Annual Report 2001

Storebrand

Contents

Financial calendar 2002:

24 April:	Annual General Meeting
30 April:	1st quarter results
14 August:	2nd quarter results
30 October:	3rd quarter results
February 2003:	4th quarter results

The Storebrand group

The Storebrand group is a leading player in the markets for pensions, life and health insurance, banking and asset management. The group's activities are carried out through four main business areas: Life Insurance, Storebrand Investments, Storebrand Bank and Finansbanken. In addition Storebrand has a 22.5% interest in If Skadeförsäkring.

Storebrand's life insurance business area

Storebrand is the leading supplier in the Norwegian life insurance, pensions and savings market. The group's life insurance activities are well placed for continuing growth, particularly in areas such as unit linked products, personal risk insurance and defined contribution occupational pension schemes, with particular focus on products for the public sector and sales of individual products to employees of companies that use Storebrand for their pension schemes.

Storebrand Investments business area

Storebrand is one of the largest asset managers in Norway. This business area manages assets for pension schemes, private and public sector institutions, private individuals and the Storebrand group companies. It offers discretionary asset management services, a wide range of Norwegian and international mutual securities funds through Storebrand Fondene and Delphi Fondsforvaltning and real estate management through Storebrand Eiendom.

Storebrand Bank

Storebrand Bank has the overall responsibility for distribution, customer service and marketing of financial products and services to the retail market. The bank's objective is to be a leading supplier of financial services to private individuals with savings and an interest in managing their finances. Storebrand Bank offers this customer group a broad range of high quality financial products and services either through personal contact with its financial advisers, over the Internet or by telephone.

Finansbanken

Finansbanken is a specialist bank for high net worth individuals and selected segments of the corporate market. The bank has re-focused its activities into two main business units: Finansbanken and Finansbanken Forvaltning. Finansbanken offers specialist expertise for project financing, principally for real estate developments. Finansbanken Forvaltning specialises in private banking and offers attractive asset management products for this market.

Storebrand's customers [1] at 31 December 2001

Storebrand life insurance

Policyholders' fund (inc. unit linked)	NOK 102.2 bn	(of which unit linked 3.2 bn)
Corporate pension schemes, private sector: No. of active members	172,492	(5,774 companies)
Corporate pension schemes, public sector: No. of active members	20,362	(194 municipality schemes)
Individual policies: No. of active single policies (inc. disability)	222,842	
Group life insurance: No. of persons insured	266,734	(4,495 companies)
Retail clients: No. of retail clients (inc. unit linked)	266,458	(of which 13,940 unit linked customers)

Storebrand Investments

Funds under management	NOK 144.6 bn
External funds under management	NOK 37.2 bn[2])
No. of mutual funds customers (exc. unit linked)	97,060[3])

Storebrand Bank

Deposits	NOK 6.5 bn
Gross lending	NOK 12.4 bn[4])
No. of banking customers	59,262[4])

Finansbanken Group

Deposits	NOK 7.4 bn
Gross lending	NOK 17.3 bn
No. of banking customers	11,578

1. Customers may be included in the figures for several products
2. External funds under management: Mutual Fund assets NOK 14.3 bn. Discretionary asset management (inc. If) NOK 22.9 bn
3. Mutual funds customers: Storebrand Fondene 92,060, Delphi Fondene 5,000
4. Includes loans made by Storebrand Livsforsikring

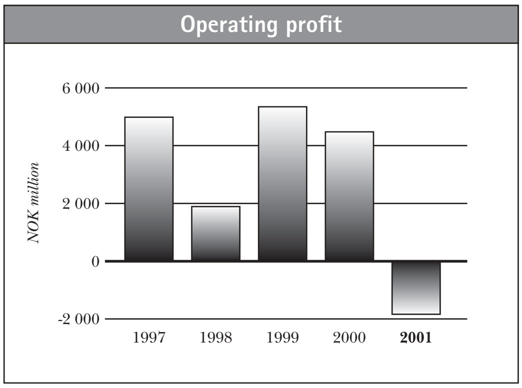
Storebrand Group: Key figures

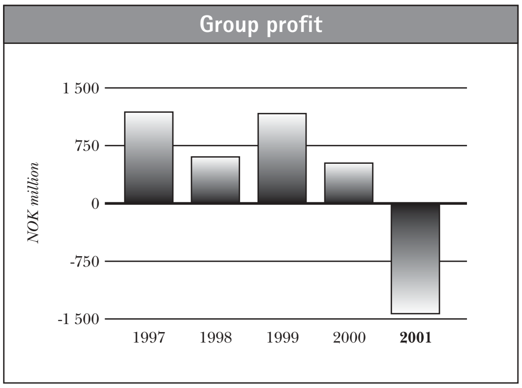
NOK million	**2001**	2000	1999	1998	1997
Operating profit	-1 837	4 475	5 347	1 888	4 982
Group profit	-1 430	523	1 166	603	1 185
Total assets	152 214	156 744	149 647	126 531	114 517
Equity capital	9 605	10 533	10 113	6 421	7 406
Solvency capital *)	10 548	11 312	11 226	9 658	9 448
No. of employees (full time equivalents)	1 473	1 478	1 636	4 001	3 736
Capital adequacy ratio (%)	12.9%	12.7%	14.0%	13.4%	14.4%

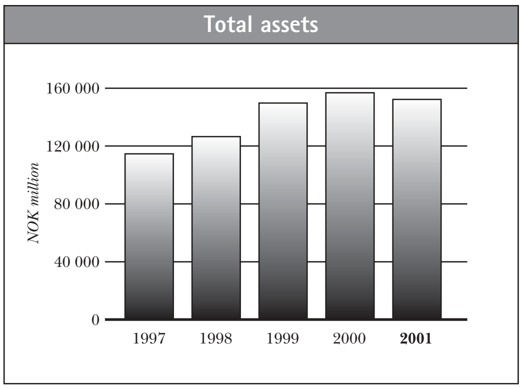
Key figures per share

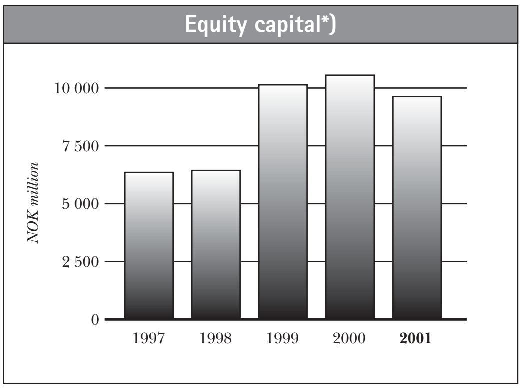
Average number of ordinary shares (1.000's)	277 554	277 464	277 209	277 079	276 766
Earnings per ordinary share **)	-4.15	1.67	12.23	1.98	3.33
EPS excluding extraordinary items ***)			3.54		
Dividend per ordinary share (NOK)		1.10	1.00		
Dividend per preference share (NOK)					0.50

*) Consists of equity, 50 % of additional statutory reserves and non-life insurance security reserves.
**) Calculation is based on profit for the year adjusted for the year's legally required post-tax allocations to security reserves etc. for non-life insurance.
***) Calculation base for 1999 has been adjusted for post-tax capital gain on sale of non-life insurance and extraordinary items.









*) Numbers for 1997 is excluding preferance share capital.

Main events 2001

January

■ Official opening of Euroben Life & Pension Ltd, an Irish life insurance company jointly owned by Storebrand and Svenska Handelsbanken/SPP Liv. The company's Euroben product offers flexible pension solutions for multinational companies.

February

■ Storebrand ASA aquires 15% of Balsam.com AS. Over the course of 2001 Balzam is integrated with the Wincome consept developed by Storebrand Livsforsikring. The combined entity represents a new concept for the management and presentation of employee benefits.

■ Storebrand Kapitalforvaltning ASA and Storebrand Fondene AS become the first fund managers in Norway to gain Global Investment Performance Standards certification. This formal recognition of investment standards is used by fund managers around the world.

March

■ Storebrand introduces environmental and social screening criteria for the management of life insurance policyholders' savings and pension assets.

■ Storebrand ASA becomes the main corporate partner of the Norwegian Cancer Society.

May

■ Sampo and Storebrand announce plans to create a leading Nordic financial group. Sampo makes a cash and shares offer for Storebrand equivalent to NOK 75 per Storebrand share, valuing Storebrand at NOK 20.8 billion. Storebrand's board of directors recommends the Sampo offer to shareholders.

August/September

■ Storebrand Investments announces an agreement with Finama Asset Management, the second largest French insurance asset management company. The two companies will jointly market socially responsible investment products throughout Europe.

■ The terrorist attack on the World Trade Center on 11 September has no direct effect on Storebrand. However the subsequent dramatic fall in global securities markets weakens Storebrand's results both directly through a fall in the value of its investments and indirectly through a drop in sales of products for long-term savings.

October

■ The plan to establish a new joint operation with Sampo is terminated. Despite strong support from Storebrand's shareholders, board of directors, management and employees the offer did not receive the 90% acceptance required by Sampo and the Norwegian authorities.

■ Storebrand Investments purchases Delphi Fondsforvaltning from Finansbanken.

November

■ If and Sampo announce the merger of their non-life insurance activities with effect from 1 January 2002. The new, enlarged If will be by far the leading Nordic non-life insurance company. If will have a 24% share of the Nordic non-life insurance market, with 3.7 million customers.

December

■ 26 Norwegian municipalities decide to transfer their pension schemes from KLP to private sector insurance companies. Six municipalities, representing premium reserves of NOK 858 million, select Storebrand.

■ The business of Storebrand Finans is sold to Aktiv Kapital for NOK 175 million.

■ Storebrand Investments becomes the first Norwegian fund manager to provide tactical asset allocation for management of the Norwegian Government Petroleum Fund. Storebrand wins this new mandate in competition with a number of Norwegian and international asset management companies.

Report from the Board of Directors

Storebrand, which has its head office in Oslo, is a leading financial group in the markets for life, pensions and health insurance as well as banking services and asset management and has interests in non-life insurance through its shareholding in If Skadeförsäkring.

Storebrand's financial results for 2001 were very weak. This was principally the result of the sharp fall seen in international equity markets and the consequent reduction in inflows to long-term savings products. If Skadeförsäkring, in which Storebrand held a 44 percent interest in 2001, was hit by weak stock market conditions, higher claims payments and the need to strengthen its reserves, and the group's investment in If Skadeförsäkring accordingly represented a significant charge to the results for 2001. In addition Finansbanken substantially increased its loan loss provisions for anticipated future losses on its loan portfolio.

However Storebrand developed and strengthened its core business activities in a number of areas in 2001. The group launched a number of new products and business concepts. These included defined contribution pension products, international personal risk products, systems for managing employee benefits, financial advisory services, specialised securities funds and private banking.

Storebrand has also paid close attention to implementing cost-saving measures and making more efficient use of its capital. The business activities carried out by Storebrand Finans have been sold to a third party.

On 21 May 2001 the Finnish financial group Sampo made a cash and shares offer for Storebrand equivalent to NOK 75 per Storebrand share. As part of the process of evaluating strategic alternatives for the group, contacts had been established with a number of possible partners both in Norway and internationally. The Board of Directors unanimously resolved on 2 July 2001 to recommend the Storebrand's shareholders to accept the Sampo offer. The EU anti-trust authorities approved the proposed acquisition of Storebrand by Sampo. Den norske Bank invited Storebrand to participate in merger negotiations and acquired 9.74 percent of Storebrand's shares with a view to blocking the Sampo offer. Under Norwegian legislation the offer from Sampo had to be accepted by 90 percent of shareholders.When Sampo decided in October not to extend the offer period it had received acceptances from 86.3 percent of shareholders.

Financial Results

The group profit showed a loss of NOK 1,430 million for 2001, as compared to a profit of NOK 523 million in 2001. The results reported by the group are not considered to be satisfactory.

The operating profit for the year was a loss of NOK 1,837 million as compared to an operating profit of NOK 4,475 million in 2000. Earnings per share showed a loss of NOK 4.15 as compared to a profit of NOK 1.67 in 2000 before non-recurring items. The book value of the group's equity fell by NOK 927 million to NOK 9,606 million. The group's capital situation and solidity are satisfactory. The accounts have been prepared on a going-concern basis.

Business areas

Life Insurance

Storebrand Livsforsikring: The overall results for life insurance comprise three elements, namely interest result, risk result and administration result. The realised investment return for 2001 was 3.6 percent. This fell short of the return guaranteed to policyholders, which is on average 3.8 percent. The low level of investment income was caused by the falls seen in international equity markets. This meant that the company recorded a negative interest result, and for the first time in its history Storebrand needed to release additional statutory reserves in order to deliver the guaranteed return. Administration result and risk result both showed improvement in 2001. Following the transfer from additional statutory reserves, the pre-tax loss for the year was NOK 15 million.

The embedded value of Storebrand Livsforsikring was NOK 7.4 billion at the close of 2001 as compared to NOK 7.7 billion at the close of 2000. These figures demonstrate that the long-term value of the insurance company is relatively little affected by weaker results in a single year.

A more detailed description of embedded value can be found on page 17.

Other life insurance activities: Storebrand's other life insurance activities principally comprise the group's expansion in the areas of defined contribution pension schemes, unit linked products, health insurance and pan-Scandinavian life insurance products. These new activities show strong growth and sound development, but their total contribution to profit was negative in 2001. The results achieved were in line with the business plans for these activities.

Asset Management

Storebrand Kapitalforvaltning and Storebrand Fondene reported a combined pre-tax profit of NOK 14 million for 2001 as compared to NOK 67 million for 2000. Weak conditions in the equity markets were responsible for much of the fall in profit. A combination of lower market values and reduced inflows to savings products caused a reduction in funds under management from NOK 151 billion to NOK 145 billion.

Storebrand Optima was the best-performing Norwegian equity fund in 2001. While the market as a whole showed a fall in funds under management, the Storebrand Investments group increased its market share of mutual funds under management. The group, including Delphi Fondsforvaltning, increased its share of the market for mutual funds from 9.5 percent at the start of the year to 10.1 percent. Three local authorities awarded SRI (Socially Responsible Investment) mandates to Storebrand, representing a breakthrough for business with the municipalities sector. Distribution agreements for Storebrand's SRI funds in the French and Australian markets serve to demonstrate that these products are internationally competitive. A new Private Equity Fund launched in the Swedish market was well received. In addition Storebrand Investments will be the first Norwegian fund manager to apply tactical asset allocation to the management of assets for the Norwegian Government Petroleum Fund.

Storebrand Bank

Storebrand Bank is the group's primary distribution channel for sales of savings and life insurance products to the retail market. Sales were weak in 2001, causing a reduction in commission income earned from product suppliers. The Storebrand Bank Group reported a pre-tax loss of NOK 43 million for 2001 as compared to a profit of NOK 52 million for the previous year. The loss after tax for the year was NOK 11 million.

The sale of the activities of Storebrand Finans produced an accounting gain of NOK 109 million, while the group's investment in Acta was written down by NOK 54 million. Storebrand Bank has initiated a significant program of measures to improve profitability, including a reduction in staffing of 50 positions.

Finansbanken

The Finansbanken ASA Group reported a profit before loan losses and provisions of NOK 228 million for 2001, equivalent to 1.13 percent of average total assets. This represents a fall in profit of NOK 85 million from the previous year, principally due to a fall in non-interest income caused by a sharp reduction in sales of long-term savings products in 2001. In addition the 2001 accounts are burdened by non-recurring costs for the conversion of the bank's core systems to Fellesdata, the build-up of private banking operations and reorganisation. After loan losses and provisions totalling NOK 302 million, the group reported a loss of NOK 74 million for the year as compared to a profit of NOK 18 million in 2000. After taking into account Storebrand's write-down of goodwill, the full-year result was a loss of NOK 102 million. The loss for the year as a whole reflects a large increase in unspecified loan losses and provisions taken in the second quarter.

Finansbanken strengthened its focus on Private Banking in 2001. The Private Banking activities have been reorganised, new management has been recruited and the business area has been spun-off into separate companies in the Finansbanken group.

Non-Life Insurance Activities

Storebrand's non-life activities comprise the 44 percent interest in If Skadeförsäkring and 100 percent interest in Oslo Reinsurance Company held through Storebrand Skadeforsikring AS and a 50 percent interest in Fair Forsikring in Denmark held by Storebrand ASA.

Storebrand Skadeforsikring reported a pre-tax loss of NOK 426 million for 2001 as compared to a profit of NOK 300 million for 2000. The operating loss for the Storebrand Skadeforsikring group in 2001 was NOK 705 million as compared to a loss of NOK 36 million for 2000. The poor results reported for 2001 were caused by weak underwriting results and low financial income at If Skadeförsäkring.

In November 2001 the shareholders of If Skadeförsäkring entered into an agreement with Sampo to merge Sampo's non-life insurance activities with If Skadeförsäkring. This will cause Storebrand Skadeforsikring's interest in If Skadeförsäkring to fall from 44 percent to 22.47 percent. The agreement was completed with effect from 2 January 2002.. By merging with Sampo's non-life business, If Skadeförsäkring will gain a broader platform in the Nordic region which will make it by far the largest player in the Nordic non-life insurance market.

Fair Forsikring operates a direct non-life insurance business for the Danish retail market. Storebrand's interest in the company's pre-tax profit (50 percent) was a loss of NOK 62 million in 2001, as compared to a loss of NOK 36 million in 2000.

Risk Management

The group's exposure to risk relates principally to investment risk, credit risk and insurance risk. Exposure to investment risk is affected by the allocation of investments between different classes of assets. Asset allocation is determined annually by the boards of the individual group companies, and is set out in the companies' investment policy statements. The boards also approve appropriate procedures for the management of foreign exchange risk, use of derivative instruments and the management of credit risk.

The group's objective in formulating its investment policy is to achieve the best possible return for customers and owners over time whilst controlling risk to an acceptable level. An acceptable level of risk implies that exposure to risk will be incurred in a managed and efficient manner within specified limits. Investment policy therefore pays particular attention to spreading investment across classes of assets that are not closely

The Board of Storebrand ASA. From top left: Arild Thoresen, Leiv L. Nergaard (chairman), Halvor Stenstadvold, Harald Tyrdal, Nina Seiersten, Rune Bjerke, Knut G. Heje, Brit K. S. Rugland and Rune Eikeland.

correlated and that are geographically diverse, and to investing in a range of securities in each area of allocation to provide satisfactory risk diversification.

In addition to the work involved in setting formal investment policies, Storebrand attaches great importance to the continual process of risk management through the year. The asset management company is responsible for ensuring that risk exposure is within the approved limits at all times, and monitors investment exposure on a daily basis. The Board reviews reports of investment risk exposure throughout the group on a quarterly basis.

The exposure to credit risk incurred by Finansbanken and Storebrand Bank is managed through standardised credit approval procedures and delegated credit authorities approved by the banks' boards. The group's asset management activities incur credit exposure to counterparties, and this is managed by establishing a credit limit for each counterparty based on rating agency classifications supplemented by in-house analysis.

The group's buffer capital fell in 2001 as the conditions seen in the financial markets and the sales of securities caused a reduction in unrealised gains. The group's capital base, which is made up of equity, subordinated loans, the market value adjustment reserve and additional statutory reserves, amounted to NOK 18.7 billion at 31 December 2001 as compared to NOK 22.4 billion at the close of 2000. Of these amounts, the life insurance company accounted for NOK 10.4 billion in 2001 versus NOK 13.1 billion for 2000. In addition to the capital needed to meet the minimum capital adequacy requirement of 8 percent, the group has buffer capital of NOK 8.6 billion. This is made up of capital in excess of the minimum requirement, the market value adjustment reserve and additional statutory reserves equivalent to one year's interest guarantee.

The level of technical insurance risk incurred by the group is regulated by tariffs that are reported to the authorities. These tariffs are based on historical statistics. Storebrand considers the level of technical insurance risk incurred by companies in the group to be at a moderate level taking into account the reinsurance cover the companies have arranged.

Personnel and Organisation

Employment in the group totalled 1,473 full time equivalent positions at the end of 2001 as compared to 1,478 at the start of the year. The average age of the group's employees is 41, with an average length of service of 10 years. This reflects the well-balanced composition of the group's staffing, which strives to maximise the contribution of both experienced and younger members of staff. Considerable importance is attached to maintaining a good working environment. Internal surveys of employee satisfaction are carried out several times each year in order to provide an indication of the views of employees, motivating factors and any necessary or possible areas for improvement. The employees' representatives participate in the forums required by the group's corporate employment agreement, and regular meetings are held between staff representatives and the company's management.

Absence from work on grounds of sickness was 3.61 percent. Sickness leave has been relatively constant over many years, and is clearly better than the industry average. The Board considers absence due to sickness to be at an acceptable level. No personal injuries, damage to property or accidents of any significance were reported in 2001.

Corporate Social Responsibility and Environmental Issues

Over the course of 2001 Storebrand implemented the action plan for Corporate Social Responsibility that it established in 2000. The action plan relates to 10 areas of activity that cover a range from the use environmental and social criteria in asset management through to specific measures in respect of environmental issues, business ethics, sponsorship of good causes and a commitment to personnel development and training. The progress of the plan is monitored semi-annually, and the company's performance in this area forms part of the balanced score-card for Storebrand ASA. The monitoring carried out in 2001 showed satisfactory performance, and the group was ahead of plan in the majority of the areas identified.

Storebrand does not pollute the external environment beyond the normal level for the activities in which the group is engaged.

In 2001 Storebrand Livsforsikring became the first life insurance company in Europe to apply ethical criteria to its entire equity port-folio. The company's portfolio is managed by Storebrand Investments.

Following the implementation of its Corporate Social Responsibility action plan, Storebrand was added to both the Dow Jones Sustainability Index and the FTSE4good index in 2001. These indices only include companies with a strong commitment to sustainable development. The Swedish environmental foundation MISTRA has identified Storebrand as one of the three best asset management companies in the world in the field of environmental and social investment.

Shareholder Matters

Storebrand ASA had 37,717 shareholders at the end of 2001, representing a reduction of 858 over the course of the year. The proportion of share capital held by foreign shareholders fell from 38.6 percent at the end of 2000 to 37.1 percent at the end of 2001. The company has shareholders from all the municipalities in Norway and from 38 foreign countries.

The Storebrand group again carried out a share issue for its employees in 2001. Every employee was given the opportunity to buy 175 shares at a price of NOK 35.50, and approximately 50 percent of employees subscribed for a total of 133,000 shares.

Capital Situation

The group's equity capital fell by NOK 927 million to NOK 9,606 million in 2001. The group's capital ratio was 12.9 percent at the end of 2001, representing an increase of 0.2 percentage points from the previous year.

Credit rating agencies publish credit ratings for certain companies in the Storebrand Group. Credit ratings have attracted increased attention in 2001 as result of the turbulent conditions seen in the financial markets. Storebrand Livsforsikring is rated A and A2 by Standard & Poor's and Moody's respectively. Storebrand Bank and Storebrand ASA are both rated Baa 1 by Moody's, and Finansbanken is rated A- (long term) by Fitch Ratings.

Application of Storebrand ASA's Result for the Year

Storebrand ASA recorded a loss for the year of NOK 80 million. The established dividend policy approved by the Board states that the company will endeavour to ensure stable growth in dividend per share over time. Moreover the dividend policy is to contribute to giving shareholders a competitive return, whilst also ensuring that the company maintains an optimal capital structure. The dividend to shareholders will normally be in the order of 15-30 percent of profit after tax.

In view of the weak results reported for 2001 and the established dividend policy, the Board has decided not to recommend a dividend in respect of the 2001 accounting year. The loss for the year of NOK 80 million will be applied against other equity.

Board of Representatives and Board of Directors

Two of the members elected by shareholders, Halvor Stenstadvold and Harald Tyrdal, left the Board of Representatives in 2001 and were replaced by Margareth Øvrum and Inger Lise Gjørv. Amongst the members of the Board of Representatives elected by employees, Ann Jeanette Magnussen and Anne Sofie Oseid left the Board of Representatives in 2001, and were replaced by Astrid Olive Aanerud and Jostein Lindgren.

There were no changes in the composition of the Board of Directors or Control Committee in 2001.

The Board of Directors would like to express its appreciation to the members retiring from the Board of Representatives for the valuable contribution they have made to the company.

Future Prospects

Storebrand's core activities concentrate on long-term savings, asset management and personal risk products. A combination of very turbulent market conditions and a temporary fall in long-term savings made 2001 a demanding year for the group. Storebrand maintained its position in a weak market, and is well positioned for the strong growth it expects to see in its markets.

Storebrand will continue to focus strongly on its business processes in order to improve profitability. This includes balance sheet optimisation and cost reducing measures. In addition to maintaining a close focus on its business processes, Storebrand will continue to play an active role in the structural changes currently affecting the Nordic financial sector.

Storebrand's strategy for the non-life activities of If Skadeförsäkring is one of value-maximisation, and in Storebrand's view the negative trend seen for non-life insurance business can be turned around by the current program of premium increases and a range of other measures. Storebrand therefore expects that If Skadeförsäkring, as a dominant Scandinavian player, will produce significant improvements in future earnings.

Oslo, 19 February 2002

Leiv L. Nergaard
Chairman

Halvor Stenstadvold

Brit K.S. Rugland

Harald Tyrdal

Knut G. Heje

Rune Bjerke

Rune Eikeland

Arild Thoresen

Nina Seiersten

Idar Kreutzer
Chief Executive Officer

A forward-looking business

Storebrand can trace its roots back to 1767, with the Storebrand name and brand first appearing in 1850. Those of us who work for Storebrand today are the custodians of a business with a long history and a strong sense of tradition. Throughout all these years the basis for value creation at Storebrand has been a readiness and ability to meet the challenges of new situations and make the changes necessary for the company to move forward.

The Norwegian financial sector has, in line with international trends, seen considerable changes over recent years. This has placed new and increasing demands on all the players in our market. Storebrand has responded promptly to these changes by reinforcing its historically strong position for life and pension insurance while at the same time focusing on the growing market for managing the savings and assets of Norwegian private individuals, companies and organisations. The group has achieved its leading position through organic growth, extensive investment in its core activities and through acquisitions. Businesses that no longer fit with the strategy have been spun off, sold or discontinued.

Storebrand's results for 2001 were weak, and we did not achieve our targets for value creation for shareholders. Falling prices in stock markets around the world reduced the return on our investments, and lower sales of mutual funds and other equity-linked savings products to the retail market caused a drop in commission income. Moreover a continuing high level of insurance claims in Nordic countries caused weak results at If, the Nordic non-life insurance company of which Storebrand is a part owner.

Despite the challenging conditions experienced in 2001, Storebrand maintained a strong position in the markets in which it operates. The company reached its targets in the important public sector pension market, and initiated comprehensive measures to improve profitability. The task of optimising the way the group uses its balance sheet continues, and we are placing even greater focus on our core business. The addition of Sampo's non-life insurance activities to If will strengthen this business, and will increase the momentum behind the measures needed to improve the profitability of this leading Nordic non-life insurance company.

Future value creation in Storebrand will be based on 3 main elements:

- A targeted focus on profitable areas of growth where Storebrand is particularly well placed to succeed.
- The further development of our leading position in straightforward, readily understandable and flexible products and services. In more traditional terms, we will also maintain our competitive position as a highly efficient operation that generates the best net investment return for our customers.
- A focus on our employees as a core competitive advantage, through our policies of recruitment, staff development and training, and also by cultivating a corporate culture built on our core values.

Profitable growth

Corporate pensions represent the largest and most important product area for Storebrand, and this segment provides a stable and competitive return. The scale of our business, our experience and expertise all combine to give Storebrand a very strong competitive position in this market. The accelerating pace of technological change contributes to increasingly important economies of scale, whilst our local presence creates an additional dimension of competitive advantage. These factors will help to ensure that Storebrand maintains its strong position in this market.

The introduction of defined contribution pension schemes for Norwegian companies in 2001 opened up new markets. Storebrand has completed a major program of investments in order to take a leading position in this new sector of the pensions market.

Norwegian municipalities are expected to make a particularly important contribution to growth in the Norwegian pensions market now that the management of municipality pension schemes is fully open to competition. In addition there are still some 900,000 private sector employees with no occupational pension. The municipality market alone represents some NOK 120 billion in premium reserves.

The Norwegian government appointed a commission in 2001 to propose changes to the Norwegian national pension system. It is widely expected that the commission's recommendations will stimulate further growth in the Norwegian pension insurance market in a number of areas. Particularly important will be the introduction of a funded element of the national pension system and the opportunity for individuals to make their own investment decisions along the lines already introduced in Sweden.

Most Norwegians take greater care to insure their homes and belongings, cars and holiday homes than to arrange insurance for their children and close family. By way of example only

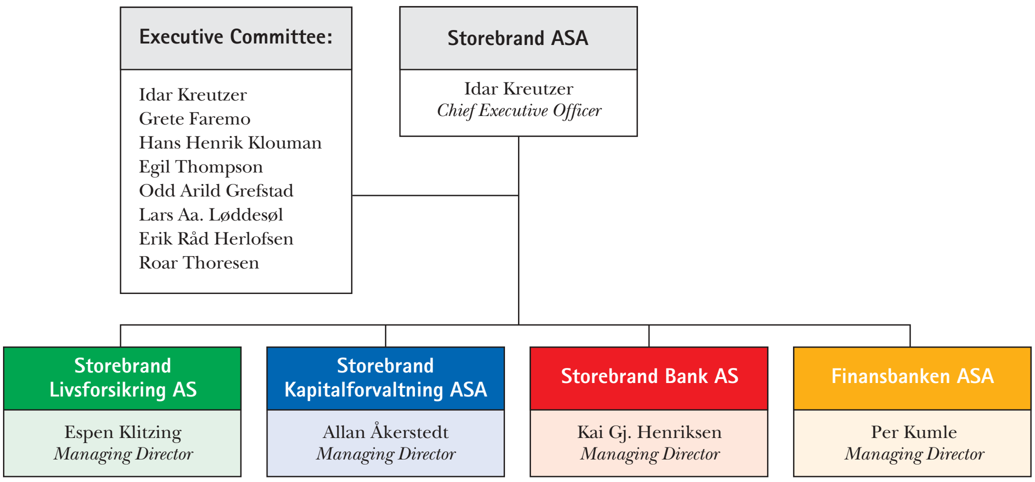
10 percent of the one million Norwegians under the age of 17 are insured against sickness and accident. This is in sharp contrast to our neighbours in Sweden, where more than 80 percent of the same age group has some form of insurance. The Norwegian market clearly offers considerable potential for an experienced supplier of suitable insurance products.

