

Annual Report 1999



Life's vital moments

Life is made up of a series of events, some of which we expect and can plan for whilst others come as unpleasant surprises. We all have hopes, dreams and ambitions, but equally we all experience disappointments, sorrow and unexpected changes from time to time. We all hope for and look forward to the better times, and most of us would rather not think about the difficult times.

What many of both the planned and unexpected events of our lives have in common is that they have financial implications. It is often the case that money plays a role in important events and, for better or worse, tends to magnify their effect. Some of the surprises we can just live with, particularly when they turn out to be good news. However life is not so simple when we run into difficulties and problems such as divorce, sudden illness or the loss of a family member.

Life's vital moments form the background for what Storebrand offers its customers. We want to help our customers take a broader view and recognise the opportunities life offers. Storebrand makes it possible for its customers, both private individuals and companies, to plan their financial future.

In this annual report for 1999 we have tried to illustrate through the pictures we have chosen some of life's changes and opportunities - the vital moments. We describe in the text how Storebrand can help and advise all its customers on financial matters. Our hope is that we can help our customers to be as well equipped as possible to meet the changes and challenges of the future.

You can do it.....


Åge Korsvold



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The Storebrand group

Storebrand is a leading player in the markets for life and health insurance, banking and investment management. Following the transfer of the group's non-life insurance activities to the Nordic company if..., Storebrand's activities are concentrated on providing savings and personal insurance products and related financial advice.

Our vision

We want to ensure that our customers can make the best possible use of their finances. On the basis of our long and close customer relationships we help create the right conditions for our customers to fully involve themselves in their finances, health and future. We are ready and willing to take new approaches to our business and we are committed to continuous improvement in all that we do in order to help to increase our customers' quality of life and thereby create value for customers, employees and shareholders. In all its activities Storebrand will strive to be a group which customers find easy to relate to and trustworthy, and which is forward-looking and creates new opportunities.

Our business activities

Storebrand has a solid foothold in the retail and corporate markets, and is building up a position as a supplier of occupational pension



schemes to the Norwegian public sector. Storebrand currently serves approximately 30% of the total life insurance market in Norway. The company is the largest manager of private savings in Norway and is one of the country's largest real estate investors.

Storebrand's customers

- Customer base (life and pensions): 293,000*)
- Life and pension insurance policyholders' funds: NOK 99.0 billion
- Funds under discretionary management: NOK 11.3 billion
- Customer base (banking): 53,000
- Deposits from banking customers: NOK 10.8 billion
- Customer base (mutual funds): 98,000
- Customers' investments in mutual funds: NOK 9.5 billion
- Loans to customers: NOK 22.4 billion lent to a total of 35,000 customers

*) This includes 9,500 corporate customers with 267,000 employees in group life insurance schemes and 470,000 employees, current and retired, in collective pension schemes.

Financial calendar 2000

3 May	Annual General Meeting
10 May	1st Quarter results
23 August	2nd Quarter results
8 November	3rd Quarter results
February 2001	Annual Results for 2000



Storebrand Group: Key figures

<i>NOK million</i>	1999	1998	1997	1996*)	1995*)
Operating profit	5,347	1,888	4,982	4,215	4,403
Group profit	1,166	603	1,185	1,349	1,648
Total assets	149,647	126,531	114,517	104,370	99,256
Equity capital	10,113	6,421	7,406	6,142	5,170
Solvency capital **)	11,226	9,658	9,448	8,220	7,113
No. of employees (full time equivalents)	1,636	4,001	3,736	4,029	4,042
Capital ratio (%)	14.0%	13.4%	14.4%	14.5%	15.8%

Key figures per share

Average number of ordinary shares (000's)	277,209	277,079	276,766	276,586	276,418
Earnings per ordinary share ***)	12.07	2.14	3.32	3.59	4.39
EPS excluding extraordinary items ****)	3.38				
Dividend per ordinary share (NOK)	1.00	0.00	0.00	0.00	0.00
Dividend per preference share (NOK)	0.00	0.00	0.50	0.70	0.70

*) Figures shown for 1995 and 1996 have been restated with a change to market value of financial current assets and a tax rate of 20%.

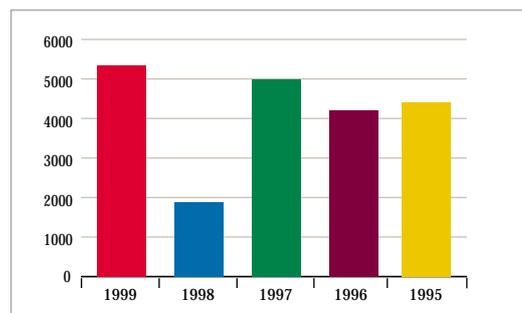
**) Consists of equity plus non-life insurance security reserves.

***) Calculation is based on profit for the year adjusted for the year's allocations to security reserves etc. as legally required in respect of non-life insurance. Comparable figures have been restated in accordance with the restated key figures.

****) The same basis as above is used for the calculation of EPS but adjusted for sales profit after tax and extraordinary items in respect of non-life insurance.

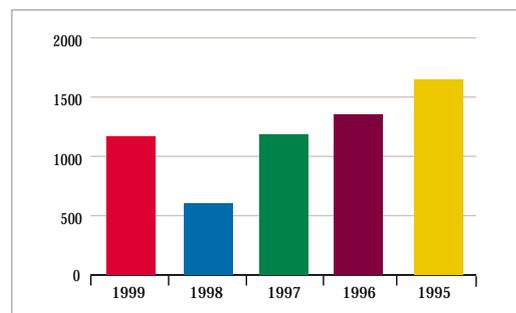
Operating profit

NOK million



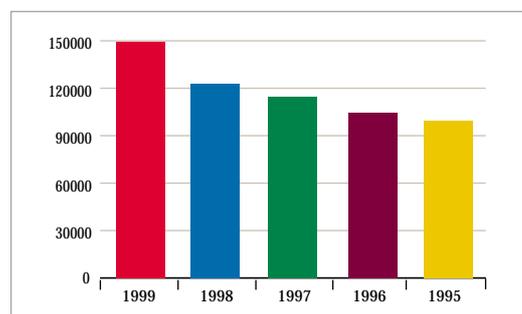
Group profit

NOK million



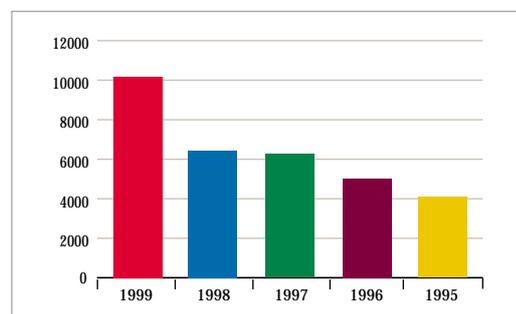
Total assets

NOK million



Equity capital*)

NOK million



*) Equity excluding preference share capital

Main events of 1999

January:

- The year starts with Storebrand announcing its acquisition of Finansbanken. The offer is for the entire share capital of Finansbanken at a price of NOK 40 per share. This bid values Finansbanken at NOK 1.6 billion.
- At the time the offer is made Storebrand owns 10.004% of the shares in Finansbanken but has omitted to give the required notification of a holding in excess of 10%. The Norwegian authorities conclude that there is no basis for a police investigation.

February:

- Storebrand and Skandia release news of their plan to establish the largest Nordic non-life insurance company. It is expected that the new company, later christened if..., will realise annual savings of NOK 510 million within three years. The company will offer its customers tailor-made insurance at competitive prices on a Nordic-wide platform of operations. This implies that the company will benefit from having common product and IT platforms and a unified brand strategy.

April:

- Storebrand applies to the Irish authorities for permission to establish a life insurance company in Dublin. The new company, now known as Euroben, is to offer pension schemes for larger companies with multinational operations.
- Storebrand makes a bid for entire share capital of Oslo Re. The offer of NOK 315 per share values the entire company at NOK 416 million.

May:

- Storebrand Bank is nominated the best Internet bank in Norway by the publication 'Din Side'.

June:

- Storebrand arranges an environment conference in Oslo attended by over 120 leading international delegates from the finance industry.
- The Finnish company Pohjola becomes the third partner in the new Nordic non-life insurance company to be established by Store-

brand, Skandia and Pohjola. The three companies announce that they will have equal voting rights in the new company, but that the share capital will be held 42% by Skandia, 33% by Storebrand and 25% by Pohjola.

October:

- Storebrand Investment Management expands its area of operation by taking a first step into the Swedish savings market. Storebrand's Environmental Fund is to spearhead the new activity in Sweden.
- The Gard mutual insurance association and if... announce that they are considering the possibility of creating a jointly owned management company. The new company is to manage the marine and energy insurance activities of both if... and Gard.
- Storebrand launches a new version of its Nettbank internet banking service. This offers a wider range of services and includes for the first time services for loan customers and savers in mutual funds.

November:

- Finansbanken announces the purchase of an 89% interest in Delphi Forvaltning. The total purchase price is NOK 160 million.

December:

- Storebrand is seen to be a leading supplier of unit linked products, having sold more unit linked agreements than any other company in 1999.
- The Norwegian Ministry of Finance grants a licence for the non-life insurance company if....
- Storebrand's mutual funds reach the end of a year in which Storebrand Technology is the best performing fund in the domestic market with an annual return of 174.2%. In addition Storebrand's international funds are a clear winner in terms of net new subscription. Measured in terms of total assets, Storebrand's funds have moved up over the year from fifth to fourth place in the Norwegian market.



You can do it...

Report of the Board of Directors

Storebrand, which has its head office in Oslo, is a financial group offering products in the areas of investment management, banking and insurance for the retail and corporate markets in Norway. Storebrand is a leading company in the life insurance and health insurance markets, as well as in investment management. The group's non-life insurance activities have been spun-off into the Nordic company If Skadeförsäkring, and following this Storebrand's activities are concentrated on the areas of savings and life insurance products, together with related financial advisory services.

Storebrand recorded an acceptable group profit for 1999 of NOK 1,166 million, as against NOK 603 million for the previous year. Operating profit amounted to NOK 5,347 million as against NOK 1,888 million in 1998. Net premium income was NOK 1,430 million higher at NOK 10,530 million. Earnings per share for 1999 amounted to NOK 12.07 as compared to NOK 2.14 for 1998. Weak results from non-life insurance were reflected in the group's consolidated operating profit. However improved investment return for 1999 contributed to the increased profits, particularly for the life insurance business. The group's solidity remains strong, and the accounts for all of the group's companies have been prepared on the basis of the going concern method of accounting.

A new Accounting Act came into force with effect from the 1999 accounting year, and changes to the regulations for the annual accounts of banks and insurance companies were introduced at the same time. The most important changes for the insurance activities were the move to recognising financial assets at market value and the re-introduction of revaluation to market value for real estate investments held by life insurance companies. All comparable figures for 1997 and 1998 have been restated in accordance with the new Accounting Act.

The group's results

The group's 1999 operating profit showed a marked improvement from the results achieved in 1998. The life insurance company produced a competitive investment return, and also saw strong growth in sales in a number of markets. Sales of mutual funds products and unit linked insurance products showed strong growth during the year. The group's non-life insurance company increased its premium rates as a result of deteriorating claims experience, particularly in the retail market. The technical result for non-life insu-

rance, expressed as the sum of the claims and cost ratios, was 116.6 percent in 1999, and the Board considers this to be unsatisfactory.

New businesses

On 6 January 1999 Storebrand announced that it was making an offer of NOK 40 per share to all shareholders in Finansbanken ASA. The background for this acquisition was a desire to strengthen Storebrand's position in the strongly growing and attractive private banking market, as well as to complement Storebrand's existing position in the savings market. Storebrand received the necessary approval for the acquisition from the Ministry of Finance on 31 July 1999, and the bank is consolidated in the profit and loss account from that date.

On 22 February 1999 Storebrand and Skandia announced that they intended to establish a joint Nordic non-life insurance company. The company was later named If Skadeförsäkring. It was further announced on 26 June 1999 that the non-life insurance activities of the Finnish company Pohjola would also be included in If Skadeförsäkring. The establishment of If Skadeförsäkring ensures a strong commercial platform for the further development of Storebrand's non-life insurance business. The new company will be the market leader in the Nordic countries and will realise significant operational and cost economies of scale as well as making more efficient use of the capital employed. Storebrand received the necessary approval for the establishment of the new company from the Ministry of Finance on 20 December 1999.

The transfer of Storebrand's non-life insurance activities to If Skadeförsäkring has been treated for accounting purposes as a sale transaction. This has resulted in the recognition to profit and loss in 1999 of a capital gain of NOK 3,230 million. This amount is reported separately in the accounts. Storebrand's interest in the profit and loss of If Skadeförsäkring was not recognised to profit and loss until the date the necessary approval was granted, which for practical purposes is taken to be 1 January 2000. The transaction date applied is 1 March 1999, and Storebrand's share of profit in the period March to December 1999 is accordingly recognised directly to equity (see Accounting Principles for further information). An amount of NOK 204 million was credited directly to equity in respect of Storebrand's interest in profit for this period. Storebrand's ownership interest in If Skadeförsäkring was 44 percent

at 31 December 1999. This will reduce to 33 percent as soon as Pohjola receives the necessary approvals for its participation in the new company.

Storebrand Skadeforsikring AS announced an offer for the entire share capital of Oslo Reinsurance Company (Oslo Re) on 24 April 1999. The offer was for NOK 315 per share, and accordingly valued Oslo Re at approximately NOK 416 million. The rationale for this acquisition is based on both capital efficiency and industrial grounds. Storebrand received approval from the Ministry of Finance for the acquisition on 20 December 1999.

Following the transfer of the group's non-life insurance business to if..., Storebrand Skadeforsikring AS is a holding company for Oslo Re, Fair Forsikring and the shares in If Skadeforsikring.

Commentary on the insurance business results

The life insurance activities reported a competitive financial result, with a realised return on assets of 9.97 percent, or 15.74 percent after adjusting for unrealised gains.

The life insurance group's operating profit amounted to NOK 4,956 million, as against NOK 1,786 million in 1998. Of the total profit, NOK 4,181 million was allocated to policyholders, and NOK 774 million was allocated to equity and shareholders, as compared to NOK 1,285 million and NOK 501 million respectively in 1998. The value adjusted operating profit, which takes into account changes in unrealised gains, was NOK 10,823 million in 1999, representing an improvement of NOK 11,045 million for the year. The total allocation to policyholders including extraordinary items was NOK 4,333 million, and NOK 856 million was allocated in total to equity and shareholders.

Storebrand Skadeforsikring reported an operating profit of NOK 302 million in 1999, representing a reduction of NOK 157 million from 1998. This profit relates to the Norwegian insurance activities for the whole of 1999, and is not affected by the If transaction since the final approval for this transaction was only received on 20 December 1999. The technical result was NOK 1,326 million weaker. Included in the technical result are the effects of run-off gains and the accounting effect of the reduction in minimum claims reserves required by the Banking, Insurance and Securities Commission, which together amount to NOK 94 million. The equivalent figure for 1998 was NOK 503 million. If these effects are excluded, the technical result weakened by NOK 917 million in 1999.

Market conditions

The statistics for market share published by the Norwegian Financial Services Association show

an increase in Storebrand's share of total premiums written in the life insurance market, including unit linked products and transferred policies, from 27 percent in 1998 to 31 percent in 1999. The equivalent figures for market share in collective pension and group life policy lines showed an increase from 29 percent in 1998 to 31 percent in 1999, whilst the market share for individual policy lines showed an increase from 27 percent to 32 percent.

In the non-life market Storebrand stabilised its market share of non-marine business in 1999 at 38.9 percent. 1999 saw a 0.2 percentage point improvement in the company's share of the motor insurance market in volume terms, whilst market share in terms of policy numbers increased by 0.6 percentage points.

Investment management

The market value of securities held by Storebrand Livsforsikring AS increased during the course of the year from NOK 84.3 billion to NOK 99.9 billion. Exposure to equity markets was increased during 1999, and by the end of the year represented 33.4 percent of the market value of the total portfolio of yield bearing investment assets. International equities accounted for 69 percent of the total equity portfolio. The overall value adjusted investment return was 15.7 percent, as compared to 3.5 percent in 1998.

The volume of funds under discretionary management for external clients, including pension funds, doubled during 1999 and now amounts to NOK 11.5 billion. This includes the investment management mandate awarded by Norges Bank in respect of part of the Norwegian Government Petroleum Fund, which came into operation in 1999.

Storebrand Bank

1999 saw a further increase in the number of depositors from 35,000 to 42,000. The bank's total assets grew from NOK 6.2 billion to NOK 8.1 billion. The growth in balance sheet reflects increased residential mortgage lending. Storebrand Bank AS reported a loss for the year, excluding dividend from Storebrand Finans, of NOK 53 million, representing a NOK 37 million improvement on the comparable figure for 1998. The Storebrand Bank group produced a profit of NOK 5 million including the profit of the subsidiary Storebrand Finans AS.

Storebrand Fondene

1999 demonstrated that the Norwegian market for mutual funds saving continued to grow despite the very turbulent conditions seen in the financial markets in 1998. The Storebrand funds managed



The Board of Storebrand ASA. From the left: Dagfin Lea, Jens Ulltveit-Moe, Jon R. Gundersen (chairman), Peter Ruzicka, Tom Vidar Rygh, Brit K. S. Rugland, Leiv L. Nergaard (deputy chairman), Per-Olav Myrtrøen and Mathias Dannevig

in Norway grew very strongly, and increased their combined share of the Norwegian market by 1.8 percentage points to 8.1 percent. This increase reflects a number of developments, including stronger distribution capacity, improvements to the product range offered and better investment performance. Customers are increasingly looking to save in funds that also invest in international markets. Total funds under management in all the funds offered by Storebrand amount to NOK 11 billion. Storebrand Fondene recorded an operating profit of NOK 11 million in 1999, which was a NOK 5 million improvement on the result achieved in 1998.

Risk management

The group's exposure to risk arises principally from insurance risk and the investment risk associated with assets under management. Exposure to insurance risk is subject to the limits set by the authorities. The technical risk result was very satisfactory, and the Board considers that the group's technical insurance risk is managed within appropriate limits in relation to the group's risk bearing capacity. Investment risk is regulated by investment policies determined by the boards of the individual group companies on an annual basis. Risk management pays particular attention to market (price) risk and credit risk as well as exposure to movements in interest rates and currency exchange rates. Investment policies are designed

to ensure the best possible return over time subject to maintaining an acceptable level of risk in relation to insurance liabilities. Investment exposure is monitored daily by the fund manager, Storebrand Kapitalforvaltning ASA. The management company is also responsible for ensuring that risk exposure is within the approved limits at all times. An annual report on risk exposure is considered and approved by the Board in accordance with the internal control regulations issued by the Norwegian authorities.

A systematic programme of work was carried out over a substantial period to prepare the group for the transition to the year 2000. The costs involved were within the agreed budgets, and the programme was completed in accordance with the timetable. The group's systems were thoroughly tested in their adapted form for both the transition to year 2000 and the leap year effect. The Board is very pleased to report that Storebrand did not experience any problems with the transition to year 2000.

Personnel and organisation

Employment in the group, including its part-owned subsidiaries, totalled 1,636 full time equivalent positions at the end of the year as compared to 4,001 at the beginning of the year. The significant reduction in staff numbers is largely due to the transfer of employment to the new Nordic non-life insurance company If. In addi-

tion to this the number of staff leaving the group's employment was equivalent to 246 full time equivalent positions, whilst new recruitment was equivalent to 242 full time equivalent positions. This reflects the changes taking place in the group, with some activities in a phase of consolidation whilst other activities are developing and growing. Whilst these changes create certain challenges, they also represent new opportunities for the group's employees, and considerable importance is attached to maintaining a good working environment. Employees' representatives participate in the forums required by the group's collective agreement, and regular meetings are held between the representatives and the company's management. The average age of the group's employees at year-end 1999 was 41. The incidence of absence from work on grounds of sickness was 3.32 per cent. The company has not suffered any personal injuries, damage to property or accidents of any significance during 1999.

Environmental policy

Storebrand has established an environmental policy which places the concept of sustainable development at the heart of the group's endeavours to create value for its customers and owners. This is further demonstrated by the establishment of environmental programmes in a number of areas of activity. Storebrand does not pollute the external environment beyond the normal level for the activities in which the group is engaged.

Board of Representatives, Board of Directors and shareholder matters

Storebrand ASA had 40,314 shareholders at the end of 1999, as against 73,823 a year earlier. This significant reduction in shareholder numbers is the result of a decision approved by an Extraordinary General Meeting of the company held on 27 January 1999 to take advantage of the possibility to redeem smaller shareholdings in the new Companies Act which came into force on 1 January 1999. The company offered all shareholders with 8 or fewer shares the opportunity to either redeem their shares or to increase their holding up to a total of 100 shares. The offer was made to 39,154 shareholders, of which 6,194 chose to purchase a total of 199,025 additional shares. As at 31 December 1999 foreign shareholders accounted for 32.1 percent of the share capital. The proportion held by foreign shareholders a year previously was 43.1 percent. The company's share price increased by 6 percent over the course of the year, from NOK 57.50 to NOK 61.00. The highest and lowest prices during 1999 were NOK 65.00 and NOK 50.50 respectively.

There were no changes in the composition of the Board of Directors of Storebrand ASA during 1999.

Kari Broberg and Jan Kildal (deputy members of the Board of Representatives elected as members of the Board of Storebrand Livsforsikring AS), have retired from the Board of Representatives. Mette Johnsen (previously a deputy member) has been elected as a full member of the Board of Representatives and Trond Berg-Andreassen and Ole Trasti have been elected as new deputy members of the Board of Representatives. 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.

Remuneration of the Chief Executive Officer of Storebrand ASA, the auditor and officers, and obligations in the event of termination or a change in management employment contracts are detailed in Notes 4 and 13 to the Accounts.

Capital situation

The group's capital ratio, expressed as the ratio of primary capital to the risk weighted asset base, was 14.0 percent at 31 December 1999. This represents an increase of 0.6 percentage point since 31 December 1998. The inclusion of Finansbanken in the consolidated figures caused a reduction of approximately 2.4 percentage points on account of goodwill and an increase in risk-weighted assets, whilst the establishment of If Skadeforsikring had a positive effect of similar size on account of the significant gain recognised as a result of the transaction. The minimum legal requirement is 8 percent. The capital ratios of the life company and Storebrand Bank respectively at year-end were 12.0 and 15.3 percent respectively.

The international credit rating agency Standard & Poor's maintained its rating of A+ for the life company in 1999, and the international credit rating agency Moody's has given Storebrand Livsforsikring AS a rating of A2. This is the first time Moody's has rated Storebrand Livsforsikring AS.

Future prospects

Storebrand expects to see significant growth in a more broadly based savings market over future years, and believes that the company is well positioned to win a significant share of this growth. Growth will come partly as organic growth in current market areas and partly as a result of new growth initiatives both in Norway and internationally. Structural change may also create further growth. Mergers and acquisitions have been a characteristic feature of the structural development of the banking and finance industry both in Norway and internationally, and there is good reason to believe that this trend will continue. It is

important that Storebrand is well positioned in respect of such changes, and the company believes that it is a prerequisite to remain a highly competitive player in the group's domestic market. Life insurance produced very good results for 1999 thanks to a strong investment performance. However it cannot be expected that investment returns will continue to be as strong in the future. The profitability of non-life insurance in 1999 was very weak, and the current year should show an improvement in profitability.

Storebrand intends to expand its investment management activities in future years. The company's ambition is to win an increasing share of the growing investment management market and thereby achieve good profitability from a critical mass of business.

Storebrand has developed a number of detailed plans to realise the group's IT strategy for the savings market, involving both new systems platforms and investment in Internet systems. This means that investment in technology will represent a significant proportion of the group's total investments in the years to come, and the overall level of investment will continue to be high.

Application of profit

Storebrand ASA recorded a profit for the year of NOK 1,157 million. The Board has decided to recommend the payment of a dividend of NOK 1.00 per share for 1999 in line with the company's stated dividend policy. The Board accordingly proposes that of the total profit for the year an amount of NOK 277 million is to be allocated to dividend and NOK 880 million is to be transferred to other equity. The Board of Directors expects a stable growth in dividend per share over future years.

Oslo, 7 March 2000

Translation – not to be signed

Jon R. Gundersen
Chairman

Leiv L. Nergaard
Deputy Chairman

Jens Ulltveit-Moe

Brit K.S. Rugland

Tom Vidar Rygh

Peter Ruzicka

Mathias B. Dannevig

Per-Olav Myrtrøen

Dagfin Lea

Åge Korsvold
Group Chief Executive Officer



You can do it...

Conditions for growth

1999 was a good year for Norway. The close of the 20th-century saw Norway established as one of the richest countries in Europe. This offers great opportunities to shape the country's future development, but it also creates a real risk that we do not also take the measures necessary to ensure our future prosperity. The considerable wealth that has accumulated in Norway, in the public sector as well as in the private sector, creates the savings and insurance market that forms the basis for Storebrand's future development.

Following a period from 1994 to 1998 which saw Storebrand rebuild its financial strength and solidity, 1999 was a year of major structural and operational changes that represented a crossroads in the company's history as the year when the foundation was laid for the new Storebrand's future growth. After the turbulent conditions in financial markets in 1998, a return to growth was seen in 1999 with strong increases in prices on both Norwegian and international stock markets. The increase in value this created, combined with the capital released by the establishment of if..., helped Storebrand to maintain a very strong financial condition even after the acquisitions which it made in 1999.

Progress in the group's core areas

It was particularly pleasing to see that the progress made in the life insurance market over the past few years continued in 1999. Storebrand's share of the overall market increased from 27% to 31%, and the company increased its market share in both the retail and corporate markets. The leading position Storebrand enjoys in life insurance provides a very good starting point for our focus on new growth areas, and progress was made in these areas in 1999. Storebrand increased its market share of unit linked insurance products from 13% to 27% during 1999, making it the market leader. Storebrand Fondene also produced a pleasing performance in 1999. The company increased its overall market share from 15,7% to 22% and attracted a large part new inflows of savings to international mutual funds. It was also very pleasing to see that the major part of the significant volume of transfers made from traditional individual pension products to unit linked pension insurance took place as transfers within the Storebrand group. 1999 was also a successful year for Storebrand Investment Management. The return



Group Chief Executive Officer Åge Korsvold

on funds under management was very good, both in absolute terms and relative to our competitors and the benchmarks we set ourselves.

The new Storebrand

1999 also saw the process of setting up the new Nordic non-life insurance company If. It is very pleasing to be able to report how well this merger and demerger process has progressed. The first aspect of this is that a new business structure has been put in place without any significant inter-company or cross-cultural conflicts. The second aspect is that the early feedback from our customers has been very positive. There is now every reason to believe that a clearer profile and focus on non-life insurance will allow If to become a very competitive and attractive supplier.

We have also made changes to the organisational structure of the remaining Storebrand operation. This has involved sharpening the distinction between production and distribution, which is important not least because it will make it easier both to use external distribution channels and to introduce products from third party suppliers into Storebrand's own distribution channels. Following these changes Storebrand is organised as four market areas: Investment Management, Product, Retail Distribution and Corporate Distribution.

