Interim report Storebrand Group

4th quarter 2010

(Unaudited)

Interim report - 4Q 2010:

Storebrand Group

Contents

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Storebrand Group

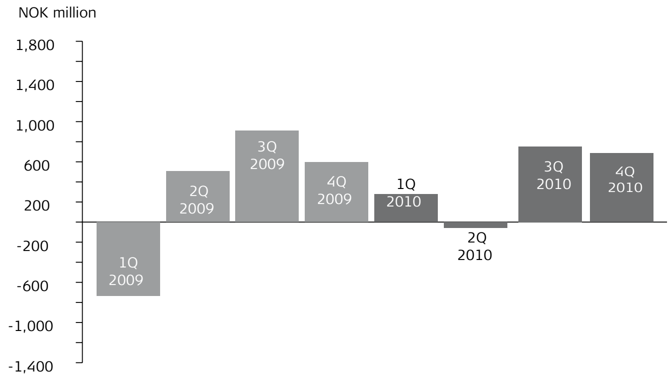
Main features

- **Group result[1)] of NOK 664 million for 4Q and NOK 1,608 million for the full year**
- **Result effects from operational improvement programme exceeding targets**
- **Buffer capital strengthened by NOK 2.9 billion in 4Q and NOK 5.5 billion in the full year**
- **Good financial position: solvency margin of 164 per cent for life insurance activities**
- **Dividend of NOK 1.10 per share**

Group result

	4Q		Full year	
NOK million	2010	2009	2010	2009
Life and Pensions Norway	301	193	877	759
Life and Pensions Sweden (SPP)	214	307	464	487
Asset Management	168	138	333	240
Bank	34	24	158	63
P&C and health insurance	9	-15	8	-49
Other activities	-62	-64	-231	-255
Group result before amortisation	664	583	1.608	1.245
Write-downs and amortisation intangible assets	-102	-101	-390	-390
Group pre-tax profit/loss	562	482	1,217	855

Group result before amortisation and write-downs per quarter



Key Figures

	4Q		Full year	
NOK million	2010	2009	2010	2009
Earnings per share adjusted (NOK) [2)]	2.37	1.43	4.17	2.96
Return on equity, annualised [2)]	26.9 %	16.5 %	10.8%	8.2%
Equity			18.417	17.217
Capital adequacy Storebrand Group			13.1 %	13.9 %
Solvency margin Storebrand Life Group			164%	170%
Core capital adequacy Bank Group			10.6 %	10.4 %
Administration result Life and Pensions Norway [3)]	18	-19	19	-169
Administration result Life and Pensions Sweden	11	-37	84	-101
Cost/income Asset Management	47%	56%	57%	65%
Cost/income Banking activities [4)]	70%	58%	68%	71%

1) Group result before write-downs and the amortisation of intangible assets.
2) Ajusted for write-downs and amortisation of intangible assets.
3) Administration result to owner.
4) Includes result from Storebrand Bank ASA, Storebrand Boligkreditt AS and Storebrand Eiendomskreditt AS.

The Storebrand Group is a leading company in the Nordic market for life insurance, pensions and long-term savings. The Group consists of the following business areas: life insurance, asset management, banking, and P&C and health insurance.

Result

The group result before amortisation of intangible assets was NOK 664 million (NOK 583 million) for 4Q and NOK 1,608 million (NOK 1,245 million) for the full year. The result after amortisation was NOK 562 million (NOK 482 million) for 4Q and NOK 1,217 million (NOK 855 million) for the full year. Figures in brackets show the situation in the same period in 2009.

The quarter's result was characterised by good value creation for customers and the owner in both life and pensions and the asset management business. The operational improvement programme in the Group is producing the expected effects and strengthening underlying earnings.

Good returns on investments in customer portfolios in Life and Pensions Norway contributed to a satisfactory financial result and an increase in the customers' buffer capital of NOK 1.3 billion in the quarter. The financial result in the quarter is impacted by losses associated with the bankruptcy petition in the Danish bank Amagerbanken A/S. The quarter's risk result was affected by increased provisions, due to a change in methodology, while operational efficiency produced further improvements in the administration result during the period.

The result in the Swedish life insurance business was influenced by a continued good risk result and positive administration and financial results in the quarter. Increased market interest rates will strengthen the basis for earnings in the business, but weakened the return on investment and profit sharing in the quarter. The customers' buffer capital during the period was strengthened by NOK 1.5 billion.

The asset management business developed well in the quarter with further improvements to the operating result and high performance-based fees. The year's total perfomrance-based fees are recognised as income in 4Q.

Storebrand Bank's result for the quarter was affected by improved net interest income and reduced operating costs.

Storebrand's result developed positively during the year. The administration results in the Nordic life insurance businesses improved by NOK 373 million over the year. The risk results developed well despite the building up of reserves in Life and Pensions Norway. The financial results in the life insurance business were affected by unstable financial markets throughout the year, but positive developments, especially in the equity markets in the second half of the year, resulted in good returns on investments in the customer portfolios. Overall this produced good value creation for the full year and strengthened buffer capital in the life insurance business by NOK 5.5 billion during 2010. Storebrand allocated 7,1 billion to its customers in 2010, of which 1,5 billion was in excess of the guaranteed amount.

The asset management business' result improved strongly in 2010 due to higher volume-based fees and consultancy income. Storebrand Bank's 2010 result was substantially better due to increased net interest income and operational improvements.

The result in P&C insurance was negative for the year as a whole due to extraordinarily high frost and water damage in the first quarter of the year, but the last three quarters produced positive results.

The work on efficiency measures in the Group was intensified in 2010. The targets achieved through the programme for operational improvements affected both the income and costs sides positively. The effect on the result of the programme was NOK 588 million in 2010, which exceeds the NOK 550 million target. The work on operational efficiency and result improvement continues unabated and will, together with continued growth within Unit Linked-based products, further strengthen the quality of the company's earnings.

Capital situation

The Storebrand Group is in a sound financial position at the start of 2011. The solvency margin of the Storebrand Life Insurance Group (Life and Pensions Norway and Life and Pensions Sweden) was 164 per cent and its capital adequacy was 13.6 per cent.

The bank's core (tier 1) capital ratio was 10.6 per cent at the close of the quarter. The Storebrand Group's capital adequacy was 13.1 per cent and its core (tier 1) capital ratio was 9.8 per cent.

Based on the current dividend policy, satisfactory results and a good financial position, the Board recommends a dividend of NOK 1.10 per share for 2010.

Market and sales performance

Total new premiums (APE[1]) in Life and Pensions Norway amounted to NOK 267 million in 4Q, while for the full year they amounted to NOK 1,476 million. This is an increase of 22 per cent for the full year and was primarily due to growth in the inflow of reserves for group defined benefit pensions. The company won a number of large tender competitions towards year-end 2009, and reserves for these have been transferred which resulted in increased APE in 2010. The net booked inflow to Storebrand Life Insurance amounted to NOK 298 million in 4Q and NOK 1,857 million for the full year. Premium income from unit linked insurance (group schemes) increased by 11 per cent in 2010 and now amounts to 22 per cent of total premium income.

SPP's premium income from unit linked insurance continued to grow as well. In 2010, the proportion from unit linked insurance was for the first time greater than premium income from guaranteed business. New sales within unit linked insurance increased compared to last year and account for 67 per cent of total new sales. Total new sales measured in APE for 2010 amounted to NOK 1,021 million for SPP, a 12 per cent increase.

The volume of net new sales in asset management (external discretionary assets and mutual funds) was NOK 8 billion in 4Q: NOK 5.2 billion in the Norwegian business and NOK 2.9 billion in the Swedish business. Net new sales during the year amounted to NOK 13.5 billion.

1) Annual premium equivalent. Current premiums + 10 per cent of single premiums.

LIFE AND PENSIONS NORWAY

- **Good returns produced a satisfactory financial result for the owner and increased customer buffer by NOK 1.4 billion in the quarter**
- **Continued cost reductions and income growth improved the administration result**
- **Positive net transfer balance of NOK 1.9 billion, inflow of NOK 0.3 billion in the quarter**
- **Customers received NOK 7.1 billion for the full year, NOK 1.5 billion in excess of the interest guarantee**

The Life and Pensions Norway business area consists of Storebrand Life Insurance which offers a wide range of products within occupational pensions, private pension savings, and life insurance to companies, public sector entities, and private individuals.

Result

Financial performance - Life and Pensions Norway

	4Q		Full year	
NOK million	2010	2009	2010	2009
Administration result	18	-19	19	-169
Risk result	6	61	212	229
Financial result [1)]	135	17	119	201
Price of interest guarantee and profit risk	142	125	557	478
Other	0	9	-30	20
Pre-tax profit/loss	301	193	877	759

Administration result

The administration result was NOK 18 million (minus NOK 19 million) for 4Q and NOK 19 million (minus NOK 169 million) for 2010.
A number of cost effciency measures were implemented in the last year involving staffing reductions, offshoring, and lower purchasing costs. The underlying growth in income within defined contribution pensions and unit linked is good.

Risk result

The risk result amounted to NOK 6 million (NOK 61 million) for 4Q and NOK 212 million (NOK 229 million) for the full year. The result was affected by an increase in reserves in line with new methodology for incurred but not reported claims (IBNR) and reported but not settled claims (RBNS). The risk results for disability and mortality in the quarter were weaker than in the same period last year, while the longevity result improved.

NOK 8 million was set aside in the risk equalisation fund for group pensions in 4Q. NOK 76 million was allocated in the year. The risk equalisation fund for group pensions amounted to NOK 257 million at year-end 2010.

The risk equalisation fund for paid-up policies amounted to NOK 27 million at year-end 2010, a reduction of NOK 20 million in 4Q and NOK 15 million for the full year.

The risk result for fund-based products and other risk products amounted to minus NOK 12 million (NOK 53 million) for 4Q and NOK 120 million (NOK 156 million) for 2010.

Financial result

The financial result amounted to NOK 135 million (NOK 17 million) for 4Q and NOK 119 million (NOK 201 million) for the full year. The financial result in the quarter is impacted by losses associated with bankruptcy petition in the Danish bank Amagerbanken A/S. The announcement made by Amagerbanken A/S on 6 February 2011 provided new information about conditions that existed as of 31.12.2010. Hence it is for the accounting year 2010 recognized a loss related to bond investments.. Due to this the result to owner is reduced by NOK 37 million in the quarter, of which NOK 28 million in the company portfolio and NOK 9 million caused by reduced investment return and profit sharing in the customer portfolios.

The market return in the quarter was good due to the positive development of the equity markets, even though the increase in long interest rates made a negative contribution in the period. Unrealised gains increased by NOK 0.5 billion during the quarter and amounted to NOK 2.0 billion at year-end 2010. The value of the real estate portfolio increased by NOK 182 million in excess of the running yield during the year, while the change in the quarter was marginal. The valuation of the real estate portfolio is supported by a broad range of external valuations. Excess value on loans and receivables in the quarter decreased by NOK 1.0 billion due to increases in interest rates and amounted to NOK 732 million at year-end 2010.

Booked return was above the interest guarantee in all portfolios and hence produced surplus allocated to additional statutory reserves and the customers' premium fund. The average annual interest guarantee in the various customer portfolios is between 3.3 per cent and 3.7 per cent.

The financial result for risk products amounted to NOK 28 million for 4Q and NOK 93 million for the full year.

Investment return group portfolio

	4Q 2010		4Q 2009		Full year 2010		Full year 2009	
Portfolio	Market return	Booked return	Market return	Booked return	Market return	Booked return	Market return	Booked return
Total Group (DB)	2.2 %	1.7 %	1.9 %	1.9 %	6.4 %	4.9 %	4.8 %	4.8 %
Paid-up policies	1.9 %	1.7 %	1.4 %	1.5 %	6.0 %	4.9 %	4.5 %	4.6 %
Individual	2.1 %	2.6 %	1.5 %	1.2 %	6.0 %	6.0 %	4.3 %	4.0 %

[1)] *Investment result and profit sharing.*

Profit sharing
Profit sharing produced a net positive contribution of NOK 179 million in 4Q due to the reversal of previous charges to the owner's result linked to building up reserves for longevity. The profit sharing amounted to a net NOK 64 million for the full year.

There is a need to build up reserves for individual pension insurance and paid-up policies due to assumptions concerning lower mortality in the future. NOK 186 million was allocated to build up reserves in 4Q and NOK 423 million in 2010. At year-end 2010, the amount by which the reserves still need to be built up was calculated at around NOK 520 million: around NOK 430 million for individual pension insurance and around NOK 90 million for paid-up policies. The plan is to complete the build up of the reserves by the end of 2012. This build up of reserves can be covered by positive booked return results and if the booked return for the individual portfolio is higher than 5.8 per cent this could result in profit sharing for the owner.

