ThyssenKrupp				10.0	5.8	5.8
TUI AG Namens Aktien				0.4	0.3	0.3
Wacker Chemie AG				0.2	0.1	0.1
Volkswagen				7.4	13.2	13.2

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NOK million	Storebrand Livsforsikring AS			Storebrand Livsforsikring Group		
	Acquisition cost	Market value	Market value include indirect investment in fund	Acquisition cost	Market value	Market value include indirect investment in fund
Volkswagen P	7.1	4.4	17.1	11.4	6.5	19.1
<b>Total</b>	<b>44.0</b>	<b>37.8</b>	<b>201.5</b>	<b>304.5</b>	<b>234.6</b>	<b>398.4</b>
<b>USA</b>						
3M CO	3.8	3.7	14.2	15.7	14.4	24.9
Abbott Laboratories	6.4	6.9	29.3	28.9	33.3	55.7
Abercrombie & Fitch Co				0.1	0.0	0.0
Accenture	2.2	2.4	8.0	6.6	7.6	13.2
ACE				6.6	7.5	7.5
Activision Blizzard				1.5	1.2	1.2
Adobe Systems				3.9	3.1	3.1
Advanced Auto Parts Inc				0.7	0.8	0.8
Aetna US Healthcare				2.7	1.9	1.9
Affiliated Computer SE				0.2	0.3	0.3
Aflac Inc.	1.9	1.8	7.0	10.9	10.1	15.4
Agilent Technologies				5.2	3.3	3.3
Air Products & Chemicals				4.7	3.3	3.3
Akamai Tech				0.8	0.5	0.5
Alcoa				9.1	3.7	3.7
Alegheny Energy Inc				2.0	1.7	1.7
Allergan				0.4	0.3	0.3
Alliance Data Systems				0.6	0.7	0.7
Alliant Energy Corp Com Isin				0.6	0.6	0.6
Allied Capital Corp				0.5	0.1	0.1
Allstate Corp	3.0	2.6	7.7	10.8	9.4	14.5
Altera				1.0	1.2	1.2
Amazon.com				4.3	3.7	3.7
AMB Property				1.0	0.5	0.5
Ameren Corp				2.0	1.9	1.9
American Capital Strategies				1.1	0.1	0.1
American Eagle Outfitters Inc New Com				1.0	0.6	0.6
American Electric Power				0.4	0.3	0.3
American Express	3.2	2.0	6.1	13.0	7.0	11.1
American General				9.7	15.0	15.0
American International Group				20.4	0.8	0.8
Ameriprise Financial				2.6	1.4	1.4
AmerisourceBergen				4.3	4.2	4.2
Ameritrade Holding				0.4	0.4	0.4
Amgen	5.4	5.7	25.8	5.4	5.7	25.8
Amphenol				1.7	1.3	1.3
Amylin Pharmaceuticals				0.6	0.3	0.3
Anadarko Petroleum	2.9	2.5	23.3	11.0	9.0	29.8
Annaly Capital Mngmt	0.9	1.2	6.7	0.9	1.2	6.7
AOL Time Warner				10.2	8.3	8.3
AON				3.7	5.1	5.1
Apache Corp	2.9	2.4	9.3	13.9	11.9	18.8
Apartment Investment & Management				0.6	0.3	0.3
Apollo Group				2.0	2.6	2.6
Apple Inc	9.4	7.0	28.4	31.6	25.2	46.6

NOK million	Storebrand Livsforsikring AS			Storebrand Livsforsikring Group		
	Acquisition cost	Market value	Market value include indirect investment in fund	Acquisition cost	Market value	Market value include indirect investment in fund
Applied Materials	3.1	2.3	6.9	8.2	5.8	10.5
Aqua America Inc				0.1	0.1	0.1
Arch Cole				1.6	0.6	0.6
Archer-Daniels-Midland			9.5	7.5	6.5	15.9
Arrow Electronics				0.7	0.5	0.5
Ascent Media Corp A				0.1	0.1	0.1
Assurant Inc				1.4	0.8	0.8
AT&T Inc	13.1	15.0	63.3	62.5	62.8	111.0
Autodesk				1.7	1.1	1.1
Automatic Data Processing	2.5	2.6	9.2	8.9	10.8	17.4
Autonation Inc Del Com				0.4	0.4	0.4
AutoZone				3.7	5.5	5.5
Avalonbay Communitites Inc				1.4	1.1	1.1
Avery Dennison				1.1	0.8	0.8
Avnet				0.9	0.6	0.6
Avon Products				6.3	4.8	4.8
Axis Capital				1.1	1.0	1.0
Baker Hughes				2.5	1.5	1.5
Ball Corp.				0.2	0.2	0.2
Bank of America Corp	13.9	8.5	30.4	53.4	25.3	47.2
Bank of New York Mellon	3.6	3.4	9.9	14.3	11.6	18.1
Baxter International	3.2	3.0	15.7	15.3	16.2	28.9
BB&T Corp	2.2	2.0	6.3	6.2	6.1	10.4
Beckman				0.8	0.7	0.7
Becton Dickinson & Co	1.8	1.8	6.9	9.5	9.1	14.2
Bed Bath & Beyond				1.6	1.7	1.7
Berkley W R Corp Com				1.3	1.7	1.7
Berkshire Hathaway B	2.7	2.5	10.0	2.7	2.5	10.0
Best Buy				6.0	4.8	4.8
Biogen Idec				3.4	3.3	3.3
Black & Decker Corp.				0.9	0.7	0.7
Block H R Inc				3.6	5.3	5.3
BMC Software				3.8	3.8	3.8
BNSF				5.3	5.8	5.8
Boston Property				2.4	1.9	1.9
Boston Scientific				1.0	0.7	0.7
Bristol-Myers Squibb	3.4	4.4	17.0	11.8	15.2	27.8
Broadcom				1.8	1.8	1.8
Brown-Forman Corp				4.2	5.1	5.1
Bunge LTD				2.8	1.6	1.6
Burlington Northern Santa Fe	2.9	2.7	9.4	2.9	2.7	9.4
C R Bard				4.5	5.1	5.1
Cablevision Ny Group CL A Com				0.7	0.6	0.6
Cadence Design Systems				0.4	0.2	0.2
Cameron International			11.6	1.8	1.2	12.8
Campbell Soup				3.9	4.6	4.6
Capital One Financial	1.9	1.6	6.8	5.8	4.7	10.0
Cardinal Health				3.9	3.2	3.2
Carmax Inc				0.7	0.4	0.4

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NOK million	Storebrand Livsforsikring AS			Storebrand Livsforsikring Group		
	Acquisition cost	Market value	Market value include indirect investment in fund	Acquisition cost	Market value	Market value include indirect investment in fund
Carnival				1.0	0.7	0.7
Caterpillar	3.8	3.1	11.8	16.8	13.5	22.2
CB Richards Ellis Group Inc				0.6	0.2	0.2
CBS Corp				1.6	0.6	0.6
Celanese Corp Series A				1.1	0.4	0.4
Celgene Corp	2.5	2.4	7.8	6.9	7.5	12.9
Cendant Corp Wyndham Worldwide				0.8	0.3	0.3
Centerpoint				0.8	0.8	0.8
Centex				0.4	0.3	0.3
Cephalon				0.6	1.0	1.0
C.H. Robinson Worldwide NEW				0.9	1.2	1.2
Charles Riv Labo Com				0.7	0.3	0.3
Charles Schwab				3.9	3.9	3.9
Ches Energy				3.3	1.3	1.3
Chevron Corp	13.2	14.2	58.4	49.8	55.5	99.6
CHGO Merchant Cme Group Inc				4.9	2.5	2.5
Chubb Corp	2.2	2.4	7.6	9.2	10.9	16.1
Cigna				2.4	1.2	1.2
Cincinnati Financial				1.4	1.3	1.3
Cintas				0.7	0.7	0.7
Cisco Systems	10.6	9.1	36.6	40.5	34.5	62.0
Citigroup	6.5	3.5	12.5	35.3	13.0	22.0
Citrix Systems				1.1	1.0	1.0
Clorox				0.6	0.7	0.7
Coach				0.8	0.7	0.7
Coca-Cola	8.3	8.2	33.1	38.1	36.4	61.3
Cognizant Technology Solutions				1.7	1.2	1.2
Colgate Palmolive	3.5	3.7	12.7	8.4	9.1	18.1
Comcast Corp A	1.4	1.4	5.9	10.0	11.7	16.2
Comcast K				2.7	3.2	3.2
Comcast Corp-Special	3.2	3.1	8.7	3.2	3.1	8.7
Comerica				1.0	0.6	0.6
Computer Assoc				4.9	5.3	5.3
Computer Sciences Corp			6.1	1.6	1.6	7.7
Conocophilips			-24.5			-24.5
Constellation Energy				5.0	1.6	1.6
Cooper Industries				2.0	1.7	1.7
Corning	2.0	1.5	7.7	10.7	5.8	12.0
Covance				1.1	0.8	0.8
Covidien	2.3	1.8	8.8	9.5	9.3	16.4
Crown Castle Int Corp Com Stk				1.8	1.1	1.1
CSX				2.0	1.7	1.7
Cummins				4.6	3.1	3.1
CVS/Caremark	4.3	4.1	18.0	21.8	20.0	33.9
D R Horton inc				1.4	0.8	0.8
Danaher				1.8	1.7	1.7
Davita				0.9	1.1	1.1
Deere & Co	2.4	1.8	6.1	12.6	7.6	11.9
Dell Inc.	2.3	1.8	6.0	11.6	7.7	12.0

NOK million	Storebrand Livsforsikring AS			Storebrand Livsforsikring Group		
	Acquisition cost	Market value	Market value include indirect investment in fund	Acquisition cost	Market value	Market value include indirect investment in fund
Denbury Res Inc Hldg Co Com New				1.2	0.6	0.6
Dentsply International				1.2	1.1	1.1
Developers Diversified Rlty Corp				0.7	0.1	0.1
Devon Energy				10.9	9.7	9.7
Diamond Offshore Drilling				1.7	1.1	1.1
DirecTV Group				3.3	4.0	4.0
Discover Financial Services				1.1	0.8	0.8
Discovery Communications Inc A				0.5	0.4	0.4
Discovery Communications Inc C				0.5	0.4	0.4
Dish Network				0.8	0.4	0.4
Dominion Resources	2.0	2.0	6.9	10.1	10.5	15.4
Domtar				0.6	0.2	0.2
Donnelley Rr				0.3	0.1	0.1
Dow Chemical				10.4	5.0	5.0
Dover	2.0	1.7	7.2	6.4	6.0	11.6
DST Systems				0.7	0.4	0.4
Dte Energy Company				3.0	3.1	3.1
Duke Energy Corp	2.1	2.1	6.9	4.9	5.0	9.8
Duke Realty Corp				0.5	0.3	0.3
Dun & Bradstreet Corp				1.3	1.4	1.4
DuPont (E.I) De Nemours	4.5	2.9	8.9	16.1	10.8	16.8
Dynegy				0.2	0.1	0.1
Eastman Chemical Co				0.4	0.3	0.3
Eastman Kodak				3.4	1.5	1.5
Eaton Corp	1.6	1.4	7.1	8.2	6.5	12.2
Ebay				5.9	3.6	3.6
Ecolab				1.0	1.0	1.0
Edison International				4.9	3.8	3.8
El Paso				4.5	2.9	2.9
Electronic Arts				2.8	1.2	1.2
Eli Lilly				7.6	7.5	7.5
EMC	2.6	2.5	7.3	10.2	8.8	13.7
Emerson Electric	3.4	3.6	10.7	12.5	11.6	18.6
Energizer Holdings				0.9	0.7	0.7
EnSCO International Inc			-8.9	4.3	2.8	-6.1
Entergy	1.7	1.9	6.8	2.5	2.7	7.6
EOG Resources	2.2	2.1	6.9	10.5	9.0	13.9
Equitable Resources				1.4	1.0	1.0
Equity Residential Properties				2.3	2.2	2.2
Euronext USD				1.8	0.9	0.9
Everest Re Group				1.5	1.4	1.4
Exelon	3.2	3.3	15.5	16.9	15.5	27.7
Expedia Inc				0.7	0.3	0.3
Express Scripts				2.7	3.0	3.0
Exterran Holdings Inc				0.8	0.3	0.3
Exxon Mobil	30.0	37.4	149.2	124.3	149.7	261.5
F P L Group				5.4	5.3	5.3
Fannie Mae				9.4	0.3	0.3
Fastenal				1.1	1.2	1.2

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NOK million	Storebrand Livsforsikring AS			Storebrand Livsforsikring Group		
	Acquisition cost	Market value	Market value include indirect investment in fund	Acquisition cost	Market value	Market value include indirect investment in fund
Federal Home Loan				6.4	0.2	0.2
Federal Express				3.2	2.9	2.9
Fed Realty Inv				0.7	0.7	0.7
Fedex Corp	3.1	2.6	8.0	5.3	5.0	10.3
Fidelity National Financial				0.6	0.7	0.7
Fifth Third Bancorp				2.2	0.9	0.9
1 St Amern Corp Cal Com Com				0.5	0.5	0.5
Firstenergy	2.2	1.9	6.1	9.1	7.8	12.0
First Solar Inc				1.5	1.4	1.4
Fiserv				1.7	1.5	1.5
Fluor				2.1	2.0	2.0
FMC Technologies			-8.8	1.2	0.7	-8.0
Ford				5.7	2.7	2.7
Forest City Enterprises Inc				0.4	0.1	0.1
Forest Labotatories	1.0	1.0	7.1	4.8	4.0	10.0
Foster Wheeler				1.9	0.8	0.8
FPL Group	1.8	2.1	7.1	1.8	2.1	7.1
Franklin Resources				3.6	2.9	2.9
Gamestop				1.2	0.8	0.8
Gannett				1.2	0.3	0.3
GAP				2.4	2.3	2.3
Garmin Ltd				1.6	0.6	0.6
General Mills				6.4	8.7	8.7
Genentech	3.1	3.3	12.1	9.9	13.1	21.9
General Electric	18.8	15.4	61.1	89.8	57.4	103.1
General Mills	2.1	2.2	7.7	2.1	2.2	7.7
General Motors				2.4	0.4	0.4
General Growth PPT				1.3	0.1	0.1
Genuine Parts	2.1	2.3	6.3	4.7	5.1	9.1
Genzyme Corp	1.9	1.9	7.1	6.0	6.4	11.6
Gilead Sciences Inc	3.7	4.6	18.7	12.4	16.7	30.8
Goldman Sachs	4.1	3.3	11.8	17.5	10.9	19.4
Goodrich Corp	2.3	2.2	7.2	11.0	8.9	13.9
Goodyear				2.0	0.6	0.6
Google Class A	7.7	6.4	26.5	31.2	24.0	44.1
Halliburton	3.5	2.1	6.6	7.5	4.7	9.1
Hancock Timberland VIII Inc	249.1	307.7	307.7	249.1	307.7	307.7
Hansen Natural Corp Com				0.4	0.4	0.4
Harris				1.1	0.9	0.9
Harsco Corporation				1.2	0.8	0.8
Hartford Financial Services				6.9	2.0	2.0
Hasbro Inc				0.6	0.9	0.9
HCP				1.1	1.3	1.3
Health Net				0.9	0.3	0.3
Hershey Foods				1.0	1.2	1.2
Herzt Global Holdings				0.3	0.1	0.1
Hess Corp	2.8	2.2	7.5	5.8	4.3	9.7
Hewlett-Packard Co	9.6	8.7	35.4	35.1	35.6	62.3
Hologic				1.3	0.7	0.7

NOK million	Storebrand Livsforsikring AS			Storebrand Livsforsikring Group		
	Acquisition cost	Market value	Market value include indirect investment in fund	Acquisition cost	Market value	Market value include indirect investment in fund
Home Depot	4.1	4.2	15.7	14.8	15.6	27.1
Hospira				0.1	0.1	0.1
Host Hotel & Resources				1.8	1.0	1.0
HSN Inc				0.1	0.1	0.1
Hudson City Bancorp				1.4	1.7	1.7
Humana				0.3	0.2	0.2
Huntsman Corp				0.8	0.1	0.1
IBM				29.5	29.1	29.1
Illinois Tool Works				3.1	2.8	2.8
IMS Health				0.7	0.6	0.6
Ingersoll-Rand				1.6	0.9	0.9
Intel	8.9	8.1	32.4	33.7	30.0	54.3
InterActiveCorp				0.3	0.3	0.3
Intercontinental Exchange				1.4	1.1	1.1
International Business Machine (IBM))	11.9	10.4	46.8	11.9	10.4	46.8
International Game Technology				5.2	1.8	1.8
Interpublic Group				4.6	2.7	2.7
Intersil Corp				0.5	0.2	0.2
Interval Leisure Group				0.1	0.0	0.0
Intuit				1.9	1.9	1.9
Intuitive Surgical				2.2	1.1	1.1
Invesco Com STK				2.1	1.5	1.5
Iron Mountain Inc				1.4	1.2	1.2
ITT Corporation	2.7	2.5	6.3	4.5	4.5	8.4
J.C. Penney	2.0	1.2	6.6	2.0	1.2	6.6
Janus Corp Group Inc				0.7	0.3	0.3
JDS Uniphase				0.5	0.2	0.2
John Bean Technologies Co				0.1	0.1	0.1
Johnson Controls				7.4	5.0	5.0
Johnson & Johnson				35.0	41.4	41.4
Joy Global Inc Com				1.4	0.6	0.6
J.P Morgan Chase and Co	11.1	10.5	41.4	42.5	38.7	69.6
Johnsen & Johnsen	14.1	14.4	61.0	14.1	14.4	61.0
Juniper Networks				2.3	1.9	1.9
K L A Instruments				1.6	1.0	1.0
Kelloggs				3.1	3.4	3.4
Keycorp				1.6	0.7	0.7
Kimberly-Clark	2.4	2.4	8.9	8.6	8.8	15.3
Kimco Realty				1.5	1.0	1.0
Kohls Corp	3.2	2.7	7.5	4.4	4.0	8.8
Kraft Foods	3.8	3.7	14.7	10.8	11.5	22.5
Kroger	2.1	2.3	11.0	2.6	3.0	11.7
Laboratory Corp of America				1.9	1.9	1.9
LAM Research				0.8	0.6	0.6
Lamar Advertising				0.6	0.2	0.2
Las Vegas Sands Corp				1.8	0.1	0.1
Lauder Estee Cos Inc CL A				3.5	3.0	3.0
Legg Mason				1.8	0.7	0.7
Legget & Platt				0.6	0.6	0.6

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NOK million	Storebrand Livsforsikring AS			Storebrand Livsforsikring Group		
	Acquisition cost	Market value	Market value include indirect investment in fund	Acquisition cost	Market value	Market value include indirect investment in fund
Lender Processing Services				1.6	2.0	2.0
Lennar				0.3	0.2	0.2
Leucadia Natl Corp Com				1.6	0.9	0.9
Level 3 Communications USD				0.8	0.3	0.3
Liberty Global A				3.2	1.7	1.7
Liberty Media Corp				2.2	2.1	2.1
Liberty Media HLDG Corp Inernational				1.9	0.5	0.5
Liberty Property Trust				0.4	0.3	0.3
Life Technologies Corp				1.1	0.8	0.8
Lilly Eli	3.7	4.0	15.4	3.7	4.0	15.4
Limited Brands				1.2	1.1	1.1
Linear Technology				1.0	1.0	1.0
Loews Corp	2.2	1.8	8.2	10.3	11.6	18.0
Lowe's Cos Inc	3.2	3.4	10.7	3.2	3.4	10.7
M&T Bank Corporation				1.1	0.9	0.9
Macerich Co Com.				0.8	0.3	0.3
Macys				5.6	2.9	2.9
Manitowoc Co Inc				3.6	1.0	1.0
Manpower				0.7	0.6	0.6
Marathon Oil Corp.	2.5	1.9	37.2	7.4	5.3	40.6
Marriot International				4.8	3.7	3.7
Marshall Ilsley				0.9	0.6	0.6
Marvell Tech GP				0.9	0.7	0.7
Masco				3.8	3.0	3.0
Mastercard				2.7	2.3	2.3
Mattel				1.6	1.5	1.5
Mcafee				1.1	1.3	1.3
McDonalds	5.8	6.7	31.9	16.8	21.7	47.0
McGraw Hill	1.9	1.3	6.0	8.0	5.7	10.3
MeadWestvaco				2.9	1.6	1.6
Medco Health Solutions	2.2	2.2	7.6	13.2	14.2	19.5
Medtronic	4.4	3.2	13.3	12.9	10.2	20.3
MEMC Electronic				5.2	1.2	1.2
Merck & Co	5.2	6.0	23.4	23.7	21.8	39.2
Merrill Lynch				8.6	2.4	2.4
Metlife	4.1	3.1	9.3	13.9	10.3	16.5
MetroPCS Communications Inc				0.4	0.5	0.5
MGM Mirage Com				2.0	0.5	0.5
Microchip Technology				1.3	1.0	1.0
Microsoft	16.2	14.6	60.4	66.4	56.7	102.5
Millipore				0.3	0.2	0.2
Mirant				1.8	1.1	1.1
Mohawk Industries				0.7	0.5	0.5
Molson Coors Brewing Co				0.7	0.9	0.9
Monsanto	5.4	4.0	14.9	19.6	15.2	26.1
Monster Worldwide Inc				0.4	0.3	0.3
Moody's				1.4	0.9	0.9
Mosaic				3.1	1.4	1.4
Motorola				2.4	1.2	1.2

