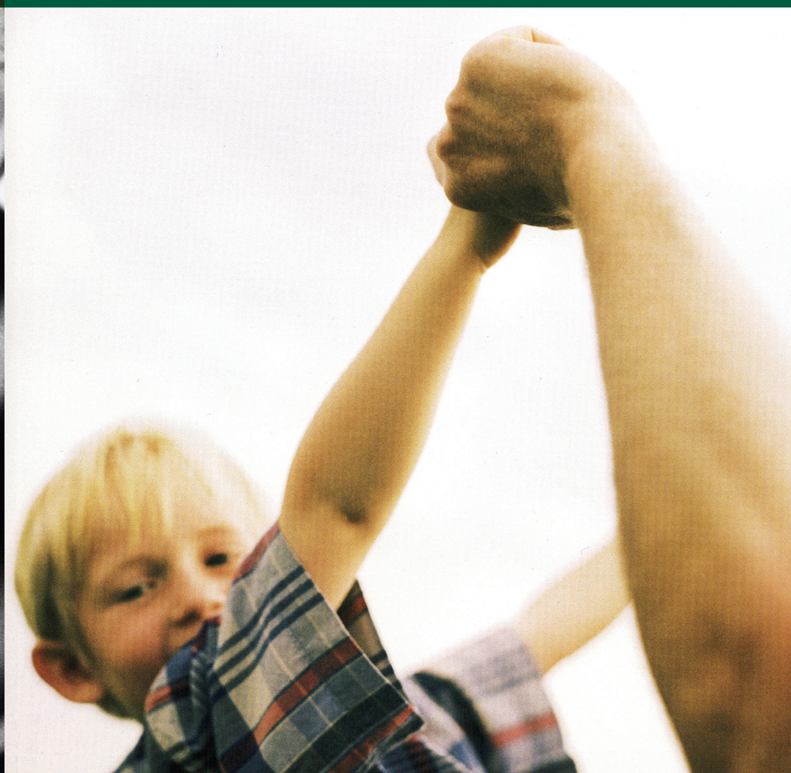
Interim Report

4th Quarter 2005

storebrand

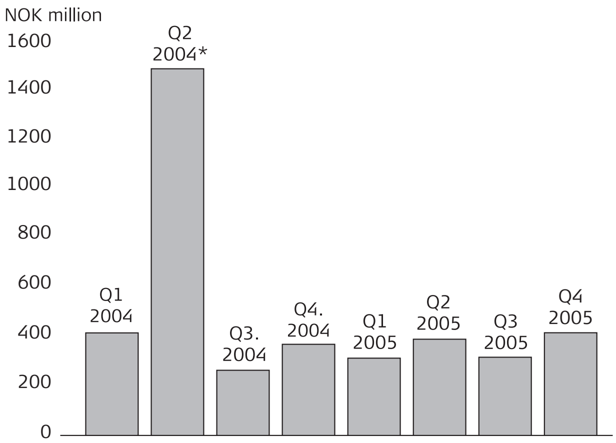


Interim results for the Storebrand group - fourth quarter 2005

MAIN FEATURES

- Storebrand reports group profit of NOK 418 million for Q4 as compared to NOK 371 million for the same quarter in 2004.
- Investment return gives a good result for the life company's customers and owner.
- 2005 was characterised by strong customer growth for life insurance, asset management and banking.
- The Board of Directors of Storebrand ASA will propose a dividend of NOK 4 per share to the annual general meeting, of which ordinary dividend for the year's activities accounts for NOK 1.50 per share.

Group profit by quarter:



*) Q2 2004 includes a total profit contribution from If of NOK 1,379 million.

Group profit:

	Q4		Full year	
NOK million	2005	2004	2005	2004
Life insurance	364	311	1 217	931
Asset management	4	8	24	47
Storebrand Bank	59	55	241	121
Other activities	-9	-3	-41	1 446
Group profit	418	371	1 442	2 545

The comparable figures for 2004 provided in the following section exclude the profit contribution from If.

The group result, which represents the owner's share of operating profit, showed a profit of NOK 418 million in Q4 (371 million) and NOK 1,442 million for the full year (NOK 974 million). Operating profit for the quarter was NOK 1,634 million (NOK 1,336 million) and NOK 4,728 million for the full year (NOK 2,970 million). Figures for the corresponding period in 2004 are shown in brackets.

Storebrand Life Insurance reported premium income (excluding transfers) of NOK 16.0 billion for 2005. This represents a year-on-year increase of 5%.

Storebrand enjoyed its best year ever in 2005 for transfers of group pension business, with a net inflow (sales notified) of over NOK 4 billion. These reserves will mainly be included in Storebrand's accounts from 2006. New pension clients include ISS, which has chosen Storebrand for its defined contribution scheme, and Oslo Sporveier (Oslo's municipal public transport company), which appointed Storebrand as the new supplier of its defined benefit scheme. Of the eight municipalities that decided to move away from Kommunal Landspensjonskasse (KLP), Storebrand attracted six, with pension assets of NOK 1.2 billion. This represented more than 75% of total pension transfers in the municipal sector.

Storebrand Life Insurance generated a booked investment return of 6.9% for 2005, while the value-adjusted return was 7.5%. The value-adjusted return for the year including unrealised gains on bonds held to maturity was 6.9%.

Storebrand Investments has assets under management of NOK 205 billion at the start of 2006. This represents an increase of NOK 40 billion over the course of 2005. Net new sales by the group's asset management activities in 2005 represented funds under management of NOK 23.3 billion as compared to NOK 1.6 billion in 2004. The main reason for this strong growth was the decision by Gjensidige Forsikring in Q4 to appoint Storebrand as the main manager for its investment portfolio.

Storebrand Bank again reported higher earnings in Q4. For the year as a whole, the bank reported an increase in pre-tax profit from NOK 121 million in 2004 to NOK 241 million in 2005. The bank's assets totalled NOK 29 billion at the close of Q4. The launch of the free banking concept has helped to ensure good growth in customer numbers. Gross lending increased by NOK 1,175 million in Q4, of which lending to retail customers represented NOK 740 million and commercial lending NOK 435 million.