Company portfolio
The company portfolio's result amounted to minus NOK 36 million (minus NOK 4 million) for 4Q and minus NOK 55 million (NOK 92 million) for the full year. The company portfolio saw a gross return of 0.7 per cent for the quarter and 3.1 per cent for 2010. The return in the quarter was affected by a write-down of NOK 28 million linked to the winding-up of the Danish bank Amagerbanken A/S. Storebrand Life Insurance's loan interest costs will amount to around NOK 130 million per quarter for the next 12 months. Total interest-bearing liabilities amounted to NOK 6.6 billion at year-end 2010.

Price of interest guarantee and profit on risk
NOK 142 million was recognised as income from upfront pricing of the interest guarantee and profit from risk for group defined benefit in 4Q. This is an increase of NOK 17 million compared to the same period the last year. A total of NOK 557 million was recognised as income in 2010 compared to NOK 478 million in 2009. The increase was due to volume growth and implemented price changes.

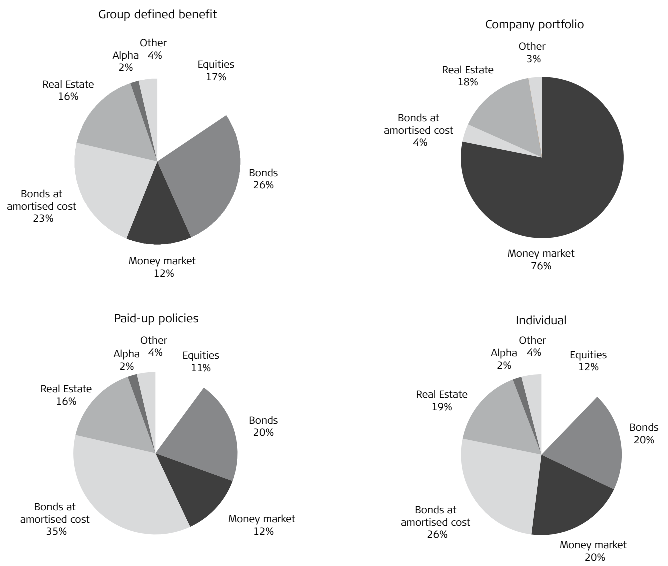
Other result
The other result was NOK 0 million (NOK 9 million) for 4Q. This primarily consists of the result from subsidiaries and changes in administration and security reserves. The other result was minus NOK 30 million (NOK 20 million) for the full year.

Balance sheet
The diagrams below show the risk-adjusted allocations (including derivatives). The proportion of equities in portfolios with a guarantee increased in 4Q. Changes in equity allocations corresponded to changes in short-term bond and money market allocations.

- The Aggressive profile had a 25 per cent proportion of equities at the close of 4Q compared to 23 per cent at the close of 3Q.
- The Standard profile had an 18 per cent proportion of equities at the close of 4Q compared to 16 per cent at the close of 3Q.
- The Careful profile had a 9 per cent proportion of equities at the close of 4Q, unchanged from the close of 3Q.
- Paid-up Policy profiles had on average an 11 per cent proportion of equities at the close of 4Q, unchanged from the close of 3Q.
- The Individual profile had a 12 per cent proportion of equities at the close of 4Q compared to 14 per cent at the close of 3Q.

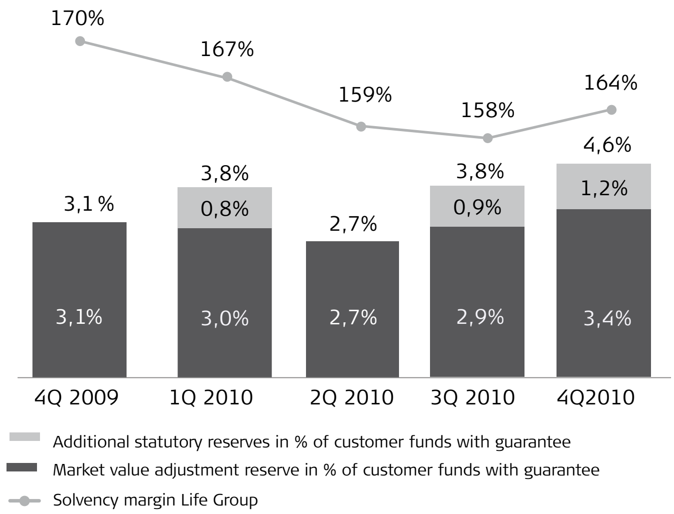
Only minor changes in allocations were made to the company portfolio during the quarter and the full year.

Assets profile



Total assets under management increased by around NOK 4 billion in 4Q and amounted to NOK 200 billion at year-end 2010. This represents an increase of NOK 15 billion for the full year. Customer assets grew due to a net inflow of customer assets and positive returns in the period.

Solvency



Solidity capital [1] increased by NOK 2.3 billion in the quarter due to positive result development and increased customer buffers and amounted to NOK 42.7 billion at year-end 2010. Solidity capital increased by NOK 7.4 billion in 2010. Additional statutory reserves amounted to NOK 5.4 billion at year-end 2010, an increase of NOK 0.9 billion in 4Q due to the allocation of the year's profit. The market value adjustment reserve increased by NOK 0.5 billion in the quarter and amounted to NOK 2.0 billion at the close of 4Q. The excess value of bonds at amortised cost fell by NOK 963 million in the quarter and amounted to NOK 732 million at year-end 2010. The increase for the full year amounted to NOK 592 million.

Storebrand Life Insurance Group's capital adequacy was 13.6 per cent at year-end 2010. Capital adequacy fell by around 1 percentage point in 2010 due to balance sheet growth and an increased proportion of equities. The Storebrand Life Insurance Group achieved a solvency margin of 164 per cent. The increase of 6 percentage points in 4Q was due to the build up of additional statutory reserves.

Market

Premium income [2]

	4Q		Full year	
NOK million	2010	2009	2010	2009
Group Defined Benefit	1,062	1,176	8,154	8,286
Paid-up policies	20	19	98	101
Group with investment choice	776	678	3,409	3,068
Individual endowment insurance and pensions	158	311	761	1,506
Individual with investment choice	552	954	1,993	2,073
Risk products without profit sharing	133	111	1,103	1,040
Total	2,701	3,249	15,518	16,073

Total premium income in the quarter fell by 17 per cent compared with the same period in 2009. This is largely explained by the good sales of 'guarantee accounts[3]' last year. Total premium income for the full year fell by 3 per cent. There was good growth in premiums from defined contribution pensions for corporates, while premium income from group defined benefit pensions is gradually falling due to the transition to defined contribution pensions. New subscriptions are no longer being sold for pension accounts and life accounts, which also decreased premium income from traditional individual pensions compared to the year before.

Sales

The booked net inflow to Storebrand was NOK 298 million (minus NOK 466 million) in 4Q. The net transfer balance for the full year amounted to a net inflow to Storebrand of NOK 1,857 million (NOK 55 million).

Net sales of guarantee accounts in the retail market amounted to NOK 0.4 billion in the quarter and NOK 1.5 billion in total for 2010, while sales of other retail unit linked contracts in the quarter were low.

New subscriptions

Total new premiums (APE) worth NOK 267 million (NOK 257 million) were signed in 4Q. APE for the full year amounted to NOK 1,476 million (NOK 1,209 million). The increase was primarily due to collective defined benefit pensions. The company won a number of large tender competitions towards year-end 2009, and reserves for these have been transferred which resulted in increased APE in 2010.

New premiums (APE) in the period:

- Guaranteed products: NOK 124 million (NOK 57 million) for 4Q and NOK 778 million (NOK 402 million) for the full year.
- Unit linked insurance: NOK 114 million (NOK 184 million) for 4Q and NOK 500 million (NOK 486 million) for the full year.
- Risk products: NOK 29 million (NOK 16 million) for the quarter, NOK 199 million (NOK 173 million) for the year-to-date.

Return for defined contribution pensions

The investment portfolios for defined contribution pensions achieved good returns in 4Q. After falling in 2Q, the equity markets rebounded strongly in the second half of the year. The year's returns for the recommended investment choices for defined contribution pensions were higher than the benchmarks for all profiles.

- 2.5 per cent (2.3 per cent) for 4Q and 6.7 per cent (10.6 per cent) for the full year for Careful pensions.
- 5.8 per cent (4.5 per cent) for 4Q and 10.3 per cent (20.6 per cent) for the full year for Balanced pensions.
- 9.0 per cent (6.6 per cent) for 4Q and 13.4 per cent (30.2 per cent) for the full year for Aggressive pensions.

[1] The term solidity capital encompasses equity, subordinated loan capital, the market value adjustment reserve, additional statutory reserves, conditional bonuses, excess value/deficit related to bonds at amortised cost and accrued profit.
[2] Exclusive transfer of premium reserves.
[3] A retail product that guarantees a specified amount anually.

LIFE AND PENSIONS SWEDEN (SPP)

- **Continued good risk results and positive financial result for the quarter**
- **Administration result improved by NOK 185 million in 2010**
- **Buffer capital of NOK 11.5 billion, an increase of 32 per cent in 2010**
- **Solvency margin of 199 per cent**

The business area Life and Pensions Sweden (SPP) offers pension and insurance solutions, and advice to companies in the competitive segment of the occupational pensions market. The company also offers private pension savings and sickness and health insurance.

Result

Financial performance - Life and Pensions Sweden [1)]

	4Q		Full year	
NOK million	2010	2009	2010	2009
Administration result	11	-37	84	-101
Risk result	51	82	311	253
Financial result	137	245	31	260
Other	15	17	38	74
Result before amortisation	214	307	464	487
Amortisation intangible assets	-90	-83	-348	-340
Pre-tax profit/loss	124	223	116	146

Administration result

The administration result amounted to NOK 11 million (minus NOK 37 million) for 4Q and NOK 84 million (minus NOK 101 million) for 2010. The result is slightly lower than in 3Q since a large proportion of the year's marketing costs are incurred in 4Q. Marketing is intensified in Q4, when customers make their choice for next years pension provider. The improvement in the result for 2010 compared to last year amounts to NOK 185 million. The improvement is principally due to the effects of the efficiency and restructuring programme implemented in 2009. This resulted in substantially lower costs in 2010. At the same time administration income increased due to an increase in assets under management. In addition to this a larger proportion of the business comes from unit linked insurance, which is more profitable than traditional products.

Risk result

The risk result amounted to NOK 51 million (NOK 82 million) for 4Q and NOK 311 million (NOK 253 million) for 2010. The underlying risk result is developing positively. The period's result was also affected by the rate of recovery from illness being higher than expected. This resulted in the dissolution of sickness reserves and a good risk result in the period.

Financial result

The financial result amounted to NOK 137 million (NOK 245 million) for 4Q and NOK 31 million (NOK 260 million) for 2010. The quarter was characterised by equity markets developing well and increased interest rates. The development of the market resulted in a reduction in the deferred capital contribution of NOK 279 million for the quarter and NOK 100 million for the year. The deferred capital contribution is a reserve against equity for undercapitalised pension contracts and its dissolution has a direct effect on the result allocated to the owner. A hedging portfolio has been established to reduce the effect of equity market fluctuations on the result. This made a negative contribution to the financial result amounting to minus NOK 76 million for the quarter and minus NOK 262 million for the full year.

[1)] Nordben was included in the result from and including June 2009.

The development of the equity markets had a positive effect on customer return in the quarter, though this was countered by higher interest rates which reduced the value of bonds in the portfolios. Returns in the different investment portfolios in the quarter varied between minus 3.4 per cent and 1.6 per cent and between 3.4 per cent and 7.0 per cent for the full year.

Financial return

	4Q		Full year	
Portfolio	2010	2009	2010	2009
Defined Benefit (DB)	-1.03	1.54	5.98	4.12
Defined Contribution (DC)				
P250*	1.63	2.38	7.00	9.59
P300*	-0.66	1.66	5.34	4.77
P 520*	-3.42	1.18	3.43	2.86
RP (Retirement Pension)	-0.04	0.54	0.13	1.27

[*)] Maximum interest rate guarantee in the portfolios P250, P300 and P520 is 2.5%, 4% and 5.2% respectively.

The total contribution to the result from profit sharing was minus NOK 87 million for 4Q and NOK 174 million for 2010. Increased interest rates had a negative effect on the quarter's return, and reduced profit sharing in the portfolios with a high proportion of interest-bearing papers. Good returns for the year resulted in profit sharing in portfolios P250 and P300 since the return was higher than the guaranteed interest.

