Annual Report 2009

Storebrand Livsforsikring AS

storebrand

CONTENTS

REPORT OF THE BOARD OF DIRECTORS

Main features

Storebrand Life Insurance primarily operates in Norway and its head office is in Lysaker Park in the Municipality of Bærum. The company's primary focus areas are pensions and life insurance for retail customers, corporations and local authorities.

Storebrand's vision is to be the leading and most respected Nordic partner in long-term savings and insurance. For Storebrand Life Insurance this means that the company aims to be Norway's most respected, customer-oriented life insurance company. Such a position can only be attained and maintained by providing the best quality advice, customer service, and product range in the market. Storebrand Life Insurance has an advantage in Norway in that the Storebrand Group is the only major player in the market with long-term savings and life insurance as its primary business areas.

The general conditions for Storebrand Life Insurance's business areas have changed in a number of areas in recent years, including through the introduction of new business rules for life insurance in 2008. Future changes to the general conditions that will be of significant importance for the company include the Pensions Reform, which will be implemented in 2011, and Solvency II, which will be implemented in Norwegian law from autumn 2012.

Storebrand's adaptation to these changes includes products changes, portfolio changes, customer dialogue, changed risk management and systems modification.

Subsidiaries and associated companies

Storebrand Life Insurance owns 100 percent of Storebrand Holding AB, which in turn owns 100 percent of the SPP Group and SPP Fonder. SPP is a leading Swedish provider of life insurance and occupational pensions. SPP offers unit linked products, traditional insurance, and defined benefits pension products, as well as consultancy services covering occupational pensions and insurance and administration solutions for local authorities and other organisations. Together Storebrand and SPP want to create the leading life insurance and pensions provider in the Nordic region. SPP's head office is in Stockholm.

Storebrand Life Insurance owns 9 percent directly and 81 percent though SPP of BenCo Insurance Holding, which in turn owns Nordben Life and Pension Insurance Company Ltd. on Guernsey and Euroben. Storebrand offers actuarial services, systems solutions and other types of services associated with the operation of pension funds through its subsidiaries Aktuar Systemer AS and Storebrand Pensjons-tjenester AS.

Storebrand Life Insurance established a branch in Sweden in 2005. The branch offers pension insurance and unit linked agreements based on Norwegian law in the Swedish market. The branch no longer makes new sales. The branch was integrated with SPP in 2008.

Storebrand Finansiell Rådgivning AS was established as a wholly owned subsidiary in order to satisfy statutory changes within financial advice (MiFid Regulations) which came into force on 1 November 2007. The company is 100 percent owned by Storebrand Life Insurance.

Storebrand Eiendom Holding AS is the holding company for real estate activities. The company is 100 percent owned by Storebrand Life Insurance.

Storebrand Eiendom AS manages properties for Storebrand and SPP, nationally and internationally. The company is 100 percent owned by Storebrand Life Insurance.

Storebrand Life Insurance owns 58 percent of Foran Real Estate in Latvia, as well as 31 percent through SPP Livsförsäkring. The company invests in forests in Latvia.

Sales

Following the introduction of mandatory occupational pensions in 2006, the market for occupational pensions is to a larger degree a transfer market. Storebrand is extremely competitive in this market. Storebrand's net transfer balance (reported sales) in 2009 amounted to NOK 2.4 billion for group pensions. The total transfers to Storebrand in the last five years top more than NOK 12 billion.

A number of the company's customers have switched or are considering switching from defined benefits pensions to defined contribution pensions.

Several large public enterprises moved their occupational pension plans to Storebrand in the public sector occupational pensions market. The local authority market was demanding and characterised by disorderly processes. Storebrand gained no new local authority customers, and lost three. In total, 2009 saw a net inflow to Storebrand of NOK 540 million in the public sector occupational pensions market.

Storebrand's sales of its guarantee account product in the retail market were very good with net sales of NOK 1.6 billion. The new system for individual pension savings with tax deduction (IPS) was launched in 2008. So far relatively few of these savings products have been sold due to the low savings limits and tax rules that consumers find complex.

Regulations for the life insurance sector in Norway

A new insurance activities act and regulations came into force on 1 January 2008. The new act entails considerable changes for life insurance companies. In 2008, Storebrand worked intensively to improve its competitiveness by making use of the business opportunities that presented themselves. The overall objective of the new insurance activities act is to make the pricing of insurance products more predictable and transparent, and to make a clearer distinction between the assets of its policyholders and the insurance company's own capital. The general principle in the new legislation is that premiums must be fixed and paid in advance.

The customers' assets and the company's own assets were until 2008 invested in the same portfolio, and customers were unable to influence the investment risk of their own assets. The legislation allows the company's entire portfolio to be divided up into sub-portfolios with different asset compositions and risk. This means that customers can have a greater say with respect to how their assets are invested.

The return guarantees in group pension insurance with a return guarantee must be priced upfront. The level of the return guarantee, size of the buffer capital (i.e. additional statutory reserves and unrealised gains), and the investment risk of the portfolio in which the pensions assets are invested determines the price the customer pays for his or her return guarantee. Return guarantees are priced on the basis of the risk the equity is exposed to. Group pension customers can choose an investment profile with a low proportion of equities, which normally results in a lower risk of losses and lower expected return. A larger proportion of equities will normally result in a higher expected return, but also a higher price for the return guarantee. Higher returns will over time reduce the customer's pension costs. Additional statutory reserves can only be used to cover deficient returns for your own contract.

Group pension customers can choose to invest their assets in a particular investment portfolio. The customers have freedom of choice in that they can choose between standardised risk profiles, or choose almost any investment option within the constraints set by the law and regulations at any given time. Customers can define their investment policies almost as if the management was taking place through a pension fund.

Customers can choose long-term contracts with guarantee periods of up to 5 years. Prices for multi-year return guarantees will be lower than for an annual return guarantee over the same period. However, it is a requirement that the liabilities to the insured must at all times be covered by sufficient technical insurance reserves, and that, if necessary, equity can also be used to ensure adequate reserves during the agreement period. Greater room for agreement exists between the customer and the company in the regulations pertaining to multi-year return guarantees. For example, customers can pledge their own buffer capital as collateral for returns under the calculated interest rate applied to the insurance. Such an increase in the customer's risk also reduces the total price of the return guarantee charged to the customer.

Profit

In the case of group defined benefits pension schemes and newly established individual products the profit linked to the return risk and insurance risk is allocated to the customer. The various elements of the customer's delivery must in the future be priced separately and may contain a profit element for the insurance company.

A modified profit sharing regime was introduced for old and new individual policies that have left group pension insurance policies that allows the company to retain up to 20 percent of the profit, which amounts to the sum of the interest and risk results from these policies. The modified profit sharing model means that any negative risk result will be deducted from the customers' interest profit. The company also receives all the return on capital on the statement of financial position that does not belong to policyholders.

Traditional individual products established in the company before the act came into force can continue to apply the profit rules that applied prior to 2008, and Storebrand aims to continue managing these assets in line with this regime. New contracts may not be established in this portfolio.

Premium payments

Pricing of the return guarantee

The premium is calculated for one year at a time, and is paid upfront unless the parties agree on payment by instalments.

The customer must pay for the guaranteed return upfront each year. This means the insurance company cannot take its profit in arrears by retaining part of the investment profit from the customer's insurance policy. However, transitional provisions permit insurance companies to retain part of the investment profit for pensioner members of group pension schemes for the years 2008-2010. Allocations can be made to additional statutory reserves, which can be used in years of low return to cover returns between 0 percent and the return guarantee. Additional statutory reserves must be allocated to individual policies. The insurance activities act stipulates the maximum size of additional statutory reserves. The insurance company bears all the downside risk, and must carry reserves against the policy if the buffer reserves are insufficient or unavailable.

Risk premium

The customer will receive any profit from the risk result for insurance cover, but the insurance company will, in principle, be responsible for meeting any deficit on the risk result. However, up to half of any risk profit on a particular line of insurance may be held in a risk equalisation fund. Deficits on risk elements can be met out of the risk 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 upfront 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 profit 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.

Financial performance

In June 2009, Storebrand Livsforsikring AS issued a bond that was listed on the Oslo Stock Exchange.

Storebrand Livsforsikring AS is a wholly owned subsidiary of the listed company

Storebrand ASA. For information about the Storebrand Group's Q4 result please refer to the Storebrand Group's interim report for the Q4 of 2009.

The official financial statements of the Storebrand Group are prepared in accordance with the International Financial Reporting Standards (IFRS), while the official consolidated financial statements of Storebrand Livsforsikring AS are prepared in accordance with the Annual Accounts Regulations for Insurance Companies.

The table below summarises the information in the consolidated financial statements for Storebrand Livsforsikring AS based on IFRS principles.

Result Life and Pension

The Norwegian and the Swedish business are presented exclusive internal transactions.

The development of the results in Life and Pensions in Norway and Sweden is described below.

Life and Pension Norway

- Returns exceeded the average interest guarantee in all portfolios
- Customer buffers strengthened
- Strong increase in sales

Administration result

The administration result for 2009 amounted to minus NOK 169 million compared to minus NOK 177 million for 2008. The result was weaker than desired, but the effects of the underlying reduction in costs due to lower staffing levels in a number of areas is beginning to produce results. Costs will be reduced and will result in improved administration results in the future. The operational goals is for the administration result allocated to owners to be positive from 2010.

Risk result

The risk result amounted to NOK 229 million for 2009 compared to NOK 475 million for 2008. The underlying development was somewhat weaker than expected in 2009 in relation to 2008. The reduction in the result for 2009 was due to one-time effects that had a positive effect in 2008.

Result Life and Pension*

NOK million	2009	2008
Life and Pensions Norway	759	348
Life and Pensions Sweden	487	831
Result before amortisation and write-downs	1 246	1 179
Amortisation intangible assets	-340	-476
Write-downs intangible assets		-2 500
Pre-tax profit/loss	**906**	**-1 797**
Tax	30	-471
Profit/loss after tax	**936**	**-2 269**

**) Encompasses Storebrand Life Group excluding Storebrand Eiendom AS and SPP Fonder AB.*

Result Life and Pension Norway

NOK million	2009	2008
Administration result	-169	-177
Risk result	229	475
Financial result**	201	-316
Price of interest guarantee and profit risk	478	398
Other	20	-31
Pre-tax profit/loss	**759**	**348**

***) Interest result, profit sharing.*

Up to 50 percent of the risk result for group pensions can be set aside in the risk equalization fund to cover any future negative risk result. NOK 70 million was set aside in the risk equalisation fund for group retail in 2009. The risk equalisation fund for group amounted to NOK 181 million at year-end 2009. The risk equalisation fund for paid-up policies amounted to NOK 42 million at yearend 2009. There was no change in 2009.

Financial result

The financial result for 2009 amounted to NOK 201 million compared to minus NOK 316 million in 2008.

Market return customer portfolios

Portfolio	2009	2008
Total	4.6 %	-0.2 %
Group standard	4.8 %	-0.2 %
Paid-up policies	4.5 %	-1.3 %
Individual	4.3 %	-0.1 %

All customer portfolios with interest guarantees achieved good returns. The returns achieved exceeded the average interest guarantee in every portfolio.

The returns on recommended investment choices for defined contribution pensions were 11 percent (minus 6 percent) for careful profile, 21 percent (minus 22 percent) for balanced profile, and 30 percent (minus 36 percent) for bold profile, respectively. All the profiles achieved better returns than their benchmark return.

Real estate values were written down by NOK 1,180 million in 2009: NOK 287 million of which involved the directly owned portfolio in Norway and NOK 893 million indirect exposure, primarily in foreign real estate funds. The valuation of the real estate portfolio is supported by a broad range of external valuations.

The equity markets have improved significantly since the end of Q1. As per 31 December the Norwegian and Swedish markets were up by 64.8 percent and 43.7 percent respectively since the start of the year. The global index has also developed positively in 2009, though somewhat lower than the indices in Norway and Sweden. The year-to-date change in the Morgan Stanley World Index in local currency was, as per 31 December, up by 26.25 percent. The volatility index has during the period developed towards historically more normal levels than those seen in H2 2008. As per 31 December the volatility index VIX was at the same level as early in 2008.

Norges Bank increased the monetary policy rate by 25 basis points to 1.75 percent at the interest rate meeting on 17 December. The short money market interest rate has fallen by more than the monetary policy rate since the start of the year, but has stabilised in the last few months. However, it has not risen significantly after the increase in the monetary policy rate and the 3 month NIBOR was as per 31 December stable at 2 percent. Long Norwegian interest rates have remained almost unchanged since the start of 2009. The levels were, as per 31 December, 4.3 percent and 4.7 percent for the five-year and ten-year interest rates respectively. The Monetary Policy Report 3-2009 published by Norges Bank adjusts expectations of an increase in interest rate downwards, and thus indicates lower long-term interest rates than previously assumed.

The iTraxx Europe index measures the price of credit insurance on bonds of the highest quality issued by 125 companies distributed across six sectors and thus functions as a good indicator of the development of the credit mark-up in the money market. The index has fallen by 104 basis points in 2009, but is still almost three times higher than the average value for 2007.

Total outperformance for the full year amounted to NOK 977 million. NOK 102 million came from internal equity-linked mandates, NOK 759 million from internal interest and credit mandates, and NOK 116 million from external mandates.

The company portfolio delivered a result of NOK 52 million in 2009. The return on invested assets was 5 percent in 2009 compared to 3 percent in 2008. The company portfolio is principally invested in low risk assets classes. The money market accounts for less than 80 percent of the investment portfolio, which has contributed a good return. Storebrand Life Insurance's loan interest costs will amount to around a net NOK 130 million per quarter for the next 12 months. Total interest-bearing liabilities amounted to NOK 6.6 billion at year-end 2009.

Profit sharing

Returns for individual products with profit sharing for 2009 exceeded the average interest guarantee. The profit allocated to the owner was charged NOK 15 million in 2009 because the guarantee in some contracts exceeded the return achieved.

The return for paid-up policies was also better in 2009 than the average interest guarantee in the portfolio of 3.8 percent.

There was no profit sharing in paid-up policies and individual endowment insurance in 2009, since the company has built up buffers in the form of additional statutory reserves amounting to NOK 242 million. As far as individual pension insurance is concerned, a deficit of NOK 22 million was

Premium income

NOK million	2009	2008
Group Defined Benefit	8 286	9 948
Paid-up policies	101	97
Group with investment choice	2 624	2 260
Individual endowment insurance and pensions	1 506	1 638
Individual with investment choice	2 073	1 023
Risk products without profit sharing	1 484	1 338
Total	**16 073**	**16 304**

Solidity capital

NOK million	2006	2007	2008	2009
Equity capital	5 361	14 304	15 247	14 000
Subordinated loans	2 962	8 814	9 833	6 637
Risk equalisation reserve		197	153	225
Market value adjustment reserve	5 918	3 889		31
Additional statutory reserves	5 551	5 757	3 437	4 646
Conditional bonus		13 699	7 499	8 689
Reserves on bonds held to maturity	1 097	40	-313	140
Profit carried forward	4 175	1 340		952
Total	**25 063**	**48 041**	**35 856**	**35 321**

Profit and loss Life and Pension Sweden

NOK million	2009	2008
Administration result	-101	-103
Risk result	253	287
Financial result	260	340
Other	74	293
Currency result		14
Result before amortisation and write-downs	**486**	**831**
Amortisation intangible assets	-340	-476
Write-downs intangible assets		-2 500
Pre-tax profit/loss	**146**	**-2 145**

charged in 2009 due to the negative risk and administration results.

Profit from risk and interest guarantee
The profit allocated to the owner pursuant to the new insurance act is less dependent on the return recognised in the customer portfolios due to upfront pricing of the interest guarantee and profit from risk. NOK 478 million was recognised as income in 2009, compared to NOK 398 million in 2008. The implemented price increases will have effect from 2010.

Other result
The other result amounted to NOK 20 million for 2009 and minus NOK 31 million for 2008. On 1 July 2009, Storebrand acquired 14 percent of the shares in the consultants Formuesforvaltning AS through a transfer of some customer portfolios. Storebrand has an option to increase its ownership interest to around 21 percent. Formuesforvaltning AS provides advice to the high income segment. The transaction had a positive effect on the result amounting to NOK 51 million in 2009.

Premium income
Total premium income (see table page 6) decreased by 1 percent compared with the year before. The development of the occupational pensions market was characterised by lower wages growth this year than in the same period last year.

New subscriptions
Total new premiums (APE) worth NOK 1,035 million (NOK 1,583 million) were signed in 2009. The fall since 2008 is primarily due to the reduced APE for group occupational pensions. The assets under management in the guarantee account and link products increased well during 2009. New group pensions premiums (APE) increased by NOK 127 million (NOK 37 million) in the public sector in 2009. The fall in APE being experienced in the individual sectors continued in 2009. The company won a number of large tender competitions towards year-end 2009, which will first appear in the financial statements in 2010.

Balance sheet
The diagrams below show the risk-adjusted allocations (including derivatives). The proportion of equities in portfolios with guarantee was between 4 percent and 30 percent. The average proportion of equities is 11 percent, compared to 5 percent at the start of the year. As far as allocations to loans and receivables are concerned, the allocation changed from 15 percent to 27 percent on average for portfolios with a guarantee. The increase in equities and loans and receivables corresponds to an equivalent reduction in short-term bonds and the money market. The equity share in the company portfolio's was reduced from 3 percent to 0 percent in 2009.

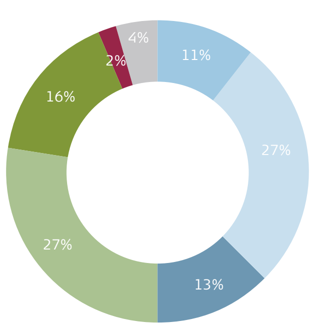
Since the start of 2010, the paid-up policies portfolio has been spilt into three sub-portfolios based on the contracts' customer buffers. This means that the proportion of equities for paid-up policies with high additional statutory reserves is now 20 percent. This helps to increase the expected return for both customers and owner. Total assets under management increased by around NOK 5 billion in 2009 and amounted to NOK 204 billion at year-end 2009.

Solidity capital
The NOK 35 billion solvency capital (see table page 6) was reduced due to the redemption of subordinated loans, among other things. The result has also developed well and customer buffers increased. Additional statutory reserves amounted to NOK 4.6 billion at year-end 2009, an increase of NOK 1.2 billion since year-end 2008.

Storebrand Life Insurance Group's capital adequacy was 14.9 percent, a reduction in 2009 from 17.4 percent due to the net redemption of subordinated loans amounting to NOK 1 billion and provisions for the group contribution to Storebrand ASA of NOK 610 million. Storebrand Life Insurance Group's solvency margin was 170 percent, an improvement of 10 percentage points due to the positive development of the result and increased additional statutory reserves.

Assets profile

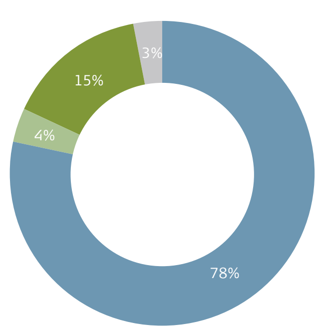
Customer portfolio with guarantee



31-12-2009

- Equities
- Bonds
- Money market
- Bonds at amortised cost
- Real estate
- Alpha
- Other

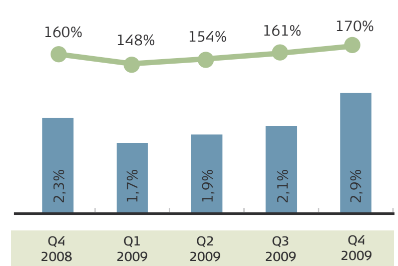
Company portfolio



31-12-2009

- Money market
- Bonds at amortised cost
- Real estate
- Other

Solidity



- Additional statutory reserves in % of customer funds with guarantee
- Solvency margin

Life and Pension Sweden

Financial performance (see table page 6)

Administration result

The administration result in SPP amounted to minus NOK 101 million (minus NOK 103 million). Administration income was affected by a lower fees base at the beginning of the year due to the falls in the capital and equity markets. Assets under management climbed strongly during the year and the administration income is back where it was prior to the financial crisis. In total the administrative income developed positively in relation to the previous year. Administration costs were high in relation to 2008. This was primarily due to one-time costs linked with restructuring. SPP's result also includes BenCo Insurance Holding B.V. from June 2009.

Risk result

The risk result amounted to NOK 253 million (NOK 287 million) in 2009. During the year the dissolution of sickness reserves due to fit for work reports made a strongly positive contribution. The survival and mortality result made an overall small, positive contribution to the result. The sickness result was more volatile because it was strongly affected by stricter rules for sick notes in the event of longer periods of sickness.

Financial result

The financial result amounted to NOK 260 million (NOK 340 million) in 2009.

Financial return

in %	2009	2008
Defined Benefit (DB)	4.12	0.59
Defined Contribution (DC)	5.00	2.90
P250*	9.59	-5.89
P300*	4.77	1.19
P 520*	2.86	9.59
RP (Retirement Pension)	1.27	-

**) Maximum interest rate guarantee in the portfolios P250, P300 and P520 is 2.5%, 3.0% and 5.2% respectively.*

At the start of the year the company took steps to stabilise and improve the solvency margin. The solvency margin increased strongly during the first months of the year as interest rates rose and the difference between mortgages rates and the base rate increased. The financial result fell in the same period due to the rising interest rates and a reduced difference between the swap and base rate.

On 1 February 2009, the guaranteed interest rate for new premiums in DC was reduced from 2.5 percent to 1.25 percent due to the prevailing interest rate climate. A new management portfolio (AP) consisting of retirement pensions was added in March 2009.

At the start of the year the company took steps to stabilise and improve the solvency margin. The solvency margin increased strongly during the first months of the year as interest rates rose and the difference between mortgages rates and the base rate increased. The financial result fell in the same period due to the rising interest rates and a reduced difference between the swap and base rate.

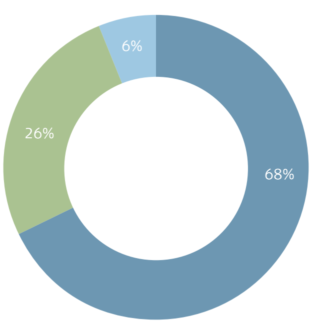
The improving solvency meant that SPP could reduce the hedging portfolio for the rest of the year and increase the exposure to equities in the management portfolios. These measures, combined with the improving of the credit and equity markets, resulted in an improved financial result.

The good total return on assets in the investment portfolios resulted in profit sharing within DC totalling NOK 160 million in 2009.

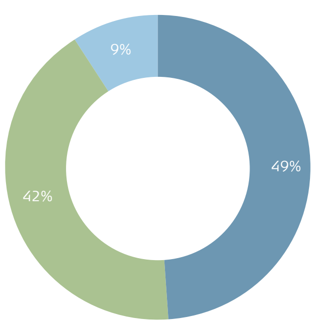
SPP adopted new mortality assumptions in the calculation of life insurance reserves in Q4. Reserves were set aside for the calculated effect of the transition to the new assumptions in connection with the acquisition of SPP. The reserves were higher than the actual effect of the transition, which has resulted in a positive net effect of NOK 82 million.

Asset profile customer portfolios with a guaranteed return

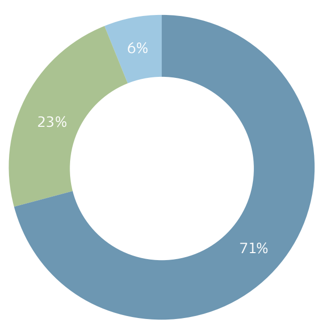
Defined Benefit (DB)



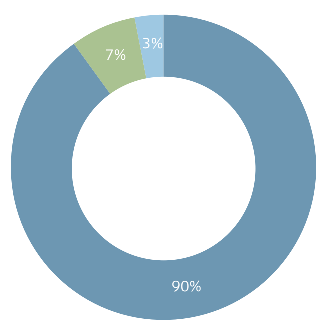
Defined Contribution (DC) P250*



Defined Contribution (DC) P300*



Defined Contribution (DC) P520*



- Fixed income
- Equity
- Alternative investments

**) Maximum interest rate guarantee in the portfolios P250, P300 and P520 is 2,5%, 4% and 5,2%.*

Other result

The other result amounted to NOK 74 million (NOK 293 million) in 2009. The result was primarily due to the return on the equity portfolio. The portfolio has been entirely invested in interest-bearing mutual funds, and the change from the year before was due to interest rate differences. The result also includes interest expenses and bond issues.

Premium income

NOK million	2009	2008
Guaranteed products	3 529	3 729
of which annual premiums	2 892	3 035
of which single premiums	637	694
Unit Link	3 081	3 010
of which annual premiums	2 535	2 467
of which single premiums	546	543
BenCo	744	596
of which annual premiums	476	274
of which single premiums	268	322
Total	**7 354**	**7 334**

Premium income amounted to NOK 7,357 million (NOK 7,334 million) for 2009. SPP experienced a positive development within new sales measured in APE throughout the year, with an increase totalling 6 percent measured in local currency compared with the year before. This strong increase primarily came through broker channels and within unit-linked insurance and option centred products.

Balance sheet

SPP practises dynamic risk management. This means that SPP adjusts its exposure to equities in line with the development of the market. During the year the proportion of equities climbed from 3 percent to 26 percent in the DB portfolio, and of all the DC portfolios the greatest increase took place in P250 in which the proportion of equities climbed from 11 percent to 42 percent.

Asset profile customer portfolios with a guaranteed return

Conditional bonus

The conditional bonus (the policyholders' buffer capital) has recovered after the strong fall in Q1 2009 and had increased by 16 percent at year-end 2009 compared to year-end 2008.

Assets under management amounted to NOK 112 billion (NOK 103 billion) at year-end 2009. A strong net cash flow within unit-linked insurance, together with a positive return in the portfolios, contributed to the capital increasing strongly during the year.

The solvency margin rose from 135 percent to 194 percent at year-end 2009.

New contract terms for the DB portfolio

New contract terms for the DB portfolio were introduced in Q4 which provide better conditions for long-term management. Profit sharing was replaced by an indexing fee, which means 0.4 percent of the capital is taken out if the pensions being paid can be indexed by the change in the CPI (consumer price index), and a further 0.4 percent if earned pension rights (paid-up policies) are also adjusted by the CPI.

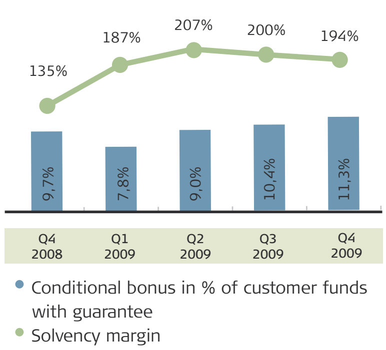
Reconciliation tables towards profit and loss account

The following table shows a reconciliation between the profit and loss tables above showing the business area Life and Pension according to IFRS, and profit and loss according to local Annual Accounts Regulations for Insurance Companies (NGAAP). The official financial statements for Storebrand Livsforsikring AS are prepared in accordance with NGAAP.