NOK million	Storebrand Livsforsikring AS			Storebrand Livsforsikring Group		
	Acquisition cost	Market value	Market value include indirect investment in fund	Acquisition cost	Market value	Market value include indirect investment in fund
Morgan Stanley Dean Witter				8.3	3.8	3.8
Murphy Oil				5.0	3.6	3.6
Nabors Industries				1.9	0.9	0.9
National City				1.6	0.2	0.2
National Oilwell Varco Inc.	2.8	1.5	7.8	7.7	4.0	10.3
NetApp				1.4	1.1	1.1
Newell Rubbermaid				1.2	0.6	0.6
Newfield Exploration Co Com				1.3	0.6	0.6
Newmont Mining				6.6	6.4	6.4
News				0.9	0.5	0.5
News Corporation A	3.2	2.7	6.0	3.2	2.7	6.0
News Corp CL				5.3	3.1	3.1
New York CMNTY Bancorp				0.7	0.6	0.6
NII Holdings				1.2	0.6	0.6
Nike B	2.2	2.3	10.6	4.3	4.3	12.7
Noble Corp	2.0	1.2	17.5	7.2	4.3	20.6
Noble Energy	0.7	0.7	8.3	7.3	6.2	13.8
Norfolk Southern Corp	2.0	1.7	5.8	3.3	3.0	7.1
Northern Trust				2.9	2.6	2.6
NRG Energy Inc				0.8	0.6	0.6
NVIDIA				2.4	1.0	1.0
Occidental Petroleum	5.3	5.4	28.0	19.5	20.9	43.5
Office Depot				0.5	0.2	0.2
Old Rep Intl. Corp. Com.				0.4	0.4	0.4
Omicom				6.1	4.5	4.5
Oracle Corporation	6.2	7.0	28.4	23.0	26.0	47.3
Oshkosh Truck Corp Com				0.9	0.2	0.2
Owens Illinois				1.9	1.2	1.2
Paccar				3.5	2.9	2.9
Parker Hannifin			5.9	3.2	2.5	8.5
Partnerre				1.2	1.3	1.3
Patterson				0.6	0.4	0.4
Patterson-UTI Energy				0.6	0.4	0.4
Paychex				2.4	2.4	2.4
Peabody Energy				3.0	1.5	1.5
Pentair Inc				0.6	0.5	0.5
Peoples United Financial Inc				1.0	1.2	1.2
Pepsico Inc	8.3	7.5	30.7	36.3	34.6	57.9
Petsmart				0.6	0.5	0.5
Pfizer	9.1	10.7	46.0	38.4	40.0	75.2
PG&E Corp.	1.8	2.0	5.7	4.4	5.5	9.3
Pioneer Natural Resources				0.9	0.4	0.4
Pitney-Bowes				0.2	0.1	0.1
Plains Exploration & Production Co				0.9	0.5	0.5
Plum Creek Timber				1.5	1.6	1.6
PNC Bank				4.7	4.5	4.5
PNC Financial Services	2.5	2.0	6.6	2.5	2.0	6.6
PPG Industries				4.4	4.1	4.1
PPL Resources				6.6	5.3	5.3

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NOK million	Storebrand Livsforsikring AS			Storebrand Livsforsikring Group		
	Acquisition cost	Market value	Market value include indirect investment in fund	Acquisition cost	Market value	Market value include indirect investment in fund
Praxair	2.5	2.1	6.7	8.8	7.9	12.5
Precision Castparts				3.7	2.5	2.5
Pride Intl Inc Del Com				1.1	0.7	0.7
Principal Financial Group				2.9	1.6	1.6
Procter & Gamble	15.3	14.8	63.5	60.9	67.9	116.6
Progress Energy Derivat				0.0	0.0	0.0
Prologis				3.1	0.9	0.9
Prudential Financial Inc	4.0	1.9	6.8	8.8	4.4	9.3
Public Service Enterprise Gp	2.1	2.1	6.4	7.4	6.2	10.6
Public Storage				2.0	2.6	2.6
Qualcomm	6.2	5.6	22.0	22.3	22.6	39.0
Quest Diagnostics				1.5	2.1	2.1
Questar Corp	1.9	1.7	6.3	6.3	5.0	9.6
Qwest Communication				0.4	0.3	0.3
Regency Ctrs Corp Com Com				1.3	1.2	1.2
Regions Financial				3.3	1.4	1.4
Reliant Resources				1.3	0.4	0.4
Renaissance Re Holdings				0.7	0.8	0.8
Republic Services Inc Com				1.4	1.4	1.4
Robert Half International				0.7	0.8	0.8
Rockwell Collins	3.5	3.3	9.5	8.6	7.3	13.5
Rockwell International				4.1	3.3	3.3
Rohm & Haas				4.5	6.3	6.3
Roper Inds Inc				1.2	1.2	1.2
Ross Stores				1.1	1.5	1.5
Rowan			-11.4			-11.4
Royal Caribbean Cruises (USD)				1.4	0.6	0.6
Safeway	1.3	1.4	8.3	1.3	1.4	8.3
Salesforce.com				0.9	0.7	0.7
Sandisk				1.0	0.5	0.5
Sara Lee				5.8	5.3	5.3
Scana Corp Com				1.0	1.2	1.2
Schering-Plough Corp	2.2	2.5	8.2	2.2	2.5	8.2
Schlumberger	8.4	4.9	18.9	24.5	15.6	29.6
Seagate Technology				2.3	0.6	0.6
Sealed Air Corp				1.2	0.9	0.9
Sears Holding				2.2	1.0	1.0
Sei Investments Company				0.6	0.5	0.5
Sempra Energy				4.2	4.2	4.2
Sherwin Williams				1.2	1.9	1.9
Simon Property				4.0	3.1	3.1
Sirius XM Radio				1.2	0.1	0.1
SL Green Realty				0.9	0.3	0.3
SLM Corporation				1.9	1.1	1.1
Smucker (JM) CO	0.4	1.8	5.9	0.4	1.8	5.9
Southern	2.1	2.4	8.7	7.2	9.0	15.3
Sovereign Bancorporation				1.2	0.4	0.4
Spectra Energy				3.3	2.8	2.8
Sprint Nextel				1.3	0.3	0.3

NOK million	Storebrand Livsforsikring AS			Storebrand Livsforsikring Group		
	Acquisition cost	Market value	Market value include indirect investment in fund	Acquisition cost	Market value	Market value include indirect investment in fund
SPX Corp				1.3	0.6	0.6
St Jude Medical				2.9	2.9	2.9
Stanley Works				0.7	0.6	0.6
Staples	2.4	2.1	5.7	5.9	5.5	9.1
Starbucks				2.6	1.7	1.7
Starwood Hotels				4.4	2.1	2.1
State Street	3.0	2.1	5.8	9.3	5.7	9.5
Stryker				6.4	5.1	5.1
Sun Microsystems				2.9	0.8	0.8
Sunpower Corp				0.4	0.3	0.3
Suntrust Banks				4.4	2.5	2.5
Symantec				1.5	1.4	1.4
Synopsys				0.5	0.5	0.5
Sysco				0.5	0.5	0.5
Target Corporation	5.2	3.8	12.5	14.1	10.9	19.6
Teck Cominco B USD				0.1	0.0	0.0
Tel and Data SYS INC Com				0.7	0.6	0.6
Teradata				0.7	0.6	0.6
Terex Corp New				5.0	1.9	1.9
Texas Instruments	2.8	2.3	8.6	7.5	5.3	11.6
The Travelers Companies Inc	2.6	2.8	13.3	2.6	2.8	13.3
Thermo Fisher Scientific				8.3	6.3	6.3
Ticketmaster				0.2	0.1	0.1
Tiffany				0.3	0.2	0.2
Tim Hortons INC COM				1.6	1.7	1.7
Time Warner	4.3	3.7	12.7	5.0	4.5	13.5
Toll Brothers				0.4	0.5	0.5
Toronto Dominion Bank (USA)				1.4	1.0	1.0
Total System Services				0.2	0.1	0.1
Transocean Ltd	3.2	1.5	7.7	8.5	5.2	11.4
Travelers				6.4	7.6	7.6
Tree.com				0.0	0.0	0.0
Trowe Price Group				2.5	2.2	2.2
Tyco Electronics	2.3	1.6	6.5	5.9	3.9	8.8
Tyco International				4.7	3.2	3.2
UDR,namnändr fr UTD DominionRLIY 070319				1.0	0.8	0.8
Ultra Pete Corp Com NPV				2.2	1.3	1.3
Union Pacific Corp	3.1	2.5	8.4	7.7	6.8	12.8
United Health Group	3.1	3.7	14.8	13.3	10.6	21.7
United Parcel Services	4.0	3.9	14.9	11.8	11.5	22.4
United States Steel				2.6	1.2	1.2
Unum Group				1.5	1.5	1.5
US Bancorp	4.8	4.1	16.1	18.1	17.0	29.0
U S T Inc				3.1	4.7	4.7
Wachovia				14.9	3.3	3.3
Valero Energy	2.7	2.1	6.0	6.6	3.9	7.8
Verizon Communications	7.0	8.7	35.1	7.0	8.7	35.1
Visa Inc - Class A shares	2.4	2.3	8.2	2.4	2.3	8.2
Wallgreen	2.9	2.6	11.4	12.6	11.0	19.8

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NOK million	Storebrand Livsforsikring AS			Storebrand Livsforsikring Group		
	Acquisition cost	Market value	Market value include indirect investment in fund	Acquisition cost	Market value	Market value include indirect investment in fund
Walt Disney	4.9	4.1	15.2	14.0	12.0	23.1
Varian Medical System				5.4	4.7	4.7
Washington Mutual				2.8	0.0	0.0
Washington Post Co				2.9	2.2	2.2
Waste Mangement	2.0	2.3	7.3	9.6	11.9	16.9
Waters				3.3	2.7	2.7
Wellpoint Inc	2.2	2.3	11.3	8.1	6.2	15.3
Wells Fargo	8.1	8.3	34.4	29.7	35.4	61.4
Wyeth	4.0	4.7	17.9	4.0	4.7	17.9
Ventas Inc				1.0	1.0	1.0
Verisign				1.5	1.0	1.0
Verizon Communications				25.8	29.7	29.7
Vertex Pharmaceuticals Inc				0.3	0.6	0.6
Western Digital				1.1	0.5	0.5
The Western Union				3.2	2.8	2.8
VF Corporation				1.8	1.6	1.6
Whirlpool				3.6	2.2	2.2
Whole Foods Market				1.1	0.3	0.3
Viacom				6.0	3.7	3.7
Williams				4.3	2.3	2.3
Williams Sonoma Inc Com				0.4	0.1	0.1
Willis Group Holdings				0.9	0.8	0.8
Windstream				2.5	2.5	2.5
Virgin Media				0.6	0.3	0.3
Wisconsin Energy Corp				1.2	1.3	1.3
Vornado Realty Trust				2.5	2.1	2.1
Wyeth				8.1	9.2	9.2
Wynn Resorts				1.4	0.6	0.6
Xerox				6.5	4.3	4.3
Xilinx				1.1	1.1	1.1
XTO Energy	2.9	2.5	7.1	5.7	4.6	9.2
Yahoo				6.7	3.5	3.5
Yum Brands	2.8	2.8	7.7	9.1	9.8	14.7
Zimmer Holdings				3.3	2.3	2.3
Zions Bancorp				0.8	0.5	0.5
<b>Total</b>	<b>841.0</b>	<b>861.0</b>	<b>2 508.7</b>	<b>3 206.6</b>	<b>2 857.6</b>	<b>4 505.2</b>
<b>Austria</b>						
Erste Group Bank				3.2	1.5	1.5
Omv	2.2	1.4	5.9	5.8	3.0	7.4
Raiffeisen International Bank Holding				3.2	0.8	0.8
Telecom Austria				0.6	0.5	0.5
Wienerberger				0.2	0.1	0.1
Vienna Insurance				2.9	1.6	1.6
Österr El AG				1.4	1.0	1.0
<b>Total</b>	<b>2.2</b>	<b>1.4</b>	<b>5.9</b>	<b>17.3</b>	<b>8.4</b>	<b>12.8</b>

NOK million	Storebrand Livsforsikring AS			Storebrand Livsforsikring Group		
	Acquisition cost	Market value	Market value include indirect investment in fund	Acquisition cost	Market value	Market value include indirect investment in fund
<b>Other European shares</b>						
European Property Invest Spec Opport,LP				25.1	25.4	25.4
<b>Total</b>				<b>25.1</b>	<b>25.4</b>	<b>25.4</b>
<b>Other shares not specified</b>						
Not specified	583.9	433.1	1 614.4	1 981.7	1 830.9	3 012.2
<b>Total foreign shares</b>	<b>3 302.7</b>	<b>3 117.3</b>	<b>7 892.3</b>	<b>14 203.9</b>	<b>12 083.3</b>	<b>16 858.3</b>
Of which listed international equities	1 882.2	1 536.5	6 681.8	12 338.4	9 656.9	14 802.3
<b>Total shares</b>	<b>5 666.2</b>	<b>4 728.6</b>	<b>10 302.7</b>	<b>16 601.7</b>	<b>13 711.4</b>	<b>19 285.6</b>
<b>Mutual investments managed by Storebrand Kapitalforvaltning</b>						
Delphi Europa	292.1	252.6		292.1	252.6	
Delphi Norden	175.5	151.2		175.5	151.2	
Delphi Norge	117.6	68.8		117.6	68.8	
Delphi Vekst	2.6	1.5		2.6	1.5	
Delphi Verden	164.5	121.4		178.7	134.5	13.1
Storebrand Aksje Innland	545.4	370.2		545.4	370.2	
Storebrand Alpha SICAV-Europe Class M	404.6	540.2		404.6	540.2	
Storebrand Alpha SICAV-Global Energy Class I	356.2	426.9		356.2	426.9	
Storebrand Asia	49.6	47.0		49.6	47.0	
Storebrand Asia Pacific Indeks I	355.2	347.6		355.2	347.6	
Storebrand Energi	23.6	28.0		23.6	28.0	
Storebrand Europa I	867.5	665.8		867.5	665.8	
Storebrand Futura 2	10.0	8.4		10.0	8.4	
Storebrand Global	290.0	197.8		290.0	197.8	
Storebrand Global Indeks I	1 736.6	1 465.1		1 736.6	1 465.1	
Storebrand Global Quant Equity	1 060.2	700.3		1 060.2	700.3	
Storebrand Japan	48.0	35.7		48.0	35.7	
Storebrand Nord Amerika I	1 203.9	1 083.1		1 203.9	1 083.1	
Storebrand Norge	85.2	56.3		86.4	57.1	0.8
Storebrand Pensjonspar	54.5	52.3		54.5	52.3	
Storebrand Pionér	8.7	5.2		8.7	5.2	
Storebrand Teknologi	43.9	32.0		43.9	32.0	
Storebrand Vekst	1.8	1.1		1.8	1.1	
Storebrand Verdi	437.9	282.9		437.9	282.9	
Storebrand WGA Health Care	97.4	102.1		97.4	102.1	
Other mutual investments			1 367.5			1 367.5
<b>Total</b>	<b>8 432.5</b>	<b>7 043.5</b>	<b>1 367.5</b>	<b>8 447.9</b>	<b>7 057.3</b>	<b>1 381.4</b>
<b>Mutual investments managed by SPP Fondförsäkring</b>						
Blackrock Emerging Europe Fund				0.4	0.4	0.4
Blackrock Global Opportunities Fund				0.4	0.4	0.4
Blackrock New Energy A2 Acc				-0.4	-0.4	-0.4
Blackrock US Focused Value Fund				0.5	0.5	0.5
Blackrock US Opportunities Fund				-0.2	-0.2	-0.2

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NOK million	Storebrand Livsforsikring AS			Storebrand Livsforsikring Group		
	Acquisition cost	Market value	Market value include indirect investment in fund	Acquisition cost	Market value	Market value include indirect investment in fund
Blackrock World Energy				0.2	0.2	0.2
Blackrock World Mining Fund				-0.7	-0.7	-0.7
Delphi Verden				0.1	0.1	0.1
FF Asian Special Situations				0.4	0.4	0.4
FF China Focus Fund				0.1	0.1	0.1
FF Emerging Eur, Mid East & Africa				0.1	0.1	0.1
FF Global Sector Fund				0.5	0.5	0.5
FF Pacific Fund				0.1	0.1	0.1
JPM Europe Small Cap Fund				0.3	0.3	0.3
JPM Global Focus Fund A				-0.1	-0.1	-0.1
JPM Japan Select Equity				0.5	0.5	0.5
Odin Offshore				0.3	0.3	0.3
SEB Direct Optimera - 729				0.0	0.0	0.0
SEB Fondkompassen 50/50 -720				0.0	0.0	0.0
SEB Fondkompassen - 536				0.0	0.0	0.0
SHB Amerikafonden				0.0	0.0	0.0
SHB Asienfonden				0.2	0.2	0.2
SHB AstraZenecafonden				0.1	0.1	0.1
SHB Europa aggressiv				0.1	0.1	0.1
SHB Europafonden				0.1	0.1	0.1
SHB Europa Selektiv				0.0	0.0	0.0
SHB Flermarknadsfonden				0.2	0.2	0.2
SHB Fond i Fond 50				0.2	0.2	0.2
SHB Fond i Fond 100				0.2	0.2	0.2
SHB Indienfonden				0.6	0.6	0.6
SHB IT-fonden				0.1	0.1	0.1
SHB Japanfonden				0.4	0.4	0.4
SHB Latinamerikafonden				0.2	0.2	0.2
SHB Läkemiddelsfonden				0.2	0.2	0.2
SHB Norden aggressiv				0.1	0.1	0.1
SHB Nordenfonden				0.1	0.1	0.1
SHB Norden Selektiv				0.1	0.1	0.1
SHB Norden småbolag				0.1	0.1	0.1
SHB Norgefonden				0.2	0.2	0.2
SHB Placeringsfonden Finland				0.1	0.1	0.1
SHB Reavinstfonden				0.1	0.1	0.1
SHB Rysslandsfond				0.2	0.2	0.2
SHB Småbolagsfonden				0.2	0.2	0.2
SHB Sverige Index Etisk				0.1	0.1	0.1
SHB Sverige Selektiv				0.1	0.1	0.1
SHB Sverige/Världen				0.2	0.2	0.2
SHB Tillväxtmarknadsfonden				-0.4	-0.4	-0.4
SHB Östeuropafonden				0.1	0.1	0.1
Skagen Global				-0.2	-0.2	-0.2
Skagen Kon-Tiki				-0.2	-0.2	-0.2
SPP Aktieindex Japan				0.0	0.0	0.0
SPP Aktieindex Sverige				0.2	0.2	0.2
SPP Frihet Aktie				0.2	0.2	0.2

NOK million	Storebrand Livsforsikring AS			Storebrand Livsforsikring Group		
	Acquisition cost	Market value	Market value include indirect investment in fund	Acquisition cost	Market value	Market value include indirect investment in fund
SPP Frihet Aktieindex Europa				0.3	0.3	0.3
SPP Frihet Aktieindex USA				0.2	0.2	0.2
SPP Generation 50				0.7	0.7	0.7
SPP Generation 60				0.5	0.5	0.5
SPP Generation 70				0.3	0.3	0.3
SPP Generation 80				0.2	0.2	0.2
SPP Index Global Sustainability				0.2	0.2	0.2
Storebrand Norge				0.2	0.2	0.2
TRP US Large Cap Value Eq				0.4	0.4	0.4
<b>Other mutual investments</b>				<b>9.3</b>	<b>9.3</b>	<b>9.3</b>
Aberdeen European Shopping Property Fun				307.5	358.6	358.6
Aberdeen Indirect Property Partners Asi				76.9	92.9	92.9
Abn Amro Infrastructure Capital Equity Partners	268.9	316.0	316.0	268.9	316.0	316.0
ACCEL VIII L. P.	13.8	7.8	7.8	13.8	7.8	7.8
AIPP Active - Partial Draw Down	405.3	489.2	489.2	405.3	489.2	489.2
Aker Asset Management Absolute Return Company plc	50.0	66.2	66.2	50.0	66.2	66.2
Alliance Venture Internal Partners	10.1	7.6	7.6	10.1	7.6	7.6
AllianceBernstein Global Value	8.4	6.1	6.1	8.4	6.1	6.1
Apax Europe V - E, L.P.	35.6	27.9	27.9	35.6	27.9	27.9
Apax France V	8.5	18.4	18.4	8.5	18.4	18.4
Apax France VI	43.1	61.3	61.3	43.1	61.3	61.3
AXA Alternativ Property Inv.	83.5	98.5	98.5	83.5	98.5	98.5
Bain Capital Fund VII P581&P985	33.3	29.8	29.8	33.3	29.8	29.8
BelAir (Lux) Sustain. Altern. SRI FUND Class BB	535.7	706.1	706.1	535.7	706.1	706.1
Belair Lux Sustainable Alternatives SRI				269.2	345.9	345.9
Black Rock Emerging Europe FD-Euro A2	31.0	14.1	14.1	31.0	14.1	14.1
Black Rock World Energy	10.6	8.3	8.3	10.6	8.3	8.3
Blackrock Emerging Europe Fund				1.5	1.0	1.0
Blackrock Global Opportunities Fund				0.9	0.8	0.8
Blackrock New Energy A2 Acc				48.7	33.3	33.3
Blackrock US Focused Value Fund				2.2	2.0	2.0
Blackrock US Opportunities Fund				59.3	50.5	50.5
Blackrock World Energy				4.7	3.7	3.7
Blackrock World Mining Fund				71.7	35.4	35.4
Bridgepoint - The Second European PE Fund E	27.8	36.3	36.3	27.8	36.3	36.3
Carlye Europe Real Estate Partners L.P.	199.2	236.1	236.1	199.2	236.1	236.1
Carlye Europe Real Estate Partners L.P. II	77.4	120.5	120.5	77.4	120.5	120.5
Carlye Europe Real Estate Partners L.P. III	90.4	93.3	93.3	90.4	93.3	93.3
Carlyle European Venture Partners L.P.	22.3	6.6	6.6	22.3	6.6	6.6
CBRE Strategic Property Partners UK	172.8	65.4	65.4	172.8	65.4	65.4
Credit Suisse Global Infrastructure				279.4	329.1	329.1
DB X-Trackers MSCI Emerg. Mkt Trn Idx F				616.4	366.8	366.8
Deutsche Bank X-tracker MSCI Europe				70.2	69.7	69.7
EQT IV ISS Co-Investment LP	39.5	79.8	79.8	39.5	79.8	79.8
European Office Income Venture	152.4	249.3	249.3	152.4	249.3	249.3
European Property Invesators	72.5	95.0	95.0	72.5	95.0	95.0