On the basis of Storebrand's earnings, capital situation and dividend policy, the Board of Storebrand ASA will recommend that the annual general meeting approve a dividend of NOK 4 per share for 2005, of which the dividend for the year's activities will account for NOK 1.50 per share. This will represent a total distribution of NOK 1,011 million after adjusting for Storebrand's current holdings of its own shares. The Board plans to ask the annual general meeting to approve a new mandate for repurchases of the company's own shares.

LIFE INSURANCE

Profit and loss - Storebrand Life Insurance and other life insurance activities:

	Q4		Full year	
NOK million	2005	2004	2005	2004
Interest result	1 505	1 445	4 359	3 094
Risk result	166	46	363	206
Administration result	-230	-73	-330	-137
Change in security and premium reserves	-5	-125	-11	-181
Operating profit	1 436	1 292	4 381	2 982
Profit allocated to policyholders	-1 127	-972	-3 215	-2 019
Of which allocated to additional statutory reserves	-950	-500	-950	-500
Profit to owner Storebrand Livsforsikring AS	310	321	1 167	963
Profit to owner Storebrand Livsforsikring Group	**307**	**322**	**1 167**	**966**
Other life insurance activities	-6	-5	-4	-21
IFRS effects	63	-5	54	-14
Total for life insurance activities	**364**	**311**	**1 217**	**931**

Q4 profit to the owner from the life insurance activities in accordance with IFRS was NOK 364 million. Cumulative profit for the full year was NOK 1,217 million. IFRS effects totalling NOK 63 million include a one-off reversal of previously provisioned pension costs of approx. NOK 60 million. The provision was based on an estimate and was booked in Storebrand's IFRS opening balance at 1 January 2004 (IFRS4 - Insurance contracts).

Storebrand Livsforsikring (Storebrand Life Insurance)

Storebrand Livsforsikring AS reported an operating profit of NOK 1,436 million for Q4, bringing operating profit for full year 2005 to NOK 4,381 million. Q4 operating profit for the Storebrand Life Insurance group was NOK 1,434 million (NOK 1,293 million), with full-year operating profit of NOK 4,382 million (NOK 2,985 million). The risk result showed an improvement in Q4. The risk result for the 12 months to 31 December 2005 was NOK 363 million (NOK 206 million) of which Q4 accounted for NOK 166 million (NOK 46 million). The administration result showed a loss of NOK 330 million for the year (loss of NOK 137 million) of which Q4 accounted for NOK 230 million (NOK 73 million). The decline in the administration result is due in part to higher costs caused by applying new accounting standards for pension liabilities and in part to increased provisions to reflect the good level of sales activity. In addition, investment costs were incurred in connection with the opening of the Swedish branch and development work on mandatory occupational pensions.

Costs were equivalent to 1.06% of average policyholders' funds in 2005 as compared to 0.90% in 2004 (before IFRS effects). The interest result for 2005 was NOK 4,359 million (NOK 3,094 million) of which Q4 accounted for NOK 1,505 million (NOK 1,445 million). Net realised gains totalled NOK 3,658 million in 2005, with NOK 1,314 million in Q4. The market value adjustment reserve fell by NOK 471 million in Q4 to stand at NOK 3,863 million at 31 December 2005.

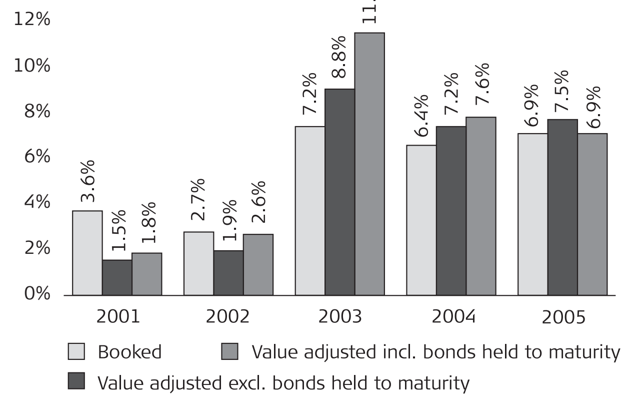
Pre-tax profit for the owner was NOK 307 million for Q4 (NOK 322 million) and NOK 1,167 million for the full year (NOK 963 million). Earnings from products not subject to profit sharing with policyholders contributed NOK 44 million of the profit for the owner in Q4 (NOK 67 million) and NOK 168 million for the year (NOK 145 million).

Premium income (excluding transfers) amounted to NOK 16.0 billion for 2005. This represents an increase of 5% from 2004. Q4 premium income was 51% lower than in the same quarter of 2004. Low interest rates have helped to encourage very strong sales of guaranteed savings-related products to the retail market for some considerable time. As previously advised, the company has taken steps to limit sales of individual savings contracts without a fixed contract period, and this explains the fall in premium income in Q4. The level of premium income in Q4 was in line with expectations and follows the trend seen in Q3. If savings-related products are excluded, premium income was 6% higher in Q4 and 11% higher for 2005 as a whole as compared to 2004.

Group pension business produced a slight year-on-year increase in premium income for Q4, but premium income for the full year was somewhat lower than 2004. This reflects slower wage inflation and the shift towards defined contribution pensions. Personal pensions and annuity products showed growth in premium income both in Q4 and for the year as a whole. Full-year premium income for group life business was lower than in 2004, but Q4 showed a year-on-year increase. Transfers of pensions business produced a net inflow for the year as a whole of NOK 546 million, with an outflow of NOK 144 million in Q4.

Storebrand won a number of major contracts in 2005. These included the decision by ISS, a company with 10,000 employees, to appoint Storebrand as its defined contribution pension provider. Oslo Sporveier appointed Storebrand as its new defined benefit pension provider, representing over NOK 2 billion of additional assets under management. Of the eight municipalities that decided to move away from Kommunal Landspensjonskasse (KLP), Storebrand won six of the competitive tenders. The municipalities represent more than 75% of total pension transfers in the municipality sector. Storebrand enjoyed its best year ever in 2005 for transfers of pension business, with a net inflow (sales notified) of over NOK 4 billion. These reserves will primarily be included in Storebrand's accounts from 2006 following the formal transfer of insurance risk.