Risk and capital situation

Storebrand's long-term and short-term income depends on external factors with which some uncertainty is associated. The most important risk factors are the development of the capital markets and changes in life expectancy in the Norwegian and Swedish populations. Certain internal operational factors can also result in losses,

Buffer capital



Reconciliation tables towards profit and loss account

NOK million	2009	2008
Profit and Loss Life and Pension	**905**	**-1 797**
Change in administration reserve p&c insurance	3	3
Change in security reserves p&c insurance	-18	-35
Biological assets		-61
Market value adjustment reserve company portfolio as at 01.01.08		-320
Repeal of the security fund		-133
Profit and loss Storebrand Eiendom (real estate management)	45	63
Profilt and loss SPP Fonder (asset management)	17	
Profit and loss Storebrand Livsforsikring Group before tax	**952**	**-2 280**

e.g. errors in the management of the customers' assets.

The continuous monitoring and active management of risk forms a core area of the group's activities and organisation, and in 2009 a special unit was established in the group and assigned responsibility for risk management across the group's subsidiaries. Managing operational risk forms an integral part of management responsibility in the organisation. The management team annually assesses risk which results in a risk summary and improvement measures. The risk assessment is presented to and considered by the Board.

The financial supervisory authorities, Finansinspektionen in Sweden and Finanstilsynet in Norway. demand that insurance business be stress tested pursuant to predefined templates in order to ensure that the insurance companies have adequate capital to service their liabilities. The stress tests cover both the asset and liability sides of the statement of financial position. This is referred to as "traffic light reporting" in Sweden and as "risk-based supervision" in Norway. These were developed in line with the coming European regulations for life insurance, Solvency II, and future development of these regulations is expected to be reflected in the Norwegian and Swedish frameworks.

Life and Pensions Norway

A significant proportion of savings-related life insurance products incorporate a guaranteed minimum annual return. Today these savings products have an average annual return guarantee of just over 3.5 percent. The average guaranteed return will fall over time since the annual guarantee for new policies cannot exceed 2.75 percent. The life insurance company's financial risk principally relates to its ability to meet the guaranteed return, which for the majority of the products applies for one year at a time. This places particular demands on how the capital is invested and how the risk is managed.

Equities increased significantly more in 2009 than what would normally be expected in a single year, but the fluctuation in the value of equities was also great in 2009. The international equity market was at its lowest level in six years as late as March 2009. Market interest rates rose in 2009, while the credit mark-up for credit bonds fell. Market movements in 2009 have significantly strengthened risk-bearing capacity since year-end 2008. High interest rate levels are better for Norwegian life companies than lower ones since this means guaranteed returns can be achieved more easily. The company has invested a proportion of the financial assets in bonds in the loans and receivables category. These bonds are not recognised at current market value, and will provide a regularly booked return substantially above the guaranteed interest rate, which will help reduce sensitivity to interest rate changes.

The composition of the financial assets is determined by the company's investment strategy. The investment strategy establishes guidelines and limits for the company's risk management, credit exposure, counterparty exposure, currency risk, and use of derivative instruments, and criteria regarding the liquidity in the asset portfolio. The objectives of this dynamic risk management are to maintain good risk bearing capacity and to continuously adapt the financial risk to the company's financial strength. By exercising this type of risk management, the company expects to create good returns each and every year and over time.

Life and Pensions Sweden

SPP is exposed to the same type of risks as the Norwegian part of Storebrand Life Insurance, but the terms and conditions for the insurance products differ somewhat. SPP has insurance products with interest guarantees on paid premiums and unit-linked insurance in which the customer bears the financial risk. SPP's benefits-based products include adjustments for inflation and thus parts of the portfolio are exposed to inflation risk. Given that the Swedish framework for life insurance has largely been tailored to the European Solvency II code of regulations, where the level of interest rates affects the magnitude of the insurance obligation, SPP's financial risk associated with movements in interest rates is different. This affects the assets on the statement of financial position as well as their risk management.

A net deferred capital contribution can also arise for some customers in SPP. The company makes provisions in the financial statements to meet this and continuously monitors risk using tools such as Value at Risk measurements. A net deferred capital contribution can be reversed by a good return on a portfolio and/or increased market interest rates. Risk management in SPP is designed and optimised for these regulations.

SPP's investment strategy sets limits for allocations to risky assets with the pertinent continuous risk management. The risk management is carried out by making adjustments to asset allocations in both the customer portfolio and the company portfolio. This can be done by changing allocations to risky assets or through the use of derivatives. The company's investment strategy also includes limits and guidelines for credit and counterparty risks. Liquidity risk is managed by parts of the company's financial investments being invested in listed securities with good liquidity.

Capital situation

Storebrand pays particular attention to the active management of equity and loans in the group. This management is tailored to the business-related financial risk and capital requirements in which the composition of its business areas and their growth will be an important driver for the group's capital requirements. The goal of the capital management is to ensure an effective capital structure and reserve an appropriate balance between internal goals in relation to regulatory and the rating companies' requirements. The group's goal is to achieve a solvency margin in life and pensions of more than 150 percent over time. In addition, Storebrand Livsforsikring AS' goal is to attain an A level rating. At year-end

2009, Storebrand Livsforsikring AS had A3 and A- ratings from Moody's and Standard & Poor's respectively.

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. Storebrand is monitoring the work closely. 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 Parliament adopted the framework directive in April 2009, and the plan is to introduce the regulations in 2012.

As part of the preparation for the introduction of the principles of Solvency II, Finanstilsynet (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.

Storebrand put a lot of work in 2009 into a project responsible for ensuring the proper implementation of Solvency II throughout the group. Thorough analyses have been conducted in order to understand the regulations and their expected consequences. The project has also started the work of preparing the group for the new calculation model and ensuring that Solvency II becomes an integral part of Storebrand's activities. One important milestone in 2010 will be participation in a quantitative study of the consequences of the provisional regulations (QIS5).

Personnel, organisation and corporate bodies

Storebrand Livsforsikring AS is a wholly owned subsidiary of Storebrand ASA. At year-end 2009, the life group had 1,696 employees compared to 1,805 at the start of the year. 1,032 employees work in Norway and 664 abroad. The average age in the Storebrand Group, excluding SPP and associated companies, is 43, and the average length of service is 10 years. Storebrand uses 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

Training is fundamental to good managerial and staff development. Training takes place in a number of arenas in Storebrand. The most important arena is "on the job" training in which managers and staff continuously have to develop and share skills. The second important form of training takes place in one-to-one relationships between managers and staff together with human resources managers and navigators in the LEAN efficiency programme. These arenas are especially utilised for managerial skills training. The third important form of training is standardised training course targeted at larger groups. The three most important forms of such courses are eLearning, independent study, and more traditional classroom tuition.

Storebrand's training provision focuses on three different learning paths: managerial skills, specialist skills, and project skills. Storebrand implemented a number of new initiatives in order to enhance its training provision in 2009. It largely focused on expanding and improving the specialist and professional training courses, in close cooperation with the business areas. Storebrand also focused heavily on managerial development in 2009. The company's managers undergo mandatory managerial training modules.

A lot of resources have been invested in making eLearning a group tool and this is starting to produce good results. eLearning is a very cost-effective learning tool which the whole Storebrand Group will use. The use of eLearning has broadened and more courses are being offered. It is also important that SPP has introduced eLearning and is developing new eLearning courses.

The cooperation between the training development environments in SPP and Storebrand has strengthened due to this work. This work also forms an important part of Storebrand Leader, which is a joint project with the LEAN environment, which is a fruitful, interdisciplinary joint project in Storebrand.

Equality opportunities/diversity

The Storebrand Group's equal opportunities and diversity work is carried out through the work of the Diversity Committee. This is anchored in the belief that this work is important with respect to reflecting the market and society we work in, securing the most competent candidates, and viewing decisions from various perspectives, and is well-embedded in the management team.

Storebrand is fully committed to increasing the number of women in senior management. 33 percent of the members of the Board of Storebrand Livsforsikring AS are women, as are 20 percent of the group's executive management. At year-end 2009, 39 percent of those with management responsibilities in the group were women. Storebrand actively participates in an external mentor programme in which the majority of participants are women.

Storebrand contributes management services, candidates and mentors to Futura, the financial industry's management training programme for women. The company requires that its partner recruitment agencies present final candidates of both genders for managerial positions. The company has its own talent programme, and employee benefits such as flexible working hours and full pay if an employee, his or her child, or his or her parents are sick and during maternity leave form natural parts of its equal opportunities work. Salary statistics are produced at specified management levels in order to facilitate comparisons of salaries between male and female employees.

In addition to the equal opportunities perspective, diversity work forms part of the systematic job of including people from groups who are under-represented in the labour market, including people with disabilities and people from various ethnic backgrounds. The latter group represented 5 percent of new employees in 2009. In order to attract qualified staff from the first group, Storebrand explicitly encourages people with disabilities and those on disability pensions or receiving rehabilitation benefits to apply for positions in its job adverts. Storebrand's desire to lay the groundwork that enables applicants with impaired functional ability or immigrant backgrounds to gain employment and access to the workplace on a level playing field with other applicants has resulted in the applicable groups being able to choose whether they want to register these details or not.

Senior policy

Storebrand is aware of how important a resource seniors are for the group. 250 employees with more than 20 years' service are thus members of the Veterans Club. A good senior policy makes good business sense. Therefore, the company has, for a number of years, systematically worked to raise the awareness of employees aged 50 or over of the value of staying in work for longer.

In 2009, 35 employees were over the pension age of 65, compared to 43 in 2008. There are no employees over the age of 65 in SPP. In Norway, we hired 9 people over the age of 45. A large majority of those employees approaching retirement age want to continue working (more than 50 percent).

Sick leave

Storebrand focuses heavily on sick leave and sickness presence. The sick leave rate in Storebrand Life Insurance was 5.3 percent for 2009, compared to 3.8 percent in 2008 and 4.8 percent in 2007. Long-term sick leave has increased, while short-term sick leave has remained stable. SPP had a sick leave rate of 2.5 percent.

Storebrand became an "inclusive workplace" company in 2002. Storebrand's employees can use self-certificates for up to 24 days per calendar year due to this agreement with the National Insurance Service. The statistics for 2009 concerning the use of self-certification show there is no abuse of the system with respect to taking the 24 days, but the "inclusive workplace" initiative is being made greater use of than before. No employees lost the right to submit self-certificates in 2009.

The activities that form part of the follow-up of long-term sick leave are defined in Storebrand's Personnel Handbook. The follow-up is continuous and both managers and employees are equally responsible for the follow-up and its documentation.

The company is pioneering measures within health, management, interdepartmental interaction, and individual follow-up and mastering to reduce the sick leave rate further.

Storebrand has an in-house health clinic, with a holistic and interdisciplinary treatment concept, including psychology and mastering services. Employees are offered quit smoking courses, their own sports hall, and the company runs activity campaigns such a cycling to work. Storebrand also has its own company chaplain.

No injuries to people, property damage, or accidents of significance were reported in Storebrand in 2009.

Changes to the Board of Directors

The following changes were made to the Board of Directors: Nina Udnes Tronstad and Maalfrid Brath retired their seats and were replaced by Inger Johanne Bergstøl and Egil Thompson.

Corporate responsibility

Storebrand's ambition is to be the Nordic region's leading financial group when it comes to corporate responsibility and socially responsible investments. As a key market player in the financial industry this involves, for example, setting strict requirements for investments with respect to the environment and social responsibility, helping to uncover and prevent financial crime, and developing pensions products that help cooperate customers reduce sick leave.

Storebrand qualified for the Dow Jones Sustainability Index, the leading global sustainability index, for the 11th time in a row. Only the top 10 percent in the world within their industry qualify. Storebrand is one of the few Norwegian companies that have managed this every year since the index was established in 1999. The group was also named the best financial group with respect to climate reporting by the Carbon Disclosure Project and therefore qualified for CPS' Carbon Disclosure Project's Leadership Index.

Storebrand has been involved in various international groups working for more sustainable development in business through its corporate responsibility work. Storebrand is active in and supports the work of the World Business Council for Sustainable Development (www.wbcsd.org), the UNEP Finance Initiative (www.unep.org) and the UN's Global Compact (www.globalcompact.org). The group has also contributed to the development of and is a signatory to the UN's principles for responsible investments (UNPRI).

The three most important areas for the group's corporate responsibility work in 2009 were:

- Ethics
- Environment
- Corporate responsibility in SPP

Corporate responsibility in SPP

SPP implemented a number of measures within the area of corporate responsibility in 2009. These are important building blocks in the job of repositioning the company in the Swedish market. The most important areas have been the work on corporate responsibility in sales and sales training, external communication, corporate responsibility in customer communications, and processes that ensure we keep our own house in order. All of the sales staff in SPP underwent corporate responsibility and socially responsible investments training in 2009. The training was valuable and provided the sales team with good sales arguments. More than 50 percent of the sales staff have reported emphasising SPP's corporate responsibility work in their meetings with customers following the training. Insurance brokers also received corporate responsibility training during 2009.

SPP has been active in the area of corporate responsibility through its participation in several projects and initiatives, including Sustainable Value Creation and Global Compact's Nordic Networks meeting in Stockholm. By participating in panel debates and seminars, SPP has made its mark as a leader in socially responsible investments. Other measures to improve external communications included producing printed materials about corporate responsibility, a newsletter, and promoting SRI on the internet-based Pensionsskolan ("Pensions School").

As far as keeping its own house in order is concerned, SPP has focused on implementing new purchasing rules, which emphasise stipulating criteria regarding environmental and corporate responsibility in relation to suppliers. Ethics work has also been a priority. Extensive work was done to put new ethics rules and the associated guidelines in place in autumn 2009.

Ethics regulations

The group wants a transparent cooperate culture. Transparency is a prerequisite for motivation, trust and security. All of our employees should feel able to bring up both minor and major issues with their manager or others in the group.

From 2009, the corporate responsibility unit took over overall responsibility for the rules and guidelines for ethics, whistle blowing, anti-corruption, and non-performance. The group's ethics rules were revised and at the same time new guidelines for events organised by the Storebrand Group were drawn up. The guidelines for whistle-blowing and the work to combat money laundering, corruption and terrorism funding, as well as internal fraud, were also revised during the year.

Ethics are a standard feature of seminars for all new employees and are integrated into all managerial training modules. An ethics eLearning programme was also developed in 2009. This will be launched in February 2010 and all employees will take it during the course of the year. The eLearning is intended to function as preparation for the practical dilemma training every department will undergo at least once a year. In this way we can ensure that everyone not only is familiar with the group's ethics rules, but also, through practical training and discussion, takes ownership of the rules in general and ethics as analysis tools.

A special question and answer service where staff can ask questions anonymously about ethical issues was relaunched on its intranet in 2009. If staff want to ask questions of, or bring situations worthy of criticism up with, people outside the management team, we have established an external reporting channel to a law firm with long experience within this area.

In 2009, we conducted courses in ethics and handling ethical dilemmas for financial advisers as part of their authorisation schemes. The goal is to have all of the group's advisers certified by year-end 2010. It is important to measure the results of this work in order to improve. The group therefore developed a special ethics indicator consisting of four elements in 2009. This measures the proportion of employees who have taken the eLearning programme, the proportion of managers who have reported the status in relation to breaches of ethics rules, the proportion of departments that have discussed ethical dilemmas, and the extent to which the employees know what the ethics rules mean vis-à-vis their day-to-day work. From 2010 onwards, ethics indicators will form part of the executive vice presidents' scorecard, the group's scorecard and corporate responsibility reporting.

Environment

Storebrand systematically strives to reduce the business operations' impact on the environment in relation to its own operations, investments, purchasing, and property management. In December 2009, the group moved into a new head office, Lysaker Park, which is an eco-friendly, low emissions building. The benefits this affords include halving the energy consumed and the use of eco-friendly energy sources such as solar energy and heat pumps that utilise seawater. In 2009, the group implemented new guidelines for purchasing that establish clear criteria regarding the environment and corporate responsibility. These criteria were also applied to the major purchases made in connection with the rehabilitation of Lysaker Park. The new head office therefore incorporates eco-labelled building materials and furnishings throughout.

The head office was environmentally certified in November 2009. The group therefore satisfies the requirements regarding energy reducing measures, proper waste management, good HSE routines, environmental criteria for purchasing, and focusing on the environment with respect to transport stipulated for such certification. Environmental certification of the head office means that the company stipulates strict criteria for itself with respect to its suppliers and in relation to the companies in which it invests.

Storebrand was included in CDP's *Carbon Disclosure Leadership Index* (CDLI) in 2009. The only Nordic financial group to be included. The international Carbon Disclosure Project (CDP) represents 475 of the world's largest institutional investors, with total assets under management of USD 55,000 billion. The index is comprised of the top 10 percent of Nordic companies that distinguish themselves through their professional approach to their company's climate impact. It is important that Storebrand, which itself stipulates strict climate criteria for its investments, can show that we too have high standards with respect to our own climate reporting.

Even though the group actively works to reduce emissions, it is currently impossible to reduce CO_2 emissions to zero. To compensate for this, Storebrand purchases UN certified climate quotas, certified emissions reductions (CER). As Norway's first climate neutral financial market player, Storebrand purchases climate quotas to cover its total CO_2 emissions from business flights, energy consumption and company cars.

Purchasing

Storebrand spends around NOK 1.5 billion on goods and services in Norway alone. This affords the company a real opportunity to influence companies to make improvements within corporate responsibility. New purchasing guidelines were implemented in 2009. The guidelines afford the environment and corporate responsibility a minimum weighting of 20 percent in all types of purchases. Suppliers that are excluded from investments pursuant to Storebrand's group standard for socially responsible investments are not allowed to submit bids. Storebrand received the Swan eco-label award in 2009 as the best purchaser due to the environmental considerations the company takes into account when purchasing (is also member no. 1 in Swan's purchaser club).

Outlook

Life and Pensions Norway

Occupational pensions market

A large majority of employees in the private sector are now covered by defined contribution -based occupational pensions schemes. The last few years have been characterised by an increasing transition from defined benefits-based to defined contribution-based schemes. The most important goal for enterprises that undergo such a conversion is achieving more predictable costs.

However, when one looks at the amount of capital involved in schemes, the reserves associated with defined benefits schemes will remain dominant for the foreseeable future.

Paid up policies

Due to the introduction of mandatory occupational pensions and increased conversion from defined benefits to defined contribution agreements, the market for paid-up policies with grow substantially in the coming years. Competition in this market is increasing, and new market players have arrived. Storebrand will meet this competition aggressively based on its competitive products and long experience of managing pension assets, which reassure the customer. Storebrand has significantly reduced the costs associated with the management of paid-up policies in the last few years through more efficient operations. This provides the customers with more pension for their paid-up policies in Storebrand.

In autumn 2008, the Ministry of Finance circulated for comments a proposal to abolish the occupational pensions providers' exclusive right to issue paid-up policies. Were this to be adopted, it would mean that companies could choose to sign agreements to issue paid-up polices with a company other than the one that manages the occupational pensions scheme for the active members. The Ministry of Finance has not followed up the proposal, and no changes to the regulations appear to be planed for this area.

Norwegian pensions reform

The pensions reform will come into force on 1 January 2011. The regulations governing the National Insurance Scheme's new retirement pension were adopted by the Storting (Norwegian parliament) in spring 2009. The parties in the public sector also reached agreement concerning the adaptation of occupational pensions and contractual early retirement plans (AFP) in the public sector to the National Insurance Scheme's new retirement pension. In June 2009, the Banking Law Commission was asked by the Ministry of Finance to report on amendments to the regulations governing occupational pension plans in the private sector. The Banking Law Commission will submit it recommendations by 30 March 2010. New regulations for private sector occupational pension plans will probably be adopted by the Storting in autumn 2010.

The most important change to the National Insurance Scheme's retirement pension is the introduction of a new earnings model which moves away from the "best years" rule and introduces an "every year's earnings" rule. The ability to draw a pension flexibly from the age of 62 years old and full freedom to combine work and a pension without reductions are also being introduced. The authorities are expected to lay the groundwork for a similar ability to draw occupational pension plans flexibly. Current pension products are based on the National Insurance Scheme and as this changes we must expect these products to be adapted to the new earnings model and flexible drawing ability in the National Insurance Scheme.

The Banking Law Commission will also report on a new occupational pension product, a so-called hybrid of today's defined benefit and defined contribution plans. Storebrand is closely monitoring the regulatory processes in this area.

The pensions reform will involve significant changes for Storebrand. New products and systems solutions must be put in place, and all enterprises and employees with occupational pension plans will have to relate to the new opportunities to choose pension products and flexible retirement ages. The final regulations governing occupational pension plans will arrive very late. This necessitates a good, ongoing dialogue with customers until it is implemented and Storebrand is actively working to keep enterprises and employees up to date.

Despite the fact that the regulations have not yet been finalised, Storebrand has been working on the pensions reform for quite a long time in the following main areas:

- Information for customers and their employees
- Implementation of product
- System and process changes due to the reform, and understanding and influencing the legislative work.

A project was established in 2008 to address these activities.

Storebrand focuses on 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).

Focusing on HSE improves employees' job satisfaction and quality of life. For employers, focusing on HSE reduces the cost of absenteeism and contributes to value creation, and also reduces insurance premiums. Moreover, a reduction in absenteeism and a lower incidence of disability pensions benefits society as a whole. Through HSE advice, Storebrand helps companies to work towards a better working environment and reduced sick leave. For public sector customers, Storebrand has established a 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 local authorities and other public sector entities.

Life and Pensions Sweden
The competitive pensions market has grown in recent years and there is still room for further growth. Meanwhile, the premium volume in the Swedish market for occupational pensions is estimated at NOK 92 billion (NOK 88 billion). At the same time the competition has got tougher and has changed character somewhat.

The market for occupational pensions can be divided into two segments: (1) Policies taken out by individuals (both group and individual) and (2) other pension solutions targeted at employers such as advice, pension insurance with deductions in bonuses, risk insurance, pension insurance with deductions in pay, calculation services, coordination and insurance pools. SPP operates in both markets.

The large tender competitions have become more important, which makes great demands on the companies that want to participate in them. The labour market partners (SN, LO and PK) have markedly changed views with respect to which costs enterprises are expected to cover. Some types of charges have been abolished. Instead of greater diversity and better insight, the tender market is characterised by restricted competition and reduced options for individuals. This development could lead to a monopoly situation in which dynamic product development is hindered, which primarily impacts customers.

Stricter insight criteria have put the pensions companies under pressure in the form of supervision and inspections. This is a positive trend for SPP, which is totally transparent in its presentations and promotes openness.

Society's interest in sustainable and ethical products is increasing. This interest is also increasing in the funds and pensions markets. SPP has adopted Storebrand's group standard for responsible investments.

Information and advice are increasingly being provided in ways other than in face to face meetings, e.g. online. Both individuals and cooperate customers expect steadily improving functionality, which requires rapid development and means companies have to communicate and interact with their customers in new ways.

Storebrand Life Insurance's branch in Sweden
Storebrand Life Insurance opened a branch in Sweden in autumn 2005. The acquisition and integration of SPP has removed the premises for this venture, and in 2009 it was decided to collate all new sales in Sweden in SPP. Storebrand Life Sweden will no longer sign new contracts, but existing customer relationships will be continued. One important goal of this change is to make it easier for Swedish customers to deal with SPP and the Storebrand Group.

Streamlining
The work on increasing the efficiency of solutions for customer service, other service, and settlement continued in 2009 and contributed to significant efficiency gains.

Storebrand's teams of advisers in the corporate and retail markets were merged. The goals are to achieve an even stronger sales culture, better local cooperation, increased sales, and better profitability in the group's physical distribution. The new joint sales organisation across the corporate and retail markets was established on 1 March 2009.

Growth

Life and Pensions Norway
Storebrand Life Insurance expects its statement of financial position to grow by between 6 percent and 9 percent per year in the corporate market. The market for long-term savings is developing positively. The introduction of mandatory occupational pensions in 2006 has made Norwegians more aware of the need for personal savings. 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. The Pensions Reform which will be introduced in 2011 will increase the importance of occupational pensions schemes and supplementary individual saving.

Life and Pensions Sweden
The year was generally characterised by change, and SPP implemented major changes during the year. The integration with Storebrand is now complete and the opportunities for synergy and knowledge sharing between the companies are now starting to become apparent in the activities. The full force of the staff's competence and commitment can now be focused on achieving the

goal of becoming Sweden's leading and most respected pensions company.

SPP's ambition is to be a modern insurance and asset management company offering a range of attractive financial solutions.
SPP will compete with a large portfolio of competitive and long-term savings solutions, adapted to both transferable and lifestyle products within the corporate, retail and local authority markets.

SPP will continue to react to changes and create an efficient organisation that can quickly adapt to new conditions. The provision will be improved and made clearer, and SPP intends to be the first to win the customers' trust.

Application of the year's result

The Board confirms that the financial statements were prepared on the basis of a going concern assumption.

The following application of the profit of NOK 1,199 million is proposed:

Group contribution:	NOK 610 million
Other equity:	NOK 589 million

The company's undistributable equity amounts to NOK 2,910 million.