Other result

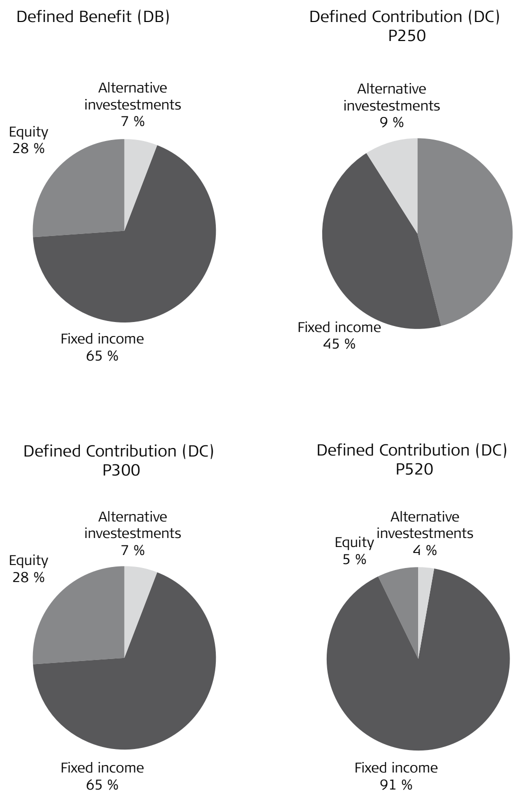
The other result was NOK 15 million (NOK 17 million) for 4Q and NOK 38 million (NOK 74 million) for the full year. The result consists of the return in the company portfolio, which is entirely invested in fixed income securities.

Balance sheet

SPP adjusts its exposure to equities in line with developments in the market via so-called dynamic risk management. The proportions of equities increased in all portfolios in the quarter with the exception of P520, in which it remained unchanged.

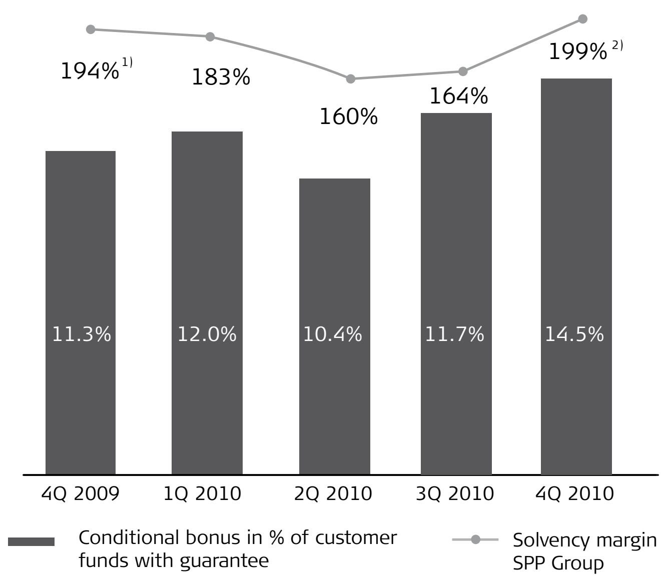
- The proportion of equities in the DB portfolio increased by 2 percentage points.
- The proportion of equities in P250 increased by 4 percentage points.
- The proportion of equities in P300 increased by 4 percentage points.
- The proportion of equities in P520 increased was unchanged.

Asset profile customer portfolios with guaranteed return



The buffer capital (conditional bonus) increased by 15 per cent in the quarter and 32 per cent in 2010. The increase was due to a good return in customer portfolios and climbing interest rates which reduced the value of insurance obligations. At the close of the quarter the buffer capital amounted to NOK 11.5 billion (NOK 8.7 billion). The solvency margin in the SPP Group was 199 per cent at the close of 4Q, which is an improvement of 35 percentage points since the previous quarter. The improvement was due to a relatively greater increase in assets than in insurance obligations.

Solvency



Total assets amounted to NOK 122 billion at the close of the quarter, which represents an increase of NOK 2 billion for 4Q and NOK 10 billion for the full year. The increase was due to continued good premium growth within unit linked insurance and good returns in the customer portfolios. It is also worth noting that the SEK has strengthened markedly against the NOK since the start of the year, which has had a positive effect on assets under management.

Market

Premium income [3]

	4Q		Full year	
NOK million	2010	2009	2010	2009
Guaranteed products	640	1,134	3,030	3,524
Unit Link	694	322	3,388	3,016
BenCo	186	171	759	857
Total	1,519	1,627	7,177	7,397

Premium income was NOK 7.2 billion, which represents a decrease of 2 per cent compared to the same period last year. This was due to a decrease in guaranteed business. Unit link premium income exceeded premium income from guaranteed business for the first time in 2010. Unit linked insurance accounted for 53 per cent (47 per cent) of SPP's premium income (excluding BenCo).

New subscriptions

New sales within unit linked insurance are developing positively. Sales of unit linked insurance increased compared to last year and accounted for 67 per cent of total new sales. Recruitment and streamlining of own sales organisation helped increase new sales measured by APE by 21 per cent in the quarter. New sales measured in APE in 2010 amounted to NOK 1,021 million (NOK 919 million).

New premiums (APE) in the quarter:

- Guaranteed products: NOK 82 million (NOK 77 million) for the quarter, NOK 291 million (NOK 348 million) for 2010.
- Unit linked insurance: NOK 165 million (NOK 101 million) for the quarter, NOK 683 million (NOK 504 million) for 2010.
- BenCo: NOK 10 million (NOK 34 million) for the quarter, NOK 47 million (NOK 66 million) for 2010.

1) After pro forma group contribution.
2) Before group contribution.
3) Exclusive transfer of premium reserves.

ASSET MANAGEMENT

- **Strong result improvement in 2010**
- **Assets under management increased by NOK 11 billion in 4Q to NOK 407 billion**
- **Sales developed well in 4Q with net new sales of NOK 8 billion**

Storebrand's asset management business encompasses the companies Storebrand Kapitalforvaltning AS, Storebrand Fondene AS, SPP Fonder AB and Storebrand Eiendom AS. Storebrand is a leading asset manager and its ambition is to become the preferred manager of long-term savings and pensions capital.

Result

Financial performance - Asset Management [1)]

	4Q		Full year	
NOK million	2010	2009	2010	2009
Operating revenue	283	283	618	586
Operating cost	-146	-170	-422	-429
Operating result	137	113	196	157
Net financial income/ other [2)]	31	26	137	83
Result before amortisation	168	138	333	240
Amortisation intangible assets	-1	-2	-6	-7
Pre-tax profit/loss	166	136	327	233

The asset management business achieved a result before amortisation of NOK 168 million (NOK 138 million) for 4Q and NOK 333 million (NOK 240 million) for 2010.

Operating income amounted to NOK 283 million (NOK 283 million) for 4Q and NOK 618 million (NOK 586 million) for 2010. Income for the quarter is at the same level as last year, but with higher fixed and volume-based income and lower performance-based income than in 2009. Good value creation in the actively managed portfolios resulted in performance-based fee income of NOK net 83 million in 2010. In line with the applicable accounting policies, performance-based fee income is recognised in 4Q.

Operating costs decreased slightly compared to last year and amounted to NOK 146 million (NOK 170 million) for 4Q and NOK 422 million (NOK 429 million) for 2010. Growth in the assets under management and number of customer relationships is l argely being handled within the existing organisation, though slight increase in capacity is being put in place to deal with changes and improvements.

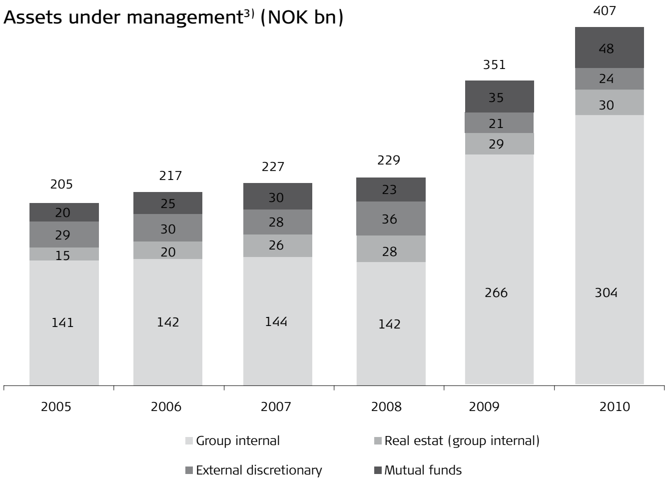
The result from SPP Fonder AB amounted to NOK 7 million (NOK 6 million) for 4Q and NOK 32 million (NOK 17 million) for the full year. Correspondingly the result from Storebrand Eiendom AS amounted to NOK 7 million (NOK 14 million) for the quarter and NOK 53 million (NOK 45 million) for 2010.

Total assets

Total assets under management amounted to NOK 407 billion (NOK 351 billion) at the close of 4Q. This represents an increase of NOK 11 billion in the quarter:

- Mutual funds increased by NOK 7 billion in the quarter and by NOK 12 billion in 2010.
- Management for external customers decreased by NOK 0.9 billion in the quarter and increased by NOK 3 billion in 2010.
- Management for group internal customers increased by NOK 4 billion in the quarter and NOK 40 billion in 2010, of which NOK 13 billion is related to the takeover of management for Euroben and Nordben at the beginning of the year.

Assets under management[3)] (NOK bn)



The management of assets and hedge fund portfolios resulted in outperformance (return better than relevant benchmarks) of NOK 77 million in the quarter and NOK 208 million in 2010 for Storebrand Livsforsikring AS. Correspondingly, SPP Livförsäkring AB achieved outperformance of SEK 65 million in the quarter and SEK 79 million in 2010.

The mutual funds managed by Storebrand Kapitalforvaltning AS for Storebrand Fondene AS provided outperformance of NOK 404 million for 4Q and NOK 778 million for 2010. SPP Fonder AB achieved outperformance of NOK 130 million in the quarter and NOK 4 million in 2010. 93 per cent (92 per cent) of the mutual funds in Storebrand Fondene AS outperformed their benchmark indices (calculated before management fees) in 2010. Correspondingly, 36 per cent (79 per cent) of the mutual funds in SPP Fonder AB had outperformed their benchmark indices at year-end 2010.

Market

The volume of net new sales in asset management (external discretionary assets and mutual funds) was NOK 8 billion (4.7 billion) in 4Q: NOK 5.2 billion in the Norwegian business and NOK 2.9 billion in the Swedish business. Net new sales during the year amounted to NOK 13.5 billion (6.5 billion).

1) Encompasses the following companies: Storebrand Kapitalforvaltning AS, Storebrand Fondene AS, SPP Fonder AB and Storebrand Eiendom AS.
2) Includes profit/loss from SPP Fonder AB and Storebrand Eiendom AS.
3) Numbers from 2009 are adjusted between segments to be comparable with 2010 numbers. 'Group internal's' share of mutual funds has been corrected, i.e. AUM for 'group internal' has increased and 'mutual funds' has decreased. 'External discretionary' is adjusted since a part of funds is moved from AUM to assets under administration.

BANKING

- **Continued profitability improvement**
- **Growth in net interest income**
- **Costs programme developing according to plan**

Storebrand Bank is a no fees, direct bank which offers a broad range of banking services to the retail market. The bank is also a leading provider of advice, transaction services, and financing for cooperate customers within commercial real estate.

Result

Financial performance - Bank [1)]

	4Q		Full year	
NOK million	2010	2009	2010	2009
Net interest income	113	104	457	423
Net commission income	19	20	74	76
Other income	35	57	101	148
Total income	166	181	631	647
Operating costs	-114	-134	-445	-504
Result before losses	52	47	186	144
Losses on lending/investment properties	-17	-23	-29	-81
Result before amortisation	34	24	158	63
Amortisation intangible assets	-8	-12	-28	-29
Pre-tax profit/loss	26	13	129	35

The bank group achieved a result before amortisation of NOK 34 million (NOK 24 million) for the quarter and NOK 158 million (NOK 63 million) for the full year. The improvements in the result were primarily due to increased net interest income, low losses and reduced operating costs. Net interest income amounted to NOK 113 million (NOK 104 million) for 4Q and NOK 457 million (NOK 423 million) for the full year. The bank group's performance was characterised by an improved deposit margin and reduced borrowing costs compared with the same period in 2009. Net interest income as a percentage of average total assets was 1.14 per cent (0.92 per cent) for the quarter and 1.10 per cent (0.95 per cent) for the full year.

Net fee and commission income was on a par with last year and amounted to NOK 19 million (NOK 20 million) for 4Q and NOK 74 million (NOK 76 million) for the full year. Other income amounted to NOK 35 million (NOK 57 million) for the quarter and NOK 101 million (NOK 148 million) for the full year. The reduction in other income compared with last year was due to a continued general spread widening, which reduces the value of the bank group's liquidity portfolio, as well as the redemption of Euro bonds in the subsidiary Storebrand Boligkreditt AS in 2Q 2010.

The bank group's[2)] operating costs were NOK 87 million (NOK 92 million) for the quarter and NOK 351 million for the full year, compared to NOK 391 million for the full year 2009. The positive development reflects the result of the bank's costs programme, which has been implemented as planned. The banking operations costs ratio was 70 per cent in 4Q and 68 per cent for the full year.