Development in investment return:

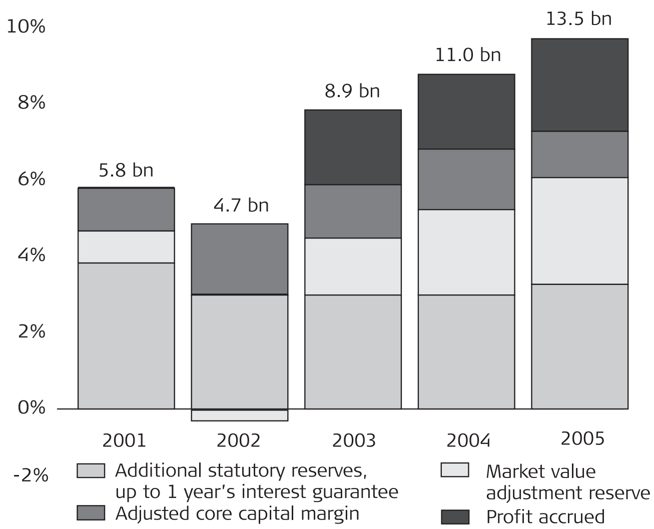


Storebrand Life Insurance generated a value-adjusted investment return of 7.5% for 2005 (7.2%), of which Q4 accounted for 1.6%. The value-adjusted return for the year including unrealised gains on bonds held to maturity was 6.9% (7.6%). The booked investment return was 6.9% (6.4%) of which Q4 accounted for 2.0%.

Storebrand Life Insurance's total assets according to NGAAP increased by NOK 17.5 billion in 2005 to stand at NOK 152 billion at year-end. The life company's overall exposure to equities, including derivative positions and units in securities funds, increased by 2 percentage points in Q4 to 26%, as compared to 21% at 31 December 2004. Net investment in bonds held to maturity has increased by NOK 1.3 billion since the close of 2004, but fell by 0.8 billion in Q4. Bonds and commercial paper held as current assets increased by NOK 7.3 billion in Q4, with an increase of NOK 4.8 billion for the year as a whole. The real estate portfolio increased by NOK 1.1 billion in Q4.

Unrealised gains on bonds held to maturity fell by NOK 0.6 billion in Q4 and totalled NOK 3.6 billion at 31 December 2005. Unrealised gains on this portfolio are not shown in the accounts, but ensure a relatively high level of future interest income even if interest rates remain at their current low level.

Risk capital in NOK and % of customers' funds excl. additional statutory reserves:



At the close of 2004, the company had risk capital of NOK 11.0 billion. Following the reduction in risk capital caused by the allocation of the surplus for 2004, risk capital was NOK 9.6 billion at the close of Q1 2005. By the close of Q4, risk capital stood at NOK 13.5 billion with an increase of NOK 0.5 billion in Q4. Additional statutory reservers stood at NOK 4.5 billion at 31 December 2005. This represents approx. one year's interest rate guarantee. The company satisfies all capital adequacy requirements by a sound margin. The capital ratio fell from 14.4% to 10.9% over the course of 2005, of which Q4 accounted for a fall of 0.9 percentage points. The reduction in capital ratio reflects the increase in risk-weighted assets. The company's solvency margin was 169.4% at the end of 2004, and 175.2% at the close of 2005.

The Norwegian Parliament has approved the introduction of mandatory occupational pensions from 2006. This makes it compulsory for all Norwegian undertakings to operate a pension scheme for their employees. The introduction of mandatory pensions is causing a high level of activity in the pensions market, with intense competition for this business. Storebrand is heavily involved in this area, and its objective is to be the preferred supplier of occupational pension schemes for the corporate market.

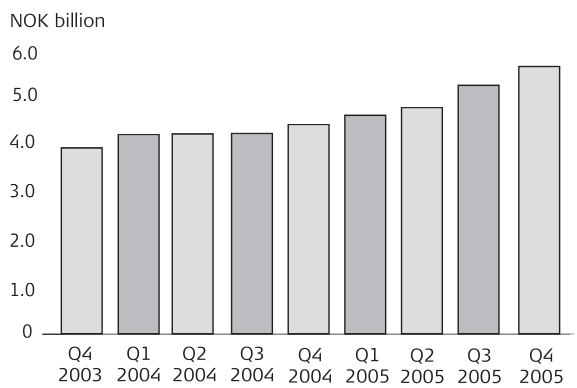
In December 2005, Storebrand established UNI Norden Holding AS og Norden Personförsäkring AB, which started its operations in 2006. This is a new special purpose company in Sweden for personal risk products such as industrial injury and sickness insurance. The company's target customer group is large companies.

Storebrand Fondsforsikring

Storebrand Fondsforsikring reported a loss for 2005 of NOK 9 million (loss of NOK 24 million) and a loss of NOK 8 million for Q4 (loss of NOK 6 million). Unit linked products showed an increase in premiums written from NOK 270 million in 2004 to NOK 393 million in 2005, while premiums for defined contribution pension products increased from NOK 259 million to NOK 413 million. Storebrand set up some 160 new defined contribution pension schemes in Q4, bringing the total for 2005 to around 500. Some 1,530 companies have now set up defined contribution pension schemes with Storebrand Fondsforsikring since it launched this product in 2001.

At the close of 2005, 74% of customers' assets managed by Storebrand Fondsforsikring were invested in equity and combination funds, as compared to 66% at the start of the year and 72% at the close of Q3.

Assets under management - defined contribution pension products and unit linked:



Storebrand Helseforsikring

Storebrand Helseforsikring generated an operating profit of NOK 11 million for 2005 (NOK 6 million), with a profit of NOK 3 million in Q4 (NOK 2 million). Storebrand has a 50% interest in this company, which provides health insurance products for the corporate and retail markets. Premium income for 2005 was 26% higher than in 2004 at NOK 138 million. Sales of new policies to the Norwegian and Swedish markets in 2005 represented annual premiums of NOK 57 million, of which Q4 accounted for NOK 15 million.

ASSET MANAGEMENT ACTIVITIES

Storebrand Investments reported a pre-tax profit of NOK 4 million for Q4 (NOK 8 million) and NOK 24 million for 2005 as a whole (NOK 47 million).