Lysaker, 16 February 2010
The Board of Directors of Storebrand Livsforsikring AS

Translation – not to be signed

Andreas Enger	Idar Kreutzer Chairman of the Board	Inger Johanne Bergstøl
Egil Thompson	Else-Lill Grønli	Gorm Leiknes
		Lars Aa. Løddesøl Chief Executive Officer

ACCOUNTS AND NOTES

PROFIT AND LOSS ACCOUNT

1 January – 31 December

Storebrand Livsforsikring Group				Storebrand Livsforsikring AS	
2008	2009	*NOK million*	Note	2009	2008
		TECHNICAL ACCOUNT			
24 153	23 722	Gross premiums written		16 136	16 363
-251	-253	Reinsurance premiums ceded		-63	-59
5 028	2 754	Premium reserves transferred from other companies	8	2 683	5 019
28 930	**26 223**	**Premiums for own account**	**5,6**	**18 757**	**21 323**
		Income from investments in subsidiaries, associated companies and joint-controlled companies		16	1 400
		of which from investment in real estate companies		67	1 394
8 963	7 225	Interest income and dividends etc. from financial assets	10	4 421	5 819
1 254	1 125	Net operating income from property	27		
933	-953	Changes in investment value	10	1 012	-3 570
-7 803	2 910	Realised gains and losses on investments	10	1 378	-4 029
3 346	**10 308**	**Total net income from investments in the collective portfolio**	**5**	**6 828**	**-380**
		Income from investments in subsidiaries, associated companies and joint-controlled companies		1	22
		of which from investment in real estate companies		5	22
952	1 561	Interest income and dividends etc. from financial assets	10	508	247
18	86	Net operating income from property	27		
-10 667	5 758	Changes in investment value	10	1 968	-1 655
-802	-225	Realised gains and losses on investments	10	-101	-855
-10 499	**7 181**	**Total net income from investments in the investment selection portfolio**	**5**	**2 375**	**-2 241**
763	**790**	**Other insurance related income**	**5**	**98**	**127**
-23 836	-14 917	Gross claims paid		-9 161	-18 539
56	30	Claims paid - reinsurance		6	2
-33	-136	Gross change in claims reserve		-144	-38
-2 414	-3 343	Premium reserves etc. transferred to other companies	8	-2 628	-2 294
-26 227	**-18 366**	**Claims for own account**	**5**	**-11 928**	**-20 869**
-11 168	-5 051	To (from) premium reserve, gross		-5 334	-997
2 303	-1 232	To/from additional statutory reserves in connection with claims/repurchase		-1 232	2 303
3 529	-31	Change in value adjustment fund		-31	3 529
-149	-111	Change in premium fund, deposit fund and the pension surplus fund		-111	-149
-34	-56	To/from technical reserves for non-life insurance business		-56	-57
7 802	-2 161	Change in conditional bonus			
124	27	Transfer of additional statutory reserves and value adjustment fund from other insurance companies/pension funds	8	27	109
2 408	**-8 615**	**Changes in insurance obligations recognised in the Profit and Loss Account – contractual obligations**	**5,33**	**-6 737**	**4 739**
5 465	-13 636	Change in premium reserve		-6 927	-213
110	-81	Change in other provisions		-81	110
5 575	**-13 718**	**Changes in insurance obligations recognised in the Profit and Loss Account – investment portfolio separately**	**5,33**	**-7 008**	**-104**
-450	-5	Profit on investment result		-5	-450
-132	-81	The risk profit allocated to the insurance agreements		-81	-120
-86		Other allocation of profit			-86
-668	**-87**	**Funds allocated to insurance contracts, contractual obligations**	**5**	**-87**	**-655**

Storebrand Livsforsikring Group				Storebrand Livsforsikring AS	
2008	2009	*NOK million*	Note	2009	2008
-346	-306	Management expenses		-122	-121
-526	-526	Selling expenses	7	-336	-322
59	74	Change in pre-paid direct selling expenses			
-1 703	-1 748	Insurance-related administration expenses (incl. commissions for reinsurance received)		-1 026	-1 051
70	87	Reinsurance commissions and profit participation			14
-2 447	**-2 419**	**Insurance-related operating expenses**		**-1 484**	**-1 480**
-333	**-256**	**Other insurance related expenses after reinsurance share**		**-178**	**-241**
849	**1 043**	**Technical insurance result**		**636**	**219**
		NON-TECHNICAL ACCOUNT			
-72	-1	Income from investments in subsidiaries, associated companies and joint-controlled companies		37	192
		of which from investment in real estate companies		3	97
961	426	Interest income and dividends etc. from financial assets	10	686	1 154
88	46	Net operating income from property	27		
-380	62	Changes in investment value	10	73	-2 644
164	278	Realised gains and losses on investments	10	259	-34
761	**811**	**Net income from investments in company portfolio**		**1 055**	**-1 331**
278	**467**	**Other income**			
-39	-39	Management expenses		-19	-16
-4 129	-1 330	Other costs		-534	-741
-4 168	**-1 369**	**Total management expenses and other costs linked to the company portfolio**		**-553**	**-757**
-3 129	**-91**	**Profit or loss on non-technical account**		**502**	**-2 089**
-2 280	**952**	**Profit before tax**	**11**	**1 138**	**-1 870**
-489	**13**	**Tax costs**			
-2 769	**965**	**PROFIT BEFORE OTHER COMPREHENCIVE INCOME**		**1 138**	**-1 870**
-207	104	Acturial gains and losses on defined benefit pensions - benefits to employees		75	-207
	-4	Change in value adjustment reserve own buildings			
111	-21	Re-statement differences		-14	22
-96	**79**	**Other comprehensive income and costs**		**61**	**-185**
-2 865	**1 045**	**COMPREHENSIVE INCOME**		**1 199**	**-2 054**

STATEMENT OF FINANCIAL POSITION

31 December

Storebrand Livsforsikring Group				Storebrand Livsforsikring AS	
2008	2009	*NOK million*	Note	2009	2008
		ASSETS			
		ASSETS IN COMPANY PORTFOLIO			
753	694	Goodwill	28,29		
6 317	5 456	Other intangible assets	28,29	48	34
7 070	**6 150**	**Total intangible assets**		**48**	**34**
1 607	1 123	Properties and real estate	27		
375	336	Owner used properties	27,30		
48	114	Shares and units in subsidiaries, associated companies and joint-controlled companies	14	7 401	7 057
		of which investment in real estate companies		1 335	1 696
		Loans to and securities issued by subsidiaries, associated companies	23,24	7 605	7 884
21	9	Loans and receivables	19,23,24	9	20
384	325	Bonds at amortised cost	16,19,23,24	325	384
996	283	Shares and other units at fair value	3,13,23,24	167	975
19 105	14 793	Bonds and other fixed-income securities at fair value	3,15,19,23,24	6 983	8 893
760	431	Derivatives at fair value	3,18,19,23,24	429	760
1 319	248	Other financial assets	23,24,25	195	1 319
24 615	**17 661**	**Total investments**		**23 113**	**27 292**
103	**140**	**Reinsurance share of insurance obligations**		**140**	**103**
2 658	1 197	Receivables in connection with direct business transactions		1 181	2 650
62	42	Receivables in connection with reinsurance transactions			
44	29	Receivables with group company	37	127	99
1 177	1 366	Other receivables		657	1 073
3 941	**2 633**	**Total receivables**		**1 965**	**3 821**
58	129	Plants and equipment	30	118	46
3 559	2 036	Cash, bank		837	620
523	552	Other assets designated according to type	35		
4 140	**2 717**	**Total other assets**		**954**	**666**
216	270	Pre-paid direct selling expenses			
60	82	Other pre-paid costs and income earned and not received		31	12
275	**352**	**Total pre-paid costs and income earned and not received**		**31**	**12**
40 145	**29 653**	**Total assets in company portfolio**		**26 252**	**31 928**
		ASSETS IN CUSTOMER PORTFOLIOS			
20 961	21 655	Properties and real estate	27		
1 525	1 298	Owner used properties	27,30		
	3	Shares and units in subsidiaries, associated companies and joint-controlled companies	14	25 763	22 332
		of which investment in real estate companies		25 368	22 226
	156	Loans to and securities issued by subsidiaries, associated companies	23,24,37		
21 378	44 393	Bonds at amortised cost	16,19,23,24	44 393	21 378
3 758	3 541	Loans and receivables	19,23,24	3 541	3 734
31 702	41 253	Shares and other units at fair value	3,13,23,24	19 431	20 030
144 226	120 361	Bonds and other fixed-income securities at fair value	3,15,19,23,24	60 731	76 206
10 849	2 260	Financial derivatives at fair value	3,18,19,23,24	845	5 575
11 798	4 681	Other financial assets	23,24,25	2 231	6 243
246 198	**239 602**	**Total investments in collective portfolio**		**156 936**	**155 499**

Storebrand Livsforsikring Group				Storebrand Livsforsikring AS	
2008	2009	*NOK million*	Note	2009	2008
431	1 383	Properties and real estate	27		
69	84	Owner used properties	27,30		
		Shares and units in subsidiaries, associated companies and joint-controlled companies	14	1 657	433
		of which investment in real estate companies		1 643	431
603		Bonds at amortised cost	16,19,23,24		603
57	117	Loans and receivables	19,23,24	117	57
21 465	31 551	Shares and other units at fair value	3,13,23,24	8 572	4 542
9 615	14 440	Bonds and other fixed-income securities at fair value	3,15,19,23,24	9 077	4 457
430	89	Financial derivatives at fair value	3,18,19,23,24	86	430
1 517	1 059	Other financial assets	23,24,25	1 037	1 089
34 185	**48 722**	**Total investments in investment selection portfolio**		**20 546**	**11 611**
278 790	**288 324**	**Total assets in customer portfolio**		**177 482**	**167 110**
320 529	**317 977**	**TOTAL ASSETS**		**203 734**	**199 038**
		EQUITY AND LIABILITIES			
3 430	3 430	Share capital		3 430	3 430
9 271	9 271	Share premium reserve		9 271	9 271
12 701	**12 701**	**Total paid in equity**		**12 701**	**12 701**
153	225	Fund for risk-smoothing		225	153
1 678	2 046	Other earned equity		2 910	2 392
203	209	Minority's share of equity			
2 033	**2 480**	**Total earned equity**		**3 134**	**2 545**
6 997	5 432	Perpetual subordinated loan capital		5 432	5 580
1 676		Dated subordinated loans			1 676
1 488	1 486	Perpetual capital		1 486	1 488
10 161	**6 918**	**Total subordinate loan capital etc.**	**34**	**6 918**	**8 744**
225 587	220 423	Premium reserves		146 442	142 773
3 780	4 407	Additional statutory reserves		4 407	3 408
	31	Market value adjustment reserve		31	
556	683	Claims allocation		634	494
5 764	3 583	Premium fund, deposit fund and the pension surplus fund		3 583	5 764
7 499	8 689	Conditional bonus			
385	478	Other technical reserve		478	385
243 572	**238 294**	**Total insurance obligations in life insurance – contractual obligations**	**32,33**	**155 574**	**152 824**
33 304	48 193	Premium reserve		19 698	10 798
1		Supplementary reserves			1
1	5	Claims allocation		5	1
30	239	Additional statutory reserves		239	30
469	524	Premium fund, deposit fund and the pension surplus fund		524	469
33 804	**48 962**	**Total insurance obligations in life insurance – investment portfolio separately**	**32,33**	**20 466**	**11 297**
1 215	749	Pension liabilities etc.	12	531	593
787	636	Period tax liabilities	11	3	1
86	81	Other provisions for liabilities		60	59
2 087	**1 466**	**Total provisions for liabilities**		**594**	**653**

Storebrand Livsforsikring Group				Storebrand Livsforsikring AS	
2008	2009	*NOK million*	Note	2009	2008
1 225	1 690	Liabilities in connection with direct insurance		1 188	614
139	104	Liabilities in connection with reinsurance		57	86
8 377	1 344	Financial derivatives	3,18,23,24	1 040	7 403
73	610	Liabilities to group companies	37	620	84
5 408	2 888	Other liabilities	36	1 152	1 246
15 222	**6 636**	**Total liabilities**		**4 056**	**9 432**
573	115	Received, unearned leasing income			573
377	406	Other accrued expenses and received, unearned income		289	268
949	**520**	**Total accrued expenses and received, unearned income**		**289**	**841**
320 529	**317 977**	**TOTAL EQUITY AND LIABILITIES**		**203 734**	**199 038**
		ITEMS NOT ON BALANCE SHEET			
5 479	4 483	Contingent liabilities		3 053	3 715

Lysaker, 16 February 2010
The Board of Directors of Storebrand Livsforsikring AS

Translation – not to be signed

Andreas Enger

Idar Kreutzer
Chairman of the Board

Inger Johanne Bergstøl

Egil Thompson

Else-Lill Grønli

Gorm Leiknes

Lars Aa. Løddesøl
Chief Executive Officer

ANALYSIS OF CHANGE IN EQUITY

Storebrand Livsforsikring AS *NOK million*	Share capital[1]	Share premium reserves	Total paid-in equity	Fund for risk-smoothing	Other equity	Total equity
Equity at 31.12.2008	**3 430**	**9 271**	**12 701**	**153**	**2 392**	**15 247**
Profit				72	1 066	1 138
Comprehensive income						
Re-statement differences					-14	-14
Pension experience adjustments					75	75
Total revenue and costs for the period				**72**	**1 127**	**1 199**
Equity transactions with owner						
Group contributions					-610	-610
Share issue						
Equity at 31.12.2009	**3 430**	**9 271**	**12 701**	**225**	**2 910**	**15 835**

1) 34.304.200 shares of NOK 100 par value.

Storebrand Livsforsikring Group	Majority's share of equity							
NOK million	Share capital	Share premium reserves	Total paid-in equity	Fund for risk-smoothing	Re-statement differences SB Holding AB	Other equity	Minority interests	Total equity
Equity at 31.12.2008	**3 430**	**9 271**	**12 701**	**153**	**-41**	**1 719**	**203**	**14 734**
Profit				72		887	7	965
Comprehensive income								
Re-statement differences						11	-13	-2
Re-statement differences SB Holding AB					-19			-19
Change in value adjustment reserve own buildings						-3		-4
Pension experience adjustments						104		104
Total revenue and costs for the period				**72**	**-19**	**999**	**-7**	**1 045**
Equity transactions with owner								
Share issue							10	10
Issue costs						-2		-2
Group contributions						-610		-610
Purchase/sale minority interests							4	4
Equity at 31.12.2009	**3 430**	**9 271**	**12 701**	**225**	**-60**	**2 106**	**209**	**15 181**

CASHFLOW ANALYSIS

1 January – 31 December

Storebrand Livsforsikring Group			Storebrand Livsforsikring AS	
2008	2009	*NOK million*	2009	2008
		Cash flow from operational activities		
27 028	13 171	Net premiums received - direct insurance	15 696	18 131
-24 047	-14 886	Net claims/benefits paid - direct insurance	-8 970	-18 912
2 613	-589	Net receipts/payments - policy transfers	55	2 725
-818	169	Net receipts/payments - lendings to customers	143	-1 188
-482	1 298	Net receipts/payments - financial assets	-2 956	-8 052
599	347	Net receipts/payments - real estate activities		845
-4 614	7 576	Net change bank customers	4 065	-547
-1 508	-5 344	Net receipts/payments - other operational activities	-1 161	-729
	-989	Net receipts/payments operations	-4 269	6 240
-1 228	**754**	**Net cash flow from operational activities** [1]	**2 604**	**-1 486**
		Cash flow from investmet activities		
	-225	Net payments - purchase/capitalisation of subsidiaries	-1 811	
-37	-91	Net receipts/payments – sale/purchase of fixed assets	-85	-28
-37	**-316**	**Net cash flow from investment activities**	**-1 896**	**-28**
		Cash flow from financing activities		
5 518	981	Reciept – subordinated loan capital	981	5 518
-5 410	-3 408	Payments – repayments of subordinated loan capital	-1 991	-5 410
-830	-605	Payments – interest on subordinated loan capital	-605	-741
1 450		Receipts from issue of new share capital		1 450
-268		Payments – group contribution dividends		-268
461	**-3 032**	**Net cash flow from financing activities**	**-1 616**	**550**
-804	**-2 595**	**Net cash flow for the period**	**-907**	**-965**
-804	-2 595	Net movement in cash and cash equivalent assets	-907	-965
5 682	4 879	Cash and cash equivalent assets at start of the period	1 939	2 904
4 879	**2 284**	**Cash and cash equivalent assets at the end of the periode** [2]	**1 032**	**1 939**

1) includes cash flow for the company. On each lines are included cash flow for customers, but these are neutralized on the line "net change bank deposit customers."
2) Includes bank deposit company.

CONTENTS NOTES

NOTES

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

Investments in associated companies (normally investments of between 20 percent and 50 percent of the associated companies' equity) where the company exercises significant influence 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 financial statements.

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 fair value. The fair value of these properties is tested quarterly in the same way as described for investment properties. The owner's share of the changes in value for buildings used for its own purposes is included in the revaluation reserve in total comprehensive income. A negative change in value is recognised in the profit and loss account if the impairment exceeds the revaluation reserve. The insurance customers' share of the changes in value 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

The 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.

Pension plans are both insured and uninsured. Secured plans are signed with Storebrand Life Insurance and SPP.

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. Finanstilsynet (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 Finanstilsynet. 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
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 risk fund for risk-smooting 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 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 a designated as an effective hedging instrument.

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

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 financial instruments included in the hold to maturity category were reclassified. The hold to maturity category cannot be used in Storebrand's consolidated financial statements 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.

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. Fair value hedging is also used in the financial statements for the shares in Storebrand Holding AB. 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
Gains and losses with respect to the hedging instrument linked to the effective part of the hedging are recognised directly in total comprehensive income, while gains and losses linked to the ineffective part are recognised in the financial statements 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.

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 portfolio, with investment choice and company portfolio. 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.

02 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 financial statements are produced.

Changes to estimates linked to insurance reserves, financial instruments, and investment properties associated with life customers in the life business in Storebrand will not necessarily affect the owner's result, though changes to estimates and judgements can affect the owner's result. One key factor will be whether the life customers' return otherwise exceeds the guaranteed interest.

Changes to estimates and judgements may result in reduced returns. In the Norwegian business, products with an interest guarantee will, given a low return, result in reduced income (paid-up policies and individual) at the cost of the buffer capital. In the event of particularly low returns and/or insufficient customer buffers, the company's equity will be used to provide the customer with the guaranteed interest.

In the Swedish business, a return lower than the interest rate the insurance liabilities are discounted at will result in a reduction of buffer capital. If a contract has no buffer capital, the company's equity will have to be used to cover the difference between the development of the customers' assets and liabilities.

In general the following factors will often be key in the generation of the result for customers and/or the owner:

- Development of interest rate and equity markets, as well as commercial property
- Composition of assets and risk management, and changes to the assets' composition over the year
- Buffer capital level for various products
- Buffer capital related to the individual insurance contract
- Development of life expectancy, mortality and illness
- Development of costs

Important estimates and assumptions that can result in material adjustments to the recognised values are discussed below.

Investment properties
Investment properties are valued at fair value. The number of transactions in the market has been limited due to the financial instability in 2008 and 2009, which has increased the uncertainty associated with the information used in valuations. External valuations are obtained for a representative selection of the company's properties to support its own valuations. See note 27 for further information about valuations and sensitivities linked to real estate investments.

Financial instruments
The situation in the financial markets in 2008 and 2009 meant that the proportion of financial instruments that can be valued on the basis of observable prices or assumptions decreased in relation to the past. At year-end 2009, this primarily applied to private equity investments and unlisted equities and bonds. The uncertainty in valuations is higher for the types of securities priced on the basis of non-observable assumptions. Any changes to the assumptions could affect the recognised values. The majority of such financial instruments are included in the customer portfolio.

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 statement of financial position 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, interest rate levels, and future costs, etc. Changes in such assumptions will affect the size of the liabilities, which in turn can affect the owner's result.

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.

See note 45 for further information about insurance risk.

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.

The majority of the intangible assets recognised from the acquisition of SPP were linked to the existing life insurance contracts 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. 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 liabilities as per 31 December 2009 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).

03 Valuation of financial instruments

The group categorises financial instruments valued at fair value on three different levels as described in more detail below. The levels express the varying degree of liquidity and different measuring methods.

Level 1: Financial instruments valued on the basis of quoted priced for identical assets in active markets

This category encompasses listed equities that over the previous six months have experienced a daily average turnover equivalent to approx. MNOK 20 or more. Based on this, the equities are regarded as sufficiently liquid to be encompassed by this level. Bonds, certificates or equivalent instruments issued by national governments are generally classified as level 1. In the case of derivatives, standardised equity-linked and interest rate futures will be encompassed by this level.

Level 2: Financial instruments valued on the basis of observable market information not covered by level 1

This category encompasses financial instruments that are valued on the basis of market information that can be directly observable or indirectly observable. Market information that is indirectly observable means that prices can be derived from observable, related markets. Level 2 encompasses equities or equivalent equity instruments for which market prices are available, but where the turnover volume is too limited to meet the criteria in level 1. Equities on this level will normally have been traded during the last month. Bonds and equivalent instruments are generally classified as level 2. Interest rate and currency swaps, non-standardised interest rate and currency derivatives, and credit default swaps are also classified as level 2. Funds are generally classified as level 2, and encompass equity, interest rate, and hedge funds.

Level 3: Financial instruments valued on the basis of information that is not observable pursuant to by level 2

Equities classified as level 3 encompass investments in primarily unlisted/private companies. These include investments in forestry, real estate and infrastructure. Private equity is generally classified as level 3 through direct investments or investments in funds. Asset backed securities (ABS), residential mortgage backed securities (RMBS) and commercial mortgage backed securities (CMBS) are classified as level 3 due to their generally limited liquidity and transparency in the market. The types of mutual funds classified as level 3 are discussed in more detail below with a reference to the type of mutual fund and the valuation method. Storebrand is of the opinion that the valuation method used represents a best estimate of the mutual fund's market value.

Unlisted equities/forestry

Extensive external valuations were carried out of the largest forestry investments as per 31 December 2009, and these provided the basis for the valuation of the company's investment. The external valuations were based on models that included non-observable assumptions. Besides the external valuations that had been conducted as per 31 December 2009, the equity investments were 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) in the "International Private Equity and Venture Capital Valuation Guidelines" (September edition) or pursuant to 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 financial statements are closed, the last valuation received 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. In some cases 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 which Storebrand participates as a co-investor together with a leading investor that conducts a valuation, and no recent transactions exist, this value will be used by Storebrand after being quality assured. 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 financial statements 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.

Asset backed securities
This category primarily encompasses asset backed securities (ABS), residential mortgage backed securities (RMBS) and commercial mortgage backed securities (CMBS). These are primarily valued on the basis of quoted prices from brokers or valuations obtained from international banks. The number of brokers who quote prices is very limited and the volume of transactions in the market relatively low.

Indirect real estate investments
Indirect real estate investments are primarily investments in funds with underlying real estate investments. No units in funds that confirm the market price of the units have been traded recently. Real estate funds are valued on the basis of information received from the individual fund manager.

Most managers report on a quarterly basis and the commonest method used by the individual fund managers is an external quarterly valuation of the fund's assets. This involves the manager calculating a net asset value (NAV). The NAV reports from the funds will often be a quarter late in relation to Storebrand's financial statements. Storebrand makes internal estimates of the changes in value, based on developments in the market and conferring with the respective managers, in order to take account of changes in value during the last quarter.

Sensitivity assessments
Forestry investments are characterised by, among other things, very long cash flow periods. There can be some uncertainty associated with future cash flows due to future income and costs growth, even though these assumptions are based on recognised sources. Nonetheless, valuations of forestry investments will be particularly sensitive to the discounting rate used in the estimate. The company bases its valuation on external valuations. These utilise an estimated market-related required rate of return. As a reasonable alternative assumption to the required rate of return used, a change in the discounting rate of 0.25% would result in an estimated change of around 4% to 6% in value, depending on the maturity of the forest, among other things.

Valuations of asset backed securities will generally be sensitive to estimated loan repayment terms, probability of losses and discountingrate requirements. Key assumptions for these factors will also be based on the mutual fund's characteristics and quality. The specified composition of the ABS/RMBS/CMBS portfolio below is valued at fair value. The company's valuation of asset backed securities is based on external sources. Based on experience with procured tradeable prices from brokers, the company is of the opinion that reasonable alternative assumptions entail a valuation that could be 2-3% higher or lower than that indicated by fair value.

Composition of ABS/CMBS/RMBS portfolio primarily based on exposure to underlying collateral:

Country	Asset Backed	Commercial Mortgage Backed	Residential Mortgage Backed	Total
Australia	0.0 %	0.0 %	2.1 %	2.1 %
Italy	0.0 %	4.2 %	0.0 %	4.2 %
Mixed	2.1 %	0.0 %	15.6 %	17.7 %
Netherlands	1.2 %	0.0 %	15.4 %	16.6 %
Portugal	1.0 %	0.0 %	4.5 %	5.5 %
Spain	3.1 %	8.9 %	0.0 %	12.0 %
Great Britain	0.0 %	0.0 %	13.9 %	13.9 %
Germany	0.0 %	0.0 %	7.3 %	7.3 %
USA	20.0 %	0.0 %	0.6 %	20.7 %
Total	**27.5 %**	**13.2 %**	**59.4 %**	**100.0 %**

Composition of ABS/CMBS/RMBS portfolio based on rating from Moody's, alternatively Fitch:

Rating	Asset Backed	Commercial Mortgage Backed	Residential Mortgage Backed	Total
AAA	18.8 %	9.2 %	40.0 %	68.0 %
AA	8.3 %	3.9 %	9.8 %	21.9 %
A	0.0 %	0.0 %	7.4 %	7.4 %
BBB/BB	0.5 %	0.0 %	0.3 %	0.7 %
Not rated	0.0 %	0.0 %	1.9 %	1.9 %
Total	**27.5 %**	**13.2 %**	**59.4 %**	**100.0 %**

Valuations of indirect real estate investments are particularly sensitive to changes in the required rate of return and assumed future cash flows. Indirect real estate investments are mortgaged structures. On average, 60 percent of the portfolio is mortgaged. A change of 0.25 percent in the required rate of return, where everything else remains the same, would result in a change in value in the real estate portfolio of approx. MNOK 200 which corresponds to 8.4 percent.

Storebrand Livsforsikring AS

Shares and units

NOK million	Quoted prices	Observable assumptions	Non-observable assumptions	Total 2009
Equities	5 544	399	1 702	7 644
Fund units excluding hedge funds		12 728	1 052	13 779
Private Equity fund investments		1 756	3 360	5 115
Hedge funds		1 631		1 631
Total	**5 544**	**16 513**	**6 114**	**28 170**

Bonds and other fixed-income securities

NOK million	Quoted prices	Observable assumptions	Non-observable assumptions	Total 2009
Asset backed securities			1 373	1 373
Corporate bonds		4 510	658	5 167
Finance, bank and insurance		25 360	10	25 371
Real estate		5		5
State and state guaranteed	26 916	3 124		30 039
Local authority, county		2 282		2 282
Covered bonds		5 945		5 945
Bond funds		6 609		6 609
Total	**26 916**	**47 835**	**2 041**	**76 791**

Derivates

NOK million	Quoted prices	Observable assumptions	Non-observable assumptions	Total 2009
Interest rate swaps		-13		-13
Interest rate options		326		326
Forward exchange contracts		-8		-8
Credit derivates		15		15
Total		**321**		**321**
Derivatives with a positive market value		1 361		1 361
Derivatives with a negative market value		-1 040		-1 040
Total		**321**		**321**

SPECIFICATION OF PAPERS PURSUANT TO VALUATION TECHNIQUES (NON-OBSERVABLE ASSUMPTIONS)

Shares and units

NOK million	Opening balance 1 Jan 2009	Purchase	Sales	Result booked in 2009	Closing balance 31 Dec 2009
Shares	1 794	55	-21	-126	1 702
Fund units excluding hedge funds	1 411	40	-17	-382	1 052
Private Equity fund investments	3 937	102	-14	-665	3 360
Total	**7 142**	**197**	**-52**	**-1 173**	**6 114**

Bonds and other fixed-income securities

NOK million	Opening balance 1 Jan 2009	Purchase	Sales	Result booked in 2009	Closing balance 31 Dec 2009
Asset backed securities	1 703		-191	-140	1 373
Corporate bonds	3	788	-65	-68	658
Finance, bank and insurance	12	3		-4	10
Total	**1 718**	**791**	**-255**	**-213**	**2 041**

The statement of movements over the year is based on the financial instruments measured at fair value as per 31 December 2009 based on valuation methods in which a significant part of the input utilised in the methods is not observable in the market. The column "Purchase" presents the acquisition cost of purchases made during 2009 of these financial instruments. The column "Sales" presents the associated acquisition cost upon sales made during 2009 of these financial instruments plus received repayments of the principal. The column "Booked in 2009" presents the realised gains and losses, earned interest income and dividends, as well as changes in unrealised gains and losses.