The result of this is that Storebrand is now clearly seen as a new and focused savings and personal insurance company. Further attention was devoted during 1999 to refining Storebrand's commercial profile and brand name. As a supplier of savings, life insurance and banking services, we

intend to promote throughout our activities the four values of being easy for customers to relate to, of being trustworthy, enabling and forwardthinking. These selected values will be used by the new Storebrand in a systematic approach to developing new services and products in order to give our customers overview and control of their financial situation as well as greater freedom of choice through the use of new technological systems. Through the use of Internet and Intranet based systems, combined with product-neutral advice, we intend to help our customers make the best of their financial status and hence their lives. The basis for building up the Storebrand brand will bring together an overview of savings and insurance products, advisory systems, net based systems for the sale of our own and other supplier's savings products and internet banking. We intend to develop "financial cafeterias" where the employees of a corporate customer will be able to choose pension, insurance and savings products from a menu offered by their employer. Employees will also be able to individually purchase other personal financial and advisory services in the same way. We recognise that building a brand involves much more than slogans and marketing, but we have nonetheless launched the slogan "You can do it". Over the next few years we intend to systematically develop a real content for this slogan for both retail and corporate customers.

Opportunities for growth in Norway and internationally

Storebrand's core areas enjoy a strong position in the domestic Norwegian market, and this provides the essential basis for further growth both in the home market and in markets outside Norway.

- Defined contributions pension products for the corporate market represent a supplement to existing products and services. They make it possible for us to deliver a broader range of products and allow us to increase the scope of the product neutral financial advisory service we offer.
- Storebrand will continue to build business on the Environmental Fund. Environmental and social responsibility criteria in asset management represents a demanding and interesting international growth area.
- Finansbanken represents a foundation on which to develop a Nordic-orientated private banking activity.
- The Internet offers additional potential for both new and existing areas of activity.

These four areas are discussed in greater detail in the articles which follow. These short presentations provide in total a picture of the opportunities

which are now available for Storebrand to use in developing a platform for value creation to add to the strong position we already enjoy in traditional life insurance products for the retail and corporate markets.

Storebrand has long maintained that it is the authorities' role to determine the regulatory environment, whilst it is our job to operate within the framework set out. This remains our view, but we nonetheless find it necessary to point out that if the Norwegian authorities wish to see a Norwegian market populated by strong Norwegian financial institutions, it is essential that they remove the barriers to expansion which are created in part by certain aspects of the regulatory framework for life insurance companies specific to Norway and in part by some aspects of the way supervision and licensing responsibilities are exercised. If there are no changes in this direction there is a real risk that the effect the Norwegian regulations will have on the companies which have to follow them may be quite different to the authorities' original intentions.

Business ethics and social responsibility

There is a trend internationally for larger companies to take more active responsibility for the social consequences of their business activities, and this also involves taking a view of the role institutions play on a longer perspective. For many companies these strategies also reflect a recognition that customers are entitled to make greater demands on the behaviour of the companies they deal with. As society becomes ever more open, it is essential to be able to demonstrate that the company makes a positive contribution to the development of society as a whole and has a proactive approach to key areas such as the opportunities it offers for its employees' development, customer satisfaction and shareholder value. It is also the case that a welldeveloped ethical standard for the business and a proactive approach to its social consequences are crucial for the recruitment and motivation of highquality staff. It is essential that the company meets these challenges if it is to enjoy a positive perception amongst its customers and be capable of satisfying the demands for transparency and openness which characterise a modern communicationbased society.

In short this is about having pride in the company to which we belong and in its ability to deliver services which are important and appropriate for our customers, as well as being proud that the company makes a positive contribution to society and creates added value. These are core values in the brand we represent, and are central to the growth we will create in the years to come.

Executive management

Storebrand's executive group management team comprises the Group Chief Executive Officer, the executives responsible for the four market areas and the four group Executive Vice Presidents who make up the central management function. The four market areas include two areas for distribution, Corporate Distribution and Retail Distribution. The development and production of new financial products and services is the responsibility of the Product market area. Storebrand Investment Management is the fourth market area, with responsibilities which include the management of life insurance policyholders' funds and mutual funds.

Corporate
Distribution
Grete Faremo



Retail
Distribution
Kai G. Henriksen



Products
Espen Klitzing



Investment
Management
Allan Åkerstedt



Group Chief
Executive Officer
Åge Korsvold



Group legal and
administration
matters
Hans Henrik Klouman



Accounting and Finance
Human Resources
Organisational and
management development
Idar Kreutzer



Branding
Communications
and Social issues
Jon M. Hippe



IT
Rolf Corneliusen

Opportunities for further growth in core areas

With the sole exception of non-life insurance, 1999 was a year of success across a broad range of activities for Storebrand. Storebrand Livsforsikring AS increased its share of

The achievements which 'new' Storebrand can report for 1999 represent the results of a sustained period of systematic effort, and demonstrate that Storebrand is very well placed to generate further growth in its core areas.

the traditional life insurance market. Storebrand Fondsforsikring more than doubled its market share, and generated the greatest premium income of any unit linked company in 1999. Storebrand Fondene attracted a large proportion of net new inflows to equity mutual funds, and increased its market share. Storebrand Bank

continued to grow strongly, with particularly rapid growth in the use of its Internet banking service. Storebrand Kapitalforvaltning ASA produced a return for the year which was very good

both in absolute terms and relative to our targets, as well as in comparison to our competitors. The company also saw a sharp increase in the size of the funds it manages for external customers.

Major changes in an integrated market for savings

Whilst there was no growth in the traditional life insurance market in 1999, Storebrand experienced strong growth in new product areas. The market for unit linked insurance products, for example, grew by more than 165%, whilst the net inflow to the mutual funds market grew by more than 250%. The welcome the market gave our new child insurance product demonstrates that there is still considerable potential for new personal insurance products.

There were not only large differences between the performance of different categories of products in 1999, but also between particular products in certain categories. Whilst the traditional life insurance market saw almost no change in total volume between 1998 and 1999, sales of individual endowment policies fell by almost 50%. New inflows to international equity funds were almost twice as large as inflows to Norwegian equity funds. A very large number of retail customers chose to transfer their pension arrangements from traditional life insurance products to unit linked pension products. In the corporate market we experienced increased interest in transferring pension arrangements from traditional collective pension schemes to stand-alone pension fund schemes.

There was also a focus on changes to the regulatory framework and operating environment in 1999. The commission set up to consider new legislation for defined contribution occupational pension schemes submitted its recommendations during the year, and a proposal was also put forward for a new Pensions Act. The new legislation is expected to come into force with effect from 1 January 2001, and will start to have an effect on our customer contacts during the current year.

Growth expected in the total market, but with considerable realignment between product areas

The many changes seen in 1999 were not unique, and we expect the market to continue to change at a rapid pace. A number of factors will generate





further growth in the total savings market, including demographic change, increased prosperity and a reaction to further reductions in state pensions relative to income from employment for medium and high income groups. We also expect that the introduction of defined contribution pensions with tax relief will contribute to further growth in the occupational pensions market.

This is a market where new products will win market share, both because they are recognised as being more flexible and because today's more sophisticated savings market is willing to accept products which carry higher risk but offer a better expected longterm return. In the pensions market the availability of defined contributions pension schemes will offer companies a more predictable exposure to their pension commitments, and many companies that currently do not operate a collective pension scheme will find this an attractive alternative.

Storebrand accordingly expects to see considerable differences in market growth from product to product, as well as an increase in transfers between different products and companies.

Storebrand is in a strong position

The broad reach of the Storebrand group puts us in a strong position. We have a large number of customer relationships, and our extensive product range lends credibility to our product neutral advice as well as making it possible to offer

combined products. The range of our operations also gives us a strong position in terms of the expertise that we have built up over the years. The future growth of the savings market will generate strong growth for Storebrand.

Storebrand also has a leading position in the development of new products and customer service concepts. This can be seen in a number of areas: We have a very strong position in the private pension fund market due in part to our "turn-key pension scheme" product, we have already set up defined contribution pension schemes for a number of Norwegian companies, we have developed a very strong investment management organisation and we also offer our own health insurance products to both the retail and corporate markets. The public-sector market is also an area where we are well placed to make further progress once this market opens for genuine competition. We firmly believe that these and other initiatives will make a significant contribution to the group's overall growth in the future.

In order to further strengthen Storebrand's position, we have initiated a number of significant development projects in areas such as further developments for defined contribution pensions, a sales and advice concept for corporate customers' employees, the establishment of the Euroben life insurance company in Ireland and a number of "e-commerce" initiatives.

Well placed for new growth in the corporate market

Storebrand is well positioned for further growth in the corporate market thanks to its strong market position, a continually expanding range of products and new net-based systems.

Storebrand has been the leading supplier of occupational pension schemes in Norway since the life insurance company Norske Folk was established in 1917. Norske Folk was originally the only company to offer private companies the opportunity to provide occupational pension scheme arrangements for their employees. A number of other companies joined this market over time, but the market remained extremely stable for more than 70 years.

The first real competition in pensions provision came about as a result of the new Insurance Activities Act in 1988. The new legislation required the production of annual pension statements for members and made it possible to transfer pension funds. As a large-scale supplier of traditional products Storebrand found its position challenged by these changes. However Storebrand proved to be extremely successful in the new pensions market which developed in the 1990s, reflecting the group's ability to respond to changing market conditions. This has involved extending the product range and improving the level of expertise available to provide advice and assistance to customers. Storebrand is accordingly able to offer pensions solutions that are based on customers' needs and requirements and which are firmly rooted in genuinely product-neutral advice.

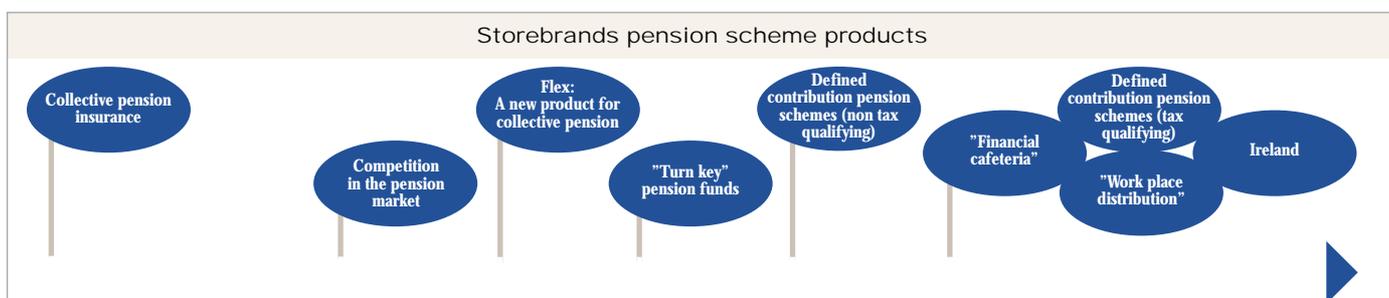
Maintaining a high level of advisory expertise will form the core of our focus on extending the range of pension products in the years to come. We expect to generate further growth with the help of improved net based communication with companies and their employees, and this will involve significant investment in the electronic delivery of pensions products and services.

First generation product neutrality

The growth Storebrand has enjoyed in its pensions business since the middle of the 1990's, has been very dependent on two products, namely the Flex and Turn Key pension schemes.

Storebrand was the first company in the market to launch the so-called Flex product as early as 1990. Flex is a collective occupational pension product which allows major corporate customers to have a greater involvement in the investment management of their pension fund. A significant number of major Norwegian companies went on to set up this kind of arrangement over the next few years. In Storebrand's case this represented 16 customers at the close of 1999, with approximately 33,000 employees and funds under management of around NOK 8 billion. A long debate on the precise legal status of this product followed in the wake of new regulations introduced in 1996, and in June 1999 the Ministry of Finance decided that the form of investment choice involved could not be considered to accord with the relevant legislation. At the time of writing it is clear that the Norwegian Parliament now intends to reaffirm the basis for this type of investment choice for defined benefits pension schemes, and this is expected to receive parliamentary approval in parallel with new legislation on defined contribution pension arrangements.

The regulations on transfers of pension funds have encouraged a number of major companies to establish their own pension fund arrangements over the years. The demand for both investment advice and a range of other services for pension funds grew strongly during the 1990s. In addition a number of pension funds chose to outsource one or more of the services related to the administration of their funds. Storebrand responded to this development by launching a complete turn key pension fund concept. This offers all the services necessary to run a pension fund, including



day-to-day management. Many pension funds have chosen this solution. The group's focus on this market has also contributed to significant growth in Storebrand's provision of investment management services for pension funds.

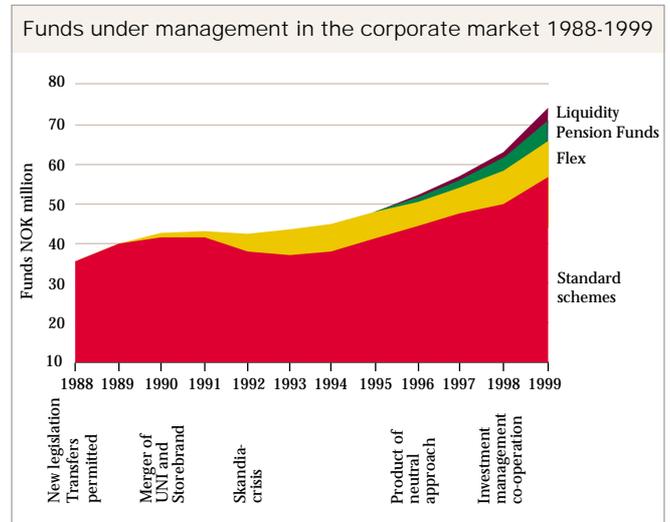
Defined contribution pensions and multinational pension schemes

Storebrand has actively pursued a product neutral policy in its business development, and the company offers its corporate customers trustworthy advice based on their particular needs. Against this background the launch of a new generation of defined contribution pension schemes during 2000 will represent an important extension of the company's product range. Defined contribution pension arrangements are expected to represent a large proportion of new sales in the pensions market, particularly for smaller and medium sized companies which do not currently operate pension arrangements. Storebrand is developing both collective and individualised defined contribution products. Companies will also be able to decide whether or not their particular scheme should be drawn up as a taxqualifying scheme in the light of the particular situation of the company and its employees.

Storebrand currently offers a good product and advice package for employees stationed abroad. As the corporate sector becomes increasingly international, the need for new products and solutions which function across national boundaries grows all the time. This has prompted Storebrand, together with the Swedish company SPP, to establish a new life insurance company known as Euroben. This company will provide both defined contribution and defined benefits pension schemes for Nordic companies with multinational operations. Collective pension arrangements which cater for employment in a number of countries represent an important new feature in the European pensions market, and open up opportunities for significant economies of scale in relation to administration, investment management and other services.

Continuing growth in the public sector market

Prior to 1980, Storebrand was a major supplier of pension arrangements for Norwegian local authorities through the life insurance company Norske Folk. An agreement to divide the market for occupational pension schemes between Norske Folk, which was to serve private companies, and KLP, which was to serve the local authority sector, led to a situation whereby Storebrand only had two local authorities remaining its portfolio by 1991. The company decided in the early 1990s to



make a renewed assault on the public sector, with particular focus on the local authority market.

Storebrand now operates pension scheme agreements for 13 local authorities and approximately 150 companies and other bodies which operate public sector pension schemes. At the start of the current year these contracts represented funds under management in excess of NOK 2.5 billion.

New communications methods

In addition to the development of new products, Storebrand's main focus in the corporate pension market is on developing better systems to keep employees up to date with their pension entitlements and their savings and insurance arrangements. The provision of information on the scale required can only be made possible by making use of new technology. To this end Storebrand has already introduced new and flexible intranet based systems for a number of its corporate customers. Storebrand's strong market position in the corporate pension market creates a major opportunity to help strengthen the relationship between a corporate customer and its employees.

Internet based systems offer the opportunity to improve customer service for corporate customers by simplifying administration and communication, as well as providing the company's employees with banking services and products such as mutual funds and insurance.

By combining individual advice with net-based tools to analyse and simulate a customer's requirements and alternatives, the company can create a broader range of contact with its customers. Storebrand is well positioned for further growth in business both with corporate customers and with the employees of these customers thanks to its strong market position, extensive range of products and broadly based expertise combined with its forwardlooking use of technology.

Internet developments for our customers

Storebrand has provided Internet based systems for its customers for a number of years through Storebrand Bank. The Storebrand Internet banking service has received a number of awards as the best Internet bank in Norway, and experience

The Internet offers new ways for the banking and finance industry to communicate with customers. Storebrand has already put this new technology to good use for its banking customers over recent years. New systems are now being developed to use the Internet for the company's other retail and corporate customers.

gained from this product provides the basis for the accelerated development of Internet sales and customer service systems for other areas of the group. Net-based systems will play a crucial role in the group's overall relationship with corporate customers and their employees in future years.

In 1999 Storebrand introduced sales of mutual fund products on the Internet, and this has rapidly become an important sales channel for this group of products. In addition to this Storebrand

was the first company to offer sales of life insurance products on the Internet when it introduced this service last year, and this identifies the company as a market innovator even by international comparison. Storebrand Bank was the first bank in Norway to have over 50% of its salary account customers on the Internet by the close of 1999, and Internet payments are by far the bank's most popular payment method.

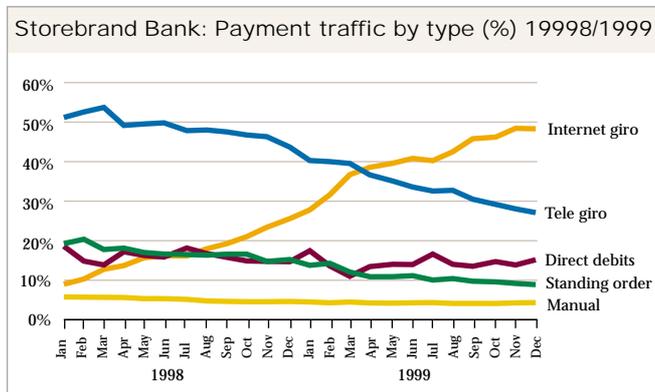
A climate of change

A number of strategic decisions were taken during 1999 in order to align Storebrand's organisational structure and employees in the direc-

tion of the new net-based economy. There has been a significant increase in the confidence with which individual members of staff make use of the Internet, thanks in part to a total redesign of the company's Intranet and Internet sites. And internal e-commerce forum has been established, the group has appointed a web editor and has set up specific resource groups for Internet activities. The organisational structure for making full commercial use of net-based technology is accordingly in place. Our objective is to continually develop new Internet-based products and services for our customers.

Mutual funds, banking and individual life insurance products

Now that Storebrand has transferred its non-life insurance activities to If, the group's activities are concentrated on the core areas of mutual funds, banking and life insurance. Storebrand intends to play a leading role in making use of the opportunities that new technology offers, and the group will develop and apply its expertise to the "new economy". To this end Storebrand will keep a continuous check on how best to organise the delivery of its products and services to customers. This will involve new strategic alliances and





co-operation with other players to help meet our customers' needs. One example of this would be to offer our customers Internet share dealing in co-operation with a third party supplier. This is a service that other players could deliver more quickly and cheaply than Storebrand alone is equipped to do.

Competitive advantage

Storebrand attaches considerable importance to building on its existing competitive advantage in the development of net-based services. The company believes that net-based systems will represent a significantly more cost-effective means of delivering services to its customers, and expects this to have a particularly important effect on business with corporate customers. Storebrand's strong position in the corporate market offers major opportunities to provide additional services to the employees of the group's corporate customers. The rapid development of defined contribution pension arrangements is reflected in a more employee-based approach to collective pension schemes, and this creates greater opportunities to strengthen the relationship between Storebrand and individual employees of its corporate customers. We believe the conditions are right to increase value added in this area

through a combination of financial advisers and high quality net-based systems.

Portals and value-added services

Storebrand intends to offer Internet systems for the retail market that will provide a broad range of financial products and services. This will offer customers better value than the traditional forms of single product delivery. It will also be possible to further develop this portal concept into a fully fledged 'gateway' which will give customers access to selected products from third party suppliers in addition to Storebrand's own product range. This will allow Storebrand to become a leading one-stop supplier of financial services for the retail market.



International growth

1999 was the year which marked the start of Storebrand's focus on supplying financial services to the international market. This took place through an expansion of international distribution capacity for investment management products and the establishment of Euroben Ltd., an Irish based life insurance company.

International distribution of investment management products

Storebrand Investment Management took an important first step towards the international markets during 1999 with a view to winning a share of the global investment management market. This investment in international markets is of a long-term nature, with controlled costs and the expectation of growth and profitability over time.

The background for launching our investment management products internationally can be found in the internationalisation of the markets for such products. Part of the reason for this is that major institutional investors are increasingly outsourcing their investment management functions, and when selecting a company to supply these services they do not restrict their choice to the domestic market.

One of Storebrand's objectives is to be a competitive supplier of selected financial services to markets outside Norway.

The main rationale for marketing our investment management internationally is rather that we believe we offer products which are competitive in international terms thanks to our unique

investment process and management structure. One example of this is that in autumn 1998.

Storebrand won an investment management mandate from the Norwegian Government Petroleum Fund in competition with over 200 Norwegian and foreign investment management companies.

Storebrand Investment Management launched its products on the Swedish market in 1999. Further product launches are planned to take place in Great Britain and France during 2000. Our distribution in these markets will take place through a local branch office presence as well as co-operation with selected advisers and consultants. Our marketing will be targeted at larger institutional customers.

The product range to be offered initially will comprise international equity management and

socially responsible investment products ('SRI' products such as ethical and environmentally friendly investment). Storebrand Investment Management currently has some NOK 30 billion of funds under management in international equities, including more than NOK 1 billion in its Environmental Fund which started in 1996 and has produced an extremely good return.

Euroben Ltd - a life insurance company based in Ireland

The management and administration of occupational pension schemes is a core service for Storebrand. It is therefore our goal to offer our customers the best products in the market. This means that Storebrand must compete on terms as similar as possible to those of the best international players in this market. Against this background Storebrand and the Swedish company SPP Liv have established a life insurance company, Euroben Ltd., in Ireland. The company will offer both defined contribution and defined benefit occupational pension schemes for Nordic companies with multinational operations.

This company's head office is located in Ireland since the Irish authorities operate a sound and flexible regulatory framework for the capitalisation, product development and administration of collective pension schemes. This in turn allows us to make further improvements to the products we offer to Nordic companies with multinational activities. The regulatory requirements for life insurance operations have become an extremely important factor in competition between life insurance companies over recent years. Increased international competition for the supply of occupational pension schemes in the EEA area, together with the continuing internationalisation of corporate customers, has made it essential that Storebrand is able to offer the best possible solutions for its Norwegian customers.

Euroben will distribute its products through the established sales channels of Storebrand and SPP. The company's products will be launched as soon as the Norwegian authorities have granted a licence to Storebrand for the establishment of the company. The Irish authorities have already granted their IFSC licence, and Storebrand looks forward to seeing its application finally approved in the near future.

Storebrand's role in the management of personal wealth

The management of personal wealth for customers is often described as 'private banking'. This concept embraces a broad range of products and services related to providing financial advice for private customers and managing their capital.

The private banking market has grown strongly both in Norway and internationally, and it continues to be a rapidly growing market. The pace of growth reflects both the increasing numbers of people who amass sufficient financial wealth to require assistance with its management and growth in the average size of the capital owned by wealthy individuals.

Europe currently represents the largest market for private banking, and this market is growing strongly.

The total wealth of all European residents holding personal capital greater than USD 1 million is estimated to be a sizeable USD 6,000 billion. It is estimated that in the Norwegian market individuals with wealth in excess of USD 0.5 million (around 0.5% of the total population) represent total financial wealth of USD 40 billion, equivalent to 27% of the country's total private wealth.

Private banking necessarily involves a high level of service content, and this offers the opportunity of good profitability for players able to offer a unique product range. It is accordingly natural for Storebrand to position itself to achieve the necessary scale of operations and profitability in this important segment.

In addition to the rapid growth seen in private banking, this market is also undergoing major changes in the kinds of products and services which customers seek. As well as expecting a high level of service, private banking customers also look for extensive advice and expect the investments arranged for them to produce consistent

excellent performance. The products involved cover the entire range from administering individual securities portfolios or electronic share trading through to hedge funds or other alternative investment products. Advisory services can cover everything from asset allocation through to international personal taxation questions and inheritance planning.

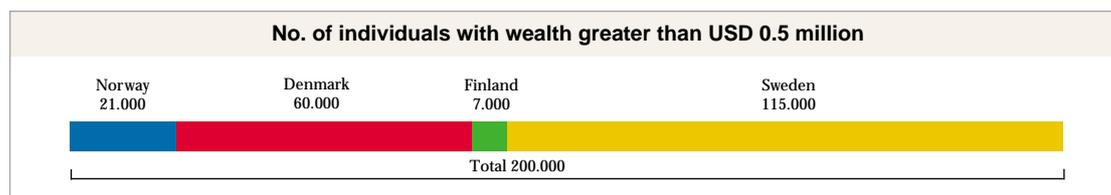
Changes are also taking place in the way private banking services are delivered. The Internet now offers electronic dealing services and gives access a world of information.

Storebrand's focus on private banking

In November 1999 Finansbanken agreed to acquire 89% of Delphi Forvaltning in order to expand its product range and strengthen its customer base in the high net-worth retail market. Finansbanken has an option to acquire the remaining 11% of the share capital that is currently owned by Delphi's employees. Delphi Forvaltning operates through two main subsidiaries. Delphi Fondsforvaltning manages five equity funds with some 6,000 customers in total, representing total managed assets of approximately NOK 1.3 billion. Delphi Aktiv Forvaltning has approximately 350 customers and undertakes the discretionary management of funds totalling NOK 1.2 billion. The Delphi group also includes Delphi Investor-service, a sales and financial advisory company, and a 34% interest in the Internet securities dealing company E*trade Norge. The acquisition is conditional on the authorities granting the necessary licences.

With its current position in investment management, financing and securities trading, as well as the products it offers for life insurance and pensions, Storebrand, together with Finansbanken, Delphi Forvaltning and E*trade Norge, has a good starting point from which to develop an up-to-date and leading private banking service offering a total product range for private capital management.

Storebrand intends to become, through Finansbanken, the leading financial partner for customers in the high net worth segment of Norwegian market, and also aims to become a significant player in this segment of the market in the other Nordic countries.



Business ethics and social responsibility

Storebrand fully accepts that customers, employees and shareholders expect a certain standard of behaviour from the company. These expectations and the demands they represent are a natural feature of an increasingly open society. Both private individuals and companies have entrusted their future financial security to us through their life insurance and pension arrangements. Moreover Storebrand manages significant financial assets for a large part of Norwegian society, and the company's shareholders want to know that their investment is being used to create shareholder value.

Storebrand recognises that it is responsible as a company not only for its own activities but also for their social and environmental consequences.

There is a clear international trend for more and more companies to focus on what is often termed "Corporate Social Responsibility", or business ethics and social responsibility, in an attempt to build bridges between commercial, ethical and environmental values. Storebrand is particularly well placed to further its activities in this area. Through its national and international involvement in environmental issues Storebrand has demonstrated that the finance industry can indeed play a role as a driving force in environmental questions. Similarly Storebrand's work

with the Norwegian Red Cross over many years has demonstrated that it is also possible to find new ways to demonstrate a responsibility to society as a whole. In order to develop further this commitment to environmental and social responsibility, Storebrand has combined these activities into a joint action plan.

Tangible results achieved

The action plan will continue the work Storebrand has already carried out on environmental issues and sustainable development. Storebrand's 10-point programme has led to important targets being achieved, such as a 10% reduction in the company's energy usage. This reduction represents annual savings of NOK 5-10 million. For the second year in a row Storebrand's Environmental Report was voted the best of its kind in the finance industry. The programme for the environmental approval of car paint workshops and the computer system which makes it possible to recycle used car parts will now be taken on and developed further by the new non-life insurance company If.