A net NOK 17 million (NOK 23 million) of lending write-downs were recognised as costs in the quarter, and NOK 29 million (NOK 81 million) for the full year. Ring Eiendomsmegling's pre-tax result amounted to minus NOK 5 million (minus NOK 22 million) for the quarter and minus NOK 5 million (minus NOK 38 million) for the full year. Ring Eiendomsmegling's result for 2010 was affected by restructuring costs and costs due to changes to the agent system.

Balance sheet

Portfolio performance and credit risk

Gross lending to customers amounted to NOK 34 billion at year-end 2010. This was unchanged in the quarter and represents in a reduction of NOK 2 billion since year-end 2009. The retail portfolio accounted for NOK 0.9 billion of the reduction in the last quarter and NOK 2.5 billion for the full year. This development was primarily due to a reduction in loan portfolios linked to the winding up of external distribution.

The volume of non-performing and loss-exposed commitments in the bank group amounted to NOK 698 million, equivalent to 2.0 per cent of gross lending, at the close of the quarter. The increase in 4Q was primarily related to one commitment, which went into compulsory liquidation in January 2011. This is an improvement since year-end 2009 when the volume of non-performing and loss-exposed loans amounted to 2.5 per cent of gross lending.

Liquidity risk and funding

The volume of deposits amounted to NOK 19 billion at the close of the quarter. The deposit-to-loan ratio was 55 per cent. This is an increase from 51 per cent at year-end 2009.

Capital adequacy

The bank group's capital adequacy was 13.0 per cent and its core (tier 1) capital ratio was 10.6 per cent at the close of the quarter.

Market

The competition for well-secured mortgages remained tough throughout the quarter. Because of this the bank implemented a series of retention measures aimed at existing customers, as well as goal-oriented customer recruitment and cross sales measures.

The market for commercial properties has to date weathered the financial crisis well with a low vacancy level. The level of rent has bottomed out and rents are increasing again, albeit moderately. The market is more focused on eco buildings and the largest tenants are willing to pay a higher rent to attain a high environmental classification. The bank's lending volume in the corporate market grew in 4Q, while the quality of the portfolio remained unchanged.

[1)] Encompasses Storebrand Bank Group.
[2)] Banking operations consists of Storebrand Bank ASA, Storebrand Boligkreditt AS and Storebrand Eiendomskreditt AS.

P&C AND HEALTH INSURANCE

- **High customer satisfaction in both P&C and health insurance**
- **Third quarter in a row with positive result in Storebrand P&C Insurance**
- **Continued stable, strong growth within P&C insurance**
- **Increased efficiency and improved operating result in health business**

The P&C insurance business encompasses the companies Storebrand Skadeforsikring AS and Storebrand Helseforsikring AS. Storebrand P&C Insurance delivers standard P&C insurance products in the Norwegian retail market by cost-effective distribution and customer friendly online solutions. Storebrand Helseforsikring offers health insurance in the Norwegian and Swedish corporate and retail markets.

Financial performance - P&C Insurance business

	4Q		Full year	
NOK million	2010	2009	2010	2009
Premiums earned, net [1]	112	82	405	278
Claims incurred, net [1]	-91	-67	-350	-230
Operating expenses	-23	-29	-88	-94
Investment result	4	1	11	2
Operating result before amortisation Storebrand Skadeforsikring AS	2	-14	-22	-45
Oslo Reinsurance Company AS (run-off)	0	-3	3	-6
Changes in security reserves	2	-2	-2	-4
Result P&C insurance group before amortisation	3	-19	-21	-55
Result Storebrand Health Insurance before amortisation	6	4	28	6
Result P&C business before amortisation	9	-15	8	-49
Amortisation intangible assets	-2	-3	-9	-13
Pre-tax profit/loss	7	-18	-2	-63

Storebrand P&C Insurance

Result

The Storebrand Skadeforsikring Group previously consisted of Storebrand Skadeforsikring AS (Storebrand P&C Insurance) and its wholly owned subsidiary Oslo Reinsurance Company AS (Oslo Re). Oslo Re was merged with Storebrand Skadeforsikring AS in the quarter and its subsidiary, Oslo Re UK, was sold. Storebrand P&C Insurance Group delivered a positive result before amortisation of NOK 3 million (minus NOK 19 million) for 4Q and a result of minus NOK 21 million (minus NOK 55 million) for the full year.

Premium income for own account increased by 37 per cent in the quarter compared to the same period last year. The growth in premiums is satisfactory given the highly competitive market.

Key figures Storebrand Skadeforsikring AS

	4Q		Full year	
In %	2010	2009	2010	2009
Claims ratio [1]	81%	82%	86%	83%
Cost ratio [1]	22%	39%	23%	38%
Combined ratio [1]	103%	121%	110%	121%

P&C insurance delivered a good risk result in 4Q and the claims ratio for own account was 81 per cent (82 per cent) for the period. The accumulated claims result the year-to-date continues to be affected by frost and water claims within building insurance from the winter, while the results for other product areas are developing as expected.

The costs ratio amounted to 22 per cent (39 per cent) for 4Q and 23 per cent (38 per cent) for the full year. In a period during which premiums grew by 46 per cent, insurance-related costs decreased by 6 per cent for the year compared to last year. P&C insurance continues to focus on continuous streamlining of the costs base through automation measures and this positive development of the costs ratio is expected to continue in 2011 as premium income increases.

The combined ratio for the period was 103 per cent (121 per cent) and 110 per cent (121 per cent) for the year-to-date.

Market

Insurance policy sales in the P&C insurance business remain good and continued to grow in 4Q. The annual premium increased by a further 4 per cent in the period, and 35 per cent for the full year, to NOK 467 million. At the close of the period the company had 51,400 customers and 154,100 insurance contracts. The proportion of sales via direct channels grew during the period and direct distribution is now responsible for more than 82 per cent of the annual premium. Customer satisfaction surveys relating to claims settlements confirm that Storebrand P&C Insurance provides a stable, high level of service and has satisfied customers.

[1] *For own account.*

Storebrand Health Insurance

Storebrand ASA owns 50 per cent of Storebrand Helseforsikring AS (Storebrand Health Insurance). The comments regarding the result apply to the company as a whole.

Result

Storebrand Health Insurance achieved a result before amortisation of NOK 13 million (NOK 8 million) for the quarter and NOK 56 million (NOK 12 million) for the full year. Premium income grew by 21 per cent in the quarter compared with the same period last year.

Claims costs amounted to NOK 46 million (NOK 38 million) for 4Q and NOK 164 million (NOK 155 million) for the full year.

Key figures Storebrand Helseforsikring AS

	4Q		Full year	
In %	2010	2009	2010	2009
Claims ratio [1)]	55%	56%	56%	59%
Cost ratio [1)]	31%	35%	32%	40%
Combined ratio [1)]	87%	92%	87%	99%

The claims ratio for own account for the period was 55 per cent (56 per cent), including P&C claims costs, and 56 per cent (59 per cent) for the full year. The reduced costs ratio reflects the greater cost-effectiveness of the company.

Market

The company had 80,800 customers and a total annual premium of NOK 302 million at the close of the quarter. Awareness of health insurance has grown in the market. Companies that actively focus on reducing sick leave use health insurance as one of a number of means of achieving their goals. As in Storebrand P&C Insurance, customer satisfaction surveys show that Storebrand Health Insurance delivers high quality to customers.

[1)] *For own account.*

OTHER ACTIVITIES

Other activities consist of the Storebrand Group's holding company, Storebrand ASA, and eliminations.

Financial performance – Other activities

	4Q		Full year	
NOK million	2010	2009	2010	2009
Storebrand ASA				
Interest income	12	9	45	65
Interest expenses	-33	-31	-131	-129
Gains/losses securities	-2	3	-7	-31
Other financial items	-430	-2	-433	-9
Net financial items	**-454**	**-21**	**-526**	**-104**
Operating costs	-34	-43	-131	-151
Pre-tax profit/loss Storebrand ASA [1)]	**-488**	**-64**	**-656**	**-256**
Eliminations	425	0	425	0
Pre-tax profit/loss other activities	**-62**	**-64**	**-231**	**-255**

Result

Storebrand ASA's result (before group contributions) pursuant to IFRS is shown in the table above. The official financial statements are prepared pursuant to Norwegian accounting law and fully presented in the financial statements section.

Storebrand ASA (the holding company) achieved a result before group contributions of minus NOK 488 million (minus NOK 64 million) for 4Q. The result for the year before group contributions was minus NOK 656 million (minus NOK 256 million). Operating costs amounted to minus NOK 34 million (minus NOK 43 million) for 4Q and minus NOK 131 million (minus NOK 151 million) for the full year. The low result was due to a NOK 425 million write-down of the book value of shares in Storebrand Bank in the quarter. The write-down is eliminated in the consolidated financial statements.

Balance sheet

Storebrand ASA held liquid assets of NOK 1.4 billion at the close of 4Q, a decrease of NOK 82 billion during the quarter, but an increase of NOK 128 million for the full year. Liquid assets consist primarily of short-term interest-bearing securities with good credit ratings.

Total interest-bearing debt in Storebrand ASA amounted to NOK 2.9 billion at the close of the quarter. The first bond redemption falls due in September 2011.

Storebrand ASA owned 0.85 per cent (3,838,932) of the company's own shares at the close of the quarter.

[1)] Pre-tax profit/loss excluding group contribution.

OUTLOOK

There have been substantial fluctuations in the financial markets in the wake of the financial crisis. This trend has continued in 2010 with a high level of volatility in both the equity and interest rate markets. The real economy is nonetheless developing in a positive direction with the Swedish economy recovering strongly and continued good growth in the Norwegian economy. This provides a basis for continued positive growth in Storebrand's core markets.

Continued growth is expected in the life and pensions market and wages growth will be the most important factor in the short-term. The market has over time moved in the direction of funds-based products without interest rate guarantees. Storebrand has played an active part in this development and a steadily growing proportion of its business is linked to products in which financial performance is less affected by short-term market fluctuations. This trend will gradually improve the quality of the Group's earnings.

Storebrand has implemented a number of efficiency measures in recent years aimed at reducing the relative costs level in both the Norwegian and Swedish businesses. The work on operational efficiency continues and a programme for operational improvements has been established in which both income increasing and cost reducing measures are closely monitored. The most important contributions to achieving this target will be cost reducing measures, growth in customer assets and measures on the income side. The programme for operational improvements is developing as planned and the work on improving and streamlining Storebrand's processes continues at full strength.

A new group management model will be implemented in Storebrand from 1 March 2011. The new model will ensure strength and pace in the implementation of the strategic choices made in 2010. As part of the retail customer efforts, all customer activities will be gathered in the life insurance companies. Furthermore, the areas of competence within balance sheet management, web development and and unit linked will also be gathered. The changes are intended to ensure more efficient resource utilisation and result in holistic customer service which will strengthen Storebrand's position in the market.

Storebrand is exposed to several types of risk through its business areas. Continuous monitoring and active risk management are therefore prioritised core areas in the Group. The development of both the equity and interest rate markets is important with respect to being able to deliver a return that exceeds the interest guarantee in the products over time. Developments in the level of interest rates and the property and equity markets are considered the most important risk factors that could affect the Group's result. Storebrand adapts to changing market conditions through dynamic risk management, which aims to tailor financial risk to the company's risk bearing capacity.

The Norwegian FSA has, due to the development of long interest rates, decided to lower the premium calculation rate (guaranteed rate), both for new contracts and for new accrued entitlements in existing contracts. The maximum rate for all new life insurance contracts established after 1 January 2011 will be 2.5 per cent, a reduction of 0.25 percentage points. The maximum rate for new accrued pension entitlements in existing group insurance contracts will be reduced by 0.5 percentage points to 2.5 per cent from 1 January 2012. The reduction in the interest guarantee will result in higher premium payments for customers, but at the same time provide a basis for higher expected returns in the long-term due to the providers' increased risk capacity.

The industry is facing extensive regulatory changes due to Solvency II and the pension reform in Norway. Storebrand is playing an active part in these processes and is focused on product development and system modifications. During the preparations for the Solvency II regulations, which are expected to be introduced from 2013, the Norwegian FSA has stated that the Norwegian business regulations for life insurance need to be evaluated. Potential changes could include adaptations that facilitate greater risk equalisation and better long-term asset management. Concrete proposals concerning changes to the business regulations are expected to be presented in 1Q 2011. Storebrand views this work positively and is maintaining an active dialogue with the authorities with the aim of establishing conditions that ensure effective long-term management of customers' assets.