Storebrand Livsforsikring Group

Shares and units

NOK million	Quoted prices	Observable assumptions	Non-observable assumptions	Total 2009
Shares	20 192	911	3 124	24 228
Fund units excluding hedge funds		37 861	1 612	39 473
Private Equity fund investments		1 756	3 555	5 311
Indirect real estate fund			2 050	2 050
Hedge funds		2 025		2 025
Total	**20 192**	**42 553**	**10 342**	**73 087**

Bonds and other fixed-income securities

NOK million	Quoted prices	Observable assumptions	Non-observable assumptions	Total 2009
Asset backed securities		1 413	1 373	2 785
Corporate bonds		7 999	960	8 959
Finance, bank and insurance		30 206	13	30 219
Real estate		431		431
State and state guaranteed	50 546	18 126		68 672
Supranational organisations		1 610		1 610
Local authority, county		5 982	106	6 088
Covered bonds		19 968		19 968
Bond funds		10 862		10 862
Total	**50 546**	**96 596**	**2 452**	**149 594**

Derivates

NOK million	Quoted prices	Observable assumptions	Non-observable assumptions	Total 2009
Future interest rate agreements		-13		-13
Interest rate swaps		1 150		1 150
Swaptions		359		359
Forward exchange contracts	11	-101		-90
Basis swaps		14		14
Credit derivatives		15		15
Total	**11**	**1 425**		**1 436**
Derivatives with a positive market value	13	2 768		2 780
Derivatives with a negative market value	-1	-1 343		-1 344
Total	**11**	**1 425**		**1 436**

SPECIFICATION OF PAPERS PURSUANT TO VALUATION TECHNIQUES (NON-OBSERVABLE ASSUMPTIONS)

Shares and units

NOK million	Opening balance 1 Jan 2009	Purchase	Sales	Result booked in 2009	Closing balance 31 Dec 2009
Shares	3 155	321	-205	-146	3 124
Fund units excluding hedge funds	1 711	343	-17	-425	1 612
Private Equity fund investments	4 062	149	-17	-638	3 555
Indirect real estate fund	3 214	142		-1 306	2 050
Total	**12 142**	**954**	**-239**	**-2 516**	**10 342**

Bonds and other fixed-income securities

NOK million	Opening balance 1 Jan 2009	Purchase	Sales	Result booked in 2009	Closing balance 31 Dec 2009
Asset backed securities	1 703		-191	-140	1 373
Corporate bonds	305	790	-65	-70	960
Finance, bank and insurance	12	6		-4	13
Local authority, county		106			106
Total	**2 020**	**902**	**-255**	**-215**	**2 452**

The statement of movements over the year is based on the financial instruments measured at fair value as per 31 December 2009 based on valuation methods in which a significant part of the input utilised in the methods is not observable in the market. The column “Purchase“ presents the acquisition cost of purchases made during 2009 of these financial instruments. The column “Sales“ presents the associated acquisition cost upon sales made during 2009 of these financial instruments plus received repayments of the principal. The column “Booked in 2009“ presents the realised gains and losses, earned interest income and dividends, as well as changes in unrealised gains and losses.

04 Segment information – analysis of profit and loss by business area

	Life and Pensions Norway		Life and Pensions Sweden		Asset mangement		Storebrand Livsforsikring Group	
NOK million	2009	2008	2009	2008	2009	2008	2009	2008
Revenue	30 348	21 633	16 637	5 258	142	92	47 127	26 983
Profit before tax	744	-198	147	-2 145	62	63	952	-2 280
Assets	190 806	186 655	127 019	133 718	152	80	317 977	320 453
Liabilities	180 546	175 936	122 130	129 699	120	84	302 796	305 719

Revenue
Revenue includes the total premium income including savings premiums and transferred premium fund from other companies, net financial return and other income.

Life and Pensions Norway
Storebrand Life Insurance offers a wide range of products within occupational pensions, private pension savings and life insurance to companies, public sector entities and private individuals. Storebrand Life Insurance’s branch in Sweden provides occupational pensions products based on Norwegian law in the Swedish market. Includes companies in Storebrand Life Group excluding Storebrand Eiendom and Storebrand Holding Group.

Life and Pensions Sweden
SPP offers a wide range of pension solutions to companies, organisations and private individuals in Sweden. SPP holds a particularly strong position in traditional products - policies with guaranteed interest rates - in the Swedish corporate market. Includes companies in SPP Group (Storebrand Holding Group excluding SPP Fonder).

Asset management
Storebrand’s asset management activities includes the companies Storebrand Eiendom and SPP Fonder AB.

05 Profit and loss statement by class of business

NOK million	Group pension private insu-rance	Group pension public insu-rance	Group life insurance	Endow-ment insurance	Annuity/ pension insurance	Non-life insurance	Total Storebrand Livs-forsikring AS	SPP Group	Total Storebrand Livs-forsikring Group
1. Premium income	10 351	3 669	549	3 503	478	206	18 757	7 467	26 223
2. Net income from financial assets – collective portfolio	4 906	840	48	283	733	17	6 828	3 476	10 308
3. Net income from financial assets with investment choice	1 466	80		276	553		2 375	4 806	7 181
4. Other insurance related income	43			24	30		98	692	790
5. Claims	-5 856	-1 834	-468	-1 545	-2 167	-58	-11 928	-6 438	-18 366
- Of which agreements terminated/ withdrawals from endowment policies	-21	-384		-1 014	-452		-1 871	-25	-1 895
6. Changes in insurance obligations recognised in the Profit and Loss Account – contractual obligations	-4 962	-2 335	-31	-217	866	-57	-6 737	-1 878	-8 615
7. Changes in insurance obligations recognised in the Profit and Loss Account – investment portfolio separately	-4 471	-186		-2 013	-339		-7 008	-6 709	-13 718
8. Funds allocated to insurance contracts, contractual obligations	-82	-2		-2			-87		-87
9. Insurance related operating costs	-780	-141	-59	-240	-194	-71	-1 484	-935	-2 419
10. Other insurance related costs	-137	-2	-28	-9	-1		-178	-77	-256
11. Technical result 2009	**479**	**88**	**11**	**60**	**-39**	**37**	**636**	**403**	**1 043**
Technical result 2008	**52**	**1**	**106**	**85**	**-37**	**12**	**219**	**499**	**849**

Analysis by profit-sharing model

Endowment insurance *NOK million*	Profit allocation	Not eligible for profit allocation	Investment choice	Total 2009	Total 2008
1. Premium income	1 176	285	2 042	3 503	2 379
2. Net income from financial assets – collective portfolio	260	23		283	-9
3. Net income from financial assets with investment choice			276	276	-253
4. Other insurance related income	5	5	14	24	22
5. Claims	-1 183	-81	-281	-1 545	-9 695
6. Changes in insurance obligations recognised in the Profit and Loss Account – contractual obligations	-142	-75		-217	7 966
7. Changes in insurance obligations recognised in the Profit and Loss Account – investment portfolio separately			-2 013	-2 013	40
8. Funds allocated to insurance contracts, contractual obligations	-2			-2	-85
9. Insurance related operating costs	-113	-89	-38	-240	-274
10. Other insurance related costs	-3	-5		-9	-6
11. Technical result	**-3**	**64**	**-1**	**60**	**84**

	Annuity/pension insurance *NOK million*	Profit allocation	Investment choice	Total 2009	Total 2008
1.	Premium income	367	111	478	842
2.	Net income from financial assets – collective portfolio	733		733	-16
3.	Net income from financial assets with investment choice		553	553	-851
4.	Other insurance related income	5	26	30	34
5.	Claims	-1 861	-306	-2 167	-3 524
6.	Changes in insurance obligations recognised in the Profit and Loss Account – contractual obligations	866		866	2 520
7.	Changes in insurance obligations recognised in the Profit and Loss Account – investment portfolio separately		-339	-339	1 170
8.	Funds allocated to insurance contracts, contractual obligations	-0			-1
9.	Insurance related operating costs	-138	-55	-194	-206
10.	Other insurance related costs	-2		-1	-5
11.	**Technical result**	**-29**	**-10**	**-39**	**-37**

	Group pension private insurance *NOK million*	Defined benefit without investment choice	Defined benefit with investment choice	Paid-up policies	Defined contribution with investment choice	Not eligible for profit allocation	Total 2009	Total 2008
1.	Premium income	5 867	229	1 060	2 752	444	10 351	14 526
2.	Net income from financial assets – collective portfolio	2 534		2 344		28	4 906	-599
3.	Net income from financial assets with investment choice		182		1 284		1 466	-1 131
4.	Other insurance related income	7		4	32		43	50
5.	Claims	-6 926	411	1 141	-269	-212	-5 856	-5 561
6.	Changes in insurance obligations recognised in the Profit and Loss Account –contractual obligations	-573		-4 265		-124	-4 962	-4 660
7.	Changes in insurance obligations recognised in the Profit and Loss Account – investment portfolio separately		-763		-3 708		-4 471	-1 215
8.	Funds allocated to insurance contracts, contractual obligations	-79		-4			-82	-483
9.	Insurance related operating costs	-354	-10	-182	-158	-76	-780	-757
10.	Other insurance related costs	-98	-43	21	-11	-6	-137	-117
11.	**Technical result**	**378**	**7**	**119**	**-79**	**53**	**479**	**52**

	Group pension public insurance *NOK million*	Defined benefit without investment choice	Defined benefit with investment choice	Total 2009	Total 2008
1.	Premium income	3 402	268	3 669	2 856
2.	Net income from financial assets – collective portfolio	840		840	195
3.	Net income from financial assets with investment choice		80	80	-6
4.	Other insurance related income				
5.	Claims	-1 690	-145	-1 834	-1 648
6.	Changes in insurance obligations recognised in the Profit and Loss Account – contractual obligations	-2 335		-2 335	-702
7.	Changes in insurance obligations recognised in the Profit and Loss Account – investment portfolio separately		-186	-186	-411
8.	Funds allocated to insurance contracts, contractual obligations	-2		-2	-86
9.	Insurance related operating costs	-130	-11	-141	-110
10.	Other insurance related costs	-9	7	-2	-87
11.	**Technical result**	**76**	**13**	**88**	**1**

06 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	Total Storebrand Livsforsikring Group
2009	245		43	2 009	75	31	2 403	2 273	4 676
2008	314	3	20	1 086	191	37	1 652	2 236	3 887

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.

07 Sales cost

	Storebrand Livsforsikring AS		Storebrand Livsforsikring Group	
NOK million	2009	2008	2009	2008
Salaries and personnel costs own sales resources	-177	-196	-284	-354
Other sales costs own resources	-117	-89	-145	-89
Commissions to external distributors	-42	-37	-97	-83
Total sales costs	**-336**	**-322**	**-526**	**-526**

08 Movements of insurance reserves

	Group pension private insurance	Group pension public insurance	Endow-ment insurance	Annuity/ pension insurance	Total Storebrand Livsforsikring AS		SPP Group		Total Storebrand Livsforsikring Group	
NOK million					2009	2008	2009	2008	2009	2008
Funds received										
Premium reserve	1 506	1 060	12	105	2 683	5 019	70	40	2 754	5 028
Additional statutory reserves	13	12		2	27	109		15	27	124
Transfers of premium reserve etc.	**1 520**	**1 072**	**12**	**106**	**2 710**	**5 128**	**70**	**55**	**2 780**	**5 152**
Premium funds	53				53	223			53	223
Number of policies/customers	3 856	28	65	791	4 740	5 696	519	207	5 259	5 903
Funds transferred out										
Premium reserve	-2 117	-332	-3	-137	-2 589	-2 151	-714	-155	-3 303	-2 275
Additional statutory reserves	-31	-5		-3	-39	-66			-39	-66
Conditional bonus							-1	4	-1	4
Value adjustment fund						-77				-77
Transfers of premium reserve etc.	**-2 148**	**-337**	**-3**	**-140**	**-2 628**	**-2 294**	**-715**	**-151**	**-3 343**	**-2 414**
Premium funds	-72				-72	-248			-72	-248
Pension adjustment funds						-3				-3
Number of policies/customers	7 775	19	18	713	8 525	5 762	27 762	2 433	36 287	9 403

09 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 2009	Total Storebrand Livsforsikring AS 2008	SPP Group 2009	Total Storebrand Livsforsikring Group 2009	Total Storebrand Livsforsikring Group 2008
Financial income*	6 493	875	43	526	1 222	16	9 175	895	3 823	12 998	4 446
Guaranteed yield	-5 264	-637	-2	-493	-1 204		-7 600	-3 032	-3 575	-11 175	-6 243
- of which transferred to premium fund	94	16					111	151	-2 337	-2 226	-2 275
Investment result before drawing on buffer capital	1 229	238	41	33	18	16	1 575	-2 137	248	1 823	-1 797
To/From additional statutory reserves and buffer capital	-974	-241		-75	23		-1 267	2 264		-1 267	2 264
Investment result after drawing on additional statutory reserves and buffer reserves	**255**	**-3**	**41**	**-42**	**41**	**16**	**308**	**127**	**248**	**556**	**467**
Risk Premium	611	88	493	452	-118	202	1 728	1 509	475	2 202	2 112
Risk addition	-469	-87	-487	-310	80	-154	-1 427	-838	-156	-1 583	-1 174
Net reinsurance etc.*	-81		-42	-2		5	-120	-132	-66	-186	-100
Risk result	**60**	**1**	**-36**	**140**	**-38**	**53**	**180**	**539**	**253**	**433**	**838**
Administration premium	675	117	65	203	152	39	1 252	1 225	763	2 016	2 047
Operating expenses	-780	-141	-59	-240	-194	-71	-1 484	-1 480	-862	-2 346	-2 425
Administration result	**-105**	**-24**	**6**	**-36**	**-41**	**-32**	**-232**	**-255**	**-98**	**-330**	**-378**
Other results								**65**		**5**	**191**
Premium for garanteed interest	**208**	**67**					**275**	**230**		**275**	**230**
Risk profit	**165**	**48**					**213**	**168**		**213**	**168**
Gross result for sector	**584**	**89**	**11**	**62**	**-39**	**37**	**744**	**874**	**403**	**1 152**	**1 516**
Investmentresult and riskresult to policyholders	-106			-2			-108	-655		-108	-668
Profit of the year	**479**	**88**	**11**	**60**	**-39**	**37**	**636**	**219**	**403**	**1 043**	**849**

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

Endowment insurance	Profit allocation		Not eligible for profit allocation		Investment choice		Total 2009		Total 2008	
NOK million	Policy-holders	Owner	Policy-holders	Owner	Policy-holders	Owner	Policy-holders	Owner	Policy-holders	Owner
Administration result	-3			-34		1	-3	-33	-11	-47
Investment result	32			1			32	1	-93	1
Risk result	45			97		-2	45	95	177	94
Premium for garanteed interest and risk profit										
Profit allocation	4	-4					4	-4	-36	36
To/From additional statutory reserves and buffer capital	-75						-75		48	
Other										
Technical result	**2**	**-3**		**64**		**-1**	**2**	**60**	**85**	**85**

Annuity/pension insurance

NOK million	Profit allocation		Investment choice		Total 2009		Total 2008	
	Policy-holders	Owner	Policy-holders	Owner	Policy-holders	Owner	Policy-holders	Owner
Administration result	-30			-11	-30	-11	-3	-34
Investment result	17				17		-221	5
Risk result	-38				-38		8	4
Premium for garanteed interest and risk profit								
Profit allocation	29	-29			29	-29	12	-12
To/From additional statutory reserves and buffer capital	23				23		204	
Technical result		**-29**		**-10**		**-39**	**1**	**-37**

Group pension private insurance

NOK million	Defined benefit without investment choice		Defined benefit with investment choice		Paid-up policies		Defined contribution with investment choice		Not eligible for profit allocation		Total 2009		Total 2008	
	Policy-holders	Owner	Policy-holders	Owner	Policy-holders	Owner	Policy-holders	Owner	Policy-holders	Owner	Policy-holders	Owner	Policy-holders	Owner
Administration result		-46				11		-70		2		-105		-112
Investment result	772		81		379			-10		8	1 232	-3	-1 896	9
Risk result	51	103	-6	-18	-104			2		33	-59	119	126	201
Premium for garanteed interest and risk profit		337		25						11		373		296
Profit allocation					-1	1					-1	1	-8	8
To/From additional statutory reserves and buffer capital	-743	-6	-51		-273	98					-1 067	93	1 912	
Other													350	-350
Technical result	**80**	**388**	**23**	**7**	**2**	**109**		**-79**		**53**	**106**	**479**	**483**	**52**

Group pension public insurance

NOK million	Not eligible for profit allocation		Defined benefit with investment choice		Total 2009		Total 2008	
	Policy-holders	Owner	Policy-holders	Owner	Policy-holders	Owner	Policy-holders	Owner
Administration result		-22		-2		-24		-14
Investment result	210		27		238		-14	
Risk result	2	-5	-2	6				-88
Premium for garanteed interest and risk profit		106		9		115		103
Profit allocation								
To/From additional statutory reserves and buffer capital	-210	-3	-27		-238	-3	100	
Technical result	**2**	**76**	**-2**	**13**		**88**	**86**	**1**

10 Financial assets income

Specification net financial income	Storebrand Livsforsikring AS		Storebrand Livsforsikring Group	
NOK million	2009	2008	2009	2008
Interest lending	466	914	137	316
Interest bank	132	570	87	903
Interest bonds and other fixed-income securities at fair value	3 651	3 090	5 895	5 882
Interest bonds amortised cost	1 538	2 414	1 538	2 414
Interest derivatives	-104	-147	357	-477
Interest income other	-220	-68	-220	-63
Share dividends	153	448	1 418	1 903
Total interest income and share dividends etc. in financial assets	**5 615**	**7 220**	**9 213**	**10 876**
Revaluation of real estate			-221	423
Revaluation of shares	3 707	-10 154	11 235	-21 837
Revaluation bonds and other fixed-income securities at fair value	-473	1 615	-2 748	5 860
Revaluation derivatives	-181	670	-3 397	5 441
Total revaluation on investments	**3 053**	**-7 868**	**4 868**	**-10 114**
Profit on real estate			22	-17
Profit on shares	-1 208	-4 310	-3 786	-8 228
Profit on bonds and other fixed-income securities at fair value	1 197	-1 629	5 592	-1 290
Profits on derivatives	-6 491	-9 578	-6 306	-9 578
Profit on bonds at amortised cost	136		136	
Other profit	-1 014	1	-1 768	-38
Currency gains, shares	-2 859	3 065	-2 877	5 254
Currency gains, bonds and other fixed-income securities at fair value	13 111	3 965	12 637	4 332
Currency gains, derivatives	-522	3 214	-522	1 944
Currency gains, bonds at amortised cost	-268		54	
Currency gains, other		354		-821
Total gains and losses on financial assets	**2 081**	**-4 917**	**3 182**	**-8 424**
Interest costs subordinated loans	534	741	556	824
Interest costs other financial liabilities				5
Total interest costs	**534**	**741**	**556**	**830**

11 Tax charge

	Storebrand Livsforsikring AS		Storebrand Livsforsikring Group	
NOK million	2009	2008	2009	2008
Tax payable for the period				-505
Change in deferred tax				
Total tax charge	**0**	**0**	**0**	**-505**
Change in tax asset/ liability				
- deferred tax arising from creating/reversing temporary differences				16
- 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				
Total change in tax asset/ liability	**0**	**0**	**0**	**16**
Total tax charge	**0**	**0**	**0**	**-489**

	Storebrand Livsforsikring AS		Storebrand Livsforsikring Group	
NOK million	2009	2008	2009	2008
Reconciliation of expected and actual tax charge				
Ordinary pre-tax profit	1 138	-1 870	952	-2 281
Expected tax on income at nominal rate	-319	524	-267	639
Tax effect of:				
- realised/unrealised shares	346	-2 309	638	-1 636
- change in intangible assets				114
- associated companies			14	
- permanent differences	-98	-1	-152	-1 372
- write-down of deferred tax assets	88	2 114	-278	2 130
Write-down real estate			80	
Other:				
Change from earlier years	-18	-328	-23	-323
Tax charge	**0**	**0**	**13**	**-449**

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

NOK million	2009	2008	2009	2008
Tax increasing temporary differences				
Securities	1 806	5 308	1 849	5 309
Real Estate			4 416	3 937
Operating assets			253	26
Pre-paid pensions	13			1
Other			612	785
Total tax increasing temporary differences	**1 820**	**5 308**	**7 129**	**10 058**
Tax reducing temporary differences				
Securities	-2 332	-4 151	-2 332	-4 151
Operating assets		-4		
Accrued pension liabilities	-531	-593	-593	-706
Other	-32	-40	-162	-69
Total tax reducing temporary differences	**-2 895**	**-4 788**	**-3 087**	**-4 926**
Losses carried forward	-5 015	-6 926	-5 266	-6 993
Allowances carried forward	-689	-689	-689	-689
Total losses and allowances carried forward	**-5 705**	**-7 615**	**-5 956**	**-7 682**
Basis for net deferred tax/tax assets	**-6 780**	**-7 095**	**-1 914**	**-2 550**
Write-down of basis for deferred tax assets	**6 780**	**7 095**	**2 562**	**3 210**
Net basis for deferred tax/tax assets	**0**	**0**	**648**	**659**
Net deferred tax asset/liability	**0**	**0**	**181**	**185**
Change in deferred tax booked in the balance sheet				
Net deferred tax asset/liability in the balance sheet	**0**	**0**	**181**	**185**
Booked in the balance sheet:				
Deferred tax assets				
Deferred tax			182	184

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 continued to derive income from such investments in future years. Allowances carried forward date from the years 19998–2003, and must be used within 10 years.

Change in deferred tax/defered tax assets in profit and loss account:

	Storebrand Livsforsikring AS		Storebrand Livsforsikring Group	
NOK million	2009	2008	2009	2008
Deferred tax asset not included in the balance-sheet				
Deferred tax asset not included in the balance-sheet	1 898	898	1 898	898
Total deferred tax asset not included in the balance-sheet	**1 898**	**898**	**1 898**	**898**

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 2009, 12 G amounts to NOK 874,572. 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	2009	2008
Present value of insured pension benefit liabilities	891	881
Pension assets as fair value	-627	-555
Net pension liability/surplus for the insured schemes	264	326
Present value of the uninsured pension liabilities	267	267
Net pension liabilities in the balance sheet	**531**	**593**

Includes contributions on the net under-funded liabilities. Provision for employment taxes are included in the gross obligation.

Booked in the balance sheet:

NOK million	2009	2008
Pension assets		
Pension liabilities	531	593

NOK million	2009	2008
This year's change in experience adjustments included in equity	-75	207
Accumulated experience adjustments included in equity	-141	-220

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

NOK million	2009	2008
Net pension liability at 1.1.	1 148	937
Net pension cost recognised in the period	87	69
Interest on pension liabilities	47	41
Experience adjustments	-88	125
Pension paid	-37	-25
Net pension liability at 31.12.	**1 157**	**1 148**

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

NOK million	2009	2008
Fair value of pension assets at 1.1	555	540
Expected return	37	29
Experience adjustments	-13	-82
Premium paid	62	79
Pensions paid	-13	-11
Net pension assets at 31.12	**627**	**555**

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

	2009	2008
Properties and real estate	15 %	14 %
Bonds at amoritsed cost	26 %	13 %
Secured and other lending	2 %	2 %
Shares and units	16 %	15 %
Bonds at fair value	38 %	46 %
Other fixed-income securities	1 %	2 %
Other short-term financial assets	2 %	8 %
Total	**100 %**	**100 %**
The book (realised) investment return on assets	**5.0 %**	**2.0 %**

Netto pensjonskostnad i resultatregnskapet, spesifisert som følger:

NOK million	2009	2008
Current service cost	96	80
Interest on pension liabilities	47	41
Expected return on pension assets	-37	-29
Net pension cost booked to profit and loss account in the period	**107**	**92**

Net pension cost includes provision for employment taxes and is included in operating costs

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

Financial:	2009	2009
Discount rate	4.4 %	4.3 %
Expected return on pension fund assets in the period	6.0 %	6.3 %
Expected earnings growth	4.0 %	4.3 %
Expected annual increase in social security pensions	4.0 %	4.3 %
Expected annual increase in pensions in payment	2.0 %	2.0 %
Disability table	KU	KU
Mortality table	K2005	K2005

Financial assumptions:
Calculation Assumptions are determined by the guidance of the Norwegian Accounting Foundation adjusted for company-specific factors, including an expected return from the selected investment profile

Actuarial assumptions:
Standardised assumptions on mortality and other demographic factors as produced by the Norwegian Financial Services Association. Disabled table developed by Storebrand Livsforsikring AS. Average employee turnover rate of 2–3% of entire workforce.

Net pension liability at 31.12.:

NOK million	2009	2008	2007	2006	2005
Discounted current value of defined benefit pension liabilities	1 157	1 148	937	1 027	792
Fair value of pension assets	-627	-555	-540	-551	-455
Deficit/(surplus)	**531**	**593**	**397**	**475**	**337**

Expected premium payments (pension assets) in 2010:	76

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 are paid directly by the company. The pension terms follow from the pension decisions in the Storebrand group. The company is duty bound to have an occupational pension scheme pursuant to the Act relating to Mandatory Occupational Pensions. The company's pension scheme satisfies the requirements of this act.

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	2009	2008
Present value of insured pension benefit liabilities	1 500	1 603
Pension assets as fair value	-1 053	-971
Net pension liability/surplus for the insured schemes	447	631
Present value of the uninsured pension liabilities	302	299
Net pension liabilities in the balance sheet	**749**	**931**

Includes contributions on the net under-funded liabilities. Provision for employment taxes are included in the gross obligation.