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NOK million	Storebrand Livsforsikring AS			Storebrand Livsforsikring Group		
	Acquisition cost	Market value	Market value include indirect investment in fund	Acquisition cost	Market value	Market value include indirect investment in fund
European Retail Income Venture	196.4	236.1	236.1	196.4	236.1	236.1
FF Asian Special Situations				0.7	0.7	0.7
FF China Focus Fund				28.8	23.5	23.5
FF Emerging Eur, Mid East & Africa				30.7	24.1	24.1
FF Global Sector Fund				2.1	1.7	1.7
FF Pacific Fund				126.8	67.1	67.1
Frogmore Real Estate Partners L.P.	131.0	80.5	80.5	131.0	80.5	80.5
FSN Capital Limited Partnership II	36.3	45.8	45.8	36.3	45.8	45.8
Fundlogix Emerging Markets SRI (SICAV SP)	253.2	168.4	168.4	253.2	168.4	168.4
Global Health Care Equity Portofolio			101.8			101.8
Global Microfinance Equity Offshore Fund, L.P.	7.6	10.5	10.5	12.9	17.4	17.4
Grainger unitholder No.1 Limited	194.1	129.8	129.8	194.1	129.8	129.8
HealthCap III Sidefund KB	9.1	7.2	7.2	9.1	7.2	7.2
HealthCap III, KB	68.2	32.9	32.9	68.2	32.9	32.9
Heitman European Property Partners III	134.2	163.4	163.4	134.2	163.4	163.4
Henderson PFI	145.8	135.9	135.9	145.8	135.9	135.9
Herkules Private Equity (GP-I) Limited	7.5	45.3	45.3	7.5	45.3	45.3
Ikke spesifisert	128.9	52.4	52.4	128.9	52.4	52.4
Invesco GT PRC (Kina)	104.4	72.0	72.0	104.4	72.0	72.0
Ishares MSCI Pacific ex Japan				12.7	10.8	10.8
J.W. Childs III, L.P.	28.6	46.7	46.7	28.6	46.7	46.7
JPM Europe Small Cap Fund				5.3	3.3	3.3
JPM Global Focus Fund A				428.8	247.8	247.8
JPM Japan Select Equity				2.7	2.5	2.5
JPMorgan Infrastructure Investments Fund (IIF)	551.4	690.9	690.9	551.4	690.9	690.9
Lasalle Euro Growth II	111.9	141.6	141.6	111.9	141.6	141.6
Macquarie European Infrastructure Fund II - Eqfund	310.7	393.2	393.2	310.7	393.2	393.2
Macquarie Global Property Advisors Asia Fund III	28.7	27.0	27.0	28.7	27.0	27.0
Menlo Ventures IX	73.0	66.6	66.6	73.0	66.6	66.6
Msdw Sicav Latin America	34.8	21.8	21.8	34.8	21.8	21.8
ODIN EUROPA SMB	11.6	7.2	7.2	11.6	7.2	7.2
Odin Offshore				4.7	2.5	2.5
Outlet Mall Fund	324.2	462.7	462.7	324.2	462.7	462.7
Pradera European Retail Fund	165.0	232.9	232.9	165.0	232.9	232.9
S & P Depository Receipt (ETF)				125.6	118.3	118.3
Schroder BRIC	20.4	13.6	13.6	20.4	13.6	13.6
SHB Aktiefond Index A1				108.1	85.4	85.4
SHB Amerikafonden				83.2	77.1	77.1
SHB Asienfonden				149.4	119.3	119.3
SHB AstraZenecafonden				2.9	2.4	2.4
SHB Europa aggressiv				25.2	21.8	21.8
SHB Europa Index A1				46.4	35.7	35.7
SHB Europa Selektiv				18.3	15.0	15.0
SHB Europafonden				27.6	25.2	25.2
SHB Flermarknadsfonden				12.8	11.7	11.7
SHB Fond i Fond 100				65.8	47.2	47.2
SHB Fond i Fond 50				36.5	31.4	31.4
SHB Indienfonden				169.2	103.3	103.3

NOK million	Storebrand Livsforsikring AS			Storebrand Livsforsikring Group		
	Acquisition cost	Market value	Market value include indirect investment in fund	Acquisition cost	Market value	Market value include indirect investment in fund
SHB IT-fonden				12.1	8.8	8.8
SHB Japanfonden				15.0	11.7	11.7
SHB Latinamerikafonden				181.6	139.4	139.4
SHB Läkemedelsfonden				56.5	53.3	53.3
SHB Norden aggressiv				23.2	16.2	16.2
SHB Norden Selektiv				19.2	13.4	13.4
SHB Norden småbolag				138.2	88.4	88.4
SHB Nordenfonden				44.3	32.5	32.5
SHB Norgefonden				42.9	21.8	21.8
SHB Placeringsfonden Finland				20.1	13.0	13.0
SHB Reavinstfonden				19.8	12.5	12.5
SHB Rysslandsfond				35.9	14.2	14.2
SHB Småbolagsfonden				72.2	50.4	50.4
SHB Sverige Selektiv				24.0	16.4	16.4
SHB Sverige Index Etisk				3.8	2.3	2.3
SHB Sverige/Världen				8.2	5.5	5.5
SHB Tillväxtmarknadsfonden				198.9	162.0	162.0
SHB Östeuropafonden				186.9	112.1	112.1
Skagen Global Fund	265.8	221.0	221.0	321.7	271.5	271.5
Skagen Kon-Tiki	329.6	261.7	261.7	362.1	289.6	289.6
SPP Aktieindex Japan				104.2	84.0	84.0
SPP Aktieindex Sverige				598.9	457.9	457.9
SPP Frihet Aktie				614.9	518.8	518.8
SPP Frihet Aktieindex Europa				586.2	466.6	466.6
SPP Frihet Aktieindex USA				343.9	269.7	269.7
SPP Generation 50				6 141.7	5 275.0	5 275.0
SPP Generation 60				6 736.9	5 266.9	5 266.9
SPP Generation 70				2 256.8	1 823.7	1 823.7
SPP Generation 80				80.2	63.7	63.7
SPP Index Global Sustainability				87.1	66.4	66.4
Storebrand AGFIX				156.1	169.0	169.0
Storebrand Emerging Private Equity Markets 2007 B3	220.0	267.4	267.4	220.0	267.4	267.4
Storebrand Emerging Private Equity Markets B3	110.0	109.0	109.0	110.0	109.0	109.0
Storebrand Global Energi				53.4	66.7	66.7
Storebrand Horizon Ltd C-3				270.5	272.4	272.4
Storebrand International Private Equity III KB	0.1	16.2	16.2	0.1	16.2	16.2
Storebrand International Private Equity IV - B2	351.3	489.4	489.4	351.3	489.4	489.4
Storebrand International Private Equity V Ltd - B3	658.4	697.2	697.2	658.4	697.2	697.2
Storebrand International Private Equity VI Ltd -B3	750.0	740.0	740.0	750.0	740.0	740.0
Storebrand International Private Equity VII Ltd-B3	540.0	555.6	555.6	540.0	555.6	555.6
Storebrand International Private Equity VIII LtdB3	180.0	175.5	175.5	314.7	305.0	305.0
Storebrand L/S Europe				53.5	58.4	58.4
Storebrand Multi Strategy Limited - class C-3	1 079.2	1 366.0	1 366.0	1 512.1	1 835.8	1 835.8
Storebrand Norwegian Private Equity 2006 Ltd. - B3	225.0	210.6	210.6	225.0	210.6	210.6

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NOK million	Storebrand Livsforsikring AS			Storebrand Livsforsikring Group		
	Acquisition cost	Market value	Market value include indirect investment in fund	Acquisition cost	Market value	Market value include indirect investment in fund
Storebrand Norwegian Private Equity 2007 Ltd. - B3	80.0	84.1	84.1	80.0	84.1	84.1
Storebrand Selecta Limited - Class C-3	202.9	325.6	325.6	527.5	707.1	707.1
Storebrand Special Opportunities II Ltd. - B3	1 000.3	962.9	962.9	1 000.3	962.9	962.9
Storebrand Special Opportunities Ltd. - B3	1 000.0	884.2	884.2	1 000.0	884.2	884.2
T Rowe Price-US LG CP VAL-A	11.9	10.3	10.3	11.9	10.3	10.3
T.Rowe Price Global Em mkt. Eq. - class 1	80.8	46.3	46.3	80.8	46.3	46.3
Topix ETF				30.9	32.6	32.6
TransEuropean Property Ltd.Partnership III	110.5	157.1	157.1	110.5	157.1	157.1
TRP US Large Cap Value Eq				0.1	0.1	0.1
Verdane V B K/S	15.0	14.8	14.8	15.0	14.8	14.8
Wand Partners	63.7	57.1	57.1	63.7	57.1	57.1
XACT OMXSB				169.6	109.8	109.8
<b>Total other mutual investments</b>	<b>12 743.9</b>	<b>13 775.9</b>	<b>13 877.7</b>	<b>36 440.4</b>	<b>33 384.9</b>	<b>33 486.8</b>
<b>Total mutual investments</b>	<b>21 176.4</b>	<b>20 819.3</b>	<b>15 245.2</b>	<b>44 897.6</b>	<b>40 451.6</b>	<b>34 877.5</b>
<b>Total shares and participations</b>	<b>26 842.6</b>	<b>25 547.9</b>	<b>25 547.9</b>	<b>61 499.3</b>	<b>54 163.0</b>	<b>54 163.0</b>

#### EXPOSURE IN THE STOCK MARKET 2008

##### Storebrand Livsforsikring AS

The company's stock investments are divided between the four regions: Norway, Europe, North America and Asia.

The investments will be distributed over these regions base on ratios stated in the company's investment policy, unless the asset manager's market vision suggests other alternatives. The risk and return related to departure from the investment policy is carefully monitored.

Material positions in non-listed stocks will only be found in the company's "private equity" investment portfolio. Such investments are considered to be more risky and have a higher return compared to more conventional investments in listed companies, and will normally have a lower degree of liquidity in the period prior to its introduction to a stock exchange listing. At year end, the "private equity" portfolio had a market value of approx. NOK 10 billion.

##### SPP

As part of SPP's investment strategy, a dynamic risk management model is developed and the portion of stocks will vary relative to the solidity of the company. This means that investments in risky assets will be limited to the proper portion of the company's risk bearing means at all times.

## 14 Parent company's holding of shares in subsidiaries and associated companies

NOK million			Book value 31.12.	
Company	Interest in %	Voting interest in %	2008	2007
Aktuar Systemer AS, Filipstad Brygge 1, 0114 Oslo	100.0%	100.0%	3.9	3.9
Storebrand Pensjonstjenester AS, Filipstad Brygge 1, 0114 Oslo	100.0%	100.0%	4.8	4.8
AS Værdalsbruket, 7660 Vuku	74.9%	74.9%	44.6	44.6
Storebrand Eiendom AS, Filipstad Brygge 1, 0114 Oslo	100.0%	100.0%	0.8	0.8
Storebrand Holding AB, Stockholm	100.0%	100.0%	4 783.7	6 916.6
Storebrand Finansiell Rådgivning, Filipstad Brygge 1, 0114 Oslo	100.0%	100.0%	114.6	43.3
Storebrand Eiendom Holding AS, Filipstad Brygge 1, 0114 Oslo *)	100.0%	100.0%	24 354.2	
Foran Real Estate, Latvia	57.5%	57.5%	442.4	173.4
<b>Subsidiaries</b>			<b>29 749.0</b>	<b>7 187.4</b>
Storebrand Baltic, Litauen			5.0	
<b>Jointly-controlled companies</b>			<b>5.0</b>	<b>0.0</b>
Nordben Life and Pension Insurance Co. LTD	25.0%	25.0%	64.4	65.8
Active Travel AS	40.0%	40.0%		2.0
Norsk Pensjon AS	25.0%	25.0%	3.6	3.6
Caveo ASA	48.7%	48.7%		93.7
<b>Associated companies Storebrand Livsforsikring AS</b>			<b>68.0</b>	<b>165.1</b>
<b>Total investment in subsidiaries, associated companies and jointly-controlled companies</b>			<b>29 822.0</b>	<b>7 352.5</b>

\*) In the in the 2007 accounts presentation, the investment in Storebrand Eiendom Holding AS was classified as investment in real estate.

### Associated companies Storebrand Livsforsikring Group

NOK million						Book value 31.12.	
Company	Interest in %	Voting interest in %	Book value 01.01.	Addition/ disposal	Recognised profit	2008	2007
Norsk Pensjon AS	25,0 %	25,0 %	3.6			3.6	3.6
InnTre Holding AS	34,3 %	34,3 %	46.6	-2.9	0.3	44.0	46.6
Active Travel AS			2.0	1.0	-3.0		2.0
Caveo ASA			93.7	-24.3	-69.4		93.7
<b>Associated companies Storebrand Livsforsikring Group</b>			<b>145.9</b>	<b>-26.2</b>	<b>-72.1</b>	<b>47.6</b>	<b>145.9</b>

## 15 Bonds and other fixed-income securities

### Storebrand Livsforsikring AS

NOK million	Commercial paper	Bonds	Total	Bond fund	Security lending, collateral, cash reinvested in interest bearing securities	Total 2008	Total 2007
<b>Commercial paper, bonds and bond funds, fair value</b>							
Fair value	5 812.8	78 396.5	84 209.3	4 763.8	583.6	89 556.7	48 553.3
of which listed securities	3 527.7	69 643.1	73 170.8	7.7		73 178.5	31 912.2
Direct investment in bonds and commercial paper	5 812.8	78 396.5	84 209.3		583.6	84 792.9	40 396.9
Indirect investments in commercial paper and bonds through mutual funds managed by Storebrand	1 105.7	3 588.9	4 694.6			4 694.6	6 047.7
Bond fund not managed by Storebrand							719.7
<b>Base amount for analysis by currency</b>	<b>6 918.5</b>	<b>81 985.4</b>	<b>88 903.9</b>		<b>583.6</b>	<b>89 487.5</b>	<b>47 164.3</b>

Modified duration (interest sensitivity)	0.53	2.96	2.77
Average effective yield	2.71	3.83	3.81

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

NOK million	Commercial paper	Bonds	Total	Bond fund	Security lending, collateral, cash reinvested in interest bearing securities	Total 2008	Total 2007
<b>By currency</b>							
NOK	5 504.1	61 794.6	67 298.7			67 298.7	49.6
EUR		11 312.3	11 312.3			11 312.3	409.1
USD	1 414.4	5 848.3	7 262.7		583.6	7 846.3	91.0
DKK		71.3	71.3			71.3	145.2
GBP		834.8	834.8			834.8	13 716.5
CAD		355.1	355.1			355.1	1 025.4
SEK		154.5	154.5			154.5	820.9
JPY		1 566.5	1 566.5			1 566.5	23 703.2
CHF							130.6
AUD		48.1	48.1			48.1	7 072.8
<b>Total</b>	<b>6 918.4</b>	<b>81 985.4</b>	<b>88 903.8</b>		<b>583.6</b>	<b>89 487.5</b>	<b>47 164.3</b>

## Storebrand Livsforsikring Group

NOK million	Commercial paper	Bonds	Total	Bond fund	Security lending, collateral, cash reinvested in interest bearing securities	Total 2008	Total 2007
<b>Commercial paper, bonds and bond funds, fair value</b>							
Market value	14 557.4	148 236.3	162 793.7	9 568.3	583.6	172 945.6	108 404.8
Of which listed securities	12 272.3	139 151.7	151 424.0	7.7		151 431.7	89 875.6
Direct investment in bonds and commercial paper	14 557.4	148 236.3	162 793.7	4 804.5	583.6	168 181.8	100 248.4
Indirect investments in commercial paper and bonds through mutual funds managed by Storebrand	1 105.7	3 588.9	4 694.6			4 694.6	6 047.7
Bond fund not managed by Storebrand							719.7
<b>Base amount for analysis by currency</b>	<b>15 663.1</b>	<b>151 825.2</b>	<b>167 488.3</b>	<b>4 804.5</b>	<b>583.6</b>	<b>172 876.5</b>	<b>107 015.8</b>

### Norwegian activities

Modified duration (interest sensitivity)	0.53	2.96	2.77
Average effective yield	2.71	3.83	3.81

### Swedish activities

Modified duration (interest sensitivity)	0.25	4.35	3.87
Average effective yield	2.44	2.84	2.79

The effective yield for each security is calculated using the observed market price. For the Swedish activities the effective rate is quoted.

Calculated effective yields are weighted to give an average effective yield on the basis

NOK million	Commercial paper	Bonds	Total	Bond fund	Security lending, collateral, cash reinvested in interest bearing securities	Total 2008	Total 2007
<b>By currency</b>							
NOK	5 504.1	61 794.6	67 298.7			67 298.7	49.6
EUR		15 312.5	15 312.5	5.4		15 317.9	409.1
USD	1 414.4	5 848.3	7 262.7		583.6	7 846.3	91.0
DKK		1 643.6	1 643.6			1 643.6	145.2
GBP		834.8	834.8			834.8	16 236.9
CAD		355.1	355.1			355.1	1 025.4
SEK	8 744.7	64 421.7	73 166.4	4 799.1		77 965.5	820.9
JPY		1 566.5	1 566.5			1 566.5	23 703.2
CHF							57 461.7
AUD		48.1	48.1			48.1	7 072.8
<b>Total</b>	<b>15 663.1</b>	<b>151 825.2</b>	<b>167 488.3</b>	<b>4 804.5</b>	<b>583.6</b>	<b>172 876.5</b>	<b>107 015.8</b>

## 16 Bonds at amortised cost

NOK million	2008				2007	
	Nominal Value	Acquisition cost	Book value	Fair value	Book value	Fair value
Bonds held to maturity					27 460.4	27 972.3
Other bonds at amortised cost	24 163.7	21 382.1	22 364.6	22 049.4	12 919.7	12 447.8
<b>Total bonds</b>	<b>24 163.7</b>	<b>21 382.1</b>	<b>22 364.6</b>	<b>22 049.4</b>	<b>40 380.1</b>	<b>40 420.1</b>
Modified duration (interest rate sensitivity)				3.9		4.0
Average effective yield			4.9	5.2	5.4	5.4

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

## 17 Reclassification of interest bearing- paper - held to maturity portfolio

In December 2008, Storebrand changed its intention to not to hold all instruments included in the hold-to-maturity category to maturity. The entire portfolio was reclassified and included in the category available-for-sale, cf. IAS 39.

At the time of the reclassification the portfolio was booked at NOK 31,331 million. At the same point in time the fair value amounted to NOK 33,363 million. The excess value of NOK 2,032 million was recognised directly against equity. As per 31 December 2008, the change in value amounted to a total of NOK 1,779 million. The hold-to-maturity portfolio has been included as part of the customer assets in Storebrand Livsforsikring AS. The corresponding change in value associated with the insurance-related liabilities was recognised directly against equity, cf. IFRS 4. The increase due to change in values has increased the booked return to customers. This has directly and indirectly resulted in reduced use of owner's capital (by about NOK 0.6 billion) to meet the running interest rate guarantee.

The Storebrand group will be prevented from using the hold-to-maturity category in 2009 and 2010 because of the reclassification.