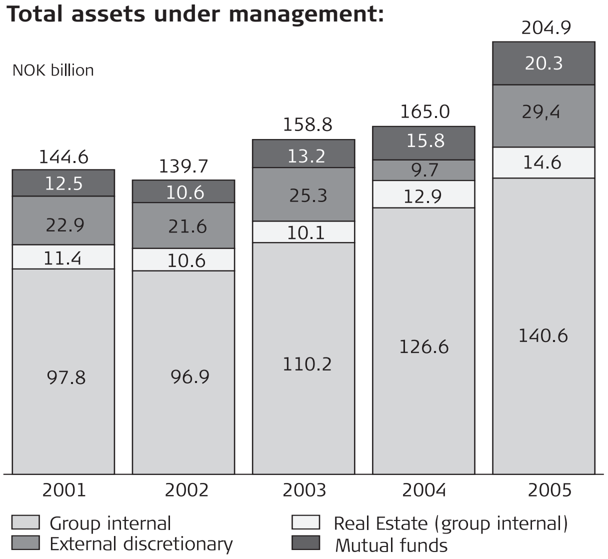
Profit and loss - Storebrand Investments:

	Q4		Full year	
NOK million	2005	2004	2005	2004
Total revenue	65	75	242	316
Total costs	-63	-70	-232	-278
Net financial income/ other income	2	3	15	10
Pre-tax profit	4	8	24	47

Total revenue (management fees) amounted to NOK 65 million in Q4 (NOK 75 million). The decline in revenue relative to 2004 reflects lower performance-based fee income. Operating costs totalled NOK 63 million in Q4 (NOK 70 million). The reduction in costs resulted mainly from lower personnel costs. Total operating costs were equivalent to 0.13% of average assets under management in 2005 (0.17%). This calculation excludes assets managed for Gjensidige Forsikring.

Storebrand Investments had assets under management of NOK 205 billion at the close of 2005. This represents an increase of NOK 40 billion from the start of the year. Total funds under management were made up of NOK 155 billion of internal funds (including mutual funds) and NOK 50 billion of assets/funds managed for external clients.

Total assets under management:



Net new asset management business (discretionary external customers and mutual funds) represented an inflow of NOK 24,600 million in Q4 (outflow of NOK 100 million) and NOK 23,300 million for the year as a whole (NOK 1,600 million).

In November, Gjensidige Forsikring appointed Storebrand Investments as the main manager for its investment portfolio. Of the total mandate for assets in excess of NOK 30 billion, Storebrand is to manage approximately NOK 23 billion from the start of 2006. This is the largest asset management mandate ever made available for open competition in the Norwegian investment management market. The mandate is broken down into various asset classes, with fixed-income portfolios making up the major part. Gjensidige Forsikring will be Storebrand Investment's largest external customer.

The quarter also saw good sales of interest rate funds to the retail market.

Storebrand Investments produced a better return than the comparable benchmark indices (before deducting management fees) on 55% of the securities funds it manages. 6 of the 11 portfolios managed for Storebrand Life Insurance outperformed their benchmark indices. In particular the Norwegian equity portfolio and the short-term Norwegian interest rate portfolio outperformed their indices, whilst the European, North-American and Asian equity portfolios underperformed.

BANKING ACTIVITIES

Storebrand Bank Group reported ordinary operating profit for Q4 of NOK 43 million (NOK 22 million) before loan loss provisions and gains/losses on other financial items. After a net credit of NOK 15 million for write-backs of loan loss provisions and write-downs of financial assets, pre-tax profit for Q4 was NOK 59 million (NOK 54 million). For the year as a whole, the bank reported a pre-tax profit of NOK 241 million (NOK 121 million).

Profit and loss - Storebrand Bank Group:

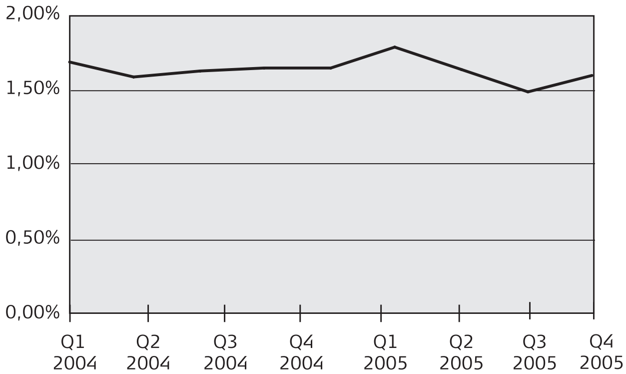
	Q4		Full year	
NOK million	2005	2004	2005	2004
Net interest income	113	114	451	444
Other income	27	15	102	242
Total income	140	130	553	686
Operating costs	-97	-108	-346	-573
Profit before loan losses	43	22	207	113
Loan losses	15	32	34	7
Pre-tax profit	**59**	**54**	**241**	**121**

Net interest income amounted to NOK 113 million in Q4 (NOK 114 million). This represents an interest margin calculated on average total assets of 1.55% (1.71%). The improvement in interest margin from Q3 to Q4 reflects increased income on a particular lending case. In more general terms, increased market competition created accelerating pressure on the bank's interest margin over the course of 2005. This effect is expected to continue in 2006, and the bank intends to maintain competitive pricing on its products and further increase its total assets

Operating expenses amounted to NOK 97 million in Q4 (NOK 108 million). The cost level is acceptable, but the bank intends to further reduce costs relative to its total assets.

Changes in loan loss provisions in Q4 resulted in a net write-back of NOK 15 million. This is due to a number of changes in the volume and value of loans with identified losses. Gross non-performing and loss-exposed loans totalled NOK 754 million at 31 December 2005, a reduction of NOK 96 million from the previous quarter. The bank's loan loss provisions totalled NOK 479 million at the end of the year, of which grouped provisions accounted for NOK 89 million. This represents a level of provisioning relative to non-performing and loss-exposed loans of 61%, which is slightly higher than at the close of Q3.