The market for occupational pension schemes in Norway has developed over a period of some 100 years since the start of the 20th century. Now, the start of the 21st century sees private health insurance begin to gain a foothold in Norway. Storebrand Helseforsikring was first established in 1998, and after a relatively cautious start the new company saw a sizeable increase of 40 percent in its sales to the Norwegian and Swedish markets in 2001. Everything indicates that this trend will continue, and the group's commitment to health insurance is a clear example of a long-term strategy where the heavy start-up costs are now behind us and the potential for future growth is coming into focus.

Storebrand's strong position in the Norwegian life insurance market has provided the basis to develop Norway's leading asset management operation. In light of the growth we are currently seeing in personal wealth in Norway, asset management will continue to be a growing industry. Storebrand believes that the winning players in this market must be able to offer a combination of strong and stable investment returns, good risk management systems and first-rate asset allocation expertise as well as a social and ethical approach to asset management. Storebrand has developed a leading position for Socially Responsible Investing (SRI). This has helped us to strengthen our competitive position in Norway as well as creating a basis for international growth. We intend to meet the challenge of competition from major international asset managers by concentrating on a selected number of specialist niches within the asset management operation. In addition to strengthening our competitiveness, these areas of specialist expertise will help to improve profitability by differentiating our products from the standard investment products that will come under ever-increasing margin pressure.

Storebrand Bank, which carries the main responsibility for distributing the group's mutual funds, banking and life insurance products to the retail market, has invested heavily over recent years in the development of its Advisory Bank concept. The bank's financial advisers, working from 20 financial centres covering all the main population centres of Norway, ensures that Storebrand's expertise in savings, asset management and personal risk products is offered to the most active part of the retail savings market. Efficient and state-of-the-art systems for customer service will support this. The Advisory Bank approach is a relatively new concept for Storebrand, in contrast to areas such as life and pension insurance or asset management where our experience has been built over generations. We are therefore following the progress of this new approach very closely, and will make the necessary adjustments along the way to gain experience and ensure profitability.

The high net worth and affluent retail customers, with financial investments in excess of NOK 5 million, need more extensive financial advice. In addition to advice on asset management, we offer a comprehensive approach that includes advice on taxation, inheritance planning, accounting etc. Circa 0.2 percent of the adult Norwegian population, controls almost 25 percent of personal invested assets. Experience from other countries similar to Norway shows that the "private banking" segment to which these individuals naturally belong is growing more rapidly than the overall savings market. The products appropriate for private banking customers offer higher and more



stable margins than are typical for products in the general retail savings market. Storebrand launched its activities for this market segment in 2001, and we intend to continue with a focused program to ensure the profitable development of this area.

A new competitive landscape

The banking and finance market is no different from any other – the long- term winners will be those companies best able to understand customer requirements and to meet their needs in the most cost-effective way. Traditional parameters such as investment return and cost ratios will continue to be important. In parallel with this our corporate customers are becoming increasingly aware of the importance of pension as a tool for their human resources policy. As employers face the challenges created by increased labour force mobility, their choice of pension provider will increasingly be decided by new competitive parameters such as flexibility and choice, as well as the support of good communications systems and specific products.

Market research amongst retail customers shows that nine out of ten believe that it is important to save, but find savings products complicated. Savers now use the Internet and other channels to improve their understanding of alternative savings products, and they expect better and more user-friendly products which they can access through new communications methods. This is changing the rules for competition in the retail savings market.

Storebrand's long experience and tradition equip the group to face these challenges. We have built strong technical expertise over many years, and more recently we have invested heavily in developing new systems platforms and communications channels. The result is that we can offer our customers a uniquely flexible range of products and services. We are, for example, very proud that our internet banking service has been voted best internet bank in Norway for three years in succession.

Employees play a key role

Our ability to recruit, train and retain skilled employees forms the foundation for Storebrand's success over many years in maintaining a leading position in the Norwegian financial sector. Storebrand's organisation has changed over recent years in step with the changing nature of the group. Employee numbers have fallen from 4,000 to some 1,500 in the group's core activities. The proportion of staff with higher education qualifications has risen to 66 percent from around 15 percent just 10 years ago. Woman now occupy 33 percent of senior management positions, and a recent survey shows that we are one of the best listed companies in Norway in this respect. The average age of our staff has fallen to 41 from almost 48 over the last 10 years, but the average period of service is still over 10 years.

Storebrand is an experienced, forward-looking business, based on strong human capital and a long history. The company's success will be determined by the efforts and ability of our employees, and this places particular demands on our role as an employer. To meet this challenge we run one of the best trainee programs in Norway, and pay great attention to training and personal development across the entire range - from our promising younger staff to our highly experienced managers. We operate a bonus system that helps to ensure that everyone pulls in the same direction and which encourages a sense of commitment from individual members of staff. This commitment is recognised by a close relationship between job performance and remuneration.

Our group is based on a clear and visible platform of corporate values to attract and retain the right staff, managers, owners and customers. It takes time and effort to build confidence and credibility. Storebrand has built and nurtured a common value platform through a combination of core corporate values, guidelines for business ethics and a 10-point action plan for corporate social responsibility.

Our four core values set the tone for everything Storebrand does. We are committed to being seen as dependable, forward-looking, easy to work with and as a creator of new opportunities. These core values permeate our relationships with colleagues, customers and all of Storebrand's other partners.

The group's guidelines for business ethics supplement our core corporate values, and meetings were held for all the group's managers in 2001 to evaluate and discuss the whole issue of business ethics. The guidelines are in place to ensure that the behaviour of everyone in the group demonstrates integrity and objectivity, and that we take care to avoid any actions that might weaken confidence in Storebrand.

Storebrand recognises corporate social responsibility as a natural part of its business and values. This includes a keen awareness that we will not achieve our business objectives unless we operate in harmony with the wider society of which we form a part.

Idar Kreutzer
Chief Executive Officer

Storebrand life insurance

Storebrand Livsforsikring is the oldest and largest life insurance company in Norway. The company's activities are principally concentrated in the areas of pensions and savings, personal risk insurance, distribution and pension funds. The company currently has some 8,000 corporate customers and 300,000 retail customers. Sales of products to the retail market are principally made through Storebrand Bank. 27 of the 50 largest Norwegian companies are customers of Storebrand, and eight out of ten of the very largest companies have a customer relationship with us. The company's products and services for pension funds are delivered through the subsidiary companies Aktuar Consult, Storebrand Pensjonstjenester and Aktuarsystemer. Sales and customer-service are co-ordinated with the other wholly and partly owned life-related companies in the group, namely Storebrand Fondsforsikring, Storebrand Helseforsikring, Nordben and Euroben.

Espen Klitzing
Managing Director

Strategy

Storebrand has identified defined contribution pensions, personal risk insurance and the public sector as its three main areas for future growth. Defined contribution pensions were first introduced in the Norwegian market in 2001. An increasing number of companies that did not previously operate a pension scheme are now making use of this new opportunity, and we therefore expect continuing growth for defined contribution pensions in 2002. The Norwegian trade unions are expected to place particular emphasis on pension arrangements in the annual round of wage negotiations this year, and this may further encourage this trend. Storebrand Livsforsikring believes that the market for personal risk insurance offers considerable opportunities. It is, for example, clearly food for thought that only one out of ten Norwegian children have any form of insurance, whilst nine out of ten Swedish children are insured. We intend to test a number of new products and service concepts for the retail market in 2002. There is considerable scope to offer advice and individual risk products to employees of companies that use Storebrand for their pension arrangements, and the Wincome concept gives us a strong foothold in this market. These efforts are expected to produce good results in 2002.

The company's public sector activities enjoyed a successful year in 2001, especially for sales to municipalities. This is an area of sound insurance risk. The key factors for Storebrand's continuing success in the municipality sector are good investment return, supplementary pension products and related communication systems.

Company pension scheme benefits

For many years companies have looked at investment return, risk result and costs when choosing a pension supplier.

- High returns reduce pension costs over time.
- Risk result shows how much the company is paying for the insurance element of its pension scheme in relation to the payments made by the pension supplier.
- Low costs give a high net investment return and therefore reduce pension costs. Good customer service ensures that a high level of service is delivered at low cost.

These will continue to be the main factors in the choice of a pension scheme. However the differences between pension suppliers tend to reduce over the longer run. At the same time companies are becoming more interested in targeting their pension schemes to ensure the best possible results from their human resources policies.

A well-kept secret

The benefits that a company pension scheme represents for employees have for many years been something of a well-kept secret, but companies are no longer happy that employees scarcely recognise the major payments being made on their behalf.

Modern pension schemes therefore need good systems to give employees a better understanding of their pension benefits. Pensions information distributed to employees must be easy to understand and attractively presented, and network-based solutions are needed to give employees easy access to additional information on their employee benefits.

Storebrand has developed systems that meet these requirements. Information on traditional final salary pension schemes is communicated to employees by individual letters, whilst internet systems can provide a broader range of information on the employee's pension and insurance benefits.

In addition the new defined contribution pension schemes allow employees to make their own decisions on how their pension funds are invested. Employees can use the system to change their choice of investment fund or to contact the customer centre for advice. A detailed savings guide gives employees guidance on how to manage their pension savings to match their own risk preferences.

A more comprehensive approach to employee benefits

Storebrand also offers additional network-based systems that give employees access to the full range of benefits provided by their employer. Storebrand's Wincome concept opens up entirely new opportunities for targeted human resources policies customised to the individual company's strategies and objectives.

Competition for skilled workers in a tight labour market makes new demands on how companies present their employee benefits.

The Wincome concept also allows companies to implement a more comprehensive approach to managing the opportunities and benefits available to its employees. Employees can access personal financial advisers through an internet system, attend work-place seminars or arrange a personal meeting with a Storebrand financial adviser. In addition employees can use the system to initiate services and transactions in an efficient and straightforward way.

Simplified customer service

Storebrand's customer-service concepts give the staff responsible for a company's pensions management direct online access to Storebrand's pension systems. This allows them to use network-based systems to keep the pension scheme up-to-date. This will be extended in 2002 to allow companies to connect their payroll systems directly to Storebrand's pension systems. This will further simplify a number of the routine tasks involved in managing a pension scheme.

Sound risk management

The difficult weeks following the terrorist attacks in the USA on 11 September last year were a real test of the life insurance company's risk management skills. Storebrand managed the situation throughout the autumn without having to call on its owners for more capital.

Storebrand managed the situation throughout the autumn without having to call on its owners for more capital.

Over recent years the authorities have repeatedly tightened the rules that govern a life insurance company's use of its buffer capital. This has caused a reduction in the proportion of reserves that a company can use to absorb fluctuations in the equity markets. At the same time both customers and the company's owners would like equities to account for the largest possible proportion of total investments in order to generate higher long-term returns.

Storebrand's investment policy

A reduction in buffer capital reduces the risk exposure capacity of a life insurance company, and therefore reduces the ability to maintain a high proportionate exposure to equities. Storebrand's investment policy meets this challenge by using sophisticated tools to monitor and manage the risk to which policyholders' funds are exposed.

Monitoring procedures that allow the company to fully appraise its commitments and risk exposure at all times play a central role in Storebrand's investment policy. This makes it possible to manage risk in an efficient and controlled manner, and avoids the need to make major changes in the composition of investments in response to dramatic events in the financial markets.

Worst fall in share prices in 61 years

The days immediately following the 11 September terrorist attacks in the USA saw the biggest fall in share prices for a single week since 1940. Weaker market conditions earlier in 2001 had already reduced life insurance companies' buffer capital, and in the days after 11 September a number of Norwegian life insurance companies fell below the legal minimum capital adequacy requirement.

On 26 September the Norwegian authorities announced changes to the buffer capital requirements for insurance companies to make it easier to satisfy the legal requirements. Storebrand Livsforsikring managed its position throughout these weeks without falling below the legal minimum requirement for capital adequacy. Moreover Storebrand did not need to turn to its owners for additional capital, nor was it forced to purchase hedging instruments in the capital markets at an unfavourable time.

Valuable tools

The dramatic events seen in the equity market in 2001 demonstrate the value of Storebrand's risk management procedures. The company's systems ensure that it has full control over the amount of buffer capital available and the margin this represents above legal minimum requirements at all times, even when fluctuations in the equity market are at their worst. Well-developed procedures and systems and the strength of its professional expertise ensure that Storebrand Livsforsikring can maintain prudent control of its asset management and take the necessary measures at the right time.

A further important reason for Storebrand Livsforsikring's ability to manage its way through the equity market crisis of the autumn was that the company had already reduced the exposure of policyholders funds to equities from 30 percent to 22 percent as part of its risk management over the first six months of the year. This gave Storebrand a lower proportionate equity exposure than many of its competitors in the dramatic days following 11 September. Storebrand was able to maintain its equity exposure at 22 percent throughout the autumn, and was not forced to sell shares when the market was at a low point. This proved to be particularly important when the equity market turned upwards on 21 September.

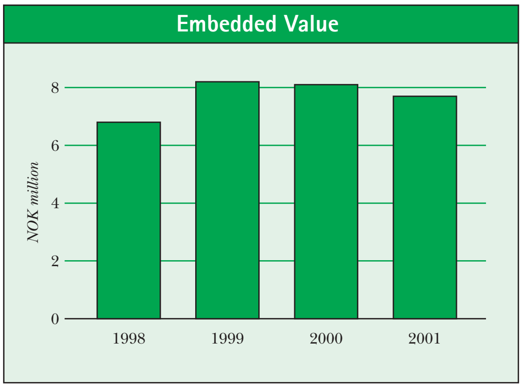
Storebrand's expertise in managing investment return, risk and regulatory requirements at times of sharp fluctuations in risk-bearing capacity is a central feature of our entire operation. Our ability to focus on creating long-term value within an acceptable risk profile designed for each customer is the trademark of the service Storebrand offers for the retail and corporate markets.

Storebrand Livsforsikring's risk bearing capacity at the start of 2002 was satisfactory.

Financial analyses

Main features of 2001

- Very turbulent conditions were seen in equity markets, particularly in the aftermath of the terrorist attacks in the USA. This resulted in very weak financial income for Storebrand Livsforsikring AS in 2001. However Storebrand starts 2002 with a positive market value adjustment reserve and additional statutory reserves in excess of one year's interest guarantee.
- Risk bearing capacity remains satisfactory.
- Realised investment return was 3.6 percent in 2001, with a value adjusted return of 1.5 percent.
- Storebrand is by far the largest life insurance company in Norway in terms of policyholders' funds, with a market share of around 30 percent at the close of 2001.
- Storebrand is seen as the winning company for transfers of municipality pension schemes.
- The ratio of costs to policyholders' funds fell sharply from 0.94 percent to 0.88 percent.
- Group life insurance products produced a strong risk result in 2001.



Embedded Value

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

The EmbV of Storebrand Livsforsikring and Storebrand Fondsforsikring was NOK 7.7 billion at the close of 2001. This represents a reduction of NOK 0.4 billion from the previous year, due principally to the lower level of investment return reported for 2001. The value of new business written was almost unchanged at NOK 166 million for 2001 as compared to NOK 168 million for 2000.

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

Business development

The results reported by the group's life insurance activities in 2001 were not satisfactory. This reflects the very weak investment return that resulted from turbulent conditions in international equity markets. The weak financial results made it necessary for Storebrand to release additional statutory reserves to meet the shortfall on the return guaranteed policyholders for the first time in the company's history.

The operating result for 2001 was a loss of NOK 422 million, as compared to an operating profit of NOK 4,789 million for 2000.

Storebrand Livsforsikring's total premium income amounted to NOK 8,506 million. This represents an increase of 7 percent from premium income of NOK 7,950 million in 2000.

Risk result was a surplus of NOK 238 million in 2001 as compared to a surplus of NOK 159 million in 2000. The improvement is largely due to group life products, where the risk result improved from a deficit of NOK 39 million in 2000 to a surplus of NOK 42 million. In addition both individual capital and pension insurance products produced better risk results. However increased disability claims caused a reduction of NOK 48 million in the risk result for collective pension insurance.

Corporate market

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

Storebrand's new defined contribution pension product came into production in 2001, and 2002 is expected to show significant growth in sales of defined contribution pensions. The scope for growth in sales will be further strengthened if pensions become part of collective employment terms as a result of this spring's round of wage negotiations.

The increasing internationalisation of corporate customers leads to greater demands for international insurance solutions. Storebrand received all the necessary approvals in 2001 for the start-up of the Euroben operation in Dublin, with branches in Norway and Sweden. The company is fully operational and has already written business for its first customers.

Public sector

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

Storebrand attracted a good share of the transfers of municipality pension schemes. Six municipalities representing total premium reserves of NOK 858 million decided to transfer their schemes to Storebrand, including Skedsmo municipality, the largest to leave KLP. In addition Ås, Bø, Mosvik, Storfjord and Sortland chose Storebrand as their pensions supplier. Storebrand now provides pension schemes for 22 of the 68 municipalities that have so far transferred to private sector insurance companies. The pension schemes managed for these 22 municipalities represent funds of NOK 3.3 billion, equivalent to circa 35 percent of all municipality pension fund assets managed by private companies.

At the start of 2002, pension arrangements for 20 percent of Norwegian municipalities and 40 percent of their employees are placed with life insurance companies or managed through the

Investment return and asset allocation

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

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

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

Retail market

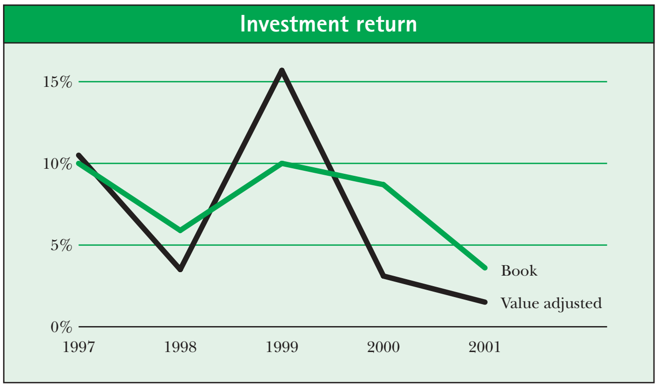
Sales of retail market products were weaker than expected in 2001. Sales of savings products were depressed by the turbulent conditions seen in the equity markets in 2001. Storebrand's unit linked products, which comprise IPA (individual pension agreement) and Annuity Link, achieved sales of circa NOK 1.1 billion. This represents a fall of circa 36 percent from 2000, and is in line with the general reduction for premiums written in the market as a whole.

Health insurance reported very strong sales in 2001, the third year since the launch of this new business. Sales were circa 41 percent higher in 2001, and Storebrand expects further growth in both the Norwegian and Swedish markets in 2002. The limited capacity available in the public health service and the emergence of an increasing number of competitors have served to expand the overall health insurance market. Storebrand has particularly high expectations for sales of health insurance to the corporate market.

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

Costs

Operating costs for Storebrand Livsforsikring AS totalled NOK 875 million in 2001 as compared to NOK 930 million in 2000. This significant reduction in costs reflects the continuing focus on reducing internal costs as well as reduced use of external consultants, lower commission payments and a reduction in purchases from other group companies. Storebrand has achieved a continuous reduction in its cost ratio over recent years, and costs relative to average policyholder's funds have fallen from 0.96 percent in 1999 to 0.94 percent in 2000 with a further fall to 0.88 percent in 2001. Storebrand will continue to pay close attention to costs in 2002.

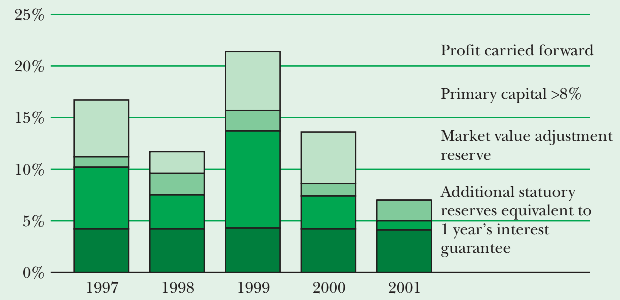


Investment return, solidity and risk capital

Generally turbulent conditions in equity markets in 2001 and in particular the terrorist attacks in the USA on 11 September led to weak financial results for Storebrand. Realised investment return was 3.6 percent for the year, with a value adjusted return of 1.5 percent.

The company's exposure to investment risk is affected by the allocation of investments between different classes of assets, and this is determined by a formal investment policy. Investment policy is defined annually by the Board with the objective of achieving the best possible return for customers and owners over time whilst controlling risk to an acceptable level. An acceptable level of risk implies that exposure to risk will be incurred in a managed and efficient manner within specified limits.

Buffer capital as % of policyholder's funds ASR*)



*) ASR: Additional statutory reserves

Investment policy therefore pays particular attention to spreading investment across classes of assets that are not closely correlated and that are geographically diverse, and to investing in a range of securities in each area of allocation to provide satisfactory risk diversification. In addition to the work involved in setting formal investment policies, Storebrand attaches great importance to the continual process of risk management through the year.

Satisfactory risk bearing capacity

The turbulent conditions seen in capital markets in 2001 caused a reduction in the company's risk bearing capacity. The company reduced its equity exposure over the first half of the year from 32 percent to around 22 percent, and then maintained this level for the second half of the year. Risk bearing capacity at the end of 2001 was satisfactory. Storebrand starts 2002 with a positive market value adjustment reserve and additional statutory reserves in excess of one year's interest guarantee. The company's definition of buffer capital is in accordance with the current regulations, and comprises the market value adjustment reserve, additional statutory reserves equivalent to one year's guaranteed interest and primary capital in excess of the minimum requirement. In addition the result for the year forms part of buffer capital until it is allocated by the decision of the Annual General Meeting.

Storebrand Livsforsikring intends to strengthen its buffer capital and continue its strategy of holding a well differentiated securities portfolio with a significant international allocation in order to retain the ability to increase risk exposure over time. Buffer capital amounted to NOK 6.6 billion at the close of 2001, equivalent to 7 percent of policyholders' funds excluding additional statutory reserves.

The life insurance company's capital ratio was 12 percent in 2001 as compared to 10.5 percent in 2000. The minimum capital requirement is 8 percent.

The combination of a professional asset management function, satisfactory risk bearing capacity and low operating costs compared to competitors gives every reason to expect that Storebrand will continue to produce a competitive net return for its customers.

Use of additional statutory reserves/allocation of profit

Additional statutory reserves are conditionally allocated policyholders' funds that act as buffer capital to absorb fluctuations in the investment portfolio. Since the investment return in 2001 was not sufficient to meet the guaranteed minimum return, Storebrand has released NOK 408 million of additional statutory reserves to meet the shortfall. The remaining additional statutory reserves constitute more than one year guaranteed minimum return. Since Storebrand did not produce an operating profit in 2001, there is no surplus to allocate between the company's owner and policyholders. Policyholders will receive the guaranteed return, whilst the owner will not receive any allocation from operations in 2001 and will incur a deficit of NOK 17 million.

Analysis of results

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

Interest result is the difference between the book return and the guaranteed return on policies. The average guaranteed return on insurance policies in 2001 was 3.8 percent.

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

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

Profit allocated to the shareholder Storebrand Livsforsikring AS

NOK million	**2001**	2000	1999	1998	1997
Return on shareholder's equity		364	407	130	218
Return to shareholder on policyholders' fund		376	387	366	339
Risk margin earned by shareholder		55			
Extraordinary items			105		
Other	**-17**	41			
Total profit allocated to shareholder's equity in the company *)	**-17**	**836**	**899**	**496**	**557**
Return on equity	**-1%**	**28%**	**31%**	**19%**	**23%**

*) Storebrand Livsforsikring Group reported a loss of NOK 15 million.

Analysis of results by class of insurance: Storebrand Livsforsikring AS

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

a) Adjusted to show analysis of results as if subsidiaries were recognised in the accounts by the gross method rather than the equity method.
b) Includes: Security reserve, subordinated loan capital and book equity.
c) Includes: 0.40% of policyholders' funds in 2000. (0.42% of policyholders' funds in 1999).

Storebrand Investments

Storebrand Investments is one of the largest asset managers in Norway. It provides asset management and advisory services for pension schemes, private and public sector institutions, private individuals and companies within the Storebrand group. The asset management services provided include discretionary portfolio management and a wide range of Norwegian and international mutual funds, as well as real estate investments. We currently serve 150 institutional investors and some 100,000 corporate and retail customers from offices in Oslo, Stockholm, London, Paris and Luxembourg.

Strategy

Our business vision is to be the largest Nordic specialist asset manager, offering European and global products that are characterised by the added value of our in-depth understanding of a selected range of sectors. In order to achieve this we intend to further develop our strong position in Norway, continue to develop international markets for selected specialist products and place greater emphasis on analytical expertise in the areas where we have particular comparative advantage.

In addition we have developed a unique investment process that has structured portfolio composition and risk management as its main elements. Our global equity products principally focus on major companies in the sectors of energy, telecommunications, technology & finance. These are sectors well suited to our Norwegian base and particular investment skills, and we can demonstrate a strong track record. There is increasing interest in ethical asset management, and this demonstrates the value of our strategic focus on socially responsible investment (SRI). The turbulent conditions seen in equity markets in 2001 also showed just how important it is to reduce risk by diversifying investment across various asset types. We have accordingly launched tactical asset allocation as a separate product, and also take particular interest in non-listed shares (private equity). European fixed-income securities are also an area of focus.

In 2001 a new organization structure was implemented, which will strengthen the cost efficiency and at the same time build a fundation for further profitablility through creative strategy and product development. The activities of Storebrand Investments are characterised by a focus on disciplined and pro-active asset management, highly skilled risk management and the development of specialist investment products that creates added value for our customers.

Allan Åkerstedt
Managing Director

Product needs in turbulent markets

Global equity markets fell by 15.9 percent in 2001 (Morgan Stanley MSCI global index). This was the second successive year of falling share prices.

There is increasing demand for products that focus on absolute rather than relative return, partly as result of turbulent conditions in the equity markets and partly reflecting the preference of retail savers to find a home for their funds other than bank deposits or real estate.

Storebrand Investments offers a number of products where investment returns do not fluctuate in line with the equity markets. Total portfolio risk and volatility can be significantly reduced by investing part of a portfolio in products that have little correlation with share prices. Corporate bond funds represent an attractive alternative in this respect, and offer a better expected return than government bonds. Moreover, customers can determine the risk they are prepared to accept by selecting the level of credit risk involved.

Storebrand Investments is, as the first asset manager in the Nordic region, awarded a tactical asset allocation mandate for the NG Petroleum Fund.

Investments in non-listed companies, normally termed private equity, represent another alternative. The key concept for successful private equity investments are risk diversification, a long-term horizon and higher returns. Private equity investments typically carry a high level of risk on the individual investments, but this is offset to some extent by the ability of equity investors to take a controlling ownership position and exercise influence on the company's development. Private equity investments offers low volatility, and can represent a counter-cyclical balance to investments in listed companies.

Storebrand offers a number of private equity products that offer attractive returns over the longer term, both in the form of discretionary management products and as fund-of-fund products.

A leading player in tactical asset allocation

Tactical asset allocation is based on the relative differences in performance between asset types such as equities and fixed-income securities and between different countries or regions. The selection of asset allocation and tactical positioning play an important role in balancing a portfolio's overall risk and return.

Storebrand Investments is to become the first Norwegian fund manager to apply tactical asset allocation to the management of assets for the Norwegian Government Petroleum Fund. Storebrand won this mandate from Norges Bank in competition with a number of other Norwegian and international fund managers, and this serves to confirm the success of Storebrand's strategic commitment to this area of asset management. We also expect other customers to show increasing interest in tactical asset allocation products in the future.

Fixed income securities offer good risk-adjusted return

2001 demonstrated the importance of risk diversification. Norwegian fixed-income and money market funds produced a positive return of between 5 percent and 7 percent at a time when share prices fell sharply. By way of comparison Storebrand's global bond portfolio and its European corporate bond fund produced returns of 8.7 percent and 10.8 percent respectively. Statistics for the last 13 years show that bonds issued by international governments and financial institutions offer a particularly attractive balance of risk and reward.

Many customers have responded to falling share prices by reducing equity exposure, and have increased their allocation to money and bond markets. Increased demand for risk diversification and high risk-adjusted returns has created greater interest in corporate bonds as a separate product area. Analysis of volatility and correlation between shares, government bonds and corporate bonds demonstrates that corporate bonds offer risk and return somewhere between shares and government bonds.

Storebrand Investments has invested heavily in developing its expertise in corporate bonds over recent years, and will launch a new European corporate bond fund in the first half of 2002.

Mutual funds increase in popularity

The average age of the Norwegian population will continue to increase over time, reflecting increased life expectancy and a relatively low birth rate. This trend has, combined with growth in personal wealth, created increased interest in long-term and pensions savings. Mutual funds represent an attractive alternative in this respect. Storebrand Investments intends to stay at the leading edge of this development and offer customers the right products at the right time.

Changes in Norwegian taxation in 2001 put defined contribution pensions on a par with traditional defined benefit pensions. This has opened the way for an increasing number of employees to benefit from occupational pensions. Customers can now choose whether pensions savings should be in the form of life insurance products or investments in mutual funds, and can play an active role in the management of their own pensions savings. Attractive mutual fund products and a professional standard of advice are key concepts for our strong focus on long-term savings.

Storebrand Global with capital protection

Storebrand launched a global equity fund with capital protection in February 2001, and the strong demand it attracted demonstrates the need for this kind of product. The new fund attracted NOK 180 million in its first ten months. Storebrand uses hedging instruments to guarantee a maximum loss of capital invested of 5 percent. This represents a sound alternative for many customers when markets are volatile, ideally as part of a broadly-based portfolio.

Attractive mutual fund products and a professional standard of advice are key concepts for our strong focus on long-term savings.

Growth for industry -specific funds

Increased focus on industry-specific funds is partly a response to increased investor interest, but also reflects the view that certain industries offer particularly attractive long-term trends, known as 'mega trends'. For example the rapid development of digital technology is a mega trend that explains the boom period for IT and telecommunications companies from 1997 to 2000. This particular rally proved to be just too strong, and was followed by a sharp correction. However, Storebrand still believes that increasing use of technology & digital communications will be a major factor in the future. Telecommunications remains a preferred strategic area, and the Storebrand Telecommunications fund was launched in April 2001.

Global deregulation and privatisation of the energy market represent another mega trend. Privatisation, alternative energy sources and deregulation of energy markets create exciting new perspectives and attractive investment opportunities. Moreover demand for energy continues to grow.