Lysaker, 15 February 2011
The Board of Directors of Storebrand ASA

Storebrand Group

PROFIT AND LOSS ACCOUNT

	4Q		Full year	
NOK million	2010	2009	2010	2009
Net premium income	5,457	5,302	28,661	26,475
Net interest income - banking activities	113	104	457	423
Net income from financial assets and property for the company:				
- shares and other equity participations at fair value	44	42	64	-121
- bonds and other fixed-income securities at fair value	61	106	265	820
- financial derivatives at fair value	30	24	221	129
- net income from bonds at amortised cost	5	-3	15	-21
- net income from real estate	21	39	52	57
- result from investments in associated companies	-2	1	2	-2
Net income from financial assets and real estate for the customers:				
- shares and other equity participations at fair value	6,279	3,153	9,031	7,058
- bonds and other fixed-income securities at fair value	-2,122	2,126	3,197	6,668
- financial derivatives at fair value	-196	-11	2,494	2,988
- to (from) market value adjustment reserve	-468	-31	-1,940	-31
- net income from bonds at amortised cost	543	304	2,069	1,103
- net interest income lending	32	-5	114	136
- net income from real estate	486	301	1,389	967
- result from investments in associated companies	50	1	58	
Other income incl. fixed income and currency bank company	657	426	1,995	1,766
Other income incl. fixed income and currency bank customers	52	-280	96	-54
Total income	**11,043**	**11,600**	**48,241**	**48,360**
Insurance claims for own account	-5,991	-4,913	-21,956	-18,676
Change in insurance liabilities excl. guaranteed return	-898	-2,009	-10,283	-13,642
To/from additional statutory reserves - life insurance	-865	-1,300	-766	-1,284
Guaranteed return and allocation to insurance customers	-1,485	-1,693	-9,284	-8,666
Losses from lending/reversal of previous losses	-15	-13	-15	-46
Operating costs	-881	-1,207	-3,388	-3,725
Other costs incl. currency bank	-88	274	-294	-407
Interest expenses	-156	-157	-648	-670
Total costs before amortisation and write-downs	**-10,379**	**-11,017**	**-46,634**	**-47,115**
Profit before amortisation and write-downs	**664**	**583**	**1,608**	**1,245**
Write-down of intangible assets	-5	-6	-10	-6
Amortisation of intangible assets	-96	-95	-380	-384
Group pre-tax profit	**562**	**482**	**1,217**	**855**
Tax cost	440	38	300	47
Pre tax result sold/liquidated business	-42	14	-37	31
Profit for the period	**960**	**533**	**1,480**	**934**
Profit is due to:				
Majority's share of profit	955	536	1,471	928
Minority's share of profit	6	-3	9	5
Total	**960**	**533**	**1,480**	**934**
Earnings per ordinary share (NOK)	2.14	1.20	3.30	2.08
Average number of shares as basis for calculation (million)			446	446
There is no dilution of the shares				

Storebrand Group

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	4Q		Full year	
NOK million	2010	2009	2010	2009
Profit for the period	960	533	1,480	934
Other result elements				
Change in pension experience adjustments, net of tax	-338	150	-327	135
Restatement differences, net of tax	57	8	59	-27
Adjustment of value of properties for own use, net of tax	-93	-1	-57	-4
Gains/losses available-for-sale bonds	-100	-122	-52	-1,377
Total comprehensive income elements allocated to customers	193	122	110	1,377
Total other result elements	**-281**	**157**	**-268**	**105**
Total comprehensive income	**679**	**690**	**1,212**	**1,039**
Total comprehensive income is due to:				
Majority's share of total comprehensive income	678	690	1,207	1,047
Minority's share of total comprehensive income	1		5	-8
Total	**679**	**690**	**1,212**	**1,038**

Storebrand Group

STATEMENT OF FINANCIAL POSITION

NOK million	30.12.10	31.12.09
Assets company portfolio		
Deferred tax assets	132	213
Intangible assets	6,840	6,773
Pension assets	30	44
Tangible fixed assets	193	209
Investments in associated companies	148	140
Claims from associated companies	39	
Bonds at amortised cost	299	325
Lending to financial institutions	701	425
Lending to customers	34,209	35,843
Reinsurers' share of technical reserves	185	1,229
Investement properties at fair value	1,231	1,288
Properties for own use	352	336
Biological assets	589	552
Accounts receivable and other short-term receivables	1,900	2,041
Financial assets at fair value:		
- Shares and other equity participations	351	365
- Bonds and other fixed-income securities	19,013	20,834
- Derivatives	1,285	1,250
Bank deposits	2,472	3,184
Assets sold/liquidated business	73	
Total assets company	**70,041**	**75,053**
Assets customer portfolio		
Investments in associated companies	60	3
Claims from associated companies	227	156
Bonds at amortised cost	47,895	44,393
Lending to customers	3,219	3,658
Investement properties at fair value	25,871	23,037
Properties for own use	1,316	1,382
Accounts receivable and other short-term receivables	1,964	1,902
Financial assets at fair value:		
- Shares and other equity participations	92,492	72,462
- Bonds and other fixed-income securities	137,732	134,881
- Derivatives	3,679	2,752
Bank deposits	5,918	6,480
Total assets customers	**320,372**	**291,106**
Total assets	**390,414**	**366,159**

Continues on next page

Storebrand Group

STATEMENT OF FINANCIAL POSITION CONTINUE

NOK million	30.12.10	31.12.09
Equity and liabilities		
Paid in capital	11,715	11,714
Retained earnings	6,530	5,329
Minority interests	172	174
Total equity	**18,417**	**17,217**
Subordinated loan capital	7,606	7,869
Market value adjustment reserve	1,971	31
Insurance reserves - life insurance	313,377	286,747
Insurance reserves - P&C insurance	936	1,830
Pension liabilities	1,456	1,179
Deferred tax	169	182
Financial liabilities:		
- Liabilities to financial institutions	8,053	11,126
- Deposits from banking customers	18,799	18,316
- Securities issued	11,623	12,408
- Derivatives company portfolio	401	435
- Derivatives customer portfolio	851	1,691
Other current liabilities	6,718	7,127
Liabilities sold/liquidated business	37	
Total liabilities	**371,997**	**348,942**
Total equity and liabilities	**390,414**	**366,159**

Storebrand Group

RECONCILIATION OF GROUP'S EQUITY

	Majority's share of equity										
	Paid in capital				Retained equity						
NOK million	Share capital [1]	Own shares	Share premium reserve	Total paid in equity	Revaluation surplus	Pension experience adjustments	Restatement differences	Other equity [2]	Total retained equity	Minority	Total equity
Equity 31 December 2008	**2,250**	**-23**	**9,485**	**11,711**	**48**	**-608**	**51**	**4,787**	**4,277**	**170**	**16,158**
Profit for the period								928	928	5	934
Change in pension experience adjustments						135			135		135
Change in value of properties for own use					-48			44	-3		-4
Translation differences							-13		-13	-13	-27
Total other result elements					**-48**	**135**	**-13**	**44**	**118**	**-14**	**105**
Total comprehensive income for the period					**-48**	**135**	**-13**	**973**	**1,047**	**-8**	**1,038**
Equity transactions with owners:											
Own shares		3		3				30	30		32
Share issue										10	10
Purchase of minority interests								-1	-1	3	2
Other								-23	-23		-23
Equity at 31 December 2009	**2,250**	**-20**	**9,485**	**11,714**		**-473**	**37**	**5,765**	**5,329**	**174**	**17,217**
Profit for the period								1,471	1,471	9	1,480
Change in pension experience adjustments						-328			-328		-328
Translation differences							64		64	-4	59
Total other result elements						**-328**	**64**		**-264**	**-4**	**-268**
Total comprehensive income for the period						**-328**	**64**	**1,471**	**1,207**	**5**	**1,212**
Equity transactions with owners:											
Own shares		1		1				14	14		15
Share issue										5	5
Purchase of minority interests								9	9	-11	-2
Other								-29	-29		-29
Equity at 31 December 2010	**2,250**	**-19**	**9,485**	**11,715**		**-801**	**101**	**7,230**	**6,530**	**172**	**18,417**

[1] 449,909,891 shares with a nominal value of NOK 5.
[2] Includes risk equalisation fund which is undistributable funds of NOK 287 million, security reserves life insurance of NOK 150 million and security reserves P&C insurance of NOK 94 million.

Equity changes with the result for the individual period, equity transactions with the owners and items recognised in the total result Share capital, the share premium fund and other equity is evaluated and managed together. The share premium fund may be used to cover a loss, and other equity may be used in accordance with the provisions of the Public Limited Liabilities Company Act.

The own shares column shows the nominal values of the holding of own shares. The amount paid in excess of the equity's nominal value is booked as a reduction in other equity, such that the entire cost price for own shares is deducted from the group's equity. A positive amount on the «own shares» line is due to own shares being used in the shares scheme for employees.

Storebrand pays particular attention to the active management of equity in the group. This management is tailored to the business-related financial risk and capital requirements in which the composition of its business areas and their growth will be an important driver for the group's capital requirements. The goal of the capital management is to ensure an effective capital structure and reserve an appropriate balance between internal goals in relation to regulatory and the rating companies' requirements. If there is a need for new equity, this is procured by the holding company Storebrand ASA, which is listed on the stock exchange and the group's-listed and the core of the group's parent company.

Storebrand is a financial group subject to statutory requirements regarding primary capital under both the capital adequacy regulations and the solvency margin regulations. Primary capital encompasses both equity and subordinated loan capital. For Storebrand, these legal requirements carry the greatest significance in its capital management.

The group's goals are to achieve a core (tier 1) capital ratio in the bank of more than 10% and a solvency margin in life and pensions of more than 150% over time. In general, the equity of the group can be managed without material restrictions if the capital requirements are met and the respective legal entities have adequate solidity. Capital can be transferred foreign legal entities with the consent of local supervisory authorities.

For further information on the group's fulfilment of the capital requirements, see note 17.

Storebrand Group

CASH FLOW STATEMENT

	Full year	
NOK million	2010	2009
Cash flow from operational activities		
Net receipts insurance	20,918	13,609
Net payments compensation and insurance benefits	-18,092	-15,179
Net receipts/payments - transfers	1,007	-589
Receipts - interest, commission and fees from customers	1,719	2,031
Payments - interest, commission and fees to customers	-474	-593
Payment income tax	-5	
Payments relating to operations	-2,997	-3,176
Net receipts/payments - other operational activities	721	-3,700
Net cash flow from operations before financial assets and banking customers	**2,798**	**-7,597**
Net receipts/payments - lending to customers	2,092	2,942
Net receipts/payments - deposits bank customers	473	31
Net receipts/payments - financial assets	1,027	421
Net receipts/payments - real estate investments	-1,468	253
Net change in bank deposits insurance customers	562	7,306
Net cash flow from financial assets and banking customers	**2,685**	**10,953**
Net cash flow from operational activities	**5,483**	**3,356**
Cash flow from investment activities		
Net payments - sale/capitalisation of group companies	-113	-234
Net receipts/payments - sale/purchase of fixed assets	-122	-127
Net cash flow from investment activities	**-235**	**-361**
Cash flow from financing activities		
Payments - repayments of loans	-4,612	-7,785
Receipts - new loans	2,709	1,757
Payments - interest on loans	-769	-836
Payments - subordinated loan capital		981
Payments - repayment of subordinated loan capital	-175	-3,408
Payments - interest on subordinated loan capital	-558	-642
Net receipts/payments - of deposits from Norges Bank and other financial institutions	-2,163	3,790
Receipts - issuing of share capital	9	
Payments - issuing of share capital		10
Net cash flow from financing activities	**-5,559**	**-6,134**
Net cash flow for the period	**-311**	**-3,139**
- of which net cash flow in the period before financial assets and banking customers	-2,997	-14,092
Net movement in cash and cash equivalents	-311	-3,139
Cash and cash equivalents at start of the period for new companies		4
Cash and cash equivalents corrected - sold/liquidated business	-126	
Cash and cash equivalents at start of the period	3,609	6,744
Cash and cash equivalents at the end of the period [1]	**3,172**	**3,609**
[1] Consist of:		
Lending to financial institutions	701	425
Bank deposits	2,472	3,184
Total	**3,172**	**3,609**

The cash flow analysis shows the group's cash flows for operational, investment and financial activities pursuant to the direct method. The cash flows show the overall change in means of payment over the year.

Operational activities
A substantial part of the activities in a financial group will be classified as operational. All receipts and payments from insurance activities are included from the life insurance companies, and these cash flows are invested in financial assets that are also defined as operational activities. One subtotal is generated in the statement that shows the net cash flow from operations before financial assets and banking customers, and one subtotal that shows the cash flows from financial assets and banking customers. This shows that the composition of net cash flows from operational activities for a financial group includes cash flows from both operations and investments in financial assets. The life insurance companies' balance sheets include substantial items linked to the insurance customers that are included on the individual lines in the cash flow analysis. Since the cash flow analysis is intended to show the change in cash flow for the company, the change in bank deposits for insurance customers is included on its own line in operating activities to neutralise the cash flows associated with the customer portfolio in life insurance.

Investment activities
Includes cash flows for holdings in group companies and tangible fixed assets.

Financing activities
Financing activities include cash flows for equity, subordinated loans and other borrowing that helps fund the group's activities. Payments of interest on borrowing and payments of share dividends to shareholders are financial activities.