Booked in the balance sheet:

NOK million	2009	2008
Pension assets		
Pension liabilities*	749	931

**) corrected last year SPP*

NOK million	2009	2008
This year's change in experience adjustments included in equity	104	-157
Accumulated experience adjustments included in equity	-106	-209

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

NOK million	2009	2008
Net pension liability at 1.1.	1 902	1 680
Net pension cost recognised in the period	129	104
Interest on pension liabilities	73	71
Experience adjustments	-217	84
Pension paid	-46	-30
Changes to the pension scheme	6	-6
Net pension liability addition/disposals and currency differences	-44	
Net pension liability at 31.12.	**1 802**	**1 902**

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

NOK million	2009	2008
Fair value of pension assets at 1.1	971	932
Expected return	58	50
Experience adjustments	-38	-113
Premium paid	102	123
Changes to the pension scheme	6	-7
Pension paid	-21	-14
Pension assets addition/disposals and currency differences	-25	
Net pension assets at 31.12	**1 053**	**971**

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

	Storebrand Livsforsikring AS		SPP	
	2009	2008	2009	2008
Properties and real estate	15 %	14 %		1 %
Bonds at amoritsed cost	26 %	13 %		
Secured and other lending	2 %	2 %		
Shares and units	16 %	15 %	26 %	3 %
Bonds at fair value	38 %	46 %	67 %	65 %
Other fixed-income securities	1 %	2 %		5 %
Other short-term financial assets	2 %	8 %	7 %	26 %
Total	**100 %**	**100 %**	**100 %**	**100 %**
The book (realised) investment return on assets	**5.0 %**	**2.0 %**	**4.1 %**	**0.6 %**

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

NOK million	2009	2008
Current service cost	193	143
Interest on pension liabilities	73	70
Expected return on pension assets	-58	-50
Net pension cost booked to profit and loss account in the period	**208**	**163**

Net pension cost includes provision for employment taxes and is included in operating costs

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

	Storebrand Livsforsikring AS		SPP	
Financial:	2009	2008	2009	2008
Discount rate	4.4 %	4.3 %	3.3 %	3.3 %
Expected return on pension fund assets in the period	6.0 %	6.3 %	5.0 %	5.0 %
Expected earnings growth	4.0 %	4.3 %	3.5 %	3.5 %
Expected annual increase in social security pensions	4.0 %	4.3 %	3.0 %	3.0 %
Expected annual increase in pensions in payment	2.0 %	2.0 %	2.0 %	2.0 %
Disability table	KU	KU		
Mortality table	K2006	K2005	DUS06	DUS06

Financial assumptions:
Calculation Assumptions are determined by the guidance of the Norwegian Accounting Foundation adjusted for company-specific factors, including an expected return from the selected investment profile

Actuarial assumptions:
Standardised assumptions on mortality and other demographic factors as produced by the Norwegian Financial Services Association.
Disabled table developed by Storebrand Livsforsikring AS Average employee turnover rate of 2–3% of entire workforce.

Net pension liability at 31.12.:

NOK million	2009	2008	2007	2006	2005
Discounted current value of defined benefit pension liabilities	1 802	1 902	1 371	1 095	850
Fair value of pension assets	-1 053	-971	635	589	491
Deficit/(surplus)	**749**	**931**	**736**	**506**	**359**
Fact-based adjustments to liabilities	-114	-21			
Fact-based adjustments to assets	-38	-113			

Expected premium payments (pension assets) in 2010:	114

Fortsetter neste side

Sensitivity pension calculation		
Change in discount rate	1 %	-1 %
Percentage change in pension:		
Pension liability	-18 %	19 %
Net pension cost for the periode	-22 %	23 %

The pension liability is particularly sensitive to changes in the discount rate. A reduction in the discount rate will isolated lead to an increase in pension liabilities.

13 Shares and other equity instruments

	Storebrand Livsforsikring AS		Storebrand Livsforsikring Group	
NOK million	Acquisition cost	Market value	Acquisition cost	Market value
Norwegian finance industry				
ABG Sundal Collier	49	69	49	69
DnB NOR	205	215	209	220
Help Forsikring AS	27	19	27	19
Sparebank 1 SR-Bank G	7	9	7	9
Total Norwegian finance industry	**288**	**312**	**291**	**316**
Other Norwegian shares				
Aker Solutions	12	17	12	17
Algeta	14	23	14	23
Atea ASA	19	26	19	26
Austevoll Seafood	24	35	24	35
Cermaq	13	16	13	16
Finansnæringens Hus		16		16
Glava	36	114	36	114
Hans Property Group AS			185	84
Marine Harvest	25	34	25	34
NMI Global Fund KS under stiftelse	16	16	16	16
Norsk Hydro	155	174	158	177
Norsk Tillitsmann	1	21	1	21
Norwegian Property	22	33	22	33
Orkla	230	227	233	231
Petroleum Geo-Services	24	25	24	25
Raufoss ANS			164	166
Renewable Energy Corporation	70	63	72	64
Schibsted	22	28	22	28
Statoil ASA	671	624	686	639
Storebrand Privat Investor ASA	59	51	217	138
Subsea 7	46	53	46	53
Tandberg	26	42	26	42
Telenor	314	319	318	324
TGS-NOPEC Geophysical Company	69	77	69	77
Yara International	231	224	233	227
Other Norwegian shares, not specified	356	325	370	337
Total other Norwegian shares	**2 455**	**2 583**	**3 006**	**2 962**
Total Norwegian shares	**2 743**	**2 895**	**3 297**	**3 279**
Of which listed Norwegian shares	2 470	2 560	3 024	2 943

NOK million	Storebrand Livsforsikring AS Acquisition cost	Storebrand Livsforsikring AS Market value	Storebrand Livsforsikring Group Acquisition cost	Storebrand Livsforsikring Group Market value
Australia				
Aust & Nz Bank Group	6	7	22	27
BHP Billiton AUD	18	20	60	71
Commonwealth Bank of Australia	10	11	33	41
National Australian Bank	8	7	26	27
Rio Tinto AUD	5	5	15	16
Westpac Banking Corp	10	10	32	37
Woolworth Australia	6	6	21	22
Other Australia	60	56	198	207
Total	**121**	**122**	**406**	**447**
Belgium				
Anheuser-Busch Inbev	4	6	18	22
Other Belgium	11	10	58	52
Total	**15**	**16**	**76**	**74**
Bermuda				
SeaDrill Ltd	125	155	128	159
Other Bermuda	4	3	10	10
Total	**129**	**158**	**137**	**169**
Canada				
Bank of Montreal	4	5	16	18
Bank of Nova Scotia	7	7	27	29
Canadian Imperial Bank of Commerce	4	4	15	16
CanadiaN Nat. Resources CAD	5	5	18	21
Canadian National Railway	4	5	15	17
Goldcorp Inc	5	5	20	21
Manulife Financial	6	5	23	19
Potash Corp Saskatchewan	6	5	21	20
Royal Bank of Canada	10	11	40	45
Suncor Energy	8	8	32	32
Toronto - Dominion Bank CAD	8	8	30	32
Other Canada	91	90	320	335
Total	**158**	**158**	**578**	**607**
Cayman Islands				
SBL Direct Investments 2006-2008 Ltd - Class B-1	232	252	232	252
SBL Vintage 1999 Ltd - Class B-1	172	188	172	188
Total	**404**	**439**	**404**	**439**
Denmark				
NordEnergie Renewables AS	60	67	60	67
Novo-Nordisk B	4	4	16	17
Superfos Industries	31	41	31	41
Other Denmark	11	10	40	37
Total	**106**	**123**	**146**	**162**

NOK million	Storebrand Livsforsikring AS Acquisition cost	Storebrand Livsforsikring AS Market value	Storebrand Livsforsikring Group Acquisition cost	Storebrand Livsforsikring Group Market value
Finland				
Fortum	2	2	40	47
Konecranes			17	21
Nokia A	9	7	37	27
Other Finland	37	6	77	50
Total	**47**	**15**	**171**	**145**
France				
Air Liquide	5	5	48	57
Axa			19	19
BNP Paribas	11	11	39	44
Carrefour	5	5	20	19
Danone	6	6	21	22
Essilor International	2	2	21	26
France Telecom	8	7	31	29
Gaz de France	8	8	34	33
L Oreal	4	5	16	18
LVMH-Moet-Hennssy Louis	4	5	16	19
Sanofi-Aventis	11	12	45	50
Schneider Electric	4	5	15	18
Societe Generale	8	8	29	27
Vinci	5	5	16	18
Vivendi	5	5	21	22
Other France	57	58	217	225
Total	**143**	**146**	**608**	**648**
Ireland				
CRH (Lse)	3	3	25	28
LGT Crown European Buyout Opportunities II			100	79
Other Ireland	1		7	4
Total	**4**	**3**	**132**	**110**
Italy				
Assicurazioni General	5	5	19	18
Enel	6	5	21	21
ENI	11	10	45	45
Intesa SanPaolo	6	5	20	20
UniCredit SPA	7	7	30	26
Other Italy	13	13	64	63
Total	**48**	**46**	**199**	**193**
Japan				
Canon	8	7	25	27
Matsushita Elc Ind	5	4	18	17
Mitsubishi	5	5	17	19
Mitsubishi UFJ Holdings Group	9	7	36	28
Nissan Motor	5	5	15	17
Sony	5	4	18	16
Takeda Pharmaceutical	6	5	21	20

NOK million	Storebrand Livsforsikring AS Acquisition cost	Storebrand Livsforsikring AS Market value	Storebrand Livsforsikring Group Acquisition cost	Storebrand Livsforsikring Group Market value
Tokyo Electric Power	5	4	19	18
Other Japan	281	254	965	927
Total	**329**	**296**	**1 132**	**1 089**
Liberia				
Royal Caribbean Cruises NOK	53	62	54	63
Total	**53**	**62**	**54**	**63**
Luxembourg				
Acergy	77	93	77	93
DB-x-Trackers MSCI EME TRN Index ETF USD			370	354
Øvrig Luxembourg	1	1	6	7
Total	**78**	**94**	**453**	**454**
Netherlands				
ArcelorMittal	7	6	25	25
Ing-Group	7	5	30	25
Philips Electronics (Koninklijke)	5	5	16	17
Unilever NL	8	8	27	31
Other Netherlands	22	23	82	87
Total	**48**	**47**	**179**	**186**
New Zealand				
Taumata Plantations Ltd.	638	575	638	575
Other New Zealand			5	5
Total	**638**	**575**	**643**	**580**
Spain				
Banco Santander	17	18	68	77
BBVA (Bilbao Vizcaya Argentaria)	9	9	36	37
Ebro Puleva			21	31
Iberdrola	6	5	21	21
Repsol Ypf	5	5	19	18
Tecnicas Reunidas			17	25
Telefonica	16	17	63	68
Other Spain	10	10	49	49
Total	**62**	**64**	**294**	**324**
Great Britain				
Centrica	4	4	15	16
Associated British Foods PLC			18	17
National Grid Plc	4	5	18	19
Xstrata	4	5	18	20
SabMiller PLC	5	6	17	21
Reckitt Benkiser Group			19	21
Lloyds Banking Group PLC	5	4	32	23
Reckitt Benckiser	6	6	21	24
Bunzl			25	27
Unilever GB	7	7	24	28

NOK million	Storebrand Livsforsikring AS Acquisition cost	Storebrand Livsforsikring AS Market value	Storebrand Livsforsikring Group Acquisition cost	Storebrand Livsforsikring Group Market value
Barclays Bank	9	7	36	28
Spectris			19	28
Standard Chartered	7	7	26	29
Diageo	8	8	28	30
Anglo American Plc	6	9	30	34
Tesco	8	8	32	34
BG Group	9	9	37	37
Astrazeneca GBP	9	10	37	39
Johnson Mattey			31	40
BHP Billiton GBP	9	10	35	41
Royal Dutch Shell B shares	10	10	42	43
Rio Tinto GBP	10	11	41	43
Rolls Royce	3	6	34	56
Royal Dutch Shell A London	15	15	58	61
GlaxoSmithkline	15	15	59	64
Vodafone Group	17	17	72	70
BP Plc	24	26	102	107
HSBC Holdings GB	28	28	105	113
Astrazeneca SEK			143	155
Other Great Britain	79	80	331	331
Total	**301**	**314**	**1 505**	**1 600**
Switzerland				
Credit Suisse Group RG	7	8	32	32
Nestle	23	25	86	99
Novartis	16	16	78	87
Roche Holding Genuss	16	17	64	69
Roche Holdings			23	27
UBS	8	8	36	32
Zurich Financial Services AG	5	5	21	20
Other Switzerland	33	35	124	136
Total	**109**	**113**	**464**	**503**
Sweden				
Alfa Laval	1	1	69	85
Assa Abloy B	1	2	81	101
AstraZeneca SDB			26	31
Atlas Copco A	4	4	148	186
Atlas Copco B			53	60
Autoliv			20	26
Bergvik Skog AB			234	664
Boliden Limited B			36	43
Castellum			20	23
Electrolux B			68	98
Elekta B			22	32
Eniro			16	20
Ericsson B	5	4	459	414
Getinge Industrier B			46	49
Handelsbanken A			41	77

NOK million	Storebrand Livsforsikring AS Acquisition cost	Storebrand Livsforsikring AS Market value	Storebrand Livsforsikring Group Acquisition cost	Storebrand Livsforsikring Group Market value
Hennes & Mauritz B	4	4	441	464
Hexagon B SEK			36	37
Holmen B			20	19
Husqvarna B			42	50
Industrivaerden A			30	29
Industrivaerden C			17	17
Investor AB-A			34	35
Investor AB-B	2	2	107	111
JM			17	22
Kinnevik Investment B			36	37
Lundin Petroleum			36	33
Millicom Intl. Cellular SDR			60	58
Modern Times Group B			33	39
NC6 Capio AB			22	18
NC6 ConvaTec			16	17
NC6 Nycomed			18	49
Nordea Bank AB	3	4	338	388
Oriflame Cosmetics			37	44
Ratos B			43	49
Sandvik	3	3	177	200
Scania B			70	67
SEB A			14	28
Securitas B			44	46
Skandinaviska Enskilda Banken A	1	1	142	135
Skanska B	2	2	88	108
SKF B			26	42
Skf Svenska Kullager Fabrikker B	1	2	82	95
SSAB A			9	16
SSAB AB			44	42
SSAB B			19	20
Svenska Celloulosa B	1	1	107	109
Svenska Handelsbanken A	3	3	177	200
Swedbank AB			15	25
Swedbank AB A-shares			97	114
Tele2 B			66	74
TeliaSonera			29	42
Teliasonera - Se	2	3	199	214
Volvo A			59	52
Volvo B	2	2	163	158
Other Sweden	6	6	407	402
Total	**42**	**44**	**4 755**	**5 614**
Germany				
Allianz SE (Societas Europeae)	8	8	33	33
Basf SE	7	9	30	34
Bayer AG Namens-Actien O.N	9	10	34	39
Beiersdorf			21	25
DB Xtracker S&P/ASX 200 ETF			25	29
Deutsche Bank	6	6	26	24

NOK million	Storebrand Livsforsikring AS Acquisition cost	Storebrand Livsforsikring AS Market value	Storebrand Livsforsikring Group Acquisition cost	Storebrand Livsforsikring Group Market value
Deutsche Telecom	6	6	24	25
EON	11	11	48	46
Muenchener Rueckversicherungs RG	5	5	18	19
Rwe	6	6	24	24
Sap AG	6	6	24	24
Siemens	12	12	46	47
Other Germany	34	33	145	142
Total	**111**	**111**	**497**	**510**
USA				
3M CO	8	8	31	35
Abbott Laboratories	12	12	48	51
Accenture PLC	4	4	15	17
Amazon Com	5	7	19	26
American Express	5	6	21	25
Amgen	9	8	33	34
Anadarko Petroleum	5	5	17	19
Apache Corp	5	6	21	23
Apple Inc	22	27	84	109
AT&T Inc	22	22	95	95
Automatic Data Processing	5	5	16	18
Bank of America Corp	22	19	94	75
Bank of New York Mellon	5	5	22	20
Baxter International	6	6	22	23
Berkshire Hathaway B	6	6	24	24
Bristol-Myers Squibb	7	7	27	30
Burlington Northern Santa Fe	4	4	16	18
Caterpillar	5	5	21	22
Chevron Corp	22	22	89	93
Cisco Systems	19	19	75	80
Citigroup	15	10	56	33
Coca-Cola	16	17	67	71
Colgate Palmolive	6	6	24	26
Comcast Corp A	4	4	17	18
Corning	4	5	16	18
CVS/Caremark	7	7	29	27
Deere & Co	4	4	16	16
Devon Energy	6	6	21	22
DirecTV	4	5	13	17
DuPont (E.I) De Nemours	6	5	22	21
EMC	5	6	19	22
Emerson Electric	6	6	20	21
EOG Resources	4	4	14	16
Exelon	5	5	24	21
Exxon Mobil	49	45	205	191
Ford Motor Co	4	5	13	17
General Electric	28	23	112	94
General Mills	4	4	14	16
Gilead Sciences Inc	6	6	25	24

NOK million	Storebrand Livsforsikring AS Acquisition cost	Storebrand Livsforsikring AS Market value	Storebrand Livsforsikring Group Acquisition cost	Storebrand Livsforsikring Group Market value
Goldman Sachs	10	11	44	46
Goodrich Corp	5	5	20	23
Google Class A	17	21	67	84
Halliburton	4	4	15	17
Hancock Timberland VIII Inc	288	218	288	218
Hewlett-Packard Co	17	18	63	73
Home Depot	7	8	28	31
Intel	16	17	64	68
International Business Machine (IBM))	22	24	89	102
ITT Corporation	4	4	17	16
J.P Morgan Chase and Co	23	23	91	94
Johnsen & Johnsen	25	25	100	105
Kimberly-Clark	5	5	17	18
Kohls Corp	5	5	17	18
Kraft Foods	7	6	26	26
Lilly Eli	6	6	24	23
Lowe's Cos Inc	5	5	19	21
McDonalds	10	10	42	44
Medco Health Solutions	4	4	15	18
Medtronic	7	8	27	30
Merck & Co	13	16	57	65
Metlife	5	4	19	17
Microsoft	31	34	124	143
Monsanto	7	7	29	27
Morgan Stanley	5	5	21	21
Newmont Mining	4	4	16	16
News Corporation A	4	5	16	18
Occidental Petroleum	9	10	36	41
Oracle Corporation	12	15	51	59
Pepsico Inc	14	13	58	57
Pfizer	19	20	79	85
Praxair	4	4	16	17
Precision Castparts	4	5	17	20
Procter & Gamble	26	24	101	103
Qualcomm	11	11	44	46
Rockwell Collins	5	6	24	27
Schlumberger	13	11	46	47
Southern	4	4	17	18
Target Corporation	8	8	30	31
The Travelers Companies Inc	5	5	17	18
Time Warner	5	5	20	20
Transocean Ltd	5	4	16	16
Union Pacific Corp	4	4	17	17
United Health Group	5	5	20	20
United Parcel Services	7	6	27	27
US Bancorp	7	6	27	25
Verizon Communications	13	14	54	56
Visa Inc - Class A shares	5	6	18	24
Wallgreen	6	6	20	22

NOK million	Storebrand Livsforsikring AS Acquisition cost	Storebrand Livsforsikring AS Market value	Storebrand Livsforsikring Group Acquisition cost	Storebrand Livsforsikring Group Market value
Walt Disney	8	8	29	33
Wellpoint Inc	4	5	16	16
Wells Fargo	21	19	77	70
XTO Energy	4	4	15	17
Other USA	584	561	2 223	2 289
Total	**1 749**	**1 663**	**5 986**	**6 134**
Other shares not specified	120	96	841	814
Total foreign shares	4 816	4 708	19 660	20 866
Of which listed international shares	3 318	3 355	17 600	18 562
Total shares	**7 558**	**7 603**	**22 958**	**24 144**
Fund units managed by Storebrand Kapitalforvaltning				
Delphi Europa	186	176	186	176
Delphi Norden	105	116	105	116
Delphi Norge	155	195	155	195
Delphi Verden	350	371	393	416
SPP Aktiefond Sverige			713	802
SPP Aktieindexfond Europa			685	655
SPP Aktieindexfond Global Sustainability			126	118
SPP Aktieindexfond Japan			124	106
SPP Aktieindexfond Sverige			862	915
SPP Aktieindexfond USA			481	458
SPP EMU Blandfond			814	30
SPP Generation 50-tal			6 074	5 940
SPP Generation 60-tal			6 654	6 229
SPP Generation 70-tal			2 330	2 322
SPP Generation 80-tal			111	111
Storebrand Aksje Innland	787	1 061	787	1 061
Storebrand Alpha SICAV-Europe Class M	405	482	453	540
Storebrand Alpha SICAV-Global Energy Class I	356	369	405	420
Storebrand Asia Pacific Indeks I	670	694	670	694
Storebrand Europa I	1 443	1 405	1 443	1 405
Storebrand Global	266	209	266	209
Storebrand Global Indeks I	2 609	2 634	2 609	2 634
Storebrand Global Quant Equity	1 077	897	1 077	897
Storebrand Nord Amerika I	2 348	2 394	2 348	2 394
Storebrand Norge	107	128	107	128
Storebrand Pensjonspar	51	68	51	68
Storebrand Verdi	519	648	559	701
Storebrand WGA Health Care	96	98	96	98
Other fund units managed by Storebrand Kapitalforvaltning	15	15	15	15
Total fund units managed by Storebrand Kapitalforvaltning	**11 544**	**11 961**	**30 698**	**29 854**

NOK million	Storebrand Livsforsikring AS		Storebrand Livsforsikring Group	
	Acquisition cost	Market value	Acquisition cost	Market value
Other fund units				
Aberdeen European Shopping Property Fund			281	206
AIPP Active			429	282
AIPP Asia	12	4	140	123
AllianceBernstein Japan Strategic Value USD			27	27
Apax Europe V - E, L.P.	11	6	36	23
Apax France V	27	27	9	18
Apax France VI	36	23	43	50
AXA APIV	28	1	104	79
Bain Capital Fund VII P581&P985	27	1	30	18
BelAir (Lux) Sustain. Altern. SRI FUND Class BB			514	577
Black Rock Emerging Europe FD-Euro A2	30	18	23	25
Black Rock World Energy			16	17
Blackrock New Energy A2 Acc	7	8	42	36
Blackrock US Opportunities Fund			133	133
Blackrock World Mining Fund	7	7	104	108
Bridgepoint - The Second European PE Fund E			29	23
Carlyle Europe Real Estate Part II			220	137
Carlyle Europe Real Estate Partners	29	23	87	89
Carlyle Europe Real Estate Partners III			111	74
CBRE Strategic Property Partn. UK			180	16
CS Infra SICAR			558	560
DB X-Trackers MSCI Emerg. Mkt Trn Idx F			80	129
Deutsche Bank X-tracker MSCI Europe			67	161
East Capital Eastern Europe			16	17
East Capital Russian Fund			41	43
EISER Infrastructure Capital Equity Partners 1-B	18	19	299	279
EPISO			80	68
EQT IV ISS Co-Investment LP			40	48
European Office Income Venture			188	148
European Property Investors	299	279	46	59
European Retail Income Venture			211	104
FF Asian Special Situations	40	48	301	332
FF China Focus Fund			120	128
FF Emerging Eur, Mid East & Africa			56	59
Frogmore Real Estate Partners			142	21
FSN Capital Limited Partnership II			35	36
FSP - Emerging Markets SRI ("The Compartment")	35	36	185	247
Grainger	73	71	193	85
HB Europa Index AI (EUR)	5	4	237	313
HealthCap III, KB			68	19
Heitman European Property P III	9	8	143	95
Henderson PFI	68	19	145	107
Herkules Private Equity (GP-I) Limited			12	45
Holberg Norden	8	41	19	21
Holberg Norge	4	4	39	46
Invesco GT PRC (Kina)	4	4	96	106
iShares FTSE/Xinhua China 25 Index Fund			24	33
iShares MSCI Brazil Index Fund	96	106	24	42

NOK million	Storebrand Livsforsikring AS Acquisition cost	Storebrand Livsforsikring AS Market value	Storebrand Livsforsikring Group Acquisition cost	Storebrand Livsforsikring Group Market value
J.W. Childs III, L.P.			30	33
JPM Global Focus Fund A	30	33	393	358
JPMorgan Infrastructure Investments Fund (IIF)			543	497
Lannebo Småbolag			136	138
LaSalle Euro Growth II SCA	543	497	137	112
Macquarie European Infrastructure Fund II - Eqfund			315	272
Menlo Ventures IX	1	1	71	48
MGP Asia Fund III	315	272	87	28
Msdw Sicav Latin America	71	48	39	45
Odin Offshore	39	45	21	23
Outlet Mall Fund	9	10	361	371
Powershares QQQ Nasdaq 100			29	35
Pradera European Retail Fund	1	1	175	131
S & P Depository Receipt (ETF)			7	53
S & P Depository Receipt (ETF)	2	1	210	232
Schroder BRIC			20	24
SHB Amerikafond			111	113
SHB Balans 50			46	47
SHB Europa Aggressiv			40	41
SHB Europa Index A1			34	34
SHB Europa Selektiv			28	28
SHB Europafond			48	47
SHB Indienfond			213	233
SHB IT-fond			18	19
SHB Latinamerikafond			335	400
SHB Lux Korträntefond Sverige			81	81
SHB Läkemedelsfond			33	34
SHB Norden Aggressiv			26	28
SHB Norden Selektiv			24	24
SHB Nordenfond			46	48
SHB Nordiska småbolagsfond			206	223
SHB Nordiska Småbolagsfond A1			16	18
SHB Offensiv 100			71	70
SHB Rysslandsfond			161	182
SHB Sverige Selektiv			27	31
SHB Sverigefond Index A1			68	79
SHB Tillväxtmarknadsfond			209	266
SHB Östeuropafond			191	205
Skagen Global			647	721
Skagen Kon-Tiki			649	780
Storebrand Emerging Private Equity Markets 2007 B3	431	486	280	226
Storebrand Emerging Private Equity Markets B3	454	559	120	103
Storebrand Horizon C3	280	226	216	224
Storebrand International Private Equity IV - B2			351	431
Storebrand International Private Equity IX - B3		12	62	78
Storebrand International Private Equity V Ltd - B3	351	431	658	604
Storebrand International Private Equity VI Ltd -B3	20	25	750	630
Storebrand International Private Equity VII Ltd-B3	658	604	540	482
Storebrand International Private Equity VIII LtdB3	750	630	303	325

NOK million	Storebrand Livsforsikring AS Acquisition cost	Storebrand Livsforsikring AS Market value	Storebrand Livsforsikring Group Acquisition cost	Storebrand Livsforsikring Group Market value
Storebrand Multi Strategy Limited - XXL	180	189	544	587
Storebrand Norwegian Private Equity 2006 Ltd. - B3	1	1	225	144
Storebrand Norwegian Private Equity 2007 Ltd. - B3	223	249	80	74
Storebrand Selecta Limited - Class C-0	225	144	23	23
Storebrand Selecta Limited - Class C-3	80	74	471	574
Storebrand Special Opportunities II Ltd. - B3	23	23	1 000	862
Storebrand Special Opportunities II Ltd. - B4	169	238	101	105
Storebrand Special Opportunities Ltd. - C3	1 000	862	723	788
T.Rowe Price Asian ex-Japan Equity	723	788	52	60
T.Rowe Price Global Em mkt. Eq. - class 1	15	15	81	72
Topix ETF	1	1	75	72
TransEuropean Property L P III	3	3	130	112
Wand Partners	17	13	64	43
XACT OMXSB			103	149
Total other fund units	**7 487**	**7 239**	**18 879**	**18 336**
Other fund units not specified	1 417	1 368	817	753
Total fund units	**20 448**	**20 568**	**50 394**	**48 943**
Total shares and other equity instruments	**28 006**	**28 170**	**73 352**	**73 087**