Investors both in the Nordic countries and further afield are showing increasing interest in environmental and social issues. There have been a number of examples of how deficient management of environmental problems or unacceptable business practices can lead to the boycott of companies involved, loss of market share and falls in share prices. Equally many investors have now discovered the worthwhile return which they can achieve by investing in environmentally aware companies. Storebrand's environmental fund, which is now in its fourth year, has confirmed that environmentally and socially responsible investment can produce a return that is just as good as traditional investments, and can from time to time even produce a better return. The return produced by the environmental fund has been very competitive in comparison to other funds.

1999 saw the development of methods to take social criteria into account when making investment decisions for the environmental fund. This has included requirements for companies in which the fund invests to be seen to respect human rights. This represents another step by Storebrand in the direction of developing a comprehensive set of social, ethical and environmental investment criteria.



For a number of years now Storebrand has focused its sponsorship activities on voluntary organisations with social and humanitarian objectives. The co-operation we launched in 1995 with the Norwegian Red Cross was a path breaking initiative to involve a commercial business with humanitarian work. We have together developed a number of projects including a 'Safe Summer' campaign and a 'Stop Violence' project. During 1999 Storebrand also supported other Norwegian organisations working to prevent bullying, violence and substance abuse. These include young peoples' associations opposed to drugs and violence, an association of Norwegian police and customs officers involved in preventing substance abuse and an association for prisoners' dependants.

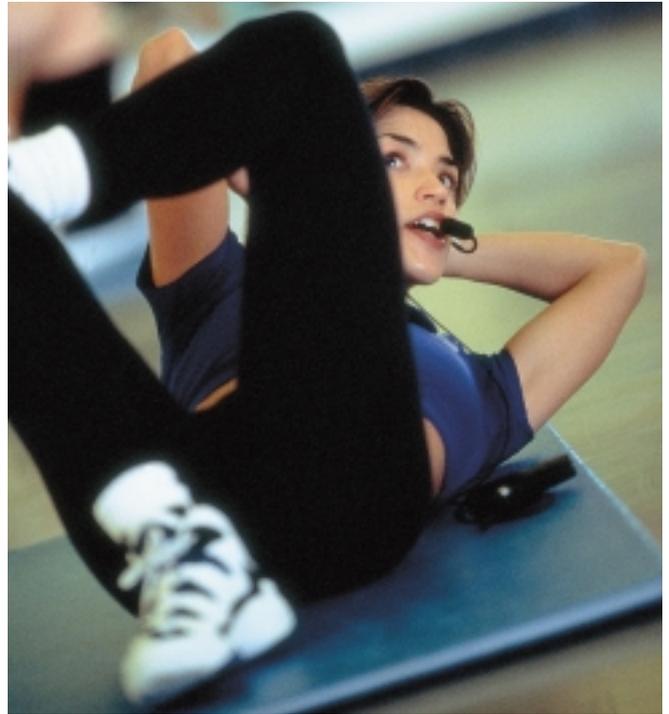
Action plan for year 2000

Storebrand is planning the international launch of Storebrand Responsible Investment Funds during 2000. There is every reason to believe that interest in this type of investment product will grow strongly over the next few years. The continuing development of systems and methodology to apply ethical criteria to investment management will accordingly be a central task.

Storebrand has also brought social responsibility and investment management products together in another area. Storebrand and the Norwegian Red Cross started the new millennium by launching a new fund known as the Norwegian Red Cross Global Fund. This is a mutual fund from which part of the management fee will go directly to humanitarian work carried out by the Norwegian Red Cross. The fund will be managed by Storebrand Fondene AS, and represents a new opportunity for Norwegian savers to combine investment in a mutual fund with making a contribution to humanitarian work without suffering any reduction in the return on their savings.

Storebrand intends to further expand its co-operation with the Norwegian Red Cross during 2000 and to focus its contribution in particular on the 'Stop Violence' project. Our co-operation with the MOT foundation to improve public awareness through its work will also be expanded in 2000. Storebrand also plans to launch a new approach to sponsorship activity: The 'You can do it' fund will offer support to worthwhile initiatives in the areas of education & training, society & environment, life & health and art.

In its environmental activities Storebrand will continue its international work through the United Nations Environmental Programme and the World Business Council for Sustainable Development. In addition to this we have set ourselves the objective, working together with



five leading banks and insurance companies, of establishing an international investment fund to invest in sustainable development, to be known as Sustainability Investment Partners.

Our objective in all this work is to play a leading role in recognising and accepting environmental and social responsibility. This also makes demands on Storebrand's own organisation and corporate culture. In order to create a well motivated and learning organisation we have to ensure that there is widespread internal understanding of our fundamental values and long-term objectives. It is a target for all of Storebrand's employees to increase their level of awareness of the values and norms we represent and what this means for our behaviour as a company. If we can succeed in integrating ethical standards into our day-to-day activities we will create long-term value for customers, shareholders, and colleagues, and for society as a whole.





You can do it...

Life insurance

Main features of 1999

- Increased market share
- High level of return on investment of 15.7%
- Continuing strength in risk bearing capacity provides the basis for high investment returns in the future
- Profit allocation to the shareholder of Storebrand Livsforsikring Group of NOK 857 million
- New market leading position in unit linked products

Business development

Storebrand's involvement in the Norwegian savings market makes use of a number of distribution channels and involves several companies in the group. Storebrand Livsforsikring develops and distributes life insurance and savings products to the corporate market, the public sector and the retail market.

1999 was a good year in terms of profitability for Storebrand's life insurance activities. The life insurance company reported a 4.2% increase in premium income in 1999 to NOK 9,264 million.

Storebrand again increased its share of the life insurance market in 1999. Statistics produced by the Norwegian Financial Services Association show an increase in Storebrand's market share of total premiums (premiums written including reserves transferred) to 31% in 1999 from 27% in 1998.

Corporate market

1999 was a successful year for Storebrand's activities in the corporate market, and the company's market share of premiums for collective pension arrangements increased to 33%. This represents an increase from 29% in 1998. Storebrand's market share of new sales averaged more than 50% over the course of the year.

Storebrand's competitive position in the corporate market is very strong. The company has achieved good results by producing a high investment return, both in absolute terms and relative to competitors, and by maintaining a strong risk bearing capacity which creates the potential for a high level of future expected yield. The company also operates with a very competitive level of costs.

A separate business area has been established for the distribution of products and services to the entire corporate market, known as Corporate Distribution. This business area operates separate

units for particular segments of the market. This business area also has a monitoring and co-ordination responsibility for the subsidiaries that sell services to pension funds. Storebrand is strongly focused on developing product and service concepts for each segment of the market.

All segments of the corporate market reported positive growth in 1999. The net inflow of funds under management from registered transfers of occupational pension insurance and investment management amounted to approximately NOK 4.5 billion. Premium income for collective pension schemes also grew very strongly, showing a 13% increase. Close co-operation with Storebrand Investment Management played a major role in achieving these good results.

Smaller and medium sized corporate customers

The company's activities in the small company market have been very successful. The combination of a number of specifically tailored products, a good service and follow-up concept and a specialised distribution apparatus has produced greater sales and a significant reduction in customers moving to other insurers.

Some 70% of small companies do not currently operate collective pension arrangements for their employees. The introduction of tax-deductible defined contribution pension schemes will offer new opportunities for growth.

The market for medium sized companies again showed an improvement in profitability in 1999. Customer satisfaction has increased thanks to close co-operation between our customer service operation and client service departments. There has been a fall in the number of customers moving their business away from the company, and a concentration on new sales activity has helped create very good results in this market segment.

Large companies

This sector of the market has seen very strong growth for pension funds services, including Storebrand's "Turn Key" pension fund concept. The "Turn Key" package provides all the services which a pension fund might need including administration, actuarial services, accounting, investment management, benefit agreements and day-to-day management. This concept has been very well received by the market, and the company's own surveys of customer satisfaction show

that pension funds are very satisfied with the services Storebrand provides.

Storebrand seeks through dialogue with its customers to find appropriate future pension solutions relevant to each customer's particular requirements. Customers in the large corporate market have been understandably concerned over the uncertainty concerning important legislative and regulatory issues in areas such as the new pension legislation and defined contribution pension schemes.

The continuing internationalisation of Norwegian business and industry has led to an increased need for international pension solutions. Business in this area also grew very strongly in 1999.

Defined contribution pension schemes

Defined contribution pension arrangements represent an area of considerable interest to Storebrand. The company has offered corporate pension schemes on an agreed contribution basis since the spring of 1998. Defined contribution pension schemes are a new concept in the Norwegian market, and are not catered for by the current tax regulations. Contributions to such schemes are currently tax-deductible for the employer in the same way as salary payments, but employees are currently taxed on the employer's contribution when it is paid into their individual pension account. The Norwegian Parliament is expected to approve proposed new legislation for defined contribution pension schemes during the spring of this year. This will create a situation in which pensions with defined benefits (traditional collective pension schemes) and defined contribution schemes will enjoy the same tax treatment.

During 2000 Storebrand will launch a new generation of defined contribution pension arrangements. These products will take the form of tax qualifying pension schemes. This will mean that Storebrand will be able to offer defined contribution schemes classified both as qualifying and nonqualifying for tax purposes depending on the particular features which the corporate customer finds most important.

There is considerable interest in this type of product, and a number of corporate customers have already chosen nonqualifying schemes. This provides valuable experience and contributes to ensuring that the company is well prepared for the new legislation on defined contribution pensions when it comes into force, which is expected to be in 2001.

Public sector pension schemes

1999 was characterised by consolidation of the company's production process and service con-

cept for public sector pension arrangements. It seems that it will be some time yet before the public sector offers a genuine market opportunity. This is mainly the result of certain features of the current national employment conditions which serve to favour KLP relative to other private life insurance companies.

The last quarter of 1999 saw a total 26 local authorities decide to terminate their pension arrangements with KLP, but only five authorities took the final decision to actually transfer their pension arrangements elsewhere. The largest of these, Askøy municipality, transferred its occupational pension scheme to Storebrand. Storebrand now has a total of 13 local authorities in its portfolio, and funds under management for these together with 125 other public sector clients amounted to over NOK 2.5 billion at the start of 2000. The majority of the local authorities considering changing their schemes decided to defer a decision to the current year, partly as a result of uncertainties in respect of employment law and partly because approval for transfers in accordance with the national employment conditions was only given by the Norwegian Association of Local and Regional Authorities in December of last year. Total pension funds of the local authorities currently involved in changing their arrangements amount to approximately NOK 1.5 billion of premium reserves.

Retail market

Storebrand's distribution in the retail market is based on a strategy which allows customers to choose between a number of different sales channels. Customers are offered face-to-face financial advice through our several advice channels, whilst routine customer services are principally provided through the relevant head office departments and over the Internet.

The distribution channels for Storebrand Livsforsikring and Storebrand Bank were combined into a joint business area in 1999, with the new title Retail Distribution.

Storebrand strengthened its position in the retail market for life insurance and mutual funds products during 1999. The company's share of this market increased from 27% in 1998 to 32% in 1999. Storebrand's share of new product sales in the retail market increased from approximately 30% in 1998 to 36% in 1999. (Official statistics from the Norwegian Financial Services Association).

Storebrand intends to retain its leading position as a supplier of individual insurance products to the retail market. Personal lines of insurance are expected to make an increasing contribution to the life company's profits in the years to come.

Unit linked products

1999 was a particularly good year for sales of Storebrand's unit linked products which comprise IPA Link and Annuity Link. Storebrand's unit linked products attracted inflows of savings totalling NOK 1.26 billion in 1999 as compared to NOK 212 million in 1998. The company's share of new sales increased from 13% in 1998 to a market leading position of 29% of all new sales in the unit linked market in Norway in 1999.

Customer awareness of the benefits of saving through unit linked products is increasing all the time. These products offer the combination of tax advantages with the possibility of higher returns through investment in equity funds. In addition a large number of customers with existing personal pension policies (EPES) have chosen to transfer to unit linked policies.

New net-based communications and customer service systems

Storebrand is strongly committed to developing Internet based systems. Storebrand is now developing systems for net-based customer communication which will allow corporate customers to conduct their business with Storebrand in an efficient way. The systems will completely replace the current paper based procedures if customers so wish. In due course corporate customers will be able to carry out calculations and forecasts of, for example, the performance of the company's pension scheme, the benefits available under national insurance arrangements and individual employee benefits.

The pension and insurance arrangements an employer makes for its workforce are important benefits in kind for employees. Storebrand is developing net-based systems which will help its corporate customer to make the value of these benefits more apparent to its employees.

For the individual employee, access to information on the benefits provided and paid for by the employer will be combined with details of their own pension and savings arrangements with Storebrand. This will give each employee a comprehensive overview of banking services, mutual funds savings and insurance benefits and help with better financial planning. The service offered will also in due course include the opportunity to access a broad range of individual advice, both through direct contact with Storebrand's advisers and through forecasting and simulation tools accessed on the net.

Internet based systems are being developed for both defined contribution and defined benefits occupational pension schemes.

The development of net-based systems is co-ordinated on a group wide basis and is being

vigorously pursued in order to create a central sales and service channel for the retail market as well as the corporate market. Storebrand Livsforsikring has successfully marketed and sold its child insurance product over the Internet since Spring 1999, and a number of other products will be adapted for Internet marketing and sale during 2000.

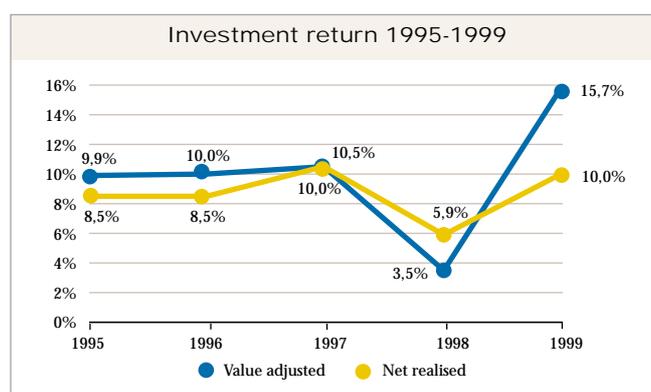
Costs

Operating costs for Storebrand Livsforsikring AS totalled NOK 896 million in 1999 as compared to NOK 817 million in 1998. Of the increase of NOK 79 million, increased investment management expenses accounted for NOK 42 million and NOK 16 million was due to increased sales expenses. The increase in investment management expenses was mainly due to performance related payments to Storebrand Kapitalforvaltning ASA as a result of the extremely good returns relative to benchmarks generated in 1999.

Relative to average policyholders' funds, the cost ratio was 0.96% as compared 0.94% in the previous year. Total operating costs include both insurance related operating expenses for sales administration as well as administration expenses related to financial assets.

Investment return, solidity and risk capital

1999 saw a return to a positive trend in the capital markets following the very turbulent period seen in 1998. Storebrand Livsforsikring achieved a net realised investment return of 10.0% in 1999 as compared to 5.9% in 1998. The value-adjusted return was 15.7% (14.9% if the change in value of bonds classified as hold to maturity are included).



Storebrand's strategy of investing a significant proportion of the securities portfolio in overseas capital markets again produced good results in 1999. The company has built up its solidity over a number of years, maintaining a high level of buffer capital to give freedom for manoeuvre in asset allocation. The proportion of total assets invested

in equity markets has increased in line with the accumulation of buffer capital. By the end of 1999 investments in equities accounted for 33.4% of all investment assets. In order to achieve a diversified and liquid portfolio, approximately 69% of the equity portfolio is invested in international markets.

Asset allocation and investment return 1999 and 1998

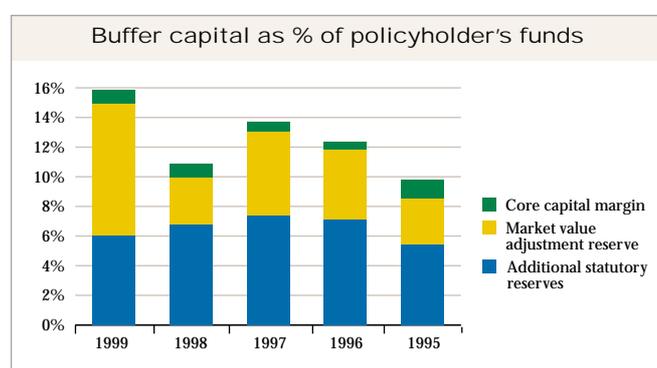
By sub-portfolio NOK million	Yield	1999			1998	
		Market value	Allo- cation	Expo- sure	Allo- cation	Expo- sure
TOTAL	15.8%	113,375				
Securities	16.7%	99,959	88%	88%	86%	85%
Equities	46.3%	37,843	33%	33%	31%	24%
Fixed-income	2.4%	32,490	29%	29%	34%	40%
Money market	6.8%	3,361	3%	3%	2%	2%
Bonds held to maturity	6.6%	26,202	23%	23%	19%	19%
Real estate	9.7%	10,234	9%	9%	9%	9%
Loans	8.5%	3,183	3%	3%	5%	5%

Figures for exposure take into account derivative positions.

High risk bearing capacity

Storebrand Livsforsikring has a high level of solidity. The company's buffer capital at the end of 1999, measured in terms of the market value adjustment reserve, additional statutory reserves and core capital margin (the excess of capital over the statutory requirement), totalled NOK 15.4 million. This is equivalent to 16% of policyholders' funds, representing an increase of five percentage points from 1998. This buffer capital ensures that the company is well positioned to generate a good return for customers in the future.

The strong performance seen in capital markets in 1999 led to an increase in the market value adjustment reserve of NOK 5,868 million to NOK 8,596 million. Additional statutory reserves are conditionally allocated customer reserves which act as risk capital to absorb price movements in the investment portfolio. These reserves amounted to NOK 5,847 million at the end of



1999. The life insurance company's capital ratio was 12.0% in 1999 as compared to 12.1% in 1998. The minimum capital ratio requirement is 8%. The company's strong solidity gives it considerable freedom in its future asset allocation.

The combination of a professional investment management function, high 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.

Return to shareholders and profit allocation

The profit from life insurance business in the Norwegian market is subject to an allocation between customers and shareholders. The profit allocated to shareholders cannot exceed 35% of the year's profit. Storebrand has applied the same model to allocate its surplus for 1999 as has been used in previous years. In this approach the return to shareholders is made up of the return on shareholders' capital and an income on capital calculated as a percentage of the average level of policyholders' funds. The level of income attributed to capital remains unchanged from 1998 at 0.42% of average policyholders' funds. In addition shareholders have been credited with NOK 105 million in respect of extraordinary items arising from the introduction of the new accounting regulations for insurance companies. The good performance in the overall return for shareholders reflects the good investment return achieved on total assets which also applies to shareholders' funds.

Allocation of profit to the shareholders of Storebrand Livsforsikring AS

NOK million	1999	1998	1997	1996	1995
Return on shareholders' capital	407	130	218	242	258
Income to capital from policyholders' funds	387	366	339	319	324
Extraordinary items	105				
Total return to shareholders	899*)	496	557	561	582
Return on equity	31%	19%	23%	24%	27%

*) Total profit before tax NOK 857 million in Storebrand Livsforsikring Group.

Future prospects

Corporate market

We expect to see defined contribution pension products become increasingly popular, especially in the market for small and medium sized companies, and grow into a significant market in parallel with the current defined benefit schemes. Storebrand is well placed to take up a strong

position in this new product area through its product development, good communication systems and the use of new technology. Defined benefit pension schemes will continue to see changes and improvements, and will remain the principal pension product for the corporate market. Storebrand has responded to market needs in this area by offering a wide range of pension fund services, including its "Turn key" pension fund product. The introduction of new products such as defined contribution pensions will serve to broaden the range of Storebrand's product-neutral advice concept.

The product range of the future will feature a wider selection of international alternatives.

Retail market

The major challenge for Storebrand in the retail market is to become the leading one-stop supplier of mutual funds, banking and insurance products and services. This requires a strengthening of the group's position in mutual funds products whilst at the same time maintaining the company's strong position in guaranteed yield savings products and individual life insurance products. Storebrand currently has a very large customer base, but the proportion of a customer's total

savings placed with the Storebrand group is often limited, and efforts are concentrated on attracting a greater share of these savings to the group.

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 1999 was 3.8%.

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

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

The administration reserve was strengthened by NOK 521 million in 1999 in accordance with guidelines from the Banking, Insurance and Securities Commission. This relates to individual policies which were formerly part of collective pension schemes. The guidelines require full provision to be made in this respect no later than 1 January 2001.

Analysis of results by class of insurance for Storebrand Livsforsikring AS

<i>NOK million</i>	Collective pension insurance	Group life insurance	Individual endowment insurance	Individual pension insurance	Non-life insurance	Total 1999	Total 1998
1. Financial income	6,379	55	781	2,293	3	9,511	5,144
2. Guaranteed yield	-2,581	-3	-327	-981		-3,892	-3,489
- of which to premium reserve	-153			-23		-176	-184
3. Interest result	3,798	52	454	1,312	3	5,619	1,655
Subsidiaries' admin. expenses	9	0	1	3		13	
4. Risk premium a)	450	325	257	-16	31	1,047	878
5. Risk bonus a)	-257	-334	-176	67	-21	-721	-582
6. Net reinsurance etc.	-26	-17	1	0	0	-42	-17
7. Risk result	167	-26	82	51	10	284	279
8. Administration premium	388	56	165	156	8	773	727
9. Operating expenses	-394	-64	-244	-182	-12	-896	-817
10. Administration result	-6	-8	-79	-26	-4	-123	-90
Subsidiaries' admin. expenses	-9	0	-1	-3		-13	
11. Change in premium reserve/sec. fund	-550		-7	9		-548	-63
12. Gross sectoral result (3+7+10+11)	3,409	18	450	1,346	9	5,232	1,781
To equity: - return on capital b)						-407	-130
- from policyholders' fund c)						-387	-366
- extraordinary items						-105	
13. Profit for the year						-899	-496
14. Policyholders' share of profit						4,333	1,286

a) Risk premium and risk bonus are partly based on estimates.

b) Of which NOK 388 million yield on ordinary items and NOK 19 million in respect of extraordinary items.

c) Includes: Premium reserve, additional statutory reserves, premium/pension adjustment reserve and the claims reserve.

Investment management

Main features of 1999

- Return on the life insurance portfolio 1.75% better than the benchmark return
- Improvement in market share for mutual funds from 6,3% to 9.2%
- Doubling in third party funds under discretionary management
- Expansion into the Swedish market
- Strong improvement in profitability
- Acquisition of Finansbanken and Delphi

Market conditions

The market for the management of investments for Norwegian households and institutional investors is growing strongly.

Total financial wealth of Norwegian households amounted to some NOK 1,115 billion by the third quarter of 1999. If wealth continues to grow as rapidly over the years to come as it did over the last decade, household financial wealth will reach NOK 2,000 billion by the end of 2008. It seems likely that the proportion of financial wealth invested in bank deposits and interest-bearing instruments will continue to fall in future years. The area of growth for investment will principally be in mutual funds, not least because households prefer mutual fund investment opportunities to investing in individual shares or traditional insurance products. Approximately NOK 1,600 billion of the total financial wealth of NOK 2,000 billion expected by 2008 will be invested in areas that fall within Storebrand Investment Management's product range.

Investment management for institutional investors is also growing strongly. Total funds under management currently amount to around NOK 250 billion, of which only half is currently entrusted to external investment management. The total size of the institutional market by 2008 is estimated at NOK 650 billion (excluding the Norwegian Government Petroleum Fund), and of this total NOK 200 billion relates to funds not currently entrusted to third-party management.

It is accordingly the case that the estimated total market for investment management in terms of the product range offered by Storebrand Investment Management will exceed NOK 2,000 billion of Norwegian household and institutional funds by 2008.

Organisational structure and market position

The investment management activities of the Storebrand group are carried out through the following legal entities:

- Storebrand Kapitalforvaltning ASA
 - Manages funds for the Storebrand group companies and provides discretionary fund management for external customers
- Storebrand Fondene AS and its subsidiary Storebrand Luxembourg SA
 - Offers a total of 32 equity and fixed interest funds. 17 of the funds offer an exposure to international markets.
- Finansbanken ASA and its subsidiary Delphi
 - Banking and investment management services for wealthy private customers and selected corporate clients
- Storebrand Eiendom AS
 - Manages the Storebrand group's real estate portfolio

Storebrand was the largest private sector investment management operation in Norway at the end of 1999, with funds under management of NOK 147 billion.

The group's management of funds for external clients grew strongly in 1999 both through mutual funds and discretionary portfolios, and external funds grew from 8.9% of total funds under management to 13.7%. Funds under management in mutual funds grew by NOK 4.7 billion during 1999, and reached NOK 11.1 billion by the end of the year. This represents a market share of 9.2% (including Delphi). The market share for equity funds alone amounted to 11.0%. Discretionary funds under management doubled during 1999, and amounted to NOK 11.5 billion at the end of the year.

Storebrand Investment Management has become a significant player in the Norwegian private banking market through the acquisition of Finansbanken and Delphi. 1999 also saw the start of international marketing of Storebrand's investment management products through the establishment of a Swedish operation. Storebrand Investment Management sees potential for further growth both in expanding its private banking activities and through internationalisation. These opportunities are described in separate articles on pages 20 and 21.

Investment philosophy

Storebrand Investment Management's business concept is to attract a large share of the growing investment management market by developing a strong brand image and by meeting customer requirements for investment management in the broadest sense. This includes investment, risk management, reporting, product development, investment advice and customer services.

The fundamental investment philosophy applied is that of achieving the investment goals set for the various investment products by active portfolio management which concentrates on a focused and systematic approach, with thorough analysis and a high level of investment discipline.

The investment process is principally based on an investment management philosophy with a focus on relative values. Portfolio structure and risk management are based on calculations of the risk of relative price movements, i.e. the expected deviation between the return on a portfolio and on the comparable index, and on identifying which positions cause such deviation. The construction of a portfolio focuses on making best use of the total limit by taking a limited number of actively managed positions while seeking to regulate all other forms of risk through quantitative portfolio optimisation. This serves to concentrate risk exposure just to those areas which are intended to create added value for the client.

Product development and distribution

Storebrand Investment Management attaches considerable importance to an aggressive cycle of product development in order to satisfy changing customer requirements. The investment management operation continued to expand its product range during 1999 by launching a number of international equity funds. This included the launch of Private Equity, the first fund-of-funds in the Norwegian market for investment in unquoted shares. The acquisition of Delphi serves to complement Storebrand's range of mutual funds with a number of Norwegian equity funds managed on a momentum approach. The current product range has also been expanded to include both index tracking investments and specialised investment alternatives such as the Private Equity fund and a technology fund.

Storebrand Investment Management distributes its products through the distribution channels of the legal entities directly involved in investment management as well as through the sales forces of Storebrand Bank AS and Storebrand Livsforsikring AS. It also distributes its products in Norway through external channels such as

other financial institutions, associations, independent financial advisers etc., and distributes its products internationally through the distribution company Storebrand Investment Management AS (described in more detail on page 20).

Asset allocation and investment performance

The overall investment return produced by Norwegian and international stock markets in 1999 was very good. The Oslo stock exchange produced a strong performance, with a 45% rise in the All Share Index over the course of the year.