The energy sector has scope for both earnings growth and further industrial consolidation - two important conditions for an attractive investment return. In addition the energy sector is not cyclically linked to most other sectors. The low degree of cyclical correlation with sectors such as technology, telecommunications and consumer-related companies makes energy funds a useful stabilising factor in a broadly based portfolio. Storebrand Investments launched the Storebrand Energy fund in Autumn 2001.

Increased welfare and higher living standards cause people to live longer. This in turn creates increasing demand for health services. Storebrand Investments launched a health sector fund in 2000. We chose to co-operate on this fund with one of the world's best asset managers for health related shares (Wellington) rather than build up specific in-house expertise. This represents a good example of our intention to concentrate in-house resources to areas, such as telecommunications and energy, where we can develop and distribute internationally competitive specialist products.

Increased specialisation for interest-bearing securities

The trend for increasing specialisation also affects interest-bearing securities. There is a clear move away from the traditional approach of managing government bonds with a focus on portfolio duration, to a greater focus on portfolios with varied credit risk. Storebrand Investments has followed these developments closely, and introduced corporate bonds as a separate asset management product in 2001. An ethical corporate bond fund, the European Principle Bond Fund was launched in 2001, and a European corporate bond fund will be launched in the first quarter of 2002.

No contradiction between ethics and returns

There is increasing demand for ethical and environmentally responsible investment, both from private individuals and institutional customers such as public and private sector pension funds. Many customers want to know that their investments are not supporting businesses that conflict with their basic ethical views. In 2001 the Swedish government made it compulsory for the seven funds that invest Swedish national pension

assets to include ethical and environmental considerations in their investment strategies, subject to the proviso that this should not reduce the overall return. In July 2000 the United Kingdom introduced legislation that requires pension funds to state whether they apply ethical criteria. The French government introduced three new laws in 2001 that require various market players to disclose whether they apply ethical criteria.

A variety of SRI funds (Socially Responsible Investments)

A starting point for many investors looking at socially responsible investment (SRI) is to exclude the most unattractive companies or sectors. At the other end of the scale are funds that only invest in companies which make a direct environmental contribution, such as wind generator energy producers. Storebrand's SRI funds invest in most sectors, but select the companies in each sector that make most efficient use of resources and operate in the most socially responsible way. This contributes to sustainable development by ensuring that capital is directed towards the companies with the most sustainable policies.

A world-class analytical model

Our customers want to be sure that our funds are invested in accordance with the appropriate environmental and social criteria. Storebrand Investments started environmentally responsible investment in 1995, and has developed comprehensive analytical tools to identify the best companies. We use detailed analysis to identify the top 30 percent of companies in the sectors where we invest. The high quality of our analytical methods has been confirmed by an external survey carried out by Miljöeko and Sustain Ability for MISTRA, an independent environmental foundation established by the Swedish government. The survey recognised Storebrand as one of the three best companies in the world for socially responsible investment.

Storebrand reports the performance of its funds in three central areas: financial return, environmental practice and social practice. We produce a competitive return on these investments, and we also know whether, how and to what extent the companies in which we invest achieve environmental and social results. We monitor their 'triple return', which is an overall measure of a company's financial, environmental and social results.

First in Europe

In 2001 Storebrand Livsforsikring AS became the first life insurance company in Europe to apply ethical criteria to its entire equity portfolio. On the basis of market research amongst its customers, Storebrand Livsforsikring chose to exclude investments in tobacco, landmines and companies that commit serious breaches of human rights. In addition Storebrand Livsforsikring only invests in European chemicals companies that are among the top 30 percent in their sector in terms of social and environmental criteria.

The survey recognised Storebrand as one of the three best companies in the world within socially responsible investment.

Just as good a return

Experience to date demonstrates that environmentally and socially responsible asset management does not imply any sacrifice of investment return. Forward-thinking companies recognise that the potential for future profits goes hand in hand with sound systems for protecting the external environment and creating a reputation for corporate social responsibility.

Financial analyses

Main features of 2001:

- Profit of NOK 14 million following weak conditions in equity markets.
- Storebrand took the winning position for net new inflows to mutual funds, attracting NOK 1.9 billion of a total market of almost NOK 5.4 billion.
- Storebrand Optima Norge was the best Norwegian equity fund in 2001, and Storebrand Verdi took fourth place.
- Breakthrough for socially responsible investment in the municipality sector.
- First sales of SRI funds in France and Australia.
- Tactical allocation asset management mandate from the Norwegian Government Petroleum Fund (NGPF).
- Successful launch of a Private Equity fund in Sweden.

Markets and customers

Storebrand Investments, including Delphi Fondsforvaltning, manages assets totalling NOK 145 billion. Investments in shares account for 24 per cent of total assets managed, with 64 percent invested in interest bearing securities. The balance is principally made up of real estate and private equity investments. Total assets under management fell marginally in 2001 as a result of the lower values seen in equity markets.

Increased market share

Storebrand was the market winner for net new inflows to mutual funds in 2001, and increased its share of total assets under management in this market. Storebrand Fondene, together with Delphi Fondsforvaltning, had a market share of over 10.1% of mutual funds, up from 9.5% at the start of the year. In addition to winning new mandates, a number of institutional clients have transferred assets from discretionary portfolios to fund investments. This offers advantages in terms of flexibility and efficiency for both the customer and the asset Management Company.

Storebrand's market share of equity funds strengthened further in 2001, and including Delphi Fondsforvaltning the group had a market share of 13% per cent at year-end.

New product range – Delphi

Storebrand Investments acquired Delphi Fondsforvaltning from Finansbanken with effect from 1 January 2002. This acquisition strengthens Storebrand Investments asset management team, and creates a broader product range. Delphi will continue its independent investment philosophy and market profile. This will give Storebrand Investments two investment environments with different characters and style, and customers will benefit from a wider product range.

Delphi Fondene also performed well in 2001, with a 1.6% share of the equity fund market as compared to 1.4% in 2000.

New mandate from the Norwegian Government Petroleum Fund

Storebrand Investments is to become the first Norwegian fund manager to apply tactical asset allocation to the management of assets for the Norwegian Government Petroleum Fund. Storebrand won this mandate in competition with a number of other Norwegian and international fund managers. This is a relatively new product in the Norwegian market, although Storebrand Investments asset allocation team has carried out management assignments for internal and external clients over a number of years.

The Norwegian central bank, Norges Bank, decided to discontinue the European equity mandate that Storebrand Kapitalforvaltning has managed for three years.

Internationally competitive products

FINAMA, one of the largest insurance companies in France, has agreed to distribute a fund managed by Storebrand Investments in accordance with environmental and social criteria. The fund was launched in October 2001, and had total assets of NOK 180 million by year-end.

In competition with a number of international SRI fund managers, Storebrand won an assignment from New Zealand's largest insurance company, Tower, to carry out a social and environmental analysis of the Tower Australian Ethical Fund. The fund has around NOK 270 million of assets under management. Storebrand manages the Tower Global Responsibility Fund, which was launched in autumn 2001, and this fund had total assets of NOK 110 million at year-end.

Storebrand achieved a breakthrough in the Swedish market for its Private Equity investment products in 2001. The Storebrand International Private Equity (SIPE III) fund attracted SEK 90 million by the close of its subscription period in September 2001.

Earnings and profitability

Storebrand Investments reports a pre-tax group profit of NOK 14 million for 2001 as compared to NOK 67 million for 2000. The falls seen in equity markets, both in Norway and globally, affected the activities and profits of both Storebrand Kapitalforvaltning ASA and Storebrand Fondene AS in 2001. Several years of strong growth in private savings inflows to equity funds came to a halt in early 2001. The equity fund market as a whole saw a net outflow of NOK 1 billion in 2001.

The asset management group's total revenues showed a 17% fall in 2001 as compared to an increase of 25% in the previous year.

Cost saving measures were introduced early in 2001 in response to the challenge of slower growth in funds under management and lower commission income from equity fund management. These measures ensured zero growth in total costs for 2001. Average annual growth in costs for the period 1997 to 2000 was 18%.

The overall return on the Storebrand Livsforsikring (life insurance) investment portfolio was 1.51%, in line with the benchmark return.

Return 2001 – Storebrand Livsforsikring

	Return	Relative to index*)
Total	**1.51%**	**-0.07%**
Equities	**-13.49%**	**+0.44%**
Norway	-13.51%	+3.67%
Europe	-24.38%	-5.12%
North-America	-14.44%	-0.84%
Asia	-20.91%	+2.40%
Global finance	-13.62%	-0.29%
Fixed income	**7.58%**	**-0.12%**
Norway	5.11%	-0.51%
International	8.72%	-0.38%
European credit	10.80%	+0.84%
Money market	7.78%	+0.17%

*) The "relative to index" column shows the manager's performance relative to the relevant benchmark index

The Norwegian equity portfolio showed a strong relative performance in 2001, with a return 3.67% better than the benchmark return as compared to 1.07% in 2000. An overweight position in consumer-related shares exposed to the domestic market and a general preference for value rather than growth shares both contributed to this strong performance.

The performance of the international equity portfolio was affected by a greater deterioration in global economic conditions than expected. The variation in performance between the international sub-portfolios is largely due to individual shareholdings, with the European portfolio suffering from some poor choices of company whilst the Asia portfolio succeeded in picking good shares that more than offset the negative effect of an overweight position in growth shares. The North-American portfolio is broadly based and is more closely matched to the reference index.

Storebrand Investments acts for a number of customers on a performance-related fee basis. In 2000 Storebrand Investments produced a return on the life company's assets 0.39% better than the benchmark return, but in 2001 the outcome was 0.07% below the benchmark return. The relatively weaker performance in 2001 is reflected in earnings. The falls seen in equity markets caused a reduction in the total value of assets under management, and weaker inflows of new funds were not sufficient to compensate for the fall in value of the existing portfolio.

The under-performance of the fixed-income sub-portfolios is largely due to the negative contribution of Norwegian and global bonds as a result of the interest rate fluctuations seen from 11 September to the end of the year. The Norwegian money market portfolio outperformed the benchmark thanks to a correct view on Norwegian interest rates, whilst the positive relative performance on the Euro Credit portfolio was largely due to good choices of particular interest-bearing securities.

Real estate

Storebrand is one of the largest private real estate investors in Norway. The total value of the real estate portfolio amounts to NOK 11.3 billion, representing 733,000 sq. m. of property owned by Storebrand Livsforsikring AS.

Storebrand continued the process of strategically re-focusing its real estate portfolio in 2001. This involves concentrating the portfolio on first-class centrally located office premises in the Oslo region and on larger shopping centres. The current strategy represents a low level of risk in respect of the overall property portfolio.

Office properties are managed by Storebrand Eiendom AS, while shopping centre properties are managed by Steen & Strøm ASA, and marketed as part of the Steen & Strøm chain.

The real estate portfolio produced a total return of 12.4% in 2001 including capital gains and revaluations totalling 4.5%.

NOK million	2001	2000	1999	1998	1997
Gross revenue:					
Storebrand Fondene group	93	118	98	84	87
Storebrand Kapitalforvaltning	183	212	166	95	81
Total gross revenue	**275**	**330**	**264**	**179**	**168**
Operating expenses:					
Storebrand Fondene group	-91	-90	-90	-80	-77
Storebrand Kapitalforvaltning	-177	-177	-145	-111	-85
Total operating expenses	**-268**	**-267**	**-235**	**-191**	**-162**
Net financial income	6	4	6	3	3
Pre-tax profit	**14**	**67**	**35**	**-9**	**9**

Storebrand Bank

Storebrand Bank AS was established in 1996 as a direct banking operation. All of the Storebrand group's distribution activities for the retail market (except for Private Banking) were integrated into Storebrand Bank in 2000 in order to provide a unified and comprehensive advisory service. Storebrand Bank offers the services of some 180 personal financial advisers located at 20 local financial centres and 42 satellite offices, and is also represented by 20 tied agents. In addition the bank operates a customer call centre employing 40 financial advisers and provides a leading Internet banking service.

Strategy

Storebrand Bank has built a strong position in the market for long-term savings and personal risk products, and this is reflected in its corporate mission: Storebrand Bank intends to be a leading supplier of personal independent financial advice to customers with savings and a need to secure their future financial position. Storebrand Bank will offer this customer group a broad range of high quality financial products and services through personal contact, the Internet and over the telephone.

Storebrand Bank has won a position as the leading Advisory Bank in Norway. Its activities are based on offering financial advice to cater for a customer's total financial situation rather than seeking to sell specific products. The bank's target is to be the main relationship its customers use for all financial products and services, and it will achieve this by offering first class advice, direct services and a customer-oriented product range.

Kai Gjesdal Henriksen
Managing Director

Advisory Bank

Increasing numbers stand to benefit from financial advice

Norwegian households are becoming wealthier year by year. Figures from Statistics Norway show that private households have enjoyed an increase in wealth of around 13% per annum over the last five years. These figures demonstrate rapid growth in sectors of the population with high incomes and growing wealth. These trends are accompanied by an increase in the average age of the population, with more and more people in the age groups where savings become particularly important.

The financial sector has responded to these changes by developing an ever-increasing range of financial products. This creates greater need for good financial advice, and increasing uncertainty over the future prospects for public sector pensions and other welfare provision make this all the more important. The turbulent conditions seen in financial markets over the recent past have also underlined the need for sound financial advice.

Comprehensive advice

Storebrand Bank's financial advisers spearhead its activities. The Advisory Bank concept reflects a number of marked international trends:

- Close and long-term customer relationships, with a nominated personal financial adviser playing a central role.
- Financial advice based on a comprehensive review of the customer's total financial situation to develop a financial plan for the customer's specific needs and personal situation.
- Primary focus on increasing the 'share of wallet' through cross selling and additional products for retail customers with high income and/or wealth.
- Independent financial advice delivered by well-qualified advisers who are kept up-to-date by systematic training and coaching.
- A broad range of products, including products from third parties in certain areas such as mutual funds.

Customised solutions

Storebrand Bank's financial advisers use their extensive expertise to provide customers with advice and product recommendations suited to their particular personal needs, and they are supported in this by a specially developed financial advice system. A structured financial advice consultation is used to identify the customer's needs by reviewing both the current financial situation and future plans. This allows the adviser to identify what is needed if the customer is to achieve his or her future objectives. The customer can then see where worthwhile changes can be made to current financial arrangements. For most customers this is best done through a face-to-face meeting.

Financial advice helps customers to appreciate the value of changes to their current arrangements.

Advisory services put the customer in a position to make profitable changes.

Focus on expertise

Mutual confidence is the key factor in building good customer relationships, and Storebrand Bank supports this process by providing professional training for its financial advisers.

We work with the Norwegian School of Management (BI) to run a program of certification for the bank's advisers. This provides extensive training in personal financial planning, financial advice, financial theory, products and systems. The training program leads to a formal qualification, and represents a stamp of quality assurance for our financial advisers. Storebrand Bank is the only Norwegian financial institution to use this form of certification.

Customer loyalty programs

Our objective is for customers to use Storebrand Bank as their main relationship for financial products and services. This is clearly beneficial for customers since it gives them a better overview and control of their own finances, as well as access to advantageous prices and services. It also helps our financial advisers by giving a better basis for fully comprehensive personalised advice. In order to encourage customers to make the greatest possible use of Storebrand Bank we have developed a number of customer loyalty programs:

- Storebrand Partner is an exclusive program offered to our best customers. Membership of the Partner program offers the most comprehensive level of financial advice (including a detailed personal financial plan) with access to a nominated financial adviser and regular follow-up meetings.
- The Storebrand Advantage package is automatically provided to customers with a Storebrand account and two other products or policies, and offers free banking transactions.
- The Storebrand Student program provides a range of products and advantageous prices specifically designed for students.

All customers of Storebrand Bank are assured full access to the bank's products and services through financial advisers, telephone call centres and the Internet. We place great importance on offering a comprehensive service and providing customers with a full overview of their relationship with Storebrand.

From development to operation

Storebrand Bank has carried out an extensive program of investment over the last couple of years to develop its range of services and establish its position as the leading Advisory Bank. The majority of this task is complete, and the main focus is now shifting to the normal operation of the systems. The benefits of this investment will be seen over the next 2-3 years, and Storebrand Bank expects this to make a significant contribution to its results in the future.

Financial analyses

Main features of 2001

- Loss for the year of NOK 11.1 million as compared to profit of NOK 38.0 million in 2000
- Storebrand Bank strengthened its market position for mutual funds, unit linked, personal risk and structured products
- The components of the Advisory Bank concept are largely in place. The business model will be continuously reviewed to improve profitability.
- Results for 2001 were burdened by weak conditions in the financial markets, reduced product sales and a write-down of the investment in Acta.
- Extensive program of improvement underway, with particular focus on sales and operational efficiency.

Organisational structure

Storebrand Bank AS is a wholly owned subsidiary of Storebrand ASA. The Storebrand Bank group comprises Storebrand Bank AS, its subsidiary Storebrand Finans AS and a 50% interest in Bertel O. Steen Finans AS. The business of Storebrand Finans was sold to Aktiv Kapital ASA for NOK 175 million with accounting effect from 31 December 2001. Bertel O. Steen Finans AS offers financing through the Bertel O. Steen network of car dealers.

Storebrand Bank is responsible for all the functions of the Storebrand group in respect of advisory services, distribution and customer service for sales of savings, banking and insurance products to the retail market and particularly to affluent customers. In addition Storebrand Bank distributes certain products from third-party suppliers.

Market position

Storebrand Bank currently serves approximately 353,000 customers, of which 256,000 are customers for life insurance, 90,000 for mutual funds and 60,000 use the group's banking services. Storebrand has a strong market position in a number of product areas, with a 32% share of the market for life insurance and a 20% share of the unit-linked market. Storebrand Fondene's position in the market for equity funds at the close of 2001 showed a market share of 35% of net inflows and 9% of assets under management. Storebrand has an 8% share of the market for structured products.

Financial results

The Storebrand Bank group reported a loss for the year of NOK 11.1 million in 2001. Operating result showed a loss of NOK 22.0 million in 2001. The parent company Storebrand Bank AS reported a profit for the year of NOK 20.6 million. Storebrand Finans contributed a profit for the year including the gain on the sale of its activities of NOK 121.1 million. Storebrand Bank's share in the results of Bertel O. Steen Finans was a loss of NOK 0.5 million.

Non-interest income principally comprises commission income from distribution of life insurance products and products linked to equity and securities funds. The reduction in non-interest income was caused by lower product sales and a drop in the value of assets under management.

The sale of the activities of Storebrand Finans produced an accounting gain of NOK 78.6 million after tax.

Storebrand Bank group: Key figures

NOK million	**2001**	2000
Net interest income	209.7	208.1
Non-interest income	371.7	362.6
Operating expenses	603.4	564.0
Operating profit	**-22.0**	**6.7**
Customer deposits	6 480	5 666
Commercial paper/bonds debt.	4 848	3 799
Lending	11 038	9 157
Primary capital	634	671
Total assets	12 785	11 310
Capital ratio	10.44 %	12.50 %

The higher level of operating expenses reflects increased staff costs and higher premises rental costs. These increases were offset to some extent by lower commission payments as a result of lower sales. Other operating expenses include a provision for restructuring costs of NOK 20 million. The year's results are also burdened by a write-down of NOK 54.1 million on the investment in Acta. Storebrand Bank's investment in Storebrand Finans was written down by NOK 72.4 million at year-end.

Balance sheet and capital adequacy

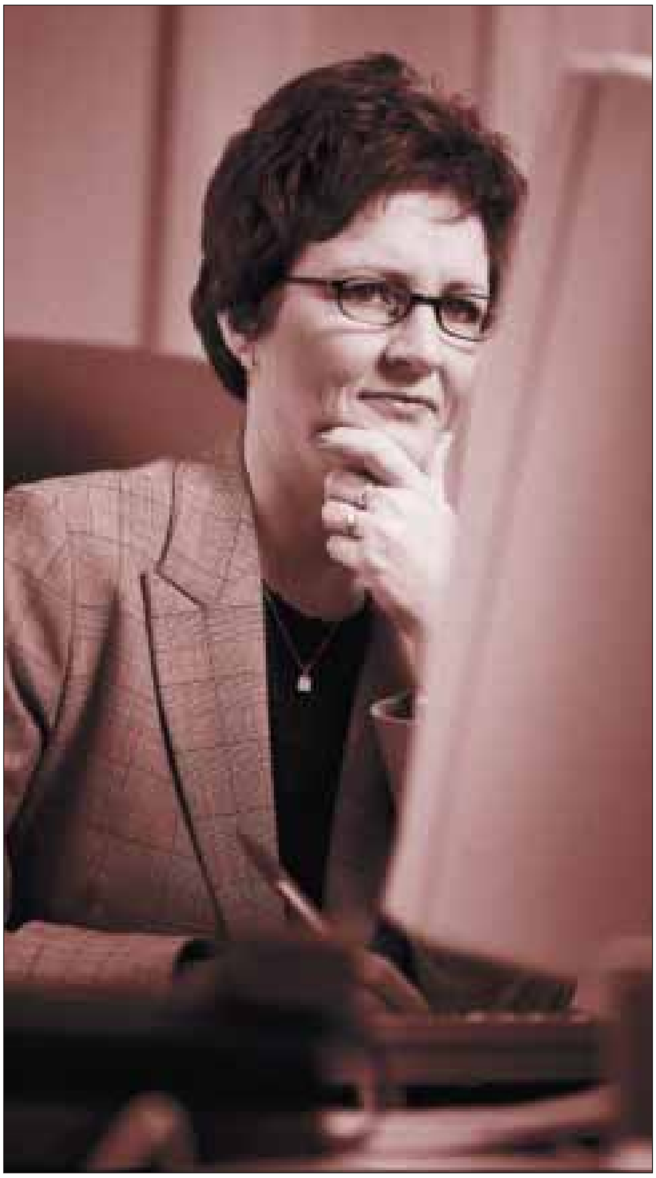
Total assets of Storebrand Bank AS grew steadily throughout the year, totalling NOK 12,784 million at year-end. The increase in total assets was driven by growth in lending. The proportion of lending funded by customer deposits fell to 59% from 62% in the previous year. Storebrand Bank maintains a prudent balance of short-term and long-term external funding. The total capital base amounted to NOK 634 million, and consists entirely of core capital.

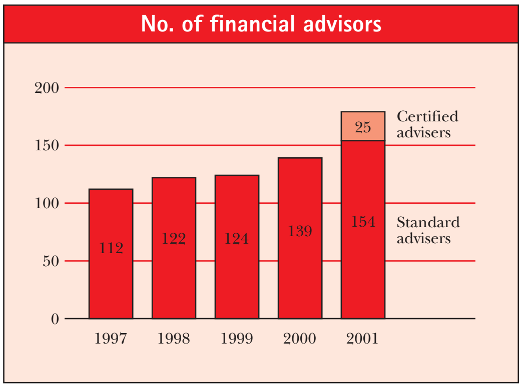
The Advisory Bank concept offers major potential

Storebrand Bank's distribution is based on a multi-channel strategy with close integration between financial advisers based at local financial centres, the central customer call centre and Internet banking. Sales of long-term savings and personal risk products are principally made through the bank's local financial advisers. Financial advice also plays a central role in sales through the other two distribution channels.

Storebrand Bank employed a total of 179 local financial advisers and 40 advisers based at the customer call centre at the close of 2001, and also distributed its products through 20 tied agents.

The last two years have been a period of extensive development for Storebrand Bank aimed at creating a position as the leading Advisory Bank. Significant amounts have been invested in building up the bank's advisory concept by developing state of the art tools and support systems for financial advice, as well as training and certification of financial advisers and refurbishing the bank's local financial centres.





The content of the Advisory Bank concept is largely in place. The main challenge is now to fully implement this strategy in order to realise the potential offered by the investment made in recent years. The bank will continually monitor and adjust this business model to ensure cost-effective distribution and improve profitability.

The need to improve profitability became particularly apparent in 2001. An extensive process of business improvement was introduced throughout the entire organisation in the second half of the year. A total of 130 measures to improve profitability were identified, involving both cost savings and income improvement. These measures form part of the bank's action plan for 2002. In addition the bank has reorganised its activities with increased focus on sales and cost-efficient operations. Staffing will be reduced by the equivalent of 53 full-time positions in 2002. These changes will mostly affect the back-office support function, and do not affect the bank's local financial advisers. These measures will have an ongoing annual benefit of NOK 104 million, whilst the benefit realised in 2002 will be NOK 78 million.

Increasing the productivity of the financial adviser sales force represents an important factor for the bank's future success. Improved advisory expertise and the support of good advice systems will bring about a significant improvement in the productivity of each financial adviser in terms of sales of savings and personal risk products in 2002. Financial advisers will place greater emphasis on personal risk insurance in response to the considerable demand for cover in this under-insured market. Personal risk insurance also represents an important non-cyclical product for the bank.

Stronger relationships

Sales through the personal financial advice function are more expensive than normal customer service sales due to higher personnel costs and more demanding requirements for expertise and support systems. The basis for a profitable advisory bank strategy is principally found in the value of creating stronger and more broadly based relationships with customers. The objective is to create added value by securing a major increase in the proportion of each customer's financial transactions that are carried out through Storebrand Bank. The most important factor in achieving this will be the performance of the financial adviser and the relationship of confidence he or she builds with the customer through preparing and monitoring the customer's financial plan. Steps have been taken to restructure the remuneration structure for financial advisers to give greater incentives for attracting a larger proportion of each customer's business and building long-term relationships.

The customers managed by the bank's local financial advisers represent the greatest potential for future business, and there is considerable scope to expand these existing customer relationships. Storebrand Bank is currently only awarded around 15% of the financial assets of the average customer managed by its financial advisers, and it intends to increase this proportion very significantly.

Storebrand Bank made further improvements to its Internet service in 2001, and offers one of the best Internet banking services in Norway. The bank also invested in automating its back-office function and electronic processing systems. Additions were made to the product range in 2001, including the introduction of hedge fund bonds and customer loyalty programs to encourage customers to concentrate more of their business through Storebrand Bank. We are also working continuously on developing the range of products and services we offer for more affluent customers.

Profit expected

The Advisory Bank concept will help to improve the margins earned by the bank on its business volumes over time. The provision of advisory services will generate income through sales of the Partner program and by generating sales of packaged products with higher margins. The monthly fee charged for the Partner program includes payment for the Financial Plan service. The Fondskonto product, which allows customers to easily transfer their savings between Storebrand's own funds and funds provided by seven external fund managers, is also now in place.

Following the sale of the business of Storebrand Finans, the Storebrand Bank group is now fully focused on the core activities represented by the Advisory Bank concept. The bank expects to report a profit for 2002, which will make this the first year to show a profit from core activities. This is somewhat later than was originally envisaged when the bank was launched in 1996. The continuing development of the bank's strategy involving major investment in the Advisory Bank concept, combined with difficult financial market conditions in 2001, held back profitability last year. The investments made have been fully expensed as part of the bank's normal operations.

Storebrand Bank's policy is to operate with a prudent capital ratio that is at all times in excess of the minimum requirements stipulated by the authorities.

Finansbanken

Since it was first incorporated in 1986, Finansbanken has been a specialist bank concentrating on high net worth individuals and selected segments of the corporate market. The bank has now refined its strategy by establishing two independent business units: Finansbanken and Finansbanken Forvaltning, a private banking service. Finansbanken offers specialist expertise for project financing, principally for real estate developments, while Finansbanken Forvaltning specialises in private banking and offers attractive asset management products. Finansbanken Index ASA and Finansbanken AS in Denmark are the main subsidiaries in the Finansbanken Group, which has 223 employees and total assets of NOK 20 billion.

Strategy

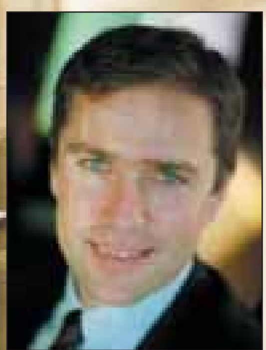
Affluent individuals represent a rapidly growing group in the population, and this creates strong demand for a professional financial partner capable of assisting the wealthy individual. Finansbanken's objective is to be the leading financial services provider for this segment through its focus on private banking. We aim to use our expertise to deliver the best choice of investment and financing solutions for each customer.

Finansbanken Forvaltning aims to be the leading Norwegian private bank. Finansbanken has made significant changes to its corporate structure and financial advice concept in order to achieve this aim. The Group has established a focused asset management operation to provide the basis for a skilled financial advice service, and has expanded and strengthened the range and scope of its advisory products. The overall result is that customers are now offered a complete range of financial services specifically tailored for their individual requirements.

Finansbanken has developed a leading position over the years for financing real estate projects and securities trading. The bank has carried out a thorough review of the shipping portfolio, and is currently restructuring this business area. Finansbanken is recognised for it's expertise in project financing, and its customers particularly appreciate the short lines of communication and rapid decision-making that characterise its commitment to relationship banking.

Synergies between the two business areas are assured through co-operation on shared operating procedures, corporate culture and corporate values. This ensures that all customers receive efficient, personalised service in all their contacts with Finansbanken and Finansbanken Forvaltning.