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

NOK million Company	Interest in %	Voting interest in %	Book value 31.12. 2009	Book value 31.12. 2008
Aktuar Systemer AS, Professor Kohts vei 9, 1327 Lysaker	100.0%	100.0%	5	4
Storebrand Pensjonstjenester AS, Professor Kohts vei 9, 1327 Lysaker	100.0%	100.0%	5	5
AS Værdalsbruket, 7660 Vuku	74.9%	74.9%	45	45
Storebrand Eiendom AS, Professor Kohts vei 9, 1327 Lysaker	100.0%	100.0%	7	1
Storebrand Holding AB, Stockholm	100.0%	100.0%	5 718	4 784
Storebrand Finansiell Rådgivning AS, Professor Kohts vei 9, 1327 Lysaker	100.0%	100.0%	175	115
Storebrand Eiendom Holding AS, Professor Kohts vei 9, 1327 Lysaker	100.0%	100.0%	28 346	24 354
Foran Real Estate, Latvia	57.5%	57.5%	442	442
Subsidiaries			**34 741**	**29 749**
Storebrand Baltic UAB, Litauen	50.0%	50.0%	5	5
Evoco UAB, Litauen	50.0%	50.0%	4	
Jointly-controlled companies			**9**	**5**
Nordben Life and Pension Insurance Co. LTD				64
Norsk Pensjon AS	25.0%	25.0%	4	4
Associated companies Storebrand Livsforsikring AS			**4**	**64**
Benco Insurance Holding BV	8.8%	8.8%	67	
Total investment in subsidiaries, associated companies and jointly-controlled companies			**34 821**	**29 818**

Associated companies Storebrand Livsforsikring Group

NOK million *Company*	Interest in %	Voting interest in %	Book value 1.1	Addition/ disposal	Recognised profit	Book value 31.12. 2009	2008
Norsk Pensjon AS	25.0 %	25.0 %	4			4	4
Formuesforvaltning AS	13.7 %			68	-1	67	
Handelsbodarna	50.0 %	50.0 %		3		3	
InnTre Holding AS	34.3 %	34.3 %	44	-1		43	44
Associated companies Storebrand Livsforsikring Group			**48**	**71**	**-1**	**117**	**48**

15 Bonds and other fixed-income securities

Storebrand Livsforsikring AS

NOK million	Other fixed-income securities	Bonds	Total	Bond funds	Received cash collateral reinvested in bonds	Total 2009	Total 2008
Other fixed-income securities, bonds and bonds funds at fair value							
Fair value	3 946	65 714	69 659	6 609	523	76 791	89 557
of which listed securities	3 795	56 411	60 205			60 205	73 178
Direct investment in bonds and other fixed-income securities	3 946	65 714	69 659	6 609	523	76 791	84 793
Indirect investments in bonds and other fixed-income securities through fund units managed by Storebrand							4 695
Base amount for analysis by currency	**3 946**	**65 714**	**69 659**	**6 609**	**523**	**76 791**	**89 488**
Modified duration (interest sensitivity)	0,40	2,87	2,73				
Average effective yield	2,19	3,75	3,74				

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	Other fixed-income securities	Bonds	Total	Bond funds	Received cash collateral reinvested in bonds	Total 2009	Total 2008
By currency							
NOK	3 859	40 761	44 620	5 880		50 500	67 299
EUR		15 842	15 842			15 842	11 312
USD	87	5 944	6 031	729	523	7 283	7 846
DKK		61	61			61	71
GBP		860	860			860	835
CAD		348	348			348	355
SEK		85	85			85	155
JPY		1 766	1 766			1 766	1 567
AUD		47	47			47	48
Bonds and other fixed-income securities	**3 946**	**65 714**	**69 659**	**6 609**	**523**	**76 791**	**89 488**

Storebrand Livsforsikring Group

NOK million	Other fixed-income securities	Bonds	Total	Bond funds	Received cash collateral reinvested in bonds	Total 2009	Total 2008
Other fixed-income securities, bonds and bonds funds at fair value							
Other fixed-income securities, bonds and bonds funds at fair value	11 101	127 227	138 327	10 744	523	149 594	172 946
Fair value	9 095	110 964	120 059	3 951		124 009	151 432
of which listed securities	11 101	127 227	138 327	10 744	523	149 594	168 182
Direct investment in bonds and other fixed-income securities							4 695
Indirect investments in bonds and other fixed-income securities through fund units managed by Storebrand							
Base amount for analysis by currency	**11 101**	**127 227**	**138 327**	**10 744**	**523**	**149 594**	**172 877**

Norwegian activities			
Modified duration (interest sensitivity)	0.40	2.87	2.73
Average effective yield	2.19	3.75	3.74

Swedish activities			
Modified duration (interest sensitivity)	0.19	3.00	2.67
Average effective yield	0.34	2.71	2.69

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	Other fixed-income securities	Bonds	Total	Bond funds	Received cash collateral reinvested in bonds	Total 2009	Total 2008
By currency							
NOK	3 859	40 977	44 836	6 064		50 900	67 299
EUR	1 659	18 298	19 956	62		20 018	15 318
USD	87	6 513	6 599	731	523	7 853	7 846
DKK		925	925			925	1 644
GBP		1 023	1 023			1 023	835
CAD		348	348			348	355
SEK	5 496	57 128	62 624	3 887		66 511	77 965
JPY		1 766	1 766			1 766	1 566
CHF		202	202			202	
AUD		47	47			47	48
Bonds and other fixed-income securities	**11 101**	**127 227**	**138 327**	**10 744**	**523**	**149 594**	**172 876**

16 Bonds at amortised cost

	2009				2008	
NOK million	Nominal Value	Aqcuisition cost	Book value	Fair value	Book value	Fair value
Asset backed securities	4 107	2 413	2 321	2 109	3 808	3 447
Corporate bonds	6 752	6 414	6 497	6 604	67	53
Finance, bank and insurance	8 371	8 200	8 356	8 349	7 149	6 934
Real estate	58	51	55	55		
State and state guaranteed	18 098	18 882	19 159	19 241	8 180	8 327
Supranational organisations	1 410	1 390	1 434	1 458	911	980
Local authority, county	2 502	2 498	2 567	2 626	651	711
Covered bonds	4 261	4 326	4 328	4 415	1 598	1 598
Total bonds	**45 560**	**44 174**	**44 718**	**44 858**	**22 365**	**22 049**
Modified duration (interest rate sensitivity)				4.8		3.9
Average effective yield			5.5	4.9	4.9	5.2

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

Reclassification 2009:
Instruments included in the portfolio of loans and receivables are non-derivative financial assets that are not listed on an active market or subject to regular trading. The reclassification was carried out to attain a more appropriate return profile for the investments compared with the expected development in the pertinent insurance liabilities in Storebrand Life Insurance.

Reclassification 2008:
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.

	2009	2008
NOK million	To available for sale/ to amortised cost	From held to maturity/ to available for sale
Reclassification timepoint:	08-05-09	18-12-08
Book value	9 095	31 331
Fair value	9 095	33 363
31.12.		
Book value	8 610	31 396
Fair value	8 632	33 169
Effect on result if not reclassified	-484	-1 779

The principal and coupon interest are expected to be repaid for the reclassified paper. The average actual interest rate for reclassified paper was 4.09 percent as per 31 December 2009.

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

				Fair value		Here of fair value hedging	
NOK million	Gross nominal volume	Average nominal volume	Net nominal volume	Assets	Liabilities	Assets	Liabilities
Equity-linked futures							
Total equity derivatives 2009							
Total equity derivatives 2008	**-3 693**	**9 783**	**19 159**	**2 580**	**-13**		
Future interest rate agreements	59 721	304 726	1 631		-13		
Interest rate futures	6 162	7 116	2 162				
Interest rate swaps	13 624	43 724	-2 192	365	-39	104	
Total interest rate derivatives 2009	**79 507**	**355 567**	**1 602**	**365**	**-51**	**104**	
Total interest rate derivatives 2008	**-62 288**	**610 562**	**858 040**	**2 331**	**-2 475**	**76**	
Foreign exchange options	97 673	74 460	-60 655	954	-962		
Total currency derivatives 2009	**97 673**	**74 460**	**-60 655**	**954**	**-962**		
Total currency derivatives 2008	**-45 489**	**91 881**	**90 689**	**1 272**	**-4 242**		
Credit derivatives	1 940	4 192	-747	42	-27		
Total credit derivatives 2009	**1 940**	**4 192**	**-747**	**42**	**-27**		
Total credit derivatives 2008	**1 956**	**8 646**	**16 455**	**582**	**-686**		
Total derivatives 2009	**179 120**	**434 220**	**-59 800**	**1 361**	**-1 040**	**104**	
Total derivatives 2008	**-109 514**	**720 872**	**984 343**	**6 765**	**-7 415**	**76**	

Storebrand Livsforsikring Group

NOK million	Gross nominal volume	Average nominal volume	Net nominal volume	Fair value Assets	Fair value Liabilities	Here of fair value hedging Assets	Here of fair value hedging Liabilities
Equity-linked futures	1 150	3 950	-1 150				
Total equity derivatives 2009	**1 150**	**3 950**	**-1 150**				
Total equity derivatives 2008	**28 390**	**26 030**	**4 204**	**2 625**	**-93**		
Future interest rate agreements	59 721	305 073	1 631		-13		
Interest rate futures	6 946	7 638	2 840				
Interest rate swaps	28 517	76 487	6 027	1 271	-121	104	
Swaptions	10 518		10 518	359			
Total interest rate derivatives 2009	**105 702**	**389 199**	**21 016**	**1 630**	**-134**	**104**	
Total interest rate derivatives 2008	**770 613**	**897 174**	**7 228**	**7 116**	**-2 481**	**76**	
Foreign exchange forwards	134 796	88 026	-35 425	1 089	-1 179		
Basis swaps	11 504	773	-11 504	19	-5		
Total currency derivatives 2009	**146 300**	**88 799**	**-46 929**	**1 109**	**-1 184**		
Total currency derivatives 2008	**128 687**	**110 597**	**-5 674**	**1 716**	**-5 117**		
Credit derivatives	1 940	4 192	-747	42	-27		
Total credit derivatives 2009	**1 940**	**4 192**	**-747**	**42**	**-27**		
Total credit derivatives 2008	**8 646**	**16 455**	**1 956**	**582**	**-686**		
Total derivatives 2009	**255 092**	**486 141**	**-27 810**	**2 780**	**-1 344**	**104**	
Total derivatives 2008	**936 336**	**1 050 255**	**7 714**	**12 039**	**-8 377**	**76**	

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.

Market risk

Market risk is the risk of price changes in the financial markets, i.e. the interest rate, currency, equity, property or commodity markets, affecting the value of the company's financial instruments. Market risk is monitored continuously using a range of evaluation methods. The potential for losses in the investment portfolio on a one-year horizon for a given probability is calculated, 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 around 92% 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. 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 and dynamic risk management strategy, the annual return for the majority of the portfolio will normally fluctuate between 3% and 8%. 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.

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. 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.

Credit risk
Credit risk is the risk that a counterparty is unable to meet his obligations. 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. Changes in the credit standing of debtors is monitored. 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 SPP the portfolio is divided into defined benefit pensions, defined contribution pensions and unit-linked policies. The company's financial risk is primarily associated with its ability to redeem guarantees. Both the defined benefits 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 interests 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

Market risk
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. 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. In the case of insurance contracts in unit-linked insurance it is the policyholder who bears the financial risk.

Liquidity risk
Liquidity risk is limited by part of the company's financial instruments being invested in listed securities with good liquidity. The liquidity in the interest rate market has improved during 2009 compared with 2008, and is now at a near normalised level.

Credit risk
Creditworthiness is determined using both internal and external credit checks. It has been decided to avoid concentrating too much 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.

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 (inclusive derivatives)	248	248	819	5 014	3 141	9 470	6 918
Other short term liabilities	3 306					3 306	3 306
Uncalled residual liabilities concerning Limited Partnership	2 744	154	154			3 053	
Undrawn amounts of committed lending facilities	355					355	
Total financial liabilities 2009	**6 653**	**403**	**973**	**5 014**	**3 141**	**16 183**	**10 224**
Total financial liabilities 2008	**7 760**	**253**	**1 555**	**6 003**	**9 191**	**24 761**	**11 538**

Agreed residual maturity provides limited information about the company's liquidity risk, since the majority of investment assets can be realized more quickly in the secondary market than the agreed residual maturity. On perpetual subordinated loan cash flow is calculated until the first call.

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 (inclusive derivatives)	248	248	819	5 014	3 141	9 470	6 918
Other short term liabilities	5 812					5 812	5 812
Uncalled residual liabilities concerning Limited Partnership	4 174	154	154			4 483	
Undrawn amounts of committed lending facilities	355					355	
Total financial liabilities 2009	**10 590**	**403**	**973**	**5 014**	**3 141**	**20 120**	**12 731**
Total financial liabilities 2008	**14 387**	**306**	**1 766**	**6 214**	**10 607**	**33 280**	**17 765**

Agreed residual maturity provides limited information about the company's liquidity risk, since the majority of investment assets can be realized more quickly in the secondary market than the agreed residual maturity. On perpetual subordinated loan cash flow is calculated until the first call.

Credit risk Storebrand Livsforsikring AS

Analysis of credit risk by rating

Bonds and other fixed-income securities

Category of issuer or guarantor *NOK million*	AAA Fair value	AA Fair value	A Fair value	BBB Fair value	NIG Fair value	Total Fair value
Asset backed securities	1 065	96	77	3	132	1 373
Corporate bonds	125	424	1 991	1 760	868	5 167
Finance, bank and insurance	2 382	3 681	9 907	9 151	250	25 371
Real estate				5		5
State and state guaranteed	23 835	3 418	2 786			30 039
Supranational organisations						
Local authority, county	1 957	324				2 281
Covered bonds	4 680	162	1 103			5 945
Bond funds					6 609	6 609
Total 2009	**34 043**	**8 105**	**15 865**	**10 919**	**7 859**	**76 791**
Total 2008	**58 329**	**7 357**	**11 907**	**11 192**	**703**	**89 488**

Bonds at amoritsed cost

Category of issuer or guarantor *NOK million*	AAA Fair value	AA Fair value	A Fair value	BBB Fair value	NIG Fair value	Total Fair value
Asset backed securities	2 017	80		12		2 109
Corporate bonds		1 047	5 135	261	162	6 605
Finance, bank and insurance		3 060	3 809	478	1 002	8 349
Real estate					54	54
State and state guaranteed	14 654	1 586	3 001			19 241
Supranational organisations	1 458					1 458
Local authority, county	2 489	137				2 626
Covered bonds	1 828	677	1 911			4 415
Total 2009	**22 446**	**6 587**	**13 855**	**751**	**1 218**	**44 858**
Total 2008	**11 544**	**6 029**	**3 209**	**190**	**1 077**	**22 049**

Derivatives

Counterparties *NOK million*	AAA Fair value	AA Fair value	A Fair value	BBB Fair value	NIG Fair value	Total Fair value
Norway		399	312			711
Sweden			300			300
UK		249	84			332
Denmark			17			17
Total 2009		**648**	**713**			**1 361**
Total 2008		**897**	**1 114**			**2 010**

Bank deposits and loans to financial institutions

Counterparties *NOK million*	AAA Fair value	AA Fair value	A Fair value	BBB Fair value	NIG Fair value	Total Fair value
Norway		2 339	300	188		2 827
Sweden			724			724
US		60				60
UK		70	618			688
Total 2009		**2 469**	**1 642**	**188**		**4 299**
Total 2008	**136**	**9 215**	**7 397**	**1 445**		**18 194**

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	3 658	355
Commercial services and real estate operations		
Wage-earners	9	
Total 2009	**3 667**	**355**
Total 2008	**3 810**	**243**

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 line
Eastern Norway	3 667	355
Total 2009	**3 667**	**355**
Total 2008	**3 810**	**243**

Credit risk Storebrand Livsforsikring Group

Analysis of credit risk by rating

Bonds and other fixed-income securities

Category of issuer or guarantor *NOK million*	AAA Fair value	AA Fair value	A Fair value	BBB Fair value	NIG Fair value	Total Fair value
Asset backed securities	1 065	96	77	3	132	1 373
Corporate bonds	125	424	4 170	3 070	1 170	8 959
Finance, bank and insurance	2 616	6 591	11 344	9 415	253	30 219
Real estate		426		5		431
State and state guaranteed	62 467	3 418	2 786			68 672
Supranational organisations	1 610					1 610
Local authority, county	5 242	846				6 088
Covered bonds	9 683	6 600	5 097			21 380
Bond funds	118				10 744	10 862
Total 2009	**82 927**	**18 401**	**23 475**	**12 492**	**12 299**	**149 594**
Total 2008	**125 975**	**25 548**	**30 298**	**25 185**	**1 581**	**208 587**

Bonds at amoritsed cost

Category of issuer or guarantor *NOK million*	AAA Fair value	AA Fair value	A Fair value	BBB Fair value	NIG Fair value	Total Fair value
Asset backed securities	2 017	80		12		2 109
Corporate bonds		1 047	5 135	261	162	6 605
Finance, bank and insurance		3 060	3 809	478	1 002	8 349
Real estate					54	54
State and state guaranteed	14 654	1 586	3 001			19 241
Supranational organisations	1 458					1 458
Local authority, county	2 489	137				2 626
Covered bonds	1 828	677	1 911			4 415
Total 2009	**22 446**	**6 587**	**13 855**	**751**	**1 218**	**44 858**
Total 2008	**11 544**	**6 029**	**3 209**	**190**	**1 077**	**22 049**

Derivatives

Counterparties *NOK million*	AAA Fair value	AA Fair value	A Fair value	BBB Fair value	NIG Fair value	Total Fair value
Norway		399	312			711
Sweden		11	300	42		354
France		389	59			448
UK		249	257			506
Denmark		502	221			723
Finland		18				18
Other		21				21
Total 2009		**648**	**713**			**1 361**
Total 2008		**8 697**	**4 202**			**12 898**

Bank deposits and loans to financial institutions

Counterparties *NOK million*	AAA Fair value	AA Fair value	A Fair value	BBB Fair value	NIG Fair value	Total Fair value
Norway		2 339	300	188		2 827
Sweden		640	724			1 364
US	61	1 780	0			1 841
UK	95	1 082	629			1 807
Total 2009	**156**	**5 842**	**1 653**	**188**		**7 840**
Total 2008	**136**	**9 215**	**7 397**	**1 445**		**18 194**

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	3 658	355
Commercial services and real estate operations		
Wage-earners	9	
Total 2009	**3 667**	**355**
Total 2008	**3 810**	**243**

Commitments distributed by geographical area *NOK million*	Loans to and receivables from customers	Unused credit line
Eastern Norway	3 667	355
Total 2009	**3 667**	**355**
Total 2008	**3 810**	**243**

Currency risk

Financial assets and liabilities in foreign currencies

	Storebrand Livsforsikring AS				Storebrand Livsforsikring Group				
	Balance sheet items excl. currency derivatives	Currency deriva-tives	Net position		Balance sheet items excl. currency derivatives	Currency deriva-tives	Net position		
NOK million	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	108	-81	28	116	172	-143	29	123	7
CAD	177	-142	35	139	261	-225	36	148	9
CHF	81	-3	79	403	238	-106	131	698	294
DKK	148	-55	93	100	1 763	-55	1 708	1 898	1 799
EUR	2 863	-3 000	-136	-1 130	4 624	-4 485	138	1 147	2 277
GBP	239	-226	13	15	604	-661	-57	-636	-651
HKD	179	-7	172	123	305	-7	299	217	95
INR	165		165	1	165		165	1	
JPY	46 929	-45 524	1 406	34	60 125	-58 124	2 002	71	37
NZD	139	-136	3	13	140	-136	4	18	5
SEK	425	-119	306	236	117 790	19 537	137 326	111 094	110 858
SGD	21		20	79	34		34	135	56
USD	3 245	-3 498	-253	-1 463	5 309	-5 186	123	712	2 174
Total short-term foreign currency				**-1 333**				**115 626**	**116 959**
EUR	-307	296	-11	-93	-307	296	-11	-93	
LTL	3		3	8	3		3	8	
SEK	16 394	-15 080	1 314	1 063	16 394	-15 080	1 314	1 063	
Total foreign currency long-term				**979**				**979**	
Insurance liabilities SPP Group								**-111 215**	**-111 215**
Total foreign currency long-term				**979**				**-110 236**	**-111 215**
Total net position foreign currency 2009				**-355**				**5 390**	**5 744**
Total net position foreign currency 2008				**-4 213**				**-1 100**	**4 996**

Currency

Life and Pension Norway

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 2009 are typical of the group's small limits for currency positions.

Life and Pension Sweden

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 Fair value 2009	Storebrand Livsforsikring AS Fair value 2008	Storebrand Livsforsikring Group Fair value 2009	Storebrand Livsforsikring Group Fair value 2008
Total securities lending	558	630	558	630
Received collateral for Security Lending Programme J.P. Morgan	586	646	586	646
Received collateral reinvested in bonds	523	584	523	584

Securities lending by country

NOK million	Storebrand Livsforsikring AS Fair value 2009	Storebrand Livsforsikring AS Fair value 2008	Storebrand Livsforsikring Group Fair value 2009	Storebrand Livsforsikring Group Fair value 2008
Great Britain	11		11	
Japan	36	25	36	25
France	24	26	24	26
Australia	9	4	9	4
USA	416	539	416	539
Spain	11	9	11	9
Germany	21	14	21	14
Other	31	15	31	15
Total	**558**	**630**	**558**	**630**

Securities lending by currency

NOK million	Storebrand Livsforsikring AS Fair value 2009	Storebrand Livsforsikring AS Fair value 2008	Storebrand Livsforsikring Group Fair value 2009	Storebrand Livsforsikring Group Fair value 2008
USD	510	584	510	584
EUR	48	46	48	46
Total	**558**	**630**	**558**	**630**

21 Collateral

NOK million	Storebrand Livsforsikring AS 2009	Storebrand Livsforsikring AS 2008	Storebrand Livsforsikring Group 2009	Storebrand Livsforsikring Group 2008
Collateral pledged in connection with Futures trading	-222	-978	-1 287	-2 462
Collateral received in connection with Futures trading			1 095	3 736
Received collateral for Security Lending Programme J.P. Morgan	586	646	586	646
Total collateral	**365**	**-332**	**394**	**1 919**

Collateral pledged in connection with futures and options are regulated on daily basis in the daily margin clearing on individual contracts. Received collateral for Security Lending Programme will be made up by the return of the loaned securities.

22 Contigent liabilities

	Storebrand Livsforsikring AS		Storebrand Livsforsikring Group	
NOK million	2009	2008	2009	2008
Undrawn amounts of committed lending facilities	355	243	355	243
Uncalled residual liabilities concerning Limitied Partnership	3 053	3 715	4 483	5 479
Total contigent liabilities	**3 408**	**3 957**	**4 838**	**5 721**

23 Classification of financial assets and liabilities

Storebrand Livsforsikring AS

NOK million	Loans and receivables	Fair value, trading	Fair value, FVO	Amortised cost	Total
Financial assets					
Bank deposits	4 299				4 299
Shares and units			28 170		28 170
Bonds and other fixed-income securities	44 718		76 791		121 509
Lending to customers	11 271				11 271
Customer receivables and other short-term receivables	1 996				1 996
Derivatives		1 361			1 361
Total financial assets 2009	**62 285**	**1 361**	**104 962**		**168 607**
Total financial assets 2008	**47 162**	**6 765**	**115 105**		**169 032**
Financial liabilities					
Subordinated loan capital				6 918	6 918
Derivatives		1 040			1 040
Other current liabilities				3 306	3 306
Total financial liabilities 2009		**1 040**		**10 224**	**11 264**
Total financial liabilities 2008		**7 403**		**8 744**	**15 609**

Storebrand Livsforsikring Group

NOK million	Loans and receivables	Fair value, trading	Fair value, FVO	Amortised cost	Total
Financial assets					
Bank deposits	13 062				13 062
Shares and units			73 087		73 087
Bonds and other fixed-income securities	44 718		149 594		194 312
Lending to customers	3 667				3 667
Customer receivables and other short-term receivables	2 985				2 985
Derivatives		2 780			2 780
Total financial assets 2009	**64 432**	**2 780**	**222 681**		**289 893**
Total financial assets 2008	**48 611**	**18 159**	**220 989**		**287 759**
Financial liabilities					
Subordinated loan capital				6 918	6 918
Derivatives		1 344			1 344
Other current liabilities				7 097	7 097
Total financial liabilities 2009		**1 344**		**14 016**	**15 360**
Total financial liabilities 2008		**8 377**		**17 841**	**26 217**

24 Fair value of financial assets and liabilities

Storebrand Livsforsikring AS

	2009		2008	
NOK million	Book value	Fair value	Book value	Fair value
Assets				
Bank deposits	4 299	4 299	9 271	9 271
Financial assets at fair value:				
Shares and units	28 170	28 170	25 548	25 548
Bonds and other fixed-income securities	76 791	76 791	89 557	89 557
Derivatives	1 361	1 361	6 765	6 765
Loans and receivables:				
Lending to customers, amortised cost	11 271	11 271	11 694	11 694
Customer receivables and other short-term receivables	1 996	1 996	3 833	3 833
Bonds at amortised cost	44 718	44 858	22 365	22 049
Total assets	**168 607**	**168 747**	**169 032**	**168 717**
Financial liabilities				
Derivatives	1 344	1 344	8 377	8 377
Other current liabilities	3 306	3 306	2 870	2 870
Total other financial liabilities	**4 650**	**4 650**	**11 247**	**11 247**
Subordinated loan capital, amortised cost*	6 918	6 922	8 668	7 190
Sum finansielle forpliktelser	**11 568**	**11 572**	**19 915**	**18 437**

**) Fair value of liabilities is equal to market value and not hedging value.*

Storebrand Livsforsikring Group

	2009		2008	
NOK million	Book value	Fair value	Book value	Fair value
Assets				
Bank deposits	13 062	13 062	18 194	18 194
Financial assets at fair value:				
Shares and units	73 087	73 087	54 163	54 163
Bonds and other fixed-income securities	149 594	149 594	172 946	172 946
Derivatives	2 780	2 780	11 963	11 963
Loans and receivables:				
Lending to customers, amortised cost	3 667	3 667	3 836	3 836
Customer receivables and other short-term receivables	2 985	2 985	4 217	4 217
Bonds at amortised cost	44 718	44 858	22 365	22 049
Total assets	**289 893**	**290 033**	**287 684**	**287 368**

NOK million	2009 Book value	2009 Fair value	2008 Book value	2008 Fair value
Financial liabilities				
Derivatives	1 344	1 344	8 377	8 377
Other current liabilities	7 097	7 097	7 680	7 680
Total other financial liabilities	**8 442**	**8 442**	**16 057**	**16 057**
Subordinated loan capital, amortised cost*	6 918	6 922	10 085	7 808
Total financial liabilities	**15 360**	**15 363**	**26 142**	**23 865**

**) Fair value of liabilities is equal to market value and not hedging value.*

25 Other financial assets

	Storebrand Livsforsikring AS		Storebrand Livsforsikring Group	
NOK million	2009	2008	2009	2008
Bank deposit in company portfolio	195	1 319	248	1 319
Bank deposits collective customer portfolio	2 231	6 243	4 681	11 798
Bank deposits investment selction customer portfolio	1 037	1 089	1 059	1 517
Other financial assets	**3 463**	**8 651**	**5 987**	**14 634**

26 Sensitivity analyses

The assets and liabilities side (borrowing and insurance liabilities in Sweden) have been stress tested in order to show how much this can affect the owners' result in relation to the expectations for 2010. An estimated normalised return is included in estimated effects throughout the year based on uncertain assumptions about future returns. The stress tests have been applied to the investment portfolio as per 31 December 2009 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 real estate +/- 12 percent. With respect to currency risks, the investment portfolios are essentially fully currency hedged, and changes in exchanges rates will have little effect on the expected result for 2010, see note 19.