Net interest income as a percentage of total assets:



The bank's assets totalled NOK 29 billion at the close of the year. Gross lending increased by NOK 1,175 million in Q4, of which lending to retail customers represents NOK 740 million and commercial lending NOK 435 million. The deposit-to-loan ratio fell slightly in Q4 to 42% at 31 December 2005. Following its launch of free banking in May, Storebrand Bank has seen a very satisfactory increase in the number of accounts opened. The bank's net primary capital amounted to NOK 2.0 billion at 31 December 2005. At the end of the year the bank's capital ratio was 10.4% and its core capital ratio was 8.2%.

OTHER ACTIVITIES

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

Profit and loss - Other activities:

	Q4		Full year	
NOK million	2005	2004	2005	2004
Storebrand ASA*)	46	-29	599	2 280
Fair Forsikring	-4	1	22	14
Storebrand Skadeforsikring	19	11	19	-16
Other companies/ eliminations **)	-70	14	-681	-831
Pre-tax profit	-9	-3	-41	1 446

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

Storebrand's pre-tax share in Fair's Q4 results was a loss of NOK 4 million (profit of NOK 1 million). The run-off activities of Storebrand Skadeforsikring and Oslo Re produced an operating profit of NOK 19 million (NOK 11 million) in Q4.
In addition, the run-off activities recognised transfers to profit from statutory security reserves in Q4 of NOK 6 million (NOK 15 million). Storebrand ASA sold its 50% interest in Fair in December 2005. The transaction will produce a gain for Storebrand's group accounts of some NOK 40 million before tax. Storebrand expects to complete this transaction during the first half of 2006.

Storebrand ASA (holding company)

Net financial items represented income of NOK 71 million in Q4 (28 million). Q4 operating costs were NOK 26 million (NOK 57 million).

The following table summarises the profit and loss account for Storebrand ASA in accordance with IFRS. The published accounts of Storebrand ASA are prepared in accordance with Norwegian generally accepted accounting principles (NGAAP). Information on these accounts will be provided in the Storebrand ASA annual report.

Profit and loss - Storebrand ASA:

	Q4		Full year	
NOK million	2005	2004	2005	2004
Group contributions and dividends	0	0	611	568
Interest income	17	19	58	87
Interest expense	-17	-14	-53	-112
Gains/losses on securities	76	19	213	1 945
Other financial items	-5	3	-116	-60
Net financial items	**71**	**28**	**10**	**1 861**
Operating costs	-26	-57	-113	-149
Pre-tax profit	46	-29	599	2 280

The net financial items reported by the holding company for the quarter were affected by a write-up. This effect is netted out in the consolidated accounts. The holding company's operating costs improved due to greater efficiency in the group's management.

Storebrand ASA held liquid assets in excess of NOK 2.5 billion at the close of 2005, of which over NOK 2.4 million was invested in short term interest-bearing securities with good credit ratings. Storebrand ASA's credit facility of Euro 225 million was renewed in December for a further five years. Pursuant to the resolution passed by the extraordinary general meeting held on 14 September 2005, the company's share capital was reduced from NOK 1,390,909,410 to NOK 1,292,631,225 in Q4 by the cancellation of 19,655,637 shares.

In line with the program of work to adjust the group's capital structure, Storebrand bought 5,000,000 of its own shares in Q4 at an average price of NOK 61.06. These purchases were booked as a reduction in equity. Storebrand ASA held 2.3% of the company's own shares at 31 December 2005. The Board of Directors holds a mandate from the annual general meeting to buy back up to 10% of the company's share capital over the period to the 2006 annual general meeting.

IFRS

Storebrand ASA's group accounts are presented in accordance with the International Financial Reporting Standards (IFRS) approved by the European Union. The effects of the transition to IFRS are described in the notes to the interim accounts below. A change in accounting principles was applied in Q4 2005 for the treatment of the reserve required in Norway for the credit risk associated with reinsurers, known as the reinsurance reserve. This was previously treated as a liability. Under the new principle adopted, the reinsurance reserve is no longer treated as a liability. This change has caused an increase in the group's equity capital (after tax) of NOK 79 million as of 1 January 2005. In Q4 a new principle regarding consolidation of mutual funds has been applied. This is described further in the notes.

Oslo, 14 February 2006
The Board of Directors of Storebrand ASA

Storebrand Group

PROFIT AND LOSS ACCOUNT

NOK MILLION	Q4 2005	Q4 2004	2005	2004
Net premium income	3 098.3	5 505.4	19 466.0	18 653.2
Net interest income - banking	112.8	110.4	450.6	427.2
Net income and gains from financial assets at fair value:				
- shares and other equity participations	1 245.9	2 258.6	6 016.5	5 645.7
- bonds and other fixed-income securities	699.9	-90.6	1 512.8	1 154.6
- financial derivatives	-372.2	8.8	-281.0	-3.9
- income from financial assets with investment choice	177.8	95.5	721.3	252.6
Net income from bonds at amortised cost	593.3	599.4	2 409.9	2 492.0
Income from investment properties	208.6	332.4	885.7	878.7
Profit from investment in associated companies	0.8	-0.1	6.8	195.3
Other income	214.8	247.6	635.2	835.9
Total income	**5 980.0**	**9 067.4**	**31 823.8**	**30 531.3**
Insurance claims for own account	-3 453.2	-2 255.4	-10 905.7	-10 631.0
Change in insurance reserves	-552.3	-4 275.2	-12 434.6	-11 539.5
Interest expense	-46.4	-19.8	-202.3	-245.1
Loan losses	15.3	32.2	34.4	7.4
Operating costs	-620.0	-634.0	-2 181.2	-2 186.1
Other costs	-160.4	-81.6	-255.9	-318.5
Total costs	**-4 817.0**	**-7 233.8**	**-25 945.3**	**-24 912.8**
To/from market value adjustment reserve	470.7	-498.0	-1 150.1	-1 077.6
Operating profit/loss	**1 633.7**	**1 335.6**	**4 728.4**	**4 540.9**
To/from additional statutory reserves - life insurance	-950.0	-500.0	-950.0	-500.0
Funds allocated to policyholders - life insurance	-266.2	-464.8	-2 336.8	-1 496.0
Group profit/loss	**417.5**	**370.8**	**1 441.6**	**2 544.9**
Changes in security reserves etc. - non life insurance	-8.6	-23.6	3.2	11.7
Profit/loss before extraordinary items	**408.9**	**347.2**	**1 444.8**	**2 556.6**
Tax payable	15.0	200.6	-41.1	-217.8
Minority interests' share of profit	-0.6	-0.5	-3.6	-1.6
Profit/loss for the period	**423.3**	**547.3**	**1 400.1**	**2 337.2**
Earnings per ordinary share	1.68	2.13	5.41	8.53

Storebrand has not issued any options or other financial instruments that could cause dilution of its shares.