Per Kumle
Managing Director



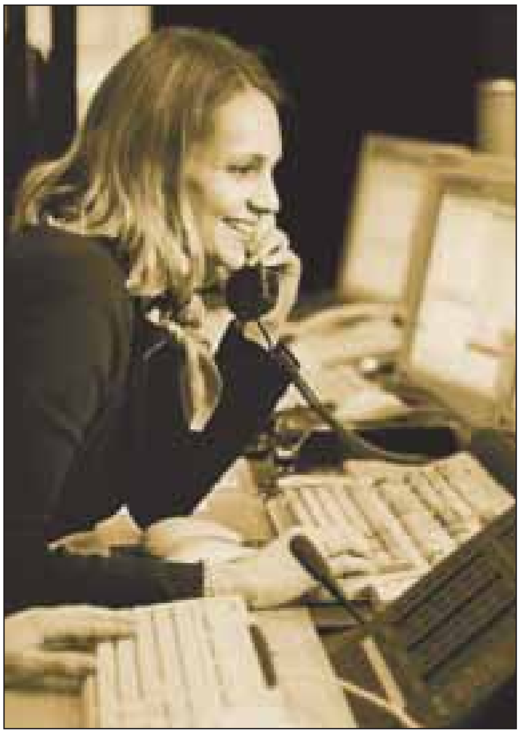
Project finance – a Finansbanken speciality

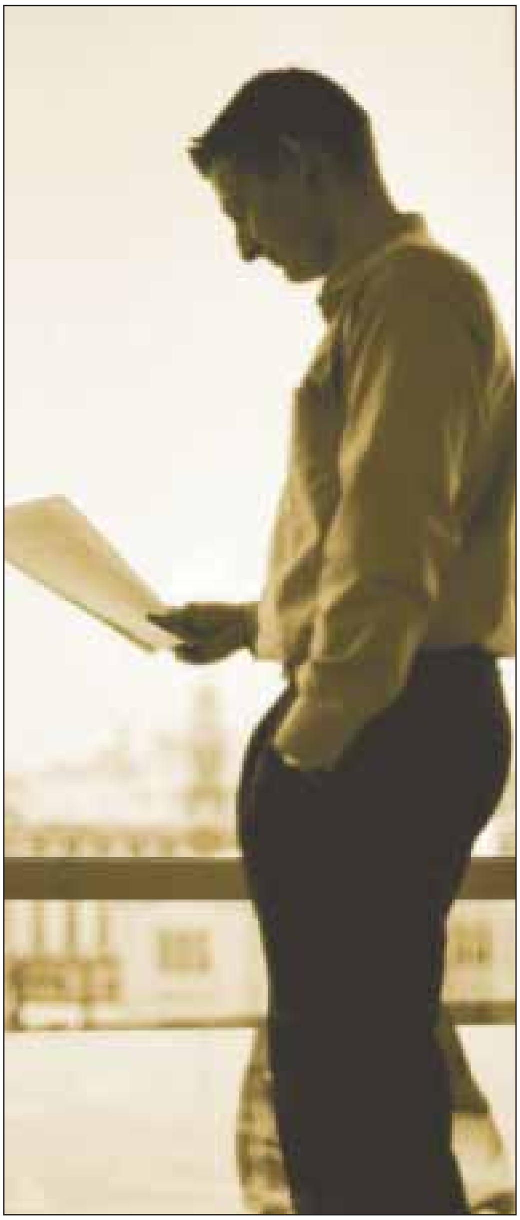
Real estate financing is a main area of activity for Finansbanken, principally for real estate developments in the Oslo region. We help our customers to compete for attractive projects by offering a high level of customer service, flexibility and rapid decision-making. The bank has developed close customer relationships and a thorough knowledge of this specialist market over many years, and this strengthens its ability to operate as an experienced adviser. Existing customers account for almost 80% of the bank's new real estate lending.

Finansbanken has developed and will maintain a leading position within project finance.

Securities financing, with particular focus on securities trading accounts, is also a main area of business for the bank. Finansbanken offers products and services for professional investors trading in shares listed on the main list of the Oslo stock exchange (Oslo Børs). The bank uses an advanced portfolio monitoring system to support its highly-skilled operations in this area, and this has ensured that securities financing is both an attractive product for customers and an area of controlled risk for the bank. Finansbanken has incurred only insignificant losses on securities financing since this product was launched in the late 1980s.

Shipping was formerly a third area of focus for the bank, and accounted for more than 30% of total lending in 1999. The bank reviewed its strategy for ship financing in 2001, and is now actively reducing this portfolio. The bank's future shipping strategy will be based on a support role for the private banking activities.

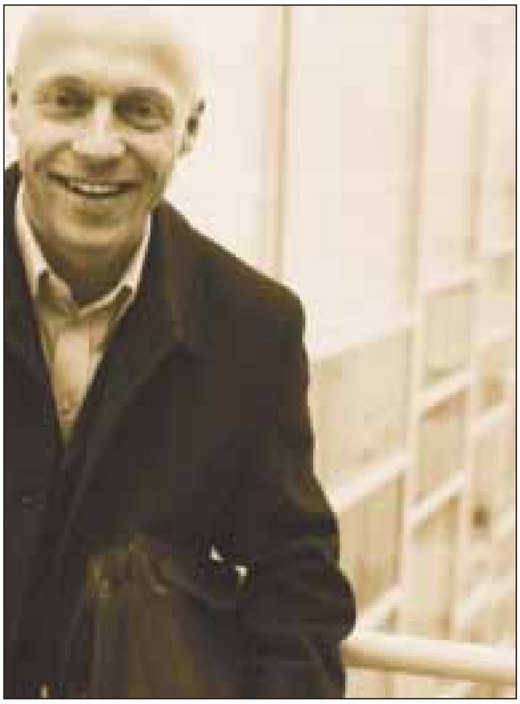




Finansbanken has developed an attractive customer base over a number of years through the systematic development of its main areas of focus and other areas of business with retail and corporate customers. This provides the foundation for Finansbanken and Storebrand's focus on private banking. Finansbanken and Finansbanken Forvaltning share the same ambition to further improve the level of service offered to customers by developing attractive financial products and financial advisory services.

Skilful and attentive customer service

Finansbanken offers private banking as a service for private customers who have wealth and investments of a scale or complexity that makes it advantageous for them to collaborate closely with professional advisers and asset managers.



A lasting personal relationship between the customer and adviser is central to the concept of private banking. The close relationship and personal attention we offer ensures that customers gain maximum benefit from our expertise. Our private banking services are characterised by discretion and flexibility, with products and advice that match the individual customer's requirements.

Finansbanken Forvaltning aims to attract wealthy private individuals, business owners and senior executives as its customers. Particular attention is paid to entrepreneurs, partners in professional practices, inherited wealth, professional sportsmen and professional artistes. In addition trusts and foundations make up a certain portion of our customer base.

Finansbanken aims to be the leading Norwegian private bank.

The managers responsible for private banking clients draw upon the combined expertise of Finansbanken and its business partners. Customers typically look to the bank for advice on areas such as portfolio management, taxation and inheritance planning.

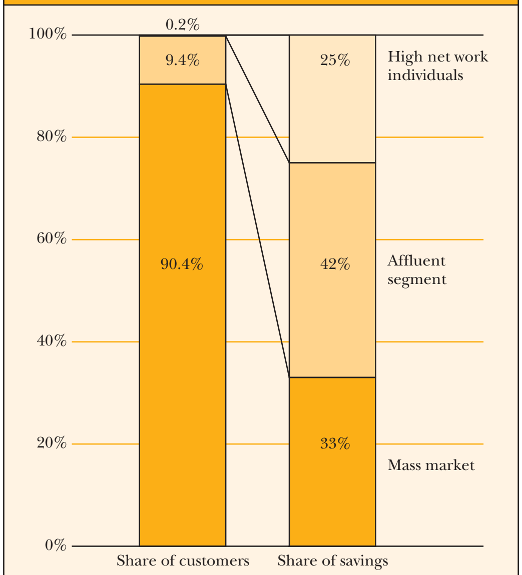
Particular attention is paid to ensuring that the staff involved in private banking offer a high level of expertise. Finansbanken arranges an in-house training programme for all account managers with assistance from external advisers. The skills of the account managers in understanding individual customer requirements and building long-term relationships are also very important.

Increasing numbers of wealthy individuals now recognise the value of using professional assistance to manage and protect their financial wealth. We are committed to creating lasting value for our customers, and as part of our advisory concept we offer asset management services to take responsibility for the long-term management of a customer's entire portfolio

It is essential that customers receive clear and prompt information to keep them fully appraised of their investments. Finansbanken is well advanced in supplementing the personal customer relationship with comprehensive information made available over the Internet. Modern technology gives customers access to up-to-the-minute information on their entire portfolio, bringing together information on mutual funds, shares, real estate, borrowing and deposits. Personalised net portal pages allow customers to follow the performance of every component of their portfolio.

Skilful and attentive customer service and respect for our customers are values that every customer can expect from Finansbanken. We set high standards for ourselves and for our customers - becoming a customer of Finansbanken is the only way to fully appreciate the advantages that we can offer.

Bankable assets in the HNWI segment



Private Banking: 0.2% of the adult population controls 25% of financial assets.

Financial analyses

Main features of 2001

- Work on re-focusing shipping lending ahead of plan.
- Lending stable in total, with growth in real estate lending and securities financing.
- Private Banking now fully operational as a separate unit.
- Parent bank reports sound underlying profitability.
- Profit before loan losses and provisions for the Finansbanken Group of NOK 228.3 million, with a loss of NOK 73.7 million after loan losses.
- Finansbanken ASA, Private Banking and Finansbanken Denmark employ 223 staff in total.

Financial analysis

The Finansbanken ASA Group produced a profit before loan losses and provisions for 2001 of NOK 228.3 million (NOK 312.7 million in 2000) equivalent to 1.13% of average total assets for the year. Loan losses and provisions amounted to NOK 302.1 million (NOK 294.9 million), giving a loss for the year of NOK 73.7 million (profit of NOK 17.8 million) after loan losses and provisions. After writing back tax provision of NOK 7.6 million, the Group reports a post-tax loss of NOK 66.1 million (profit of NOK 4.5 million) equivalent to a negative return on equity of 4.8%. A significant increase in loan loss provisions in the second quarter caused a loss for the year as a whole, but the bank reported a profit for the first, third and fourth quarters.

The Group's total lending to customers was stable in 2001, with growth in lending to the strategic areas of real estate and securities financing accompanied by a significant reduction in the shipping portfolio. The bank reduced its shipping portfolio by NOK 940 million over the course of 2001.

The difficult conditions seen in financial markets caused a reduction in non-interest income as a proportion of total income from 28.7% in 2000 to 23.7% in 2001.

The Group had 223 (196) employees at year-end, representing 208.8 (191.7) full-time equivalent positions.

Profit and loss account

Net interest income amounted to NOK 447.2 million in 2001 (NOK 401.1 million), equivalent to an interest margin of 2.21% (2.28%) of average total assets. Net interest income increased over the course of the year, rising from NOK 103.6 million in the first quarter to NOK 113.7 million in the fourth quarter. Net interest income as a percentage of average total assets also showed an increase, due in part to a fall in interest rates.

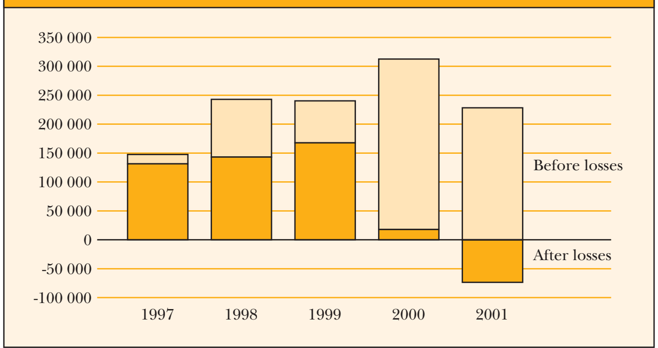
Non-interest income was lower in 2001 at NOK 139.1 million (NOK 161.7 million). Turbulent conditions in the financial markets caused a reduction in sales of savings and mutual fund products. Net gains on securities and foreign exchange for the parent bank contributed NOK 29.5 million (NOK 17.7 million), with customer foreign exchange trading accounting for the majority. Net income from commissions and banking fees contributed NOK 21.9 million (NOK 15.7 million). The bank's subsidiaries Delphi Forvaltning AS, Finansbanken Index ASA and Finansbanken A/S (Denmark) accounted for the balance of non-interest income. Finansbanken Index ASA reported non-interest income before consolidation of NOK 20.8 million (NOK 45.4 million), Delphi Forvaltning AS reported NOK 38.1 million (NOK 74.1 million) and Finansbanken A/S (Denmark) reported NOK 30.7 million (NOK 15.2 million - consolidated from 30 June 2000).

Operating expenses amounted to NOK 357.9 million (NOK 250.1 million) equivalent to 1.77% of average total assets or 61.1% of total operating income (44.0% for the parent bank). A provision of NOK 5 million was charged to profit and loss

Finansbanken Konsern
Profit and loss account

NOK million	**2001**	2000	1999
Net interest income	447	401	329
Non-interest income	139	162	40
Total income	586	563	369
Operating expenses	-358	-250	-129
Profit before loan losses and provisions	**228**	**313**	**240**
Loan losses and provisions	-302	-295	-72
Profit before tax	**-74**	**18**	**168**

Profit before and after loan losses 1997-2001



Finansbanken Group
Balance sheet at 31 December

NOK million	**2001**	2000	1999
Central banks and financial institutions	777	1 255	522
Net customer lending	16 691	16 470	12 222
Securities	1 364	1 497	778
Other assets	870	875	407
Total assets	**19 703**	**20 097**	**13 929**
Financial institutions	4 051	4 051	2 597
Deposits from and due to customers	7 421	8 381	5 603
Securities issued	5 588	5 210	3 932
Other liabilities	733	679	418
Subordinated loan	544	543	344
Equity	1 366	1 233	1 035
Total equity and liabilities	**19 703**	**20 097**	**13 929**

for the costs involved in closing the bank's branch in Bergen. The balance of the increase in costs principally arose as a result of the consolidation of Finansbanken A/S (Denmark) from 30 June 2000 and the incorporation of Private Banking as a separate unit. The bank made significant investments in 2001 in areas such as technology and staffing in order to establish a strong platform for the future growth of its Private Banking activities. The bank also incurred non-recurring costs in connection with the conversion of its core banking systems from Novit to EDB Fellesdata as a result of the merger of the two suppliers involved.

Balance sheet

Lending to customers showed modest growth in 2001 of NOK 392.6 million, equivalent to 2.3%. Increased lending mainly relates to retail customers and financial investors as part of the bank's focus on Private Banking. As noted above, the bank is reducing its exposure to shipping, and the shipping loan portfolio decreased by NOK 940 million to NOK 3,239 million in 2001. This reduction puts the bank ahead of budget for the task of refocusing its shipping portfolio. Gross customer lending at 31 December 2001 was NOK 17,317 million.

Total assets were stable throughout the year, with a small reduction towards the end of the year as a result of lower loan volumes. The ratio of deposits to lending was 43%, and the bank aims to increase this in the long term to 50%, partly through increased customer deposits in the Private Banking area. The bank has a well-balanced funding structure, based on customer deposits, the issue of securities, money market borrowings in Norway and deposits from the international interbank market. Total assets at the close of 2001 amounted to NOK 19,703 million (NOK 20,097 million).

Capital base and capital adequacy

The Group's capital base at the close of 2001 amounted to NOK 1,769.6 million, and the parent bank had a capital base of NOK 1,956.3 million. This represents a capital ratio of 10.66% (12.12% for the parent bank) and a core capital ratio of 7.38% (8.75% for the parent bank). Core capital increased by a net NOK 141 million in 2001. Finansbanken ASA carried out a private placement of shares with Storebrand ASA in March 2001, raising NOK 200 million.

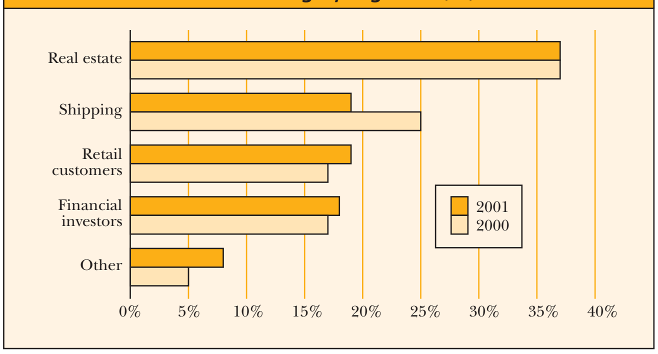
Non-performing loans, loan losses and assets repossessed

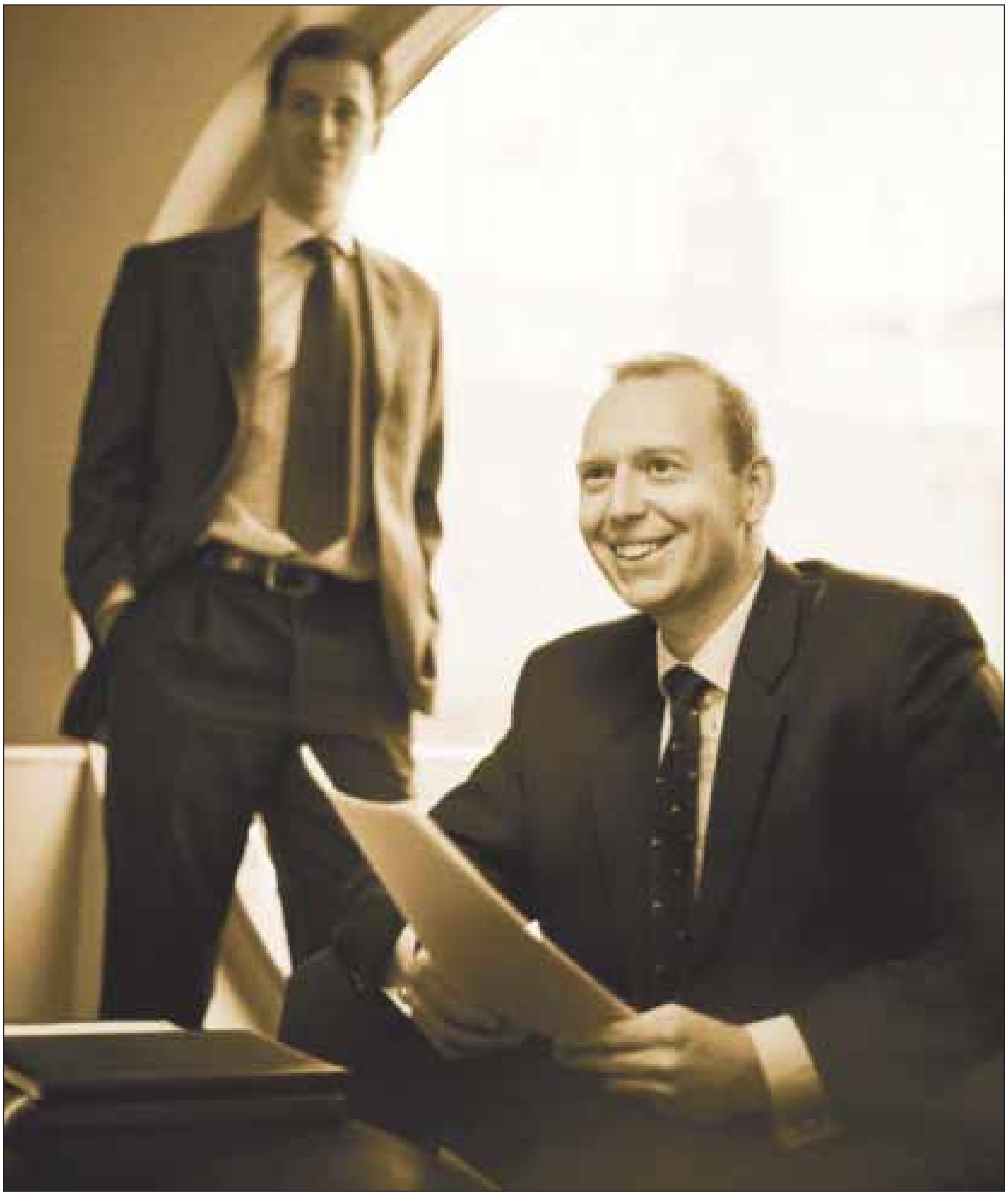
Gross non-performing and problem loans at the end of 2001 amounted to NOK 1,666 million (NOK 1,400 million) of which NOK 435 million (NOK 559 million) represents loans where interest income is no longer accrued. Net non-performing and problem loans amounted to NOK 1,344 million (NOK 1,114 million) after specific loan loss provisions of NOK 322 million, equivalent to 7.76% of gross lending.

The bank carried out a comprehensive review of its shipping portfolio in autumn 2000 and spring 2001. This resulted in significant increases in loan loss provisions in both the fourth quarter of 2000 and the second quarter of 2001, and the bank established a new, more focused strategy for this area. A separate committee was established to monitor the shipping portfolio, and the bank worked throughout 2001 to reduce its exposure to specific segments of the shipping market. This resulted in a significant reduction in exposure, and the shipping loan portfolio reduced from 24.7% of total gross lending to 18.7% over the course of 2001.

Specific loan loss provisions amounted to net NOK 165.6 million in 2001 (NOK 235 million). In addition general loan loss provisions were established for a limited number of shipping customers totalling NOK 136.5 million. No change was made to the normal general loan loss provision in 2001. Total general loan loss

Gross lending by segment (%)





provisions at the end of 2001 were accordingly NOK 304.6 million (NOK 168.1 million) equivalent to 1.76 % (0.99 %) of gross lending.

At the end of 2001 the bank held repossessed assets totalling NOK 58.9 million (NOK 43 million) in respect of two lending relationships in the areas of shipping and real estate. The bank did not acquire any new repossessed assets in 2001, and the figures reported relate solely to changes in respect of these two lending relationships.

Group information and subsidiaries

Delphi Forvaltning AS, a 100% owned subsidiary of Finansbanken ASA, entered into an agreement in December 2001 to sell its subsidiary Delphi Fondsforvaltning ASA to Storebrand Fondene for NOK 35,3 million plus share capital at 31 December 2001. This transaction was carried out to realise the synergies offered by combining these two asset management operations to fulfil a joint product and development role for the Storebrand group. The sale takes accounting effect from 1 January 2002. Delphi Fondsforvaltning accounted for 3.8% of the Group's total operating income in 2001.

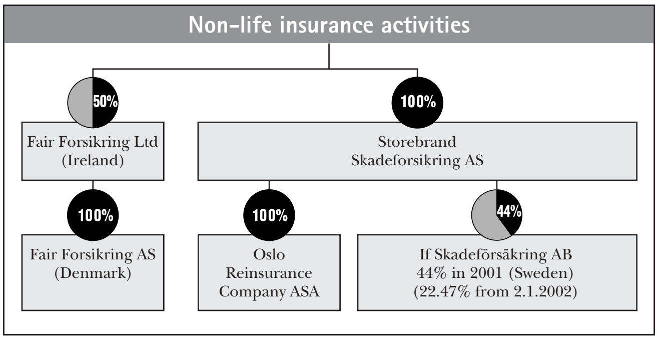
Storebrand non-life insurance

Main features of 2001

- Operating loss of NOK 767 million as compared to a loss of NOK 72 million in 2000
- Weak results at If Skadeförsäkring AB (If) due to a deterioration in underwriting result and lower financial income in line with conditions in the financial markets
- Sampo's non-life insurance business (Sampo Skade) merged with If from 2 January 2002.
- Pro forma operating result for 2001, including Sampo Skade in the results reported by If, shows a loss of NOK 445 million. This is NOK 322 million better than the operating loss reported in Storebrand's accounts for 2001.

Storebrand's involvement in non-life insurance comprises the activities of Storebrand Skadeforsikring AS (Storebrand Skade) and Fair Financial Ireland Ltd. (Fair). Storebrand ASA owns 100% and 50% respectively of the share capital of these companies. Storebrand Skade's main business is its shareholding in If (44% in 2001) and a 100% percent shareholding in Oslo Reinsurance Company ASA (Oslo Re).

In 1999 Storebrand and Skandia entered into an agreement to establish If, and both groups



transferred their non-life insurance activities into If. This caused a change in the role of Storebrand Skade from being an operational non-life insurance company principally active in the Norwegian market to becoming the owner of a 44% interest in the largest Nordic non-life insurance company.

Sampo's non-life insurance activities were merged into If with effect from 2 January 2002. This will strengthen the position of If, making it by far the largest Nordic non-life insurance company. The company will have a 24% share of the nordic market and 8,000 employees. The following table shows the shareholding structure of If before and after the merger with Sampo Skade.

	31.12.01	02.01.02
Sampo		38.05%
Storebrand	44.00%	22.47%
Skandia	56.00%	19.36%
Varma-Sampo		10.06%
Skandia Liv		10.06%
	100.00%	100.00%

Oslo Re is principally involved in the run-off of its own reinsurance business and managing run-off business for other companies. The company was acquired by Storebrand Skade in 1999.

Fair Financial Ireland Ltd. has a 100 % shareholding in the Danish company Fair Forsikring AS. This company operates a non-life insurance business for the retail market in Denmark. The company was incorporated in November 1998. Fair has built up a visible presence in the Danish market over a relatively short time, and is growing strongly.

Europeiske Reiseforsikring AS transferred its entire travel insurance business to If when it was incorporated in 1999. The company was merged into Storebrand Skade in 2001, and ceased to exist as a separate company in 2001.

Financial review

Non-life insurance activities reported a loss of NOK 566 million in 2001 as compared to a profit of NOK 106 million in the previous year. The year produced an operating loss of NOK 767 million as compared to an operating loss of NOK 72 million in 2000. The weak results are principally due to the deterioration reported by If. Storebrand Skade held a 44% interest in If in 2000 and 2001, and this is recognised in the accounts in accordance with the equity method of accounting.

The addition of Sampo's non-insurance business will change If significantly. Pro forma figures for the merged business have therefore been prepared for 2001. Storebrand's share in the pro forma operating result for 2001, based on its revised 22.47% interest, would have been a loss of NOK 445 million. This is NOK 322 million better than the share of operating result recognised in 2001.

If's results for 2001 were affected by increased claims and a weak financial return in line with the conditions in financial markets. If reported an operating loss of SEK 2,572 million in 2001, representing a deterioration of SEK 1,763 million from 2000. The underwriting result was weaker despite significant increases in premiums. This was largely due to increased claims for motor insurance in Sweden, water damage in Norway and a number of large single claims from industrial and marine insurance lines. The combined ratio was 115.3%, up from 111.2% in 2000. This deterioration is explained by the claims ratio, which weakened by 5.5 percentage points in 2001. The cost ratio improved from 24.4% in 2000 to 23.0% in 2001. In connection with the Sampo agreement, If made transfers to reserves and recognised restructuring costs in the fourth quarter that burdened the combined ratio by 2.6 percentage points. The adjusted combined ratio was 112.7%. If's investment return in 2001 was 2.5%, down from 3.6% in 2000.

Sampo Skade reported a significantly better technical result than If for 2001. The pro forma combined ratio for the merged activities would have been 113.0%, of which Sampo's combined ratio was 106.7%.

Storebrand Skade's other activities produced an operating profit of NOK 64 million as compared to NOK 175 million in 2000. The reduction in operating profit reflects a sharp fall in the company's financial assets in 2001 following the payment of group contribution to Storebrand ASA.

Oslo Re reported break even in 2001 as compared to a profit of NOK 96 million in 2000. This was largely due to a greater number of income-creating policy commutations in 2000 than was the case in 2001. The company again agreed to commute some policies in 2001 with a view to reducing its exposure to insurance risk. Total technical reserves were reduced by NOK 188 million to stand at NOK 631 million at the close of 2001.

Storebrand Skade further reduced its statutory security reserves in 2001, releasing NOK 280 million to profit and loss.

A tax charge was incurred for the year despite the loss before tax. This is because the recognition of operating profit in accordance with the equity method is on a post-tax basis. After adjusting for the effect of the equity method, the effective tax rate for non-life activities was close to 28%.

Profit and loss account – Non-life insurance

NOK million	Pro forma 2001	**2001**	2000
Share of profit in If	-447	**-769**	-307
Storebrand Skadeforsikring - other	64	**64**	175
Storebrand Skadeforsikring AS	-383	**-705**	-132
Oslo Reinsurance Company AS	0	**0**	96
Fair Forsikring AS (50%)	-62	**-62**	-36
Non-life insurance operating profit	-445	**-767**	-72
Change insecurity reserve etc.	280	**280**	336
Pre-tax profit/loss	-165	**-484**	264
Tax	-60	**-79**	-158
Net profit/loss from non-life insurance	**-225**	**-566**	**106**

Key financial figures for If

SEK million	Pro forma*) 2001	**2001**	2000
Premiums earned	30 271	**22 237**	17 545
Claims paid	-27 409	**-20 531**	-15 220
Operating costs	-6 815	**-5 121**	-4 115
Technical result	-3 953	**-3 415**	-1 790
Financial result	1 692**)	**1 106**	1 079
Operating profit/loss	-3 175	**-2 752**	-989
Claims ratio	90.5%	**92.3%**	86.8%
Cost ratio	22.5%	**23.0%**	24.4%***)
Combined ratio	113.0%	**115.3%**	111.2%***)
Total assets	93 783	**60 908**	53 706
Investment portfolio	65 576	**42 080**	36 325
Net asset value	18 098	**7 433**	8 237

*) Pro forma figures include Sampo's non-life insurance activities as included in If from 2.1.2002.

**) Investment result includes the actual investment result for If and an estimate of the return on the portfolio transferred from Sampo Skade. Aggregate return was 2.5%.

***) Inc. launch costs. Figures exc. launch costs in second quarter of 2000 were: Cost ratio 23.4% and Combined ratio 110.2%.

Shareholder matters

Share capital and shares

Storebrand ASA's share capital at the start of 2001 was NOK 1,387.7 million. Following a new issue of shares for employees of NOK 665,000 in December 2001, share capital at 31 December 2001 amounted to NOK 1,388,401,610 made up of 277,680,322 shares each of nominal value NOK 5.

Share purchase arrangements for employees

Annual General Meetings of Storebrand ASA have since 1996 empowered the Board to increase the company's share capital to permit shares to be issued to employees of the Storebrand Group. This is intended to involve the employees more closely in value creation in the company. On 25 April 2001 the Annual General Meeting granted the Board a one-year mandated to increase the company's share capital by up to two million shares, each of nominal value NOK 5.

In 2001 every employee was given the opportunity to buy 175 ordinary shares at a calculated subscription price of NOK 35.50 per share. Approximately 50% of the employees took advantage of this offer, and a total of 133,000 shares were subscribed.

Foreign ownership

The EEA Agreement provides for Norwegian and foreign investors to have equal rights to purchase shares. As at 31 December 2001 total foreign ownership amounted to 37.1% as compared to 38.6% at the end of 2000.

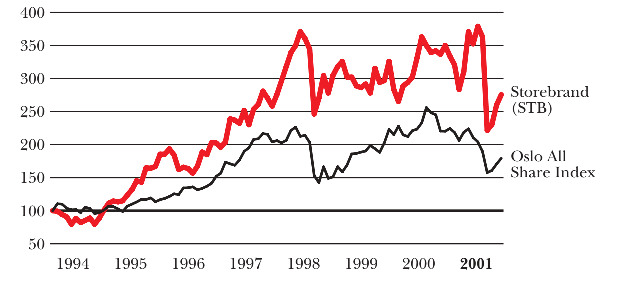
Geographic distribution of shares as at 31.12.2001	
Norway	62.9 %
Sweden	10.0 %
Great Britain	11.4 %
USA	7.7 %
Germany	1.2 %
33 other countries	6.8 %

Share price development

Storebrand's share price on 31 December 2000 was NOK 62.50. The high and low prices seen during 2001 were NOK 73.00 and NOK 41.80 respectively. The price on 31 December 2001 was NOK 52.00. This represents a reduction of approximately 16% over the course of 2001. The fall in share price was largely due to a general fall in share prices for companies listed on Oslo Stock Exchange.