NOK million

Reclassification timepoint:		18.12.08
Book value		31 331
Fair value		33 363
		31.12.08
Book value		31 396
Fair value		33 169
Effect on result if not reclassified		-1 779

## 18 Financial derivatives

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

### Nominal volume

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

## Storebrand Livsforsikring AS

NOK million	Net nominal volume	Gross nominal volume	Average nominal volume	Fair value		Fair value hedging	
				Assets	Liabilities	Assets	Liabilities
Share options	-4 597.8	7 428.1	12 302.7	2 579.8			
Stock index futures	904.6	2 355.1	6 856.1				
<b>Total equity derivatives 2008</b>	<b>-3 693.3</b>	<b>9 783.3</b>	<b>19 158.9</b>	<b>2 579.8</b>			
<b>Total equity derivatives 2007</b>	<b>28 342.1</b>	<b>15 660.2</b>	<b>-6 114.8</b>	<b>461.1</b>			
Forward rate agreements	-70 958.6	542 893.2	771 065.3	1 529.4	-1 796.8		
Interest rate futures	1 219.3	4 518.1	8 523.3				
Interest rate swaps	14 950.9	55 650.7	70 922.1	1 545.0	-677.9	75.8	
Interest rate options	-7 500.0	7 500.0	7 529.3	39.9			
<b>Total interest rate derivatives 2008</b>	<b>-62 288.4</b>	<b>610 562.0</b>	<b>858 040.0</b>	<b>3 114.3</b>	<b>-2 474.7</b>	<b>75.8</b>	
<b>Total interest rate derivatives 2007</b>	<b>960 569.1</b>	<b>851 051.2</b>	<b>-104 402.3</b>	<b>761.6</b>	<b>-989.8</b>		
Foreign exchange forwards	-45 886.7	91 483.3	90 687.5	1 269.4	-5 244.8		
Basis swaps	397.8	397.8	1.5	2.8			
<b>Total currency derivatives 2008</b>	<b>-45 488.8</b>	<b>91 881.1</b>	<b>90 689.0</b>	<b>1 272.3</b>	<b>-5 244.8</b>		
<b>Total currency derivatives 2007</b>	<b>123 997.8</b>	<b>98 922.4</b>	<b>-61 514.8</b>	<b>1 174.3</b>	<b>-635.2</b>		
Credit derivatives	1 956.1	8 646.1	16 454.8	582.2	-685.5		
<b>Total credit derivatives 2008</b>	<b>1 956.1</b>	<b>8 646.1</b>	<b>16 454.8</b>	<b>582.2</b>	<b>-685.5</b>		
<b>Total credit derivatives 2007</b>	<b>13 224.3</b>	<b>16 769.3</b>	<b>4 986.3</b>	<b>52.8</b>	<b>-91.8</b>		
<b>Total derivatives 2008</b>	<b>-109 514.4</b>	<b>720 872.5</b>	<b>984 342.7</b>	<b>7 548.5</b>	<b>-8 405.0</b>	<b>75.8</b>	
<i>Indirect investments in funds</i>				859.1	-1 002.5		
<i>Book value 2008</i>				6 689.4	-7 402.5	75.8	
<i>Indirect investments in funds</i>				-700.8	674.1		
<b>Total derivatives 2007</b>	<b>1 126 133.3</b>	<b>982 403.1</b>	<b>-167 045.6</b>	<b>1 749.0</b>	<b>-1 042.6</b>		

## Storebrand Livsforsikring Group

NOK million	Net nominal volume	Gross nominal volume	Average nominal volume	Fair value		Fair value hedging	
				Assets	Liabilities	Assets	Liabilities
Share options	-4 597.8	18 776.0	12 302.7	2 579.8			
Stock index futures	8 801.9	9 614.9	13 727.2	45.2	-93.0		
<b>Total equity derivatives 2008</b>	<b>4 204.0</b>	<b>28 390.9</b>	<b>26 029.9</b>	<b>2 624.9</b>	<b>-93.0</b>		
<b>Total equity derivatives 2007</b>	<b>47 608.8</b>	<b>34 000.2</b>	<b>4 962.8</b>	<b>1 577.8</b>	<b>-97.6</b>		
Forward rate agreements	-69 303.7	544 989.1	772 720.2	1 529.4	-1 801.2		
Interest rate futures	1 233.5	7 441.0	8 537.5				
Interest rate swaps	75 714.6	192 104.1	101 303.5	5 558.7	-679.6	75.8	
Interest rate options	-416.4	26 078.4	14 612.9	811.1			
<b>Total interest rate derivatives 2008</b>	<b>7 228.0</b>	<b>770 612.6</b>	<b>897 174.0</b>	<b>7 899.3</b>	<b>-2 480.9</b>	<b>75.8</b>	
<b>Total interest rate derivatives 2007</b>	<b>1 051 536.6</b>	<b>926 805.6</b>	<b>-19 332.2</b>	<b>1 412.1</b>	<b>-2 086.6</b>		
Foreign exchange forwards	-6 071.7	128 289.5	110 595.0	1 713.3	-6 119.9		
Basis swaps	397.8	397.8	1.5	2.8			
<b>Total currency derivatives 2008</b>	<b>-5 673.9</b>	<b>128 687.3</b>	<b>110 596.5</b>	<b>1 716.1</b>	<b>-6 119.9</b>		
<b>Total currency derivatives 2007</b>	<b>136 250.7</b>	<b>118 118.9</b>	<b>-49 241.9</b>	<b>1 203.5</b>	<b>-780.4</b>		
Credit derivatives	1 956.1	8 646.1	16 454.8	582.2	-685.5		
<b>Total credit derivatives 2008</b>	<b>1 956.1</b>	<b>8 646.1</b>	<b>16 454.8</b>	<b>582.2</b>	<b>-685.5</b>		
<b>Total credit derivatives 2007</b>	<b>13 224.3</b>	<b>16 769.3</b>	<b>4 986.3</b>	<b>52.8</b>	<b>-91.8</b>		
<b>Total derivatives 2008</b>	<b>7 714.3</b>	<b>936 336.9</b>	<b>1 050 255.3</b>	<b>12 822.5</b>	<b>-9 379.3</b>	<b>75.8</b>	
<i>Indirect investments in funds</i>				859.1	-1 002.5		
<i>Book value 2008</i>				7 714.3	-8 376.7	75.8	
<i>Indirect investments in funds</i>				-700.8	674.1		
<b>Total derivatives 2007</b>	<b>1 248 620.4</b>	<b>1 095 694.0</b>	<b>-58 625.0</b>	<b>3 545.4</b>	<b>-2 382.3</b>		

## 19 Financial risk

### Storebrand (excl. SPP)

#### General

Storebrand Life Insurance's financial risk is principally associated with its ability to meet the annual return guarantee. This makes great demands on how the capital is invested in different securities and assets, and how the company practises its risk management.

The composition of the financial assets is determined by the company's investment strategy. The investment strategy establishes guidelines for the composition of financial assets through principles and limits for the company's risk management. The investment strategy also includes limits and guidelines for credit and counterparty exposure, currency risk and the use of derivatives. The objectives of this active risk management are to maintain good risk bearing capacity and to continuously adapt the financial risk to the company's financial strength. Given the risk the company is exposed to and with the aid of the risk management that is practised, the company expects to produce good returns, both in individual years and over time.

#### Liquidity risk

Storebrand has established liquidity buffers in the group, 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 Life Insurance's liquidity strategy, in line with the regulations, specifies limits and measures for ensuring good liquidity in the customer portfolio. These specify a minimum allocation for assets that can be sold at short notice. Storebrand Life Insurance has money market investments, bonds, equities and other liquid investments 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. Market risk is monitored continuously using a range of evaluation methods. Large parts of the group use '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, and the portfolios are stress tested pursuant to the statutorily defined stress tests and internal models.

Storebrand Life Insurance is contractually committed to guarantee an annual return for most of its savings customers, 3.5% on average. The guaranteed annual return places particular demands on how the capital is invested in different securities and assets. Following the introduction of the new Insurance Activities Act, Storebrand Life Insurance's company assets and customer assets have been split. The investment strategy and thus the market risk for the different sub-portfolios in Storebrand Life Insurance are tailored to the risk tolerances Storebrand Life Insurance applies to the various products, policies and the company's primary capital. Given the current investment portfolio, the annual return will normally fluctuate between 3% and 9%. Smaller portions of the portfolio are invested in profiles with somewhat lower and somewhat higher market risk. The share capital is invested such that it is exposed to a low level of risk. Dynamic 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, the shortfall will be met by using risk capital built up from previous surpluses. Risk capital primarily consists of additional statutory reserves and unrealised gains. 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.

#### 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.

### SPP

#### General

In the case of the Swedish activities in SPP the portfolio is divided into defined benefit pensions, defined contribution pensions and unit-linked policies. Both the defined benefit pensions and the defined contribution pensions in SPP have associated guarantees. This results in the generation of financial risk in the event of falling stock markets and falling interest rates. In the case of some policies, a risk also arises from strongly rising interest rates. Due to the somewhat more complex financial risk picture in SPP than in the Norwegian activities, risk is managed through derivative transactions in SPP's company portfolio. The investment strategy and risk management in SPP comprises three main pillars:

- asset allocation that results in a good return over time for customers and the owner
- the continuous implementation of risk management measures in the customer portfolios
- tailored hedging of certain selected insurance policies in the company's portfolio.

#### Financial risk

In traditional insurance with guaranteed interest, the insurance company bears the risk of the policyholder not achieving the guaranteed return on paid premiums. Profit sharing becomes relevant in SPP if the total return exceeds the guaranteed yield. In the case of some products a certain degree of consolidation, i.e. the assets are greater than the current value of the liabilities by a certain percentage, is required for profit sharing. For other products the contract's customer buffer must be intact in order for profit sharing to represent a net income for the owner. If a contract has a so-called net deferred capital contribution from equity, any distribution of profit sharing will increase this. Since changes in net deferred capital contribution are recognised in the profit and loss account, profit sharing in such contracts has no net result. In the case of savings in unit-linked insurance, the policyholder accepts the entire financial risk, whereas in the case of asset management the company is exposed to market risk, liquidity risk, credit risk and operational risk.

Falling equity markets and large interest rate movements in particular generate financial risk. These could result in a transfer of capital to the customers' contracts from the company's equity to customers' assets. If an insurance contract with SPP has less earned capital than what is expected to be adequate given the applicable interest rate, an equity contribution is allocated that reflects this deficit. This allocation is recognised in the profit and loss account and called the net deferred capital contribution. SPP's financial risk management counters this effect by making investments that counter the changes in the net deferred capital contribution that could occur in different scenarios. SPP uses financial derivatives in the company portfolio and the customer portfolio to achieve this. The company thus continuously carries out integrated asset and liability management.

#### Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its payment obligations when they fall due, or that the company will not be able to sell securities at acceptable prices. This risk is limited by part of the assets being invested in listed securities with good liquidity.

#### Credit risk

Credit risk is the risk that a counterparty is unable to meet his obligations. Creditworthiness is determined using both internal and external credit checks. Placements in fixed-income securities with a lower rating than «BBB» require the approval of the Board. The determination is made to avoid having too great a concentration on individual issuers. The group has framework agreements with all counterparties to reduce their risk with respect to outstanding derivative transactions. These regulate how collateral against changes in market values, calculated on a daily basis, should be pledged.

#### Market risk

Market risk is the risk of price changes in the financial markets, i.e. the interest rate, currency, equity, commodity or property markets, affecting the value of the company's financial instruments. Dynamic risk management is practised which dampens the effect of market movements on the financial result in order to manage the exposure to different market risks. Stress tests are continuously conducted using historical changes to assess the possible effects on the company's capital base.

### LIQUIDITY RISK STOREBRAND LIVSFORSIKRING AS

#### Undiscounted cash flows for financial liabilities

NOK million	0-6 months	6-12 months	1-3 years	3-5 years	over 5 years	Total value	Booked value
Subordinated loan capital	615.9	252.6	1 554.6	6 002.8	9 190.8	17 616.7	8 668.0
Other short term liabilities	2 870.3					2 870.3	2 870.3
Uncalled residual liabilities concerning Limited Partnership	4 031.1					4 031.1	
Undrawn amounts of committed lending facilities	242.6					242.6	
Total financial obligations excl. derivatives	7 759.9	252.6	1 554.6	6 002.8	9 190.8	24 760.7	11 538.3
<b>Total financial obligations excl. derivatives</b>	<b>7 759.9</b>	<b>252.6</b>	<b>1 554.6</b>	<b>6 002.8</b>	<b>9 190.8</b>	<b>24 760.7</b>	<b>11 538.3</b>

Cash flow for the period specified is stated in accordance with the coupon interest rate at the reporting date and the pre-determined maturity structure. In the case of perpetual subordinated loans, cash flow is calculated up to 2099.

### LIQUIDITY RISK STOREBRAND LIVSFORSIKRING GROUP

#### Undiscounted cash flows for financial liabilities

NOK million	0-6 months	6-12 months	1-3 years	3-5 years	over 5 years	Total value	Booked value
Subordinated loan capital	669.0	305.8	1 766.2	6 214.4	10 607.5	19 562.9	10 084.7
Other short term liabilities	7 680.1					7 680.1	7 680.1
Uncalled residual liabilities concerning Limited Partnership	5 795.1					5 795.1	
Undrawn amounts of committed lending facilities	242.6					242.6	
<b>Total financial obligations excl. derivatives</b>	<b>14 386.8</b>	<b>305.8</b>	<b>1 766.2</b>	<b>6 214.4</b>	<b>10 607.5</b>	<b>33 280.7</b>	<b>17 764.8</b>

Cash flow for the period specified is stated in accordance with the coupon interest rate at the reporting date and the pre-determined maturity structure. In the case of perpetual subordinated loans, cash flow is calculated up to 2099.

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**CREDIT RISK STOREBRAND LIVSFORSIKRING AS****Analysis of credit risk by rating****Short-term holdings of interest-bearing securities**

<b>Category of issuer or guarantor</b> NOK million	AAA Fair value	AA Fair value	A Fair value	BBB Fair value	NIG Fair value	Total Fair value
Asset backed securities	1 721.4	9.8	51.8	12.2	115.0	1 910.2
Corporate bonds		57.3	553.8	701.7	513.9	1 826.6
Finance, bank and insurance	4 652.5	5 229.5	7 852.6	9 748.9	25.7	27 509.3
Real estate				375.2	42.5	417.7
State and state guaranteed	45 888.0	1 389.7	2 615.3		5.5	49 898.5
Supranational organisations	320.4					320.4
Local authority, county	3 746.0	418.9				4 164.9
Covered bonds (Class J)	2 001.0	251.8	833.3	353.8		3 439.8
<b>Total 2008</b>	<b>58 329.3</b>	<b>7 357.0</b>	<b>11 906.8</b>	<b>11 191.7</b>	<b>702.7</b>	<b>89 487.5</b>

**Interest-bearing securities at amortised cost**

<b>Category of issuer or guarantor</b> NOK million	AAA Fair value	AA Fair value	A Fair value	BBB Fair value	NIG Fair value	Total Fair value
Asset backed securities	3 435.5	44.5	68.2			3 548.2
Corporate bonds				29.2	37.7	66.9
Finance, bank and insurance	0.1	5 849.3	1 107.9	161.0	1 039.1	8 157.4
State and state guaranteed	6 663.1		2 032.8			8 695.9
Supranational organisations	911.3					
Local authority, county		135.6				
Covered bonds (Class J)	534.1					534.1
<b>Total 2008</b>	<b>11 544.1</b>	<b>6 029.4</b>	<b>3 208.9</b>	<b>190.2</b>	<b>1 076.8</b>	<b>22 049.4</b>

**Derivatives (including hedging)**

<b>Counterparties</b> NOK million	AAA Fair value	AA Fair value	A Fair value	BBB Fair value	NIG Fair value	Total Fair value
Norway		1 965.0				1 965.0
Sweden		697.6				697.6
UK		342.4	4 152.9			4 495.3
Denmark		458.7				458.7
Finland		7.7				7.7
<b>Total 2008</b>		<b>3 471.3</b>	<b>4 152.9</b>			<b>7 624.2</b>

### Bank deposits and loans to financial institutions

Counterparties	AAA	AA	A	BBB	NIG	Total
NOK million	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value
Norway		7 737.1				7 737.1
Sweden		1.6	4.8	197.0		203.4
UK			68.1			68.1
USA			1 262.5			1 262.5
<b>Total bank deposits 2008</b>		<b>7 738.7</b>	<b>1 335.4</b>	<b>197.0</b>		<b>9 271.1</b>

Rating classes are based on Standard & Poor's ratings.

NIG = Non-investment grade.

### LENDING

#### Commitments distributed by customer groups

NOK million	Loans to and receivables from customers	Unused credit line
Activities auxiliary to financial enterprises	4.1	
Commercial services and real estate operations	3 795.1	242.6
Wage-earners	10.8	
Other		
Foreign		
<b>Total 2008</b>	<b>3 810.1</b>	<b>242.6</b>
- Grouped write-downs		
+ Other write-downs		
<b>Total loans to and receivables from customers 2008</b>	<b>3 810.1</b>	<b>242.6</b>

The division into customer groups is based upon Statistics Norway's standard for sector and business groupings. The placement of the individual customer is determined by the customer's primary enterprise.

#### Commitments distributed by geographical area

NOK million	Loans to and receivables from customers	Unused credit liner
Eastern Norway	3 810.1	242.6
Western Norway		
Southern Norway		
Mid- Norway		
Northern Norway		
Foreign		
<b>Total 2008</b>	<b>3 810.1</b>	<b>242.6</b>

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**CREDIT RISK STOREBRAND LIVSFORSIKRING GROUP****Analysis of credit risk by rating****Short-term holdings of interest-bearing securities**

<b>Category of issuer or guarantor</b> NOK million	AAA Fair value	AA Fair value	A Fair value	BBB Fair value	NIG Fair value	Total Fair value
Asset backed securities	22 194.0	1 570.2	803.3	1 139.8	115.0	25 822.4
Corporate bonds		451.5	1 976.7	931.1	1 055.0	4 414.2
Finance, bank and insurance	9 976.0	7 224.9	8 920.3	9 792.7	362.9	36 276.8
Real estate				375.2	42.5	417.7
State and state guaranteed	86 053.5	1 389.7	2 615.3		5.5	90 064.0
Supranational organisations	1 489.0					1 489.0
Local authority, county	4 256.6	1 886.0				6 142.6
Covered bonds (Class J)	2 001.0	251.8	833.3	353.8		3 439.8
Bond funds	5.4					5.4
<b>Total 2008</b>	<b>125 975.5</b>	<b>12 774.1</b>	<b>15 148.9</b>	<b>12 592.5</b>	<b>1 580.9</b>	<b>168 071.9</b>

**Interest-bearing securities at amortised cost**

<b>Category of issuer or guarantor</b> NOK million	AAA Fair value	AA Fair value	A Fair value	BBB Fair value	NIG Fair value	Total Fair value
Asset backed securities	3 435.5	44.5	68.2			3 548.2
Corporate bonds				29.2	37.7	66.9
Finance, bank and insurance	0.1	5 849.3	1 107.9	161.0	1 039.1	8 157.4
State and state guaranteed	6 663.1		2 032.8			8 695.9
Supranational organisations	911.3					911.3
Local authority, county		135.6				135.6
Covered bonds (Class J)	534.1					534.1
<b>Total 2008</b>	<b>11 544.1</b>	<b>6 029.4</b>	<b>3 208.9</b>	<b>190.2</b>	<b>1 076.8</b>	<b>22 049.4</b>

**Derivatives (including hedging)**

<b>Counterparties</b> NOK million	AAA Fair value	AA Fair value	A Fair value	BBB Fair value	NIG Fair value	Total Fair value
Norway		1 965.0				1 965.0
Sweden		5 923.0	45.8			5 968.7
UK		342.4	4 155.8			4 498.2
Denmark		458.7				458.7
Finland		7.7				7.7
<b>Total 2008</b>		<b>8 696.7</b>	<b>4 201.6</b>			<b>12 898.3</b>

**Bank deposits and loans to financial institutions**

<b>Counterparties</b> NOK million	AAA Fair value	AA Fair value	A Fair value	BBB Fair value	NIG Fair value	Total Fair value
Norway		7 969.1		197.0		8 166.1
Sweden		982.5	4 332.8	944.5		6 259.8
UK			211.3	107.6		318.9
USA		148.8	1 284.3	47.8		1 480.9
Other	136.2	115.0	1 569.0	147.9		1 968.1
<b>Total bank deposits</b>	<b>136.2</b>	<b>9 215.3</b>	<b>7 397.3</b>	<b>1 444.8</b>		<b>18 193.6</b>

Rating classes are based on Standard & Poor's ratings.  
NIG = Non-investment grade.

## LENDING

### Commitments distributed by customer groups

NOK million	Loans to and receivables from customers	Unused credit liner
Activities auxiliary to financial enterprises	4.1	
Commercial services and real estate operations	3 795.1	242.6
Wage-earners	10.8	
Other		
Foreign		
<b>Total 2008</b>	<b>3 810.1</b>	<b>242.6</b>
- Grouped write-downs		
+ Other write-downs		
<b>Total loans to and receivables from customers 2008</b>	<b>3 810.1</b>	<b>242.6</b>

### Commitments distributed by geographical area

NOK million	Loans to and receivables from customers	Unused credit liner
Eastern Norway	3 810.1	242.6
Western Norway		
Southern Norway		
Mid- Norway		
Northern Norway		
Foreign		
<b>Total 2008</b>	<b>3 810.1</b>	<b>242.6</b>

### Financial assets at fair value in the profit and loss account (FVO)

For financial instruments that are included in the category financial assets at fair value in the profit and loss accounts as per 31.12.2008 that at the point in time they were incorporated could have been entered in the category loans and receivables, it is estimated that change in credit risk in 2008 have in isolation brought about unrealised losses of around NOK 0.5 billion.