For changes in market risk that arise during the course of 1 year, the effect on the result and equity will be as presented below, based on the statement of financial position as per 31 December 2009.

Storebrand Livsforsikring AS

Change in market value

NOK million	2009
Equities -20%	-3 606
Equities +20%	3 606
Interest rate -1,5%	1 916
Interest rate +1,5%	-1 916
Real estate -12%	-3 333
Real estate +12%	3 333

Effects on result/equity

NOK million	2009
Equities -20%	-219
Equities +20%	149
Interest rate -1,5%	5
Interest rate +1,5%	-92
Real estate -12%	-476
Real estate +12%	318

Life and Pensions Norway

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 the company will possibly have to use if the return stays at this level for 2010. Beyond the need for utilising equity to cover returns below the guarantee, it is changes in the profit sharing for paid-up policies and individual contracts, as well as returns and interest expenses in the company portfolio that deviate from the expected result for 2010 to the greatest extent. Compared with equivalent sensitivity from one year ago, the effect of the stress tests has decreased. The most important contributions to the reduction are that the difference between the expected return and the interest guarantee has increased, significant amounts have been allocated to additional statutory reserves, and allocations to loans and receivables have also increased.

The stress tests 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. In addition to the negative result effect for the owner, the expected building up of buffer capital will, to a substantial degree, fall away in the negative stress tests. In the case of the positive stress tests, greater building up of buffer capital is also assumed in addition to the positive result effects for the owner.

Storebrand Livsforsikring Group

For changes in market risk that arise during the course of 1 year, the effect on the result and equity will be as presented below, based on the statement of financial position as per 31 December 2009.

Change market value

NOK million	2009
Equities -20%	-7 390
Equities +20%	7 390
Interest rate -1,5%	8 305
Interest rate +1,5%	-7 013
Real estate -12%	-3 440
Real estate +12%	3 440

Effects on result/equity

NOK million	2009
Equities -20%	-906
Equities +20%	319
Interest rate -1,5%	-102
Interest rate +1,5%	-107
Real estate -12%	-497
Real estate +12%	331

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

Life and Pensions Sweden

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 2009. 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.

All changes in market value do not affect the financial result. The part of a change in market value that affects the result is the part that cannot be offset against the conditional bonus.

See note 19 concerning currency.

27 Properties

The following amounts are booked in the income statement:

NOK million	2009	2008
Rent income from properties	1 556	1 521
Operating costs (including maintenance and repairs) relating to properties that have provided rent income during the period	-299	-179
Total	1 258	1 342
Change in fair value of investment properties	-199	423
Total income from investment properties	**1 058**	**1 766**

Book value of investment properties in the statement of financial position

NOK million	2009	2008
Carrying amount as per 1 Jan	23 000	21 359
Supply due to purchases	677	755
Supply due to additions	305	1 436
To owner used properties	-87	
From owner used properties	1 128	
Disposals	-635	-974
Net write-ups/write-downs	-199	423
Exchange rate changes	-28	
Carrying amount as per 31 Dec	**24 160**	**23 000**

Property type	2009	2008	2009		
NOK million			Diration of lease (years)	m²	Leased amount in %[1]
Office buildings (including parking and storage)	11 977	11 552	4	765 630	97
Shopping centres (including parking and storage)	11 180	10 571	6	317 151	97
Multi-storey car parks	692	549	7	44 085	100
Cultural/conference centres and commercial in Sweden	311	328			
Total investment properties	**24 160**	**23 000**		**1 126 866**	
Properties for own use Storebrand Livsforsikring	1 450	1 713	10	50 000	91
Properties for own use other	268	256			
Total properties	**25 878**	**24 968**		**1 176 866**	

1) The leased amount is calculated in relation to floor space.

Write-downs/changes in value real estate investments

NOK million	2009	2008
Wholly owned property investments	-199	425
Property equities and units in Norway[1]	-76	-85
Property units abroad[1]	-974	-335
Total write-downs/value changes	**-1 250**	**5**

1) Are in the statement of financial position classified as equities and units

Geographical location

NOK million	2009	2008
Oslo- Vika/Fillipstad Brygge	5 709	5 187
Rest of Greater Oslo	8 005	7 281
Shopping centres	11 180	10 571
Rest of Norway	673	1 601
Sweden	311	328
Total properties	**25 878**	**24 968**

A further NOK 690 million was agreed for property purchases in 2009, but the assumption of the risk and final conclusion of contracts will occur in 2010 and NOK 468 million in Storebrand and SEK 390 million in SPP has been committed but not drawn on in international real estate funds.

Calculation of fair value for properties
Investment properties are valued at fair value. Fair value is the amount an asset could be sold for in a transaction at arm's length between well informed, voluntary parties.

Observed market prices are taken into account when setting market rent and the required rate of return.

If applicable prices in an active market are unavailable, one looks at the following, among other things:
- applicable prices in an active market for property of another kind, with other conditions or in another location (or subject to other leases or other contracts), adjusted to take account of these differences,
- prices recently achieved for equivalent properties in less active markets, with adjustments that reflect any changes in economic conditions after the time the transactions took place at the aforementioned prices, and
- discounted cash flow prognoses based on reliable estimates of future cash flows, and supported by the terms and conditions in any existing leases and other contracts, as well as (where possible) external knowledge about applicable market rents for equivalent properties in the same location and under the same conditions, and the use of discount rates that reflect applicable market assessments of uncertainty in the cash flows amounts and timetable.

The individual required rate of return for the individual investment is used to discount future net cash flows.

The required rate of return is set on the basis of expected future risk free interest and an individually set risk premium. The following, among other things, is taken into account when setting the required rate of return:

- Transactions in the market
- Perceptions in the market
- Lease status (vacancy, tenant's solvency)
- Location
- Standard
- Rent level in relation to market rent
- Value per m^2
- All other information about property values, the market and the individual property

The property's market values is assessed on the basis of a long-term income perspective. Office buildings and shopping centres account for a significant proportion of the properties. In the case of office buildings, a future income and costs picture is estimated for the first 10 years, and a final value calculated at the end of that 10 year period, based on market rent and normal operating costs for the property. The net income stream takes into account existing and future reductions in income resulting from vacancy, necessary investments and an assessment of the future development in market rents. In the case of shopping centres, the property's value is calculated based on a market yield. In cases where it is known significant changes will occur to the expected cash flow in later years, this is taken account of in the valuation. A representative selection of properties is subject to an external valuation.

The properties are valued on the basis of the following effective required rate of return (incl. 2.5% inflation):

Segment	Required rate of return %	
	2009	2008
Office portfolio Oslo City Centre	7,75-9,25	7,95-9,0
Shopping centre portfolio	8,25-9,25	8,45-9,50
Other properties	8,75-10,00	8,45-10,75

Sensitivities

Valuations are particularly sensitive to changes in the required rate of return and assumed future cash flows. A change of 0.25% in the required rate of return, where everything else remains the same, would result in a change in value in the real estate portfolio of approx. MNOK 850 which corresponds to 3.36%.

28 Impairment intangible assets and goodwill

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 a single cash flow generating unit and the development of future administration results, risk results and financial results for SPP will affect its utility value. In the computation of this utility value, the management have made use of Board-addressed budgets and prognoses for the coming three-year period. The prognoses for the various elements of the result are based on the development in recent years, effects of measures during the prognosis period, as well as assumptions about the normalised development of the financial markets based on the current financial strategy and applicable market interest rates. The administration result is expected to develop positively due to the cost-efficiency measures, and the growth in sales of products and services that are cost-effective to administer and have lower capital requirements. SPP's goal is to achieve an administration result target of SEK 300 million in 2011. Moderate growth in the total market and the market share has been assumed, based on development in recent years due to the changed distribution in SPP. In addition to the coming three-year period, cash flows are projected for the period 2013 to 2019 based on growth in the various result elements of between 0 percent and 5 percent per annum. A stable growth rate of 3.9 percent has also been assumed in the calculation of the terminal value, equal to the expected annual growth in pay. Growth is generally expected in the occupational pensions market due to growth factors such as demography with the expected increase in the number of pensioners, higher employment rate,and regulatory conditions, including the transition from defined benefits to defined contribution pensions. The utility value is calculated by using a two-part required rate of return before tax of 8 percent and 9 percent for the prognosis period and terminal part respectively. The required rate of return is computed on the basis of risk-free interest and added to a premium that reflects the risk in the enterprise. The difference in the required rate of return is due to various assumptions concerning a risk free interest rate. The interest rate for 10 year Swedish government bonds at year-end 2009 was used for the prognosis period. A long-term equilibrium interest rate of 4.0 percent, based on a 2 percent real interest rate plus 2 percent inflation, is assumed for the required rate of return used in the calculation of the terminal value.

The management have assessed the recyclable amount of goodwill as per 31 December 2009 and concluded that a write-down is not necessary. Sensitivity analyses are conducted with respect to the assumptions regarding the development of the result and required rate of return. 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.

29 Intangible assets and goodwill

Storebrand Livsforsikring AS

NOK million	IT-systems	Total 2009	Total 2008
Acquisition cost 01.01	34	34	
Additions in the period:			
Developed in-house	21	21	34
Acquisition cost 31.12	**55**	**55**	**34**
Acc. Depreciation & write-downs 01.01.			
Write-downs in the period	-5	-5	
Amortisation in the period	-1	-1	
Acc. depreciation & write-downs 31.12.	**-6**	**-6**	**0**
Book value 31.12.	**48**	**48**	**34**
Depriciation time	**5 years**		

NOK million	Lifetime	Depriciation rate	Depriciation method	Book value at 31.12
IT systems	5 years	20%	linear	48

Storebrand Livsforsikring Group

	Intangible assets							
NOK million	Brand name	IT-systems	Customer lists	VIF	Rights SPP Fonder	Good-will	Total 2009	Total 2008
Acquisition cost 01.01	177	34	515	8 765	9	754	10 254	9 685
Additions in the period:								
Developed in-house		27					27	34
Acquired via mergers, acquisitions, etc						4	4	13
Currency differences	-15		-45	-756	-1	-63	-880	522
Acquisition cost 31.12	**162**	**61**	**471**	**8 010**	**8**	**694**	**9 405**	**10 254**
Acc. Depreciation & write-downs 01.01.	-18		-52	-3 115			-3 185	
Write-downs in the period		-5					-5	-2 500
Amortisation in the period	-16	-3	-48	-276	-2		-345	-476
Currency differences	2		5	273			280	-110
Other changes								-98
Acc. depreciation & write-downs 31.12.	**-32**	**-8**	**-94**	**-3 118**	**-2**		**-3 255**	**-3 185**
Book value 31.12.	**129**	**52**	**377**	**4 891**	**6**	**694**	**6 150**	**7 070**

NOK million	Lifetime	Depriciation rate	Depriciation method	Book value 31.12.09	Book value 31.12.08
Brand name SPP	10 years	10 %	linear	129	159
Customer lists SPP	10 years	10 %	linear	377	464
Value of business inforce SPP	20 years	5 %	linear	4 891	5 650
Rights to withdraw fees from SPP Fonder	10 years	10 %	linear	6	9
IT systems	5 years	20 %	linear	52	34

Goodwill distributed by business acquisition

NOK million	Acquisition cost 01.01	Acc. Depreciation & write-downs 01.01.	Value in Balance Sheet 01.01.	Supply/ disposal	Currency effects	Balance sheet 31.12.
SPP	745		745	4	-63	686
Storebrand Baltic	4		4			4
Evoco UAB	4		4			4
Total	**754**		**754**	**4**	**-63**	**694**

Goodwill is not depreciation, but tested annually for impairement.

30 Tangible fixed assets

Storebrand Livsforsikring AS

NOK million	Equipment	Vehicles	Fixtures & fittings	Total 2009	Total 2008
Book value at 01.01	21	23	3	46	1 030
Additions	49	8	33	90	722
Disposals		-2		-2	0
Revaluation booked in balance sheet					24
Depreciation	-10	-6	-1	-17	-15
Write-downs reversed in the period					-1
Book value at 31.12	**60**	**23**	**34**	**118**	**1 759**
Acquisition cost opening balance	67	30	6	103	801
Acquisition cost closing balance	116	34	38	189	1 509
Accumulated depreciation and write-downs opening balance	-46	-7	-3	-56	230
Accumulated depreciation and write-downs closing balance	-56	11	-4	-49	217
Revaluation fund opening balance*					45
Changes in the period					3
Revaluation fund closing balance*					48

**) 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 for own use and operational assets

NOK million	Equipment	Vehicles	Fixtures & fittings	Financial leases	Real estate*	Total 2009	Total 2008
Book value at 01.01	30	24	4	1	1 968	2 026	1 043
Additions	52	9	33	0	944	1 038	985
Disposals		-2		-1	-1 128	-1 131	
Revaluation booked in balance sheet	-1				-6	-7	18
Depreciation	-12	-6	-1			-19	-18
Write-downs in the period					-24	-24	
Write-downs reversed in the period							-1
Other changes					-37	-37	
Book value at 31.12	**69**	**24**	**35**	**0**	**1 718**	**1 846**	**2 026**
Acquisition cost opening balance	103	31	7	1	1 667	1 810	838
Acquisition cost closing balance	155	37	37		1 447	1 677	1 810
Accumulated depreciation and write-downs opening balance	-74	-7	-1		271	189	205
Accumulated depreciation and write-downs closing balance	-85	-13	-2		270	170	189
Revaluation fund opening balance**					48	48	45
Changes in the period					-48	-48	3
Revaluation fund closing balance**							48

*) Properties for own use, also see note 27.
**) 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

31 Hedge accounting

Storebrand Livsforsikring AS

Fair value hedging

Storebrand uses fair value hedging to hedge interst rate risk. The effectiveness of hedging is monitored at the individual security level. Each portfolio consists of swaps and hedged objects with maturity within the same six-month period.

Storebrand uses fair value hedging of currency risk linked to the Storebrand's shares in Storebrand Holding AB. It is used 3-month rolling currency derivatives, the spot element of these is used as a hedging instrument.

Hedging instrument – fair value hedging	2009			2008		
		Fair value[1]			Fair value[1]	
NOK million	Contract/ nominal value	Assets	Liabilities	Contract/ nominal value	Assets	Liabilities
Interest rate swaps	3 486	288		2 920	93	
Total interest rate derivatives	**3 486**	**288**		**2 920**	**93**	
Forward currency swap	2 034		15	4 643		
Currency swap	2 628		32			54
Total currency derivatives	**4 662**		**47**	**4 643**		**54**
Total derivatives	**8 149**	**288**	**47**	**7 562**	**93**	**54**

Items hedged – fair value hedging	2009			2008		
		Hedging value [1, 2]			Hedging value[1, 2]	
NOK million	Contract/ nominal value	Assets	Liabilities	Contract/ nominal value	Assets	Liabilities
Subordinated loan capital	-3 486		-3 786	-2 920		-3 012
Shares in Storebrand Holding AB		5 659			4 601	
Hedging effectiveness currency hedging – retrospective		109 %			98 %	
Hedging effectiveness interest hedging – retrospective		82 %			101 %	

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 and costs.

Profit/loss for hedge accounting:

NOK million	2009	2008
On hedging instrument for fair value hedging	104	28
On items hedged for fair value hedging	-113	-39

Hedging effectiveness is measured on the basis of a 2% interest rate shock at the level of the individual security. In future periods, hedging effectivenes will be measured using the simplified Dollar Offset method.

Storebrand Livsforsikring Group

Fair value hedging
Storebrand uses fair value hedging to hedge interst rate risk. The effectiveness of hedging is monitored at the individual security level Each portfolio consists of swaps and hedged objects with maturity within the same six-month period.

Hedging instrument – fair value hedging	2009			2008		
		Fair value[1]			Fair value[1]	
NOK million	Contract/ nominal value	Assets	Liabilities	Contract/ nominal value	Assets	Liabilities
Interest rate swaps	3 487	288		2 920	94	
Total interest rate derivatives	**3 487**	**288**		**2 920**	**94**	
Total derivatives	**3 4867**	**288**		**2 920**	**94**	

Items hedged – fair value hedging	2009			2008		
		Hedging value [1, 2]			Hedging value[1, 2]	
NOK million	Contract/ nominal value	Assets	Liabilities	Contract/ nominal value	Assets	Liabilities
Subordinated loan capital	-3 487		-3 786	-2 920		-3 012
Hedging effectiveness – retrospective		109 %			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.

Profit/loss for hedge accounting:

NOK million	2009	2008
On hedging instrument for fair value hedging	28	76
On items hedged for fair value hedging	-39	-74

Hedging effectiveness is measured on the basis of a 2% interest rate shock at the level of the individual security. In future periods, hedging effectivenes will be measured using the simplified Dollar Offset method.

Cash flow hedging

In 2009, Storebrand itilised 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 net amount recognised in equity in 2008, i.e. the effektive share of hedging instruments and the currency effect on the hedged object was minus NOK 18.6 million. Net amount recognized in profit in 2009, ie effect of the hedge, a gain of 32.7 million kroner. Because the hedging instruments are continously 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		2009		2008	
		Fair value[1]		Fair value[1]	
NOK million	Contract/ nominal value	Assets	Liabilities	Assets	Liabilities
Forward valutaswap	2 035		15		
Valutaswap	10 283	133			-89
Total valutaderivater	**12 318**	**133**	**15**		**-89**
Total derivater	**12 318**	**133**	**15**		**-89**

Items hedged – cash flow hedging	2009		2008	
	Hedging value [1]		Hedging value[1]	
NOK million	Assets	Liabilities	Assets	Liabilities
Underlying items	12 523		11 502	
Hedging effectiveness – retrospective	98 %		100 %	

1) Book value at 31.12.

32 Insurance liabilities in life insurance by class of busienss

NOK million	Group pension private insurance	Group pension public insurance	Group life insurance	Endow-ment insurance	Annuity/ pension insurance	Non-life insurance	Total Storebrand Livsforsikring AS 2009	Total Storebrand Livsforsikring AS 2008	SPP Group 2009	Total Storebrand Livsforsikring Group 2009	Total Storebrand Livsforsikring Group 2008
Premium reserve	116 534	19 914	495	9 543	19 654	478	166 617	153 956	102 477	269 094	259 277
- of which RBNS	469	124	71	24	9		697	457		697	457
- of which IBNR	33	2	221	27	20		303	287		303	287
- of which premium income received in advance	679		61	13	11		764	820		764	820
Additional statutory reserves	3 199	617		216	614		4 646	3 438		4 646	3 809
Market value adjustment reserve	-105	43	4	24	63	2	31			31	
Premium fund	3 081	684					3 765	5 751		3 765	5 751
Deposit fund	321						321	352		321	352
Pensioners' surplus fund	21						21	130		21	130
Claims reserve	83	33	273	240	10		639	495	49	688	557
- of which RBNS	82	33	229	120	4		469	337		469	337
- of which IBNR	1		43	121	5		170	157	49	219	157
Conditional bonus									8 689	8 689	7 499
Total insurance liabilities	**123 134**	**21 291**	**772**	**10 023**	**20 341**	**479**	**176 040**	**164 121**	**111 215**	**287 256**	**277 376**

Under the item ‹Liability – life insurance' it is assumed that NOK 8 billion will be paid out as claims or benefits (excl. repurchase and payment) in 2010 by Storebrand Livsforsikring AS and SEK 3 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	8	3
1-5 year	36	10
More than 5 year	131	58

Non-life insurance	Storebrand Livsforsikring AS	
NOK million	2009	2008
Reinsurance share of technical insurance reserves	140	103
Total assets	**140**	**103**
Premium reserve	12	12
Claims reserve	327	252
- of which RBNS	32	32
- of which IBNR	295	220
Market value adjustment reserve	2	
Security reserve	139	121
Total liabilities	**479**	**385**

Endowment insurance *NOK million*	Profit allocation	Not eligible for profit allocation	Investment choice	Total 2009	Total 2008
Premium reserve	6 027	548	2 968	9 543	7 212
Additional statutory reserves	216			216	207
Market value adjustment reserve	22	2		24	
Premium fund					
Deposit fund					
Pensioners' surplus reserve					
Claims reserve	163	77		240	214
Supplementary provisions					
Other technical reserves					
Total insurance liabilities	**6 428**	**627**	**2 968**	**10 023**	**7 633**

Annuity/pension insurance *NOK million*	Profit allocation	Investment choice	Total 2009	Total 2008
Premium reserve	16 616	3 038	19 654	20 136
Additional statutory reserves	614		614	702
Market value adjustment reserve	63		63	
Premium fund				2
Deposit fund				
Pensioners' surplus reserve				
Claims reserve	9	1	10	14
Supplementary provisions				
Other technical reserves				
Total insurance liabilities	**17 303**	**3 039**	**20 341**	**20 854**

Group pension private insurance *NOK million*	Defined benefit without investment choice	Defined benefit with investment choice	Paid-up policies	Defined contribu-tion without investment choice	Defined contribu-tion with investment choice	Not eligible for profit allocation	Total 2009	Total 2008
Premium reserve	49 008	3 219	55 082		8 716	508	116 534	108 034
Additional statutory reserves	2 182	194	822	2			3 199	2 166
Market value adjustment reserve	-45		-63			3	-105	
Premium fund	2 871	146	64				3 081	4 977
Deposit fund					321		321	352
Pensioners' surplus reserve	21						21	130
Claims reserve	51	2	13			18	83	46
Supplementary provisions								
Other technical reserves								
Total insurance liabilities	**54 088**	**3 560**	**55 918**	**2**	**9 037**	**529**	**123 134**	**115 705**

Group pension public insurance *NOK million*	Defined benefit without investment choice	Defined benefit with investment choice	Total 2009	Total 2008
Premium reserve	18 158	1 756	19 914	17 721
Additional statutory reserves	572	45	617	363
Market value adjustment reserve	43		43	
Premium fund	627	57	684	772
Deposit fund				
Pensioners' surplus reserve				
Claims reserve	30	3	33	19
Supplementary provisions				
Other technical reserves				
Total insurance liabilities	**19 430**	**1 861**	**21 291**	**18 875**

Market value adjustment reserve

NOK million	2009	2008	Change 2009
Shares	-823		-823
Interest-bearing	854		854
Total	**31**		**31**

33 Change in insurance liabilities in life insurance

Insurance obligations in life insurance – contractual obligations

NOK million	Premium reserves	Additional statutory reserves	Market value adjustment reserve	Claims allocation	Premium fund, deposit fund and the pension surplus fund
Balance at 1.1.	**142 773**	**3 408**		**494**	**5 764**
Changes in insurance obligations recognised in the Profit and Loss Account					
2.1 Net realised reserves	5 334	1 205		142	111
2.2 Profit on the return	2				3
2.3 The risk profit allocated to the insurance agreements	1				78
2.4 Other allocation of profit	2				
2.5 Changes in insurance obligations from comprehensive income			31		
2.6 Currency differences					
Total changes in insurance obligations recognised in the Profit and Loss Account	*5 340*	*1 205*	*31*	*142*	*191*
Non-realised changes in insurance liabilities					
3.1 Transfers between funds	-1 636	-250		-2	-219
3.2 Transfers to/from the company	-35	43			-2 153
Total non-realised changes in insurance liabilities	*-1 671*	*-206*		*-2*	*-2 373*
Balance at 31.12.	**146 442**	**4 407**	**31**	**634**	**3 583**

Insurance obligations in life insurance - contractual obligations

NOK million	Other technical reserve non-life insurance	Total Storebrand Livsforsikring AS 2009	SPP Group 2009	Total Storebrand Livsforsikring Group 2009	Total Storebrand Livsforsikring AS 2008	Total Storebrand Livsforsikring Group 2008
Balance at 1.1.	**385**	**152 824**	**91 091**	**243 915**	**152 824**	**246 171**
Changes in insurance obligations recognised in the Profit and Loss Account						
2.1 Net realised reserves	56	6 847	1 870	8 717	-1 172	1 154
2.2 Profit on the return		5		5	450	450
2.3 The risk profit allocated to the insurance agreements		79		79	120	120
2.4 Other allocation of profit		2		2	86	86
2.5 Changes in insurance obligations from comprehensive income		31	-901	-870	-3 530	-3 530
2.6 Currency differences			-9 648			
Total changes in insurance obligations recognised in the Profit and Loss Account	*56*	*6 965*	*-8 679*	*7 934*	*-4 046*	*-1 720*
Non-realised changes in insurance liabilities						
3.1 Transfers between funds		-2 107		-2 107		
3.2 Transfers to/from the company	37	-2 108	307	-1 801	-718	-879
Total non-realised changes in insurance liabilities	*37*	*-4 215*	*307*	*-3 908*	*-718*	*-879*
Balance at 31.12.	**478**	**155 574**	**82 719**	**247 942**	**152 824**	**243 572**

Insurance obligations in life insurance – investment portfolio separately

NOK million	Premium reserves	Supple-mentary reserves	Additional statutory reserves	Market value adjustment reserve	Claims allocation	Premium fund, deposit fund and the pension surplus fund
Balance at 1.1.	**10 798**		**30**		**1**	**469**
Changes in insurance obligations recognised in the Profit and Loss Account						
2.1 Net realised reserves	6 928		79		2	-19
2.2 Profit on the return						29
2.3 The risk profit allocated to the insurance agreements						-7
2.4 Other allocation of profit						
2.5 Currency differences						
Total changes in insurance obligations recognised in the Profit and Loss Account	**6 928**		**79**		**2**	**3**
Non-realised changes in insurance liabilities						
3.1 Transfers between funds	1 974		131		2	
3.2 Transfers to/from the company	-2					53
Total non-realised changes in insurance liabilities	*1 972*		*131*		*2*	*53*
Balance at 31.12.	**19 698**		**239**		**5**	**524**

Insurance obligations in life insurance – investment portfolio separately

NOK million	Total Storebrand Livsforsikring AS 2009	Of wich with multi-annual guarantee return	SPP Group 2009	Total Storebrand Livsforsikring Group 2009	Total Storebrand Livsforsikring AS 2008	Total Storebrand Livsforsikring Group 2008
Balance at 1.1.	**11 297**	**1 476**	**22 507**	**33 804**	**11 046**	**39 813**
Changes in insurance obligations recognised in the Profit and Loss Account						
2.1 Net realised reserves	6 989	875	6 709	13 698	168	-5 511
2.2 Profit on the return	29			29		
2.3 The risk profit allocated to the insurance agreements	-7	-6		-7		13
2.4 Other allocation of profit			-381	-381	-64	-64
2.5 Currency differences			*-600*			
Total changes in insurance obligations recognised in the Profit and Loss Account	**7 011**	**869**	**5 729**	**13 339**	**104**	**-5 562**
Non-realised changes in insurance liabilities						
3.1 Transfers between funds	2 107	131		2 107		
3.2 Transfers to/from the company	51	2 139	260	311	147	-447
Total non-realised changes in insurance liabilities	*2 158*	*2 270*	*260*	*2 418*	*147*	*-447*
Balance at 31.12.	**20 466**	**4 615**	**28 496**	**49 562**	**11 297**	**33 804**

34 Subordinated loan capital

Storebrand Livsforsikring AS

NOK million	Book value 31.12.08	New issues	Re-payments	Exchange rate changes	Paper price change	Amorti-sation/ Interest	Change accrued interest	Book value 31.12.09
Ordinary subordinated loan capital	1 680		-1 435	-240			-5	
Perpetual subordinated loan capital	5 576	981	-556	-570	39	15	-52	5 432
Perpetual subordinated loans	1 488					4	-6	1 486
Total subordinated loans	**8 744**	**981**	**-1 991**	**-810**	**39**	**19**	**-63**	**6 918**

Specification of subordinated loan capital *NOK million*	Nominal value	Currency	Interest rate (fixed/variable)	Call date	Book value 2009
Issuer					
Hybrid tier 1 capital					
Storebrand Livsforsikring AS 08/18 FRN	1 500	NOK	Variable	2018	1 486
Perpetual subordinated loan capital					
Storebrand Livsforsikring 49-13	300	EUR	Fixed	2013	2 702
Storebrand Livsforsikring AS	1 700	NOK	Variable	2014	1 687
Storebrand Livsforsikring AS Var 12/49	1 000	NOK	Fixed	2015	1 043
Total subordinated loan capital and hybrid tier 1 capital 31.12.2009					**6 918**
Total subordinated loan capital and hybrid tier 1 capital 31.12.2008					**8 744**

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 533.9 million.