On 21 May 2001 Sampo OYJ announced an offer to shareholders for the entire share capital of Storebrand ASA. This caused the share price to rise by NOK 10.50 to NOK 68.50 on the day of the announcement. The Storebrand share price weakened following the expiry of the offer period on 28 September 2001. Storebrand's shares are listed on the Oslo Stock Exchange with the ticker code STB.

Relative performance of the Storebrand share price



Shareholders

No single investor is permitted, without the approval of the authorities, to hold more than 10% of the shares in a Norwegian financial institution. The Norwegian regulations on ownership restrictions are expected to be revised and harmonised with EEA legislation during the course of 2002.

The company's ownership structure still shows a disproportionate number of shareholders with small numbers of shares in that 64% of all shareholders own 100 shares or less. The company had a total of 37,717 shareholders at 31 December 2001 as compared to 38,575 at 31 December 2000.

Storebrand ASA still has one of the largest numbers of shareholders of all companies listed on Oslo Stock Exchange. The company has shareholders from all the municipalities in Norway and from 38 foreign countries

Compliance

The officers in the governing bodies and senior employees of Storebrand ASA, Storebrand Livsforsikring AS, Storebrand Kapitalforvaltning ASA, Storebrand Bank AS and Finansbanken ASA are subject to rules - based on the provisions in the relevant legislation and regulations - regarding the trading of securities issued by Storebrand ASA.

As one of the country's leading financial institutions, Storebrand is dependent on maintaining an orderly relationship with the financial markets and control authorities. The company therefore places particular emphasis on ensuring that routines and guidelines satisfy the formal requirements imposed by the authorities on securities trading. The company has its own compliance system.

Investor relations

Storebrand wishes to maintain and further develop the company's good contacts with all participants in the national and international capital markets. The company has a separate Investor Relations function within its finance department. This function is responsible for establishing and co-ordinating contact between the company and external connections, such as analysts, the stock exchange, shareholders and investors.

Internet

Storebrand publishes its quarterly reports, press releases and presentations to analysts on its web pages at http://www.storebrand.no.

Dividend policy

The Board of Directors of Storebrand ASA has approved a dividend policy for Storebrand. The policy will contribute to ensuring that shareholders receive a competitive return, whilst also ensuring that the company maintains an optimal capital structure.

The dividend to shareholders will normally be in the order of 15-30% of profit after tax. The Board intends to operate the company's dividend policy with a view to the longer term, and will endeavour to ensure stable growth in dividend per share over time.

However in view of the weak results reported for 2001, the Board has decided to recommend to the Annual General Meeting be held on 24 April 2002 that no dividend be paid in respect of the 2001 accounting year.

Shareholders' contact with the company

Shareholders should generally contact the administrator of their own share account with queries and notice of changes such as, for example, a new address. In addition, Storebrand's own shareholders' office, Telephone: +47 22 31 26 20, can provide guidance and information.

RISK adjustment

The following paragraph is not included in the original Norwegian Annual Report and is included here by way of explanation for the international reader:

There are particular rules for shareholders resident in Norway relating to the taxable gain or loss on the sale of shares. When shares in Storebrand ASA are sold by shareholders resident in Norway the acquisition price has to be adjusted by a so-called RISK amount when calculating the taxable gain or loss. The RISK amount is calculated annually and is related to the change in retained capital for the year. Foreign shareholders are subject to the tax regulations of their own domicile and are not affected by the Norwegian RISK regulations.

The information provided in the Norwegian Annual Report for the purposes of shareholders resident in Norway is as follows:

As at	RISK amount	As at	RISK amount
01.01.93	NOK - 2.59	01.01.98	NOK 0.31
01.01.94	" 0.12	01.01.99	" - 0.89
01.01.95	" 0.84	01.01.00	" 0.49
01.01.96	" - 0.14	01.01.01	" 1.88
01.01.97	" 0.75		

The general RISK amounts for shares in Storebrand ASA have been set as follows:

On a sale of shares, the opening value/purchase price of the shares will be adjusted by the total of the RISK amounts during the period of ownership. The general RISK amount at 1 January 2002 is estimated as NOK 0,02 per share.

International Accounting Standards (IAS)

Storebrand expects that Norwegian publicly listed companies will have to present group accounts in compliance with the IAS International Accounting Standards from year 2005. The final formation of IAS is not decided, but it is expected that the accounting standard will change the accounting of insurance contracts and financial instruments.

The 20 largest shareholders at 31 December 2001

	Country	No. of shares	%
Skandia Life Insurance	SWE	27,698,330	9.97
Folketrygdfondet	NOR	27,671,600	9.97
Orkla ASA	NOR	27,648,956	9.96
DnB Markets	NOR	27,538,638	9.92
Steen & Strøm Invest	NOR	17,500,000	6.30
JP Morgan Chase Bank (NOM)	GBR	14,381,516	5.18
Canica AS	NOR	10,000,000	3.60
Bankers Trust Company (NOM)	USA	8,012,320	2.89
Nordstjernen Holding	NOR	7,410,400	2.67
Ferd AS	NOR	7,101,895	2.56
Bank of New York	CYM	6,204,450	2.23
Euroclear Bank S.A. (NOM)	BEL	5,921,780	2.13
Morgan Stanley & Co. (NOM)	GBR	5,081,981	1.83
Bank of New York	USA	4,800,000	1.73
State Street Bank & Co. (NOM)	USA	4,635,726	1.67
Gjensidige NOR Spareforsikring	NOR	2,541,208	0.92
JP Morgan Chase Bank (NOM)	GBR	1,844,890	0.66
Deutsche Bank AG (NOM)	DEU	1,820,124	0.66
Verdipapirfondet Avanse	NOR	1,633,965	0.59
Deutsche Bank AG, London	GBR	1,582,408	0.57

The 20 largest shareholders own in total 211,030,187 shares, which represent 76% of the share capital.

Storebrand ASA

Profit and Loss Account 1 January - 31 December

NOK million	Note	**2001**	2000	1999
Operating income				
Group contribution from subsidiaries	1	**671.6**	1 268.0	1 588.9
Dividends from subsidiaries	1		1 330.7	0.8
Total operating income		**671.6**	2 598.7	1 589.7
Operating expenses				
Salary and personnel costs	2,3,4	**-63.4**	-138.9	-429.6
Depreciation	10	**-66.7**	-85.4	-140.4
Recharge of costs/other costs		**-70.0**	-14.1	309.6
Total operating costs		**-200.1**	-238.4	-260.4
Financial income and financial expenses				
Interest income from securities		**42.3**	17.7	58.6
Other interest income		**49.1**	22.8	37.2
Dividends		**16.5**	7.0	15.4
Gain on sale of securities		**31.8**	31.7	60.3
Unrealised gain on securities			34.9	101.4
Other financial income			2.7	1.1
Total financial income		**139.7**	116.8	274.0
Loss on sale of securities		**-20.8**	-17.4	-46.3
Unrealised loss on securities		**-143.4**		
Write-down of other financial assets		**-174.9**		
Other financial expenses		**-10.2**	-2.4	-14.3
Interest costs - bond loan	13	**-153.0**	-153.0	-153.0
Interest costs - other long term debt		**-37.6**	-49.6	-56.1
Total financial expense		**-539.9**	-222.4	-269.7
Net financial income and expense		**-400.2**	-105.6	4.3
Profit before tax		**71.3**	2 254.7	1 333.6
Tax	5	**-151.3**	-300.0	-176.3
Profit for the year		**-80.0**	1 954.7	1 157.3
Allocations				
Other equity		**80.0**	-1 781.1	-879.9
Group contribution to subsidiaries (net)			-338.8	
Dividends received from subsidiaries			470.5	
Provision for dividend payment			-305.3	-277.4
Total allocations		**80.0**	-1 954.7	-1 157.3

Leiv L. Nergaard
Chairman

Halvor Stenstadvold

Brit K.S. Rugland

Rune Bjerke

Rune Eikeland

Arild Thoresen

Storebrand ASA

Balance Sheet at 31 December

NOK million	Note	**2001**	2000	1999
Assets				
Deferred tax assets	11			145.9
Properties and real estate	10	**63.4**	61.3	59.0
Shares and participations in group companies	6	**7 418.2**	7 217.0	6 660.0
Shares and other equity investments - long term holdings	7		1.5	7.0
Subordinated loan	7	**142.2**	104.9	192.3
Shares	7	**672.6**	917.2	340.1
Bonds	8	**143.4**	32.9	205.8
Certificates	8	**902.7**	193.0	313.9
Total financial assets		**9 342.5**	8 527.8	7 778.1
Intra-group receivables	15	**1 119.4**	2 292.1	1 580.9
Other receivables and assets		**39.0**	64.1	42.2
Fixed assets excluding real estate	10	**71.3**	147.1	139.0
Cash and bank		**121.8**	129.0	326.4
Pre-paid pension	3	**479.6**	439.0	79.5
Total assets		**11 173.6**	11 599.1	10 092.0
Equity capital and liabilities				
Share capital	12	**1 388.4**	1 387.7	1 387.2
Premium reserve	12	**1 804.6**	1 799.5	1 794.2
Other equity	12	**4 741.4**	4 821.4	2 952.5
Total equity capital		**7 934.4**	8 008.6	6 133.9
Pension liabilities	3	**324.0**	365.2	215.0
Reserves for other risks and costs	9	**47.8**	66.4	54.9
Deferred tax	11	**173.6**	22.4	
Allocated for dividend			305.3	277.4
Bond loan	13	**1 800.0**	1 800.0	1 800.0
Short term borrowings				874.9
Intra-group liabilities	15	**205.4**	799.6	466.5
Other liabilities		**556.6**	95.5	151.1
Other accrued costs and deferred income		**131.8**	136.1	118.3
Total equity capital and liabilities		**11 173.6**	11 599.1	10 092.0

Guarantees issued: See note 17

Oslo, 19 February 2002
Translation – not to be signed

Harald Tyrdal

Knut G. Heje

Nina Seiersten

Idar Kreutzer
Chief Executive Officer

Storebrand Group

Profit and Loss Account 1 January - 31 December

NOK million	Note	**2001**	2000	1999
Insurance premiums for own account		**9 579.3**	9 595.9	10 529.5
Interest and related income - banking	20	**2 671.2**	2 270.2	923.4
Financial income - insurance	19	**19 280.2**	24 974.1	23 560.9
Financial income - other activities	36	**154.0**	96.6	520.8
Share in results of If	19	**-769.3**	-306.9	
Other income		**553.5**	701.8	311.6
Total operating income		**31 468.9**	37 331.7	35 846.2
Insurance claims for own account		**-9 647.2**	-10 326.5	-7 791.5
Change in insurance reserves - life insurance		**-2 115.8**	-1 821.5	-6 499.7
Interest and related expense - banking	20	**-2 047.8**	-1 691.3	-675.7
Financial expense - insurance	19	**-18 210.8**	-21 592.3	-7 730.6
Financial expense - other activities		**-209.2**	-337.7	-73.4
Operating costs	22,23	**-2 261.2**	-2 111.9	-1 624.3
Other costs		**-968.5**	-573.9	-537.3
Total costs		**-35 460.5**	-38 455.1	-24 932.5
Net profit from non-life insurance				301.6
From (to) market value adjustment reserve		**2 154.2**	5 598.2	-5 868.4
Operating profit		**-1 837.4**	4 474.8	5 346.9
From (to) additional statutory reserves - life insurance		**407.6**	-450.9	
Funds allocated to policyholders - life insurance			-3 500.5	-4 180.9
Group profit	18	**-1 429.8**	523.4	1 166.0
Changes in security reserve etc. - non life insurance		**278.8**	335.7	154.3
Profit on sale of non-life insurance business				3 230.0
Profit before extraordinary items		**-1 151.0**	859.1	4 550.3
Extraordinary revaluation of real estate - life insurance				234.1
Extraordinary allocation to policyholders - life insurance				-152.0
Profit before tax		**-1 151.0**	859.1	4 632.4
Tax payable		**-308.5**	-185.7	-6.4
Deferred tax		**507.9**	33.4	-1 124.4
Total tax	24	**199.4**	-152.3	-1 130.8
Minority interests' share of profit		**-0.4**	-1.1	-1.6
Profit for the year		**-952.0**	705.7	3 500.0
Earnings per ordinary share		**-4.15**	1.67	12.23
Earnings per ordinary share excluding extraordinary items				3.54

Leiv L. Nergaard
Chairman

Halvor Stenstadvold

Brit K.S. Rugland

Rune Bjerke

Rune Eikeland

Arild Thoresen

Storebrand Group

Balance sheet at 31 December

NOK million	Note	**2001**	2000	1999
Assets				
Intangible assets	25,37	**726.2**	705.0	544.1
Properties and real estate	27	**11 357.3**	10 994.8	10 234.6
Interests in associated companies	36	**3 161.8**	3 445.5	5 110.0
Shares and other equity investments - long term holdings	29	**35.5**	36.0	43.7
Bonds held to maturity	31	**25 043.6**	27 402.3	25 124.8
Net loans to customers	34	**29 140.6**	27 697.0	22 209.7
Other long term financial assets	32,33	**4 320.5**	4 525.0	2 617.9
Shares and other equity investments	29	**22 972.5**	36 287.6	38 705.3
Bonds	30	**29 686.0**	32 070.9	35 320.8
Certificates	30	**14 397.1**	5 432.3	3 104.8
Other financial current assets	32,33	**905.4**	1 520.0	934.3
Total financial assets		**141 020.3**	149 411.4	143 405.9
Receivables		**4 248.3**	892.3	981.5
Other assets	28	**3 810.0**	3 079.8	2 638.8
Prepaid pension	23	**536.9**	526.3	180.0
Prepaid expenses and accrued income		**1 872.7**	2 129.2	1 896.8
Total assets		**152 214.4**	156 744.1	149 647.2
Equity capital and liabilities				
Equity capital	39	**9 605.4**	10 533.2	10 112.5
Minority interests' share in equity		**11.3**	11.6	13.2
Subordinated loan capital	40	**3 979.6**	4 041.0	4 536.2
Market value adjustment reserve		**843.9**	2 998.1	8 596.3
Insurance reserves - life insurance		**102 574.0**	103 596.3	99 553.2
Premium and claims reserve - non life insurance		**608.3**	747.5	809.5
Security reserve etc. - non life insurance		**508.0**	779.1	1 112.5
Total technical (insurance) reserves		**103 690.3**	105 122.9	101 475.2
Reserves for other risks and costs		**67.4**	123.7	230.5
Pension liability	23	**478.6**	542.2	368.3
Deferred tax	37		125.1	175.6
Liabilities to other financial institutions	35	**4 350.7**	4 280.5	3 116.8
Deposits from and due to customers	35	**13 900.2**	14 047.0	10 759.3
Securities issued	35	**10 435.7**	10 808.6	7 257.1
Other liabilities		**3 984.7**	3 202.9	2 303.4
Accrued costs and deferred income		**866.6**	907.3	702.8
Total equity capital and liabilities		**152 214.4**	156 744.1	149 647.2

Oslo, 19 February 2002
Translation – not to be signed

Harald Tyrdal

Knut G. Heje

Nina Seiersten

Idar Kreutzer
Chief Executive Officer

Cash flow analysis

NOK million	Storebrand ASA 2001	Storebrand ASA 2000	Storebrand ASA 1999	Storebrand Group 2001	Storebrand Group 2000	Storebrand Group 1999
Cash flow from operational activities						
Premiums received - direct insurance				4 414.9	5 747.4	14 404.0
Premiums received - insurance assumed				11.3	5.9	3.4
Premiums paid - reinsurance				-14.8	14.5	-1 166.6
Claims and benefits paid - direct insurance				-7 447.3	-6 528.8	-13 633.2
Claims settlement from reinsurance in respect of claims and benefits paid				170.1	31.4	806.4
Receipts from policy transfers				2 108.3	2 347.5	3 872.3
Payments on policy transfers				-3 861.3	-2 822.3	-2 070.3
Interest, commission and fees received from customers				1 317.2	2 528.2	1 572.9
Interest, commission and fees paid to customers				-42.6	-1 371.6	-726.6
Payments to third parties for goods and services	-44.0	-24.9	333.7	-2 377.1	-650.8	-1 198.0
Payments to employees, pensioners, employment taxes etc.	-146.3	-218.9	-435.3	-1 127.0	-1 235.8	-2 498.2
Interest paid	-190.6	-202.6	-245.2	-1 680.4	-926.0	-648.9
Interest received	91.4	40.5	8.5	6 071.7	4 474.4	4 149.7
Dividends received	16.5	7.0	15.4	424.5	480.3	333.5
Payments of tax, duties etc.				-107.8	-14.0	-48.5
Net receipts from securities	-10.2		62.0	-2 255.4	5 051.2	5 882.8
Net cash flow from operational activities	-283.2	-398.9	-260.7	-4 395.7	7 131.8	9 035.0
Cash flow from investment activities						
Receipts from loans to and claims on other financial institutions				-146.9	-126.6	200.8
Receipts on claims previously written off				0.7		7.4
Loans disbursed to customers				-5 304.7	-8 964.4	-8 650.2
Loan repayments by customers				3 581.2	3 530.4	7 479.1
Receipts from sales of shares and other equity investments		207.0	803.1	35 976.8	26 235.5	18 824.5
Payments for purchase of shares and other equity investments	-1227.8	-814.0	-2 566.1	-26 758.3	-33 666.9	-22 883.5
Receipts from sales of bonds	529.8	1 939.0	2 205.6	39 537.3	37 291.0	23 561.4
Payments on purchase of bonds	-683.2	-1 760.0	-1 447.2	-38 590.1	-35 694.3	-32 514.1
Receipts on sale of certificates	3197.3	670.0	1 701.0	32 691.9	20 610.5	22 875.9
Payments on purchase of certificates	-3877.6	-538.0	-1 818.4	-40 752.8	-22 951.0	-23 078.1
Receipts on sale of real estate			20.7	118.0	170.4	885.1
Payments on purchase of real estate	-2.2	-2.4	-41.0	-41.9	-839.2	-2 358.2
Net cash movement on purchase/sale of other securities	7.2	279.0		-216.7	40.7	214.4
Net payments on purchase of fixed assets etc.	2.8	-92.3	-95.2	-155.4	-46.7	-3.2
Net cash flow from investment activities	-2 053.7	-111.7	-1 237.5	-61.1	-13 780.7	-15 420.6
Cash flow from financing activities						
Deposits from customers				18 285.2	20 610.4	10 861.4
Repayment of customer deposits				-18 789.7	-17 607.5	-9 708.6
Deposits from Norges Bank and other financial institutions				23 451.0	18 732.7	662.5
Repayment of deposits from Norges Bank and other financial institutions				-23 395.4	-17 569.0	-125.0
Repayment of long term lending	-130.7	-1 004.9	-130.7	-192.6	-130.7	-130.7
Receipts from taking up term loans	500.0		932.9	732.5	1 040.6	932.9
Receipts from issue of certificates/short term loans				5 338.6	4 417.3	0.6
Repayment of certificates/short term loans				-5 787.9	-1 750.0	
Receipts from subordinated loan capital				86.5	198.5	1 238.9
Repayment of subordinated loans					-703.1	-78.3
Receipts from issue of bond loans and other long term funding				906.4	1 113.8	965.5
Repayment of bond loans and other long term funding				910.3	-1.0	-121.4
Receipts from issue of new capital	5.8	5.8	14.6	227.8	283.6	
Receipts from issue of other capital				197.1	0.2	
Payments on redemption of share capital			-			
Dividend payments	-644.1	-277.4	-	-644.1	-277.4	
Receipts/payments of group contribution/dividend	2 598.7	1 589.7	820.6	1 653.5		
Net cash flow from financing activities	2 329.7	313.2	1 637.4	2 979.2	8 358.3	4 497.7
Net cash flow for the period	-7.2	-197.4	139.2	-831.8	1 709.4	-1 887.7
Net movement in cash and cash equivalent assets	-7.2	-197.4	139.2	-827.5	1 709.4	-1 887.9
Cash and cash equivalent assets at start of the period for new companies						331.9
Cash and cash equivalent assets at start of the period	129.0	326.4	187.2	4 849.3	3 226.2	4 782.2
Cash and cash equivalent assets at the end of the period	121.8	129.0	326.4	4 017.8	5 321.2	3 226.2
RECONCILIATION:						
Profit before tax	71.3	2 254.7	1333.6	-1 151.0	859.1	4 632.4
Tax paid in the period				-78.8	2.2	-8.7
Gains/losses on sale of fixed assets				1.7		-0.1
Ordinary depreciation	66.5	85.4	140.3	94.7	132.2	159.2
Write-down of fixed assets				136.7	430.2	
Other non-cash items				637.9	6 751.8	6 018.3
Difference between booked pension cost and payments/receipts to pension scheme			-51.7	-0.5	-56.7	-55.6
Items classified as investment or financing activities	325.1	-2 648.2	-1818.2	349.0	46.8	-352.7
Movement in accruals	-746.1	-90.8	135.3	-4 385.4	-1 033.8	-1 357.8
Net cash flow from operational activities for the year	-283.2	-398.9	-260.7	-4 395.8	7 131.8	9 035.0

Storebrand ASA

Auditors' report for 2001 *)

Respective Responsibilities of the Directors and Auditors

We have audited the annual financial statements of Storebrand ASA as of 31 December 2001, showing a loss of NOK 80.0 million for the parent company and a loss of NOK 952.0 million for the group. We have also audited the information in the Board of Directors' Report concerning the financial statements, the going concern assumption and the proposal to settle the loss for the year. The financial statements comprise the balance sheet, the statements of income and cash flows, the accompanying notes and the group accounts. These financial statements are the responsibility of the company's Board of Directors and Managing Director. Our responsibility is to express an opinion on these financial statements and on the other information according to the requirements of the Norwegian Act on Auditing and Auditors.

Basis of Opinion

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

Opinion

In our opinion,

- the financial statements are prepared in accordance with the law and regulations and present the financial position of the Company and of the Group as of 31 December 2001 and the results of its operations and its cash flows for the year then ended, in accordance with good accounting practice in Norway.
- the company's management has fulfilled its duty to produce a proper and clearly set out registration and documentation of accounting information in accordance with the law and good accounting practice.
- the information in the Board of Directors' report concerning the financial statements, the going concern assumption, and the proposal to settle the loss for the year are consistent with the financial statements and comply with the law and regulations.

Oslo, 19 February 2002
KPMG AS

Translation, not to be signed

Ole M. Klette
State Authorised Public Accountant

Translation, not to be signed

Arne Frogner
State Authorised Public Accountant

Control Committee's Statement - 2001

The Control Committee of Storebrand ASA has reviewed the Board of Directors' proposed Annual Report and Accounts for 2001 for the Storebrand Group.

With reference to the auditor's report of 19 February 2002 the Control Committee recommends that the Annual Accounts proposed be adopted as the Annual Accounts of Storebrand ASA and the Storebrand Group for 2001.

Oslo, 28 February 2002
Translation - not to be signed

Nils Erik Lie
Chairman of the Control Committee

Board of Representatives' Statement – 2001

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

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

Oslo, 6 March 2002
Translation, not to be signed

Jens P. Heyerdahl d.y.
Deputy Chairman of the Board of Representatives

Storebrand Livsforsikring Group

Profit and Loss Account 1 January - 31 December

NOK million	**2001**	2000	1999
Premiums for own account	**8 505.6**	7 949.6	9 264.2
Income from financial assets	**18 903.4**	23 953.8	23 119.7
Other insurance related income after reinsurance	**35.8**	20.4	53.9
Claims for own account	**-9 474.6**	-10 241.6	-7 778.6
Change in insurance reserves for own account	**-1 905.4**	-1 194.3	-4 828.8
Sales costs (insurance)	**-248.0**	-304.7	-298.6
Insurance related administration costs	**-503.9**	-479.9	-456.7
Total insurance related operating costs for own account	**-751.9**	-784.6	-755.3
Expenses arising from financial assets	**-17 465.6**	-20 588.3	-7 943.7
- of which operating expenses	**-123.2**	-144.9	-140.3
Other insurance related costs after reinsurance	**-110.0**	-111.7	-61.5
To/from market value adjustment reserve	**2 154.2**	5 598.2	-5 868.4
Transfer from additional statutory reserves in the policyholders' fund to meet the interest guarantee shortfall	**407.6**		
Transfer to insurance fund: premium reserve	**0.0**	-1 618.7	-1 867.9
Transfer to insurance fund: premium/pension adjustment fund	**0.0**	-1 881.8	-2 465.0
Total transfers to policyholders	**0.0**	-3 500.5	-4 332.9
Balance on the technical account	**299.1**	1 101.0	868.6
Non-technical account			
Other income	**59.8**	57.8	47.1
Other costs	**-373.6**	-321.2	-292.9
Profit from ordinary activities	**-14.7**	837.6	622.8
Extraordinary income			234.1
Tax	**78.0**	-128.9	-150.0
Minority interests' share in profit	**-0.4**	-1.1	-0.6
Profit for the year	**62.9**	707.6	706.3
Storebrand Livsforsikring AS			
Allocations			
Taxation	**79.9**	-128.0	-146.7
Group contribution			-642.8
Dividend		-530.6	
Other equity	**-62.9**	-177.0	-109.5
Total allocations	**17.0**	-835.6	-899.0

Storebrand Livsforsikring Group

Balance sheet at 31 December

NOK million	**2001**	2000	1999
Assets			
Intangible assets		1.8	3.5
Deferred tax allowances			
Properties and real estate	**11 293.1**	10 907.2	10 103.4
Receivables due from/securities issued by group companies	**58.5**	97.4	135.6
Shares and other equity investments - long term holdings	**72.8**	67.4	69.4
Bonds held to maturity	**25 043.6**	27 402.3	25 124.8
Loans	**1 402.1**	2 056.7	3 176.7
Shares and other equity investments	**22 060.4**	35 180.3	37 255.8
Bonds and other securities - fixed yield	**28 102.4**	28 043.5	33 123.4
Certificates	**11 353.0**	4 110.3	1 906.9
Money market deposits	**400.5**	1 500.4	310.2
Financial derivatives	**97.6**	14.1	22.4
Other short term financial assets	**173.0**		
Total financial assets	**100 057.0**	109 379.6	111 228.6
Receivables	**3 485.6**	576.8	794.6
Other assets	**2 749.3**	1 889.7	1 684.5
Prepaid expenses and accrued income	**1 727.4**	1 333.4	1 522.8
Total assets	**108 019.3**	113 181.3	115 234.0
Equity capital and liabilities			
Share capital	**1 361.2**	1 361.2	1 361.2
Accumulated equity	**1 827.5**	1 764.6	1 587.6
Total equity capital	**3 188.7**	3 125.8	2 948.8
Minority interests' share in equity	**11.3**	11.6	11.8
Subordinated loan capital	**3 435.2**	3 498.2	4 201.2
Market value adjustment reserve	**843.9**	2 998.1	8 596.3
Premium reserve	**86 981.5**	84 600.1	81 783.4
Additional statutory reserves	**4 301.0**	4 847.3	5 846.7
Premium/pension adjustment fund	**7 621.5**	10 282.3	9 159.9
Claims reserve	**250.8**	216.1	206.4
Other technical reserves	**46.2**	39.0	28.4
Insurance fund reserves for own account	**99 201.0**	99 984.8	97 024.8
Allocations to security fund	**125.0**	591.8	591.8
Total insurance related reserves for own account	**99 326.0**	100 576.6	97 616.6
Reserves for other risks and expenses	**215.4**	297.8	175.8
Debt	**860.9**	2 530.8	1 537.6
Accrued costs and deferred income	**137.9**	142.4	145.9
Total equity and liabilities	**108 019.3**	113 181.3	115 234.0

Notes to the Accounts

Accounting principles 2001

The Annual Accounts of the Storebrand Group for 2001 have been prepared in accordance with the Accounting Act and regulations for the annual accounts of insurance companies, asset management companies and banks.

Consolidation principles

The Storebrand Group is made up of companies in life insurance, non-life insurance, asset management, banking and other activities.

The group accounts consolidate Storebrand ASA and all subsidiaries where Storebrand ASA directly or indirectly owns more than 50%.

Investments considered to be of strategic importance where the group owns between 20% and 50% of the voting capital (associated companies), are consolidated in accordance with the equity method. This implies in general terms that the ownership interest is recognised in the accounts in line with the consolidation principles described in this section, but is presented as a single line in both the profit and loss account and balance sheet ('single line consolidation').

In the case of investments in jointly controlled companies which are separate legal entities, the equity method accounting or the proportional consolidation method of accounting are applied. The proportional consolidation method is used for jointly controlled companies which are not separate legal entities. The application of the proportional consolidation method leads to the inclusion in the parent company accounts of a proportionate share of assets, debt, income and expense.

The Banking, Insurance and Securities Commission has issued regulations in respect of the production of consolidated accounts which include life insurance companies. Consolidated profit for the year includes only that part of the life company's profits which is due to shareholders.

Consolidation of subsidiaries

Elimination of shares in subsidiaries is based on the purchase value method, where the capitalised value of shares in subsidiaries is eliminated against the equity capital in the subsidiaries. Any excess value/deficit is booked direct to the assets/liabilities in question and depreciated/taken as income in line with these. Any excess value which is not directly related to a specific item is classified as goodwill.

Goodwill is valued at actual value on the basis of is expected lifetime, which will not normally be longer than 20 years.

Approval by the authorities for purchases of subsidiaries

Financial institutions require approval from the authorities when they purchase other companies. Such new subsidiaries are not normally consolidated until such time as the required licence is granted, but the recognition of surplus value and its application is carried out with effect from the date of the transaction. Profit and loss recognised in the company acquired in the period between the date of the transaction and the date the licence is granted is applied directly to the group's capital.

Translation of foreign subsidiaries

The profit and loss accounts of foreign subsidiaries are translated to NOK at the average exchange rates for the year, whilst the balance sheets are translated at the rate ruling at the end of the year. Any translation differences are posted against unrestricted equity.

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.

Gains and losses on internal sales to/from Storebrand Livsforsikring AS are not eliminated due to the fact that the profit of the life company is to be divided between customers and shareholders.