In the major international markets Japanese shares produced a particularly strong performance. In local currency terms, the Japanese market as represented by the MSCI Japan index showed an improvement of almost 46%, and this took the form of a relatively stable and steady improvement throughout the entire year. In comparable index terms the US market showed a 21% improvement and Europe gained 28%. Much of the improvement in the US and European markets came about only towards the end of the year, with recovery driven by strong price gains for technology, media and telecommunications shares. Interest in companies in these sectors had a particularly favourable effect on the Finnish and Swedish markets, with gains of 194% and 87% respectively over the year.

The market's interest in companies in the technology sector is due in part to the strong growth these companies have experienced for their products. This in turn reflects generally encouraging growth in investment in many parts of the world. This trend is most apparent in the USA, where economic prospects continue to be dominated by a very high level of investment and accelerating growth in private consumption. An accelerating pace of economic growth was also seen in Europe and much of Asia during 1999.

In many countries central banks increased short-term interest rates during the year in parallel with the acceleration of global growth. Interest rates in a number of countries were cut to very low levels as a response to the Asian crisis and the financial turbulence seen in autumn 1998. Increases in short-term interest rates came at the same time as the fear of deflation which had gripped the financial markets in 1999 fell away. This in turn led to a fall in prices for long-term bonds in many countries and accordingly higher yields. The effective yield on US government bonds with a ten-year maturity increased from 4.7% to 6.4% over the course of 1999.

The overall return from the portfolios managed for Storebrand Livsforsikring was 15.78% in 1999. This represents a return 1.75% in excess of

Return 1999 – Storebrand Livsforsikring

	Return	Relative to index
Total	15.78%	+1.75%
Equities		
Norway	45.64%	+0.10%
International	46.63%	+10.43%
Fixed income		
Norway	2.70%	-0.20%
International	2.41%	+0.30%
Money market	6.57%	+0.28%

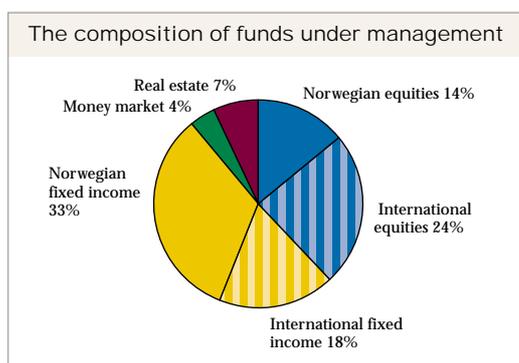
the comparable indices. The higher return was partly a result of success in stock selection, especially in the case of international equities, and partly due to an increased allocation to equity investments in the second half of the year.

Looking at the returns achieved on the securities portfolio in more detail shows a particularly good return on international equities and an over-performance relative to reference indices for all funds except Storebrand Norden.

”Storebrand Global was the best global fund in Norway and out-performed its benchmark by 26 percentage points.”

”Storebrand Teknologi was the best technology fund in Norway with a return of 174%.”

Both group companies and external clients have increased the proportion of their portfolios invested in equities over recent years. By 31 December 1999 some 38% of all funds under management by Storebrand Investment Management (excluding Finansbanken and Delphi) were invested in equities. There is also a clear trend for our clients to prefer to invest a larger proportion of their portfolio in international stocks. The following chart shows the asset allocation of the funds under management by Storebrand Kapitalforvaltning ASA and Storebrand Fondene AS:



Earnings and profitability

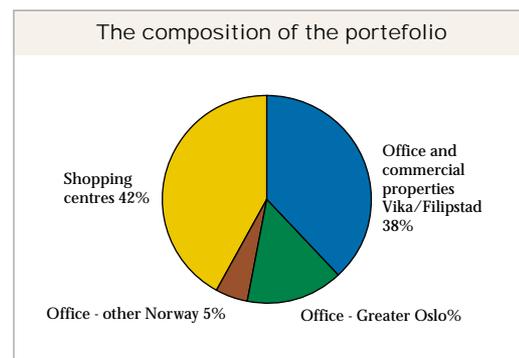
Over the last five years Storebrand Investment Management has moved from being a cost centre in the group's life insurance operation to being a unified business system for investment management with profit responsibility and the potential for further growth. Investment management agreements have been set up with all the internal clients in the group on normal commercial terms.

Storebrand Kapitalforvaltning ASA and Storebrand Fondene AS generated a combined pre-tax profit of NOK 34 million in 1999. The increasing scale of funds under management and the availability of economies of scale will lead to increased profitability in the future. Finansbanken ASA produced a pre-tax profit of NOK 168 million in 1999.

Real estate

Storebrand is currently the largest private real estate investor in Norway, and is accordingly a very significant player in the real estate market. The total value of the real estate portfolio amounts to NOK 10.1 billion, representing 725,000 sq.m. of property.

Storebrand Property continued the process of strategically re-orientating its property portfolio during 1999. This involves concentrating the portfolio on first class centrally located office premises in the Oslo region and on larger shopping centres. 1999 saw the sale of 10 real estate investments for a total of NOK 610 million, whilst a major investment was made in a property at Skøyen in Oslo, in addition to the corporate headquarter in Oslo.



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

The real estate portfolio produced an operating return of 7% in 1999. The level of return was affected by the extensive refurbishment of a large part of the portfolio's interests at Vika in Oslo. This programme of work is now largely complete. The rental occupancy rate at the close of the year was to 97.5%.

Storebrand Bank

Storebrand Bank AS is a wholly owned subsidiary of Storebrand ASA, and commenced operations in 1996. The Storebrand Bank group comprises Storebrand Bank AS and its subsidiary Storebrand Finans AS. Storebrand Finans is engaged in running down its finance company activities, and its collection activities cover both its own claims as well as liabilities owed to other members of the Storebrand group.

Storebrand Bank aims to combine providing its customers with unified financial advice through a local presence with the cost saving advantages and accessibility of giving customers direct access to services. The intention is to become our customers' main business connection for all financial services.

It was decided during 1999 that all distribution-related functions for the retail market, including financial advice, customer service and marketing, should be gathered together as part of the Storebrand Bank operation. Storebrand Bank currently serves some 375,000 customers, including more than 278,000 life insurance customers, 42,000 deposit customers, 33,000 loan customers and 97,000 mutual fund customers.

Storebrand Bank employs more than 250 financial advisers located in part at the bank's customer centre and in part at local advisory offices throughout the country.

Business development

The results for 1999 are in line with the bank's plans. The bank is playing an increasing role in the Storebrand group, and this has led to a significant increase in staffing and in the cost base. Revenue will be generated through commission from other product suppliers in the group for sales and customer service delivered by the bank in the areas of life and health insurance as well as mutual funds and unit-linked products.

The Storebrand Bank group expects a modest profit in year 2000.

Financial condition

Storebrand Bank achieved a profit for the year of NOK 3.1 million in 1999 for both the parent company and the consolidated Storebrand Bank group. Storebrand Finans produced a profit for the year of NOK 41.5 million.

The operating profit earned by the banking operation represented a good performance taking into account the reduced dividend from Store-

brand Finans and a lower level of other income. Net interest income increased as a result of increased total assets and an improved interest margin. The net interest margin for Storebrand Bank AS was 1.5%.

Overall growth in other operating income reflects higher commissions from banking services and gains on securities. This was to some extent offset by lower commission income from sales of mutual fund investments and lower loan administration fees, reflecting a revised commission structure and a reduction in the portfolio administered respectively.

Operating expenses were higher as a result of increased staffing and the opening of a number of additional financial advice offices, as well as higher IT expenses incurred in the further development of the bank's systems. Loan losses and provisions of NOK 33.6 million were recognised to profit and loss, representing a reduction of NOK 30 million from 1998.

Balance sheet and capital

The loan to deposit ratio remains favourable and the need for external funding fell during the course of the year. The capital base consists entirely of Tier 1 capital, and the bank had a capital ratio of 15.2%.

Storebrand Bank Group: Profit and loss account

NOK million	1999	1998	1997
Net interest income	139	91	42
Non-interest income	62	52	70
Non-interest expenses	233	209	160
Operating profit	-32	-67	-47
Net write back of loan losses	37	78	47
Net profit before tax	5	11	-1

Storebrand Bank Group: Balance sheet

NOK million	1999	1998	NOK million	1999	1998
Central bank and other bank deposits	90	62	Deposits from other banks	520	358
Investment assets	926	918	Commercial paper and bonds issued	1,525	1,650
Loans	6,811	5,007	Customer deposits	5,156	3,519
Other assets	265	261	Other liabilities	141	149
			Equity	750	572
Total assets	8,091	6,247	Total equity and liabilities	8,091	6,247

Finansbanken

Finansbanken ASA is a Norwegian commercial bank with its head office in Oslo and a sales office in Bergen. The bank is now wholly owned by Storebrand ASA following the acquisition carried out in the summer of 1999. It is Storebrand's intention to develop Finansbanken to become the leading private bank in Norway.

The bank's strategy is to be a specialist bank for commercial customers and selected segments of the retail market. Finansbanken worked actively during 1999 on developing its focus in the direction of private banking services for high net worth individuals. The Private Banking business area forms a separate unit of the bank.

Finansbanken has entered into an agreement to acquire Delphi Forvaltning AS which will lead to a significant expansion of the bank's product range in the savings market. It is expected that the acquisition will be completed and the activities involved integrated during the course of the first half of 2000. In its corporate banking activities the bank concentrates on the property and shipping sectors, and in particular on project financing in these areas. Finansbanken is a full service commercial bank, and offers a broad range of products and services.

The bank attaches considerable importance to maintaining close relationships with its customers and having a thorough understanding of their business activities and requirements. The bank strives to provide a high level of service by offering flexible financing solutions and a speedy credit approval process, combined with providing a personal style of service for its customers.

Financial condition

The Finansbanken group reported profit before loan losses of NOK 240.1 million for 1999, which is little changed from 1998. After loan losses and provisions of NOK 72.5 million the bank reported a profit of NOK 167.6 million, representing a return on equity of 17.1%.

The bank's interest margin and net interest income were at a stable level in 1999 when compared with 1998. Interest margin amounted to 2.49% of average total assets for the year. This reflects a stable general level of interest rates, as well as relatively stable average total assets despite strong growth in lending towards the end of the year. This increase resulted largely from commercial property lending, but shipping lending and

financing of securities also showed increases. Other income increased to NOK 41.7 million in 1999, and besides increased commission income from payments services this was the result of increased contributions from the bank's investment management companies Finansbanken Index ASA and Finansbanken Formuesforvaltning ASA. The activities of these companies showed an increase in 1999.

Operating expenses amounted to NOK 130.7 million in 1999, equivalent to 0.99% of average total assets. These figures included number of non-recurring items and a provision for profit related employee bonuses. After correcting for non-recurring expenses in both 1998 and 1999, the nominal level of expense in the two years is seen to be at the same level. Costs incurred in 1999 were equivalent to 35.2% of total revenues.

Loan losses and provisions totalled NOK 72.5 million in 1999, of which NOK 10 million represents an increase in the general provision for loan losses. Specific loan losses and provisions were recognised mainly in respect of a small number of larger shipping and offshore lending relationships.

The bank's capital base at the end of 1999 amounted to NOK 1,374.2 million, and the capital ratio and core capital ratio stood at 11.37% and 8.52% respectively.

Finansbanken Group: Profit and loss account

<i>NOK million</i>	1999	1998	1997
Net interest income	329	321	240
Other income	42	29	20
Operating expenses	-131	-109	-113
Operating profit	240	243	147
Loan losses	-72	-100	-16
Net profit before tax	168	143	131

Finansbanken Group: Balance sheet

<i>NOK million</i>	1999	1998
Central banks/financial institutions	522	579
Net lending	12,222	11,052
Securities	744	686
Other assets	441	509
Total assets	13,929	12,826
Financial institutions	2,597	2,096
Customer deposits	5,603	5,852
Securities issued	3,932	3,115
Subordinated loan capital	344	423
Other liabilities	418	418
Equity	1,035	922
Total liabilities and equity	13,929	12,826

Non-life insurance

Main features of 1999

- Storebrand established the new Nordic non-life insurance company if... together with Skandia and Pohjola.
- Market share remained stable at 38.9%.
- Significant increase in claims, with a combined ratio for own account of 116.6% (100.4% in 1998).
- Good investment return.
- Operating profit of NOK 302 million as compared to NOK 461 million in 1998.

Establishment of if... and the acquisition of Oslo Re

On 20 February 1999 Skandia and Storebrand agreed, subject to the approval of the relevant authorities, to establish a joint non-life insurance company. The intention was for Storebrand to own 44% of the shares in the new company and to have a 50% voting interest. It was subsequently agreed with the Finnish insurance company Pohjola that it would become a partner in the new non-life insurance company. Each partner is now to have 1/3 of the votes, and Storebrand's ownership interest in the company will be 33%.

Storebrand received the necessary approvals from the Norwegian authorities for the new company on 20 December 1999, and this is accordingly the completion date for Storebrand's part of the transaction. Pohjola did not receive the necessary approval prior to year-end, and until such approval has been received Storebrand will continue to own 44% of the shares in the new non-life insurance company If in accordance with the original agreement.

If was established with accounting effect from 1 March 1999 (the transaction date), and from that date Storebrand Skadeforsikring ceased to carry the commercial risk associated with the portfolio of business transferred to the new company.

On 29 April 1999 Storebrand Skadeforsikring AS made an offer for the entire share capital of Oslo Reinsurance Company ASA (Oslo Re) subject to approval by the Norwegian authorities. Oslo Re is involved in the run-off of reinsurance business. The necessary approval was granted on 20 December 1999, and Oslo Re is now wholly owned by Storebrand Skadeforsikring AS.



Market conditions

The Norwegian non-life insurance market continued to be affected by increasing competition from both established players and new entrants. Increasing competition has been evident in the corporate market for some considerable time, and is now becoming increasingly apparent in the retail market. Competition has increased over a number of years, and 1999 saw a further increase. Supply is outstripping demand and this leads to increasing downward pressure on premiums.

Gross non-marine claims have risen sharply over recent years, following the historic relationship between the incidence of claims and increasing levels of economic activity. Stronger economic conditions are reflected in a higher incidence of claims and increased costs for the repairs they involve. The high level of claims payments has made it necessary to increase premiums, and companies have introduced significant increases in premiums for some lines of insurance.

Financial review

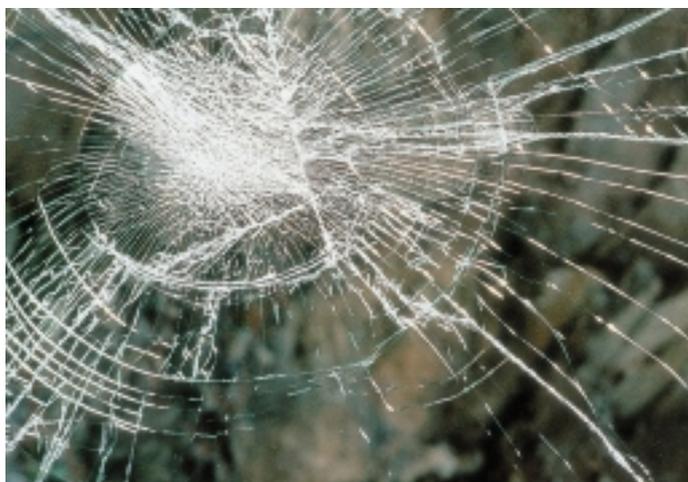
The profit and loss account shown on pages 48-49 reports the ordinary operations of the companies Storebrand Skadeforsikring AS, Europeiske Reiseforsikring AS, Storebrand Sverige AB and Storebrand Nybygg AS for the entire period 1 January - 31 December 1999. The figures presented are accordingly comparable with the figures for 1998. The capital gain arising on the transfer of insurance activities to If is shown as a separate item in the profit and loss account.

The balance sheet shows consolidated figures for Storebrand Skadeforsikring AS (100%), Europeiske Reiseforsikring AS (100%) and Oslo Reinsurance Company ASA (100%) as well as Storebrand's interest in If Skadeforsikring Holding AB (44%).

Premiums and profitability

Gross premiums earned increased by 7% in 1999. The increase in premium income mainly reflects higher premium levels as well as increased business in a number of lines of insurance. However the increase in premium levels achieved was not sufficient to produce satisfactory profitability given the company's claims experience in 1999, and further price increases have accordingly been implemented to improve the situation.

The non-life insurance activities produced a claims ratio for own account of 90.1% in 1999, representing an increase of 16.6 percentage points from 1998. This reflects increases in both the number of claims and the value of the average claim. In the case of motor insurance the increase in the cost of claims is mainly due to higher costs of vehicle repair. In the corporate market there was an increase in the extent of large claims. Reinsurance contributed a profit of NOK 489 million in 1999 as compared to NOK 565 million in 1998.



Operating expenses

Operating expenses for own account increased in nominal terms by 6% in 1999. Costs expressed as a percentage of premium income amounted to 26.6%, representing an improvement of 0.4 percentage points from 1998.

Investment performance

The Storebrand Skadeforsikring group produced a sound level of financial result at NOK 1,729 million for 1999, as compared to NOK 567 million in 1998. The figures for financial result include the return on assets transferred to If with effect from 1 March 1999. Net financial income was positively affected by a very good return on equity investments. The total return on equity investments was 37.5% whilst the return on fixed income investments was 6.3%.

Effect of the if... transaction

The establishment of If took place by transferring the non-life insurance activities of Storebrand Skadeforsikring AS and Europeiske Reiseforsikring AS to If.

The total effect on pre-tax profit recognised from this sale amounted to NOK 3,658 million. The capital gain on disposal was NOK 3,230 million. In addition the transaction led to a transfer to profit and loss from the security reserves required by Norwegian regulations. This amounted to NOK 428 million.

Our share of the profit of If for the period 1 March - 31 December 1999 amounted to NOK 204 million after tax, and was booked directly to equity.

Proforma profit and loss account

The profit and loss account for non-life business within the new corporate structure is shown in the following table by way of proforma full year figures for 1999. The proforma figures include Storebrand's share in the earnings of If (a 33% share once Pohjola is included) as well as the profit for the year of Oslo Re and income recognised from the remaining financial assets held by Storebrand Skadeforsikring Group.

NOK million	1999	1998
Share in profit (33 %) from If for 12 months *)	516	
Oslo Re for 12 months	115	
Remaining Storebrand Skadeforsikring	221	461
Depreciation of goodwill etc. related to interest in If	-93	
Financing costs for Oslo Re	-25	
Proforma profit before tax	734	461

*) Based on actual investment income in If.

Shareholder matters

Share capital and shares

Storebrand ASA's share capital at the start of 1999 was NOK 1,385.7 million. Following a new issue of shares for employees of NOK 1,402,500 in October 1999, share capital at 31 December 1999 amounted to NOK 1,387,151,610 made up of 277,430,322 shares each of nominal value NOK 5.

Share purchase arrangements for employees

It was resolved at the Annual General Meeting of Storebrand ASA held on 28 April 1999 that the Board be empowered to increase the share capital by up to 1.4 million shares, each of NOK 5 nominal value in the period to the end of 2000. The issue of these shares is restricted to employees of the Storebrand Group. The intention is to involve the employees more closely in value creation in the company by making as many as possible shareholders.

In 1999 every employee was given the opportunity to buy 150 ordinary shares at a calculated subscription price of NOK 42.50 per share. Approximately 47% of the employees subscribed for a total of 280,500 shares.

Foreign ownership

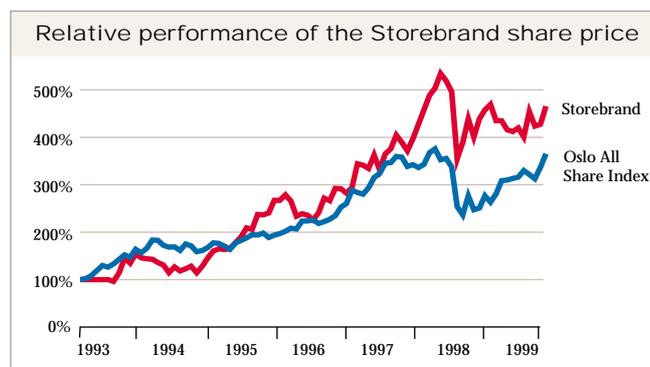
The EEA Agreement provides for Norwegian and foreign investors to have equal rights to purchase shares. As at 31 December 1999 total foreign ownership amounted to 32.1%.

Geographic distribution of shares as at 31 December 1999

Norway	67.9%
Sweden	11.0%
USA	7.4%
Great Britain	6.8%
Germany	1.6%
37 other countries	5.3%

Share price development

Storebrand's share price on 31 December 1998 was NOK 57.50. The high and low prices seen during 1999 were NOK 65.00 and NOK 50.50 respectively. The price on 31 December 1999 was NOK 61.00. This represents an increase of approximately 6% over the course of 1999. The share price has risen by approximately 15% over the past two years and by approximately 65% over the past three years.



Stock exchange listing

Storebrand's shares are listed on the Oslo Stock Exchange and have the following symbol: STB

Shareholders

No single investor is permitted to hold more than 10% of the shares in a financial institution. However banks may, with the approval of the authorities, have a holding in excess of 10% where this relates to their role as a manager of shares (nominee accounts).

An Extraordinary General Meeting of Storebrand ASA held on 27 January 1999 approved the distribution of an offer to redeem all shareholdings with a market value of less than NOK 500. The resolution in this respect was based on § 4-24 of the new Public Companies Act which came into force on 1 January 1999. The shareholders affected by this offer were also offered the alternative opportunity of increasing their shareholding to a minimum of 10 and a maximum of 100 shares. Of a total of 39,154 offers distributed, a total of 32,639 chose to allow their shares to be redeemed, whilst 6,194 shareholders purchased additional shares. This resulted in a sharp reduction in the number of shareholders in the company. There were 40,314 shareholders at 31 December 1999 as compared to 73,823 at 31 December 1998.

However the company's ownership structure still shows a disproportionate number of shareholders with small numbers of shares in that 62% of all shareholders still own 100 shares or less. Storebrand ASA still has one of the largest numbers of shareholders of all companies listed on the Oslo Stock Exchange. The company has shareholders from all the municipalities in Norway and from 42 foreign countries.

Compliance

The officers in the governing bodies and senior employees of Storebrand 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 which ensures that routines are complied with.

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 treasury department. This function is responsible for establishing and co-ordinating contact between the company and external connections, such as analysts, stock exchanges, shareholders, investors, etc.

Internet

In order to improve further its service to the capital markets, Storebrand publishes its quarterly reports and other important press releases on its web pages at <http://www.storebrand.no> simultaneously with their release through traditional channels.

Dividend policy

The Board of Directors of Storebrand ASA has resolved to establish 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 a stable growth in dividend per share over time.

The Board has decided to recommend to the Annual General Meeting be held on 3 May 2000 that in view of the company's profit for 1999 a dividend of NOK 1.00 per share should be paid. Subject to the Annual General Meeting approving this proposal, the dividend will be distributed on 23. May to those shareholders registered in the company's share register as of the date of the Annual General Meeting.

The 17 largest shareholders at 31. December 1999

		Shares	
		No. (1,000)	%
Skandinaviska Enskilda Banken (1)	Stockholm	29,103	10.49
Folketrygdfondet	Oslo	27,671	9.97
Orkla ASA	Oslo	27,648	9.97
Steen & Strøm Invest ASA	Lysaker	17,500	6.31
Canica AS	Oslo	10,000	3.60
Den norske Bank ASA	Oslo	9,958	3.59
Nordstjernen Hoding AS	Oslo	7,410	2.67
Hartog & Co. A/S	Oslo	7,000	2.52
State Street Bank & Trust Co.	Boston	6,957	2.51
KLP Forsikring	Oslo	6,357	2.29
Bankers Trust Co	New York	5,396	1.95
Vital Forsikring ASA	Bergen	4,940	1.78
Stiftelsen UNI	Oslo	4,862	1.75
Morgan Stanley & Co.	London	4,162	1.50
Verdipapirfondet Avanse	Oslo	3,699	1.33
Morgan Guaranty Trust Co. of NY	Brussels	3,373	1.22
Caisse des depots et consignation	Oslo	3,053	1.10

The 17 largest shareholders own in total 179,095,515 shares, which represents 64.55% of the share capital.

(1) See the first paragraph of the section headed 'Shareholders' above.

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 Norwegian resident shareholders relating to the taxable gain or loss on the sale of shares. When shares in Storebrand ASA are sold by Norwegian resident shareholders 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.

Directors and officers

No. of shares at
31 December 1999

Board of Directors:

Jon R. Gundersen (Chairman)	1,024
Leiv L. Nergaard (Deputy Chairman)	0
Jens Ulltveit-Moe	204,884
Brit K. S. Rugland	18
Tom Vidar Rygh	10,129
Peter Ruzicka	0
Mathias Dannevig	464
Per-Olav Myrtrøen	0
Dagfin Lea	85

Executive management:

Åge Korsvold *)	0
Rolf Corneliusen	115
Grete Faremo	169
Kai Gjesdal Henriksen	0
Jon M. Hippe	0
Espen Klitzing	450
Hans Henrik Kloumann	613
Idar Kreutzer	450
Allan Åkerstedt	150

*) Åge Korsvold has purchased, at market price, an option to buy 1,000,000 shares at an exercise price of NOK 57.50. The option expires on 25 September 2000.

The figures shown for number of shares held include any shares held by associates.

Control Committee:

Nils Erik Lie (Chairman)
Brit Seim Jahre
Harald Moen
Carl Graff-Wang
Sverre Bjørnstad
Jon Ansteinsson

Board of Representatives:

Elected by the shareholders:

Sven Ullring (Chairman)
Jens P. Heyerdahl d.y. (Deputy Chairman)
Tore Lindholt
Svein Rennemo
Reidar Flod Johansen
Mette Karin Johnsen
Wenche Meldahl
Sandra Riise
Brit Seim Jahre
Ole Enger
Erik Braathen
Terje Venold
Halvor Stenstadvold
Erling Steigum
Harald Tyrdal
Kristian Zachariassen
Anders Renolen
Tor Brandeggen
Mille-Marie Treschow
Stein Erik Hagen

Elected by the employees:

Jorun Elisabeth Erstad
Hans Arne Fystro
Inger Anne Strand
Arild Lorentzen
Morten Rambech Dahl
Tore Fredriksen
Edrund Olaisen
Einar Sørensen
Cecilie Frivold
Arild Thoresen

The members of the Board of Representatives own a total of 16,952 shares.

Storebrand ASA

Profit and Loss Account 1 January - 31 December

<i>NOK million</i>	Note	1999	1998	1997
Operating income				
Group contribution from subsidiaries	2	1,588.9	488.8	760.0
Dividends from subsidiaries		0.8	371.8	193.3
Total operating income		1,589.7	860.6	953.3
Operating expenses				
Salary and personnel costs	3,4	-376.5	-358.0	-346.9
Depreciation	9	-140.4	-74.7	-44.8
Recharge of costs/other costs	14	256.4	215.2	174.2
Total operating costs		-260.4	-217.5	-217.5
Financial income and financial expenses				
Interest income from securities		58.6	120.2	92.2
Other interest income		37.2	18.1	37.6
Dividends		15.4	5.7	1.0
Gain on sale of securities		60.3	28.7	71.3
Unrealised gain on securities		101.4		
Other financial income		1.1	1.1	9.8
Total financial income		274.1	173.8	212.0
Loss on sale of securities		-46.3	-53.0	-9.6
Unrealised loss on securities			-60.7	-8.5
Other financial expenses		-14.3	-14.5	-1.3
Interest costs - bond loan	12	-153.0	-153.0	-153.0
Interest costs - other long term debt		-56.1	-32.0	-35.1
Total financial expense		-269.7	-313.2	-207.4
Net financial income and expense		4.3	-139.4	4.6
Profit before tax		1,333.6	503.7	740.4
Tax	5	-176.3	-32.3	102.7
Profit for the year		1,157.3	471.4	843.1
Allocations				
Other equity		-879.9	-471.4	-793.1
Dividends		-277.4	0.0	-50.0
Total allocations		-1,157.3	-471.4	-843.1

Comparable figures for 1998 and 1997 have been restated in accordance with the new Accounting Act.