Storebrand Livsforsikring Group

NOK million	Book value 31.12.08	New issues	Re-payments	Exchange rate changes	Paper price change	Amorti-sation/ Interest	Change accrued interest	Book value 31.12.09
Ordinary subordinated loan capital	1 680		-1 435	-240			-5	
Perpetual subordinated loan capital	6 993	981	-1 973	-570	39	15	-52	5 432
Perpetual subordinated loans	1 488					4	-6	1 486
Total subordinated loans	**10 160**	**981**	**-3 408**	**-810**	**39**	**19**	**-63**	**6 918**

Specification of subordinated loan capital *NOK million*	Nominal value	Currency	Interest rate (fixed/variable)	Call date	Book value 2009
Issuer					
Hybrid tier 1 capital					
Storebrand Livsforsikring AS 08/18 FRN	1 500	NOK	Variable	2018	1 486
Perpetual subordinated loan capital					
Storebrand Livsforsikring 49-13	300	EUR	Fixed	2013	2 702
Storebrand Livsforsikring AS	1 700	NOK	Variable	2014	1 687
Storebrand Livsforsikring AS Var 12/49	1 000	NOK	Fixed	2015	1 043
Total subordinated loan capital and hybrid tier 1 capital 31.12.2009					**6 918**
Total subordinated loan capital and hybrid tier 1 capital 31.12.2008					**10 160**

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 555.6 million.

35 Other assets - biological assets

NOK million	2009	2008
Book value at 1.1	**523**	**356**
Additions due to purchases/New planting (forest)	46	126
Change in fair value less sales expenses	53	41
Currency differences	-70	
Book value at 31.12	**552**	**523**

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%.

36 Other liabilities

	Storebrand Livsforsikring AS		Storebrand Livsforsikring Group	
NOK million	2009	2008	2009	2008
Accounts payable	44	25	81	36
Premium depot from reinsurance			42	62
Received collateral	523	584	1 547	4 320
Debt broker	197	24	197	24
Other liabilities	388	614	1 022	790
Total	**1 152**	**1 246**	**2 888**	**5 232**

37 Transactions with connected parties

Transactions between companies in the Storebrand group

NOK million	2009	2008
Profit and loss items:		
Services bought	210	356
Services sold	209	335
Balance sheet items:		
Loan to associated companies	156	
Receivables	29	44
Debt[1]	610	73

1) Debt to other group companies includes NOK 610 million in allocated group contribution to Storebrand ASA 2009.

Companies in the Storebrand Life Insurance Group have transactions with other companies in the Storebrand Group, senior employees and shareholders in Storebrand ASA. These are transactions that are a part of the products and services offered by the companies in the group to their customers. The transactions are entered into on commercial terms and include occupational pensions, private pensions savings, leasing of premises, and lending.

Internal transactions between group companies are eliminated in the consolidated financial statements, with the exception of transactions between the customer portfolio in Storebrand Livsforsikring AS and other units in the group. See note 1 Accounting Policies for further information.

Loans to associated companies involve convertible loans granted by SPP Livförsäkring AB to Handelsbodarna i Sverige Fastighets AB with a term of 6 years.

38 Remuneration of senior employees and elected officers of company

Lars Aa. Løddesøl is Chief Executive Officer 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.

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 31.12.2009	Repayment period plan
Senior employees									
Idar Kreutzer	4 529	1 009	282	24	893	15 401	12 242	2.8%/3.19%/3.49%	2037/2025/2018
Odd Arild Grefstad***	2 737	362	226	18	578	8 373	2 602	3.19%/2.8%	2019/2024
Lars Aa. Løddesøl	2 841	399	164	18	870	7 226	3 763	2.8%/3.19%	2029/2017
Roar Thoresen	2 922	477	149	18	902	6 895	1 615	2.80 %	2032
Gunnar Rogstad	1 954	499	146	18	286	1 063	989	2.80 %	2039
Egil Thompson	1 966	45	171	18	531	5 391	2 735	2.8%/3.64%	2038/2019
Anders Røed ***	1 671	90	190	18	500	2 456			
Elin M. Myrmel-Johansen	1 179	23	146	18	250	2 232	2 008	2.8%/3.2%	2023/2018
Trond Killi	1 388		138	6	335	2 605	3 221	3.65%/2.8%	2025
Sarah McPhee ******	2 973		88	18	1 900	949			

Thousand NOK	Number of shares held *	Bonus-bank ****	Return on shares bank *****	1/3 bonusbank pays 2010 ****
Senior employees				
Idar Kreutzer	93 355	4 129	668	1 377
Odd Arild Grefstad	25 960	1 368	223	556
Lars Aa. Løddesøl	27 790	1 053	249	684
Roar Thoresen	28 282	329	323	676
Gunnar Rogstad	97 915	314	287	638
Egil Thompson	18 000	211	29	137
Anders Røed	15 042			
Elin M. Myrmel-Johansen	7 067	198	14	99
Trond Killi				
Sarah McPhee	34 387	1 101		1 167

*) *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 and Anders Røed is allocated proportionately between Storebrand Livsforsikring AS and Storebrand ASA. The share of these costs allocated to Storebrand Livsforsikring AS is NOK 3.4 million.*

****) *Outstanding in bonus bank at 31.12.2009 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 2009 adjusted for dividend..*

******) *In SPP the Chief Executive Officer has a retirement age of 62. SPP's CEO is included in a contribution based pension scheme in which the pension costs for 2009 amounted to NOK 1.1 million excluding employee's NI contribution. In addition to this comes a benefit based pension scheme in which the costs for 2009 were NOK 0.8 million.*

Thousand NOK	Remune-ration	Number of shares held *	Loan	Interest rate at 31.12.2009	Repayment period plan
Board of Directors					
Idar Kreutzer		93 355	12 242	2.8%/3.19%/3.49%	2037/2025/2018
Egil Thompson		18 000	2 735	2.8%/3.64%	2038/2019
Andreas Enger	145	5 000			
Inger Johanne Bergstøl	73				
Else-Lill Grønli	145	1 595	2 500	3.64%/2.8%	2039/2019
Gorm Leiknes	145	2 883			

39 Audit fees

	Storebrand Livsforsikring AS		Storebrand Livsforsikring Group				
				Of which Deloitte			
NOK million	2009	2008	2009	Norway	Sweden	Of which other auditors	2008
Statutory audit	4	3	10	6	3		9
Other reporting duties		1	1	1			1
Taxation advice			1	1	1		
Other non-audit services			1				1
Total	**4**	**4**	**13**	**8**	**5**	**1**	**10**

The amount above is excluding vat.

40 Capital adequacy

	Storebrand Livsforsikring AS		Storebrand Livsforsikring Group	
NOK million	2009	2008	2009	2008
Share capital	3 430	3 430	3 430	3 430
Other equity	12 405	11 816	11 750	11 304
Equity	**15 835**	**15 247**	**15 181**	**14 734**
Hybrid tier 1 capital	1 486	1 500	1 486	1 427
Conditional bonus			2 755	2 280
Goodwill and other intangible assets	-48	-34	-6 150	-6 885
Risk equalisation fund	-225	-153	-225	-153
Capital adequacy reserve			-254	-43
Portion of reset unamortised experience adjustments		118		118
Deduction for investments in other financial institutions		-11		-11
Other	-41	-51	-150	328
Core (tier 1) capital	**17 008**	**16 616**	**12 643**	**11 795**
Hybrid tier 1 capital				73
Perpetual subordinated loan capital	5 047	4 623	5 047	4 623
Dated subordinated loan capital		1 431		1 431
Capital adequacy reserve			-254	-43
Deductions for investments in other financial institutions		-11		-11
Tier 2 capital	**5 047**	**6 043**	**4 793**	**6 073**
Net primary capital	**22 055**	**22 658**	**17 435**	**17 867**

NOK million	Storebrand Livsforsikring AS 2009	Storebrand Livsforsikring AS 2008	Storebrand Livsforsikring Group 2009	Storebrand Livsforsikring Group 2008
Calculation base by class of risk weighting	**207 786**	**192 821**	**315 440**	**302 989**
Risk weight 0%	52 585	56 117	92 727	92 678
Risk weight 10%	9 204	6 779	23 099	6 779
Risk weight 20%	47 688	51 916	59 792	97 789
Risk weight 35%		1 296		1 296
Risk weight 50%	6 134	372	8 838	6 017
Risk weight 100%	74 645	61 117	84 597	59 614
Risk weight 150%	4 484	6 494	4 844	7 581
Assets held in respect of life insurance contracts with investment choice	13 046	8 730	41 543	31 236
Weighted assets in the balance sheet	**91 114**	**83 643**	**110 596**	**100 142**
Weighted interest rate and FX contracts	5 937	1 523	7 271	2 748
Cross holding deduction for shares in other financial institutions		-21	-509	-21
Unrealised gains on financial current assets	-22	-35	-22	-35
Risk weighted calculation base	**97 029**	**85 109**	**117 336**	**102 833**
Capital adequacy ratio	**22,73 %**	**26,62 %**	**14,86 %**	**17,37 %**
Core (tier 1) capital ratio	**17,53 %**	**19,52 %**	**10,77 %**	**11,47 %**

41 Solvency margin

NOK million	Storebrand Livsforsikring AS 2009	Storebrand Livsforsikring AS 2008	Storebrand Livsforsikring konsern 2009	Storebrand Livsforsikring konsern 2008
Solvency margin demand	6 737	6 486	10 102	10 355
Solvency margin capital	22 855	21 690	17 159	16 580
Solvency margin	**339,3 %**	**334,4 %**	**169,9 %**	**160,1 %**

Specification of solvency margin capital

NOK million	Storebrand Livsforsikring AS 2009	Storebrand Livsforsikring AS 2008	Storebrand Livsforsikring konsern 2009	Storebrand Livsforsikring konsern 2008
Net primary capital	22 055	22 658	17 435	17 867
50% of additional statutory reserves	2 323	1 710	2 323	1 710
50% of fund for risk-smoothing	112	77	112	77
Counting security reserve	43	45	43	45
Conditional bonus			-2 755	-2 230
Reduction in Tier 2 capital eligible for inclusion in solvency capital	-1 679	-2 800		-889
Solvency capital	**22 855**	**21 690**	**17 159**	**16 580**

42 Return on capital

Storebrand Livsforsikring AS

	2009		2008	
	Booked return	Market return	Booked return	Market return
Contractual obligations total	4.61 %	4.63 %	2.00 %	-0.24 %
As portfolio:				
9101 extra cautious	4.17 %	4.91 %	7.07 %	4.69 %
9102 low	4.15 %	4.58 %	4.02 %	1.74 %
9103 standard	4.96 %	4.83 %	2.04 %	-0.20 %
9104 high	5.32 %	5.41 %		
9105 pooled funds	4.26 %	4.80 %	4.48 %	3.34 %
9106 group life insurance	5.97 %	6.62 %	7.17 %	5.12 %
9111 paid-up policies	4.63 %	4.50 %	0.92 %	-1.26 %
9121 individual	3.96 %	4.34 %	2.57 %	-0.08 %

43 Return on capital historical numbers

Storebrand Livsforsikring AS

NOK million	2007	2006	2005
Return on capital I *	8.86 %	7.12 %	6.89 %
Return on capital II *	7.26 %	8.28 %	7.55 %
Return on capital III *	6.59 %	6.52 %	6.89 %
Average yield	8.84 %	6.76 %	6.40 %
Average guaranteed return	3.52 %	3.57 %	3.64 %

*) *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 unrelised gains.

44 Number of employees

	Storebrand Livsforsikring AS		Storebrand Livsforsikring Group	
	2009	2008	2009	2008
Number of employees at 31.12.	865	921	1 696	1 805
Average number of employees	893	937	1 745	1 775
Fulltime equivalent positions at 31.12.	842	886	1 611	1 739
Average number of fulltime equivalents	864	907	1 657	1 715

45 Insurance risk

Storebrand Livsforsikring

Death and disability

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

Net annual risk premium for an insured sum of NOK 100.000. For disability pensions, the premium for an annual disability pension of NOK 10.000 which is disbursed until 67 years is attained.

	Men			Women		
	30 yr	45 yr	60 yr	30 yr	45 yr	60 yr
Risk of death, individual endowment insurance	122	324	1416	61	162	711
Lump sum disability, individual	273	590		352	1367	
Disability pension, individual	248	639	1975	371	1577	2490
Critical illnes, non-smoker, individual	171	515	1804	171	515	1804
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	1029	1386	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

Finanstilsynet 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.

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	2009	2008
6 %	0.3 %	0.3 %
5 %	0.6 %	0.7 %
4 %	56.4 %	59.0 %
3.4 %	4.4 %	4.6 %
3 %	32.8 %	31.2 %
2.75 %	1.8 %	1.4 %
0 %	3.7 %	2.8 %

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 2009, the same as in 2008 and 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 possible negative returns must be covered by the company's equity.

Average interest rate guarantee	2009	2008
Individual endowment insurance	3.3 %	3.2 %
Individual pension insurance	3.7 %	3.6 %
Group pension insurance	3.5 %	3.6 %
Group life insurance	0.4 %	0.6 %
Non- life insurance	0.0 %	0.0 %
Total	**3.52 %**	**3.52 %**

New business written in 2009 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 2009 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 in 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 utilises. The company's maximum risk amount for own account is relatively high, and the risk reassured is therefore relatively modest. In 2010, the company will replace the current surplus agreement with internal insurance cover of the risk such that only those risks that might exceed the company's actual maximum risk amounts for own account will be reinsured.

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 IAS 37.

In 2009, Storebrand Livsforsikring AS continued its existing practice from the year before and conducted the 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 same 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.

Based on the mortality surveys conducted using lower mortality assumptions for the future, a need to build up reserves for individual pension insurance has generally been identified in this line. Preliminary calculations indicate a need to build up reserves of an estimated NOK 900 million. The plan is to carry out this building up of reserves over several years and, given normal financial returns, the expectation is that this can be covered by the running return.

Storebrand satisfies the test, as it did in 2008. The test has no effects on the profits shown in the annual financial statements for 2009.

In the case of Storebrand Holding AB and Storebrand Life Group the test is conducted pursuant to "IFRS 4 Basic for conclusions (BC 94 – 104)" and "IFRS 4 Basic for conclusions (BC no. 151)", which represent the preliminary work on the standard. The test is satisfied if the obligations booked in the financial statements are greater or equal to the net obligations stated at market value. Here net obligations will mean the technical insurance obligations of Storebrand Holding AB and Storebrand Life Group stated at market value less the present value of the owner's share of the profit for these insurance contracts. The preliminary work mentions that one can use Embedded Value-like techniques.

As per 31 December 2009, the calculated market value of the insurance contracts for SPP and Euroben is higher than the book value. This means that the buffers in the net obligation and the test are satisfied. Therefore the test has no effects on the result in the annual financial statements for 2009.

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. Nonetheless, disability has been significantly lower than assumed in the tariff, which resulted in a strongly positive risk result for 2009.

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 (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 (Committee of European Insurance and Occupational Pensions Supervisors) and their work on Solvency II.

A 20 percent 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 percent, 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.

ACTUARY REPORT

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 2009 I confirm that the entered "Premium reserve", "Additional statutory reserves" and "Insurance obligations in life insurance" 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" – "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, 12 February 2010

Translation – not to be signed

Trond Killi
Chief Actuary

DECLARATION BY THE MEMBERS OF THE BOARD AND THE CEO

Storebrand Livsforsikring AS og Storebrand Livsforsikring Group
DECLARATION BY THE MEMBERS OF THE BOARD AND THE CEO

On this date, the Board and CEO have discussed and approved the annual report and annual financial statements for Storebrand Livsforsikring AS and the Storebrand Livsforsikring Group for the 2009 financial year and as per 31 December 2009.

The annual financial statements were prepared in accordance with the Norwegian Annual Accounts Regulations for Insurance Companies. The annual report for the group and parent company complies with the requirements of the Norwegian Accounting Act and Norwegian Accounting Standard no. 16 as per 31 December 2009.

In the best judgement of the Board and CEO the annual financial statements and consolidated financial statements for 2009 have been prepared in accordance with applicable accounting standards, and the information in the financial statements provides a fair and true picture of the assets, liabilities, financial standing and results as a whole of the parent company and the group as per 31 December 2009. In the best judgement of the Board and CEO the annual report provides a fair and true overview of important events during the accounting period and their effects on the annual financial statements and consolidated financial statements. In the best judgement of the Board and CEO the descriptions of the most important risk and uncertainty factors the group faces in the next accounting period, as well as the descriptions of related parties' significant transactions, also provide a fair and true overview.

Lysaker, 16 February 2010
The Board of Directors of Storebrand Livsforsikring AS

Translation – not to be signed

Idar Kreutzer
Chairman of the Board

Andreas Enger	Inger Johanne Bergstøl
Egil Thompson	Else-Lill Grønli
Gorm Leiknes	Lars Aa. Løddesøl Chief Executive Officer

AUDIT REPORT

Deloitte.

Deloitte AS
Karenslyst allé 20
Postboks 347 Skøyen
NO-0213 Oslo
Norway

Tel: +47 23 27 90 00
Fax: +47 23 27 90 01
www.deloitte.no

Translation from the original Norwegian version

To the Annual Shareholders' Meeting of Storebrand Livsforsikring AS

AUDITOR'S REPORT FOR 2009

We have audited the annual financial statements of Storebrand Livsforsikring AS as of December 31, 2009, showing a profit of MNOK 1.198,8 for the parent company and a profit of MNOK 1.044,5 for the group. We have also audited the information in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposal for the allocation of the profit. The annual financial statements comprise the parent company's financial statements and the group accounts. The parent company's financial statements comprise the statement of financial position, the statements of income and cash flows, the statement of changes in equity and the accompanying notes. The group accounts comprise the statement of financial position, the statements of income and cash flows, the statement of changes in equity and the accompanying notes. The rules of the Norwegian Accounting Act and 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 December 31, 2009, and the results of its operations, its cash flows and the changes in equity for the year then ended, in accordance with generally accepted accounting practice in Norway
- the Company's management has fulfilled its duty to see to proper and well arranged recording and documentation of accounting information in accordance with law and generally accepted bookkeeping practice in Norway
- the information in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposal for the allocation of the profit, is consistent with the financial statements and complies with law and regulations.

Oslo, February 16, 2010
Deloitte AS

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

CONTROL COMMITTEE'S STATEMENT

Storebrand Livsforsikring AS
CONTROL COMMITEE'S STATEMENT – 2009

At its meeting on 2 March 2010, the Control Commitee of Storebrand Livsforsikring AS has reviewed the Board of Director's proposed Annual Report and Accounts for 2009 of Storebrand Livsforsikring AS.

With references to the auditor's report of 16 February 2010 the Control Committee recommends that the Annual Reports and Accounts proposed be adopted as the Annual Report and Accounts of Storebrand Livsforsikring AS for 2009.

Oslo, 2 March 2010

Translation – not to be signed

Elisabeth Wille
Chairman of the Control Committee

BOARD OF REPRESENTATIVES' STATEMENT

BOARD OF REPRESENTATIVES' STATEMENT – 2009

The Board of Directors' proposal for the Annual Repost 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 has no observations regarding the Board's proposed allocation of Storebrand Livsforsikring AS' profit for the year.

Oslo, 16 March 2010

Translation – not to be signed

Terje Venold
Chairman of the Board of Representatives

EMBEDDED VALUE

EV – Market Consistent Embedded Value

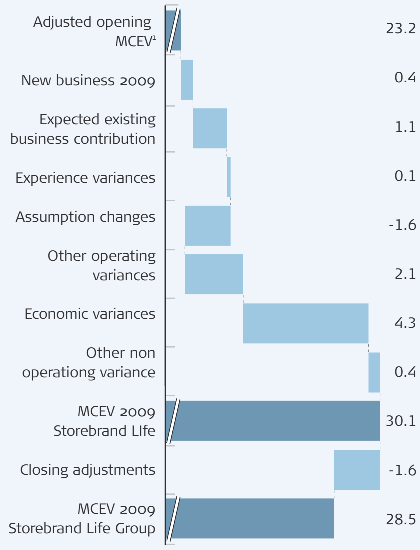
This section provides information on the disclosure of the embedded value (EV) 2009 for Storebrand Life Group. It includes business written in Storebrand Livsforsikring AS (SBL) and SPP Livsförsäkring AB (including Euroben Ltd.).

An EV is an actuarially determined estimate of the value of the company excluding any value attributable to future new business. The calculation of EV requires the use of a number of assumptions with respect to 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 using a market consistent approach (MCEV).

Result

The total EV as at 31 December 2009 for the life insurance business of Storebrand Life Group after capital movements is NOK 28,484 million. The value of in-force (VIF) at year-end 2009 is NOK 19,588 million while shareholder surplus is NOK 8,896 million. The EV has increased by 6.9 billion including opening adjustments of 135 million, but excluding dividends and other capital transfers. This represents a return on EV of 30 percent.

EV earnings of NOK 6,9 bn – 30% RoEV



1) Opening MCEV adjusted for new holding structure for BenCo of 135 million.

The MCEV result is negatively affected by assumptions changes caused by introduction of more conservative mortality tables in SBL and a reduction in replacement rates and increased transition to paid up policies in SPP. Other operating variances have contributed positively to the MCEV result, driven by management action to changing terms and conditions for the Defined Benefit product as well as the Unit Linked product in SPP. In SBL improved margins in the fee based Defined Benefit portfolio also contributes positively.

After a turbulent 2008, the financial markets stabilized in 2009, contributing to a increase in EV of NOK 4.3 billion. Good investment returns in 2009, has led to higher reserves in the Unit Linked products and management decision to build buffer capital, have both contributed positively. Increased interest rates also have a positive effect on the EV result.

Value of New Business

The value of new business written in 2009 is NOK 421 million. Sales have been positive in both the Norwegian and Swedish life business with new sales of NOK 1,026 million and NOK 670 million respectively measured as APE 1 . For the Norwegian business the value of new business is NOK 348 million.

The Swedish business has seen a shift in the value of new business in 2009, and it now has a positive effect on EV. This is mainly due to increased sales volumes, changes in terms and an improved model for cost allocation.

Unit linked products represent an increasing share of new business, and represented 65 percent of the value of new business in 2009. Unit linked products now represent 34 percent of the total value of in-force at the close of 2009, up from 22 percent last year.

NOK million	31.12.09 Group	31.12.08 Group
Shareholder surplus	8 896	8 431
PVFP[1]	30 405	23 893
Cost of holding capital	-162	-236
Cost of volatility	-6 847	-5 183
Cost of residual non hedgeable risks	-3 808	-3 864
Total MCEV Storebrand Life Group	**28 484**	**23 041**
IFRS equity other businesses[2]	1 914	1 319
Storebrand Group Embedded value	**30 398**	**24 361**
Embedded value per share[3]	NOK 68.2	NOK 54.7

1) PVFP including look-through in 2008 and 2009 of 4,022 and 3,495 respectively.
2) IFRS shareholder's equity for businesses not included in the MCEV analysis.
3) Based on 443.3 million shares for 2008, 445.9 million shares for 2009.

NOK million	VNB
Value of New Business	
Comprising	
- Present value of future profits (PVFP)	679
- Time value of financial options and gurantees (TVOG)	-141
- Frictional costs of required capital (FCRC)	-3
- Cost of residual non hedgeable risks (CNHR)	-114
Total value of new business	**421**
Look through value included in the PVFP	97

1) APE - Annual Premium Equivalent.

Sensitivities

As the EV builds on a number of assumptions, it sensitivities are calculated and presented. In overall, the sensitivities to financial market movements have been reduced through 2009, the main reason being increased buffer capital and higher interest rates. The largest sensitivity is to changes in the interest rate levels, where a 100 bp decrease in interest rates would lead to a 20 percent reduction in the EV. This is a reduction of 3 percentage-points from last year, when the sensitivity were 23 percent. At the same time sensitivities to a 10 percent drop in the equity/property market has been reduced from 16 percent in 2008 to 10 percent in the 2009 EV.

NOK million	MCEV 2009	MCEV 2008
Base	**-28 484**	**-23 041**
100 basis points increase in the interest rate	-7 %	-13 %
100 basis points decrease in the interest rate	-20 %	-23 %
10% decrease in equities/property capital	-10 %	-16 %
10% decrease in equities	-4 %	-6 %
25% increase in equity/property implied volatilities	-7 %	-6 %
25% increase in swaption implied volatilities	-6 %	-8 %
10% decrease in maintenance expenses	8 %	8 %
10% proportionate decrease in lapse rates	3 %	2 %
Mortality rates -5% – annuity business	-4 %	-4 %
Mortality rates -5% – life business	0 %	0 %
Salary and expense inflation + 0.5%	1 %	1 %
Required capital equal to minimum level of solvency capital	0 %	0 %

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 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: *

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.

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

MILJØMERKET
241 450
TRYKKSAK

Concept, design and production: signatur.no K52 • 291373 • Photo: Getty Images