Storebrand Group

BALANCE SHEET

NOK MILLION	31.12.05	31.12.04
Assets		
Deferred tax assets	109.5	186.2
Intangible assets	508.2	503.5
Pension fund assets	183.2	148.2
Tangible fixed assets	752.0	762.1
Investments in associated companies	138.3	137.5
Bonds held to maturity	31 412.1	33 050.5
Other bonds at amortised cost	9 259.5	6 301.0
Lending	26 976.6	24 124.3
Reinsurers' share of technical reserves	2 395.5	2 804.8
Real estate at actual value	13 503.6	12 240.8
Other assets	150.7	109.0
Due from customers and other current receivables	6 306.6	4 117.0
Financial assets at actual value:		
- Shares and other equity participations	39 589.1	28 311.3
- Bonds and other fixed-income securities	57 539.3	51 262.8
- Derivatives	1 481.1	1 103.0
- Life insurance assets with investment choice	5 719.4	4 476.4
Other current assets	52.1	432.8
Bank deposits	5 768.7	6 957.8
Total assets	**201 845.5**	**177 029.0**
Equity and liabilities		
Paid in capital	3 081.8	3 133.2
Retained earnings	6 176.5	7 169.2
Value adjustment fund	12.0	7.2
Minority interests	7.2	2.3
Total equity	**9 277.5**	**10 311.9**
Subordinated loan capital	3 524.7	3 611.3
Market value adjustment reserve	3 862.5	2 767.2
Insurance reserves - life insurance	134 621.7	121 118.4
Reserve for life insurance with investment choice	5 719.4	4 476.4
Premium and claims reserves - non life insurance	2 992.1	3 396.9
Security reserves etc. - non life insurance	97.3	89.6
Pension liabilities	624.9	634.6
Financial liabilities		
- Liabilities to financial institutions	1 464.6	2 151.8
- Deposits from banking customers	11 187.0	11 463.0
- Securities issued	15 653.7	12 033.8
- Derivatives	5 302.9	1 693.3
Other current liabilities	7 517.2	3 280.8
Total equity and liabilities	**201 845.5**	**177 029.0**

Storebrand Group

RECONCILIATION OF CHANGES IN EQUITY

NOK MILLION	PAID-IN SHARE CAPITAL (MAJORITY'S SHARE OF EQUITY CAPITAL)	VALUE ADJUSTMENT FUND (MAJORITY'S SHARE OF EQUITY CAPITAL)	OTHER EQUITY (MAJORITY'S SHARE OF EQUITY CAPITAL)	MINORITY INTERESTS	TOTAL EQUITY
Equity at 01.01.04 IFRS	**3 204.4**		**5 978.6**	**1.8**	**9 184.8**
Profit/loss posted directly against equity		7.2			7.2
Profit/loss for the period			2 337.1	1.6	2 338.7
Equity transactions with owners:					
Own shares	-76.3		-668.1		-744.4
Share issue to employees	5.1				5.1
Dividend paid			-222.5	-1.0	-223.5
Foreign exchange differences/other			-255.9	-0.1	-256.0
Equity at 31.12.04	**3 133.2**	**7.2**	**7 169.2**	**2.3**	**10 311.9**
Effects of IAS 39					
Financial assets and liabilities			-1.6		-1.6
Equity at 01.01.05	**3 133.2**	**7.2**	**7 167.6**	**2.3**	**10 310.3**
Profit/loss posted directly against equity					
Revaluation of own properties		4.8	0.2		5.0
Profit for the period			**1 400.1**	**3.6**	**1 403.7**
Equity transactions with owners:					
Cancellation of own shares	-22.0		-234.4		-256.4
Buy-back of own shares	-29.4		-332.7		-362.1
Dividend paid			-1 823.4	-1.7	-1 825.1
Foreign exchange differences/other			-0.9	3.0	2.1
Equity at 31.12.05	**3 081.8**	**12.0**	**6 176.5**	**7.2**	**9 277.5**

CASH FLOW ANALYSIS: STOREBRAND GROUP

NOK MILLION	31.12.05	31.12.04
Cash flow from operational activities		
Net premiums received - insurance	16 116.4	14 773.9
Net claims and benefits paid - direct insurance	-8 629.9	-7 185.5
Net claims and benefits paid - reinsurance	-3.9	
Net receipts/payments - policy transfers	505.1	-382.5
Interest, commission and fees received from customers	1 229.9	2 094.7
Interest, commission and fees paid to customers	-651.9	-981.9
Net receipts/payments - lending to customers	-3 055.5	-407.3
Net receipts/payments - loans to and claims on other financial institutions	153.7	-921.5
Net receipts/payments - customer deposits with the banking activities	84.2	-788.2
Net receipts/payments - deposits from Norges Bank and other financial institutions	-687.2	2.4
Net receipts/payments - securities in the trading portfolio:		
Shares and other equity participations	-7 447.6	-6 606.6
Bonds and other fixed-income securities	-3 787.5	-1 991.6
Financial derivatives and other financial instruments	2 806.7	1 237.8
Dividend receipts from the trading portfolio	36.4	134.4
Payments to third parties for goods and services	1 713.3	-1 801.2
Net receipts/payments - real estate activities	-315.2	-2 090.2
Payments to employees, pensioners, employment taxes etc.	-1 078.9	-1 286.6
Payments of tax, duties etc.	25.8	-4.2
Net receipts/payments - other operational activities	0.4	
Net cash flow from operational activities	**-2 985.8**	**-6 204.1**
Cash flow from investment activities		
Net receipts from sales of subsidiaries	250.2	4 852.0
Receipts on sale of real estate		2.7
Payments on purchase of real estate	-12.4	-2.7
Net payments on purchase of fixed assets etc.	-40.9	14.4
Net cash flow from investment activities	**196.9**	**4 866.4**
Cash flow from financing activities		
Repayment of long term lending	-79.5	-1 039.7
Receipts from taking up term loans	1 578.2	
Receipts from issue of short-term debt instruments/loans	182.2	
Receipts from subordinated loan capital	6.9	
Interest payments on subordinated loans	-255.3	178.2
Receipts from issue of bond loans and other long term funding	3 007.6	3 612.5
Repayment of bond loans and other long term funding		-0.1
Receipts from issue of new capital	0.7	4.2
Payments on redemption of share capital	-1 017.8	
Dividend/group contribution payments	-1 823.4	-222.5
Net cash flow from financing activities	**1 599.7**	**2 532.6**
Net cash flow for the period	**-1 189.1**	**1 194.9**
Net movement in cash and cash equivalent assets	-1 189.1	1 194.9
Cash and cash equivalent assets at start of the period	6 957.8	5 762.9
Cash and cash equivalent assets at the end of the period	**5 768.7**	**6 957.8**