Minority interests

In the profit and loss account, the minority interests' share of the profit after tax is stated. This means that all items in the profit and loss account include minority interests.

Minority interests are shown in the balance sheet as a separate item.

Deferred tax

The tax charge in the profit and loss account consists of tax payable and deferred tax/tax assets.

Tax payable is calculated on the basis of the taxable profit for the year. Deferred tax/tax assets are calculated on the basis of timing differences between accounting and tax values as well as the tax effects of losses and unused allowances carried forward.

Net deferred tax assets are recorded in the balance sheet to the extent that it is considered likely that it will be possible to make use of the benefit they represent at some future date.

Pension costs

The net pension cost for the period is included under 'salary and personnel costs' and consists of the sum of pension liabilities accrued in the period, the interest charge on the estimated liability and the expected return on the pension funds.

Prepaid pension is the difference between the actual value of the pension funds and the present value of estimated pension liabilities, and is booked as a longterm asset in the balance sheet. Correspondingly a longterm liability arises in the accounts when the pension liability is greater than the pension funds. A distinction is made between insured and uninsured schemes. The uninsured scheme will always be entered as a liability since it does not have a pension fund.

The effects of changes in assumptions, deviations between calculated and estimated pension liabilities and the difference between the expected and actual return achieved on pension funds are charged to profit and loss over the remaining period for pension accrual or the expected remaining life once the cumulative effect exceeds 10% of the higher of either the pension liability or pension funds at the start of the year (the 'corridor approach').

Real estate

Method of valuation
The company routinely monitors the value of the properties that it owns. The properties are valued individually by discounting estimated future net income streams by a rate corresponding to the yield requirement for the relevant property. The net income stream takes into account existing and future losses of income as a result of vacancy, necessary investments and an assessment of the future development in market rents. The yield requirement is based on the expected future riskfree interest rate and an individually determined risk premium, dependent on the letting situation and the building's location and standard.

Real estate directly owned by Storebrand Livsforsikring AS
Due to the relationship with life insurance customers the rules for the treatment of real estate in the accounts differ as between the life insurance business and the Group's other businesses.

Properties and real estate are valued at market value in the accounts. Market value is assessed for the purposes of the annual accounts, and any changes in valuation are recognised to profit and loss.

Normal financial deprecation is not applied to real estate.

Other real estate
Ordinary depreciation is applied to real estate in the other businesses in the Group. Investment properties are valued on a portfolio approach. Where there is a permanent fall in value, the book value of the property is written down.

Other
Certain properties are owned via Norwegian partnerships. These are treated in the accounts in the same manner as other properties and are included under the same items in the accounts.

Loans

Loans advanced are carried at nominal values in the balance sheet, reduced by provisions for losses calculated in accordance with the Banking, Insurance and Securities Commission's regulations.

Specific loss provisions are intended to cover calculable losses on facilities which are identified as exposed to the risk of loss at the balance sheet date. In the event that a borrower becomes insolvent, enters into a composition with its creditors or is wound up, the value of any collateral security forms the basis for estimating possible losses. In other cases of default the borrower's financial situation, including the capacity to service indebtedness, and the value of collateral security form the basis for estimating possible losses. A facility is defined as being in default if 90 days have passed since the facility went into arrears or an unauthorised overdraft arose and the arrears or overdraft have not been remedied, or if the borrower is subject to winding up or a composition with creditors. The possibility of loss is also considered when other conditions affecting the borrower such as weak liquidity, excessive gearing or weak earnings, or the value of collateral security, suggest that there is a risk of loss. The specific loan loss provisions considered necessary are established accordingly.

General loss provisions are booked to cover losses which, due to matters existing on the balance sheet date, must be expected to occur on facilities which have not been identified and valued in accordance with the rules for specific loss provisions. The provisions are made on the basis of past experience and sector data and by applying an annually reviewed risk classification system, which appraises the borrower and the value of any collateral security.

Realised losses on facilities are losses which are considered to be final. These include losses arising on the borrower's bankruptcy, insolvency or composition with creditors, or where the companies consider it is overwhelmingly likely that the loss is final.

When an evaluation of a facility in default identifies the need for a specific loan loss provision to be established and the collateral security available is insufficient to cover interest and commission due, the accrual of interest, commissions and fees in respect of the facility ceases. In addition all interest, commissions and fees recognised to income in respect of the facility for the current year are reversed. When an evaluation of a facility not in default nonetheless identifies the need for a specific loan loss provision to be established, consideration is given to ceasing the accrual of interest, commissions and fees.

When a loan previously classified as bad or doubtful is brought back into good order, interest which has accrued but not been recognised to profit and loss is recognised as interest income and specific loan loss provisions in respect of the loan are reversed.

Properties repossessed in respect of loans in default are valued at their estimated realisable value. Any gains or losses upon sale, or any writedown as result of a fall in value of such properties, are recognised as part of loan losses.

Arrangement of long term funding

The direct costs involved in taking up long term funding are capitalised and are amortised to the next interest fixing date or maturity. Premiums/discounts on the issue of debt are recognised as income/expense by adjusting the interest expense of the bond issued over the period to maturity or the next interest fixing date. Holdings of own bonds are netted against bond loan indebtedness. Losses or gains arising as a result of the purchase or sale of own bonds in the secondary market are treated in the same way as premium/discounts on issue.

Costs incurred in respect of subordinated loans for the insurance activities are expensed in the year they are incurred.

Equity index bonds

The issue of equity index bonds comprises three elements: the issue of a bond loan, the issue of a call option related to a stock exchange index and the purchase of an option to fully hedge the option element of the index bond. The bond loan and the option agreements are entered into simultaneously. The discount on the bond loan element is amortised up to nominal value in the period to maturity as an interest expense. The option premium received on the option issued and the option premium paid on the option bought are recorded gross. The difference between premium paid and received and the amount of commission paid is recognised to profit and loss at the date of issue.

SECURITIES

Shares held as fixed assets

Investments in shares in subsidiaries and in associated companies are considered as fixed assets where the investment is of a long term and strategic nature. A corresponding classification is made for strategic investments in shares.

The book value of such shares is the cost price, and write-downs are made on an individual basis if these are not due to reasons which are temporary or of an insignificant nature.

Shares held as current assets

Shares which are held as financial current assets are booked at market value. Market value is determined as the closing price on the Oslo Stock Exchange on the last trading day of the year, and the market price (last traded/bid price) in the case of shares listed on foreign stock exchanges. The market value of shares in other companies is determined on the basis of an evaluation of the information available.

In the group's banking activities, shares held as current assets that are not intended for short-term trading are valued as a single portfolio at the lowest of purchase cost and market value.

Bonds to be held to maturity

Bonds classified as to be held until maturity are managed in accordance with the Banking, Insurance and Securities Commission's guidelines. Such bonds are booked at cost price at the time of purchase. Premiums/discounts in relation to par value are amortised over the bonds' remaining term and recorded in the profit and loss account as an interest element.

Bonds in default are valued in line with the Banking, Insurance and Securities Commission's guidelines for loans.

Bonds held as current assets

Bonds held as current financial assets are booked at market value, which is the last known traded price. In the case of securities where no traded price is available, a price is calculated on the basis of the yield curve for the particular sector.

In the group's banking activities, shares held as current assets that are not intended for short-term trading are valued as a single portfolio at the lowest of purchase cost and market value.

Financial derivatives

Financial derivatives form an integrated part of Storebrand's management of the risk and return profile of share and bond portfolios.

Financial derivatives are recognised as current assets and are valued at market value. Storebrand undertakes routine mark-to-market valuations of all derivatives. Valuation is based on actual market values where these are available in a liquid market. If no market price is directly available, market value is calculated on the basis of the market price of the underlying instrument by using mathematical models generally accepted for pricing such instruments.

In the group's banking activities, only financial directives entered into in respect of proprietary trading (the trading portfolio) are valued at market value.

The various categories of financial derivative are described in 'Terms and Expressions' on page 78.

Financial current assets denominated in foreign currency are to all practical intent currency hedged through forward foreign exchange transactions. The overall valuation of such financial current assets and the associated currency hedging transactions requires that forward foreign exchange contracts are booked at market value in order to be consistent with the use of exchange rates at 31 December in the valuation of foreign currency items.

Subordinated loans are also hedged through the use of forward foreign exchange transactions. The accounting treatment is the same as that for currency hedging of financial current assets. In addition subordinated loans which have interest rates fixed for long periods are hedged against interest rate movements through interest rate swaps. The market value surplus to the interest accrued on interest rate swaps used to hedge a subordinated loan is not capitalised in the accounts, nor is any premium or discount on the subordinated loan.

Share and interest rate options

Option premiums are capitalised at market value when an option is purchased or sold. Options are realised when they expire, are exercised or are closed out by a matching and opposite transaction.

Stock futures and interest rate futures

Futures contracts (including stock futures) are reconciled daily on the basis of the previous day's market prices. Changes in the values of futures contracts are recorded in the accounts as they occur as realised profit or loss.

Interest rate swaps

Interest income and expense arising from interest rate swaps is accrued continuously. Where interest rate swaps are not used exclusively for hedging purposes, unrealised gains and losses are recognised to profit and loss at the balance sheet date.

FRA - Forward rate agreements

Forward rate agreements (FRA) are valued at market value and are settled on the first day of the period which is the subject of the agreement.

Forward foreign exchange contracts

Forward foreign exchange contracts are principally used to hedge holdings of securities, other financial instruments and insurance related entries. As part of the accounting recognition of hedging transactions, forward foreign exchange contracts entered into for hedging purposes are valued at market price in the financial accounts, and unrealised gains or losses are taken to profit and loss.

Unrealised gains or losses recognised to profit and loss do not affect the market value adjustment reserve in the life insurance companies. Changes in the value of forward foreign exchange contracts in respect of any active currency positions do affect the market value adjustment reserve.

Foreign exchange contracts are valued at the exchange rate prevailing on the date of the balance sheet.

Foreign exchange

Hedged balance sheet items are recorded at the exchange rate prevailing on the date of the balance sheet. The currency risk arising from foreign investments and currency denominated debt is largely hedged by forward foreign exchange contracts.

Liquid assets, receivables and liabilities are converted at the exchange rate prevailing on the date of the balance sheet.

Any other balance sheet items are recorded at the exchange rate prevailing at the date of acquisition.

LIFE INSURANCE

Premiums for own account

Premiums for own account comprise premium amounts which fall due during the year, transfers of premium reserve and premiums on reinsurance ceded. Accrual of premiums earned is made through allocations to premium reserve in the insurance reserve.

Claims for own account

Claims for own account comprise claims settlements paid out, including reinsurance assumed, premium reserves transferred from other companies, reinsurance ceded and changes in claims reserves. The allocation for unsettled disability and death benefits is made through an allocation to the premium reserve in the insurance fund.

Income and expenses of financial assets – Market value adjustment reserve

The income and expenses arising from financial assets reflect both realised items and changes in unrealised value. Unrealised additional value is applied to a market value adjustment reserve and does not affect profit and loss. Financial expenses include the administration costs associated with the financial activities.

Transfer of premium reserves

Transferred premium reserves in the insurance fund on the transfer of policies between insurance companies are booked to the profit and loss account at the date the risk is transferred. The year's mandatory allocations to the premium reserve are correspondingly reduced. In addition, the premium reserve transferred includes the policy's share in the year's realised and unrealised profit.

Market value adjustment reserve

The value of the market value adjustment fund is equivalent to unrealised gains on financial current assets. Unrealised gains or losses on foreign exchange contracts are not transferred to the market value adjustment reserve with the exception of gains or losses on forward exchange contracts in respect of open currency positions. The market value adjustment reserve can never have a negative value. Unrealised losses are recognised to profit and loss on the basis of write-downs carried out on a portfolio basis.

Insurance reserves

Insurance reserves comprise the insurance fund and the statutory security fund. The insurance fund includes premium reserve, additional statutory allocation, premium fund/pension adjustment fund and claims reserves.

Premium reserve in the insurance fund

The premium reserve represents the cash value of the company's total insurance obligations in accordance with the individual insurance agreements after deducting the cash value of future premiums. The calculation principles are set out in the Insurance Activities Act. The calculations are made by an actuary.

Additional statutory reserves in the insurance fund

Additional statutory reserves are a conditional reserve, allocated to policyholders, which is booked to the profit and loss account as a mandatory reserve allocation. The maximum additional statutory reserve is set at the difference between the premium reserve, calculated on the basis of a 3.5% guaranteed return, and the actual guaranteed return in the contracts. In addition maximum limits apply in respect of individual contracts. Additional statutory reserves may be applied to meet any shortfall between actual return and the guaranteed return.

Premium fund/pension adjustment fund in the insurance fund

The premium fund contains premiums prepaid by policyholders on individual and collective pension insurance as a result of taxation regulations. The pension adjustment fund consists of payments from policyholders on collective pension insurance also resulting from taxation regulations. The fund is to be applied in payments of future benefit increases to pensioners.

Security fund

The security fund is a statutory reserve to cover unexpected insurance risks. The calculations are made by an actuary in accordance with regulations published by the Banking, Insurance and Securities Commission.

It is possible to increase the fund by 50% above the minimum allocation. In special situations the Banking, Insurance and Securities Commission may give permission that all or part of the fund be used to cover a fall in the value of securities. In the accounts the entire fund is shown as a mandatory fund.

UNIT LINKED

Unit linked products are sold through Storebrand Fondsforsikring AS. Financial assets are recorded at market value. The level of technical reserves required in respect of such contracts is determined by the market value of the financial assets. The financial risk associated with such investments is borne by the policyholder.

STOREBRAND ASA: DIVIDENDS AND GROUP CONTRIBUTION

The cost method of accounting is used to arrive at the value of subsidiaries in the parent company accounts. The main income of Storebrand ASA is the return on capital invested in subsidiaries. In the company's accounts group contributions and dividends received in respect of these investments are therefore recorded as ordinary operating income. This treatment can only be applied to income earned by the subsidiaries during the period of Storebrand's ownership. When this is not the case receipts are recognised as equity transactions, and this implies that the value of the investment in the subsidiary is reduced by the amount of group contribution or dividend received.

Notes Storebrand ASA

Note 1: Group contributions and dividends from subsidiaries

NOK million	**2001**	2000	1999
Group contribution			
Storebrand Skadeforsikring AS *)	**1 068**	1 200.0	800.0
Storebrand Livsforsikring AS			642.8
Storebrand Fondene AS		31.0	11.0
Storebrand Kapitalforvaltning ASA		37.0	15.1
Finansbanken ASA			120.0
AS Værdalsbruket			
Total	**1 068.0**	1 268.0	1 588.9

NOK million	**2001**	2000	1999
Dividends			
Storebrand Skadeforsikring AS		800.0	
Storebrand Livsforsikring AS		530.6	
AS Værdalsbruket		0.1	0.8
Total	**0.0**	1 330.7	0.8

*) A gross amount of NOK 671.6 million of total group contribution of NOK 1,068 million is recognised to profit and loss, the balance of group contribution is treated as an equity transaction. The Ministry of Finance has given a dispensation in accordance to Financial Institutions Act §2a-8 to provide a group contribution in excess of the full year result in Storebrand Skadeforsikring AS. It is a condition that the group contribution is used for repayment of bond loan in Storebrand ASA and that the payment of the group contribution is effectuated before the end of 2003.

Note 2: Personnel expenses

NOK million	**2001**	2000	1999
Ordinary wages and salaries	**37.7**	92.8	287.1
Employer's social security contributions	**13.7**	25.3	59.0
Pension expenses	**-6.5**	3.4	29.5
Other benefits	**18.5**	17.4	54.0
Total personnel expenses	**63.4**	138.9	429.6

Note 3: Pension costs and pension liabilities

	2001				2000	1999
	Insured	Uninsured schemes		Total	Total	Total
NOK million	schemes	Ordinary	Early retire.			
Net pension costs						
Pension liabilities accrued	-13.7	-7.9	-4.1	**-25.7**	-40.1	-21.7
Interest costs	-128.9	-19.1	-2.1	**-150.1**	-148.4	-72.8
Expected return on pension funds	183.2			**183.2**	185.1	65.0
Effect of changed assumptions booked to P&L		-0.9		**-0.9**		
Net pension cost	**40.6**	**-27.9**	**-6.2**	**6.5**	-3.4	-29.5

In addition employers' social security contributions in respect of the uninsured scheme totalling NOK 0.6 million were charged to profit and loss in 2001

Shown below is a reconciliation of estimated pension liabilities and pension funds with the liability booked in the company's balance sheet.

	2001				2000	1999
	Insured	Uninsured schemes		Total	Total	Total
NOK million	schemes	Ordinary	Early retire.			
Net pension liability						
Earned pension liability	-1 735.1	-265.3	-88.6	**-2 089.0**	-2 052.6	-415.6
Estimated effect of future salary growth	-171.6	-26.2		**-197.8**	-206.5	-32.8
Estimated pension liability	-1 906.7	-291.5	-88.6	**-2 286.8**	-2 259.1	-448.4
Pension funds at market value	2 396.1			**2 396.1**	2 427.5	298.8
Net estimated liability/surplus	489.4	-291.5	-88.6	**109.3**	168.4	-149.6
Effect of changed assumptions not booked to P&L	-9.8	53.8	2.2	**46.2**	-94.6	14.2
Net liability in the balance sheet	**479.6**	**-237.7**	**-86.4**	**155.5**	73.8	-135.4

Deviations from estimate are booked against the "corridor" in accordance with Norwegian Accounting Standards, and are not reflected in the balance sheet or profit and loss account. (See Accounting Principles). Note 23 also provides a more detailed description of the pension schemes provided by Storebrand and their accounting treatment. Estimated employer's social security contributions in respect of the pension liability shown in the balance sheet amounts to NOK 42.0 million and is included as part of the "Reserves for other risks and costs" item in the balance sheet. The calculations relate to 60 employees and 2,480 pensioners.

Note 4: Remuneration of officers of the company

NOK 1,000	**2001**	2000	1999
Chief Executive Officer			
Ordinary remuneration	**2 636**	2 508	2 039
Other taxable benefits	**125**	117	371
Pension cost	**223**	157	873
Board of Representatives	**569**	775	461
Control Committee *)	**814**	849	814
Chairman of the Board	**300**	398	200
Board of Directors	**1 660**	1 418	1 190
Auditor's fees for audit and related control functions	**2 017**	1 205	1 418
Auditor's fees for consultancy services	**3 000**	1 000	677

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

Idar Kreutzer, Chief Executive Officer, received salary and other benefits totalling NOK 2.8 million in 2001. His terms of employment provide a guarantee of 24 months' salary following the expiry of the normal notice period. All forms of work-related income from other sources, including consultancy assignments, will be deducted from such payments. Kreutzer is entitled to a bonus scheme based on the performance of Storebrand's share price (see note 15) and he is a member of the Storebrand pension scheme on normal terms.

Note 5: Taxation

NOK million	**2001**	2000	1999
Profit before tax	**71.3**	2 254.7	1 333.6
+Prior year dividend from subsidiaries	**530.6**	0.8	0.8
-Current year dividend from subsidiaries		-530.6	-0.8
-Non-taxable group contribution			-647.9
+/- Permanent differences	**0.6**	89.3	-23.7
+/- Changes in temporary timing differences	**600.1**	-205.6	-186.1
Tax base for the year	**1 202.6**	1 608.6	475.9
- Tax losses carried forward			-428.5
Tax base for calculation of tax payable	**1 202.6**	1 608.6	47.3
Tax payable *)	**-336.7**	-450.4	-13.3
- Tax allowances carried forward	**336.7**	318.7	11.9
Tax on group contribution paid	**-0.0**	-131.7	-1.4
Change in deferred tax	**-151.3**	-168.3	-174.9
Tax expenses	**-151.3**	-300.0	-176.3

*) Storebrand ASA has sufficient tax losses to carry forward to fully offset its tax liability, see note 11.

Note 6: Parent company's shares in subsidiaries and associated companies

NOK million	Registered office	Share capital	No. of shares (1.000)	Par value NOK	Interest in %	Book value
Subsidiaries						
Compensation Management	Oslo	12.5	12 467	1	100.0%	23.6
Storebrand Livsforsikring AS	Oslo	1 361.2	13 612	100	100.0%	1 663.6
Storebrand Fondsforsikring AS	Oslo	44.5	44	1 000	100.0%	154.2
Storebrand Bank AS	Oslo	125.0	125	1 000	100.0%	675.4
Finansbanken ASA	Oslo	1 073.4	53 670	20	100.0%	1 955.1
Storebrand Kapitalforvaltning Holding AS	Oslo	50.0	50	1 000	100.0%	140.0
Storebrand Skadeforsikring AS	Oslo	1 380.6	13 807	100	100.0%	2 563.2
Storebrand Leieforvaltning AS	Oslo	10.0	100	100	100.0%	10.0
Storebrand Felix kurs og konferanse-senter AS	Oslo	1.0	1	1 000	100.0%	8.0
Storebrand Systemutvikling AS	Oslo	5.0	5	1 000	100.0%	75.0
Storebrand ITI AS	Oslo	0.1	1	100	100.0%	0.1
Assist Group	Oslo	40.6	40 300	1	99.3%	10.0
Associated companies						
Storebrand Helseforsikring AS	Oslo	30.4	15	1 000	50.0%	50.0
Fair Financial Ireland plc.	Danmark	DKK 250	125		50.0%	0.0
Euroben Life & Pension Ltd.	Irland	EUR 1	634		50.0%	75.0
Adviso	Oslo	20.5	75	100	36.5%	15.0
AS Værdalsbruket *)	Værdal	4.8	2	625	24.9%	0.0
Total						**7 418.2**

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

Note 7: Shares and other equity investments

NOK million	Share capital	Par value (NOK)	No. of shares	Interest	Acquisition cost	Market value
Norwegian shares						
Det Norske Teateret	3.0	400.00	100	1.33%	0.0	0.0
Mine Bilder	0.5	1.00	62 500	12.47%	2.5	2.5
Orkla	1 322.3	6.25	3 791 618	1.73%	580.7	576.3
Steen & Strøm	27.9	1.00	547 809	1.96%	56.0	52.0
Troms Fylkes Dampskipsselskap	10.4	1.00	15 000	0.14%	2.6	2.4
Norwegian shares and other equity investments					**641.8**	**633.2**
International shares and fund units						
Vovi-Beteilungs (Neiv) (Germany)			13		7.5	7.4
International fund units						
Esg Partners (Bermuda) L.P.			100		2.7	2.7
Head Insurance Investors L.P.			91		36.4	29.3
Total shares and other current asset investments					**688.4**	**672.6**
Of which listed Norwegian shares						628.4
Of which listed foreign shares						0.0

Subordinated loan
Storebrand ASA has granted a subordinated loan to Fair Financial Ireland plc. of DKK 117 million. Interest is charged on the loan at 12%.

Note 8: Certificates and bonds

	Certificates		Bonds		Total	
NOK million	Acquisition cost	Market value	Acquisition cost	Market value	Acquisition kost	Market value
By debtor type						
Public sector	51.0	51.1	54.9	55.1	105.9	106.2
Financial institutions	671.0	673.3			671.0	673.3
Other issuers	178.0	178.3	70.0	70.1	248.0	248.4
Total	900.0	902.7	124.9	125.2	1 025.0	1 027.9
Convertible bonds						
Financial institutions *)			18.2	18.2	18.2	18.2
Certificates and bonds held as current assets	**900.0**	**902.7**	**143.1**	**143.4**	**1 043.2**	**1 046.1**
Of which listed		51.2		125.2		176.4
Denominated in NOK		902.7		143.4		1 046.1

*) Convertible bonds issued by Finansbanken ASA.

Note 9: Financial derivatives

	Nominal volume			Credit	Acqui-	Market
NOK million	Gross	Average	Net	equivalent amount	sition cost	value
Fixed assets						
Total return swap	269.2	302.0	269.2	2.7	0.0	-30.8
Total	**269.2**	**302.0**	**269.2**	**2.7**	**0.0**	**-30.8**

Book value is equal to market value for financial instruments.

Note 10: Real estate and other operating assets

NOK million	Real estate	Equipment, cars, inventory	Total
Acquisition cost at 1.1.	61.9	455.6	517.5
Additions	2.2	9.1	11.3
Disposals at acquisition cost		-18.4	-18.4
Aggregate depreciation and write-downs at 31.12.	-0.7	-375.0	-375.7
Book value at 31.12.	**63.4**	**71.3**	**134.7**
Depreciation for the year	-0.1	-66.6	-66.7

Straight line depreciation periods for operating assets are as follows:

Equipment and inventory:	4 years
Motor cars:	6 years
Computer systems:	3 years

Note 11: Deferred tax assets and deferred tax

	2001		2000		
NOK million	Tax increasing	Tax reducing	Tax increasing	Tax reducing	Net change
Temporary differences					
Securities	**362.9**		1 010.6	0.1	647.6
Real estate	**2.0**		2.0		
Operating assets		**101.5**		82.5	19.0
Receivables		**2.0**			2.0
Provisions		**85.1**		74.6	10.5
Prepaid pensions	**479.6**		439.0		-40.6
Accrued pension liabilities		**324.1**		365.2	-41.1
Profit and loss account	**10.5**		13.1		2.6
Net adjustments	**5.1**		5.2		0.1
Total temporary differences	**860.1**	**512.7**	1 469.9	522.4	600.1
Tax allowances carried forward		**123.6**		867.6	-744.0
Set-off	**-636.3**	**-636.3**	-1 390.0	-1 390.0	
Net temporary differences	**223.8**	**0.0**	79.9	0.0	-143.9
Applied to balance sheet	**396.4**				
Balance sheet basis for calculation	**620.2**				
Deferred tax	**173.6**		22.4		
Posted directly to equity					
Deferred tax (change applied to profit and loss)	**173.6**	**0.0**	22.4	0.0	-151.3

Note 12: Change in equity capital

NOK million	**2001**		2000		1999	
Equity at 1.1.		8 008.7		6 133.9		5 278.4
Share capital at 1.1.	1 387.7		1 387.1		1 385.7	
New share capital (employee issue)	0.7		0.6		1.4	
Write down of share capital		0.7		0.6		1.4
Share capital 31.12. (277,680,322 shares of NOK 5)	1 388.4		1 387.7		1 387.1	
Share premium reserve 1.1.	1 799.5		1 794.2		1 781.0	
Employee issue	5.1		5.3		13.2	
Transfer from other equity		5.1		5.3		13.2
Share premium reserve 31.12.	1 804.6		1 799.5		1 794.2	
Other equity 1.1.	4 821.4		2 952.5		2 111.7	
Group contribution paid			-338.8			
Dividends received booked directly against equity			470.5			
Interest					-39.1	
Profit for the year	-80.0		1 954.7		1 157.3	
Allocated to dividend			-305.3		-277.4	
Other equity movements		-80.0	87.8	1 868.9		840.8
Other equity 31.12.	4 741.4		4 821.4		2 952.5	
Equity at 31.12.		**7 934.5**		8 008.7		6 133.9

Note 13: Bond loan

NOK million	Amount	Currency	Interest	Maturity
Storebrand ASA (drawn down in June 1993)	1 800.0	NOK	8.5%	2003

Note 14: Shareholders

	Holding in %
20 largest shareholders	
Skandia Livsforsikring	9.97
Folketrygdfondet	9.97
Orkla ASA	9.96
DnB Markets	9.92
Steen & Strøm Invest	6.3
JP Morgan Chase Bank	5.84
Canica AS	3.6
Bankers Trust Company	2.89
Nordstjernen Holding AS	2.67

	Holding in %
Ferd AS	2.56
Bank of New York	3.96
Euroclear Bank S.A./N.V.	2.13
Morgan Stanley & Co.	1.83
State Street Bank & Co.	1.67
Gjensidige Nor Spareforsikring	0.92
Deutsche Bank AG	1.23
Avanse	0.59
Foreign ownership	**37.1%**

*) No single investor is permitted to hold more than 10% of the shares of a financial institution. However banks may, with the approval of the authorities, hold more than 10% in their capacity as a manager of assets.

Note 15: Senior executives, non-executive officers and other connected parties

The Storebrand group operates a cash bonus scheme for senior management which is linked to the price of the Storebrand share. The bonus falls due for payment between two and three years from the date it is granted, and takes the form of cash settlement equivalent to the difference between the market price of the Storebrand share and the allocation price of NOK 60.

	No. of shares owned *)	No. of bonus units	Loan NOK 1,000	Interest rate at 31.12.01	Repaymt. basis****)
Senior executives **)					
Idar Kreutzer ***)	600	500 000	5 893	6.3 - 8.25	AN 2031
Hans Henrik Klouman	938	400 000	1 435	6.6 - 8.15	SE 2025
Erik Råd Herlofsen	675	60 000	1 207	6.3	SE 2015
Odd Arild Grefstad	440	75 000	1 058	6.3	AN 2020
Grete Faremo	319	150 000	3 484	6.3 - 8.35	AN 2027
Egil Thompson	475	25 000	752	6.3	AN 2020
Lars Løddesøl	175	50 000	1 536	6.3 - 7.85	AN 2031
Espen Klitzing	775	350 000	1 803	6.3 - 8.15	AN 2010
Allan Åkerstedt	475	210 000			
Kai G. Henriksen	325	120 000	2 198	6.3 - 7.85	AN/SE 2029
Gunnar Henriksen *****)	175	50 000	1 581	7.35	SE2029
Board of Directors					
Leiv L. Nergaard	4 000				
Halvor Stenstadvold	93				
Brit Kristin Sæbø Rugland ******)	24 047				
Knut G. Heie					
Rune Bjerke			8 367	8.25 - 10.45	AN/SE 2027
Harald Tyrdal	100				
Rune Eikeland	860		1 133	6.3	AN 2017
Arild Thoresen	325		886	6.3	SE 2026
Nina Seiersted	290		1 150	6.3 - 8.25	AN 2031

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

**) A number of senior employees are contractually entitled to performance related bonuses. A new bonus system was introduced for the group in 2001. It is intended that this system will extend to all employees by the end of 2002. The central feature of the new system is that bonus payments are related to the group's value-based management system.

***) Idar Kreutzer became entitled upon appointment to his current position to a bonus scheme in respect of 500,000 units representing the difference between the actual share price at a future date and the allocation price. The allocation price was fixed by reference to the average share price over the week before the bonus was awarded (NOK 59.33) and will be increased by 10% annually less the effect of any dividend. The bonus may be exercised no earlier than 1 January 2004 and no later than 31 December 2004, and will be taxed as salary.