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## CURRENCY RISK

## Financial assets and liabilities in foreign currencies

NOK million	Storebrand Livsforsikring AS				Storebrand Livsforsikring Group				
	Balance sheet items excl. currency derivatives	Currency derivatives	Net position		Balance sheet items excl. currency derivatives	Currency derivatives	Net position		
	Net on Balance sheet	Net Sales	in currency	in NOK	Net on Balance sheet	Net Sales	in currency	in NOK	Of which SPP in NOK
AUD	47.2	-168.1	-121.0	-590.6	75.7	-195.0	-119.3	-582.5	8.1
CAD	103.2	-85.1	18.2	103.0	129.9	-109.2	20.7	117.4	14.4
CHF	51.9	-0.2	51.7	339.9	127.5	-31.0	96.5	635.0	28.5
DKK	154.1	-53.0	101.1	132.2	1 518.4	-70.0	1 448.4	1 894.0	-0.5
EUR	1 977.0	-2 190.7	-213.8	-2 080.9	2 356.3	-2 429.5	-73.2	-712.8	17.2
GBP	162.3	-147.7	14.5	146.4	237.5	-203.5	34.0	342.1	34.8
HKD	109.0		109.0	98.5	162.4	-51.0	111.4	100.6	2.2
IDR	2 133.4		2 133.4	1.4	2 133.4		2 133.4	1.4	
ITL	168.9		168.9	0.8	168.9		168.9	0.8	
JPY	30 900.6	-29 867.8	1 032.8	79.8	39 843.5	-38 122.8	1 720.7	132.9	53.1
MXN	3.3		3.3	1.6	3.3		3.3	1.6	
KRW	2 110.0		2 110.0	11.7	2 110.0		2 110.0	11.7	
MYR	1.2		1.2	2.5	1.2		1.2	2.5	
LVL					17.6	-17.6			
NZD	158.3		158.3	647.8	159.1	-1.2	157.9	646.1	-1.7
PHP	0.4		0.4	0.1	0.4		0.4	0.1	
PLN	0.2		0.2	0.4	0.2		0.2	0.4	
SEK	409.7	-171.2	238.5	211.2	93 810.2	8 839.2	102 649.4	90 890.4	89 581.3
SGD	9.8	0.1	9.9	48.0	15.5	-4.6	10.9	52.7	4.7
TWD	60.5		60.5	12.9	60.5	0.0	60.5	12.9	
USD	2 502.1	-2 763.0	-260.8	-1 826.4	3 254.4	-3 361.6	-107.1	-750.1	471.2
Other	10.0		10.0	2.0	10.0		10.0	2.0	
<b>Total short-term foreign currency</b>				<b>-2 657.6</b>				<b>92 799.5</b>	<b>90 213.3</b>
LTL	1.8		1.8	5.0	1.8		1.8	5.0	
EUR	-495.6	475.7	-19.9	-193.8	-495.6	475.7	-19.9	-193.8	
SEK	12 790.1	-14 167.4	-1 377.3	-1 366.1	12 790.1	-14 167.4	-1 377.3	-1 366.1	
<b>Total foreign currency long-term</b>				<b>-1 554.9</b>				<b>-1 554.9</b>	<b>0.0</b>
<b>Insurance liabilities SPP and Nordben</b>								<b>-92 344.7</b>	<b>-85 217.1</b>
<b>Total foreign currency long-term</b>				<b>-1 554.9</b>				<b>-93 899.6</b>	<b>-85 217.1</b>
<b>Total net position foreign currency 2008</b>				<b>-4 212.5</b>				<b>-1 100.2</b>	<b>4 996.2</b>
<b>Total net position foreign currency 2007</b>				<b>1 724.2</b>				<b>-671.1</b>	<b>-2 395.3</b>

## FOREIGN CURRENCY

### Storebrand excl. SPP

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 2008 are typical of the group's small limits for currency positions.

### SPP

SPP practices currency hedging to a certain extent with respect to its international investments. In the case of equities the currency hedging will be between 50% and 100%, and for other classes actively hedges the major part of its foreign currency risk.

## 20 Securities lending

NOK million	Storebrand Livsforsikring AS		Storebrand Livsforsikring Group	
	Fair value 2008	Fair value 2007	Fair value 2008	Fair value 2007
Total share lending	630.1	765.9	630.1	1 307.3
Received collateral for Security Lending Programme J.P. Morgan	646.0	758.4	646.0	758.4
Received collateral for Security Lending Programme Handelsbanken				2 487.1
Received collateral reinvested i bonds	583.6	423.3	583.6	423.3

### Share lending by country

NOK million	Storebrand Livsforsikring AS		Storebrand Livsforsikring Group	
	Fair value 2008	Fair value 2007	Fair value 2008	Fair value 2007
Great Britain		71.2		71.2
Japan	24.7	134.2	24.7	321.5
France	25.7	228.5	25.7	246.3
Australia	3.6	100.2	3.6	100.2
USA	538.7	99.8	538.7	393.9
Spain	8.8	58.0	8.8	58.0
Germany	14.0		14.0	24.7
Other	14.6	74.1	14.6	91.6
<b>Total</b>	<b>630.1</b>	<b>765.9</b>	<b>630.1</b>	<b>1 307.3</b>

### Share lending by currency

NOK million	Storebrand Livsforsikring AS		Storebrand Livsforsikring Group	
	Fair value 2008	Fair value 2007	Fair value 2008	Fair value 2007
USD	583.9	119.1	583.9	424.7
EUR	46.2	342.5	46.2	391.2
JPY		134.2		321.5
AUD		100.2		100.2
GBP		28.7		28.7
Other		41.1		41.1
<b>Total</b>	<b>630.1</b>	<b>765.9</b>	<b>630.1</b>	<b>1 307.3</b>

**21 Cash collateral****Collateral pledged and received**

NOK million	Storebrand Livsforsikring AS		Storebrand Livsforsikring Group	
	2008	2007	2008	2007
Collateral for Futures trading	-977.6	-678.7	-2 462.3	-2 135.0
Collateral received in connection with derivatives			3 735.7	
Collateral pledged in connection with repo				-9 386.3
Received collateral for Security Lending Programme J.P. Morgan	646.0	758.4	646.0	758.4
Received collateral for Security Lending Programme Handelsbanken				2 487.1
<b>Total contingent liabilities</b>	<b>-331.6</b>	<b>79.7</b>	<b>1 919.4</b>	<b>-8 275.8</b>

**22 Classification of financial assets and liabilities 2008****STOREBRAND LIVSFORSIKRING AS**

NOK million	Loans and receivables	Hold to maturity	Fair value, trading	Fair value, FVO	Derivatives hedging	Amortised cost	Total
<b>Financial assets</b>							
Bank deposits	9 271.1						9 271.1
Shares and other equity instruments				25 547.9			25 547.9
Bonds and other fixed-income securities	22 364.6			89 556.7			111 921.4
Lending to customers	11 694.0						11 694.0
Customer receivables and other short-term receivables	3 832.6						3 832.6
Derivatives			6 689.4				6 689.4
<b>Total financial assets 2008</b>	<b>47 162.3</b>		<b>6 689.4</b>	<b>115 104.7</b>			<b>168 956.3</b>
<b>Financial liabilities</b>							
Subordinated loan capital					75.8	8 743.7	8 819.5
Derivatives			7 402.5				7 402.5
Other current liabilities						2 870.3	2 870.3
<b>Total financial liabilities 2008</b>			<b>7 402.5</b>		<b>75.8</b>	<b>11 614.0</b>	<b>19 092.3</b>

**STOREBRAND LIVSFORSIKRING GROUP**

NOK million	Loans and receivables	Hold to maturity	Fair value, trading	Fair value, FVO	Derivatives hedging	Amortised cost	Total
<b>Financial assets</b>							
Bank deposits	18 193.5						18 193.5
Shares and other equity instruments			1 397.4	52 765.2			54 162.6
Bonds and other fixed-income securities	22 364.6		4 722.5	168 223.5			195 310.6
Lending to customers	3 835.8						3 835.8
Customer receivables and other short-term receivables	4 216.9						4 216.9
Derivatives			11 963.4				11 963.4
<b>Total financial assets 2008</b>	<b>48 610.9</b>		<b>18 083.4</b>	<b>220 988.7</b>			<b>287 682.9</b>
<b>Financial liabilities</b>							
Subordinated loan capital					75.8	10 160.4	10 236.2
Derivatives			8 376.8				8 376.8
Other current liabilities						7 680.1	7 680.1
<b>Total financial liabilities 2008</b>			<b>8 376.8</b>		<b>75.8</b>	<b>17 840.5</b>	<b>26 293.1</b>

## 23 Fair value of financial assets and liabilities

### STOREBRAND LIVSFORSIKRING AS

NOK million	2008		2007	
	Balance sheet value	Fair value	Balance sheet value	Fair value
<b>Assets</b>				
Bank deposits	9 271.1	9 271.1	9 679.3	9 679.3
<b>Financial assets at fair value:</b>				
Shares and other equity instruments	25 547.9	25 547.9	44 521.1	44 521.1
Bonds and other fixed-income securities	89 556.7	89 556.7	48 008.5	48 008.5
Derivatives	6 689.4	6 689.4	1 749.0	1 749.0
Life insurance assets with investment choice			8 928.8	8 928.8
<b>Loans and receivables:</b>				
Loans to and due from financial institutions, fair value				
Loans to and due from financial institutions, amortised cost				
Loans to customers, fair value	11 694.0	11 694.0	9 591.8	9 591.8
Loans to customers, amortised cost				
Customer receivables and other short-term receivables	3 832.6	3 832.6	4 017.0	4 017.0
Other bonds at amortised cost	22 364.6	22 049.4	12 919.7	12 447.8
Bonds held to maturity			27 460.4	27 972.3
<b>Total assets</b>	<b>168 956.3</b>	<b>168 641.0</b>	<b>166 875.6</b>	<b>166 915.6</b>
<b>Financial liabilities *)</b>				
Derivatives, trading	8 376.8	8 376.8	1 042.6	1 042.6
Other current liabilities	2 870.3	2 870.3	3 244.3	3 244.3
<b>Total other financial liabilities</b>	<b>11 247.1</b>	<b>11 247.1</b>	<b>4 286.9</b>	<b>4 286.9</b>
<b>Subordinated loan capital, amortised cost</b>	<b>8 668.0</b>	<b>7 190.2</b>	<b>8 813.8</b>	<b>8 813.8</b>
<b>Total financial liabilities</b>	<b>19 915.1</b>	<b>18 437.3</b>	<b>13 100.7</b>	<b>13 099.9</b>

\*) The values are theoretically computed in the QRM risk management system. Spreads are used that correspond to the last known sales data from the market.

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## STOREBRAND LIVSFORSIKRING GROUP

NOK million	2008		2007	
	Balance sheet value	Fair value	Balance sheet value	Fair value
<b>Assets</b>				
Bank deposits	18 193.8	18 193.8	18 941.6	18 941.6
<b>Financial assets at fair value:</b>				
Shares and other equity instruments	54 163.1	54 163.1	74 408.9	74 408.9
Bonds and other fixed-income securities	172 945.8	172 945.8	107 008.8	107 008.8
Derivatives	11 963.3	11 963.3	3 545.4	3 545.4
Life insurance assets with investment choice			39 083.4	39 083.4
<b>Loans and receivables:</b>				
Loans to and due from financial institutions, fair value				
Loans to and due from financial institutions, amortised cost				
Loans to customers, fair value	3 835.8	3 835.8	2 702.8	2 702.8
Loans to customers, amortised cost				
Customer receivables and other short-term receivables	4 217.0	4 217.0	6 020.4	6 020.4
Other bonds at amortised cost	22 364.6	22 049.4	12 919.7	12 447.8
Bonds held to maturity			27 460.4	27 972.3
<b>Total assets</b>	<b>287 683.5</b>	<b>287 368.2</b>	<b>292 091.4</b>	<b>292 131.4</b>
<b>Financial liabilities *)</b>				
Derivatives, trading	8 377.0	8 377.0	2 382.3	2 382.3
Other current liabilities	7 680.1	7 680.1	15 986.3	15 986.3
<b>Total other financial liabilities</b>	<b>16 057.1</b>	<b>16 057.1</b>	<b>18 368.6</b>	<b>18 368.6</b>
<b>Subordinated loan capital, amortised cost</b>	<b>10 084.7</b>	<b>7 807.9</b>	<b>8 813.8</b>	<b>8 813.0</b>
<b>Total financial liabilities</b>	<b>26 141.8</b>	<b>23 865.0</b>	<b>27 182.4</b>	<b>27 181.6</b>

\*) The values are theoretically computed in the QRM risk management system. Spreads are used that correspond to the last known sales data from the market.

## 24 Other financial assets

NOK million	Storebrand Livsforsikring AS		Storebrand Livsforsikring Group	
	2008	2007	2008	2007
Receivables in connection with reverse-repo				1 515.3
Investment portfolio in Nordben				3 338.1
Bank deposits collective customer portfolio	6 242.8		11 798.2	
Bank deposits investment selection customer portfolio	1 089.2		1 516.5	
<b>Other financial assets</b>	<b>7 332.0</b>		<b>13 314.7</b>	<b>4 853.4</b>

## 25 Sensitivity analyses

For changes in market risk that arise during the course of 1 year, the effect on the profits and equity will be as presented below, based on the balance sheet as per 31.12.2008:

### STOREBRAND LIVSFORSIKRING AS

#### Effects on revenues

NOK million	
Equities -20%	-2 356
Equities +20%	2 356
Interest -1.5%	3 964
Interest +1.5%	-3 964
Property -12%	-3 350
Property +12%	3 350

#### Effects on result/equity

NOK million	
Equities -20%	-364
Equities +20%	172
Interest -1.5%	141
Interest +1.5%	-654
Property -12%	-622
Property +12%	289

The asset side of Storebrand (excluding SPP) has been stress tested in order to show how much this affects the owners' result in relation to the expectations for 2009. The stresses have been applied to the investment portfolio as per 31 December 2008 and the outcome shows the estimated effect on profits for the year as a whole. The stresses that have been applied are equities +/- 20 percent, interest +/-150 basis points and property +/- 12 percent. With respect to currency risks, the investment portfolios are nearly 100 percent currency hedged, and changes in exchanges rates will only affect the expected result for 2009 to a minor extent.

The stress tests have been done for all investment profiles and the effects of each stress test reduce or increase the expected return for each profile. For the negative stress tests (equities down, interest up and property down) the return in some individual profiles fall under the guarantee. The buffer situation for each contract will then determine how much equity capital the company will possibly have to use if the return stays at this level for 2009. Beyond the need for utilising equity capital to cover returns below the guarantee, it is changes in the profit sharing for paid-up policies and for the profiles with old individual contracts, as well as returns and interest expenses in the company portfolio that affect the expected result for 2009 to the greatest extent.

The stresses were applied individually. If several of the negative stress tests were to occur simultaneously, the negative effect would be greater than simply the sum of the two individual effects alone.

### STOREBRAND LIVSFORSIKRING GROUP

#### Effects on revenues

NOK million	
Equities -20%	-2 926
Equities +20%	2 926
Interest -1.5%	11 566
Interest +1.5%	-10 331
Property -12%	-3 444
Property +12%	3 444

#### Effects on result/equity

NOK million	
Equities -20%	-513
Equities +20%	204
Interest -1.5%	1 197
Interest +1.5%	-2 043
Property -12%	-660
Property +12%	317

Numbers of Storebrand Livsforsikring Group includes Storebrand Livsforsikring AS and SPP, other subsidiaries is not included.

In the note, the effect on SPP Livförsäkring's financial result (excluding sharing of the return) is shown for some selected market changes based upon the company's financial positions and actions as per 31 December 2008. Because it is market changes that are shown in the note above, the dynamic risk management will not affect the outcome. If it is assumed that the market changes will occur over a period of time, then the dynamic risk management would reduce the effect of the negative outcomes and reinforce the positive.

## 26 Investment properties

NOK million	Fair value	Average rental per square metre	Remaining term of lease contract	Square metre	Occupancy rate
<b>Type of investment properties</b>					
Office premises (inc. commercial premises, parking and storage)	11 551.5	1 464.0	4.3	733 997.0	99.0
Shopping centres (inc. parking and storage)	10 571.0	1 401.0	5.7	441 772.0	96.7
Parking	549.3	1 076.0	8.0	44 085.0	100.0
Sweden	328.1				
<b>Total</b>	<b>22 999.9</b>			<b>1 219 854.0</b>	
Investment properties for own use	1 968.2		10.9	59 945.0	100.0
<b>Total investment properties</b>	<b>24 968.1</b>			<b>1 279 799.0</b>	

<b>Geographical location</b>	
Oslo- Vika/Fillipstad Brygge	5 186.5
Oslo including suburbs	7 281.3
Shopping centres	10 570.9
Norway excluding Oslo	1 601.3
Sweden	328.1
<b>Total investment properties</b>	<b>24 968.1</b>

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

NOK million	2008	2007
Rental income from investment properties	1 521.0	1 615.3
Operating costs (including maintenance and repairs) for investment properties that produced rental income in the period	-178.7	-180.6
<b>Total</b>	<b>1 342.3</b>	<b>1 434.7</b>
Change in fair value of investment properties	423.3	2 953.3
<b>Total income from investment properties</b>	<b>1 765.6</b>	<b>4 388.0</b>

### Values booked in the balance sheet

NOK million	2008	2007
Book value at 01.01.	21 358.6	17 447.0
Additions from new purchases	755.2	753.8
Additions caused by supplementary expenditure	1 436.2	896.3
Disposals	-973.6	-442.0
Net revaluation/write-downs	423.3	2 703.5
<b>Booked value as per 31.12.</b>	<b>22 999.7</b>	<b>21 358.6</b>

### Property valuation methods

The company conducts its own valuations of its properties. Each investment property is valued separately by discounting the future net cash flow by a rate equivalent to the yield requirement for the investment in question. The net cash flow 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 long-term real interest rate plus an individually determined risk premium dependent on the rental situation, the building's location and standard of the property. Shopping centre buildings are valued on the basis of a market yield (direct yield in year one) for the individual property and non-discounted long-term cash flow. Where it is known there will be substantial changes in expected cash flows in later years, these are taken account of in the valuation. The number of transactions in the market has been limited due to the financial instability and in general the uncertainty associated with the base data used for valuations has increased compared with 2007. External valuations have also been obtained for a representative selection of the company's properties to support its own valuations.

The properties are valued on the basis of the following effective required rate of return as per 31 December 2008 (including 2.5% inflation):

Segment	Required rate of return %	
	2008	2007
Office portfolio Oslo city centre	7.95-9.0	7.95-8.45
Shopping centre portfolio	8.45-9.50	7.70-9.00
Other properties	8.45-10.75	8.20-10.00

## 27 Write-downs of part of intangible assets linked to SPP

In the acquisition analysis for SPP, a significant part of the purchase price was allocated to the extra value associated with the insurance contracts, in addition to other intangible assets and goodwill. Negative developments in the equity markets have affected the results from SPP in 2008. During the third quarter, computations were performed of the extra value associated with the acquisition in which the volatility of the markets was taken into regard. Based upon these calculations, a write-down of NOK 2.5 billion was undertaken during the third quarter of 2008 in connection with capitalised extra values of acquired insurance contracts. In the calculations concerned, increased market volatility has produced a negative effect for built-in options and guarantees connected with the purchased insurance contracts. Any possible future reduction in market volatility may bring about a reversal of the write-down.

The majority of the intangible assets associated with SPP are assets of VIF (value of business in force), for which a separate sufficiency test has been performed as per the requirements of IFRS 4. In order to determine whether goodwill and other intangible assets connected with SPP has been the subject of a drop in value, estimates are made of the recyclable amount for the relevant cash-flow generating units. Recyclable amounts are established by computing the enterprise's utility value. SPP is regarded as being one cash flow-generating unit. In the computation of this utility value, the management have made use of Board-addressed budgets and prognoses for a three-year period, and furthermore with an expectation of moderate growth in the total market and the market share. Cash flows after this period are projected at between 5 and 7 percent per annum for the period spanning 2012 to 2018. After 2018, an estimate has been made of annual nominal growth of around 3.9 percent. Future results connected with future administration results, risk results and financial results for SPP will affect its utility value. In general, the market for occupational pension schemes is expected to grow in consequence of the following central growth-related factors:

- Demographics, with an expected increase in the number of retirees
- Growth in employment
- Regulatory conditions, including the transition from defined benefit pensions to defined contribution-based pensions.

The utility value is computed by applying an after-tax discounting factor between 10 and 11 percent during the period. This is computed with risk-free interest as a basis and added to a premium that reflects the risk in the enterprise. The management have assessed the recyclable amount of goodwill as per 31.12.2008 and concluded that a write-down is not necessary. The management are of the opinion that it is improbable that possible reasonable changes in the key presumptions would bring about a need for a write-down. See note 28.