Group contribution made as equity subscription (pre-tax) 5.0

Jon R. Gundersen
Chairman

Leiv L. Nergaard
Deputy Chairman

Jens Ulltveit-Moe

Peter Ruzicka

Mathias B. Dannevig

Per-Olav Myrtrøen

Storebrand ASA

Balance Sheet at 31 December

<i>NOK million</i>	Note	1999	1998
Assets			
Deferred tax allowances	10	145.9	305.6
Properties and real estate	9	59.0	42.6
Shares and participations in group companies	6	6,660.0	4,906.3
Shares and other equity investments - long term holdings	7	7.0	19.2
Subordinated loan	7	192.3	189.9
Shares	7	340.1	168.6
Bonds	8	205.8	965.7
Certificates	8	313.9	191.5
Total financial assets		7,778.1	6,483.8
Intra-group receivables			
Intra-group receivables	14	1,580.9	976.5
Other receivables and other assets		42.2	76.0
Fixed assets excluding real estate	9	139.0	183.8
Cash and bank		326.4	187.3
Pre-paid pension	3	79.5	76.6
Total assets		10,092.0	8,289.6
Equity capital and liabilities			
Share capital	11	1,387.2	1,385.7
Premium reserve	11	1,794.2	1,781.0
Other equity	11	2,952.5	2,111.7
Total equity capital		6,133.9	5,278.4
Pension liabilities	3	215.0	260.9
Reserves for other risks and costs		54.9	89.8
Allocated for dividend		277.4	
Bond loan	12	1,800.0	1,800.0
Short term borrowings		874.9	
Intra-group liabilities	14	466.5	588.1
Other liabilities		151.1	157.3
Other accrued costs and deferred income		118.3	115.1
Total equity capital and liabilities		10,092.0	8,289.6

Comparable figures for 1998 and 1997 have been restated in accordance with the new Accounting Act.

Financial instruments: See note 8

Guarantees: See note 15

Oslo, 7 March 2000

Translation - not to be signed

Brit K.S. Rugland

Tom Vidar Rygh

Dagfin Lea

Åge Korsvold
Chief Executive Officer

Storebrand Group

Profit and Loss Account 1 January - 31 December

<i>NOK million</i>	Note	1999	1998	1997
Insurance premiums for own account		10,529.5	9,099.4	7,358.3
Interest and related income - banking	18	923.4	291.6	57.3
Financial income - insurance	17	23,560.9	15,661.6	14,918.9
Financial income - other activities		520.8	289.8	235.3
Other income		311.6	266.9	235.9
Total operating income		35,846.2	25,609.3	22,805.7
Insurance claims for own account		-7,791.5	-6,662.7	-5,955.3
Change in insurance reserves - life insurance		-6,499.7	-4,952.4	-4,295.6
Interest and related expense - banking	18	-675.7	-232.0	-43.1
Financial expense - insurance	17	-7,730.6	-12,357.9	-5,628.8
Financial expense - other activities		-73.4	-131.2	-26.4
Operating costs	20,21	-1,624.3	-1,394.7	-1,186.8
Other costs		-537.3	-458.5	-501.4
Total costs		-24,932.5	-26,189.4	-17,637.4
Net profit from non-life insurance		301.6	460.6	865.3
To (from) market value adjustment reserve		-5,868.4	2,007.9	-1,051.9
Operating profit		5,346.9	1,888.4	4,981.7
Conditional additional statutory allocations - life insurance				-1,000.0
Funds allocated to policyholders - life insurance		-4,180.9	-1,285.5	-2,796.8
Group profit	22	1,166.0	602.9	1,184.9
Changes in security reserve etc. - non life insurance		154.3	-161.8	5.2
Profit on sale of non-life insurance business	41	3,230.0		
Profit before extraordinary items		4,550.3	441.1	1,190.1
Extraordinary revaluation of real estate - life insurance		234.1		
Extraordinary allocation to policyholders - life insurance		-152.0		
Profit before tax		4,632.4	441.1	1,190.1
Tax payable		-6.4	0.1	-12.0
Deferred tax		-1,124.4	0.5	-170.6
Total tax	23	-1,130.8	0.6	-182.6
Minority interests' share of profit		-1.6		
Profit for the year		3,500.0	441.7	1,007.5
Earnings per ordinary share		12.07	2.14	3.32
Earnings per ordinary share excluding extraordinary items		3.38		

Jon R. Gundersen
Chairman

Leiv L. Nergaard
Deputy Chairman

Jens Ulltveit-Moe

Peter Ruzicka

Mathias B. Dannevig

Per-Olav Myrtrøen

Storebrand Group

Balance Sheet at 31 December

<i>NOK million</i>	Note	1999	1998
Assets			
Intangible assets	24	544.1	55.5
Deferred tax allowances	35		779.2
Properties and real estate	26	10,234.6	9,718.1
Interests in associated companies	34	5,110.0	31.8
Shares and other equity investments - long term holdings	28	43.7	29.2
Bonds held to maturity	30	25,124.8	22,011.3
Deposits and other claims on central banks		74.0	60.7
Net loans to and other claims on financial institutions		96.7	0.8
Net loans to customers	33	22,209.7	10,026.4
Other long term financial assets	31,32	2,617.9	505.1
Shares and other equity investments	28	38,705.3	30,096.8
Bonds	29	35,320.8	37,104.0
Certificates	29	3,104.8	3,514.4
Other financial current assets	31,32	763.6	1,126.5
Total financial assets		143,405.9	114,225.1
Receivables		981.5	5,049.9
Other assets	27	2,638.8	4,395.1
Prepaid pension		180.0	586.9
Prepaid expenses and accrued income		1,896.8	1,438.9
Total assets		149,647.2	126,530.5
Equity capital and liabilities			
Equity capital	37	10,112.5	6,420.7
Minority interests' share in equity		13.2	1.5
Subordinated loan capital	38	4,536.2	2,962.3
Market value adjustment reserve		8,596.3	2,727.9
Insurance reserves - life insurance		99,553.2	90,262.8
Premium and claims reserve - non life insurance		809.5	10,491.8
Security reserve etc. - non life insurance		1,112.5	3,236.6
Total technical (insurance) reserves		101,475.2	103,991.2
Reserves for other risks and costs		230.5	199.4
Pension liability		368.3	766.6
Deferred tax	35	175.6	
Liabilities to other financial institutions		3,116.8	358.0
Deposits from and due to customers	33	10,759.3	3,519.2
Securities issued		7,257.1	3,449.6
Other liabilities		2,303.4	1,527.3
Accrued costs and deferred income		702.8	606.8
Total equity capital and liabilities		149,647.2	126,530.5

Oslo, 7 March 2000

Translation - not to be signed

Dagfin Lea

Brit K.S. Rugland

Tom Vidar Rygh

Åge Korsvold
Chief Executive Officer

Cash flow analysis

<i>NOK million</i>	Storebrand ASA		Storebrand Group	
	1999	1998	1999	1998
Cash flow from operational activities				
Premiums received - direct insurance			14,404.0	14,102.8
Premiums received - insurance assumed			3.4	7.8
Premiums paid - reinsurance			-1,166.6	-1,925.7
Claims and benefits paid - direct insurance			-13,633.2	-12,393.9
Claims settlement received in respect of claims and benefits paid			806.4	615.7
Receipts from policy transfers			3,872.3	1,573.8
Payments on policy transfers			-2,070.3	-1,325.6
Interest, commission and fees received from customers			1,572.9	306.5
Interest, commission and fees paid to customers			-726.6	-21.4
Payments to third parties for goods and services	333.7	266.7	-1,198.0	-838.3
Payments to employees, pensioners, employment taxes etc.	-435.3	-351.7	-2,498.2	-2,375.9
Interest paid	-245.2	-186.0	-648.9	-401.5
Interest received	8.5	12.4	4,149.7	5,007.0
Dividends received	15.4	5.7	333.5	578.3
Payments of tax, duties etc.			-48.5	-10.6
Net receipts from securities	62.0	110.2	5,882.8	1,427.0
Net cash flow from operational activities	-260.7	-142.6	9,035.0	4,325.7
Cash flow from investment activities				
Receipts from loans to and claims on other financial institutions			200.8	
Receipts on claims previously written off			7.4	
Loans disbursed to customers			-8,650.2	-3,858.8
Loan repayments by customers			7,497.1	3,852.4
Receipts from sales of shares and other equity investments	803.1	554.0	18,824.5	31,282.4
Payments for purchase of shares and other equity investments	-2,566.1	-892.1	-22,883.5	-38,977.3
Receipts from sales of bonds	2,205.6	1,229.8	23,561.4	81,416.4
Payments on purchase of bonds	-1,447.2	-1,350.0	-32,514.1	-84,462.3
Receipts on sale of certificates	1,701.0	2,618.6	22,875.9	37,914.1
Payments on purchase of certificates	-1,818.4	-1,657.4	-23,078.1	-34,444.3
Receipts on sale of real estate	20.7	2.4	885.1	735.5
Payments on purchase of real estate	-41.0	-32.1	-2,358.2	-1,337.5
Net cash movement on purchase/sale of other securities			214.4	39.9
Net payments on purchase of fixed assets etc.	-95.2	-137.4	-3.2	-268.0
Net cash flow from investment activities	-1,237.5	335.7	-15,420.6	-8,107.6
Cash flow from financing activities				
Deposits from customers			10,861.4	9,837.6
Repayment of customer deposits			-9,708.6	-7,290.8
Deposits from Norges Bank and other financial institutions			662.5	908.0
Repayment of deposits from Norges Bank and other financial institutions			-125.0	-425.0
Repayment of long term lending	-130.7	-130.7	-130.7	
Receipts from taking up term loans	932.9		932.9	
Receipts from issue of certificates/short term loans			0.6	7.5
Receipts from subordinated loan capital			1,238.9	1,561.3
Repayment of subordinated loans			-78.3	
Receipts from issue of bond loans and other long term funding			965.5	
Repayment of bond loans and other long term funding			-121.4	
Receipts from issue of new capital	14.6	15.4		15.4
Payments on redemption of share capital	-	-1,160.0		-1,160.0
Dividend payments	-	-50.0		-50.0
Receipts/payments of group contribution/dividend	820.6	953.4		
Net cash flow from financing activities	1,637.4	-371.9	4,497.7	3,404.0
Net cash flow for the period	139.2	-178.9	-1,887.9	-377.8
Net movement in cash and cash equivalent assets	139.2	-178.9	-1,887.9	-377.8
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	187.2	366.1	4,782.2	5,160.0
Cash and cash equivalent assets at the end of the period	326.4	187.2	3,226.2	4,782.2
RECONCILIATION:				
Profit before tax	1,333.6	503.7	4,632.4	441.1
Tax paid in the period			-8.7	-11.5
Gains/losses on sale of fixed assets		6.3	-0.1	6.5
Ordinary depreciation	140.3	68.4	159.2	140.7
Write-down of fixed assets				24.2
Other non-cash items			6,018.3	6,533.5
Difference between booked pension cost and payments/receipts to pension scheme	-51.7	6.2	-55.6	10.5
Items classified as investment or financing activities	-1,818.2	-586.8	-352.7	261.3
Movement in accruals	135.2	-140.5	-1,357.8	-3,080.3
Net cash flow from operational activities for the year	-260.7	-142.6	9,035.0	4,325.7

Storebrand ASA

Auditor's report for 1999*)

Respective Responsibilities of Directors and Auditors

We have audited the annual financial statements of Storebrand ASA as of 31 December 1999, showing a profit of NOK 1,157.3 million for the parent company and a profit of NOK 3,500 million for the group. We have also audited the information in the Board of Directors' report concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit. The 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 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the

accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. To the extent required by law and good auditing practice an audit also comprises a review of the management of the Company's financial affairs and its accounting and internal control systems. We believe that our audit provides a reasonable basis for our opinion.

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 December 31, 1999, 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 for the allocation of the profit are consistent with the financial statements and comply with the law and regulations.

*) Applies to the formal sections of the annual financial statements and the Board of Directors' report as set out on pages 5 to 9 and pages 40 to 77.

Oslo, 7 March 2000

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 – 1999

The Control Committee of Storebrand ASA has reviewed the Board of Directors' proposed Annual Report and Accounts for 1999 for the Storebrand Group.

With reference to the auditor's report of 7 March 2000 the Control Committee recommends that the Annual Accounts proposed be adopted as the Annual Accounts of Storebrand ASA and the Storebrand Group for 1999.

Oslo, 9 March 2000

Translation, not to be signed

Nils Erik Lie

Chairman of the Control Committee

Board of Representatives' Statement 1999

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 1999 profit for the year of Storebrand ASA, including the proposed dividend in respect of the 1999 financial year.

Oslo, 14 March 2000

Translation, not to be signed

Sven Ullring

Chairman of the Board of Representatives

Storebrand Livsforsikring Group

Profit and Loss Account 1 January - 31 December

<i>NOK million</i>	Note	1999	1998	1997
Technical account				
Premiums for own account	42	9,264.2	8,887.4	7,243.1
Income from financial assets	17	23,119.7	15,685.8	14,942.2
Other insurance related income after reinsurance		53.9	18.5	9.4
Claims for own account	42	-7,778.6	-6,654.2	-5,953.8
Change in insurance reserves for own account	42	-4,828.8	-4,770.3	-5,183.5
- of which additional statutory allocations				-1,000.0
Sales costs (insurance)		-298.6	-283.1	-257.8
Insurance related administration costs		-456.7	-435.2	-355.7
Total insurance related operating costs for own account	20	-755.3	-718.3	-613.5
Expenses arising from financial assets	17, 20	-7,943.7	-12,438.4	-5,726.0
- of which operating expenses		-140.3	-98.6	-87.6
Other insurance related costs after reinsurance		-61.5	-36.1	-91.8
To/from market value adjustment reserve		-5,868.4	2,007.9	-1,051.9
Transfer to insurance fund: premium reserve		-1,867.9	-341.5	-1,138.5
Transfer to insurance fund: premium/pension adjustment fund		-2,465.0	-944.0	-1,658.3
Total transfers to policyholders		-4,332.9	-1,285.5	-2,796.8
Balance on the technical account		868.6	696.8	777.4
Non-technical account				
Other income		47.1	115.9	107.0
Other costs	20	-292.9	-311.8	-322.4
Profit from ordinary activities		622.8	500.9	562.0
Extraordinary income		234.1		
Profit before tax		856.9	500.9	562.0
Tax		-150.0	-42.4	-103.9
Minority interests' share in profit		-0.6		
Profit for the year		706.3	458.5	458.1
Storebrand Livsforsikring AS				
Allocations				
Tax		-146.7		
Group contribution		-642.8		-225.0
Dividend			-371.8	-192.0
Free reserves		-109.5	-123.9	-140.0
Total allocations		-899.0	-495.7	-557.0

Storebrand Livsforsikring Group

Balance sheet at 31 December

<i>NOK million</i>	Note	1999	1998
Assets			
Intangible assets		3.5	5.3
Deferred tax allowances			118.9
Properties and real estate		10,103.4	8,504.4
Receivables due from/securities issued by group companies		135.6	174.3
Shares and other financial investments - long term holdings		69.4	32.2
Bonds held to maturity		25,124.8	17,781.1
Loans	33	3,176.7	4,983.0
Shares and other equity investments		37,255.8	28,024.6
Bonds and other securities - fixed yield		33,123.4	30,563.0
Certificates		1,906.9	1,784.0
Money market deposits		310.2	684.3
Financial derivatives		22.4	53.1
Other short term financial assets			153.4
Total financial assets		111,228.6	92,737.4
Receivables		794.6	2,620.1
Other assets		1,684.5	3,187.3
Prepaid expenses and accrued income		1,522.8	1,137.8
Total assets		115,234.0	99,806.8
Equity capital and liabilities			
Share capital		1,361.2	1,361.2
Accumulated equity		1,587.6	1,526.4
Total equity capital		2,948.8	2,887.6
Minority interests' share in equity		11.8	
Subordinated loan capital	38	4,201.2	2,962.3
Market value adjustment reserve		8,596.3	2,727.8
Premium reserve		81,783.4	74,971.6
Additional statutory reserves		5,846.7	6,112.4
Premium/pension adjustment fund		9,159.9	8,098.9
Claims reserve		206.4	194.0
Other technical reserves		28.4	19.5
Insurance fund reserves for own account		97,024.8	89,396.4
Allocations to security fund		591.8	591.8
Total insurance related reserves for own account		97,616.6	89,988.2
Reserves for other risks and expenses		175.8	124.3
Debt		1,537.6	977.6
Accrued costs and deferred income		145.9	139.0
Total equity and liabilities		115,234.0	99,806.8

Storebrand Skadeforsikring Group

Profit and Loss Account 1 January - 31 December

<i>NOK million</i>	Note	1999	1998	1997
Technical account				
Gross premiums earned		9,382.4	8,738.3	8,257.5
- Reinsurance share of gross premiums earned		-1,265.1	-1,193.7	-1,017.1
Premiums for own account		8,117.3	7,544.6	7,240.4
Allocation of investment return transferred from the non-technical accounts		778.6	774.0	677.5
Other insurance related income for own account		184.7	223.3	257.4
Gross claims		-8,864.3	-7,076.7	-6,237.9
- Reinsurance share of gross claims		1,553.6	1,533.4	605.1
Claims for own account		-7,310.7	-5,543.4	-5,632.9
Profit sharing agreements etc.		-3.6	-5.7	-4.7
Sales costs (insurance)		-1,455.2	-1,390.8	-1,011.2
Insurance related administration costs		-979.1	-935.8	-1,127.4
-Reinsurance commissions and profit sharing		200.2	225.3	155.2
Insurance related operating costs for own account		-2,234.1	-2,101.4	-1,983.3
Other insurance related operating costs for own account		-210.7	-224.0	-225.8
Balance on the technical account before allocations to security reserve		-678.5	667.5	328.5
Changes in security reserve etc.		155.2	-161.8	5.2
Balance on the technical account		-523.3	505.7	333.7
Non-technical account				
Income from financial assets		2,383.5	1,940.9	1,804.0
Costs arising from financial assets		-624.8	-1,373.9	-589.6
Allocation of investment return transferred to the technical account		-778.6	-774.0	-677.5
Balance on the non-technical account		980.1	-206.9	536.9
Income from sale of non-life insurance activities	41	3,230.0	0.0	0.0
Profit from ordinary activities		3,686.8	298.8	870.6
Tax		-1,032.3	-64.7	-182.8
Profit for the year		2,654.5	234.1	687.8
Allocations				
Group contribution		-576.0	-347.8	-379.4
Free reserves		-2,078.5	113.7	-308.4
Total allocations		-2,654.5	-234.1	-687.8

Storebrand Skadeforsikring Group

Balance Sheet at 31 December

<i>NOK million</i>	Note	1999	1998
Assets			
Intangible assets		0.0	46.2
Properties and real estate		71.8	1,346.2
Receivables due from/securities issued by group companies		321.9	413.8
Shares in associated companies	34	5,075.2	0.0
Shares and other equity investments - long term holdings		0.1	9.5
Bonds held to maturity		0.0	4,230.2
Loans		23.2	36.5
Shares and other equity investments		1,063.8	1,943.1
Bonds and other securities - fixed income		809.7	6,179.4
Money market deposits		389.5	116.0
Other short term financial assets		31.3	22.9
Reinsurance accounts		40.4	35.5
Total financial assets		7,826.9	14,333.0
Receivables		574.3	2,418.3
Other assets		199.3	1,088.8
Prepaid expenses and accrued income		31.8	192.2
Total assets		8,632.3	18,078.5
Equity capital and liabilities			
Share capital		1,380.6	1,380.6
Revaluation reserve		7.0	7.0
Reserve for valuation differences		99.9	0.0
Other equity		3,448.6	961.3
Total equity capital	41	4,936.1	2,348.9
Minority interests' share of equity capital		0.0	1.5
Reserve for unearned premiums for own account		2.9	3,465.0
Claims reserve for own account		785.6	7,018.3
Security reserve		100.1	1,183.0
Reinsurance reserve		598.2	77.6
Administration reserve		37.9	525.5
Allocation to natural perils fund		0.0	1,074.3
Allocation to guarantee reserve		363.8	364.6
Total technical reserves for own account		1,888.5	13,708.3
Reserves for other risks and costs		702.6	474.9
Debt		965.1	1,332.7
Accrued costs and deferred income		140.0	212.2
Total equity and liabilities		8,632.3	18,078.5

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Accounting principles

New accounting principles for 1999

The 1999 Annual Accounts of Storebrand ASA have been prepared in accordance with the new Accounting Act and new regulations for the annual accounts of insurance companies and banks, all of which came into effect on 1 January 1999. The major changes in the regulations are that financial current assets are booked at market value, net deferred tax allowances can be capitalised in the balance sheet, and life insurance companies are required to revalue/write-down the value of property investments. The accounting effect of the introduction of the new accounting regulations was applied to equity as at 1 January 1999. The changes involved are reported in Note 16, and represented an increase in consolidated equity at 1 January 1999 of NOK 854.8 million. For the life insurance company, the effect of implementing changes which affect policyholders' interests are recognised and classified as an extraordinary item. This resulted in extraordinary income in the 1999 accounts of NOK 234.1 million as a result of revaluation of property investments. The new regulations also require that, in the case of the life insurance company, the positive difference between market value and cost price of financial current assets is credited to a market value adjustment reserve. (See the section on life insurance for further details).

Consolidation principles

The Storebrand group accounts incorporate companies in life insurance, direct non-life insurance and banking. The Banking, Insurance and Securities Commission has issued specific accounting requirements for life insurance, non-life insurance and banking.

The Group accounts consolidate all subsidiaries of which Storebrand ASA directly or indirectly owns more than 50%.

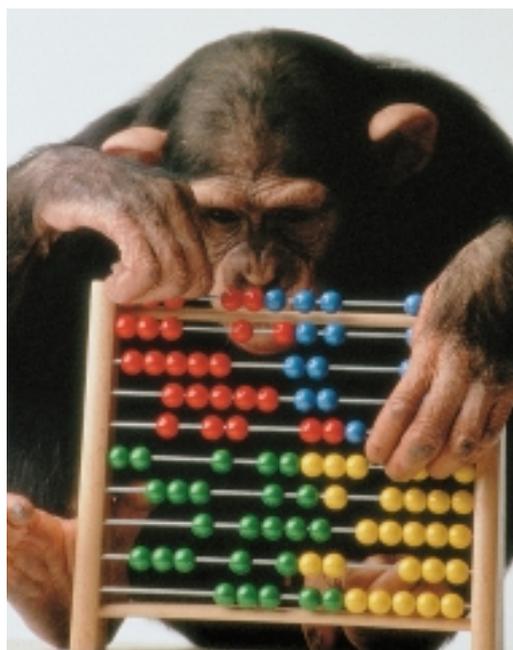
Investments considered to be of strategic importance where the group owns between 20% and 50% of the voting capital (associated companies), are consolidated in accordance with the equity method ("single line consolidation").

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. The 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 book 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 expected lifetime, which will not normally be longer than 20 years.

Approval of the acquisition of subsidiaries by the authorities

Financial institutions require approval from the authorities when they acquire other companies. Such new subsidiaries are not 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 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 allowances.

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

Net deferred tax allowances 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 long term asset in the balance sheet. Correspondingly a long term 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, as such a scheme does not have a pension fund.

The cumulative effect of changes in assumptions, deviations between calculated and estimated pension liabilities, and the difference between the expected and actual return achieved on pension funds is not charged to profit and loss until such time as it exceeds 10% of the higher of the pension liability or pension funds at the start of the year ("the corridor approach").

Real estate

Method of valuation

The company regularly assesses 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 risk-free 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.

The provisions of the new accounting legislation require that properties and real estate are valued at market value in the accounts. Market value must be

determined at least once every three years. Changes in valuation are recognised to profit and loss. Normal financial depreciation is not applied to real estate.

Other real estate

Ordinary depreciation is applied to real estate in the other businesses in the Group. Where there is a permanent fall in value, the property is written down.

Other

Certain properties are organised as limited companies or Norwegian partnerships. These are treated in the accounts in the same manner as other properties and are thus 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.

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. This type of provision is made for all current loans where there has not been a payment default exceeding 67 days. The provision is made on the basis of past experience and sector data.

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 company considers it is overwhelmingly likely that the loss is final.

In the case of loans in default for more than 90 days, interest, commission and fees booked as income, but which remains unpaid, are reversed.

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 gain or loss upon sale, or any writedown as result of a fall in value of such properties, is recognised as part of loan losses.

Arrangement of longterm funding

The direct costs involved in taking up longterm funding are capitalised and are amortised to the next interest fixing/maturity date. 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.

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.

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.

Under the new accounting regulations only insurance companies are allowed to apply the rules for bonds held to maturity.

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.

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 included in the valuation of the total securities portfolio on the basis of the market value principle. 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.

The various categories of financial derivative are described in "Terms and Expressions" on page 79.

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, and 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 subordinated loans is not recognised in the accounts, and in the same way any premium or discounts on subordinated loans are not recognised.

Share and interest rate options

Option premiums are capitalised at their original value when an option is purchased or sold. Unrealised gains/losses on options are recognised to profit and loss at the balance sheet date. 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 financial income or expense.

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 at the balance sheet date.

FRA - Forward rate agreements

Forward rate agreements (FRA) are realised on the first day of the period which is the subject of the agreement. Unrealised gain or loss arising is booked to the profit and loss account at the date of the balance sheet.

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 with no effect on the market value adjustment reserve.

Changes in value of any forward foreign exchange contracts which represent open currency positions form part of 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. Changes in unrealised additional value are applied to a market value adjustment reserve and do not affect profit and loss. Financial expenses include the administration costs associated with the financial activities.

Transfer of premium reserves, etc.

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 valued adjustment reserve

The value of the market value adjustment fund is equivalent to unrealised gains on financial current assets. Unrealised gains on foreign exchange contracts are not recognised in the market value adjustment fund with the exception of gains on forward exchange contracts in respect of open currency positions. 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 inclu-

des 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 allocations in the insurance fund

Additional statutory allocations are a conditional reserve, allocated to customers, which is booked to the profit and loss account as a mandatory reserve allocation. The maximum additional statutory allocation is set at the difference between the premium reserve, calculated on the basis of 3.5% guaranteed yield on basic premium amounts, and the actual guaranteed yield in the contracts.

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.

The premium fund is required to have the same return as the premium reserve.

Security fund

The security fund consists of statutory security allocations to cover unexpected insurance risks. The calculations are made 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 by Storebrand Fodsfor-sikring 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 equity 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 received are therefore recorded in the same manner as dividends received, i.e. as ordinary operating income. Group contributions are recognised to the profit and loss account before tax and dividend in the current accounting year.