Cash/cash equivalents
Cash/cash equivalents are defined as claims on central banks and claims on financial institutions without notice periods for the company portfolio. The amount does not include claims on financial institutions linked to the insurance customers portfolio, since these are liquid assets that not available for use by the group.

Notes to the interim accounts Storebrand Group

NOTE 1: ACCOUNTING POLICIES

The Group's interim financial statements include Storebrand ASA together with subsidiaries and associated companies. The financial statements were prepared in accordance with IAS 34 Interim Financial Reporting. The interim financial statements do not include all the information required in full annual financial statements.

The Group has not made any changes to the accounting policies applied in 2010. A description of the accounting policies applied in the preparation of the financial statements is provided in the 2009 annual report.

Changes have been made to the following standards and these came into force on 1 January 2010:
- IFRS 3 Business Combinations
- IAS 27 Consolidated and Separate Financial Statements

Changes to accounting standards have had no effect on the Group's financial reporting.

NOTE 2: ESTIMATES

In preparing the interim accounts, Storebrand has used assumptions and estimates that affect reported amounts of assets, liabilities, revenues, costs and information in the notes to the financial statements, as well as the information provided on contingent liabilities. A certain degree of uncertainty is associated with estimates and assumptions and actual figures may deviate from the estimates used.

Storebrand continuously builds up reserves in connection with increased life expectancy in life insurance, including increased requirements associated with individual pension insurance in which the building up of reserves in a time-limited period can be charged to the running return. Any deficient future return in connection with this may reduce the profit allocated to the owner.

Please also refer to the discussions in notes 2 and 4 of the 2009 annual report.

NOTE 3: TAX

Tax income of NOK 411 million was recognised as income in 4Q. This was primarily associated with a previously allocated deferred tax liability in the subsidiary SPP, which was related to the change in value of financial instruments.

The Storebrand Group has a significant tax-related deficit linked to the Norwegian life insurance activities. This is due to the fact that there are major differences between accounting-related and tax-related income and losses associated with investments in equities within the EEA area. Deferred tax assets associated with the deficits that can be carried forward are not recognised in the balance sheet since there is some uncertainty about whether or not taxable income will reach a level that enables the deficits that can be carried forward to be used. The tax cost is also affected by the total results in the Swedish business, including the size of risk results and final allocations of taxable results between customers and the owner in the Swedish subsidiary SPP.

NOTE 4: INFORMATION ABOUT CLOSE ASSOCIATES

Storebrand conducts transactions with close associates as part of its normal business activities. These transactions take place on commercial terms. The same terms that apply to Storebrand's other customers and encompass lending, bank deposits, insurance and asset management. The terms for transactions with senior employees and close associates are stipulated in notes 14 and 15 in the 2009 annual report.

With the exception of these transactions, Storebrand had not carried out any material transactions with close associates at the close of 4Q.

NOTE 5: RISK MANAGEMENT AND INTERNAL CONTROL

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

Continuous monitoring and active risk management are therefore core areas of the Group's activities and organisation. The subsidiaries in the Group have their own departments that continuously monitor and manage the risk in various product groups, and at the same time the Group has a separate department with responsibility for risk management across the Group. Managing operational risk forms an integral part of management responsibility in the organisation and the executive management team annually assesses risk which results in a risk summary and improvement measures. The risk assessment is presented to and considered by the Board.

Compliance
The compliance function is tasked with advising the board and CEO on relevant laws, rules and standards, keeping them informed about developments within these areas, and assessing the potential consequences changes to legislation may have for business. The compliance function also checks that the company has guidelines and procedures for uncovering any risk that the company is not fulfilling its obligations pursuant to the regulations.

The compliance officer in the individual company produces written reports on the company's compliance with the regulations for the board of directors and executive management in the company. This is done on a regular basis and at least once a year. The reports shall, among other things, state whether or not preventive measures have been implemented to remedy any shortcomings. Compliance reporting is seen as being on a par with the group companies' internal control reporting, operation risk reporting and event reporting.

Compliance officers must also brief the board of directors and executive management when the board and executive management want relevant information or this is deemed necessary by the compliance officer.

Operational risk
Assessments of operational risks are linked to a unit's ability to achieve goals and implement plans. The process covers both the risk of incurring losses and failing profitability linked to, among other things, economic downturns, changed general conditions, changed customer behaviour and the risk of incurring losses due to inadequate or failing internal processes, systems, human error or external events.

The group's CFO is responsible for the group's control functions for risk management and internal control. Given the importance of financial market risk in relation to the group's activities, a central risk management function has been established. This has been tasked with supporting the Board and group's executive management team in drawing up a risk strategy and operationalising the setting of limits and risk monitoring across the group's activities. A corporate control function has also been established which is tasked with administering the value-based management system, coordinating planning and budget processes, the management's risk assessments and internal control reporting, as well as Board and management reporting.

Internal audit
Storebrand has concluded an agreement with KPMG concerning the internal audit function. The responsible partner in KPMG reports directly to the Board of Storebrand ASA, which stipulates the instructions for the internal audit and approves the audit's annual plan. A primary contact person has been nominated for the internal audit in the Group Control department. Contact people have also been nominated in all subsidiaries who report to the CEO or head of the company's executive management staff.

An independent assessment of Group Control and the compliance function's procedures and control systems must be included in the internal audit function's audit plan.

Below follows a description of the special situation concerning risk management and life insurance in relation to the relationship between customers and the owner. As far as the risk associated with the business in the Group is concerned this is, apart from life insurance, risk that essentially impacts the owner. Market risk, liquidity risk and credit risk are described in more detail in notes 6-8.

Life and Pensions Norway
A significant proportion of savings products in the Norwegian life insurance business incorporate a guaranteed minimum annual return. Financial risk principally relates to the ability to meet the customers' guaranteed return, which for the majority of the products applies for one year at a time. Therefore, risk management in this business is designed to reduce the probability of the return falling below the annual guaranteed return for the various product groups in any single year.

The composition of the financial assets is determined by the company's investment strategy. The investment strategy establishes guidelines and limits for the company's risk management, credit exposure, counterparty exposure, currency risk, and use of derivative instruments, and criteria regarding the liquidity in the asset portfolio. The objectives of this dynamic risk management are to maintain good risk bearing capacity and to continuously adapt the financial risk to the company's financial strength. By exercising this type of risk management, the company expects to create good returns both for individual years and over time. Given the current investment portfolio and dynamic risk management strategy, the annual return for the majority of the portfolio will normally fluctuate between 2 percent and 8 percent. Smaller portions of the portfolio are invested in profiles with somewhat lower and somewhat higher market risk. Dynamic risk management and hedging transactions reduce the likelihood of a low investment return. If investment return is not sufficient to meet the guaranteed interest rate, the shortfall will be met by using risk capital built up from previous surpluses. Risk capital primarily consists of additional statutory reserves and unrealised gains. The owner is responsible for meeting any shortfall that cannot be covered from risk capital.

The average interest guarantee is expected to sink in the years ahead and from 2012 all new earnings will be linked to an annual guarantee of 2.5 per cent. The share capital is invested such that it is exposed to a low level of risk. It is the insured person who bears the financial risk related to contracts in the unit linked and defined contribution pension product categories.

The company's total risk picture is monitored continuously using tools such as Finanstilsynet's risk based-supervision and self-developed risk goals.

Life and Pensions Sweden
In SPP the portfolios are divided into defined benefit pensions, defined contribution pensions and unit linked contracts, and both defined benefit pensions and defined contribution pensions have associated guaranteed returns. In portfolios with a guaranteed return, the differences in the investments' and the insurance liabilities' interest rate sensitivity is minimised and the short-term interest risk is therefore substantially reduced. However, financial risks are taken in order to achieve returns in excess of the guarantee, primarily via equities, credit bonds and alternative investments. The proportions of equities in the portfolios are dynamically adjusted based on their risk bearing capacity in order to dampen the effect of falls and at the same time participate in rises. Due to the somewhat more complex financial risk picture in SPP than in the Norwegian life insurance business, the risk to equity represented by the customer portfolio is also managed through derivative transactions in SPP's company portfolio.

The investment strategy and risk management in SPP comprises four main pillars:
- the assets' interest rate sensitivity is continuously adjusted to the insurance liabilities
- asset allocation that results in a good return over time
- the continuous implementation of risk management measures in the customer portfolios through dynamic risk management
- adjusted hedging in the company portfolio of parts of the financial risk the customer portfolios expose the equity to

In traditional insurance with an interest guarantee, SPP bears the risk of a return equal to the guaranteed interest being achieved on the policyholders' assets and that the magnitude of the contracts' assets are greater than the present value of the insurance liabilities. Profit sharing becomes relevant in SPP if the total return exceeds the guaranteed yield. In the case of some products a certain degree of consolidation, i.e. the assets are greater than the present value of the liabilities by a certain percentage, is required in order for the owner to collect earnings. If the assets in an insurance contract in the company are smaller than the market value of the liability, an equity contribution is allocated that reflects this deficit. This is called the deferred capital contribution (DCC) and changes in its size are recognised in the profit and loss account immediately. The contracts' buffer capital must be intact in order for profit sharing to represent a net income for the owner. When the contracts' assets exceed the present value of the obligations, a buffer called the conditional bonus is established. Changes in this customer buffer are not recognised in the profit and loss account immediately. It is the policyholder who bears the financial risk in unit linked insurance contracts.

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

NOTE 6 MARKET RISK

Market risk is the risk of incurring losses on open positions in financial instruments due to changes in market variables and/or market conditions within a specified time horizon. Therefore, market risk is the risk of price changes in the financial markets, i.e. the interest rate, currency, equity, property or commodity markets, affecting the value of the company's financial instruments. Storebrand continuously monitors market risk using a range of evaluation methods. The potential for losses in the investment portfolio on a one-year horizon is calculated and the portfolios are stress tested pursuant to the statutorily defined stress tests and internal models.

Life and Pensions Norway
The largest contributions to short-term, result-related market risk for the Norwegian life insurance business are falls in the value of equities and real estate, increased risk for credit bonds and rapid increases in interest rates. In the longer term, low market interest rates over time are a significant market risk for the company. The current formulation of the regulations means that technical insurance reserves in Storebrand Life Insurance are not affected by changes in market interest rates.

Life and Pensions Sweden
SPP is largely exposed to the same market risk factors as Storebrand Life Insurance, but differences in product design, general conditions and asset allocation nonetheless result in some differences in the contributions for different types of market risk. In the short-term the market risk from equities is relatively greater in SPP than in Storebrand Life Insurance, but at the same time the company is exposed to little risk from the asset class real estate. SPP is also exposed to market risk from increased risk on credit bonds. However, as far as the result is concerned, the short-term risk from changes in interest rates is small in SPP because of the adjustment of the assets' interest rate sensitivity (duration) in relation to the liabilities' interest rate sensitivity. However, the current regulatory requirements mean the company cannot have low interest rate sensitivity in the profit and loss account and in the solvency account at the time, and falling interest rates will have a negative effect on the solvency ratio. Lasting low interest rates also represent a substantial risk for SPP as well, both for the financial result and the solvency margin percentage.

Notes to the interim accounts Storebrand Group

Bank activities
Storebrand Bank manages its interest rate risk through interest rate swap agreements to minimise the effect of a change in interest rates on its deposits and lending. Market risk represents a minor part of the bank activities' total risk.

Other subsidiaries
The other subsidiaries in the group are not particularly exposed to market risk.

Sensitivity analyses
The assets and liabilities side (borrowing and insurance liabilities in Sweden) have been stress tested in order to show how much this can affect the owners' result in relation to the expectations for 2011. An estimated normalised return is included in estimated effects throughout the year based on uncertain assumptions about future returns and other uncertain factors and uncertain assumptions. The stress tests were applied to the investment portfolio on 31 December 2010 and the outcome shows the estimated effect on profits for the year as a whole. The stresses that have been applied are equities +/- 20 percent, interest +/-150 basis points and real estate +/- 12 per cent. With respect to currency risks, the investment portfolios are essentially fully currency hedged, and changes in exchanges rates will have little effect on the companies' expected results for 2011.

For changes in market risk that arise during the course of 1 year, the effect on the result and equity will be as presented below, based on the statement of finacial position as per 31 december 2010:

Change in market value

NOK million	2010	2009
Equities - 20%	- 9,300	-7,405
Equities + 20%	9,299	7,405
Interest rate -1,5%	8,157	8,330
Interest rate +1,5%	-6,935	-7,037
Real estate -12%	-3,667	-3,440
Real estate +12%	3,667	3,440

Effects on result/equity

NOK million	2010	2009
Equities - 20%	-855	-922
Equities + 20%	527	335
Interest rate -1,5%	39	-77
Interest rate +1,5%	-168	-132
Real estate -12%	-431	-497
Real estate +12%	610	331

This note applies to: Storebrand Livsforsikring AS, SPP Livförsäkring, BenCo, Storebrand Bank, Storebrand P&C Insurance and Storebrand Health Insurance and Storebrand ASA.