## 28 Intangible assets and goodwill

### STOREBRAND LIVSFORSIKRING AS

NOK million	IT-systems	Total 2008	Total 2007
Acquisition cost 01.01.			
Additions in the period:			
Developed in-house	34.0	34.0	7.4
Disposals in the period **)			
Currency diffs. from converting foreign units			
Other changes			
<b>Acquisition cost 31.12.</b>	<b>34.0</b>	<b>34.0</b>	<b>7.4</b>
Acc. Depreciation & write-downs 01.01.			
Write-downs in the period			
Amortisation in the period			
Disposals in the period			
Reversall of write-downs during period			
Other changes			
<b>Acc. depreciation &amp; write-downs 31.12.</b>			
<b>Book value 31.12.</b>	<b>34.0</b>	<b>34.0</b>	<b>7.4</b>
<b>Depreciation time</b>	<b>5 years</b>		
NOK million	Lifetime	Depreciation rate	Depreciation method
IT systems	5 years	20%	linear
			Book value at 31.12.
			34.0

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## STOREBRAND LIVSFORSIKRING GROUP

NOK million	Intangible assets							Total 2008	Total 2007
	Brand name	IT- systems	Customer lists	VIF	SPP Fonder	Rights Leasing rights	Goodwill		
Acquisition cost 01.01.	168.0		488.9	8 316.5			711.5	9 685.0	118.2
Additions in the period:									
Developed in-house		34.0						34.0	7.4
Purchased separately									
Acquired via mergers, acquisitions, etc					8.9	0.2	4.2	13.3	9 591.0
Disposals in the period **)									-0.4
Effect of hedge accounting									-20.0
Currency diffs. from converting foreign units	9.1		26.4	448.9			37.8	522.2	
<b>Acquisition cost 31.12.</b>	<b>177.1</b>	<b>34.0</b>	<b>515.3</b>	<b>8 765.4</b>	<b>8.9</b>	<b>0.2</b>	<b>753.5</b>	<b>10 254.4</b>	<b>9 696.2</b>
Acc. Depreciation & write-downs 01.01.									-110.0
Write-downs in the period				-2 500.0				-2 500.0	
Amortisation in the period	-17.1		-49.7	-409.3				-476.1	-7.8
Disposals in the period									
Reversall of write-downs during period									
Currency diffs. from converting foreign units	-0.6		-1.8	-108.1				-110.5	
Other changes				-98.0				-98.0	
<b>Acc. depreciation &amp; write-downs 31.12.</b>	<b>-17.7</b>		<b>-51.5</b>	<b>-3 115.4</b>				<b>-3 184.6</b>	<b>-117.8</b>
<b>Book value 31.12.</b>	<b>159.4</b>	<b>34.0</b>	<b>463.8</b>	<b>5 650.0</b>	<b>8.9</b>	<b>0.2</b>	<b>753.5</b>	<b>7 069.8</b>	<b>9 578.4</b>

**Depriciation time**                      10 years      5 years      10 years      20 years      10 years      2.5 years

NOK million	Depricia- tion rate	Depricia- tion method	Book value 31.12.	
Brand name SPP	10 years	10%	linear	159.4
Customer lists SPP	10 years	10%	linear	463.8
Value of business inforce SPP	20 years	5%	linear	5 650.0
Rights to withdraw fees from SPP Fonder	10 years	10%	linear	8.9
Leasing rights Foran	2.5 years	40%	linear	0.2
IT systems	5 years	20%	linear	34.0

## Goodwill distributed by business acquisition

NOK million	Acquisition cost 01.01.	Value in balance sheet 01.01.	Supply/ disposal currency effect	Write- downs	Balance sheet 31.12.
SPP	711.5	711.5	37.8		749.3
Evoco			4.2		4.2
<b>Total</b>	<b>711.5</b>	<b>711.5</b>	<b>42.0</b>		<b>753.5</b>

Goodwill is not depreciation, but tested annually for impairment.

## 29 Tangible fixed assets

### STOREBRAND LIVSFORSIKRING AS Properties and operational assets

NOK million	Equipment	Vehicles	Fixtures & fittings	Financial leases	Real estate *)	Total 2008	Total 2007
Book value at 01.01.	12.7	17.0	2.9		997.8	1 030.4	781.2
Additions	16.8	10.6	0.5		693.6	721.5	21.0
Disposals		-0.4				-0.4	-1.4
Revaluation booked in balance sheet					23.5	23.5	21.5
Additions/disposals through acquisitions/mergers						0.0	2.1
Depreciation	-8.4	-4.6	-0.8		-1.6	-15.4	-35.6
Write-downs in the period						0.0	254.0
Write-downs reversed in the period					-0.9	-0.9	
Other changes						0.0	
<b>Book value at 31.12.</b>	<b>21.1</b>	<b>22.6</b>	<b>2.6</b>	<b>0.0</b>	<b>1 712.4</b>	<b>1 758.7</b>	<b>1 042.8</b>
Acquisition cost opening balance	50.5	19.4	6.1		725.0	801.0	782.3
Acquisition cost closing balance	67.3	30.0	6.3		1 405.3	1 508.9	801.0
Accumulated depreciation and write-downs opening balance	-37.8	-2.4	-3.2		273.0	229.6	23.9
Accumulated depreciation and write-downs closing balance	-46.2	-6.6	-0.8		270.5	216.9	229.6
Revaluation fund opening balance **)					44.6	44.6	24.0
Changes in the period					3.1	3.1	20.6
Revaluation fund closing balance **)					47.7	47.7	44.6

\*) Properties for own use, also see note 26.

\*\*) The revaluation fund is included as part of earned equity capital.

#### For each class of fixed assets:

Equipment	4 years
Vehicles	6 years
Fixtures and fittings	4 years
Real estate	50 years

### STOREBRAND LIVSFORSIKRING GROUP Properties and operational assets

NOK million	Equipment	Vehicles	Fixtures & fittings	Financial leases	Real estate *)	Total 2008	Total 2007
Book value at 01.01.	16.4	17.8	3.1		1 005.4	1 042.7	781.2
Additions	23.7	11.0	1.6	1.2	947.7	985.3	21.0
Disposals		-0.4				-0.4	-1.4
Revaluation booked in balance sheet					17.9	17.9	21.5
Additions/disposals through acquisitions/mergers							2.1
Depreciation	-10.5	-4.8	-0.9	-0.4	-1.8	-18.4	-35.6
Write-downs in the period							254.0
Write-downs reversed in the period					-0.9	-0.9	
Other changes							
<b>Book value at 31.12.</b>	<b>29.7</b>	<b>23.6</b>	<b>3.9</b>	<b>0.8</b>	<b>1 968.2</b>	<b>2 026.2</b>	<b>1 042.8</b>
Acquisition cost opening balance	78.4	20.2	6.4		732.6	837.6	795.0
Acquisition cost closing balance	103.4	30.7	7.3	1.2	1 667.0	1 809.6	837.6
Accumulated depreciation and write-downs opening balance	-62.0	-2.4	-3.3		273.0	205.3	13.7
Accumulated depreciation and write-downs closing balance	-73.7	-6.7	-0.8	-0.4	270.5	188.8	-205.3
Revaluation fund opening balance **)					44.6	44.6	24.0
Changes in the period					3.1	3.1	20.6
Revaluation fund closing balance **)					47.7	47.7	44.6

\*) Properties for own use, also see note 26.

\*\*) The revaluation fund is included as part of earned equity capital.

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**For each class of fixed assets:**

Equipment	4 years
Vehicles	6 years
Fixtures and fittings	4 years
Real estate	50 years

**30 Hedge accounting****STOREBRAND LIVSFORSIKRING AS**

Storebrand uses fair value hedging to hedge interest rate risk. The effectiveness of hedging is monitored at the individual security level, except for structured bond loans where effectiveness is monitored at the portfolio level. Each portfolio consists of swaps and hedged objects with maturity within the same six-month period.

**Hedging instrument - fair value hedging**

NOK million	2008		
	Contract/ nominal value	Fair value <sup>1)</sup>	
		Assets	Liabilities
Interest rate swaps	2 920.0	93.5	
Total interest rate derivatives	2 920.0	93.5	0.0
Total derivatives	2 920.0	93.5	0.0

**Items hedged - fair value hedging**

NOK million	2008		
	Contract/ nominal value	Hedging value <sup>1) 2)</sup>	
		Assets	Liabilities
Subordinated loan capital	-2 920.0		-3 011.5
Hedging effectiveness - prospective		98%	
Hedging effectiveness - retrospective		98%	

1) Book value at 31.12.

2) Fair value for hedge accounting is calculated on the basis of the original spread, which takes into accounting amortisation, commission income and costs, as well as option costs in connection with structured products.

In 2008, Storebrand utilised cash flow hedging for the currency risk linked to Storebrand's net investment in Storebrand Holding AB. 3 month rolling currency derivatives were used, in which the spot element in these is used as the hedging instrument. The effective share of the hedging instruments is recognised in equity. The net amount recognised in equity in 2008, i.e. the effective share of hedging instruments and the currency effect on the hedged object was NOK 19.8 million.

**Hedging instrument - cash flow hedging**

NOK million	Contract/ nominal value	2008		2007	
		Fair value <sup>1)</sup>		Fair value <sup>1)</sup>	
		Assets	Liabilities	Assets	Liabilities
Forward currency swap					
Currency swap	4 662.0		-53.8		-66.1
Total currency derivatives	4 662.0		-53.8		-66.1
Total derivatives	4 662.0		-53.8		-66.1

### Items hedged - cash flow hedging

NOK million	2008		2007	
	Hedging value <sup>1)</sup>		Hedging value <sup>1)</sup>	
	Assets	Liabilities	Assets	Liabilities
Underlying items	4 601.2		6 916.6	
Hedging effectiveness - prospective	85%		100%	
Hedging effectiveness - retrospective	85%		100%	

1) Book value at 31.12.

### STOREBRAND LIVSFORSIKRING GROUP

Storebrand uses fair value hedging to hedge interest rate risk. The effectiveness of hedging is monitored at the individual security level, except for structured bond loans where effectiveness is monitored at the portfolio level. Each portfolio consists of swaps and hedged objects with maturity within the same six-month period.

### Hedging instrument - fair value hedging

NOK million	2008		
	Contract/ nominal value	Fair value <sup>1)</sup>	
		Assets	Liabilities
Interest rate swaps	2 920.0	93.5	
Total interest rate derivatives	2 920.0	93.5	
Total derivatives	2 920.0	93.5	

### Items hedged - fair value hedging

NOK million	2008		
	Contract/ nominal value	Hedging value <sup>2)</sup>	
		Assets	Liabilities
Subordinated loan capital	-2 920.0		-3 011.5
Hedging effectiveness - prospective for hedging contracts at Storebrand Bank ASA		98%	
Hedging effectiveness - retrospective for hedging contracts at Storebrand Bank ASA		98%	

1) Book value at 31.12.

2) Fair value for hedge accounting is calculated on the basis of the original spread, which takes into accounting amortisation, commission income and costs, as well as option costs in connection with structured products.

In 2008, Storebrand utilised cash flow hedging for the currency risk linked to Storebrand's net investment in SPP. 3 month rolling currency derivatives were used, in which the spot element in these is used as the hedging instrument. The effective share of the hedging instruments is recognised in equity. The net amount recognised in equity in 2008, i.e. the effective share of hedging instruments and the currency effect on the hedged object was minus NOK 15.6 million. Because the hedging instruments are continuously adjusted to the balance sheet value of the net investment in SPP, the hedging efficiency was 100% and is expected to be 100% in the future as well.

### Hedging instrument - cash flow hedging

NOK million	Contract/ nominal value	2008		2007	
		Fair value <sup>1)</sup>		Fair value <sup>1)</sup>	
		Assets	Liabilities	Assets	Liabilities
Forward currency swap					
Currency swap	11 502.0		-89.3		-108.3
Total currency derivatives	11 502.0		-89.3		-108.3
Total derivatives	11 502.0		-89.3		-108.3

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## Items hedged - cash flow hedging

NOK million	2008		2007	
	Hedging value <sup>1)</sup>		Hedging value <sup>1)</sup>	
	Assets	Liabilities	Assets	Liabilities
Underlying items	11 502.0		13 805.6	
Hedging effectiveness - prospective	100%		100%	
Hedging effectiveness - retrospective	100%		100%	

1) Book value at 31.12.

## 31 Insurance liabilities in life insurance by class of business

NOK million	Group pension private insurance	Group pension public insurance	Group life insurance	Endowment insurance	Annuity/pension insurance	Non-life insurance
Premium reserve	108 034.2	17 720.6	468.0	7 212.3	20 135.8	385.1
- of which RBNS	264.8	114.9	50.4	22.3	4.5	
- of which IBNR	7.0	3.0	227.9	25.0	23.6	
- of which premium income received in advance	746.2	0.1	44.2	14.8	14.3	
Additional statutory reserves	2 166.3	363.2		206.9	701.7	
Market value adjustment fund						
Premium fund	4 976.6	772.2			1.8	
Deposit fund	351.7					
Pensioners surplus fund	130.4					
Claims reserve	45.6	19.4	201.7	213.7	14.3	
- of which RBNS	44.9	19.1	162.9	106.2	3.7	
- of which IBNR	0.7	0.3	38.8	107.5	10.0	
Conditional bonus						
Other technical reserves						
Security reserve life insurance						
<b>Total insurance liabilities</b>	<b>115 704.8</b>	<b>18 875.4</b>	<b>669.7</b>	<b>7 632.9</b>	<b>20 853.6</b>	<b>385.1</b>

NOK million	Total Storebrand Livsforsikring AS		SPP Group and Nordben Life & Pension	Total Storebrand Livsforsikring Group	
	2008	2007	2008	2008	2007
Premium reserve	153 956.0	151 992.6	105 321.2	259 277.2	252 704.9
- of which RBNS	456.9	383.7		456.9	383.7
- of which IBNR	286.5	239.7		286.5	239.7
- of which premium income received in advance	819.6	808.5		819.6	808.5
Additional statutory reserves	3 438.0	5 757.3	371.5	3 809.5	5 757.3
Market value adjustment fund			3 888.9		3 888.9
Premium fund	5 750.6	5 975.2		5 750.6	5 975.2
Deposit fund	351.7	307.9		351.7	307.9
Pensioners surplus fund	130.4	280.0		130.4	280.0
Claims reserve	494.7	456.3	62.3	557.0	1 969.9
- of which RBNS	336.8	303.0		336.8	303.0
- of which IBNR	157.3	153.3		157.3	153.3
Conditional bonus			7 499.2	7 499.2	13 699.4
Other technical reserves		295.1			295.1
Security reserve life insurance		197.4			197.4
<b>Total insurance liabilities</b>	<b>164 121.5</b>	<b>171 038.9</b>	<b>113 254.3</b>	<b>277 375.7</b>	<b>286 964.1</b>

Under the item 'Liability – life insurance' it is assumed that NOK 9.6 billion will be paid out as claims or benefits (excl. repurchase and payment) in 2009 by Storebrand Livsforsikring AS and SEK 4.0 billion by SPP. The table below shows the anticipated compensation payments (excl. repurchase and payment). The residual balance after 5 years is equal to the obligations carried on the balance sheet of the accounts.

### Trend in claims and benefits disbursed

NOK billion	Storebrand	SPP
0-1 year	9.6	4.0
1-5 year	38.4	17.0
More than 5 year	116.1	92.3

### Non-life insurance

NOK million	Storebrand Livsforsikring AS	
	2008	2007
Reinsurance share of technical insurance reserves	103.1	57.0
<b>Total assets</b>	<b>103.1</b>	<b>57.0</b>
Premium reserve	12.3	9.8
Claims reserve	252.1	187.2
- of which RBNS	31.7	22.8
- of which IBNR	220.4	164.4
Security reserve	120.7	85.4
<b>Total liability</b>	<b>385.1</b>	<b>469.6</b>

NOK million	Subject to former rules	Not eligible for profit allocation	Investment choice	Endowment insurance
Premium reserve	5 781.5	475.1	955.7	7 212.3
Additional statutory reserves	206.9			206.9
Market value adjustment fund				
Premium fund				
Deposit fund				
Pensioners' surplus reserve				
Claims reserve	148.6	65.1		213.7
Supplementary provisions				
Other technical reserves				
<b>Total insurance liabilities</b>	<b>6 136.9</b>	<b>540.2</b>	<b>955.7</b>	<b>7 632.9</b>

NOK million	Subject to former rules	Investment choice	Annuity/pension insurance
Premium reserve	17 436.3	2 699.5	20 135.8
Additional statutory reserves	701.7		701.7
Market value adjustment fund			
Premium fund	1.8		1.8
Deposit fund			
Pensioners' surplus reserve			
Claims reserve	13.7	0.6	14.3
Supplementary provisions			
Other technical reserves			
<b>Total insurance liabilities</b>	<b>18 153.4</b>	<b>2 700.1</b>	<b>20 853.6</b>

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NOK million	Defined benefit without investment choice	Defined benefit with investment choice	Paid-up policies	Defined contribution without investment choice	Defined contribution with investment choice	Not eligible for profit allocation	Group pension private insurance
Premium reserve	50 351.4	767.5	51 434.2	82.9	5 010.4	387.4	108 033.7
Additional statutory reserves	1 557.5	12.1	595.2	1.5			2 166.3
Market value adjustment fund							
Premium fund	4 887.4	43.6	45.6				4 976.6
Deposit fund					351.7		351.7
Pensioners' surplus reserve	130.4						130.4
Claims reserve	34.3		7.5			3.8	45.6
Supplementary provisions		0.5					0.5
Other technical reserves							
<b>Total insurance liabilities</b>	<b>56 961.0</b>	<b>823.6</b>	<b>52 082.5</b>	<b>84.4</b>	<b>5 362.1</b>	<b>391.2</b>	<b>115 704.8</b>

NOK million	Defined benefit without investment choice	Defined benefit with investment choice	Group pension public insurance
Premium reserve	16 356.1	1 364.5	17 720.6
Additional statutory reserves	345.2	17.9	363.2
Market value adjustment fund			
Premium fund	699.0	73.3	772.2
Deposit fund			
Pensioners' surplus reserve			
Claims reserve	19.4		19.4
Supplementary provisions			
Other technical reserves			
<b>Total insurance liabilities</b>	<b>17 419.7</b>	<b>1 455.7</b>	<b>18 875.4</b>

## 32 Change in insurance liabilities in life insurance

### Insurance obligations in life insurance - contractual obligations

NOK million	Premium reserve	Additional statutory reserves	Market value adjustment reserve	Claims reserve	Premium fund, deposit fund and the pension surplus fund
<b>Balance at 01.01.</b>	<b>141 408.5</b>	<b>5 683.4</b>	<b>3 529.3</b>	<b>455.7</b>	<b>6 215.8</b>
<b>Changes in insurance obligations recognised in the profit and loss account</b>					
2.1 Net realised reserves	996.4	-2 411.5		38.4	148.7
2.2 Profit on the return	9.6				440.2
2.3 The risk profit allocated to the insurance agreements	8.4				111.3
2.4 Other allocation of profit	85.6				
2.5 Changes in insurance obligations from comprehensive income		-0.3	-3 529.3		
<i>Total changes in insurance obligations recognised in the Profit and Loss Account</i>	<i>1 100.0</i>	<i>-2 411.8</i>	<i>-3 529.3</i>	<i>38.4</i>	<i>700.2</i>
<b>Non-realised changes in insurance liabilities</b>					
3.1 Transfers between funds	240.2	23.1			-263.3
3.2 Transfers to/from the company	24.2	113.3			-888.5
<i>Total non-realised changes in insurance liabilities</i>	<i>264.4</i>	<i>136.4</i>			<i>-1 151.8</i>
<b>Balance at 31.12.</b>	<b>142 772.9</b>	<b>3 408.0</b>		<b>494.1</b>	<b>5 764.2</b>

### Insurance obligations in life insurance - contractual obligations

NOK million	Other technical provisions non-life insurance	Total Storebrand Livs-forsikring AS	SPP Group and Nordben Life & Pension	Total Storebrand Livs-forsikring Group
<b>Balance at 01.01.</b>	<b>295.1</b>	<b>157 587.8</b>	<b>88 582.8</b>	<b>246 170.6</b>
<b>Changes in insurance obligations recognised in the profit and loss account</b>				
2.1 Net realised reserves	56.5	-1 171.5	2 325.8	1 154.3
2.2 Profit on the return		449.8		449.8
2.3 The risk profit allocated to the insurance agreements		119.7		119.7
2.4 Other allocation of profit		85.6		85.6
2.5 Changes in insurance obligations from comprehensive income		-3 529.6		-3 529.6
<i>Total changes in insurance obligations recognised in the Profit and Loss Account</i>	<i>56.5</i>	<i>-4 046.0</i>	<i>2 325.8</i>	<i>-1 720.2</i>
<b>Non-realised changes in insurance liabilities</b>				
3.1 Transfers between funds				
3.2 Transfers to/from the company	33.5	-717.5	-161.3	-878.8
<i>Total non-realised changes in insurance liabilities</i>	<i>33.5</i>	<i>-717.5</i>	<i>-161.3</i>	<i>-878.8</i>
<b>Balance at 31.12.</b>	<b>385.1</b>	<b>152 824.3</b>	<b>111 685.1</b>	<b>243 571.6</b>

### Insurance obligations in life insurance - investment portfolio separately

NOK million	Premium reserve	Supplementary provisions	Additional statutory reserves	Market value adjustment reserve	Claims reserve
<b>Balance at 01.01.</b>	<b>10 584,1</b>		<b>73,9</b>	<b>40,5</b>	<b>0,6</b>
<b>Changes in insurance obligations recognised in the Profit and Loss Account</b>					
2.1 Net realised reserves	213,4	0,5	-48,1		
2.2 Profit on the return					
2.3 The risk profit allocated to the insurance agreements					
2.4 Other allocation of profit				-40,5	
<i>Total changes in insurance obligations recognised in the Profit and Loss Account</i>	<i>213,4</i>	<i>0,5</i>	<i>-48,1</i>	<i>-40,5</i>	
<b>Non-realised changes in insurance liabilities</b>					
3.1 Transfers between funds			4,2		
3.2 Transfers to/from the company					
<i>Total non-realised changes in insurance liabilities</i>			<i>4,2</i>		
<b>Balance at 31.12.</b>	<b>10 797,5</b>	<b>0,5</b>	<b>30,0</b>		<b>0,6</b>

### Insurance obligations in life insurance - investment portfolio separately

NOK million	Premium fund, deposit fund and the pension surplus fund	Total Storebrand Livs-forsikring AS	Of which with multi-annual guarantee return	SPP Group and Nordben Life & Pension	Total Storebrand Livs-forsikring Group
<b>Balance at 01.01.</b>	<b>347.3</b>	<b>11 046.4</b>	<b>1 136.8</b>	<b>28 766.9</b>	<b>39 813.3</b>
<b>Changes in insurance obligations recognised in the Profit and Loss Account</b>					
2.1 Net realised reserves	2.1	167.9	339.2	-5 678.8	-5 510.9
2.2 Profit on the return					
2.3 The risk profit allocated to the insurance agreements				12.6	12.6
2.4 Other allocation of profit	-23.3	-63.8			-63.8
<i>Total changes in insurance obligations recognised in the Profit and Loss Account</i>	<i>-21.2</i>	<i>104.1</i>	<i>339.2</i>	<i>-5 666.2</i>	<i>-5 562.1</i>
<b>Non-realised changes in insurance liabilities</b>					
3.1 Transfers between funds	-4.2				
3.2 Transfers to/from the company	146.7	146.7		-593.8	-447.1
<i>Total non-realised changes in insurance liabilities</i>	<i>142.5</i>	<i>146.7</i>		<i>-593.8</i>	<i>-447.1</i>
<b>Balance at 31.12.</b>	<b>468.6</b>	<b>11 297.2</b>	<b>1 476.0</b>	<b>22 506.9</b>	<b>33 804.1</b>

### 33 Subordinated loan capital

#### STOREBRAND LIVSFORSIKRING AS

NOK million	Booked value 31.12.07	New issues	Repay- ments	Exchange rate changes	Paper price change	Amortisa- tion/Interest	Book value 2008
Ordinary subordinated loan capital	2 865.1		-1 437.1	242.9		4.0	1 675.0
Perpetual subordinated loan capital	4 604.5	4 007.8	-4 053.5	701.4	-1.6	8.0	5 266.6
Perpetual subordinated loans		1 473.0				1.5	1 474.5
Accrued interest							251.8
<b>Total subordinated loans</b>	<b>7 469.6</b>	<b>5 480.8</b>	<b>-5 490.5</b>	<b>944.3</b>	<b>-1.6</b>	<b>13.5</b>	<b>8 668.0</b>

#### Specification of subordinated loan capital

NOK million	Nominal value	Currency	Interest rate	Call date and other conditions	Book value 2008
<b>Perpetual hybrid (Tier 1) capital</b>					
Storebrand Livsforsikring AS 08/18 FRN	1 500.0	NOK	3 mnd NIBOR +4.00%	29.08.18	1 474.5
<b>Perpetual subordinated loan capital</b>					
Storebrand Liv AS 20/12/99	70.0	EUR	3 mnd EURIBOR + 2.5%		681.3
Storebrand Livsforsikring 49-13	300.0	EUR	9.404%	26.06.13	2 904.6
Storebrand Livsforsikring AS	1 700.0	NOK	3 mnd NIBOR + 3.5 %	27.06.14	1 680.7
<b>Dated subordinated loans</b>					
Storebrand Livsforsikring 09/06/14	175.0	EUR	3 mnd EURIBOR + 0.90%	09.06.09	1 675.0
Accrued interest					251.8
<b>Total subordinated and perpetual loans 2008</b>					<b>8 668.0</b>
<b>Total subordinated and perpetual loans 2007</b>					<b>7 469.6</b>

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

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

The total expense associated with the company's subordinated borrowings (including currency gains and losses) amounts to NOK 741.2 million.