Notes to the interim accounts

NOTE 1 INTERIM ACCOUNTS PRESENTED IN ACCORDANCE WITH EU APPROVED IFRS STANDARDS

Storebrand's consolidated accounts for the fourth quarter of 2005 are presented in accordance with the International Financial Reporting Standards (IFRS) approved by the European Union. The quarterly accounts are in accordance with the requirements of IAS 34 for interim accounts.

In preparing the quarterly accounts, Storebrand has used assumptions and estimates that affect reported figures related to assets, liabilities, revenues and costs, as well as the information on contingent liabilities. Future events may cause the estimates to change.

NOTE 2 CHANGES TO COMPARABLE HISTORIC FIGURES AND CHANGES TO ACCOUNTING PRINCIPLES

Comparable figures for 2004 have been restated in accordance with IFRS with the exception of items accounted for in accordance with IAS 39 on accounting for financial instruments. IAS 39 has been applied for the period 1 January 2005 - 31 December 2005. This is in accordance with the IFRS transition rules.

The Storebrand ASA 2004 Annual Report provides a separate note on the effects of the transition to IFRS (page 83 of the Annual Report). This note provides quantitative information on the changes to the group's equity capital at 1 January 2004 and 31 December 2004 and restated earnings for 2004. A change in accounting principles was applied in Q4 2005 for the treatment of the reserve required in Norway for the credit risk associated with reinsurers, known as the reinsurance reserve. This was previously treated as a liability. Under the new principle adopted, the reinsurance reserve is no longer treated as a liability. This change has caused an increase in the group's equity capital (after tax) of NOK 79 million as of 1 January 2005.

The transition to IFRS has caused changes from the accounting standards and principles on which the official annual accounts for 2004 were based. The following sections provide information on the most significant changes caused by IFRS.

A change in accounting principles was applied in Q4 2005 for the treatment of certain investments by Storebrand in securities funds for which Storebrand is also the manager. Previously, these investments were included in a line on the asset side of the balance sheet depending on whether the investment was in an equity fund or an interest rate fund. Under the new principle, these fund investments are now consolidated. This means that the underlying asset and liability items in respect of these funds are included in the relevant lines in the balance sheet. The new principle does not cause any change to Storebrand's equity capital. Applying the new principle causes an increase in the total balance sheet of NOK 7.7 billion at 31 December 2005 and NOK 1.9 billion at 31 December 2004.

Insurance contracts

IFRS 4 deals with the accounting treatment of insurance contracts. Storebrand's insurance products are subject to this standard, and this means that the Storebrand group can, to a large extent, continue to apply its previous accounting principles for insurance contracts. IFRS 4 requires that reinsurance of the group's insurance liabilities must be shown separately as an asset, whereas reinsurance was previously incorporated as a reduction to total (gross) insurance reserves.

In Storebrand's restated consolidated accounts, the pre-tax effects of IFRS in respect of Storebrand Livsforsikring AS have been shared between the group's equity and the accounting item policyholders' funds in the ratio 35:65.

Financial instruments

IAS 39, which deals with the accounting treatment of financial instruments, is of particular importance for Storebrand. The Storebrand group holds significant investments in financial instruments, and these have previously been recognised mainly at actual value or amortised cost. This will largely continue to be the case under IAS 39.

Some effects relating to the group's banking activities are described below:

Loan loss provisions

Where there is objective evidence that the value of an individual loan has fallen, IAS 39 requires that the loan is valued at the discounted value of future cash flows. This discounting effect has not previously been applied. The reduction in the discounting effect on a loan as the cash flow moves closer in time will be recognised as interest income, and will have a positive effect on future net interest income.

The bank will not be permitted to maintain general loan loss provisions in the way they have been calculated up to and including 2004. However, groups of loans can be valued together for the calculation of loan loss provisions if certain criteria are satisfied. Any fall in the value of such a group of loans must also be based on objective evidence.

Structured products – synthetic financial instruments

The bank's treatment of equity linked bonds up to and including 2004 has been to recognise net commissions and fees earned at the time of issue. IAS 39 requires that bonds issued should be recognised at amortised cost using the effective yield method, and this means that all cash flows related to the loan are amortised over its life. Relative to the previous accounting treatment, the implementation of this change reduces the income recognised at the time such bonds are issued, but also causes a reduction in interest expense in future periods.

Hedge accounting and use of actual values for derivatives and investment assets by the banking activities

The bank makes extensive use of interest rate derivatives to hedge most of its net interest rate exposure. Unrealised gains and losses on interest rate derivatives were not shown in the balance sheet up to and including 2004. IAS 39 requires that derivatives are recognised at actual value, and hedge accounting can only be applied if strict conditions on the effectiveness of hedging transactions and their documentation are satisfied. The bank has applied hedge accounting since 1 January 2005.

IAS 39 has also caused some changes to the bank's approach to valuing certain investments in shares, which together with other items must now be valued at actual value.

Notes to the interim accounts

Pensions (for the group's employees)
The effect of adopting IAS 19 on pension benefits relates mainly to the accounting treatment of deviations from estimates at 1 January 2004 and the discount rate used.