Life and Pensions
Since market changes are shown in the note above, dynamic risk management will not affect the outcome. If it is assumed that the market changes will occur over a period of time, then dynamic risk management would reduce the effect of the negative outcomes and reinforce the positive.

Life and Pensions Norway
The stress tests have been done for all investment profiles and the effects of each stress test reduce or increase the expected return for each profile. For the negative stress tests (equities down, interest up and property down) the return in some individual profiles fall under the guarantee. The buffer situation for each contract will then determine how much equity the company will possibly have to use if the return stays at this level for 2011. Beyond the need for utilising equity to cover returns below the guarantee, it is changes in the profit sharing for paid-up policies and individual contracts, as well as returns and interest expenses in the company portfolio that deviate from the expected result for 2011 to the greatest extent. Compared with equivalent sensitivity a year ago, the effect of the stress tests has decreased. The most important contributions to the reduction are the fact that the difference between the expected return and the interest guarantee has increased and that additional statutory reserves have been further strengthened at the same time as the company has at the beginning of 2011 a substantial market value adjustment reserve, which serves as a very effective buffer against such stresses on assets.

The stress tests were applied individually. If several of the negative stress tests were to occur simultaneously, the negative effect would be greater than simply the sum of the two individual effects alone (a larger proportion of gross stresses would be retained by the owner). In addition to the negative result effect for the owner, the expected building up of buffer capital will, to a substantial degree, fall away in the negative stress tests. In the case of the positive stress tests, greater building up of buffer capital is also assumed in addition to the positive result effects for the owner in the form of the market value adjustment reserve and additional statutory reserves.

Notes to the interim accounts Storebrand Group

Life and Pensions Sweden
The note that shows the effect on the result/equity shows the effect of the financial result excluding profit sharing. All changes in market value do not affect the financial result. The part of a change in market value that affects the result is the part that cannot be offset against conditional bonuses.

Bank activities
The table includes the accounting effect over a 12 month period of an immediate parallel change in interest rates of +1.5 percentage points and -1.5 percentage points respectively. Account is taken of the one-time effect such an immediate interest rate change has on the items recognised at fair value and hedging value, and on the effects the interest rate change has on the result for the remainder of the interest rate duration period before the interest rate change has income and costs-related effect.

Items affected by one-time effects and which are recognised at fair value are the investment portfolio, fixed rate lending, borrowing via the government swap scheme, deposits with equity returns, and derivatives. The item affected by one-time effects and which is subject to hedge accounting is fixed rate borrowing.

NOTE 7 LIQUIDITY RISK

Liquidity risk is the risk that the company will not be able to meet its payment obligations when they fall due, or that the company will not be able to sell securities at acceptable prices. Storebrand Life Insurance's and SPP's insurance liabilities are long-term and are usually known long before they fall due, but a solid liquidity buffer is still important for withstanding unforeseen events.

Separate liquidity strategies have been drawn up for several of the subsidiaries in line with statutory requirements. These strategies specify limits and measures for ensuring good liquidity and a minimum allocation to assets that can be sold at short notice. The strategies define limits for allocations to various types of asset and mean the companies have money market investments, bonds, equities and other liquid investments that can be sold as required.

Liquidity risk is one of the most important risk factors in bank activities. The company's risk strategy establishes general limits for how much liquidity risk the bank group is willing to accept. A policy has been drawn up that specifies principles for liquidity management and stress testing, minimum liquidity reserves and financing indicators for measuring liquidity risk. In addition to this an annual funding strategy and funding plan are drawn up that set out the overall limits for the bank's funding activities.

In addition to clear strategies and the risk management of liquidity reserves in each subsidiary, the Group's holding company has established a liquidity buffer. The development of the liquidity reserves is monitored continuously at an overall level in relation to internal limits. Committed credit lines from banks have also been established that the companies can draw on if necessary.

During the financial crisis in 2008, the lack of liquidity was a problem for a number of financial companies, although liquidity has now returned to a normalised level.

Specification of subordinated loan capital

NOK million	Nominal value	Currency	Interest rate	Due/call	2010
Issuer					
Hybrid tier 1 capital					
Storebrand Bank ASA	107	NOK	Fixed	2014	111
Storebrand Bank ASA	168	NOK	Variable	2014	169
Storebrand Livsforsikring AS	1,500	NOK	Variable	2018	1,500
Perpetual subordinated loan capital					
Storebrand Livsforsikring AS	300	EUR	Fixed	2013	2,553
Storebrand Livsforsikring AS	1,700	NOK	Variable	2014	1,703
Storebrand Livsforsikring AS	1,000	NOK	Fixed	2015	1,069
Dated subordinated loan capital					
Storebrand Bank ASA	100	NOK	Variable	2011	100
Storebrand Bank ASA	250	NOK	Variable	2012	251
Storebrand Bank ASA	150	NOK	Variable	2012	150
Total subordinated loan capital and hybrid tier 1 capital					**7,606**
Total subordinated loan capital and hybrid tier 1 capital 31.12.2009					**7,869**

Notes to the interim accounts Storebrand Group

Specification of liabilities to financial institutions

NOK million	2010	2009
Call date		
2010		3,585
2011	2,949	2,443
2012	1,362	1,359
2013	2,752	2,751
2014	990	989
Total liabilities to financial institutions	**8,053**	**11,126**

Specification of equity-linked bonds

NOK million	2010	2009
Call date		
2011	1,813	3,506
2012	2,087	1,060
2013	1,327	1,637
2014	3,053	1,517
2015	1,442	1,848
2016	865	1,366
2017		294
2019	1,037	993
Accrued interests		187
Total equity-linked bonds	**11,623**	**12,408**

Signed loan agreements have standard covenant requirements. The terms and conditions have been redeemed pursuant to signed loan agreements.

Deposits from banking customers

NOK million	2010	2009
Corporate	7,448	6,692
Retail market	11,351	11,624
Total	**18,799**	**18,316**

NOTE 8 CREDIT RISK

Credit risk is the risk of incurring losses due to a counterparty's unwillingness or inability to meet his obligations. Maximum limits for credit exposure to individual debtors and for overall credit exposure to rating categories are set by the boards of the individual companies in the Group. Particular attention is paid to ensuring diversification of credit exposure to avoid concentrating credit exposure on any particular debtors or sectors. Changes in the credit standing of debtors are monitored and followed up. Storebrand Life Insurance and SPP use published credit ratings wherever possible, supplemented by the company's own credit evaluation where there are no published ratings. The group has framework agreements with all counterparties to reduce their risk with respect to outstanding derivative transactions. These regulate how collateral against changes in market values, calculated on a daily basis, should be pledged.

Credit risk and liquidity risk are the two most important forms of risk for bank activities. The bank's risk strategy establishes overall limits for how much credit risk the bank group is willing to accept. The willingness to accept risk is adjusted to the bank's risk appetite and target risk profile, solvency, profitability, liquidity and growth, as well as the bank's strategy otherwise, including equity requirement for credit activities. Credit policies establish general principles for granting credit. The bank group's routines for credit management are set forth in special credit handbooks. The most important control of credit risk is carried out and administered by the Credit Control unit.

Notes to the interim accounts Storebrand Group

NOTE 9: SEGMENTS

	4Q		Full year	
NOK million	2010	2009	2010	2009
Life and Pensions Norway	301	193	877	759
Life and Pensions Sweden	214	307	464	487
Asset management	168	138	333	240
Storebrand Bank	34	24	158	63
P&C insurance	9	-15	8	-49
Other activities	-62	-64	-231	-255
Group result	**664**	**583**	**1,608**	**1,245**
Write-down and amortisation of intangible assets	-102	-101	-390	-390
Group pre-tax profit	**562**	**482**	**1,217**	**855**

Segmentation information for 4Q

	Life and Pensions Norway [1]		Life and Pensions Sweden [1]		Asset management		Banking	
NOK million	2010	2009	2010	2009	2010	2009	2010	2009
Revenue from external customers	7,908	8,136	2,557	4,695	162	98	164	170
Revenue from other group companies [2]	9	-121			126	193		2
Group result before amortisation and write-downs of intangible assets	301	193	214	307	168	138	34	24
Amortisation and write-downs			-90	-84	-1	-2	-8	-12
Group pre-tax profit	**301**	**193**	**124**	**223**	**166**	**136**	**26**	**13**

	P&C insurance		Other		Eliminations		Storebrand Group	
NOK million	2010	2009	2010	2009	2010	2009	2010	2009
Revenue from external customers	145	112	10	11	96	-1,626	11,043	11,595
Revenue from other group companies [2]					-134	-73		
Group result before amortisation and write-downs of intangible assets	9	-15	-488	-64	425		664	583
Write-downs and amortisation of intangible assets	-2	-3					-102	-101
Group pre-tax profit	**7**	**-18**	**-488**	**-64**	**425**	**0**	**562**	**482**

Segmentation information as per 31 December

	Life and Pensions Norway [1]		Life and Pensions Sweden [1]		Asset management		Banking	
NOK million	2010	2009	2010	2009	2010	2009	2010	2009
Revenue from external customers	31,653	30,318	14,907	16,637	340	247	613	606
Revenue from other group companies [2]	31	30			291	347	5	6
Group result before amortisation and write-downs of intangible assets	877	759	464	487	333	240	158	63
Amortisation and write-downs			-348	-340	-5	-7	-28	-29
Group pre-tax profit	**877**	**759**	**116**	**147**	**327**	**233**	**129**	**35**
Assets	206,212	191,717	141,025	127,019	1,026	865	39,371	42,986
Liabilities	195,070	180,727	135,644	122,130	651	518	37,110	40,704

Notes to the interim financial statements Storebrand Group

	P&C insurance		Other		Eliminations		Storebrand Group	
NOK million	2010	2009	2010	2009	2010	2009	2010	2009
Revenue from external customers	559	413	47	40	122	100	48,241	48,360
Revenue from other group companies [2]			835	147	-1,161	-530		
Group result before amortisation and write-downs of intangible assets	8	-49	179	-108	-410	-147	1,608	1,245
Write-downs and amortisation of intangible assets	-9	-13					-390	-390
Group pre-tax profit	**-2**	**-63**	**179**	**-108**	**-410**	**-147**	**1,217**	**855**
Assets	895	1,811	18,121	18,343	-16,235	-16,582	390,414	366,159
Liabilities	600	1,541	3,129	3,482	-207	-160	371,997	348,942

[1] *Life and Pensions*
Income from external customers includes the total premium income including savings premiums and transferred premium fund from other companies, net financial return and other income.

[2] ***Income from other group companies***
Storebrand Investment manages financial assets for other group companies. Asset management fees are made up of fixed management fee and a performance-related fee. Performance-based fees apply to the portfolios qualifying for such fees at any given time. Asset management includes the income in Storebrand Fondene AS and Storebrand Kapitalforvaltning AS, while the group result before amortisation also includes the proportion of the result from Storebrand Eiendom AS and SPP Fonder AB. Storebrand Life Insurance earns revenue from other group companies for sales and management of products. These services are priced on commercial terms.

Storebrand's activities are operationally divided into four business areas: life and pensions, asset management, bank and P&C insurance. Life and pensions are reported in two result areas: Life and Pensions Norway (LPN) and Life and Pensions Sweden (LPS). Storebrand is the Nordic region's leading provider of life insurance and pensions, and offers a comprehensive range of products to retail customers, local authorities, and the public sector.

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

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

Asset management
Storebrand's asset management activities include the companies Storebrand Kapitalforvaltning AS, Storebrand Fondene AS, Storebrand Eiendom AS and SPP Fonder AB. All the management activities have a guaranteed socially responsible profile. Storebrand offers a wide range of mutual funds to retail customers and institutions under the Delphi and Storebrand Fondene brand names. Storebrand Eiendom is one of Norway's largest real estate companies and manages real estate portfolios both in Norway and abroad.

Bank
Storebrand Bank offers traditional banking services such as accounts and loans in the retail market and project financing to selected corporate customers, and is a no fees commercial bank. Real estate brokering is also offered in this segment.

P&C insurance
Storebrand's P&C insurance business encompasses the following companies: Skadeforsikring AS and Storebrand Helseforsikring AS (50 percent stake). Storebrand P&C Insurance offers standard insurance products in the Norwegian retail market, and some corporate insurance in the SMB market. Storebrand Helseforsikring offers treatment insurance in the Norwegian and Swedish corporate and retail markets.

Other
Other activities consist of activities in the Group that are not included in the four listed business areas. Consists of the holding company Storebrand ASA, which invests in and manages subsidiaries. It also includes eliminations from intragroup transactions, which are included in the other segments.