Notes Storebrand ASA

Note 1: Changes caused by the new Accounting Act

<i>NOK million</i>	1998	1997
Profit and loss account:		
Profit and loss account under prior regulations		
	326.1	614.0
Prior year dividend from subsidiaries	-193.3	-58.4
Current year dividend from subsidiaries recognised to profit and loss	371.8	193.3
Change in unrealised gains on securities	-0.9	-8.5
Change in tax	-32.3	102.7
Profit and loss for the year under the new Accounting Act		
	471.4	843.1

NOK million 31.12.98

Balance sheet:

Equity under prior regulations	4,601.0
Capitalisation of deferred tax allowances	305.6
Dividend from subsidiaries recognised to profit and loss	371.8
Equity under the new Accounting Act	5,278.4

Note 2: Group contributions from subsidiaries

<i>NOK million</i>	1999	1998	1997
Storebrand Skadeforsikring AS	800.0	483.0	527.0
Storebrand Livsforsikring AS	642.8		225.0
Storebrand Fondene AS	11.0	5.5	8.0
Storebrand Kapitalforvaltning ASA	15.1		
Finansbanken ASA	120.0		
AS Værdalsbruket		0.3	
Total	1,588.9	488.8	760.0

Group contribution payments from subsidiaries are recognised as gross income for Storebrand ASA.

Note 3: Pension costs and pension liabilities

<i>NOK million</i>	1999			Total	1998 Total	1997* Total
	Insured schemes	Uninsured Ordinary	Uninsured Early retire.			
Pension liabilities accrued	-14.6	-4.1	-3.0	-21.7	-21.1	-203.1
Interest costs	-47.5	-8.9	-16.4	-72.8	-47.9	-36.2
Expected return on pension funds	65.0			65.0	42.7	38.6
Net pension cost	2.9	-13.0	-19.4	-29.5	-26.3	-200.7

*) Pension cost for 1997 includes re-organisation costs of NOK 181.8 million.

Net pension liability

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

Earned pension liability	-213.1	-55.6	-146.9	-415.6	-455.5	-437.0
Estimated effect of future salary growth	-22.8	-10.0		-32.8	-28.6	-26.5
Estimated pension liability	-235.9	-65.6	-146.9	-448.4	-484.2	-463.5
Pension funds at market value	298.8			298.8	301.9	279.2
Net estimated liability/surplus	62.9	-65.6	-146.9	-149.6	-182.3	-184.3
Deviation from estimated values at 1.1:						
Pension funds	14.3			14.3	-3.1	-1.2
Pension liabilities	2.3	-3.0	0.6	-0.1	1.2	7.4
Net liability in the balance sheet	79.5	-68.6	-146.3	-135.4	-184.3	-178.1

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 18 also provides a more detailed description of the pension schemes provided by Storebrand and their accounting treatment. The estimated employer's social security contributions in respect of booked pension liabilities amounts to NOK 24.7 million and is included as part of the "Reserves for other risks and costs" item in the balance sheet. The calculations are in respect of 696 employees.

Note 4: Remuneration of officers of the company

NOK	1999	1998	1997
Board of Representatives	460,750	573,750	617,171
Control Committee *)	813,500	1,011,500	845,500
Board of Directors	1,190,000	970,511	1,172,667
Group Chief Executive **)	2,411,329	10,659,329	1,791,603
Auditor's fees for audit and related control functions	1,418,420	1,093,080	1,173,785
Auditor's fees for consultancy services	676,500	1,352,651	2,442,355

*) The Control Committee covers all the Norwegian companies in the group which are required to have a Control Committee, except for Storebrand Bank AS, which has a separate Control Committee.

**) Includes contractual benefits amounting to NOK 371,940. The comparable figures for 1998 include the settlement of an option agreement for NOK 8,285,750. Pension cost for the Chief Executive Officer amounts to NOK 873,551 this year. The pension scheme for the Chief Executive Officer is described in note 13.

Note 5: Taxation

NOK million	1999	1998	1997
Profit before tax	1,333.6	503.7	740.4
+Prior year dividend from subsidiaries	371.8	193.3	58.4
-Current year dividend from subsidiaries	-0.8	-371.8	-193.3
-Non-taxable group contribution *)	-647.9		
-Group contribution paid	-5.0		
+/- Permanent differences	-23.7	-11.0	2.3
+/- Changes in temporary timing differences	-186.1	92.1	-943.3
Tax base for the year	841.8	406.3	-335.5
- Tax losses carried forward	-428.5	-406.3	
Tax base for calculation of tax payable	413.3	0.0	-335.5
Tax payable **)	-115.7		
- Tax allowances carried forward	115.7		
Tax payable **)	0.0		
Change in deferred tax	-176.3	-32.3	102.7
Tax ***)	-176.3	-32.3	102.7

*) Group contributions not tax deductible for the subsidiary making the payment.

**) Storebrand ASA has sufficient tax losses to carry forward to fully offset its tax liability, see note 10.

Effective tax rate

***) The effective tax rate for 1999 is 13.2%. The deviation from the nominal rate of 28% is mainly due to dividend and group contribution received from subsidiaries and recognised in the profit and loss account. In 1999 group contributions totalling NOK 648 million were recognised as non-taxable income since the payment was not tax deductible for the payer. Storebrand ASA has an effective tax rate of approximately 28% when such subsidiaries are excluded.

Note 6: Parent company's shares in subsidiaries

NOK million	Company's share capital	No. of shares (1,000s)	Par value NOK	Interest in %	Book value
Storebrand Livsforsikring AS	1,361.2	13,612	100	100.0%	1,663.6
Storebrand Fondsforsikring AS *)	30.0	30	1,000	100.0%	38.2
Storebrand Bank AS	125.0	125	1,000	100.0%	675.4
Finansbanken ASA **)	694.2	38,669	20	100.0%	1,555.1
Storebrand Fondene AS	1.2	1	1,000	100.0%	30.0
Storebrand Kapitalforvaltning ASA	12.0	6	2,000	100.0%	35.0
Storebrand Investment Management AS	15.0	15	1,000	100.0%	25.0
Storebrand Skadeforsikring AS	1,380.6	13,806	100	100.0%	2,559.7
Storebrand Helseforsikring AS	30.0	15	1,000	50.0%	45.0
Storebrand Felix kurs og konferanse AS	1.0	1	1,000	100.0%	8.0
Norden Bedriftservice AS	15.0	75	100	50.0%	15.0
AS Værdalsbruket ***)	4.8	2	625	24.9%	0.0
Storebrand Leieforvaltning AS	10.0	100	100	100.0%	10.0
Total					6,660.0

*) Group contribution of NOK 5 million paid as at 31.12.1999 to Storebrand Fondsforsikring AS.

Book value of the shares has been increased by NOK 3.6 million, equivalent to the group contribution after tax.

**) Storebrand ASA was granted approval to acquire the share capital of Finansbanken ASA on 30.07.1999.

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

Note 7: Shares and other equity investments

<i>NOK million</i>	Share capital	Par value (NOK)	Shares held	Interest	Acquisition cost	Market value
Shares and other fixed asset investments						
Fair Financial Ireland	DKK 79.1		4,100	5.18%	4.8	4.8
Nettverk Fornebu	10.0	100.00	15,000	15.00%	1.5	1.5
Other					0.7	0.7
Total shares and other fixed asset investments					7.0	7.0
Norwegian equities						
Bank and Insurance shares						
Christiania Bank og Kreditkasse	3,859.5	7.00	159,000	0.03%	4.8	6.3
DnB Holding	7,786.6	10.00	70,000	0.01%	2.0	2.3
Other Norwegian shares						
Bergesen d.y. B	56.7	2.50	34,850	0.05%	4.2	4.8
Bonheur	57.5	5.00	13,650	0.12%	2.0	2.7
Choice Hotel Scandinavia	3.6	0.10	365,700	1.00%	7.5	9.0
Elkem	969.7	20.00	20,000	0.04%	2.7	3.7
Gerhard Ludvigsen	1.0	1.00	153,000	15.00%	11.3	11.2
Gresvig	38.3	5.00	59,900	0.78%	4.2	5.2
Kverneland	97.2	10.00	15,000	0.15%	2.2	2.4
Kværner B	168.9	12.50	20,000	0.03%	2.4	2.8
Leif Høegh & Co	60.0	2.00	50,800	0.17%	5.0	4.8
Nera	192.2	2.00	90,200	0.09%	1.4	3.4
Norsk Hydro	5,231.9	20.00	47,650	0.02%	15.0	16.0
Norske Skogindustrier A	559.2	20.00	4,550	0.01%	1.3	1.9
Norske Skogindustrier B	251.7	20.00	10,500	0.03%	2.3	3.5
Orkla A	1,324.4	6.25	1,385,142	0.65%	160.7	191.1
Petroleum Geo-Services	508.1	5.00	31,000	0.03%	4.4	4.4
Prosafe	258.0	10.00	32,000	0.12%	1.8	2.6
Rieber & Søn B	400.1	10.00	84,250	0.11%	3.7	4.0
Schibsted	69.3	1.00	19,700	0.03%	1.8	2.9
Selmer	264.3	12.50	23,700	0.11%	1.6	2.3
SensoNor	167.5	5.00	454,500	1.36%	5.0	5.1
Smedvig A	82.0	3.00	10,000	0.02%	0.9	1.0
Smedvig B	41.6	3.00	33,400	0.08%	3.5	2.8
Steen & Strøm	27.6	1.00	123,000	0.45%	15.6	13.2
Tomra Systems	166.7	2.00	14,440	0.02%	2.2	2.0
Ugland Nordic Shipping	54.6	5.00	38,350	0.35%	2.3	2.7
Veidekke	57.0	5.00	24,700	0.22%	2.9	3.7
Other					12.8	13.5
Norwegian shares and equity participations					287.5	331.5
International shares						
Stolt Nielsen (Luxembourg)			21,000		2.6	2.4
Atlantic Container Line (Sweden)			20,100		1.8	1.9
Frontline (Bermuda)			18,000		0.6	0.8
Royal Caribbean Cruises (Liberia)			9,500		3.4	3.5
Total shares and other current asset investments					296.0	340.1
Of which listed Norwegian shares						320.3

Subordinated loan

Storebrand ASA has granted a subordinated loan to Fair Financial Ireland plc. of DKK 163.9 million. The loan is recorded in the accounts at NOK 192.3 million. Interest is charged on the loan at 12%.

Note 8: Certificates and bonds

<i>NOK million</i>	Certificates		Bonds		Total	
	Acquisition cost	Market value	Acquisition cost	Market value	Acquisition cost	Market value
By debtor type						
Public sector	308.7	308.9	184.7	181.3	493.4	490.2
Financial institutions			6.9	6.9	6.9	6.9
Other issuers	5.0	5.0			5.0	5.0
Total	313.7	313.9	191.6	188.2	505.3	502.1
Convertible bonds						
Financial institutions *)			12.4	12.4	12.4	12.4
Interest rate derivatives				-0.8	0.0	-0.8
Forward foreign exchange contracts				6.0	0.0	6.0
Certificates and bonds held as current assets	313.7	313.9	204.0	205.8	517.7	519.7

*) Convertible bonds issued by Finansbanken ASA

Note 9: Property and other operating assets

<i>NOK million</i>	Real estate	Equipment, cars, inventory	Total	
Acquisition cost at 1.1	43.0	338.0	381.0	Straight line depreciation periods for operating assets are as follows:
Additions	16.5	96.4	112.9	
Disposals at acquisition cost	0.0	-71.1	-71.1	
Aggregate depreciation and write-downs at 31.12	-0.5	-224.3	-224.8	Equipment and inventory: 4 years
Book value at 31.12	59.0	139.0	198.0	Motor cars: 6 years
Depreciation for the year	-0.1	-140.3	-140.4	Computer systems: 3 years

Note 10: Deferred tax allowances and deferred tax

<i>NOK million</i>	1999		1998		Net change
	Tax increasing	Tax reducing	Tax increasing	Tax reducing	
<i>Temporary differences</i>					
Securities	975.2	5.7	929.2	96.0	-136.3
Real estate	1.6		1.7		0.1
Operating assets		67.3		35.8	31.5
Provisions		53.8		90.5	-36.7
Prepaid pensions	79.5		76.6		-2.9
Accrued pension liabilities		215.0		260.9	-46.0
Profit and loss account	16.4		20.5		4.1
Other	5.3		5.4		0.1
Total temporary differences	1,078.0	341.8	1,033.4	483.2	-186.1
Loss carried forward				428.5	-428.5
Tax allowances carried forward *)		1,198.0		1,224.0	-26.0
Set-off	-1,078.0	-1,078.0	-1,033.4	-1,033.4	0.0
Net temporary differences	0.0	461.7	0.0	1,102.3	-640.6
Tax rate		28%			
Deferred tax allowances (changes applied to profit and loss)		129.3		305.6	-176.3
Posted directly to equity		16.6			16.6
Deferred tax allowances in the balance sheet		145.9		305.6	-159.7

*) Amount calculated to be equivalent to losses carried forward. Unused allowances deductible from tax total NOK 335 million (28% of losses carried forward).

Note 11: Change in equity capital

<i>NOK million</i>	1999	1998
Equity at 1.1	5,278.4	5,957.3
Share capital at 1.1	1,385.7	1,884.9
New share capital (employee issue)	1.4	0.8
Write down of share capital	1.4	-500.0
Share capital 31.12 (277,430,322 shares of NOK 5)	1,387.2	1,385.7
Share premium reserve 1.1	1,781.0	1,272.1
Employee issue	13.2	8.9
Transfer from other equity	13.2	500.0
Share premium reserve 31.12	1,794.2	1,781.0
Other equity 1.1	2,111.7	2,800.3
Redemption of preference shares		-1,160.0
Items booked directly against equity	-39.1	
Redemption of preference shares	1,157.3	471.4
Redemption of preference shares	-277.4	0.0
Other equity 31.12	2,952.5	2,111.7
Equity at 31.12.	6,133.9	5,278.4

Figures for 1998 have been restated in accordance with the new Accounting Act.

Employee share purchase arrangements

The Annual General Meeting of Storebrand ASA resolved on 28 April 1999 that the Board be empowered, for the year to 2000, to increase the share capital by up to 1.4 million ordinary shares reserved for employees of Storebrand. The subscription period was 1 June-13 August 1999, and the subscription price was NOK 42.50 per share. Each employee was entitled to purchase 150 shares, and the subscription price represented a total tax-free discount of NOK 1,500. A total of 280,500 shares were issued, increasing the share capital by NOK1,402,500. The share issue was recorded in the accounts at market value in accordance with the Accounting Circular on this topic issued by the Oslo Stock Exchange. The total increase in share capital was NOK 14.6 million.

Note 12: Bond loan

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

Note 13: Liabilities on termination or change of employment for senior management

There are no liabilities to the Chairman of the Board relating to special compensation on termination or change of his appointment.

The Chief Executive Officer, Åge Korsvold, has the benefit of a salary compensation agreement in the event that the Board of Directors request his resignation. The salary compensation agreement provides for two year's

salary (6 month's notice period plus a further 18 months salary). The amount is reduced by salary or other equivalent remuneration resulting from other employment during this period. Pension is fixed at 70% of salary at the date of departure. Pension rights are accrued on a straight line basis over 19 years of service. The pension age is 67, with the right, and at the Board's request obligation, to retire with pension from the age of 62.

Note 14: Transactions with connected parties

<i>NOK million</i>	No. of shares owned*)	Remuneration	Loan	Interest rate at 31.12.99
Chief Executive Officer	0	2.4	0.0	
Chairman of the Board of Directors	1,024	0.2	0.2	7.95%
Other members of the Board of Directors	14,664	1.0	1.1	5.9 - 7.45%
Control Committee	7,472	0.8	0.0	7.1%
Members of the Board of Representatives	16,952	0.5	13.8	5.9 - 8.45%

*) Personal owned shares. The Chief Executive Officer has been granted an option on normal commercial terms to purchase 1,000,000 shares at a price of NOK 57.50, which can be exercised until 25.09.2000.

Bonus scheme for senior management

The Storebrand group operates a cash bonus scheme for senior management which is linked to the share price of the Storebrand share. The scheme is intended to create an incentive for the individuals involved to work to enhance long-term shareholder value.

Shareholders

No shareholder has a material influence, defined as voting rights at a General Meeting in respect of more than 20% of the shares.

Transactions between group companies

<i>NOK million</i>	Amount	Terms
Profit and loss account items:		
Group contribution from subsidiaries	1,588.9	
Dividends from subsidiaries	0.8	
Purchase and sale of services (net)	841.6	At cost, settled monthly
Interest on internal debt (net)	35.2	6 month NIBOR/bank rate +1%
Balance sheet items:		
Long term debt within the group	457.4	6 month NIBOR
Group contribution	1,588.9	Settlement March/April 2000

Note 15: Guarantees given

<i>NOK million</i>	Currency	Terms	Provided in the accounts
Storebrand ASA has given the following guarantees:			
1) Institute of London Underwriters (ILU)	GBP	No specified amount	0
2) Aon Norway AS	NOK	No specified amount	0
3) Norges Bank	NOK	No specified amount	0

- 1) Counter indemnity of Oslo Reinsurance Company ASA (formerly UNI Storebrand International Insurance AS)
- 2) Contingent liability in respect of AS DUO which ceased trading on 07.06.1993. Liability is not specified and is considered to be immaterial.
- 3) Guarantee in respect of management of the Norwegian Government Petroleum Fund.

Notes Storebrand Group

Note 16: Changes caused by the new Accounting Act

<i>NOK million</i>	1998	1997	<i>NOK million</i>	Change	31.12.98
Profit after tax			Equity		
Profit and loss account under prior regulations	791.4	1,076.9	Equity under prior regulations		5,565.9
Change from move to mark-to-market	-349.7	172.5	Changes caused by move to mark-to-market:		
Change in deferred tax liabilities/allowances	-0.1	-241.9	Balance sheet recognition of market		
			value 1 January 1998	425.3	
Profit and loss for the year under the new Accounting Act	441.7	1,007.5	Change in market value 1998	-349.7	75.6
			Change in deferred tax liabilities/allowances:		
			Balance sheet recognition of deferred		
			tax asset 1 January 1998	743.4	
			Change in deferred tax not recognised		
			in profit and loss account	35.8	
			Change in deferred tax in 1998	-0.1	779.2
			Equity under the new Accounting Act		6,420.7

Note 17: Net financial income: insurance

<i>NOK million</i>	Storebrand Livsforsikring			Storebrand Group***)		
	1999	1998	1997	1999	1998	1997
Income from group and associated companies	11.0	10.2	9.5	11.0	10.2	9.5
Income from real estate	772.9	625.1	603.0	772.9	625.1	603.0
Interest income - bonds & certificates	3,572.9	3,422.4	3,478.1	3,573.9	3,422.4	3,478.1
Interest income - lending	329.7	422.7	471.8	329.7	422.7	471.8
Other interest income	177.5	212.8	130.1	169.9	176.3	98.5
Share dividends	469.8	464.5	353.7	475.3	465.1	353.7
Revaluation of real estate	166.6			166.6		
Reversal of valuation adjustments - shares	1.2		185.9	1.2		185.9
Reversal of valuation adjustments - interest bearing instruments	0.9	2.4	4.9	0.9	2.4	4.9
Gain on sale of shares	8,160.2	6,384.3	4,377.4	8,167.4	6,385.1	4,377.4
Gain on sale of interest bearing instruments	3,588.6	4,137.4	4,241.2	3,589.8	4,137.4	4,241.2
Unrealised gains on shares	7,407.8		1,267.4	7,834.7	10.2	1,275.7
Unrealised gains on interest bearing instruments	-1,539.4		-215.5	-1,539.1	0.7	-215.5
Other financial income		4.0	34.7	6.8	4.0	34.7
Total income from financial assets	23,119.7	15,685.8	14,942.2	23,560.9	15,661.6	14,918.9
Costs arising from real estate *)	-134.5	-79.8	-139.0	-121.1	-66.4	-125.7
Valuation adjustments - shares		-23.4	-6.5		-23.4	-6.5
Valuation adjustments - interest bearing instruments		-0.1	-9.5		-0.1	-9.5
Write-down of real estate	-163.8			-163.8		
Loss on sale of shares	-4,202.5	-6,230.6	-1,998.9	-4,206.8	-6,234.2	-1,999.0
Loss on sale of interest bearing instruments	-3,166.7	-3,890.2	-3,390.1	-3,166.9	-3,890.2	-3,390.1
Unrealised loss on shares		-1,986.7			-2,013.3	-9.1
Unrealised loss on interest bearing instruments		-21.2		-0.7	-21.2	
Other financial expenses **)	-276.2	-206.5	-182.0	-71.4	-109.1	-88.9
Total costs of financial assets	-7,943.7	-12,438.5	-5,726.0	-7,730.6	-12,357.9	-5,628.8
Total net income from financial assets	15,176.0	3,247.3	9,216.2	15,830.3	3,303.7	9,290.1
*) of which administration costs	-13.4	-13.4	-13.3			
**) of which administration costs	-126.9	-85.2	-74.3			

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 and intra-group netting.

Note 18: Net interest and commission income: Banking activities

<i>NOK million</i>	Storebrand Bank			Finansbanken 1999*)	Group 1999
	1999	1998	1997		
Interest and related income on loans to/deposits with credit institutions	4.3	2.4	4.1	-4.9	-0.6
Interest and related income on loans to/claims on customers	438.2	242.3	39.8	407.6	845.8
Interest and related income from certificates, bonds and other interest bearing securities	52.9	46.0	13.5	19.2	72.1
Other interest and related income	6.0	0.8		0.1	6.1
Total interest and related income	501.4	291.6	57.3	422.0	923.4
Interest and related expense on liabilities to credit institutions	-13.4	-16.4	-7.7	-35.7	-49.1
Interest and related expense on deposits from and liabilities to customers	-273.2	-102.7	-24.1	-122.4	-395.6
Interest and related expense on securities issued	-90.7	-106.0	-8.3	-94.0	-184.7
Interest and related expense on subordinated loan capital				-6.7	-6.7
Other interest and related expense	-17.2	-6.9	-3.1	-22.4	-39.6
Total interest and related expense	-394.5	-232.0	-43.1	-281.2	-675.7
Net interest and commission income	106.9	59.6	14.2	140.8	247.7

*) Figures for Finansbanken are from 1 August 1999 (the date of approval of the acquisition) to 31 December 1999

Note 19: Losses on loans, guarantees etc.

<i>NOK million</i>	SB	Bank	Finans-	Storebrand Group		
	Life 1999	1999	banken 1999**)	1999	1998	1997
Change in specific loan loss provisions for the period	0.7	-8.8		-8.1	-33.9	-28.5
Change in general loan loss provisions for the period	0.9	-14.8	-10.0	-23.9	-14.6	-1.4
Realised losses on loans where specific provision has previously been made		16.1		16.1	5.5	17.8
Realised losses on loans where no specific provision has previously been made	0.4	2.2		2.6	8.9	0.2
Recovery of loan losses realised previously	-0.4	-31.3	0.3	-31.4	-45.8	-36.7
Loan losses and provisions for the period	1.7	-36.6	-9.7	-44.7	-79.9	-48.6

*) Figures for Finansbanken are from 1 August 1999 (the date of approval of the acquisition) to 31 December 1999

Note 20: Operating costs

<i>NOK million</i>	SB	Bank	Finans-	Other	Storebrand Group***)		
	Life 1999	1999	banken 1999**)	1999	1999	1998	1997
Staff costs	422.4	82.5	44.2	558.9	1,108.0	995.6	764.1
External consultancy expenses	25.9	12.0	3.1	127.9	168.9	240.0	180.4
Office costs	33.8	66.3	7.0	414.3	521.4	486.1	346.6
Other operating costs/recharges	65.5	3.2	1.0	68.2	137.9	123.1	95.1
Depreciation	10.6	8.7	4.2	149.1	172.6	105.3	72.3
Total own costs	558.2	172.7	59.5	1,318.3	2,108.7	1,950.0	1,458.5
Services purchased and costs allocated	448.6	60.6		240.4	749.6	690.0	560.0
Services sold and costs recovered	-73.8	-29.5		-1,130.7	-1,234.0	-1,245.3	-831.7
Total operating costs *)	933.0	203.8	59.5	428.0	1,624.3	1,394.7	1,186.8

*) Of which insurance related

755.3 14.5 769.8 725.2 615.1

**) Figures for Finansbanken are from 1 August 1999 (the date of approval of the acquisition) to 31 December 1999

***) Storebrand Group excludes Storebrand Skadeforsikring

Auditors' fees for group companies

Audit fees	6.9
Other control functions	8.1
Fees for advisory services	4.5

Note 21: 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 benefits plans. The following assumptions have been used in the calculations:

Financial assumption

- 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%
- Average rate of employers' contributions	13,5%

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 1,866 employees and pensioners. Net accrued pension costs are shown in the table below.

Net pensions costs NOK million	Insured scheme	1999		Total	1998 Total	1997*) Total
		Ordinary	Early retire.			
Pension liabilities accrued	-42.2	-10.9	-5.7	-58.8	-123.6	-361.5
Interest costs	-102.9	-19.8	-16.8	-139.5	-236.6	-218.6
Expected return on pension funds	140.0			140.0	261.4	245.4
Net pensions cost	-5.1	-30.7	-22.5	-58.3	-98.8	-334.7

Finansbanken is included in the figures shown on a full-year basis. Figures for 1997 and 1998 include Storebrand Skadeforsikring.

*) Pension costs in respect of early retirement included re-organisation costs of NOK 236 million in 1997.

This amount is booked against the provision for these costs in the accounts.

Estimated 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:

Earned pension liability	-763.6	-174.2	-151.0	-1,088.8	-3,264.4	-3,249.6
Estimated effect of future salary growth	-83.7	-31.1		-114.8	-353.9	-345.8
Estimated pension liability	-847.3	-205.3	-151.0	-1,203.6	-3,618.3	-3,595.4
Market value of pension funds	969.8			969.8	3,462.2	3,312.0
Net estimated pension liability/surplus	122.5	-205.3	-151.0	-233.8	-156.1	-283.4
Funding transfers	7.0	-7.0				
Deviation from estimated values at 01.01.						
Pension funds	43.4			43.4	-35.9	-14.2
Pension liabilities	7.1	-9.1	4.1	2.1	12.3	106.8
Net pensions liability as per balance sheet	180.0	-221.4	-146.9	-188.3	-179.7	-190.8

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). The estimated employer's contribution in respect of booked pension liabilities amounts to NOK 92.7 million and is included in the balance sheet under 'Reserves for other risks and costs'.

Note 22: Group profit by company and sub-group

<i>NOK million</i>	1999	1998	1997
Storebrand ASA	1,333.6	503.7	740.4
Storebrand Livsforsikring	774.8	500.9	562.0
Storebrand Skadeforsikring	301.6	460.7	865.3
Storebrand Bank	4.5	10.9	-0.7
Finansbanken *)	95.9		
Storebrand Fondsforsikring AS	-0.5	-1.1	-3.7
Storebrand Fondene	11.1	5.9	11.9
Storebrand Kapitalforvaltning ASA	22.9	-11.8	-3.5
Storebrand Helseforsikring AS **)	-7.4	-5.2	
Other companies	1.5	-1.5	2.0
Netting on consolidation	-1,372.0	-859.6	-988.8
Consolidated total	1,166.0	602.9	1,184.9

*) 1999 figures for the period 1 August 1999 to 31 December 1999

**) Profits in Storebrand Helseforsikring AS are recognised at 50% in line with Storebrand ASA's ownership interest.

Note 23: Taxation

<i>NOK million</i>	1999	1998	1997
Profit before tax	4,632.4	441.1	1,190.1
Tax payable	-6.4	0.1	-12.0
Deferred tax - net change	-1,124.4	0.5	-170.6
Tax expense *)	-1,130.8	0.6	-182.6

*) The effective rate of tax for the group as a whole for 1999 was 24.4 %. The effective rate of tax varies from company to company in the group. Storebrand Livsforsikring had the lowest rate in 1999 of ca. 17 %. The effective rate of tax is closer to the nominal rate of 28% for other companies in the group. The group's effective rate of tax in the future will depend on the relative contribution the various companies make to the overall profit.