IAS 19 requires that the discount rate used to calculate pension liabilities is equivalent to the risk-free return over the average remaining period. The discount rates applied in accordance with IFRS and the rate used in the official annual accounts are as follows:

	IFRS	ACTUAL
1 January 2004	5.2 %	7.0 %
31 December 2004	4.7 %	6.5 %

Charging the deviation from estimates directly to equity and the change in the discount rate have caused an increase in pension liabilities.

Real estate
The Storebrand group accounts have previously applied actual value to most real estate assets. The implementation of IFRS requires that the group's forestry holdings are also valued at actual value, giving an overall increase in the value of the group's real estate.

IFRS requires that properties occupied by the group for its own use must be depreciated. However, real estate is carried in the balance sheet at restated actual value, so the effect on equity will only be the difference between depreciation and restated actual value.

Goodwill
The transition to IFRS means that goodwill is no longer depreciated in the group accounts. In its place, the standard has introduced an annual write-down test to ensure that any fall in value is charged to the accounts. The group included written-back depreciation of NOK 30 million in its pre-tax profit for 2004.

NOTE 3: RECONCILIATION OF EQUITY AND EARNINGS BETWEEN NGAAP AND IFRS *)

NOK MILLION	31.12.04	01.01.04
Equity at 31.12. (NGAAP)	8 917.2	9 396.0
Pensions	-629.4	-744.0
Bonus scheme for senior employees	-8.4	-6.7
Real estate	32.7	34.3
Goodwill	30.1	
Deferred tax/ tax assets	18.3	127.3
Security reserves	111.0	156.5
Provision for dividend	1 840.4	221.4
Equity at 31.12/01.01. (IFRS)	**10 311.9**	**9 184.8**
Effects of IAS 39		
Financial assets and liabilities	-1.6	
Equity at 01.01.05 (IFRS)	**10 310.3**	

Reconciliation of earnings between NGAAP and IFRS

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

*) NGAAP means Norwegian generally accepted accounting principles excluding IFRS.

NOTE 4: ANALYSIS OF PROFIT AND LOSS BY BUSINESS AREA

NOK MILLION	31.12.05	31.12.04
Life insurance	1 217	931
Asset management	24	47
Storebrand Bank	241	121
Other activities	-41	1 446
Total	**1 442**	**2 545**

Notes to the interim accounts

NOTE 5: OPERATING COSTS

NOK MILLION	Q4 2005	Q4 2004	31.12.05	31.12.04
Personnel costs	-292	-256	-991	-1 040
Depreciation	-21	-33	-81	-88
Other operating costs	-308	-344	-1 109	-1 059
Total operating costs	**-620**	**-634**	**-2 181**	**-2 186**

NOTE 6: PROFIT AND LOSS BY QUARTER

NOK MILLION	Q4 2005	Q3 2005	Q2 2005	Q1 2005	Q4 2004	Q3 2004	Q2 2004	Q1 2004
Total operating income	5 980	7 228	7 825	10 786	9 067	5 677	6 436	9 161
Total costs	-4 817	-4 852	-6 376	-9 902	-7 234	-5 015	-4 967	-7 701
Operating profit	1 634	1 127	1 193	775	1 336	633	1 851	722
Group profit	418	318	392	314	371	265	1 492	417
Pre-tax profit	409	325	389	323	347	272	1 510	427
Profit for the period	423	310	376	291	547	228	1 235	327
Profit by business area								
Life insurance	364	291	307	255	311	228	198	194
Asset management	4	-2	14	8	8	7	15	17
Storebrand Bank	59	42	69	72	55	32	15	19
Other activities	-9	-13	1	-20	-3	-2	1 263	188
Group profit	**418**	**318**	**392**	**314**	**371**	**265**	**1 492**	**417**

NOTE 7: KEY FIGURES BY BUSINESS AREA - CUMULATIVE FIGURES

NOK MILLION	Q4 2005	Q3 2005	Q2 2005	Q1 2005	Q4 2004	Q3 2004	Q2 2004	Q1 2004
Konsern								
Earnings per ordinary share (NOK)	5.41	3.73	2.55	1.09	8.53	6.40	5.54	1.15
Equity	9 278	9 072.0	8 827	10 367	10 312	9 819	10 088	9 644
Capital ratio	11.2 %	12.6 %	13.6 %	14.6 %	15.3 %	18.0 %	19.4 %	14.7 %
Life Insurance								
Storebrand Livsforsikring								
Premiums for own account *)	18 318	15 548	12 791	8 095	17 912	12 493	9 084	5 826
Policyholders' funds incl. accrued profit	134 463	133 157	131 092	127 179	121 066	116 122	113 680	112 579
Investment yield I **) annualised	6.9 %	6.5 %	6.4 %	5.7 %	6.4 %	5.7 %	5.7 %	5.4 %
Investment yield II **) year to date	7.5 %	5.9 %	3.3 %	1.4 %	7.2 %	4.6 %	3.2 %	2.1 %
Capital ratio (Storebrand Life group)	10.9 %	11.8 %	12.5 %	14.1 %	14.4 %	17.3 %	18.4 %	14.8 %
Operating costs as % of policyholders' funds	1.06 %	0.90 %	1.00 %	0.86 %	0.90 %	0.87 %	0.91 %	0.93 %
Storebrand Fondsforsikring								
Premiums for own account	992	641	357	203	619	440	318	199
Policyholders' funds	5 719	5 317	4 838	4 675	4 476	4 287	4 276	4 262
Storebrand Bank								
Interest margin %	1.60 %	1.62 %	1.69 %	1.78 %	1.69 %	1.63 %	1.63 %	1.68 %
Cost/income %	63 %	63 %	63 %	61 %	84 %	84 %	84 %	84 %
Non-interest income/total income %	19 %	15 %	15 %	17 %	39 %	44 %	45 %	46 %
Net lending	26 279	25 077	23 980	22 972	23 474	23 187	22 334	21 799
Capital ratio	10.4 %	11.9 %	12.3 %	15.1 %	13.8 %	12.4 %	12.3 %	12.8 %
Storebrand Investments (Asset management)								
Total funds under management	204 825	177 048	172 001	170 566	165 009	178 605	174 021	166 211
Funds under mgmt. for external clients	49 716	24 688	23 995	25 006	25 389	43 295	42 458	40 421

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