#### STOREBRAND LIVSFORSIKRING GROUP

NOK million	Booked value 31.12.07	New issues	Repay- ments	Exchange rate changes	Paper price change	Amortisa- tion/Interest	Book value 2008
Ordinary subordinated loan capital	2 865.1		-1 437.1	242.9		4.0	1 675.0
Perpetual subordinated loan capital	5 948.6	4 007.8	-4 053.5	774.0	-1.6	8.0	6 683.5
Perpetual subordinated loans		1 473.0				1.5	1 474.5
Accrued interest							251.8
<b>Total subordinated loans</b>	<b>8 813.7</b>	<b>5 480.8</b>	<b>-5 490.5</b>	<b>1 022.6</b>	<b>-1.6</b>	<b>7.7</b>	<b>10 084.8</b>

### Specification of subordinated loan capital

NOK million	Nominal value	Currency	Interest rate	Call date and other conditions	Book value 2008
<b>Perpetual hybrid (Tier 1) capital</b>					
Storebrand Livsforsikring AS 08/18 FRN	1 500.0	NOK	3 mnd NIBOR +4.00%	29.08.18	1 474.5
<b>Perpetual subordinated loan capital</b>					
Storebrand Liv AS 20/12/99	70.0	EUR	3 mnd EURIBOR + 2.5%		681.3
Storebrand Livsforsikring 49-13	300.0	EUR	9.404%	26.06.13	2 904.6
Storebrand Livsforsikring AS	1 700.0	NOK	3 mnd NIBOR + 3.5 %	27.06.14	1 680.7
SPP*)	1 000.0	SEK	3 mnd STIBOR + 2.0%	Termination 5 yr	885.5
SPP*)	600.0	SEK	3 mnd STIBOR + 2.0%	Termination 5 yr	531.3
<b>Dated subordinated loans</b>					
Storebrand Livsforsikring 09/06/14	175.0	EUR	3 mnd EURIBOR + 0.90%	09.06.09	1 675.0
Accrued interest					251.8
<b>Total subordinated and perpetual loans 2008</b>					<b>10 084.8</b>
<b>Total subordinated and perpetual loans 2007</b>					<b>8 813.7</b>

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

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

The total expense associated with the company's subordinated borrowings (including currency gains and losses) amounts to NOK 829.6 million.

\*) These loans are due to be taken over by Storebrand no later than 2009, and are therefore not included in the group's primary capital.

## 34 Other assets - biological assets

NOK million	2008	2007
<b>Booked value at 01.01.</b>	<b>355.9</b>	<b>182.6</b>
Additions due to purchases/New planting (forest)	125.8	
Translation difference		
Change in fair value less sales expenses	41.0	173.3
Foreign exchange difference on translation of foreign subsidiaries	0.3	
<b>Book value at 31.12.</b>	<b>523.0</b>	<b>355.9</b>

The biological assets recognised in the balance sheet consist of forest.

The valuation is primarily based on the utility value/return value calculation. Annual revenue and expenses are calculated from forestry and land. The net revenue is capitalised at a rate of 4%.

## 35 Other liabilities

NOK million	Storebrand Livsforsikring AS		Storebrand Livsforsikring Group	
	2008	2007	2008	2007
Cash collateral	583.6	423.2	4 320.3	10 901.6
Other short-term liabilities	662.3	1 113.0	911.5	2 912.9
<b>Other liabilities</b>	<b>1 245.9</b>	<b>1 536.2</b>	<b>5 231.8</b>	<b>13 814.5</b>

### 36 Transactions with connected parties

#### Transactions between companies in the group

NOK million	2008	2007
<b>Profit and loss items:</b>		
Services bought	355.6	134.4
Services sold	335.1	305.6
<b>Balance sheet items:</b>		
Receivables	44.0	18.2
Debt	72.8	41.6

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

### 37 Remuneration of senior employees and elected officers of company

Lars Aa. Løddesøl is Chief Executive Officer of Storebrand ASA and Managing Director of Storebrand Livsforsikring AS. He is entitled to 18 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 any such payments. Løddesøl 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. Bonus entitlement is credited to a bonus account, and 1/3 of the balance on the bonus account is paid each year. The Managing Director is a member of the Storebrand pension scheme on normal terms.

In accordance with the AGM's decision a long term incentive scheme was established in 2008 for the group management team and other senior employees. Previously withheld bonuses in 2007 and earlier were paid out in connection with the establishment of the scheme. The company has also given an extra contribution that corresponds to the size of this amount. The payment is reported as pay/bonus and was taxed as income from the employment. The payment less tax has in its entirety been spent on buying shares with a lock-in period of 3 years.

The company has no obligations towards the Chairman of the Board of Directors in respect of changes to or termination of his appointment. The company pays the cost of directors' liability insurance for the members of its board of directors.

Storebrand has established a bonus scheme for employees. The bonus scheme is linked to the company's value creation, but also depends on individual performance.

THOUSAND NOK	Ordinary salary	Bonus paid	Other benefits **)	Post termination salary (months)	Pension accrued for the year	Discounted present value of pension	Loan	Interest rate at 31.12.08	Repayment period
<b>Senior employees</b>									
Idar Kreutzer	4 176	4 642	282	24	955	15 561	12 543	5.6%/6.79%/6.95%	2037/2025/2018
Maalfrid Brath	2 361	1 094	216	18	193	2 510	4 679	5.6%/6.64%	2035/2017
Odd Arild Grefstad ***)	2 694	2 096	209	18	612	8 286	3 136	5.6%/6.65%	2024/2018
Lars Aa. Løddesøl	2 650	2 685	167	18	874	6 429	4 175	5.6%/6.64%	2029/2017
Roar Thoresen	2 817	2 909	149	18	924	6 184	1 660	5.6%	2032
Hans Aasnæs	3 096	4 038	143	18	759	10 436	1 700	5.6%	2032
Egil Thompson	1 853	1 231	185	18	542	4 993	2 815	5.6%/6.99%	2038/2019
Anders Røed	1 544	1 226	179	18	521	2 062			
Elin M. Myrmel-Johansen	1 054	230	171	18	254	2 031	2 326	5.6%/6.60%	2023/2018
Trond Killi	1 396		158	6	360	2 457	3 286	5.6%/7.00%	2025
Sarah McPhee	256	855	1	18					
Göran Holgerson	1 846		123	18	348				

THOUSAND NOK	No. Of shares held *)	Bonus bank ****)	Return on shares bank *****)	1/3 bonus bank *****)
<b>Senior employees</b>				
Idar Kreutzer	91 760	3 028	-1 586	1 009
Maalfrid Brath	8 431			
Odd Arild Grefstad	24 363	785	-665	362
Lars Aa. Løddesøl	26 194	196	-735	399
Roar Thoresen	26 686		-934	477
Hans Aasnæs	38 235		-2 021	1 244
Egil Thompson	16 404		-140	45
Anders Røed	13 447		-202	90
Elin M. Myrmel-Johansen	5 471		-43	23
Trond Killi				
Sarah McPhee	32 792			
Göran Holgerson	2 000			

\*) 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).

\*\*\*) Comprises company car, telephone, insurance, concessionary interest rate, other contractual benefits.

\*\*\*\*) The cost of employment benefits of Odd Arild Grefstad is allocated proportionately between Storebrand Livsforsikring AS and Storebrand ASA. The share of these costs allocated to Storebrand Livsforsikring AS is NOK 2.7million.

\*\*\*\*\*) Outstanding in bonus bank at 31.12.2008 less Storebrand's initial contribution. Senior executives are contractually entitled to performance related bonuses related to the group's value-based management system. 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. Senior employees, with the exception of the CEO, received an initial contribution when the bonus bank was established. If the employee leaves the company, the positive amount of the initial deposit will be retained by Storebrand. The balance of the bonus account is exposed 50% to Storebrand's share price and 50% to the best interest rate paid by Storebrand Bank. Over time the balances in the "share bank" and "interest bank" will grow separately.

\*\*\*\*\*) The return on the "share bank" shows the annual gain in value of the individual's bonus account caused by the performance of the Storebrand share price in 2008 adjusted for dividend.

THOUSAND NOK	Remuneration	No. Of shares held*)	Loan	Interest rate at 31.12.08	Repayment period
<b>Board of Directors</b>					
Idar Kreutzer		91 760	12 543	5.6%/6.79%/6.95%	2037/2025/2018
Maalfrid Brath		8 431	4 679	5.6%/6.64%	2035/2017
Jakob Andreas Waage Enger	145	5 000			
Nina Udnes Tronstad	145				
Else-Lill Grønli	73		2 006	5.6%/7.00%	2031/2017
Gorm Leiknes	145	1 288	2 093	5.6%/7.00%	2022/2018

## 38 Audit fees

NOK million	Storebrand Livsforsikring AS			Storebrand Livsforsikring Group			
	2008	2007	2008	Of which Deloitte			2007
				Norway	Sweden	Of which other auditors	
Statutory audit	3.1	1.4	9.0	4.9	3.5	0.6	3.0
Other reporting duties	0.5	0.1	0.5	0.5			0.1
Taxation advice	0.1		0.4	0.1	0.2		
Other non-audit services *)	0.2	0.1	0.5	0.3	0.3		0.2
<b>Total</b>	<b>3.9</b>	<b>1.6</b>	<b>10.4</b>	<b>5.8</b>	<b>4.0</b>	<b>0.6</b>	<b>3.3</b>

\*) The amount above is excluding vat.

**39 Reconciliation of change in equity****Reconciliation of change in equity Storebrand Livsforsikring AS**

NOK million	Share capital <sup>1)</sup>	Share premium reserves	Total paid-in equity	Fund for risk-smoothing	Administration reserve non-life insurance	Other equity	Total equity
<b>Equity at 31.12.2007</b>	<b>1 980.4</b>	<b>9 270.6</b>	<b>11 251.0</b>			<b>4 135.3</b>	<b>15 386.3</b>

**Profit and loss items applied directly to equity:**

Re-statement differences						2.5	2.5
Hedging applied directly to equity						19.8	19.8
Administration reserve non-life insurance					12.7		12.7
Company's share of value adjustment reserve						319.1	319.1
Closure of security reserve				33.4		99.4	132.8
Profit for the period				119.7		-2 196.4	-2 076.7
<b>Total revenue and costs for the period</b>				<b>153.1</b>	<b>12.7</b>	<b>-1 755.5</b>	<b>-1 589.7</b>

**Equity transactions with owner:**

Share issue	1 450.0		1 450.0				1 450.0
<b>Equity at 31.12.2008</b>	<b>3 430.4</b>	<b>9 270.6</b>	<b>12 701.0</b>	<b>153.1</b>	<b>12.7</b>	<b>2 379.7</b>	<b>15 246.5</b>

1) 34.304.200 shares of NOK 100 par value.

**Reconciliation of change in equity Storebrand Livsforsikring Group**

NOK million	Majority's share of equity							Minority interest	Total equity
	Share capital	Share premium reserves	Total paid-in equity	Fund for risk-smoothing	Administration reserve non-life insurance	Other equity			
<b>Equity at 31.12.2007</b>	<b>1 980.4</b>	<b>9 270.6</b>	<b>11 251.0</b>			<b>4 125.3</b>	<b>130.1</b>	<b>15 506.4</b>	

**Profit and loss items applied directly to equity:**

Re-statement differences						124.7	1.8	126.5
Hedging applied directly to equity						-15.6		-15.6
Pension experience adjustments						49.2		49.2
Administration reserve non-life insurance					12.7			12.7
Company's share of value adjustment reserve						319.1		319.1
Fair value biological assets						70.3	23.6	93.9
Closure of security reserve				33.4		99.4		132.8
Profit for the period				119.7		-3 107.4	11.6	-2 976.1
<b>Total revenue and costs for the period</b>				<b>153.1</b>	<b>12.7</b>	<b>-2 460.3</b>	<b>37.0</b>	<b>-2 257.5</b>

**Equity transactions with owner:**

Own shares								
Share issue	1 450.0		1 450.0				35.4	1 485.4
Issue costs								
Dividend paid								
Purchase/sale minority interests								
Other								
<b>Equity at 31.12.2008</b>	<b>3 430.4</b>	<b>9 270.6</b>	<b>12 701.0</b>	<b>153.1</b>	<b>12.7</b>	<b>1 665.0</b>	<b>202.5</b>	<b>14 734.1</b>

## 40 Capital adequacy

NOK million	Storebrand Livsforsikring AS		Storebrand Livsforsikring Group	
	2008	2007	2008	2007
Share capital	3 430.4	1 980.4	3 430.4	1 980.4
Other equity	11 803.5	13 405.9	11 126.8	13 395.9
<b>Equity</b>	<b>15 233.9</b>	<b>15 386.3</b>	<b>14 557.2</b>	<b>15 376.3</b>
Perpetual subordinated loans	1 500.0		1 427.2	
Conditional bonus			2 279.9	2 437.4
Goodwill and other intangible assets	-34.0	-7.4	-6 885.3	-9 610.5
Risk equalisation fund	-153.1		-153.1	
Minority's share of equity			202.6	
Capital adequacy reserve	0.0		-43.0	
Unrealised gains on shares in company portfolio	-35.4		-35.4	
Minimum requirement reinsurance reserve	-3.0	-2.1	-3.0	-2.1
Portion of reset unamortised experience adjustments	117.8		117.8	
Deduction for investments in other financial institutions	-10.7	-65.0	-10.7	-65.0
Other			340.4	
<b>Tier 1 capital</b>	<b>16 615.5</b>	<b>15 311.8</b>	<b>11 794.6</b>	<b>8 136.1</b>
Perpetual subordinated loans			72.9	
Perpetual primary capital	4 622.6	6 031.1	4 622.6	4 374.8
Ordinary primary capital	1 430.7	1 389.3	1 430.7	1 389.3
Capital adequacy reserve			-43.0	
Deduction for investments in other financial institutions	-10.7	-65.0	-10.7	-65.0
<b>Tier 2 capital</b>	<b>6 042.6</b>	<b>7 355.4</b>	<b>6 072.5</b>	<b>5 699.1</b>
<b>Net primary capital</b>	<b>22 658.1</b>	<b>22 667.2</b>	<b>17 867.1</b>	<b>13 835.2</b>
<b>Calculation base by class of risk weighting</b>	<b>192 820.5</b>	<b>195 052.6</b>	<b>302 989.4</b>	<b>318 176.4</b>
Risk weight 0%	56 116.6	48 024.6	92 677.9	85 795.4
Risk weight 10%	6 779.1	1 454.6	6 779.1	1 531.7
Risk weight 20%	51 916.3	40 511.3	97 788.8	72 954.7
Risk weight 35%	1 295.7		1 295.7	
Risk weight 50%	372.4	1 254.3	6 016.9	2 275.3
Risk weight 100%	61 117.1	94 878.9	59 614.0	116 536.8
Risk weight 150%	6 493.8		7 580.7	
Assets held in respect of life insurance contracts with investment choice	8 729.5	8 928.9	31 236.3	39 082.5
<b>Weighted assets in the balance sheet</b>	<b>83 642.6</b>	<b>105 539.0</b>	<b>100 141.8</b>	<b>140 006.3</b>
Weighted interest rate and FX contracts	1 523.4	851.7	2 748.0	1 664.0
Cross holding deduction for shares in other financial institutions	-21.4	-130.0	-21.4	-130.0
Unrealised gains on financial current assets	-35.4	-3 599.1	-35.4	-3 599.1
<b>Risk weighted calculation base</b>	<b>85 109.2</b>	<b>102 661.6</b>	<b>102 833.0</b>	<b>137 941.2</b>
<b>Capital adequacy ratio:</b>	<b>26.62%</b>	<b>22.08%</b>	<b>17.37%</b>	<b>10.03%</b>
<b>Tier 1 capital adequacy:</b>	<b>19.52%</b>	<b>14.91%</b>	<b>11.47%</b>	<b>5.90%</b>

## 41 Solvency margin

NOK million	Storebrand Livsforsikring AS		Storebrand Livsforsikring Group	
	2008	2007	2008	2007
Solvency margin demand	6 485.2	6 616.0	10 353.9	10 110.0
Solvency margin capital	21 690.2	21 626.9	16 580.1	13 761.0
<b>Solvency margin</b>	<b>334.5 %</b>	<b>326.9 %</b>	<b>160.1 %</b>	<b>136.1 %</b>

### Specification of solvency margin capital

NOK million	Storebrand Livsforsikring AS		Storebrand Livsforsikring Group	
	2008	2007	2008	2007
Net primary capital	22 658.2	22 667.2	17 867.1	13 835.2
50% of additional statutory reserves	1 710.0	2 878.7	1 710.0	2 878.7
50% of fund for risk-smoothing	76.6		76.6	
Counting security reserve	45.4	128.3	45.4	128.3
Conditional bonus			-2 230.0	-2 437.4
Reduction in Tier 2 capital eligible for inclusion in solvency capital	-2 800.0	-4 047.3	-889.0	-643.8
<b>Solvency capital</b>	<b>21 690.2</b>	<b>21 626.9</b>	<b>16 580.1</b>	<b>13 761.0</b>

## 42 Return on capital

### Storebrand Livsforsikring AS

	Booked return	Market return
Total customer portfolio	2.00%	-0.24%

### Portfolio

9101 extra cautious	7.07%	4.69%
9102 low	4.02%	1.74%
9103 standard	2.04%	-0.20%
9105 pooled funds	4.48%	3.34%
9106 group life insurance	7.17%	5.12%
9111 paid-up policies	0.92%	-1.26%
9121 individual	2.57%	-0.08%

## 43 Return on capital historical numbers

### Storebrand Livsforsikring AS

	2007	2006	2005	2004
Return on capital *)	8.86%	7.12%	6.89%	6.41%
Return on capital II *)	7.26%	8.28%	7.55%	7.19%
Return on capital III *)	6.59%	6.52%	6.89%	7.64%
Average yield	8.84%	6.76%	6.40%	5.88%
Average guaranteed return	3.52%	3.57%	3.64%	3.77%

\*) Return on capital I: Realised financial income including revaluation of investment properties  
 Return on capital II: As return on capital I but also including changes in unrealised gains on financial current assets  
 Return on capital III: As return on capital I but also including all unrealised gains

## 44 Number of employees

	Storebrand Livsforsikring AS		Storebrand Livsforsikring Group *)	
	2008	2007	2008	2007
Number of employees at 31.12.	921	983	1 805	1 735
Average number of employees	937	1 066	1 775	1 150
Fulltime equivalent positions at 31.12.	886	959	1 739	1 687
Average number of fulltime equivalents	907	1 040	1 715	1 122

\*) SPP group is in 2007 included with 555 employees and 537 full time equivalent positions, but is not included in the average number calculation.