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

*****) Acting Managing Director of Finansbanken ASA 01.08.01-31.01.02. Per Kumle was appointed Managing Director on 01.02.2002.

******) 24,029 of these shares are owned through Skanem Eiendom AS.

Note 15: Senior executives, non-executive officers and other connected parties (continued)

Shares held by non-executive officers of Storebrand ASA

	No. of shares
Control committee	
Nils Erik Lie	0
Brit Seim Jahre	0
Sverre Bjørnstad	2 816
Harald Moen	322
Carl Graff-Wang	0
Jon Ansteinsson	4 334
Board of Representatives	
Sven Ullring	0
Jens P. Heyerdahl d.y.	2 421
Mette Johnsen	123
Stein Erik Hagen	0
Mille-Marie Treschow	2 349
Tor Brandeggen	0
Kristian Zachariassen	0
Erling Steigum	0
Terje R. Venold	0
Erik G. Braathen	840
Ole Enger	0
Sandra Riise	0
Wenche Meldahl	0
Brit Seim Jahre	0
Svein Rennemo	0
Tore Lindholt	156
Anders Renolen	0
Johan H. Andresen jr.	0
Per Alm Knudsen	325
Tor Haugom	180
Inger Lise Gjørv	0
Pål Ersvik	0
Inger Anne Strand	423
Per Ivar Laneskog	0
Alf Bruun	860
May Molderhauer	115
Paul Eggen jr.	860
Margareth Øvrum	0
Astrid Olive Aanerud	115
Jostein Lindgren	0
External Auditors	
Arne Frogner	0
Ole M. Klette	0

No loans have been made to any member of the Control Committee, and loans to the Board of Representatives total NOK 11.2 million.

Transactions between group companies

NOK million	**2001**	2000	1999
Profit and loss account items:			
Group contribution from subsidiaries	1 068.0	1 268.0	1 588.9
Dividends from subsidiaries		1 330.7	0.8
Purchase and sale of services (net)	1.0	306.9	841.6
Balance sheet items:			
Long term debt within the group	196.0	328.7	457.4
Long-term intra-group receivables	15.0		
Net accounts payable and receivable (short-term, inc. group contribution)	1 095.0	1 492.5	1 588.9

Note 16: No. of employees/Full time equivalent positions

	2001
No. of employees at 31.12.	35
No. of full time equivalent positions at 31.12.	34
Average No. of employees	50

Note 17: Guarantees given

NOK million	Currency	Terms	Accounts provision
Storebrand ASA has given the following guarantees:			
1) Institute of London Underwriters (ILU)	GBP	No specified amount	0
2) Norges Bank	NOK	No specified amount	0

1) Counter indemnity of Oslo Reinsurance Company ASA (formerly UNI Storebrand International Insurance AS).
2) Guarantee issued 1998 in respect of management of the Norwegian Government Petroleum Fund.

Notes Storebrand Group

Note 18: Analysis by business segment

NOK million	**2001**	2000	1999
Profit by business area			
Life insurance	**-82.2**	830.4	766.9
Asset management	**14.0**	67.2	35.2
Storebrand Bank	**-43.2**	52.5	4.5
Finansbanken *)	**-101.9**	-10.0	84.2
Non-life insurance	**-766.9**	-71.8	301.6
Other activities	**-449.6**	-344.9	-26.4
Group profit	**-1 429.8**	523.4	1 166.0

*) Finansbanken is consolidated from 1.8.1999.

Quarterly profit by business area

	Q1		Q2		Q3		Q4	
NOK million	**2001**	2000	**2001**	2000	**2001**	2000	**2001**	2000
Life insurance	116.6	263.4	100.7	269.6	-403.9	362.9	104.4	-65.5
Asset management	7.9	19.3	-4.4	17.7	8.9	21.8	1.6	8.4
Storebrand Bank	-4.2	1.9	-63.8	20.1	-19.0	45.3	43.8	-14.8
Finansbanken	29.8	69.7	-146.9	13.3	11.8	-19.1	3.4	-73.9
Non-life insurance	-202.0	70.9	30.5	-2.9	-318.4	12.4	-277.0	-152.2
Other activities	-137.1	-129.1	-70.4	-52.9	-170.4	-51.0	-71.7	-111.9
Group profit	**-189.0**	296.1	**-154.3**	264.9	**-891.0**	372.3	**-195.5**	-409.9

Business areas 2001

NOK million	Life insurance	Asset management	Storebrand Bank	Finans-banken	Non-life	Other/ netting	Group
Revenue	28 740.5	159.7	1 293.1	1 751.7	-520.0	43.9	31 468.9
Costs	-31 384.5	-145.7	-1 336.3	-1 853.6	-246.9	-493.5	-35 460.5
Other items - life insurance	2 561.8						2 561.8
Group profit	**-82.2**	**14.0**	**-43.2**	**-101.9**	**-766.9**	**-449.6**	**-1 429.8**
Extraordinary items and security reserve					278.8		278.8
Pre-tax profit	**-82.2**	**14.0**	**-43.2**	**-101.9**	**-488.1**	**-449.6**	**-1 151.0**
Total assets	111 650.4	254.3	12 785.0	19 701.2	5 128.2	2 994.3	152 214.4

Business areas 2000

NOK million	Life insurance	Asset management	Storebrand Bank	Finans-banken	Non-life	Other/ netting	Group
Revenue	33 821.4	214.4	1 018.2	1 555.3	579.1	143	37 331.7
Costs	-34 637.8	-147.2	-965.7	-1 565.3	-650.9	-488	-38 455.1
Other items - life insurance	1 646.8						1 646.8
Group profit	**830.4**	**67.2**	**52.5**	**-10.0**	**-71.8**	**-344.9**	**523.4**
Extraordinary items and security reserve	-0.4				336.1		335.7
Pre-tax profit	**830.0**	**67.2**	**52.5**	**-10.0**	**264.3**	**-344.9**	**859.1**
Total assets	116 589.7	244.5	11 310.1	20 096.5	6 912.7	1 590.7	156 744.2

Business areas Q4 2001

NOK million	Life insurance	Asset manage- ment	Storebrand Bank	Finans- banken	Non- life	Other/ netting	Group
Revenue	5 724.3	128.6	513.1	387.1	-199.5	-103.7	6 449.9
Costs	-3 346.9	-127.0	-469.3	-383.7	-77.5	32.1	-4 372.3
Other items - life insurance	-2 273.1						-2 273.1
Group profit	**104.3**	**1.6**	**43.8**	**3.4**	**-277.0**	**-71.6**	**-195.4**
Extraordinary items and security reserve					144.7		144.7
Pre-tax profit	**104.3**	**1.6**	**43.8**	**3.4**	**-132.3**	**-71.7**	**-50.8**

Business areas Q4 2000

NOK million	Life insurance	Asset manage- ment	Storebrand Bank	Finans- banken	Non- life	Other/ netting	Group
Revenue	5 994.1	54.4	337.6	460.4	193.4	-59.3	6 980.6
Costs	-8 878.6	-46.0	-352.4	-534.3	-345.6	-52.6	-10 209.5
Other items - life insurance	2 819.0						2 819.0
Group profit	**-65.5**	**8.4**	**-14.8**	**-73.9**	**-152.2**	**-111.9**	**-409.9**
Extraordinary items and security reserve	-0.5				96.0		95.5
Pre-tax profit	**-66.0**	**8.4**	**-14.8**	**-73.9**	**-56.2**	**-111.9**	**-314.4**

Explanatory note:
Life insurance comprises: Storebrand Livsforsikring Group, Storebrand Fondsforsikring AS, Storebrand Helseforsikring AS, Storebrand Systemutvikling AS and Euroben Asset management comprises: Storebrand Kapitalforvaltning ASA, Storebrand Fondene AS and Storebrand Kapitalforvaltning Holding AS.

Figures for Finansbanken include Storebrand ASA's depreciation of goodwill. Non-life insurance includes Fair Forsikring. Other includes Storebrand ASA.
Other costs-life insurance relates to changes in the market adjustment reserve and funds allocated to policyholders.

Note 19: Net financial income: insurance

	Storebrand Livsforsikring			Storebrand Group ***)		
NOK million	**2001**	2000	1999	**2001**	2000	1999
Income from group and associated companies	**7.7**	4.5	11.0	**-761.6**	-283.8	11.0
Income from properties and real estate	**942.2**	858.9	772.9	**943.1**	864.0	772.9
Interest income - bonds & certificates	**3 851.7**	3 875.2	3 572.9	**3 909.2**	3 945.6	3 573.9
Interest income - lending	**159.3**	203.2	329.7	**160.8**	205.5	329.7
Other interest income	**522.9**	235.6	177.5	**546.9**	253.5	169.9
Share dividends	**385.1**	465.4	469.8	**390.2**	483.6	475.3
Revaluation of real estate	**520.4**	476.5	166.6	**520.4**	476.5	166.6
Reversal of valuation adjustments - shares		23.0	1.2		30.8	1.2
Reversal of valuation adjustments - interest bearing instruments	**0.7**	3.6	0.9	**0.7**	31.5	0.9
Gains on sale of shares	**9 976.4**	13 748.2	8 160.2	**10 077.6**	14 381.7	8 167.4
Gains on sale of fixed-income securities	**2 504.4**	4 054.1	3 588.6	**2 547.9**	4 067.6	3 589.8
Unrealised gains on shares			7 407.8	**31.6**		7 834.7
Unrealised gains on fixed-income securities			-1 539.4	**47.0**	9.7	-1 539.1
Other financial income	**32.6**	5.6		**97.3**	201.1	6.8
Total income from financial assets	**18 903.4**	23 953.8	23 119.7	**18 510.9**	24 667.2	23 560.9

Note 19: Net financial income: insurance (continued)

NOK million	Storebrand Livsforsikring **2001**	2000	1999	Storebrand Group ***) **2001**	2000	1999
Costs arising from properties and real estate *)	**-130.4**	-72.1	-134.5	**-130.6**	-57.1	-121.1
Valuation adjustments - shares		-35.0			-35.6	
Valuation adjustments - interest bearing instruments				**-30.9**		
Write-down of real estate	**-81.5**	-393.6	-163.8	**-81.5**	-393.6	-163.8
Loss on sale of shares	**-13 298.4**	-9 925.3	-4 202.5	**-13 778.6**	-9 994.4	-4 206.8
Loss on sale of interest bearing instruments	**-1 653.1**	-4 314.6	-3 166.7	**-1 663.6**	-4 332.7	-3 166.9
Unrealised loss on shares	**-2 272.6**	-6 290.5		**-2 579.5**	-7 168.3	
Unrealised loss on interest bearing instruments	**118.4**	692.3		**110.2**	692.7	-0.7
Other financial expenses **)	**-148.0**	-249.5	-276.2	**-56.3**	-303.3	-71.4
Total costs of financial assets	**-17 465.6**	-20 588.3	-7 943.7	**-18 210.8**	-21 592.3	-7 730.7
Total net income from financial assets	**1 437.8**	3 365.5	15 176.0	**300.1**	3 074.9	15 830.3

*)	Of which administration costs	**-6.7**	-15.0	-13.4
**)	Of which administration costs	**-116.5**	-129.9	-126.9

Administration costs are included in the line for operating costs in the group accounts and are netted in the group column in the above table.

***) Group figures include Storebrand Fondsforsikring AS, Storebrand Helseforsikring AS, Storebrand Skadeforsikring AS, Euroben, Fair Forsikring and intra-group netting.

Note 20: Net interest and commission income: banking activities

NOK million	Storebrand Bank **2001**	2000	1999	Finansbanken **2001**	2000	1999*)	Group **2001**	2000	1999
Interest and related income on loans to and deposits with credit institutions	**5.5**	2.4	4.3	**41.3**	59.1	-4.9	**46.8**	61.5	-0.6
Interest and related income on loans to and claims on customers	**805.8**	563.1	438.2	**1 456.6**	1 238.1	407.6	**2 262.4**	1 801.2	845.8
Interest and related income from certificates, bonds and other interest bearing securities	**82.6**	56.8	52.9	**109.7**	95.8	19.2	**192.3**	152.6	72.1
Other interest and related income	**164.6**	254.2	6.0	**5.0**	0.7	0.1	**169.6**	254.9	6.1
Total interest and related income	**1 058.5**	876.5	501.4	**1 612.6**	1 393.7	422.0	**2 671.1**	2 270.2	923.4
Interest and related expense on liabilities to credit institutions	**-20.8**	-23.4	-13.4	**-147.8**	-208.8	-35.7	**-168.6**	-232.2	-49.1
Interest and related expense on deposits from and liabilities to customers	**-404.3**	-307.8	-273.2	**-527.9**	-409.7	-122.4	**-932.2**	-717.5	-395.6
Interest and related expense on securities issued	**-311.5**	-145.3	-90.7	**-434.7**	-308.4	-94.0	**-746.2**	-453.7	-184.7
Interest and related expense on subordinated loan capital				**-42.8**	-29.9	-6.7	**-42.8**	-29.9	-6.7
Other interest and related expense	**-145.9**	-222.2	-17.2	**-12.1**	-35.8	-22.4	**-158.0**	-258.0	-39.6
Total interest and related expense	**-882.5**	-698.7	-394.5	**-1 165.3**	-992.6	-281.2	**-2 047.8**	-1 691.3	-675.7
Net interest and commission income	**176.0**	177.8	106.9	**447.3**	401.1	140.8	**623.3**	578.9	247.7

*) Figures for Finansbanken are from 1 August 1999 to 31 December 1999.

Note 21: Losses and provisions for losses on loans, guarantees etc.

NOK million	SB Life **2001**	SB Bank **2001**	Finans-banken **2001**	Group **2001**	2000	1999
Change in specific loan loss provisions for the period	0.7	22.7	-19.3	**4.1**	-125.8	8.1
Change in general loan loss provisions for the period	-0.6	-0.4	-136.5	**-137.5**	-55.2	23.9
Realised losses on loans where specific provision has previously been made		-11.0	-136.0	**-147.0**	-89.6	-16.1
Realised losses on loans where no specific provision has previously been made	-0.2	-1.2	-11.1	**-12.5**	-22.0	-2.6
Recovery of loan losses realised previously	0.6	22.7	0.7	**24.0**	48.1	31.4
Loan losses and provisions for the period	**0.5**	**32.8**	**-302.2**	**-268.9**	-244.5	44.7

Note 22: Operating costs

NOK million	SB Life 2001	SB Bank 2001	Finans-banken 2001	Others 2001	Storebrand Group 2001	Storebrand Group 2000	Storebrand Group 1999
Ordinary wage and salary expenses	256.7	223.4	132.7	203.1	**815.9**	841.0	837.7
Social security contributions	45.4	36.0	16.3	37.7	**135.4**	121.4	132.4
Pension expense (inc. employers' social security contributions.)	20.1	17.8	6.3	6.2	**50.4**	52.1	58.3
Other benefits	27.5	11.7	12.0	26.7	**77.9**	53.2	79.6
Total personnel expenses	349.7	288.9	167.3	273.7	**1 079.6**	1 067.6	1 108.0
External consultancy expenses	36.9	36.3	30.4	143.7	**247.3**	216.1	168.9
Office costs	144.2	233.4	80.4	64.3	**522.3**	393.1	521.4
Other operating costs/recharges	392.1	-179.7	57.1	20.0	**289.5**	303.0	-346.5
Depreciation	8.4	7.8	22.8	83.6	**122.6**	132.2	172.6
Total operating costs *)	**931.3**)**	**386.7**	**358.0**	**585.2**	**2 261.3**	2 111.9	1 624.4
*) Of which insurance related	751.9				751.9	860.7	769.8
**) Of which costs incurred by subsidiaries	56.2				56.2		

Auditors' fees for group companies	
Audit fees	7.8
Other control functions	1.0
Fees for advisory services	4.2

Note 23: Pension expenses and pension liabilities

Staff pensions are provided by a group pension scheme, primarily with Storebrand Livsforsikring AS in accordance with the rules on private occupational pension schemes. Pensions are payable at pension age which is 67 for executives and 65 for underwriters. The ordinary retirement age is 65, and a retirement pension equivalent to 70% of pensionable salary becomes payable on retirement.
Pension benefits form a part of the group collective employment terms applicable to employment by Storebrand ASA. Early retirees are defined as those who retire before reaching 65 years of age.
Pension costs and pension liabilities are treated for accounting purposes in accordance with the accounting standards for pension costs issued by the Norwegian Accounting Standards Board (see also Accounting principles). Both insured and uninsured schemes are treated as defined benefit plans.The following assumptions have been used in the calculations:

Financial assumptions

– Return on pension fund	8.0%
– Discount rate	7.0%
– Annual earnings growth	3.0%
– Expected adjustment of Social Security Fund's base amount (G)	3.0%
– Annual pension increase	2.5%

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

The calculations apply to 1,359 employees and 2,483 pensioners. Net accrued pension costs are shown in the table below.

NOK million	2001 Insured scheme	2001 Uninsured Ordinary	2001 Uninsured Early retire.	2001 Total	2000 Total	1999 Total
Net pensions costs						
Pension liabilities accrued	-51.3	-17.9	-4.1	**-73.3**	-84.9	-58.8
Interest costs	-153.9	-26.4	-2.1	**-182.4**	-176.9	-139.5
Expected return on pension funds	209.0	0.8		**209.8**	214.7	140.0
Deviation from estimates	-9.4	4.7		**-4.7**	1.8	
Net pensions cost	-5.6	-38.7	-6.2	**-50.5**	-45.3	-58.3

Calculated liability
Shown below is a reconciliation of the estimated pension liabilities, and the pension funds held in respect of these, to the liability booked in the balance sheet:

Note 23: Pension expenses and pension liabilities (continued)

NOK million	Insured scheme	2001 Uninsured Ordinary	Early retire.	Total	2000 Total	1999 Total
Net pensions liability						
Earned pension liability	-2 044.4	-340.3	-88.6	**-2 473.3**	-2 388.2	-1 088.8
Estimated effect of future salary growth	-260.2	-49.0		**-309.2**	-336.1	-114.8
Estimated pension liability	-2 304.6	-389.3	-88.6	**-2 782.5**	-2 724.3	-1 203.6
Market value of pension funds	2 748.2			**2 748.2**	2 818.0	969.8
Net estimated pension liability/surplus	443.6	-389.3	-88.6	**-34.3**	93.7	-233.8
Deviations from estimates not applied to profit and loss	93.4	-2.9	2.2	**92.7**	-109.6	45.5
Net pension liability as shown in the balance sheet	**536.9**	**-392.2**	**-86.4**	**58.3**	-15.9	-188.3

*) Deviations from estimate are booked against the "corridor" in accordance with Norwegian Accounting Standards and amounts in excess of the corridor are recognised to profit and loss over the remaining period for accrual of pension rights (cf. Accounting Principles). Estimated employer's social security contributions in respect of the pension liability shown in the balance sheet amounts to NOK 60.5 million and is included in the balance sheet under 'Reserves for other risks and costs'.

Note 24: Taxation

NOK million	**2001**	2000	1999
Profit before tax	**-1 151.0**	859.1	4 632.4
Tax payable	**-269.3**	-185.7	-6.4
Deferred tax - net change	**468.7**	33.4	-1 124.4
Tax expenses	**199.4**	-152.3	-1 130.8

Note 25: Intangible assets in subsidiaries

NOK million	Owned by	Intangible assets **31.12.01**	31.12.00	31.12.99	Goodwill depreciation **2001**	2000	1999	Deprec. rate
Finansbanken ASA	SB ASA	**478.6**	506.8	535.0	**-28.2**	-28.2	-11.7	5 %
Storebrand Systemutvikling AS	SB ASA	**86.9**	60.8		**-6.4**			
Aktuar Systemer AS	SB Life		1.8	3.5	**-1.8**	-1.8	-1.8	20 %
NEXUS AS	SB Bank	**1.0**	2.0	3.0	**-1.0**	-1.0	-1.0	20 %
Finansbanken Index ASA	Finansbanken	**3.7**	7.5	2.6	**-3.9**	-2.8	-1.3	33 %
Delphi Forvaltning AS	Finansbanken					-1.1		14 %
Delphi Aktiv Forvaltning AS	Finansbanken/D	**35.3**	42.3		**-7.0**	-6.0		14 %
Delphi Fondsforvaltning AS	Finansbanken/D	**35.3**	42.3		**-7.0**	-6.0		14 %
Delphi Investors Service AS	Finansbanken/D	**8.6**	11.3		**-2.8**	-2.4		20 %
Den Københavnske Bank AS	Finansbanken	**21.2**	25.1		**-3.9**	-1.9		14 %
Viken Kapitalforvaltning	Finansbanken/D	**0.1**	0.8		**-0.7**	-0.9		20 %
Delphi Fondsforvaltning	Finansbanken/D		0.7		**-0.7**	-0.6		20 %
Total		**670.7**	701.4	544.1	**-63.4**	-52.8	-15.8	-

In addition Finansbanken has capitalised NOK 4 million in respect of its brand-name.

Note 26: Sales of associated companies and subsidiaries 2001

The table shows the accounting effect of sales in 2001.

NOK million	Ownership	Sale consideration	Gain/Loss	Date of sale
Company				
Delphi Asset Management	50 %	0.5	0.10	June 2001
ISB Insurance AS	100 %	Wound-up	1.73	
ISB Brokers AS	100 %	Wound-up	0.10	
Business of Storebrand Finans AS *)		175	109.2	31.12.01

*) The sale relates only to the business of the company - the company itself has not been sold.

Note 27: Real estate

NOK million	Market value	Ave. rent per sq.m.	Term of lease	Sq.m.	Percentage let
Geographic location					
Office premises (inc. commercial premises, parking and storage)	6 105.1	1 405	5.3	356 519	99.7%
Shopping centres (inc. parking and storage)	4 757.5	1 228	3.0	332 938	99.0%
Parking	421.5	679	15.0	43 905	100.0%
Other property companies	9.0				
Total for the Life company	**11 293.1**			**733 362**	
Other companies	**64.2**				
Total	**11 357.3**				

Geographic distribution (Life company):	
Oslo-Vika/Filipstad Brygge	4 209.0
Oslo - other	3 366.2
Stavanger	433.8
Norway - other	3 275.5
USA	
Ownership structure:	
Directly owned	4 124.7
Property company (AS)	6 177.0
Property partnership (ANS)	982.8

Note 28: Operational fixed assets

NOK million	Real estate	Equipment, cars and inventory	Total
Purchase cost as at 1 January	10 170.2	679.1	10 849.3
Revaluation for the year	498.3		
Previous revaluations	897.6		897.6
Additions	94.6	90.3	184.9
Disposals at purchase cost	-238.6	-39.8	-278.4
Reclassification			
Total depreciation and write-downs at 31 December	-64.9	-548.8	-613.7
Book value at 31 December	**11 357.3**	**180.8**	**11 538.1**
Ordinary depreciation for the year	-0.4	-122.2	-122.6

Straight line depreciation is applied over the following periods for operating assets:

Equipment and inventory:	4 years
Motor cars:	6 years
Computer systems:	3 years

Note 29: Shares and other equity investments

NOK million	Shares held	Interest	Acquisition cost	Market value
Shares and other equity investments (fixed assets)				
Intre AS			32.7	32.7
Other shares and equity investments (fixed assets)			2.8	2.8
Total shares and other equity investments (fixed assets)			**35.5**	**35.5**
Norwegian banking and finance shares				
Acta	7 041 388	11.15%	159.5	44.0
Bolig- og Næringsbanken	64 300	0.66%	11.7	12.0
DnB Holding	6 577 000	0.84%	235.3	265.7
Gjensidige NOR Sparebank	40 000	0.09%	10.4	10.9
Kredittbanken	8 800	0.07%	0.4	0.3
Nordlandsbanken	561 016	7.53%	123.3	122.9
Romsdals Fellesbank	570 951	9.10%	8.7	68.5
Other Norwegian shares				
Aker Maritime	650 400	1.15%	44.1	44.9
Bergesen d.y. A	479 330	0.72%	61.5	76.2
Bergesen d.y. B	453 493	0.69%	74.0	64.4

Note 29: Shares and other equity investments (continued)

NOK million	Shares held	Interest	Acquisition cost	Market value
Dagbladet	125 154	5.20%	23.2	48.8
Dagbladet P	49 464	2.06%	9.2	19.3
EDB Business Partner	2 261 202	2.50%	227.9	114.2
Ekornes	423 532	1.27%	28.1	32.6
Elkem	575 300	1.17%	87.1	86.3
Farstad Shipping	1 814 925	4.00%	64.2	81.7
Fred. Olsen Energy	899 250	1.49%	62.8	39.1
Glava	80 574	8.39%	25.2	52.4
Golar LNG LTD	673 000	1.20%	31.0	31.6
Hafslund A	588 252	0.51%	28.4	19.7
Hafslund B	504 800	0.44%	18.0	15.4
Hansa Borg Bryggerier	3 225 000	11.10%	20.4	21.5
Hydralift	1 610 356	4.04%	59.2	106.3
Industrifinans SMB III	49 781	8.10%	30.4	27.4
Jøtul	374 700	12.76%	38.7	15.7
Merkantildata	4 587 907	2.44%	68.0	48.6
Nera	4 617 391	3.74%	175.7	89.6
Network Electronics	2 969 865	12.18%	17.3	14.5
Norges Handels og Sjøfartstidene	59 094	5.13%	12.0	50.2
Norsk Hydro	1 855 681	0.70%	606.1	697.7
Norske Skogindustrier A	2 435 467	1.85%	270.3	410.4
Odfjell A	156 354	0.61%	21.7	21.1
Odfjell B	32 700	0.13%	3.4	4.4
Opticom	178 685	0.08%	201.2	65.8
Organic Power	451 500	15.62%	37.5	37.6
Orkla	12 781 249	5.83%	1 091.9	1 942.7
Pan Fish	2 715 229	1.77%	62.6	40.7
Petroleum Geo-Services	1 607 390	1.56%	173.9	111.7
Prosafe	1 262 706	3.74%	151.7	151.5
Reitan Narvesen	2 439 500	2.32%	101.2	162.2
Schibsted	1 671 250	2.41%	273.9	144.6
Smedvig A	956 400	1.15%	40.1	69.8
Smedvig B	515 600	0.62%	27.0	31.7
Solstad Offshore	1 031 550	2.92%	32.7	41.3
Statoil ASA	3 472 900	0.16%	233.6	213.6
Steen & Strøm	4 145 953	14.87%	252.4	393.9
Tandberg	463 760	0.74%	31.6	92.8
Telenor	5 844 200	0.32%	241.9	225.6
Telenor Venture	137 040	13.70%	29.2	58.3
TGS Nopec Geophysical Company	606 250	2.48%	69.4	75.5
Tomra Systems	2 819 900	1.58%	242.8	242.5
Veidekke	2 931 621	10.84%	172.6	149.5
Vmetro	749 000	3.03%	79.9	54.7
Other Norwegian shares			890.4	552.4
Equity fund units (Norwegian)				
Alliance Venture Internal Partners	3 107 500		3.1	3.0
FSN Capital Limited Partnership 1	11 242 295		89.7	87.6
Parkering & Co.	1		0.0	0.0
Storebrand Aksje Innland	227		2.7	2.8
Storebrand Asia	4 543		4.5	4.5
Storebrand Asia A	17 899		17.9	18.1
Storebrand Asia B	4 956		5.0	5.0
Storebrand Barnespar	422 249		42.2	45.0
Storebrand Bedriftspensjon	58 617		58.7	68.2
Storebrand Energi	36 349		36.3	39.2
Storebrand Europa I	379 327		300.0	309.2
Storebrand F & C Emerging Markets	12 117		12.1	8.6
Storebrand Global	1 600		3.2	2.6
Storebrand Global Institusjon	11 625		24.9	17.9
Storebrand Nord Amerika I	700 000		700.0	695.1
Storebrand Optima Norge A	3 587		35.9	34.4
Storebrand Telecom	35 000		35.0	27.5
Storebrand WGA Health Care	1 777		1.8	1.9
Other fund units			0.8	0.8
Total shares and other equity investments - Norwegian			**8 468.4**	**8 987.8**

Note 29: Shares and other equity investments (continued)

NOK million	Shares held	Interest	Acquisition cost	Market value
International shares				
Australia			218.0	199.2
Belgium			22.2	16.4
Bermuda			65.2	60.8
Canada			202.3	214.1
Denmark			96.1	89.3
Finland			136.8	190.7
France			596.8	651.5
Hong Kong			144.5	138.3
Ireland			37.8	38.0
Italy			252.9	251.6
Japan			1 335.8	1 142.5
Liberia			246.9	192.2
Luxembourg			203.3	192.3
Holland			419.7	450.2
New Zealand			7.4	4.7
Portugal			82.3	81.4
Singapore			90.6	81.3
Spain			60.6	59.3
Great Britain			1 322.1	1 347.6
Switzerland			316.5	332.8
Sweden			458.7	648.5
Germany			316.9	298.3
USA			5 527.5	5 802.2
Austria			12.1	13.0
Other			29.1	24.3
International fund units			1 447.1	1 343.5
Total shares and other equity investments - international			**13 649.5**	**13 864.0**
Forward foreign exchange contracts - shares				120.7
Total shares and other equity investments (current assets)			**22 117.9**	**22 972.5**
Of which listed Norwegian shares				6 978.4
Of which listed international shares				11 846.4

Note 30: Certificates and bonds

NOK million	Certificates Acquisition cost	Certificates Market value	Bonds Acquisition cost	Bonds Market value	Total Acquisition cost	Total Market value
Public sector	4 029.3	4 080.5	18 636.5	19 185.7	22 665.8	23 266.2
Financial institutions	8 047.0	8 065.2	6 277.2	6 468.1	14 324.2	14 533.3
Other issuers	1 745.0	1 747.7	4 590.5	4 432.3	6 335.5	6 179.9
Forward foreign exchange contracts		0.6		122.5		123.1
Total certificates and bonds	**13 821.3**	**13 894.0**	**29 504.2**	**30 208.7**	**43 325.6**	**44 102.5**
- Of which listed securities		12 976.4		25 176.0		38 152.4
Analysis by currency:						
NOK	13 821.3	13 894.0	8 996.4	8 918.4	22 817.7	22 812.4
USD			7 468.2	8 083.1	7 468.2	8 083.1
EUR			7 668.3	7 614.9	7 668.3	7 614.9
Other			5 371.3	5 592.3	5 370.5	5 592.3
Total certificates and bonds	**13 821.3**	**13 894.0**	**29 504.2**	**30 208.7**	**43 324.6**	**44 102.5**

*) differs from balance sheet figure due to fund units not invested in securities but held in bank or settlement accounts.