Note 24: Intangible assets in subsidiaries

<i>NOK million</i>	Owned by	Intangible assets		Goodwill depreciation		Deprec. rate
		31.12.99	31.12.98	1999	1998	
Finansbanken ASA *)	SB ASA	535.0		-11.7		5%
Aktuar Systemer AS	SB Life	3.5	5.3	-1.8	-1.8	25%
Storebrand Filipstad AS (lease interest)	SB Nybygg		46.2		-0.6	
NEXUS AS	SB Bank	3.0	4.0	-1.0	-1.0	20%
Finansbanken Index ASA	Finansbanken	2.6		-1.3		33%
Total		544.1	55.5	-15.8	-3.4	-

*) In addition amounts written off directly against equity total NOK 16.4 million (1 January - 31 July 1999).

Note 25: Acquisitions in 1999

New business acquired are described in the Report of the Board of Directors for 1999.

The table shows the accounting effect of the acquisitions made in 1999.

<i>NOK million</i>	Date consolidated	Accounting method	Ownership	Cost price	Form of consideration	Goodwill/negative goodwill
Company						
Finansbanken ASA	01.08.99	Past equity	100%	NOK 1,568 million inc. shares and convertible bonds	Cash	Goodwill: NOK 563 million Written-off over 20 years on the basis of expected long term income
Oslo Reinsurance Company ASA	31.12.99	Past equity	100%	NOK 418 million	Cash	Negative goodwill: NOK 158 million. Booked to equity 1999.

Note 26: Real Estate

<i>Geographic distribution</i>	Property type	Ave. rent per sq.m.	Book value NOK million	Sq.m.	Percentage let
Oslo - Vika	Office/com.	949	1,628.0	127,996	97.7%
Oslo - Other	Office	1,228	1,509.2	97,166	99.7%
Norway - other (ANS)	Office	1,369	1,680.8	98,174	96.8%
Shopping centres (all locations)	Commercial	1,164	4,210.5	332,938	96.8%
Oslo - Vika (ANS)	Office/com.	1,419	966.5	50,851	96.9%
Norway - other (ANS)	Office	802	41.4	5,222	100.0%
Overseas	Site		58.8		
Total for the Life company		1,178	10,095.2	712,347	97.4%
Other companies			139.4		
Total			10,234.6		

Note 27: Operational fixed assets

<i>NOK million</i>	Real-estate	Equipment, cars and inventory	Total	
Purchase cost as at 1 January	10,780.0	870.8	11,650.8	Straight line depreciation is applied over the following periods for operating assets:
New group structure - Disposals at acquisition cost	-1,139.0	-16.2	-1,155.2	
New group structure - Assets acquired at acquisition cost		5.4	5.4	
Revaluation for the year	400.7			Equipment and inventory: 4 years
Previous revaluations	510.6		510.6	Motor cars: 6 years
Additions	605.5	141.6	747.1	Computer systems: 3 years
Disposals at purchase cost	-654.9	-396.2	-1,051.1	
Reclassification				
Total depreciation and write-downs at 31 December	-268.3	-356.9	-625.2	
Book value at 31 December	10,234.6	248.5	10,483.1	
Revaluation/write-down for the year and reversals of same	236.9		236.9	
Ordinary depreciation for the year	-0.1	-176.3	-176.4	

Note 28: Shares and other equity investments

<i>NOK million</i>	Share capital	Par value (NOK)	Shares held	Interest	Acquisition cost	Market value
Shares and other equity investments (fixed assets)						
Eiendom På Internett	0.6	29,412.00	2	10.00%	0.1	0.1
Fair Financial Ireland	DKK 79.1	100.00	4,100	5.18%	4.8	4.8
Forsikringens Hus	2.1	1,000.00	315	15.00%	0.3	0.3
Nettverk Fornebu	10.0	100.00	15,000	15.00%	1.5	1.5
Inntre AS					36.2	36.2
Other					0.8	0.8
Total shares and other equity investments (fixed assets)					43.6	43.7
Norwegian banking and finance shares						
Bolig- og Næringsbanken	487.7	50.00	112,100	1.15%	21.7	20.7
Christiania Bank og Kreditkasse	3,859.5	7.00	8,616,725	1.56%	210.5	340.4
DnB Holding	7,786.6	10.00	7,615,000	0.98%	235.0	250.5
Nordlandsbanken	341.9	50.00	133,000	1.95%	23.1	28.6
Romsdals Fellesbank	104.5	50.00	190,317	9.10%	8.7	45.7
Other Norwegian shares						
A-Pressen	176.8	20.00	183,700	2.08%	20.9	26.6
Adresseavisen	38.0	20.00	58,000	3.05%	7.6	20.9
Agresso Group	106.6	2.00	1,123,100	2.11%	29.0	19.5
Aker Maritim	283.6	5.00	1,273,500	2.25%	120.4	80.2
Ark	46.7	2.50	394,100	2.11%	34.4	27.6
Avantor	20.1	1.00	446,529	2.22%	18.9	24.6
Avenir	46.0	1.40	2,201,089	6.69%	69.5	112.3
Awilco A	61.1	3.00	9,400	0.02%	0.1	0.1
Awilco B	58.4	3.00	920,600	2.31%	13.7	12.4
Bergesen d.y. A	132.7	2.50	544,730	0.72%	62.9	79.5
Bergesen d.y. B	56.7	2.50	876,343	1.16%	115.1	120.1
Bonheur	57.5	5.00	262,245	2.28%	128.2	52.4
Bosvik	2.5	1.00	720,000	29.13%	16.8	16.8
Braathens	32.2	1.00	683,755	2.12%	37.1	24.8
Choice Hotel Scandinavia	3.6	0.10	1,124,200	3.09%	16.1	27.5
Dagbladet	14.9	20.00	125,154	5.20%	23.2	62.6
Dagbladet P	24.1	20.00	49,464	2.06%	9.2	22.8
Det Norske Oljeselskap	140.2	4.00	683,000	1.95%	10.1	17.4
Det Søndenfj Norske Dampskibsselskap	54.8	1.00	1,470,250	2.68%	160.4	83.8
Dyno	512.0	20.00	510,550	1.99%	76.1	102.1
EDB Business Partner	121.8	1.75	1,315,600	1.89%	57.4	92.1
Eiendomsspar	445.0	50.00	90,700	1.02%	9.7	19.5
Ekornes	33.3	1.00	674,932	2.02%	41.6	54.3
Elkem	969.7	20.00	1,217,300	2.51%	138.2	225.2
Eltek A	14.0	1.00	297,900	2.12%	9.9	20.9
Farstad Shipping	45.3	1.00	959,700	2.12%	20.5	24.5
Fred. Olsen Energy	1,206.0	20.00	1,879,450	3.12%	173.1	109.9
Ganger Rolf	45.8	5.00	171,230	1.87%	84.1	32.9
Gerhard Ludvigsen	1.0	1.00	153,000	15.00%	11.3	11.2
Glamox	64.0	100.00	76,174	11.90%	28.4	68.6
Glava	96.0	100.00	96,574	10.06%	30.2	45.1
Gresvig	38.3	5.00	958,600	12.53%	81.5	83.4

Note 28: Shares and other equity investments (continued)

<i>NOK million</i>	Share capital	Par value (NOK)	Shares held	Interest	Acquisition cost	Market value
Guru Software	6.7	1.00	500,000	7.46%	11.3	15.0
Gyldendal Norsk Forlag	23.5	10.00	113,935	4.84%	21.6	42.7
Hafslund A	68.3	1.00	1,486,652	1.29%	63.6	72.0
Hafslund B	47.2	1.00	849,300	0.74%	34.3	26.2
Hansa	21.5	10.00	322,500	15.00%	20.4	21.5
Hitec	37.6	1.00	743,650	1.98%	22.5	19.0
Hydralift A	3.5	0.20	806,300	2.82%	32.5	28.3
Hydralift B	2.2	0.20	1,223,256	4.27%	69.3	37.9
Håg	93.7	10.00	568,100	6.06%	39.7	38.6
Industrifinans	25.0	100.00	22,781	9.11%	20.2	22.1
Jøtul	58.7	20.00	388,700	13.24%	40.2	26.6
Kitron	45.3	0.10	31,954,000	7.05%	18.1	18.5
Kongsberg Gruppen	147.0	5.00	1,303,750	4.43%	107.9	164.3
Kverneland	97.2	10.00	696,120	7.17%	107.0	112.8
Kværner A	593.4	12.50	934,680	1.53%	124.2	158.0
Kværner B	168.9	12.50	295,451	0.48%	51.6	41.7
Leif Høegh & Co	60.0	2.00	1,022,550	3.41%	120.8	97.1
Merkantildata	120.0	1.00	4,950,800	4.13%	257.2	480.2
Moelven Industrier	463.2	5.00	1,485,000	1.60%	11.3	11.1
Narvesen	200.0	20.00	575,050	5.75%	112.0	140.9
Navia	51.7	2.50	402,000	1.94%	10.3	10.1
NCL Holding	577.3	2.30	4,936,400	1.97%	115.8	170.8
Nera	192.2	2.00	2,027,826	2.11%	21.8	76.0
NetCom	23.8	0.50	934,352	1.96%	170.0	373.7
Network Electronics	2.4	0.10	2,911,765	11.94%	11.8	30.6
Nordic Capital Partner	87.1	870.00	13,025	13.02%	11.4	11.3
Norges Handels og Sjøfartstidene	11.5	10.00	59,094	5.13%	12.0	50.2
Norsk Hydro	5,231.9	20.00	3,820,031	1.46%	1,241.3	1,283.5
Norsk Vekst	600.0	90.00	135,900	2.04%	17.4	27.2
Norske Skogindustrier A	559.2	20.00	54,283	0.13%	17.8	22.7
Norske Skogindustrier B	251.7	20.00	1,592,172	3.93%	209.5	536.6
Odfjell A	148.7	10.00	304,004	1.39%	35.6	30.4
Odfjell B	69.7	10.00	203,800	0.93%	20.9	19.4
Olav Thon Eiendomsselskap	118.4	10.00	368,098	3.11%	66.0	69.2
Opticom	1.8	0.15	20,000	0.17%	29.3	34.0
Orkla A	1,324.4	6.25	12,655,749	5.97%	828.7	1,746.5
P4 Radio Hele Norge	32.3	1.00	662,500	2.05%	23.7	28.5
Pan Fish	2.3	0.10	475,000	2.05%	15.7	34.2
Petroleum Geo-Services	508.1	5.00	2,035,400	2.00%	398.9	291.1
Prosafe	258.0	10.00	1,878,456	7.28%	201.3	155.0
Proxima	83.1	2.00	2,061,750	4.96%	110.1	115.5
Rieber & Søn A	398.2	10.00	1,111,533	1.39%	23.6	60.0
Rieber & Søn B	400.1	10.00	530,850	0.66%	28.3	25.5
SAS Norge B	235.0	10.00	1,183,826	5.04%	117.6	103.0
Scana Industrier	26.6	1.25	1,363,799	6.41%	47.8	25.2
Schibsted	69.3	1.00	1,388,800	2.01%	150.9	206.9
Selmer	264.3	12.50	2,593,428	12.27%	156.2	246.4
Smedvig A	82.0	3.00	1,317,700	3.20%	142.0	131.8
Smedvig B	41.6	3.00	574,200	1.39%	68.6	48.8
Software Innovation	2.3	1.00	67,541	2.94%	12.8	24.0
Solstad Offshore	71.5	2.00	764,850	2.14%	15.5	19.9
Steen & Strøm	27.6	1.00	4,145,953	15.02%	253.7	443.6
Tandberg	53.0	2.00	528,600	1.99%	22.8	55.5
Tandberg Data	116.3	3.00	837,000	2.16%	22.4	18.4
Tandberg Television	109.1	2.00	2,361,900	4.33%	177.6	262.2
Telecomputing	2.6	1.00	150,000	5.88%	8.7	53.3
Telenor Venture	100.0	1,000.00	14,063	14.06%	30.0	74.0
TGS Nopec Geophysical Company	24.0	1.00	488,200	2.03%	45.5	40.8
Tirb B	10.0	8,000.00	392	14.98%	3.1	12.5
Tomra Systems	166.7	2.00	1,661,140	1.99%	174.4	225.9
Ugland Nordic Shipping	54.6	5.00	276,850	2.53%	16.7	19.4
Unitor	244.4	12.50	411,700	2.11%	28.3	24.7
Veidekke	57.0	5.00	1,075,400	9.44%	124.6	161.3
Wilh. Wilhelmsen A	48.7	5.00	143,100	1.02%	27.7	29.0
Wilh. Wilhelmsen B	21.8	5.00	415,272	2.95%	55.5	83.1
Ørsta Stålk. Eiendom	0.8	10.00	7,000	9.33%	0.3	0.9
Ørsta Stålk. Industrier	15.0	100.00	16,333	10.89%	1.6	13.2
Other Norwegian shares					179.6	169.4

Note 28: Shares and other equity investments (continued)

<i>Mill. kroner</i>	Shares held	Acquisition cost	Market value
Equity fund units (Norwegian)			
Storebrand Aksje Innland	4,130	59.7	62.8
Storebrand Asia	4,543	4.5	5.7
Storebrand Asia A	30,306	30.4	38.1
Storebrand Asia B	4,956	5.0	6.2
Storebrand Barnespar	482,919	48.3	68.2
Storebrand Bedriftspensjon	99,850	100.0	151.8
Storebrand Global	2,492	3.8	5.5
Storebrand Global Miljø	30,379	30.4	37.4
Storebrand Japan	14,581	14.6	30.3
Storebrand Nord Amerika	52,370	54.5	81.4
Storebrand Norden	49,854	49.9	90.2
Storebrand Teknologi	7,023	7.0	21.5
Total shares and other equity investments - Norwegian		9,353.6	12,276.5
International shares			
Austria		6.7	6.1
Australia		183.2	259.5
Belgium		45.3	43.9
Canada		198.6	451.5
Switzerland		457.0	484.9
Germany		732.3	1,021.8
Denmark		247.8	338.0
Spain		157.3	264.0
Finland		211.0	841.0
France		731.7	1,056.0
United Kingdom		2,169.8	2,588.0
Hong Kong		171.0	276.4
Italy		359.8	439.0
Japan		2,158.4	3,529.7
Luxembourg		249.2	253.5
Netherlands		431.5	571.8
New Zealand		17.9	21.3
Portugal		31.5	30.2
Sweden		753.7	1,518.1
Singapore		48.8	73.7
United States		8,120.0	10,791.0
Bermuda		48.1	77.8
Liberia		328.8	517.9
Foreign equity fund units		877.3	1,133.8
Total shares and other equity investments - international		18,736.9	26,588.8
Forward foreign exchange contracts - shares			-160.0
Total shares and other equity investments (current assets)		28,090.6	38,705.3
Of which listed Norwegian shares			10,963.5
Of which listed international shares			24,782.9

Note 29: Certificates and bonds

<i>NOK million</i>	Certificates		Bonds		Total	
	Acquisition cost	Market value	Acquisition cost	Market value	Acquisition cost	Market value
Public sector	1,986.1	1,986.6	29,093.7	28,749.9	31,079.8	30,736.5
Financial institutions	764.1	764.5	2,797.5	2,855.0	3,561.6	3,619.5
Other issuers	353.7	353.7	3,683.2	3,791.0	4,036.9	4,144.7
Forward foreign exchange contracts				-75.1		-75.1
Total certificates and bonds	3,103.9	3,104.8	35,574.4	35,320.8	38,678.3	38,425.6
- of which listed securities		1,415.4		32,125.1		33,540.5
Analysis by currency:						
NOK	2,998.8	2,999.7	16,096.7	15,677.3	19,095.5	18,677.0
USD			8,022.9	7,875.4	8,022.9	7,875.4
EUR	12.6	12.6	5,650.3	5,316.6	5,662.9	5,329.2
Other	92.5	92.5	5,804.6	6,451.5	5,897.1	6,544.0
Total certificates and bonds	3,103.9	3,104.8	35,574.5	35,320.8	38,678.4	38,425.6

Note 30: Bonds to be held to maturity

<i>NOK million</i>	Nominal value	Acquisition cost	Book value	Market value	Amortisation outstanding
Bonds held to maturity - Norwegian					
Public sector	14,461.2	14,860.0	14,696.6	14,545.2	235.4
Financial issuers	9,921.0	9,748.7	9,828.7	9,786.1	-92.3
Other issuers	600.0	599.6	599.5	614.2	-0.5
Total portfolio (NOK)	24,982.2	25,208.3	25,124.8	24,945.5	142.6
- of which listed securities			20,338.3		
Average effective yield	6.56%				

Note 31: 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 recorded 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.

Continued on next page

Note 31: Financial derivatives (continued)

<i>NOK million</i>	Gross	Nominal volume Average	Net	Credit equivalent amount	Acquisition cost	Market value
Current assets						
Share options	147.8	630.6	95.1		12.1	23.3
Forward share contracts	-	-	-		-	-
Stock index futures	976.7	2,692.4	-257.2		-6.2	-6.2
Total equity derivatives	1,124.5	3,323.0	-162.1		5.9	17.1
Forward rate agreements	29,603.1	32,754.0	-1,610.5	0.5	-	-16.2
Interest rate futures	4,732.8	7,096.7	3,249.5	-	1.1	1.1
Interest rate swaps	5,844.8	4,944.1	-1,260.0	19.8	-	0.8
Interest rate options	25.0	25.0	25.0	1.0	-	1.0
Total interest rate derivatives	40,205.7	44,819.8	404.0	21.3	1.1	-13.3
Forward foreign exchange contracts	55,420.6	55,948.9	-44,644.5	162.3		-229.1
Total currency derivatives	55,420.6	55,948.9	-44,644.5	162.3		-229.1
Total derivatives - current assets	96,750.8	104,091.7	-44,402.5	183.6	7.0	-225.3
Fixed assets						
Interest rate swaps	479.8	479.8	479.8	-	-	-8.1
Forward foreign exchange contracts	3,913.7	2,966.2	3,522.9	13.7		6.5
Total derivatives - fixed assets	4,393.5	3,446.0	4,002.7	13.7		-1.5

Note 32: Foreign currency

<i>(All figures in million)</i>	Long position	Short position	Net position	FX fwd. contracts	Net position in currency	in NOK
Current asset portfolios						
AUD	52.6	-0.6	52.0	-43.5	8.5	44.3
CAD	174.5	-0.6	173.9	-164.3	9.6	52.7
CHF	423.1	-57.4	365.6	-336.7	28.9	77.8
DKK	937.2	-5.7	931.5	-878.3	53.2	57.4
EUR	1,569.8	-125.7	1,444.1	-1,447.0	-2.9	240.2
GBP	345.0	-29.4	315.6	-320.4	-4.8	66.2
HKD	317.8	-6.5	311.2	-281.0	30.2	31.1
IDR	1,001.6		1,001.6		1,001.6	1.1
INR	1.2	-15.3	-14.1		-14.1	-2.6
JPY	83,221.3	-218.6	83,002.7	-80,252.5	2,750.2	196.0
NZD	7.2		7.2	-2.8	4.4	18.1
PHP	4.0		4.0		4.0	0.8
SEK	2,716.5	-34.1	2,682.4	-2,220.5	461.9	164.3
SGD	19.3	-1.4	17.9	-11.5	6.4	30.7
THB	8.0		8.0		8.0	1.7
USD	6,208.9	-3,437.3	2,771.6	-2,417.6	354.0	443.4
Other	0.0	-3.0	-3.0		-3.0	-9.5
Total current asset portfolios						1,414.0
Fixed asset portfolios/subordinated loan capital						
DKK	168.0		168.0		168.0	182.0
EUR		-135.3	-135.3	134.5	-0.8	-6.5
GBP	2.3		2.3		2.3	29.1
USD	1.0	-325.7	-324.7	329.5	4.8	38.3
Total fixed asset portfolios						242.9

Note 33: Lending to and deposits from customers

<i>NOK million</i>	SB Life	SB Bank	Finansbanken	Group	
	1999	1999	1999	1999	1998
Not greater than 60% of valuation	2,532.4	4,369.8		6,902.2	6,804.7
Between 60-80% of valuation	331.7	1,665.9		1,997.6	2,112.8
Over 80% of valuation	46.4	181.5		227.9	310.5
Secured loans *)	2,910.5	6,217.2		9,127.7	9,228.0
Specific provisions	-1.3			-1.3	-2.4
General provisions	-1.3	-1.4		-2.7	-2.0
Total secured loans	2,907.9	6,215.8		9,123.7	9,223.6
Other loans	276.7	820.4	12,447.0	13,544.1	1,099.1
Specific provisions	-3.3	-223.2	-116.4	-342.9	-290.6
General provisions	-4.6	-2.4	-108.1	-115.1	-5.6
Total other loans	268.8	594.8	12,222.4	13,086.0	802.9
Total lending	3,176.7	6,810.6	12,222.4	22,209.7	10,026.5
*) of which guaranteed	48.5	324.2		372.7	285.4

Loans to employees of the group total NOK 1,897 million. Details of loans to the CEO and members of the Boards are provided in Note 14.

Analysis of loans to customers

<i>NOK million</i>	SB Life	SB Bank	Finansbanken	Group	
	1999	1999	1999	1999	1998
Commercial lending	76.3	0.2	7,637.0	7,713.5	167.1
Salary account holders (private persons)	3,099.0	7,000.1	2,496.0	12,595.1	10,130.7
Foreign	11.9	37.5	2,314.0	2,363.4	29.3
Total loans to customers	3,187.2	7,037.8	12,447.0	22,672.0	10,327.1

Analysis of deposits from customers

<i>NOK million</i>	SB Bank	Finansbanken	Group	
	1999	1999	1999	1998
Commercial	819.1	3,617.8	4,436.9	549.8
Salary account holders (private persons)	4,233.2	1,690.4	5,923.6	2,923.2
Foreign	103.5	295.3	398.8	46.1
Total customer deposits	5,155.8	5,603.5	10,759.3	3,519.2

Note 34: Interest in associated companies

<i>NOK million</i>	1999		1998	
	Share of profit	Equity value	Share of profit	Equity value
Norben Life and Pension Insurance Co. Ltd.	1.3	32.7	2.2	31.8
Bertel & Steen Finans AS	-0.4	2.1		
If Skadeförsäkring Holding AB *)		5,075.1		
Total	0.9	5,110.0	2.2	31.8

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

Continued on next page

Ownership interest (44%) in If on the equity method of accounting – Storebrand non-life Group:

<i>NOK million</i>	Tangible assets	Share of Goodwill	Net book values
Opening balance at 1 March 1999	3,626.3	1,245.1	4,871.4
Share in profits of If...	294.6		294.6
Goodwill depreciation		-52.0	-52.0
Tax	-82.5	43.6	-38.9
Total share in profits of If pro rata to ownership interest	212.1	-8.4	203.7
Balances at 31 December 1999	3,838.4	1,236.7	5,075.1

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. The share in profits of If includes profit from the Storebrand and Skandia non-life insurance activities now incorporated in If. The figures shown do not include Pohjola. Once Pohjola receives the necessary approval for its participation the

values attached to goodwill and deferred income will be reassessed. Vesta has been sold subject to approval by the relevant authorities. The sale of Vesta was a condition of the Norwegian authorities' approval for If. The market value of Vesta is accordingly not included in the opening balance sheet figures for tangible assets.

Note 35: Deferred tax allowances and deferred tax

<i>NOK million</i>	1999		1998		Net change
	Tax increasing	Tax reducing	Tax increasing	Tax reducing	
Temporary differences					
Securities	2,086.6	2,363.5	1,691.0	178.1	1,789.9
Real estate	267.9	138.5	82.2	186.4	-233.6
Operating assets	257.5	129.8	247.9	91.8	28.4
Reserves		115.7	24.2	195.0	-55.1
Prepaid pensions	172.4		586.9		414.5
Accrued pension liability		372.5		834.0	-461.5
Profit and loss account	4,713.8	9.6	142.4	11.7	-4,573.5
Other	132.5	89.2	76.9		33.6
Total temporary differences	7,630.6	3,218.8	2,851.5	1,497.0	-3,057.4
Loss carried forward		2,099.8		2,510.0	-410.2
Tax allowances carried forward *)		2,291.1		2,102.8	188.3
Set-off	-7,003.5	-7,003.5	-2,851.5	-2,851.5	
Net temporary differences	627.1	606.2		3,258.3	-3,279.3
Booked directly to balance sheet/items not giving rise to balance sheet entries		-606.1		-439.5	-166.6
Base for balance sheet entries	627.1	0.0		2,818.8	-3,445.9
Deferred tax/tax allowances in the balance sheet **)	175.6	0.0		779.2	-954.8

*) Amount calculated to be comparable with losses carried forward. Unused credits deductible from tax total NOK 641 million. (28% of losses carried forward)

**) 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 36: Losses carried forward

<i>NOK million</i>	Amount
Storebrand Livsforsikring AS *)	739.3
Storebrand Bank AS	132.5
Storebrand Finans AS	566.4
Storebrand Fondsforsikring AS	418.5
Storebrand Helseforsikring AS	15.1
Storebrand Felix kurs og konferansesenter AS	0.5
Storebrand Leieforvaltning AS	6.9
Oslo Reinsurance Company (UK)	220.6
Total	2,099.8

*) In addition the group has unused allowances deductible from tax of NOK 641 million, equivalent to losses carried forward of NOK 2,291 million. Unused allowances deductible from tax are divided as to NOK 335 million for Storebrand ASA, NOK 253 million for Storebrand Livsforsikring AS NOK 13 million for Storebrand Skadeforsikring AS and NOK 39 million in Storebrand Bank AS.

Note 37: Change in equity capital

<i>NOK million</i>	1999	1998
Equity capital at 1 January	5,565.9	5,921.8
Change due to new accounting principle	854.8	1,169.7
Restated equity capital at 1 January	6,420.7	7,091.5
Profit for the year	3,500.0	441.7
Sale of non-life insurance activities	428.7	
Finansbanken's profit 1 January - 31 July 1999	51.4	
Goodwill depreciation - Finansbanken	-16.4	
Tax on items applied directly to Storebrand Livsforsikring's balance sheet		34.8
Redemption of preference shares		-1,160.0
Allocated to dividend	-277.4	
Share issue (net proceeds)	14.6	9.7
Gain/loss on currency conversion of foreign subsidiaries	-0.1	5.5
Other capital movements	-9.0	-2.5
Equity capital at 31 December	10,112.5	6,420.7

Note 38: Subordinated loan capital

<i>NOK million</i>	Own company	Amount NOK	Currency	Currency amount	Interest rate in %	Maturity	Currency gain/loss
Lender/ date drawn down							
J.P. Morgan (16 bank syndicate, 11.05.1995) *) **)	Life	958.7	USD	120	6.92%	2005	-44.4
Carl Kierulf, SPN Fonds, Oslo Securities (15.01.1992)	Life	81.2	NOK		11.15%	2002	
Chase Manhattan Bank, Oslo (01.12.1997) *)	Life	479.8	NOK		5.89%	2007	
J.P. Morgan (24.02.98) *) **)	Life	1,597.8	USD	200	6.58%	Perpetual	-74.0
Merill Lynch International *) **)	Life	1,083.7	EUR	135	4.24%	2009	19.1
Convertible subordinated loan ***)	Finansbanken	9.3			8.50%	Perpetual	
Subordinated loan, 1997	Finansbanken	60.0			7.10%	2002	
Subordinated loan, 1997	Finansbanken	40.0			6.30%	2002	
Subordinated loan, 1998	Finansbanken	109.0			6.30%	2008	
Subordinated loan, 1998	Finansbanken	91.0			7.20%	2008	
Subordinated loan, 1999	Finansbanken	35.0			7.80%	2009	
Total		4,545.5					-99.3

*) Option to redeem after 5 years.