## 45 Insurance risk

### STOREBRAND LIVSFORSIKRING

#### 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.

	Men			Woman		
	30 yr	45 yr	60 yr	30 yr	45 yr	60 yr
Risk of death, individual endowment insurance	122	324	1 416	61	162	711
Lump sum disability, individual	273	590		352	1 367	
Disability pension, individual	248	639	1 975	371	1 577	2 490
Critical illness, non-smoker, individual	171	515	1 804	171	515	1 804
Risk of death, group life insurance	55	146	821	33	88	493
Risk of death, group pension insurance	48	146	743	23	77	403
Disability pension, group pension	511	734	642	1 029	1 386	878

Tariffs for group life insurance and certain risk insurances 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 new industry tariff K2005 with security margins that take into account the reduction in mortality among policyholders observed in recent years. Premiums for disability pensions 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 about inflation or voluntary termination/transfers.

#### 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 percent in 1993 and subsequently reduced in 2005 to 2.75 percent 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 percent to 3 percent with effect from renewals in 2004.

*continues next page*

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

Interest rate guarantee	2008	2007
6%	0.3 %	0.6 %
5%	0.7 %	0.8 %
4%	59.0 %	58.8 %
3,4 %	4.6 %	4.5 %
3%	31.2 %	28.2 %
2,75%	1.4 %	2.7 %
0%	2.8 %	4.4 %

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

The total average guaranteed interest rate for all lines of insurance comprised 3.52 percent in 2008, the same as in 2007. 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 for the individual policy to be covered by transfers from the policy's additional statutory reserves. Any negative return must be met from the company's equity.

Average interest rate guarantee	2008	2007
Individual endowment insurance	3.2 %	3.1 %
Individual pension insurance	3.6 %	3.6 %
Group pension insurance	3.6 %	3.6 %
Group life insurance	0.6 %	0.7 %
Non- life insurance	0.0 %	0.0 %
Total	3.52%	3.52%

New business written in 2008 is subject to a 2.75 percent 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 percent.

Premiums and reserves for pension entitlements earned in 2008 in group pension insurance are calculated on the basis of a 3 percent basic interest rate.

#### Insurance risk:

Most of the company's lines of insurance include cover for disability through either a 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. Future changes to occupational pensions legislation may also cause changes in this respect for private sector occupational pensions. The premium tariffs will normally be amended to take account of such changes.

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 – Storebrand 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 Storebrand 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 reported but which the company, on the basis of its experience, assumes 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. The company's risk within workmen's compensation insurance is covered by both quota reinsurance and «excess of loss» cover purchased by the company. In connection with the relaunch of P&C insurance, the company purchased «excess of loss» cover for unlimited liability for motor insurance and included travel insurance in the catastrophe reinsurance cover.

#### **Sufficiency test:**

Storebrand is required by IFRS 4 to carry out a sufficiency test to ensure that the company has sufficient margins in the various constituent elements that make up the company's reserves. IFRS permits two alternative methods for the sufficiency test. Where a company has an established form of analysis that demonstrate the margins in the various constituent elements, Section 16 of the standard allows this analysis to continue to be used to demonstrate that the test is satisfied. Where a company has not established such analysis, it is required to discount future cash flows to present value in accordance with IAS37.

In 2008, Storebrand continued its existing practice from the year before and conducted a test pursuant to Section 16. The required analysis is carried out on the basis of Norwegian principles for premium reserves and applies conservative calculation elements. The established form of analysis is based on the assumptions used for the calculation of Embedded Value in which we use the best estimates for the future base elements based on current experience. The sufficiency test is carried out by analysing the current margins between the assumptions used for setting reserves and the assumptions in the Embedded Value analysis.

Storebrand satisfies the test, as it did in 2007. The test has no profit and loss account effects on the 2008 accounts.

#### **SPP**

The company's risk with respect to savings in life insurance partly comes from investment yield from assets under management and partly from the policyholders' life and health. The uncertainty surrounding the policyholders' life and health is called insurance risk and can be divided into the following main categories:

- death – payment to the policyholder's surviving relatives
- pension – payment for as long as the policyholder lives
- disability – payment in the event of illness or occupational disability

A policy often contains a combination of the three different insurance risks. In a mutual life insurance company it is the insurance group that is responsible for these risks since in this case the policyholder fulfils the role of both owner and customer. In a private limited company like SPP it is not the policyholders who are liable for the risk result, but the company.

#### **Limiting insurance risk**

Before a risk policy – products that ensure financial compensation in the event of death and illness/disability – is granted, SPP conducts a medical insurance risk assessment of the policyholder. The purpose of this is to determine whether and on which terms the policyholder can take out a policy based on the policyholder's health status. This is necessary in order to enable the company to offer policies with the correct level of premium in the long-term. The desired policy should satisfy the policyholder's insurance needs and debt servicing capacity. The assessment of risk therefore also includes an examination of debt servicing capacity.

#### **Future risks**

Life expectancy in Sweden is increasing sequentially (mortality is sinking). This is positive for life cover. On the other hand it may become a financial burden in the case of pension insurance (accident cover).

The Swedish Insurance Research Council (FTN), which is a sector organisation, conducted an analysis of mortality in 2006 that makes it possible to look at mortality forecasts that take account of changes in the level of change trends. Such a forecast is crucial when it comes to the setting prices for both life cover and pension insurance. Insurance products are usually designed in such a way that the premium calculation for the entire period of cover is based on mortality/life expectancy at the time the policy was taken out.

The future is unpredictable as far as disability insurance is concerned. Changes in new incidences of disability are taking place much faster than changes in mortality/life expectancy. One of the reasons for this is the problems involved with determining the causes of and the degree of disability on the ground. The quickly increasing level of disability in the first few years of 2000 resulted in premium increases within the sector. Many insurance companies were doubtful about offering voluntary disability cover in the future. However, since 2005 the number of disability incidences has fallen in a more balanced trend that resulted in SPP reducing the risk premiums for disability cover. This resulted in a lower risk result for 2007.

*continues next page*

The majority of SPP risk policies are annual. In other words, the company can change the premium every year. Errors in the estimate of the premium for life and disability cover can therefore be corrected, which has a rapid effect on the company's risk result.

**Risk exposure**

In order to ensure that insurance companies have adequate capital to meet their insurance obligations, Finansinspektionen (the Swedish Financial Supervisory Authority) requires that the sector stress test all of its insurance business using the so-called traffic light calculations. The elements tested are the premium income side and the insurance liabilities. In 2007, it was announced that companies would be also required to stress changes with respect to insurance liabilities in risk policies. This also applies to so-called cancellation risk, which is the risk that a policyholder will terminate the policy and thus stop paying premiums. The level of stress testing generally follows the guidelines issued by CEIOPS (the Committee of European Insurance and Occupational Pensions Supervisors) and their work on Solvency II.

A 20 per cent fall in mortality would entail an annual risk result that was approx. SEK 130 million lower for SPP. If the probability of reactivation in the event of disability sinks by 20 per cent, this would entail an annual risk result that was approx. SEK 50 million lower. SPP's cancellation risk is very small since the majority of the policy portfolio cannot be repurchased.

The insurance risk constitutes a significant proportion of the total capital requirement that results from the stress test. In total the stress test affects the risk result in the amount of SEK 180 million. With an expected risk result of approx. SEK 300 million, this means that the majority of the risk result will thus be consumed if the basis for the stress test should become a reality. The stress tests are based on a 1:200 scenario, or a confidence level of 99.5 percent.

**Sufficiency test:**

SPP is required by IFRS 4 to carry out a sufficiency test to ensure that the company has sufficient margins in the various constituent elements that make up the company's reserves. IFRS permits two alternative methods for the sufficiency test. Where a company has an established form of analysis that demonstrate the margins in the various constituent elements, Section 16 of the standard allows this analysis to continue to be used to demonstrate that the test is satisfied. Where a company has not established such analysis, it is required to discount future cash flows to present value in accordance with IAS37.

The sufficiency test is done on a net liability in the balance sheet that consists of technical insurance reserves less capitalised sales costs. SPP satisfies the test. The test has no effects on the profits shown on the annual accounts for 2008.

## THE CHIEF ACTUARY'S REPORT

To the Board of Directors in Storebrand Livsforsikring AS

### ALLOCATIONS TO THE INSURANCE FUND

With reference to the annual report for 2008 I confirm that the entered "Premium reserve", "Additional statutory reserves" and "Insurance obligations in life insurance" under items 12 and 13 in the Balance sheet have all been calculated in accordance with the Act on Insurance Activity and satisfy the requirements of the Financial Services Authority of Norway. This is also valid for the "Fund for risk-smoothing" under item 10 - "Earned equity". From these calculations the corresponding allocations have been made in the Profit and Loss Account. The proposed allocations are in accordance with the Act on Insurance Activity.

Oslo, 5 February 2009

Translation - not to be signed

Trond Killi  
Chief Actuary

Translation from the original Norwegian version

To the Annual Shareholders' Meeting of Storebrand Livsforsikring AS

## AUDITOR'S REPORT FOR 2008

We have audited the annual financial statements of Storebrand Livsforsikring AS as of 31 December 2008, showing a loss of NOK 2.076,7 million for the parent company and a loss of NOK 2.976,1 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 coverage of the loss. The annual financial statements comprise the parent company's financial statements and the group accounts. The parent company's financial statements comprise the balance sheet, the statements of income and cash flows, and the accompanying notes. The group accounts comprise the balance sheet, the statements of income and cash flows, and the accompanying notes. The rules of the Norwegian Accounting Act and generally accepted accounting practice in Norway have been applied to prepare the financial statements. These financial statements are the responsibility of the Company's Board of Directors and Managing Director. Our responsibility is to express an opinion on these financial statements and on other information according to the requirements of the Norwegian Act on Auditing and Auditors.

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

In our opinion,

- the financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company and of the Group as of 31 December 2008, and the results of its operations and its cash flows for the year then ended, in accordance with generally accepted accounting practice in Norway
- the Company's management has fulfilled its duty to see to proper and well arranged recording and documentation of accounting information in accordance with law and generally accepted bookkeeping practice in Norway
- the information in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposal for the coverage of the loss is consistent with the financial statements and complies with law and regulations.

Oslo, 3 March 2009  
Deloitte AS

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

## **CONTROL COMMITTEE'S STATEMENT – 2008**

### **Storebrand Livsforsikring AS Control Committee's Statement – 2008**

At its meeting on 5 March 2009, the Control Committee of Storebrand Livsforsikring AS has reviewed the Board of Director's proposed Annual Report and Accounts for 2008 of Storebrand Livsforsikring AS.

With references to the auditor's report of 3 March 2009 the Control Committee recommends that the Annual Reports and Accounts proposed be adopted as the Annual Report and Accounts of Storebrand Livsforsikring AS for 2008.

Oslo, 5 March 2009

Translation - not to be signed

Elisabeth Wille  
Chairman of the Control Committee

## BOARD OF REPRESENTATIVES' STATEMENT – 2008

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

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

Oslo, 10 March 2009

Translation - not to be signed

Terje Venold  
Chairman of the Board of Representatives

## EV – Market Consistent Embedded Value

This section provides information on the disclosure of the embedded value (EV) 2008 for Storebrand Life Group. It includes business written in Storebrand Livsforsikring AS (SBL) and SPP Livsforsikring AB (including Euroben Life & Pension Ltd.).

EV is an actuarially determined estimate of the value of a company excluding any value attributable to future new business. Calculating EV involves a number of assumptions about the business, operating and economic conditions, and other factors, some of which are determined by economic conditions and financial markets. Storebrand has published a specific EV report containing more detailed information. Storebrand's EV report has been prepared in cooperation with the actuarial consulting firm Towers Perrin, using a market consistent approach (MCEV).

### Changes in embedded value for 2007

Two changes to the model were introduced in 2008, which result in changes to MCEV for 2007. The most important relates to the introduction of capital costs for risk the company cannot insure itself against (cost of non-hedgeable risk). This capital cost is not caught in other places in the calculations. The second change in the model from 2007 is the projection of the yield curve. The new model introduced into SPP in December 2007 was also used in MCEV. Given these changes to the calculation model the previously published MCEV is reduced by minus NOK 3.4 billion to NOK 26.5 billion.

### Result

The total EV as of 31 December 2008 for the life insurance business of Storebrand Group after capital movements is NOK 23 billion. The present value of future profits amounts to NOK 23.9 billion (including look-through profits of NOK 4 billion), while shareholder surplus is NOK 8.4 billion and the capital cost is NOK 236 million. The EV has been reduced by a volatility cost of NOK 5.2 billion.

The reduction in EV from 31 December 2007 to 31 December 2008 amounted to NOK 5.2 billion, excluding dividends and other capital transfers. This represents a return of minus 20 percent on adjusted EV.

As an effect of the holding company structure in Sweden, whereby part of the profits can be transferred to the group as a tax-free group contribution, it is currently expected that the effective tax rate for profits arising in SPP will be zero. Therefore, a tax rate of 0 percent has been applied to SPP. The current tax legislation in Norway leads to an effective tax rate of 0 percent for profits arising in SBL and the group's asset management company.

NOK million	MCEV 2008
Total shareholder surplus at market value	8.431
comprising	
- Free surplus	882
- Required capital	7.550
<b>Value of In-force business</b>	<b>14.610</b>
comprising	
- Present value of future profits (PVFP)	23.893
- Time value of financial options and guarantees (TVOG)	-5.183
- Frictional costs of required capital (FCRC)	-236
- Cost of residual non hedgeable risks (CNHR)	-3.864
<b>Total embedded value</b>	<b>23.041</b>
Look through value included in the PVFP	4.022

Storebrand's operations and new business contributed NOK 1.8 billion to the MCEV result in 2008. The reasons for this positive development include SPP's new investment strategy. Costs associated with the separation of SPP from Handelsbanken and integration into Storebrand lowers the result because the calculation method for MCEV takes into account all separation costs but omits future synergies.

### Embedded Value of Storebrand Group

NOK million	31.12.07 Group	31.12.07 Group (restated)	31.12.08 Group
ANAV	7.478	6.984	8.431
PVFP 1)	28.412	27.558	23.893
Cost of holding capital	-248	-236	-236
Cost of volatility	-5.701	-4.709	-5.183
Cost of residual non hedgeable risks		-3.044	-3.864
<b>Total MCEV Storebrand Life</b>	<b>29.940</b>	<b>26.554</b>	<b>23.041</b>
<b>ANAV other businesses 2)</b>	<b>2.635</b>	<b>2.635</b>	<b>1.319</b>
<b>Storebrand Group Embedded value</b>	<b>32.575</b>	<b>29.189</b>	<b>24.360</b>
<b>Embedded value per share 3) (NOK)</b>	<b>73.3</b>	<b>65.7</b>	<b>54.7</b>

1) PVFP including look-through in 2007, restated 2007 and 2008 of respectively 4,156, 4,148 and 4,022.

2) Includes IFRS shareholders' equity less intangible assets for businesses not included in the MCEV analysis Storebrand Asset Management tangible equity adjusted to avoid double counting.

3) Based on 444,6m shares for 2007, 445,3m shares for 2008.

## 2008 Embedded value earnings analysis

Billion NOK	
Published MCEV at year-end 2007	29.9
Restatement	-3.4
Opening MCEV	26.5
Opening adjustments	0.0
New business value	0.4
Expected existing business contribution (reference rate)	1.5
Expected existing business contribution (in excess of ref. rate)	0.7
Transfers from VIF and required capital to free surplus	0.0
Experience variances	0.0
Assumption changes	-1.3
Other operating variance	0.5
Economic variances	-7.1
Other non operating variance	0.0
Closing adjustments	1.7
Closing MCEV	23.0

NOK million	VNB 2008
Value of New Business	
comprising	
- Present value of future profits (PVFP)	794
- Time value of financial options and guarantees (TVOG)	-151
- Frictional costs of required capital (FCRC)	-56
- Cost of residual non hedgeable risks (CNHR)	-192
<b>Total value of new business</b>	<b>395</b>
Look through value included in the PVFP	153

The MCEV result was affected by the financial instability. Falls in equities markets in 2008 reduced the buffer capital in the life insurance business. At the same time lower interest rates and increased volatility in the market reduced the value of expected future earnings. In total changes to the macroeconomic factors made a negative contribution of NOK 7.1 billion.

### Value of New Business

The value of new business in 2008 was calculated at NOK 395 million. Sales have been positive in both the Norwegian and Swedish insurance companies with new premiums (APE) of NOK 1,583 million and NOK 516 million, respectively. Margins in the Norwegian business increased in relation to comparable figures for 2007, and the calculated value of new business was NOK 504 million.

A negative value was calculated for new business in 2008 in the Swedish business amounting to NOK 109 million. This is primarily due to the sales volume still being too low to cover the costs associated with new sales and the reduction in interest rates. A number of measures have been initiated in SPP that are expected to improve the value of new business in SPP.

# Terms and expressions

## **Additional statutory allocations \*):**

### **Administration reserve:**

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

### **Administration result:**

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

### **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 policyholders' funds during the course of the year. Policy holders' funds for this purpose are the reserves provided in the insurance fund. The average yield is a gross yield before deducting costs and will thus not be comparable with interest reported by other financial institutions. The average yield is calculated in accordance with rules set by the Banking Insurance and Securities Commission.

### **Capital ratio:**

Eligible primary capital as a percentage of the risk-weighted balance sheet. (Individual assets and off-balance sheet items are given a risk weighting based on the estimated credit risk they represent.) Until such a time as the appropriate regulations are issued in respect of the new accounting legislation, the company has adopted the principle of deducting the market value adjustment reserve from the equivalent items on the asset side of the balance sheet.

### **Collective pension insurance:**

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

### **Conditional bonus:**

The conditional bonus is that part of the insurance capital in SPP that is not guaranteed. The conditional bonus increases or decreases in relation to the total yield. It can be both negative and positive. However, the bonus cannot exceed more than 15 per cent of the total insurance capital. When the bonus is higher, the excess part is converted into guaranteed bonus. This applies to insurance with individually calculated bonus. Similar principles apply to other policies.

### **Claims reserve \*):**

### **Endowment insurance:**

Individual life insurance where the insured amount is payable in one amount on either the expiry of the insurance period or the death of

the insured if earlier. Such insurance can be extended to provide disability pensions or disability insurance.

### **Financial derivatives:**

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

### **Share options:**

The purchase of share options confers a right (but not an obligation) to buy or sell shares at a pre-determined price. Share options may be related to stock market indices as well as to specific individual stocks. The sale of share options implies the equivalent one-sided obligation. In the main exchange traded and cleared options are used. Purchases of options to buy shares (call options) and sales of options to sell shares (put options) are classed as long positions.

### **Stock futures:**

Stock futures contracts can be related to individual shares, but are normally related to stock market indices. Stock futures contracts are standardised futures contracts which are exchange traded and are subject to established clearing arrangements. Profits and losses on futures contracts are recognised daily, and are settled on the following day. Purchases of share futures contracts are defined as long positions.

### **Forward rate agreements (FRA):**

Forward Rate Agreements (FRA) are agreements to pay or receive the difference between an agreed fixed rate of interest and the actual rate for a fixed future period of time. This difference is settled on the first day of the period which is the subject of the agreement. FRAs are particularly well suited to managing short-term interest rate risk. A sold FRA creates the same interest rate exposure as a fixed term deposit and is accordingly classed as an asset.

### **Interest rate futures:**

Interest rate futures contracts are related to government bond rates or short term reference interest rates. Interest rate futures are standardised contracts which are exchange traded and are subject to established clearing arrangements. Profits and losses on futures contracts are recognised daily, and are settled on the following day. Purchases of interest rate futures contracts are defined as long positions.

### **Credit derivatives:**

Credit derivatives are financial contracts that transfer all or part of the credit risk associated with loans, bonds and similar instruments from the purchaser of the protection (seller of the risk) to the seller of the protection (purchaser of the risk). Credit derivatives are transferable

\*) See Accounting policies for a description of these terms.

instruments that make it possible to transfer the credit risk associated with particular assets to a third party without selling the assets.

**Interest rate options/FRA options:**

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

**Forward foreign exchange contracts/ foreign exchange swaps:**

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

**Group life insurance:**

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

**Interest result:**

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

**Market value adjustment reserve\*):**

**Operating expenses:**

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

**Operating profit:**

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

**Pensioner's surplus fund \*):**

**Premium fund \*):**

\*) See Accounting policies for a description of these terms.

**Premium reserve \*):**

**Primary capital:**

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

**Return on capital:**

Return on capital, excluding changes in unrealised gains on securities but including revaluations (positive or negative) of real estate, (Return on capital 1) shows the realised income from financial assets expressed as a percentage of the average value of the company's total assets net of the market value adjustment reserve for the year. This calculation is in accordance with rules set by the Banking, Insurance and Securities Commission.

Return on capital, including changes in unrealised gains on securities as well as revaluations (positive or negative) of real estate, (Return on capital 2) shows the realised income from financial assets expressed as a percentage of the average value of the company's total assets for the year. Total value-adjusted return on capital shows income plus the change in the market value adjustment reserve and unrealised gains/losses on fixed assets (Return on capital 3) expressed as a percentage of the average value of the company's total assets for the year at market value.

**Risk result:**

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

**Fund for risk-smoothing \*):**

**Solvency margin capital:**

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

**Solvency margin requirement:**

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

**Subordinated loan capital:**

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

**Tier 1 capital:**

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

**Tier 2 capital:**

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



## Storebrand Livsforsikring AS

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