Note 31: Bonds to be held to maturity

NOK million	Nominal value	Acquisition cost	Book value	Market value	Amortisation outstanding
Bonds held to maturity - Norwegian					
Public sector	17 705.8	17 877.1	17 762.5	17 721.2	56.7
Financial issuers	7 226.0	7 059.6	7 183.0	7 197.9	-43.0
Other issuers	100.0	96.9	98.1	98.6	-1.9
Total portfolio (NOK)	**25 031.8**	**25 033.6**	**25 043.6**	**25 017.7**	**11.8**
- Of which listed securities					
Average effective yield	6.42 %				

Note 32: Financial derivatives

The concepts applied in the following tables are set out in the following section.

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

Long positions and short positions
A long position in an equity derivative produces a gain in value if the share price increases. For interest rate derivatives, a long position produces a gain if interest rates fall, as is the case for bonds. A long position in a currency derivative produces a gain if the currency strengthens against the NOK. The gap between long and short positions is taken into account in calculating the total net nominal volume, whereas gross total nominal volume takes no account of the result for a particular instrument of a long versus a short position.

Average gross nominal volume
The average figures are based on daily calculations of gross nominal volume.

Credit equivalent amounts
Credit equivalent amounts are intended to give a measure of the credit risk associated with financial derivatives. In general the credit risk is seen as being limited, since either stock exchange listed and cleared contracts or contracts with well known financial institutions are employed. Credit equivalent values represent the weighted volume of currency and interest rate agreements for the purposes of capital adequacy calculations, where gross nominal volume is taken into account.

	Nominal volume					
NOK million	Gross	Average	Net	Credit equivalent amount	Acquisition cost	Market value
Current assets						
Share options	52.1	120.8	-49.4	1.5	-3.1	-13.0
Forward share contracts						
Stock index futures	1 115.8	4 052.8	1 115.8			-9.6
Total equity derivatives	**1 167.9**	**4 173.6**	**1 066.4**	**1.5**	**-3.1**	**-22.6**
Forward rate agreements	146 593.7	93 815.0	1 710.1	21.8		-20.6
Interest rate futures	37 308.1	20 978.0	21 500.3			-38.0
Interest rate swaps	17 593.5	14 402.7	-12 112.3	186.4		233.5
Interest rate options		3 219.8				
Total interest rate derivatives	**201 495.3**	**132 415.5**	**11 098.2**	**208.2**		**174.8**
Forward foreign exchange contracts	35 213.4	46 720.5	-26 825.1	139.9		243.2
Total currency derivatives	**35 213.4**	**46 720.5**	**-26 825.1**	**139.9**		**243.2**
Total derivatives - current assets	**237 876.7**	**183 309.5**	**-14 660.5**	**349.6**	**-3.1**	**395.5**
Fixed assets						
Total return swaps	269.2	302.0	269.2	2.7		-30.8
Interest rate swaps	479.8	479.8	479.8			-3.7
Forward foreign exchange contracts	3 331.1	3 204.6	3 331.1	7.2		-1.2
Total derivatives - fixed assets	**4 080.1**	**3 986.4**	**4 080.1**	**9.9**		**-35.7**

Note 33: Foreign currency

NOK million	Long position	Short position	Net position	FX fwd. contracts	Net position in currency	Net position in NOK
Current asset portfolios						
AUD	47.0		47.0	-38.0	9.0	41.5
CAD	631.9	-231.2	400.7	-389.9	10.8	60.7
CHF	73.7	-2.1	71.6	-66.0	5.6	30.5
DKK	523.9	-170.9	353.0	-349.0	4.0	4.3
EUR	1 702.5	-908.5	794.1	-789.8	4.3	6.2
GBP	457.7	-37.5	420.1	-206.1	214.1	309.7
HKD	137.1		137.1	-123.5	13.6	15.7
IDR	343.6		343.6		343.6	0.3
JPY	52 134.5	-19 807.1	32 327.3	-37 057.5	-4 730.2	-323.7
KRW	660.5		660.5		660.5	4.5
MYR	0.8		0.8		0.8	1.8
NZD	1.3		1.3	-1.1	0.2	0.9
PHP	2.6		2.6		2.6	0.4
SEK	1 235.7	-58.4	1 177.3	-1 108.5	68.7	58.7
SGD	20.0		20.0	-12.2	7.8	37.8
THB	3.3		3.3		3.3	0.7
TWD	19.3		19.3		19.3	4.9
USD	2 148.9	-820.6	1 328.3	-1 200.4	127.9	418.2
Total current asset portfolios						**673.0**
Fixed asset portfolios						
DKK	125.0		125.0		125.0	134.3
EUR	9.5		9.5	134.5	144.0	1 149.7
GBP	2.3		2.3		2.3	29.4
SEK	6 646.7		6 646.7	489.5	7 136.1	6 101.8
USD	0.7		0.7	205.0	205.7	1 845.2
Total fixed asset portfolios						**9 260.3**

Note 34: Lending to customers

NOK million	SB Life 2001	SB Bank 2001	Finansbanken 2001	Non-life 2001	Group 2001	Group 2000	Group 1999
Not greater than 60% of valuation	1 153.5	6 335.9		5.4	**7 494.8**	7 240.6	6 902.2
Between 60-80% of valuation	77.4	2 458.5		0.5	**2 536.4**	2 108.4	1 997.6
Over 80% of valuation	6.4	391.4		0.1	**397.9**	315.5	227.9
Secured loans *)	1 237.3	9 185.8		6.0	**10 429.1**	9 664.5	9 127.7
Specific provisions	-0.1	-2.1		-0.3	**-2.5**	-0.5	-1.3
General provisions	-1.2	-5.1			**-6.3**	-3.1	-2.7
Total secured loans	1 236.0	9 178.6		5.7	**10 420.3**	9 660.9	9 123.7
Other loans	172.2	1 869.9	17 317.3	10.3	**19 369.7**	18 706.6	13 544.1
Specific provisions	-2.2	-6.2	-321.7	-5.9	**-336.0**	-495.5	-342.9
General provisions	-4.0	-4.7	-304.6	-0.1	**-313.4**	-175.1	-115.1
Total other loans	166.0	1 859.0	16 691.0	4.3	**18 720.3**	18 036.0	13 086.0
Total lending	**1 402.0**	**11 037.6**	**16 691.0**	**10.0**	**29 140.6**	27 697.0	22 209.7
*) Of which guaranteed		1 645.3			1 645.3	529.9	372.7

Loans to group employees total NOK 2 317.5 million.

Analysis of loans to customers before loan losses and provisions

NOK million	SB Life 2001	SB Bank 2001	Finansbanken 2001	Non-life 2001	Group 2001	Group 2000	Group 1999
Commercial lending	57.5	133.8	10 142.0	8.7	**10 342.0**	10 138.5	7 713.5
Salary account holders (private persons)	1 344.0	10 855.5	4 070.6	7.5	**16 277.6**	15 009.5	12 595.1
Foreign	8.1	66.4	3 104.7		**3 179.2**	3 223.1	2 363.4
Total loans to customers	**1 409.6**	**11 055.7**	**17 317.3**	**16.2**	**29 798.8**	28 371.1	22 672.0

Note 35: Analysis of deposits from customers and liabilities to other financial institutions

Analysis of customer deposits

NOK million	SB Bank **2001**	Finansbanken **2001**	**2001**	Group 2000	1999
Commercial	1 063.4	4 174.2	**5 237.6**	5 723.7	4 436.9
Salary account holders (private persons)	5 286.6	2 169.1	**7 455.7**	7 019.7	5 923.6
Foreign	129.5	1 077.4	**1 206.9**	1 303.6	398.8
Total customer deposits	**6 479.5**	**7 420.7**	**13 900.2**	14 047.0	10 759.3

Liabilities to other financial institutions

NOK million	SB Bank **2001**	Finansbanken **2001**	**2001**	Group 2000	1999
Loans and deposits from financial institutions on demand or with no fixed maturity date		6.1	**6.1**	13.8	6.4
Loans and deposits from financial institutions with agreed notice period or fixed maturity date	300.0	4 044.6	**4 344.6**	4 266.7	3 110.4
Total liabilities to other financial institutions	**300.0**	**4 050.7**	**4 350.7**	4 280.5	3 116.8

Liabilities created by securities issued

NOK million	SB Bank **2001**	Finansbanken **2001**	**2001**	Group 2000	1999
Certificates	2 998.8	2 722.9	**5 721.7**	6 170.9	3 426.0
Bonds	1 848.8	2 865.2	**4 714.0**	4 637.7	2 031.2
Total Liabilities created by securities issued	**4 847.6**	**5 588.1**	**10 435.7**	10 808.6	5 457.2

Note 36: Interests in associated companies

	2001		2000		1999	
NOK million	Share of profit	Equity value	Share of profit	Equity value	Share of profit	Equity value
Adviso	6.9	42.5				
Norben Life and Pension Insurance Co. Ltd.	4.6	37.7	0.4	33.1	1.3	32.7
Bertel & Steen Finans AS	-0.5	2.0	-0.6	2.1	-0.4	2.1
Morningstar Norge AS	-0.5	2.6	0.3	3.0		
E Trade AS	-11.6	33.7	-5.7	34.6		
Delphi SMB II AS		1.0		1.0		
Delphi Asset Management	-0.1		-0.3	0.6		
If Skadeförsäkring Holding AB *)	-769.3	3 042.3	-306.9	3 371.1		5 075.1
Total	**-770.5**	**3 161.8**	-312.8	3 445.5	0.9	5 110.0

*) Share in profit and loss in If was booked directly to equity in 1999.

Ownership interest (44%) in If on the equity method of accounting:

NOK million	Tangible assets	Storebrand's share of goodwill	Capitalised value
Opening balance at 1.03.1999 (date of incorporation)	**3 626.3**	**1 245.1**	**4 871.4**
Opening balance at 1.01.2001	2 144.3	1 226.8	3 371.1
Share in profits of If	-1 054.7		-1 054.7
Goodwill depreciation		-62.4	-62.4
Tax	295.3	52.4	347.7
Recognised to P&L in 2001	**-759.4**	**-10.0**	**-769.4**
Return of capital	429.7		429.7
Currency translation	10.9		10.9
Capitalised value at 31.12.2001	**1 825.5**	**1 216.8**	**3 042.3**

Storebrand's share in the goodwill of If is to be depreciated over 20 years on the basis of the expected long-term earnings perspective.

Note 37: Deferred tax asset and deferred tax

	2001		2000		1999		
NOK million	Tax increasing	Tax reducing	Tax increasing	Tax reducing	Tax increasing	Tax reducing	Net change
Temporary differences							
Securities	**421.8**	**2 487.8**	3 596.9	2 440.2	3 222.7	2 086.6	2 363.5
Real estate	**870.5**	**192.3**	497.5	270.0	-450.7	267.9	138.5
Operating assets	**231.6**	**168.0**	241.3	147.1	30.6	257.5	129.8
Reserves	**47.7**	**213.3**	10.1	214.1	-38.4		115.7
Prepaid pensions	**541.4**		514.7		-26.7	172.4	
Accrued pension liability	**2.4**	**484.0**		522.8	-41.2		372.5
Profit and loss account	**3 007.8**	**5.8**	3 758.6	7.3	749.3	4 713.8	9.6
Other	**119.9**	**49.3**	112.9	74.5	-32.2	132.5	89.2
Total temporary differences	**5 243.1**	**3 600.5**	8 732.0	3 676.0	3 413.4	7 630.7	3 218.8
Losses carried forward		**533.8**		2 409.6	-1 875.8		2 099.8
Tax allowances carried forward		**1 839.4**		2 377.0	-537.6		2 291.1
Set-off	**-5 243.1**	**-5 243.1**	-8 282.4	-8 282.4		-7 003.5	-7 003.5
Net temporary differences		**730.6**	449.6	180.2	1 000.0	627.2	606.2
Booked directly to balance sheet/items not giving rise to balance sheet entries		**-548.2**		-180.2	-368.0		-606.2
Base for balance sheet entries		**182.4**	449.6		632.0	627.2	
Deferred tax/tax assets in the balance sheet *)		**51.4**	125.1		176.5	175.6	

*) Difference between this and movement in profit arises from items applied directly to the balance sheet and items which do not give rise to balance sheet entries.

Note 38: Losses carried forward

NOK million	Amount
Storebrand Livsforsikring AS *)	130.0
Finansbanken	29.8
Storebrand Fondforsikring AS	16.1
Storebrand Bank AS	26.6
Oslo Reinsurance Company (UK)	204.1
Others	127.2
Total	**533.8**

*) In addition the group has unused allowances deductible from tax of NOK 515.0 million, equivalent to losses carried forward of NOK 1,839.4 million. Unused allowances deductible from tax are divided as to NOK 34.6 million for Storebrand ASA, NOK 409.0 million for Storebrand Livsforsikring AS and NOK 71.4 million in Storebrand Bank AS.

Note 39: Movements in equity

NOK million	**2001**	2000	1999
Equity capital at 1 January	10 533.2	10 112.5	6 420.7
Profit for the year	-952.0	705.7	3 500.0
Sale of non-life insurance activities			428.7
Finansbanken's profit 1 January - 31 July 1999			51.4
Goodwill depreciation - Finansbanken			-16.4
Allocated for dividend		-305.3	-277.4
Accumulated result of Fair before consolidation		-77.5	
Share issue (net proceeds)	5.8	5.8	14.6
Other capital movements	18.4	92.0	-9.1
Equity capital at 31 December	**9 605.4**	10 533.2	10 112.5

Note 40: Subordinated loan capital

NOK million	Own company	Amount NOK	Currency	Currency amount	Interest rate in %	Maturity	Currency gain/loss
Lender/date drawn down							
Carl Kierulf, SPN Fonds, Oslo Securities							
(15.01.1992)	SB Life	81.2	NOK	81.2	11.15 %	2002	
Chase Manhattan Bank, Oslo (01.12.1997) *)	SB Life	479.8	NOK	479.8	5.89 %	2007	
Citibank, London (24.02.98) */**)	SB Life	1 795.2	USD	200.0	5.88 %	Perpetual	17.7
Merrill Lynch International **)	SB Life	1 079.0	EUR	135.0	5.55 %	2009	37.8
Convertible subordinated loan **)	Finansbanken	9.3			8.50 %	Perpetual	
Subordinated loan, 2000-2010	Finansbanken	90.1	USD	10.0	LIBOR + 1.3%	2010	
Subordinated loan, 2000-2010	Finansbanken	110.0			NIBOR + 1.3%	2010	
Subordinated loan, 1997-2002	Finansbanken	60.0			6m. NIBOR	2002	
Subordinated loan, 1997-2002	Finansbanken	40.0			6.30 %	2002	
Subordinated loan, 1998-2008	Finansbanken	109.0			6.31 %	2008	
Subordinated loan, 1998-2008	Finansbanken	91.0			NIBOR+1.05%	2008	
Subordinated loan, 1999-2009	Finansbanken	35.0			7.75 %	2009	
Total		**3 979.6**					**55.5**

*) Option to redeem after 5 years.
**) Loans denominated in foreign currencies are hedged against NOK.

Note 41: Off-balance sheet contingent liabilities

NOK million	**2001**	2000	1999
Loan guarantees	**633.1**	83.4	26.7
Payment guarantees	**476.0**	436.8	491.8
Contract guarantees	**173.2**	229.3	156.9
Other guarantees	**67.0**	56.1	19.9
Book value of assets pledged as security for loans etc.	**1 226.0**	1 517.3	1 115.3
Residual commitment to subscribe capital to Ltd. Partnerships	**1 200.0**	1 562.0	
Total contingent liabilities	**3 775.3**	3 884.9	1 810.6
Forward foreign exchange purchases	**4 256.0**	2 007.1	2 200.6
Total liabilities	**8 031.3**	2 007.1	2 200.6

Note 42: Capital adequacy

	2001						2000	1999
NOK million	SB Life Group	SB Non-life Group	SB Bank Group	Finans-banken	SB ASA	Group	Group	Group
Risk-weighted calculation base	47 869	6 333	6 071	16 606	10 288	**79 622**	85 992	75 393
Core (Tier 1) capital	3 142	1 104	634	1 225	7 455	**6 431**	7 651	7 639
Tier 2 Capital	2 750	680		544		**3 965**	3 300	3 118
Deductions	-135					**-135**	-69	-194
Net primary capital	**5 757**	**1 784**	**634**	**1 769**	**7 455**	**10 261**	10 882	10 563
Capital ratio (%)	**12.0%**	**28.2%**	**10.4%**	**10.7%**	**72.5%**	**12.9%**	12.7%	14.0%

The required minimum capital ratio is 8%.

N GAAP og US GAAP

Reconciliation of net income and equity between N GAAP and US GAAP for the group's life insurance activities

The annual accounts have been prepared in accordance with Norwegian generally accepted accounting principles (N GAAP). The following tables provide a reconciliation between net income and shareholders' equity in accordance with N GAAP and the same figures as they would be reported in accordance with United States Generally Accepted Accounting Principles (US GAAP) and show where the differences arise. The figures presented apply only to the group's life insurance activities, which comprise Storebrand Livsforsikring AS, Storebrand Fondsforsikring AS and Euroben Life & Pension Ltd (50 %), which started underwriting new business in 2001.

Reconciliation of net income between N GAAP and US GAAP

NOK million	**2001**	2000	1999
Profit for the year			
Life insurance - N GAAP	**28.0**	711.0	706.8
Effect of estimated adjustments for US GAAP:			
Contract acquisition costs	**-101.0**	-11.9	79.7
Real estate	**-619.3**	-238.9	-401.8
Securities	**90.7**	264.3	-109.9
Allocation of US GAAP differences to policyholders	**431.2**	-1.7	283.7
Tax effect of US GAAP adjustments	**55.5**	-3.3	41.5
Life insurance net income US GAAP	**-114.8**	719.5	600.0

Reconciliation of shareholders' equity between N GAAP and US GAAP

NOK million	**2001**	2000
Life insurance activities		
- shareholders' capital - N GAAP	**3 445.7**	3 228.4
Effect of estimated adjustments for US GAAP:		
Contract acquisition costs	**1 450.8**	1,551.8
Real estate	**-2 673.3**	-2 054.0
Securities	**-104.9**	-190.5
Allocation of P&L adjustments to policyholders	**886.0**	454.8
Market value adjustment for securities	**1 054.3**	3 334.3
Life insurance policyholders' share of mark to market	**- 790.7**	-2 500.7
Tax effect of US GAAP adjustments	**1 071.2**	595.6
Dividends		530.6
Life insurance - shareholders' equity - US GAAP	**4 351.2**	4 950.4

Differences between N GAAP and US GAAP

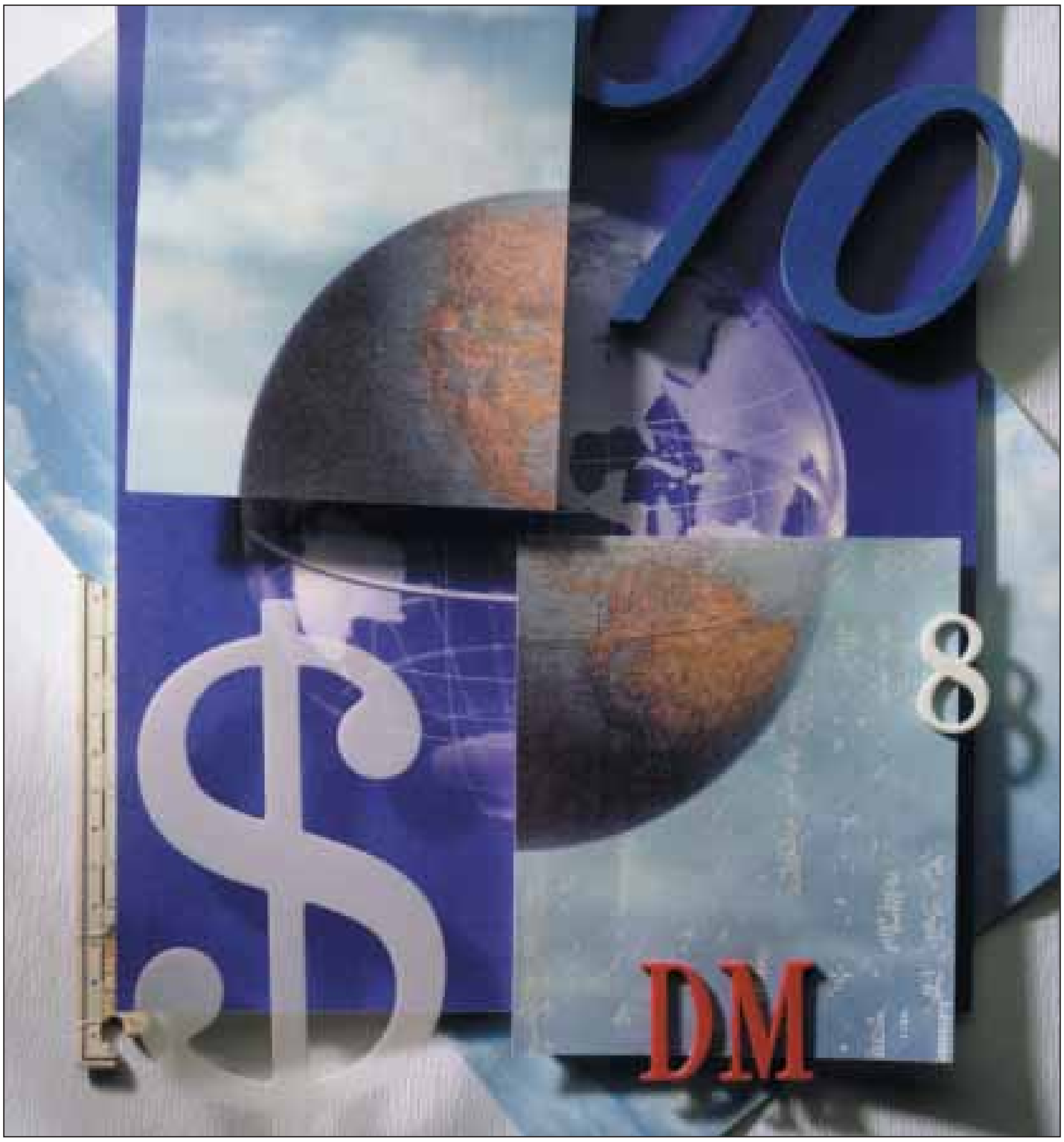
Capitalised contract acquisition costs
Under N GAAP all costs and expenses directly or indirectly incurred in originating new insurance contracts and renewing existing policies are charged to expense as they are incurred, whilst under US GAAP these costs are capitalised and charged to expenses against the future incomes with which they are associated.

Real estate
Under N GAAP real estate is booked at market value with changes in market value recognised in the profit and loss account, and no depreciation is applied. Under US GAAP real estate is carried at historic cost and is depreciated over its expected useful life (subject to a maximum of 50 years). Impairment provisions are evaluated on an individual property basis, but no upward revaluations are permitted.

Financial instruments
Under N GAAP interest bearing securities, shares and financial derivatives are carried at market value. Unrealised changes in value are transferred to a market value adjustment reserve, but changes in unrealised value arising from the exchange rate at the balance sheet date are recognised to income.

Under US GAAP listed interest bearing securities are carried at market value with any premium or discount being amortised over the remaining maturity. Equities classified as "available for sale" are carried at market value. Differences between market value and the amortised value of interest bearing securities/historic cost of equities are applied directed to equity. Financial derivatives are carried at market value and changes in value are recognised to income. Gains and losses in respect of the foreign exchange element of hedged securities which are defined as "available for sale" are recognised to income in the same period as the hedging contract cf. FAS 133.

In the case of N GAAP bonds already in Storebrand's ownership which are subsequently classified as "hold to maturity" are valued at the lowest of historic cost and market value at the time of the reclassification. Under US GAAP amortisation of any premium or discount would continue after such a reclassification.



Life insurance policyholders' participation in profits and equity movements

Storebrand Livsforsikring AS allocates pre-tax profit between policyholders and shareholders. Norwegian legislation requires that a minimum of 65% of profit shall be allocated to policyholders, whilst the allocation to owners is limited to a maximum of 35% to cover capital accumulation, dividend payments and tax.

US GAAP would also apply a minimum allocation of 65% to the differences in profit which arise between N GAAP and US GAAP which are of a timing nature and affect measurement of the profit available for distribution between policyholders and owners. For Euroben and the unit linked activities carried on by Storebrand Fondsforsikring AS these differences are allocated in full to profit and equity. Under US GAAP where “available for sale” investments which are subject to FAS 115 give rise to a difference between market value and amortised cost in the case of interest bearing securities or between market value and historic cost in the case of equities, these differences are booked directly to equity. Norwegian legislation requires that 75% of any such unrealised gains be allocated to policyholders when policies mature or are transferred. The same percentage is used under US GAAP for allocations to policyholders' funds.

Deferred tax

Deferred tax has been calculated at 28% on the difference between N GAAP and US GAAP.

Dividends

Under US GAAP a dividend is deducted from equity as soon as its distribution is formally approved.

Terms and expressions

General

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.

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

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

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

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

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 equity capital less goodwill, other intangible assets and net prepaid pensions.

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

Life insurance

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

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

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

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

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

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

Group life insurance:
Collective life insurance in which an insured sum is payable on death. 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.

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

Return on capital:
Return on capital shows net realised income from financial assets and changes in the value of real estate expressed as a percentage of the average of the company's total assets over the year in accordance with rules set by the Banking, Insurance and Securities Commission. The value-adjusted return on capital shows the total of realised income from financial

assets, changes in the value of real estate and the year's change in unrealised gains expressed as a percentage of the average of the company's total assets over the year at market value.

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

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

Banking

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

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

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

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

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

Financial derivatives

The term financial derivatives embraces a wide range of financial instruments for which the current value and future price movements are determined by 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 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.

Forward foreign exchange contracts:
Forward foreign exchange contracts relate to the purchase or sale of a currency for an agreed price at a future date. Foreign exchange forward contracts are used to hedge the currency exposure arising from currency denominated securities, bank deposits, subordinated loans and insurance reserves.

Forward Rate Agreements:
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 at the start of the future interest period. FRA contracts are particularly appropriate to the management of short-term interest rate exposure.

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

Interest rate option:
Interest rate options can be related to either bond yields or money market rates. The purchase of interest rate options related to bonds (also known as bond options) confers a right (but not an obligation) to buy or sell bonds at a pre-determined price. Interest rate options can be used as a flexible instrument for the management of both long and short-term interest rate exposure.

Interest rate swaps:
Interest rate swaps are agreements between two parties to exchange interest rate terms for a specified period. This is normally an agreement to exchange floating rate payments for fixed rate payments, and this instrument is used in the management of long term interest rate risk.

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

Stock futures (stock index futures):
Stock futures contracts can be related to individual shares, but are normally related to stock market indices. Stock futures contracts are standardised futures contracts which are exchange traded and are subject to established clearing arrangements. Profits and losses on futures contracts are recognised daily, and are settled on the following day.

Companies in Storebrand

as at 31.12.2001

NOK million	Interest	Currency	Share capital
Storebrand ASA		NOK	1 387.7
Storebrand Livsforsikring AS	100.0 %	NOK	1 361.2
Storebrand Eiendom AS	100.0 %	NOK	1.0
Storebrand Pensjonstjenester AS	100.0 %	NOK	3.7
Aktuar Consult AS	100.0 %	NOK	1.5
Aktuar Systemer AS	100.0 %	NOK	4.1
Scanvik Corporation	100.0 %	USD	8.0
Storebrand Kjøpesenter Holding AS	100.0 %	NOK	14.0
Storebrand Nybygg AS	100.0 %	NOK	112.0
Hoffsvn. AS	100.0 %	NOK	0.1
Norben Life and Pension Insurance Co. Ltd.	25.0 %	NOK	63.6
AS Værdalsbruket *)	74.9 %	NOK	4.8
Storebrand Fondsforsikring AS	100.0 %	NOK	44.5
Storebrand Bank AS	100.0 %	NOK	125.0
Bertel O. Steen Finans AS	50.0 %	NOK	5.0
Finansbanken ASA	100.0 %	NOK	1 073.4
Den Københavnske Bank	100.0 %	NOK	87.0
Finansbanken Formuesforvaltning ASA	100.0 %	NOK	10.0
Finansbanken Index ASA	100.0 %	NOK	1.0
Industri & Skipsbanken Fonds AS	100.0 %	NOK	6.5
Industri & Skipsbanken Invest I AS	100.0 %	NOK	0.1
Skipskredittforeningen AS	100.0 %	NOK	0.1
Morningstar Norge AS	49.0 %	NOK	0.3
Delphi Forvaltning AS	100.0 %	NOK	0.9
Delphi Investor Service ASA	100.0 %	NOK	8.0
Delphi Aktiv Forvaltning ASA	100.0 %	NOK	5.0
Delphi Fondsforvaltning AS	100.0 %	NOK	1.6
E*Trade AS	49.0 %	NOK	14.2
Delphi SMB II AS	100.0 %	NOK	1.0
Storebrand Kapitalforvaltning Holding AS	100.0 %	NOK	50.0
Storebrand Kapitalforvaltning ASA	100.0 %	NOK	12.0
Storebrand Fondene AS	100.0 %	NOK	1.2
Storebrand Luxembourg S.A.	99.8 %	EUR	0.1
Storebrand Skadeforsikring AS	100.0 %	NOK	1 380.6
Oslo Reinsurance Company ASA	100.0 %	NOK	132.0
- Oslo Reinsurance Company (UK) Ltd.	100.0 %	GPB	26.0
If Skadeförsäkring Holding AB	44.0 %	SEK	640.0
Storebrand Helseforsikring AS	50.0 %	NOK	30.4
Fair Financial Ireland plc.	50.0 %	DKK	250.0
Euroben Life & Pension Ltd.	50.0 %	EUR	1.0
Storebrand Leieforvaltning AS	100.0 %	NOK	10.0
Storebrand Felix kurs- og konferansesenter AS	100.0 %	NOK	1.0
Storebrand ITI AS	100.0 %	NOK	0.1
Adviso AS	36.5 %	NOK	20.5
Storebrand Systemutvikling AS	100.0 %	NOK	5.0
Assist Group AS	99.3 %	NOK	40.6
Compensation Management AS	100.0 %	NOK	12.5

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

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