***) Loans denominated in foreign currencies are hedged against NOK

***) Netted in the group accounts, subordinated loan in the balance sheet totals NOK 4,536.2 million.

Note 39: Off-balance sheet contingent liabilities

<i>NOK million</i>	1999	1998
Loan guarantees	26.7	97.7
Payment guarantees	491.8	
Contract guarantees	156.9	
Other guarantees	19.9	1.6
Book value of assets pledged as security for loans etc.	1,115.3	245.0
Total contingent liabilities	1,810.6	344.3
Forward foreign exchange purchases	2,200.6	
Total other liabilities	2,200.6	

Note 40: Capital adequacy

<i>NOK million</i>	1999					Group	1998 Group
	SB Life Group	SB Non-life Group	SB Bank Group	Finans- banken	SB ASA		
Risk-weighted calculation base	47,503	10,790	4,045	12,083	7,657	75,393	56,161
Core capital	2,914	4,923	745	1,032	6,054	9,972	4,992
Subordinated loan capital - perpetual	1,512			9		1,512	1,512
Subordinated loan capital - dated	1,320			335		1,655	1,320
Reduction in eligible subordinated loan capital	-49					-49	-49
Eligible subordinated loan capital	2,783			344		3,118	2,783
Intangible assets	-4	-1,237	-127	-7	-146	-2,333	-50
Other deductions					-194	-194	-191
Net primary capital	5,693	3,686	618	1,369	5,714	10,563	7,534
Capital ratio (%)	12.0%	34.2%	15.3%	11.3%	74.6%	14.0%	13.4%

The required minimum capital ratio is 8%.

Note 41: Sale of non-life insurance activities

Storebrand Skadeforsikring's profit and loss account for 1999 (full year) represents the results from operations before the If transaction, the sale of Storebrand Nybygg AS and the acquisition of Oslo Re ASA. This is because the completion date for accounting purposes is 21 December 1999, the date on which formal approval was granted by the Norwegian authorities. The profit and loss account also includes the capital gain on the

transfer of business to If and the sale of SB Nybygg AS. The profit and loss account does not reflect the transaction dates for the If and SB Nybygg transactions of 1 March 1999 and the transaction date of 1 April 1999 of the acquisition of Oslo Re ASA. The following reconciliation of shareholders' equity shows the breakdown of profit in accordance with these transaction dates.

<i>NOK million</i>	Storebrand non-life Group
Equity at 1 January 1999	2,348.8
Profit January-February	-84.8
Capital gain on the If transaction 1 March 99	3,230.0
Release of security reserve etc. as a result of the If transaction	428.0
Capital gain on the sale of Storebrand Nybygg AS 1 March 99	63.0
Share in profit of If (44%) March-December	203.7
Profit for Oslo Re April-December	88.4
Profit for SB Skade AS March-December	182.3
Pre-tax profit	4,110.6
Change in deferred tax	-947.4
Profit for the year	3,163.2
Net effect of group contributions	-576.0
Equity at 31 December 1999	4,936.0

Note 42: Analysis by line of insurance

<i>NOK million</i>	Collective pension insurance	Group life insurance	Individual endowment insurance*)	Ind. annuity /pension insurance	Total for the Life Group	Health insurance 50%**)	Unit linked products	Total life ins. activities
Gross premiums written	4,523.2	374.9	1,545.8	730.2	7,174.1	3.3	242.6	7,420.0
Reserve transfers	2,008.3		5.7	83.5	2,097.5		1,019.5	3,117.0
Reinsurance ceded	-2.1	-1.9	-2.7	-0.7	-7.4	-0.1		-7.5
Premium income 1999	6,529.4	373.0	1,548.8	813.0	9,264.2	3.2	1,262.1	10,529.5
Premium income 1998	5,778.6	361.6	1,839.6	907.6	8,887.4	0.1	211.9	9,099.4
Premium income 1997	4,038.0	345.2	1,708.8	1,151.1	7,243.1		115.2	7,358.3
Income from financial assets	15,533.6	132.4	1,883.7	5,515.9	23,065.6	4.6	447.6	23,517.8
Other insurance related income	36.0	0.3	4.4	13.2	53.9			53.9
Gross claims paid	-2,313.6	-327.9	-1,751.5	-1,169.7	-5,562.7	-0.2	-6.9	-5,569.8
Reinsurance ceded	0.1	0.2	3.0	0.5	3.8			3.8
Change in claims reserve	1.0	1.9	-15.1	-0.2	-12.4	-1.3		-13.7
Transfers of premium reserve etc. paid	-980.4		-12.2	-1,214.7	-2,207.3		-4.5	-2,211.8
Claims 1999	-3,292.9	-325.8	-1,775.8	-2,384.1	-7,778.6	-1.5	-11.4	-7,791.5
Claims 1998	-3,026.9	-311.1	-1,918.4	-1,397.8	-6,654.2		-8.5	-6,662.7
Claims 1997	-3,294.3	-319.9	-1,199.1	-1,140.5	-5,953.8		-1.5	-5,955.3
Change in premium reserve	-5,717.2	-5.5	110.2	722.3	-4,890.2		-1,667.6	-6,557.8
Guaranteed yield on premium/pension adj. fund	-153.4			-23.1	-176.5			-176.5
Transfers of add.stat.reserves and mkt.vlue.reserve	113.4		0.3	7.1	120.8			120.8
Movements in insurance fund: additional statutory reserves	-29.8		63.6	92.2	126.0			126.0
Movement in security reserve	-2.0		-6.7	8.7			-3.3	-3.3
Technical reserves for non-life insurance			-8.9		-8.9			-8.9
Movements in insurance related reserves 1999	-5,789.0	-5.5	158.5	807.2	-4,828.8		-1,670.9	-6,499.7
Movements in insurance related reserves 1998	-4,517.1	-5.3	8.8	-256.7	-4,770.3		-182.1	-4,952.4
Movements in insurance related reserves 1997	-3,516.8	-12.8	-658.4	-995.5	-5,183.5		-112.1	-5,295.6
Insurance related operating costs	-300.2	-63.2	-243.7	-148.2	-755.3	-13.2	-14.4	-782.9
Operating costs related to financial assets	-94.5	-0.8	-11.4	-33.6	-140.3		-5.6	-145.9
Other costs related to financial assets	-5,212.7	-44.4	-632.1	-1,851.0	-7,740.2	-0.6	-7.8	-7,748.6
Costs related to financial assets	-5,307.2	-45.2	-643.5	-1,884.6	-7,880.5	-0.6	-13.4	-7,894.5
Other insurance related costs	-37.8	-15.2	-2.4	-6.1	-61.5			-61.5
To/from market value adjustment fund	-3,977.6	-33.3	-472.9	-1,384.6	-5,868.4			-5,868.4
Allocated to policyholders	-2,789.8	-19.7	-407.6	-1,115.8	-4,332.9			-4,332.9
Balance of the technical account	604.5	-2.2	49.5	225.9	877.7	-7.5	-0.4	869.8
Other income	0.4		0.1		0.5			0.5
Other costs	-171.8	-1.5	-20.8	-61.0	-255.1		-0.1	-255.2
Extraordinary income	185.8	1.6	22.5	66.0	275.9			275.9
Profit before tax	618.9	-2.1	51.3	230.9	899.0	-8.3	-0.5	890.2

*) Includes non-life products in the Life insurance company

**) Figures for Storebrand Helseforsikring AS are for 50% in line with ownership interest, and include financial income from the non-technical accounts.

Note 43: Analysis of banking activities

NOK million	Storebrand Bank				Finansbanken			
	1999	%	1998	%	1999	%	1998	%
Net income and commissions	106.9	1.50%	59.9	1.29%	329.2	2.50%	321.4	2.50%
Dividends	41.3	0.58%	128.1	2.76%				
Net commission/other income from banking services	20.5	0.29%	11.7	0.25%	24.9	0.19%	14.2	0.11%
Net gain/loss on securities and foreign exchange	4.8	0.07%	-17.9	-0.39%	15.7	0.12%	12.8	0.10%
Other operating income	29.0	0.41%	49.5	1.07%	1.2	0.01%	2.3	0.02%
Non-interest expenses	-211.5	-2.96%	-190.0	-4.09%	-130.8	0.99%	-107.8	0.84%
Operating profit before loan losses and write downs	-9.0	-0.13%	41.3	0.89%	240.2	1.83%	242.9	1.89%
Losses and provisions on loans and guarantees	-2.7	-0.04%	-3.3	-0.07%	-72.5	0.55%	-99.7	0.77%
Profit from ordinary operations	-11.7	-0.16%	38.0	0.82%	167.7	1.27%	143.2	1.11%
Extraordinary income			74.9	1.61%				
Tax	14.8	0.21%	29.1	0.63%	-47.9	0.36%	-38.9	0.30%
Profit after tax	3.1	0.04%	142.0	3.06%	119.8	0.91%	104.3	0.81%
Average total assets	7,141.4		4,643.3		13,928.7		12,826.0	

Key figures

NOK million	Storebrand Bank		Finansbanken	
	1999	1998	1999	1998
Balance sheet:				
Closing total assets	8,045.7	6,186.2	13,928.7	12,826.0
Average total assets	7,141.4	4,643.3	13,158.8	12,868.5
Gross lending	6,748.3	4,915.7	12,447.0	11,282.0
Total customer deposits	5,155.8	3,519.2	5,603.5	5,852.5
Liquidity:				
Deposits relative to loans (%)	76.48%	71.65%	45.00%	52.95%
Liquid assets as percentage of total assets	11.88%	14.85%	9.33%	10.08%
Lending and loan loss provisions:				
Loan losses as percentage of total lending	0.05%	0.04%	0.58%	0.88%
Loan loss provisions as percentage of gross lending	0.10%	0.09%	1.80%	2.00%
Loans in default as percentage of gross lending	0.28%	0.21%	4.41%	4.43%
Specific loan loss provisions as percentage of loans in default	15.07%	25.24%	21.20%	26.40%
General loan loss provisions as percentage of net lending	0.06%	0.03%	0.87%	0.87%
Loans in default - gross value	19.2	10.3	549.0	500.0
Loans in default - written down value	16.3	7.7	433.0	368.0
Solidity:				
Capital ratio (%)	15.78%	15.64%	11.31%	12.15%
Core capital ratio (%)	15.78%	15.64%	8.52%	8.39%
Risk weighted total assets	4,086.3	3,073.1	12,083.3	10,880.3
Equity as percentage of total assets	9.05%	8.89%	7.43%	7.19%
External liabilities as percentage of total assets	90.95%	91.11%	92.57%	92.81%
Profitability:				
Return on equity	0.49%	33.12%	11.78%	13.08%
Return on total assets	0.04%	3.08%	0.91%	0.81%
Interest margin (%)	1.50%	1.29%	2.51%	2.50%
Cost/income ratio (%)	131.15%	184.23%	35.25%	33.05%

US GAAP for the group's life insurance activities

The accounting principles under which the group financial statements have been prepared conform with Norwegian generally accepted accounting principles (N GAAP) and differ in certain significant respects from United States generally accepted accounting principles (US GAAP). A summary of the significant differences is presented below. For previous years this summary has been presented for the group as a whole. However the new non-life company If Skadeförsäkring has not produced US GAAP comparison figures for 1999, and therefore US GAAP figures are provided only for the life insurance activities of the group, which comprise Storebrand Livsforsikring group and Storebrand Fondsforsikring AS.

Reconciliation of net income to US GAAP

<i>NOK million</i>	1999	1998	1997
Life insurance activities – Profit for the year (N GAAP)	706.8	457.4	454.4
<i>Effect of estimated adjustments for US GAAP:</i>			
Contract acquisition costs	79.7	51.9	-95.9
Real estate	-401.8	-119.5	36.1
Investments in securities and derivatives	-109.9	48.8	-772.4
Allocation of differences to policyholders	283.7	-18.6	540.9
Income tax effects of US GAAP adjustments	41.5	10.5	84.1
Life insurance – Net income (US GAAP) before cumulative effect of change in accounting principles	600.0	430.5	247.2
Cumulative effect of change in accounting principles, net of taxes	-	77.6	-
Life insurance activities – Net income (US GAAP)	600.0	508.1	247.2

Reconciliation of shareholders' equity to US GAAP

<i>NOK million</i>	1999	1998
Life insurance activities – equity capital (N GAAP)	2,984.0	2,913.7
<i>Effect of estimated adjustments for US GAAP:</i>		
Contract acquisition costs	1,563.7	1,484.0
Real estate	-1,815.1	-1,413.3
Investments in securities and derivatives	-454.8	-344.9
Allocation of differences to policyholders	456.5	172.8
Market value adjustment for securities	9,261.3	3,282.1
Life insurance policyholders' share of mark to market	-6,945.9	-2,461.5
Income tax effects of US GAAP adjustments	-220.6	17.6
Dividends	642.8	371.8
Life insurance activities – shareholders' equity (US GAAP)	5,471.8	4,022.3

Differences between N GAAP and US GAAP

Contract acquisition costs

Under N GAAP all costs and expenses incurred in connection with the origination of new insurance contracts and renewals of contracts are charged to expense as incurred. Under US GAAP those costs which vary with and are primarily related to the acquisition and renewal of insurance contracts, for example commissions, are capitalized and charged to expenses in proportion to related revenue recognized.

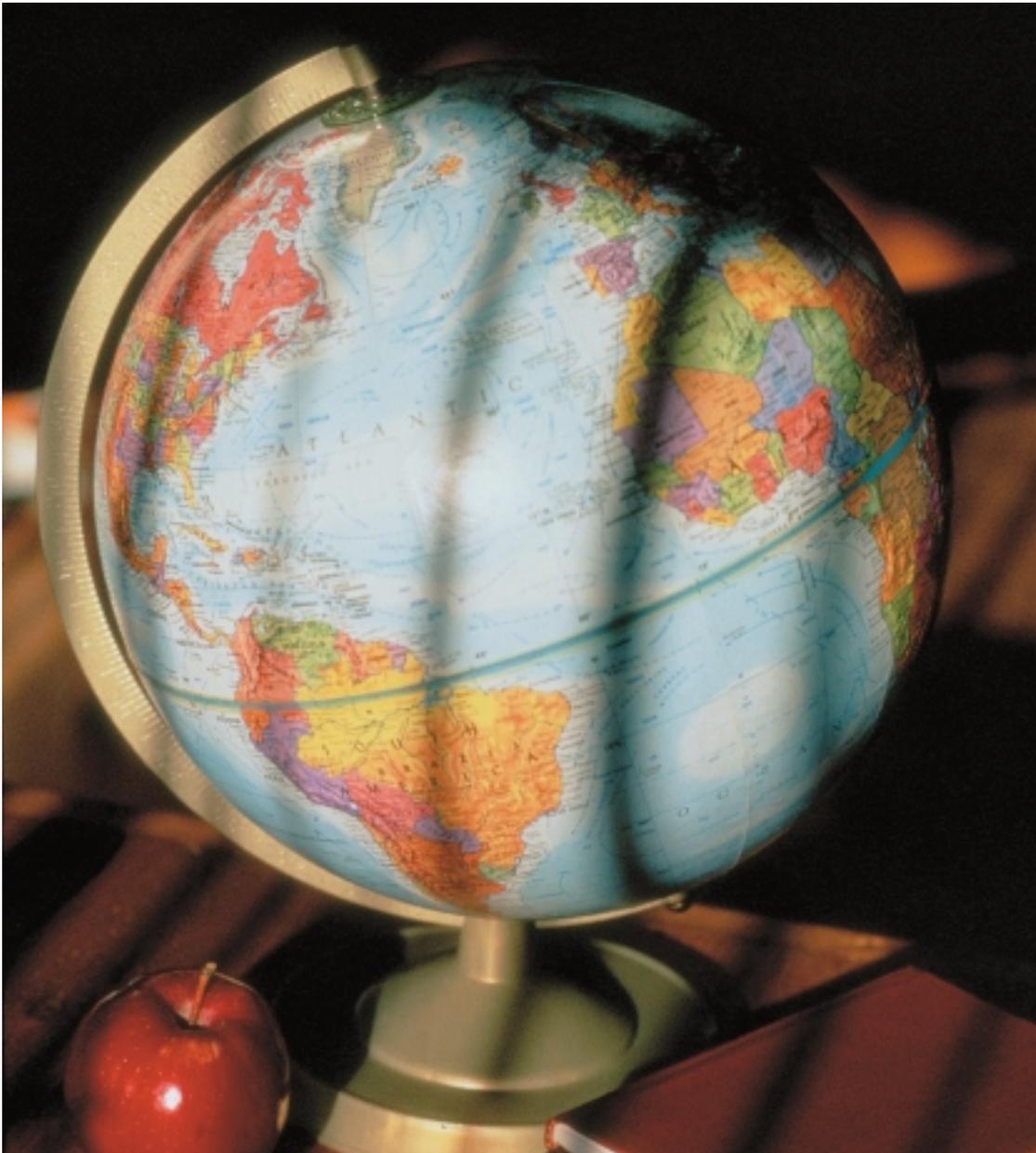
Real estate

Under N GAAP real estate is revalued at current value with changes in current value recognized in the profit and loss account, and no depreciation is applied. Under US GAAP real estate is carried at historical cost and is depreciated over its expected useful life not in excess of 50 years. Impairment provisions are evaluated on an individual property basis, but no upward revaluations are permitted.

Financial instruments

Under N GAAP debt securities, quoted equity securities and derivative financial instruments are carried at fair value. Net unrealized gain in the portfolio is transferred to a market value adjustment reserve, but changes in unrealized value arising from the exchange rate at the balance sheet date are recognized to income. Under US GAAP debt securities are carried at fair value with any premium or discount being amortized over the remaining maturity. Equities classified as "available for sale" are carried at fair value. Differences between fair value and the amortized value of debt securities/historical cost of equities are carried as a separate component of shareholders' equity. Derivative financial instruments are carried at fair value and changes in value are recognized to income. Gains and losses in respect of the foreign exchange element of hedged securities which are classified as "available for sale" are recognized to income in the same period as the hedging contract cf. FAS 133.

In the case of N GAAP, debt securities already in Storebrand's ownership which are subsequently classified as "hold to maturity" are valued at the lower of historical cost and market value at



the time of the reclassification. Under US GAAP amortization of any premium or discount would continue after such a reclassification.

Life insurance policyholders' participation

Pre-tax operating results of the life insurance entity are shared with policyholders on the basis of a formula which by government regulation must allocate at least 65% of profits to policyholders whilst the allocation to equity and shareholders. US GAAP considers the 65% minimum policyholder participation as applicable to all elements of pre-tax profits and therefore provides for a similar 65% participation in all of the US GAAP differences which are of timing nature and which affect the measurement of such profits in the life insurance entity on a US GAAP basis. In the unit linked activities carried on by Storebrand Fonds-

forsikring AS these differences are allocated in full to income and equity.

Norwegian government regulation also requires a participation by terminating policyholders in unrecognized unrealized investment gains through a formula that attributes 75% of such gains to policyholders as a group. No recognition of this potential liability is reflected under N GAAP. Under US GAAP 75% of the adjustment to shareholders' equity arising as a result of marking available for sale securities to market value is allocated to policyholder liabilities in recognition of this regulatory provision.

Tax

Deferred tax has been calculated at a rate of 28% to reflect the income tax effects of US GAAP differences.

Terms and expressions

See also the preceding description of **Accounting Principles**

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 cashflow 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: Profit for the year less preference dividend and other costs related to preference shares forms the base for the calculation of earnings per ordinary share. Adjustment is also made for the year's allocations to statutory security reserves etc. in respect of non-life insurance. These statutory allocations include security, reinsurance and administration reserves, as well as the natural perils fund and 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 restricted equity capital and free reserves such as the contingency reserve, etc.

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 the revaluation reserve and net prepaid pensions.

Tier 2 capital: Tier 2 capital is part of the primary capital and consists of the revaluation reserve and 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 5 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 policyholders' funds during the course of the year. The average yield is a gross yield before deducting costs and will thus not be comparable with interest reported by other financial institutions. The average yield is calculated in accordance with rules set by the Banking, Insurance and Securities Commission.

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 the death of an insured member of the group. Such insurance can be extended to cover disability insurance.

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

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

Return on assets: The booked return on assets (investment return) shows the net realised income from financial assets, including the current valuation of real estate investments, 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 valueadjusted return on assets (valueadjusted investment return) shows the realised income from financial assets, including the revaluation of real estate, plus 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 whereby the customer can influence the level of risk and return associated with the investment element of the product by selecting in which funds assets are to be invested. The product is divided into an insurance element and an investment management - i.e. savings-element.

Non-life insurance

Claims: Total claims amount for losses incurred.

Claims ratio: Claims incurred as a percentage of premiums earned.

Claims reserve ratio: The claims reserve f.o.a. as a percentage of premiums written f.o.a.

Combined ratio: The sum of the cost ratio and the claims ratio.

Cost portion: Operating expenses as a percentage of premiums earned.

Cost ratio: Operating expenses as a percentage of premiums written.

Direct business: Insurance business where a direct agreement is entered into between the insurance company and the insurance customer.

F.o.a.: For own account.

Gross claims: The sum of total claims amount for losses incurred in the period and any changes in losses which occurred in earlier periods.

Gross premiums: Used both for premiums written and earned and corresponds to total premiums without deduction for reinsurance ceded.

Insurance (technical) profit: Premium income less claims and operating costs.

Operating profit: Technical profit (before changes in security reserves etc.), and the result of the non-technical profit and loss account.

Premiums earned: Premiums for the risk the company has incurred during the accounting period.

Premiums written: The sum of all notified (invoiced) premiums with the main due date in the accounting period for direct insurance, together with premiums booked in the period for insurance assumed from other companies (reinsurance).

Reinsurance ceded/assumed: Insurance risk ceded to/assumed from another insurance company.

Reinsured portion of claims: Reinsurers' portion of gross claims.

Reinsured portion of premiums: That part of gross premiums ceded to other insurance companies (reinsurers) for agreeing to assume part of the risk the company has itself assumed towards its insurance customers.

Run-off results (gains/losses): Amounts related to losses which have occurred in previous years, representing the difference between actual and expected claim amounts paid on settled losses, as well as changes in expected claim payments for unsettled losses.

Solvency capital: Solvency capital consists of that part of the company's capital which does not represent continuing obligations and is an expression of the company's solidity.

Solvency margin: Solvency capital as a percentage of premiums written f.o.a..

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 specific form of loan repayment. An instalment loan is a loan on which the borrower makes regular partial repayments of principal (instalments) in equal amount throughout the entire repayment period. The borrower accordingly pays the sum of a fixed instalment amount and a reducing interest amount at each instalment date, giving a reduction in payments over the life of the loan assuming a fixed interest rate. Repaying a loan on this basis involves the payment of less interest over the life of the loan than is the case for a level repayment loan for the same term since the underlying principal amount is repaid more quickly. See also level repayment loan.

Level repayment loan: A specific form of loan repayment. 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 financial instruments in portfolio management. Financial derivatives can be used to hedge against unwanted financial risks, or to create a desired risk exposure in place of using traditional financial instruments.

Share options: The purchase of share options confers a right (but not an obligation) to buy or sell shares at a predetermined 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 onerous obligation. In the main exchange traded and cleared options are used. Purchases of options to buy shares (call options) and sales of options to sell shares (put options) are classed as long positions.

Stock futures (stock 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. Purchases of share futures contracts are defined as long positions.

Forward Rate Agreements (FRA): Forward Rate Agreements (FRA) are agreements to pay or receive the difference between an agreed fixed rate of interest and the actual rate for a fixed future period of time. This difference is settled at the start of the future interest period. FRA contracts are particularly appropriate to the management of short term interest rate exposure. Sales of FRA contracts are defined as long positions.

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

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. Interest rate swaps are defined as long positions where the agreement provides for the receipt of a fixed rate of interest.

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 predetermined price. Interest rate options can be used as a flexible instrument for the management of both long and short term interest rate exposure. Purchases of options to buy bonds (call options) and sales of options to sell bonds (put options) are classed as long positions.

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. Spot currency transactions are also classified as forward contracts.

Companies in Storebrand

as at 31.12.1999

<i>NOK million</i>	Interest	Currency	Share capital
Storebrand ASA		NOK	1,387.2
Storebrand Livsforsikring AS	100%	NOK	1,361.2
Storebrand Eiendom AS	100%	NOK	1.0
Storebrand Pensjonstjenester AS	100%	NOK	3.7
Aktuar Consult AS	100%	NOK	0.1
Aktuar Systemer AS	100%	NOK	4.1
Scanvik Corporation	100%	USD	8.0
Storebrand Kjøpesenter Holding AS	100%	NOK	12.0
Storebrand Nybygg AS	100%	NOK	1,120.0
- Storebrand Filipstad AS	100%	NOK	1.0
Storebrand Hoffsvveien 1 AS	100%	NOK	0.1
AS Værdalsbruket *)	74.9%	NOK	4.8
- Inntre AS	32%	NOK	0.1
Storebrand Fondsforsikring AS	100%	NOK	30.0
Storebrand Bank AS	100%	NOK	125.0
Storebrand Finans AS	100%	NOK	20.0
Bertil & Steen Finans AS	50%	NOK	5.0
Finansbanken ASA	100%	NOK	694.2
Finansbanken Formuesforvaltning ASA	100%	NOK	10.0
Finansbanken Index ASA	81%	NOK	1.0
Industri & Skipsbanken Fonds AS	100%	NOK	6.5
Industri & Skipsbanken Insurance AS	100%	NOK	1.0
Industri & Skipsbanken Brokers AS	100%	NOK	2.0
Industri & Skipsbanken Invest I AS	100%	NOK	0.1
Skipskredittforeningen AS	100%	NOK	0.1
Storebrand Fondene AS	100%	NOK	1.2
Storebrand Luxembourg SA	100%	EUR	0.1
Storebrand Kapitalforvaltning ASA	100%	NOK	12.0
Storebrand Investment Management AS	100%	NOK	15.0
Storebrand Skadeforsikring AS	100%	NOK	1,380.6
Oslo Reinsurance Company ASA	100%	NOK	264.0
- Oslo Reinsurance Company (UK) Ltd.	100%	GBP	26.0
If Skadeförsäkring Holding AB	44%	SEK	640.0
Europeiske AS	100%	NOK	7.9
Storebrand Helseforsikring AS **)	50%	NOK	30.0
Fair Financial Ireland plc. ***)	5.2%	DKK	79.1
Storebrand Leieforvaltning AS	100%	NOK	10.0
Storebrand Felix kurs- og konferansesenter AS	100%	NOK	1.0
Norden Bedriftservice AS ****)	50%	NOK	15.0

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

**) Operation jointly controlled with Deutsche Krankenversicherung AG.

***) Co-operative venture with Head & Company L.L.C.

****) Operation jointly controlled with if...

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Print: Aktietykkeriet a.s
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