Notes to the interim financial statements Storebrand Group

Key figures by business area - cumulative figures

NOK million	4Q 2010	3Q 2010	2Q 2010	1Q 2010	4Q 2009	3Q 2009	2Q 2009	1Q 2009
Group								
Earnings per ordinary share	3.30	1.16	-0.16	0.41	2.08	0.88	-0.94	-1.87
Equity	18,417	17,755	17,154	17,460	17,217	16,514	15,722	15,306
Capital adequacy	13.1 %	13.0 %	13.0 %	13.4 %	13.9 %	14.1 %	13.8 %	14.6 %
Life and Pensions Norway								
Premium income after reinsurance	15,518	12,817	9,673	6,438	16,073	12,825	9,447	6,310
Net transferred premium reserves	1,857	4,303	3,973	3,143	2,682	2,305	1,955	1,720
Policyholders' fund incl. accrued profit	191,243	187,879	184,223	184,308	175,920	173,318	170,159	167,242
- of which products with guaranteed return	*163,510*	*162,470*	*160,297*	*160,214*	*153,603*	*154,572*	*153,389*	*152,617*
Market return customer funds with guarantee	6.1 %	4.1 %	1.6 %	1.8 %	4.7 %	3.1 %	1.5 %	0.2 %
Booked investment yield customer funds with guarantee	4.9 %	3.2 %	1.6 %	1.1 %	4.7 %	3.1 %	1.5 %	0.2 %
Investment yield company portfolio	5.8 %	4.1 %	2.2 %	1.0 %	5.2 %	3.5 %	2.2 %	1.0 %
Solvency capital [1)]	42,710	40,413	36,102	38,510	35,321	33,554	31,040	31,105
Capital adequacy (Storebrand Life Insurance Group)	13.6 %	13.8 %	13.9 %	14.3 %	14.9 %	15.9 %	15.8%	17.8%
Solvency margin (Storebrand Life Insurance Group)	164 %	158 %	159 %	167 %	170 %	161 %	154%	148%
Life and Pensions Sweden								
Premium income after reinsurance	7,177	5,658	4,136	1,903	7,397	5,841	4,164	2,079
Net transferred premium reserves	-829	158	106	43	70	43	27	10
Policyholders fund incl. accrued profit (excl. conditional bonus)	113,029	115,347	109,387	106,803	108,778	108,815	103,882	100,056
- of which products with guaranteed return	*79,569*	*83,780*	*80,175*	*76,462*	*77,415*	*78,674*	*73,013*	*79,573*
Return Defined Benefit	6.0%	7.1%	3.3%	3.3%	4.1%	2.6%	-1.4%	-0.7%
Return Defined Contribution	5.1%	6.2%	3.2%	2.9%	5.0%	3.3%	-1.1%	-1.6%
Conditional bonus	11,503	10,009	8,456	9,304	8,689	8,234	6,869	5,629
Deferred capital contribution	2,233	2,569	2,671	2,816	2,286	2,181	2,604	3,073
Solvency margin (SPP Life Insurance Group)	199%	164%	160%	183%	194%	200%	207%	187%
Asset management								
Total funds under management	406,922	396,326	383,590	378,446	351,160	351,588	335,731	326,161
Funds under management for external clients	73,556	76,920	72,851	67,341	81,201	81,796	72,038	67,145
Cost/income [2)]	57%	60%	66%	63%	65%	73%	73%	74%
Costs/AuM bp [2)]	10.4	11.3	11.6	11.4	12.2	9.6	9.1	9.3
Bank								
Net interest margin	1.10%	1.09%	1.08%	1.02%	0.95%	0.94%	0.93%	0.95%
Costs/income % (banking) [3)]	68%	67%	70%	73%	71%	75%	74%	73%
Other income/total income %	28%	26%	22%	26%	35%	32%	29%	24%
Deposits from and due customers as % of gross lending	55%	54%	55%	53%	51%	51%	53%	51%
Gross defaulted and loss-exposed loans as % of gross lending	2.0 %	1.6 %	1.6 %	2.3 %	2.5 %	1.4 %	1.5 %	2.1 %
Net lending	34,203	34,016	34,741	35,413	35,834	36,941	37,456	38,029
Core (tier 1) capital ratio	10.6 %	10.9 %	10.4 %	10.3 %	10.4 %	9.1 %	8.8 %	8.7 %
Storebrand P&C Insurance								
Premiums written	467	447	418	380	346	314	284	254
Claims ratio	86%	88%	95%	120%	83%	83%	86%	88%
Number of customers	51,423	49,839	47,565	44,208	40,499	37,522	34,302	31,184

[1)] Consists of equity, subordinated loan capital, market value adjustment reserve, risk equalisation fund, unrealised gains, bonds at amortised cost, additional statutory reserves, conditional bonus and accrued profit

[2)] The key figures are for a 12 month rolling period. AuM = Assets under Management. bp = basis points. Costs encompass Storebrand Fondene AS and Storebrand Kapitalforvaltning AS after eliminatione. The income altso includes the proportion of the result from Storebrand Eiendom As and SPP Fonder AB.

[3)] Consists of the companies Storebrand Bank ASA, Storebrand Boligkreditt AS and Storebrand Eiendomskreditt AS

Notes to the interim financial statements Storebrand Group

NOTE 10: PROFIT AND LOSS BY QUARTER

NOK million	4Q 2010	3Q 2010	2Q 2010	1Q 2010	4Q 2009	3Q 2009	2Q 2009	1Q 2009
Total income	11,043	12,289	7,178	17,732	11,872	14,581	13,018	9,236
Total costs	-10,379	-11,579	-7,216	-17,454	-11,275	-13,673	-12,513	-9,969
Group pre-tax profit	562	605	-135	185	482	788	413	-828
Profit for the period before other comprehensive income	960	589	-254	184	533	812	415	-827
Profit by business area								
Life and Pensions	515	621	-76	281	500	893	502	-649
Asset management	168	69	42	54	138	37	33	32
Banking	34	60	35	28	25	24	6	9
P&C insurance	9	9	15	-26	-15	-15	3	-23
Other activities	-62	-55	-54	-59	-65	-49	-40	-102
Profit before amortisation and write-downs	**664**	**704**	**-39**	**278**	**583**	**891**	**505**	**-733**
Write-down of intangible assets	-5	-3	-2					
Amortisation of intangible assets	-96	-96	-94	-93	-101	-102	-92	-95
Group pre-tax profit	**562**	**605**	**-135**	**185**	**482**	**788**	**413**	**-828**

NOTE 11: NET INTEREST INCOME - BANKING ACTIVITIES

	4Q		Full year	
NOK million	2010	2009	2010	2009
Total interest income	382	367	1,522	1,818
Total interest expenses	-269	-263	-1,065	-1,394
Net interest income	**113**	**104**	**457**	**423**

NOTE 12: OPERATING COSTS

	4Q		Full year	
NOK million	2010	2009	2010	2009
Personnel costs	-576	-607	-1,927	-2,063
Amortisation	-25	-11	-109	-40
Other operating costs	-280	-589	-1,351	-1,622
Total operating costs	**-881**	**-1,207**	**-3,388**	**-3,725**

Notes to the interim financial statements Storebrand Group

NOTE 13: VALUATION OF FINANCIAL INSTRUMENTS AT FAIR VALUE

Storebrand categorises financial instruments valued at fair value on three different levels. The levels express the differing degree of liquidity and different measuring methods.

Specification of papers pursuant to valuation techniques (non-observable assumptions)

NOK million	Quoted prices	Observable assumptions	Non observable assumptions	Total 2010
Assets:				
Shares and other equity participations:				
- Equities	28,445	989	3,168	32,602
- Fund units excluding hedge funds	199	49,111	1,832	51,142
- Private equity fund investments		2,319	4,363	6,682
- Indirect real estate fund		6	2,411	2,417
Total shares and other equity participations	**28,644**	**52,425**	**11,774**	**92,843**
Lending to customers		**673**		**673**
Bonds and other fixed-income securities:				
- State and state guaranteed	32,627	27,186		59,813
- Credit bonds		41,239	1,042	42,281
- Mortage and asset backed bonds		23,935	1,114	25,049
- Supranational organisations		2,833		2,833
- Bond Funds		26,871		26,871
Total bonds and other fixed-income securities	**32,627**	**122,064**	**2,156**	**156,846**
Derivatives:				
- Interest rate derivatives		1,994		1,994
- Currency derivatives		1,718		1,718
- Credit derivatives		1		1
Sum derivater		**3,712**		**3,712**
- of whitch fair value derivatives with positive fair value		4,964		4,964
- of whitch fair value derivatives with negative fair value		-1,252		-1,252
Liabilities:				
Liabilities to financial institutions		5,856		5,856
Deposits from and debt to customers		179		179

NOK million	Quoted prices	Observable assumptions	Non observable assumptions	Total 2009
Assets:				
Shares and other equity participations	20,701	41,767	10,359	72,827
Lending to customers		758		758
Bonds and other fixed-income securities	52,170	101,093	2,452	155,715
Derivatives	-5	1,880		1,876
Liabilities:				
Liabilities to financial institutions		6,841		6,841
Deposits from and debt to customers		173		173

Notes to the interim financial statements Storebrand Group

Movements between quoted prices and observable assumptions

NOK million	From quoted prices to obervable assumptions	From obervable assumptions to quoted prices
Shares and other equity participations	46	156

Level 1 encompasses listed equities that over the previous six months have experienced a daily average turnover equivalent to approx. MNOK 20 or more. Movements from level 1 to level 2 reflect reduced sales value in the relevant equities in the last measuring period. On the other hand, movements from level 2 to level 1 indicate increased sales value in the relevant equities in the last measuring period.

Specifications of papers persuant to valuation techniques (non-observable assumptions)

NOK million	Equities	Fund units excluding hedge fonds	Private equity fund invest-ments	Indirect real estate fund	Credit bonds	Mortage and asset backed bonds
Opening balance 01.01.10	2,941	1,612	3,360	2,246	973	1,373
Net gains/losses financial instruments	408	348	487	-64	726	36
Additions/purchases	404	160	674	231	99	
Sales/overdue settlement	-638	-326	-158	-15	-778	-295
To quoted prices from observable assumptions	5					
Other	47	39		13	21	
Closing balance 31.12.10	**3,168**	**1,832**	**4,363**	**2,411**	**1,042**	**1,114**

Notes to the interim financial statements Storebrand Group

NOTE 14: LENDING

Loans

NOK million	2010	2009
Corporate	15,187	14,781
Retail	22,499	25,009
Gross lending	**37,686**	**39,790**
Write-down on loans	-257	-289
Net lending	**37,428**	**39,501**

Non-performing and loss-exposed loans

NOK million	2010	2009
Non-performing and loss-exposed loans without evidence of impairment	436	309
Non-performing and loss-exposed loans with evidence of impairment	262	575
Gross defaulted and loss-exposed loans	**698**	**884**
Individual write-downs	-174	-182
Net non-performing and loss-exposed loans	**524**	**702**

NOTE 15: INVESTMENT PROPERTIES

The following amounts are booked in the profit and loss account:

	4Q		Full year	
NOK million	2010	2009	2010	2009
Rent income from properties [1]	475	446	1,623	1,578
Operating costs (including maintenance and repairs) relating to properties that have provided rent income during the period [2]	-123	-101	-337	-299
Total	**352**	**345**	**1,286**	**1,279**
Realised gains/losses	1	-2	1	-2
Change in fair value	139	8	154	-254
Net income from real estate	**493**	**340**	**1,441**	**1,024**
1) Of which properties for own use	17	20	67	94
2) Of which properties for own use	-3	-6	-12	-18
Booked in the profit and loss account:				
Investment properties - company	21	39	52	57
Investment properties - customer	486	301	1,389	967
Total income from investment properties	**507**	**340**	**1,441**	**1,024**

Notes to the interim financial statements Storebrand Group

Change in value real estate investments

	4Q		Full year	
NOK million	2010	2009	2010	2009
Wholly owned real estate investments - investment properties	139	-120	154	-254
Property equities and units in Norway [1]	18	2	96	-76
Property units abroad [1]	46	-37	87	-974
Write-downs/value changes investment properties	**203**	**-155**	**336**	**-1,304**
Wholly owned real estate investments - properties for own use	-104	58	-104	55
Total write -downs/value changes	**100**	**-97**	**233**	**-1,250**
Realised gains/losses sold real estate	**16**		**16**	**22**

[1] Are in the balance sheet classified as equities and units

Book value of investment properties [1]

NOK million	2010	2009
Carrying amount as per 1 January	24,160	23,000
Supply due to purchases	2,503	677
Supply due to additions	476	305
To owner used properties		-87
From owner used properties		1,128
Disposals	-152	-635
Net write-ups/write-downs	51	-199
Exchange rate changes	21	-28
Carrying amount	**27,059**	**24,160**

[1] Consists of investment properties in Storebrand Life Insurance Group

Property type

			2010		
NOK million	2010	2009	Duration of lease (years)	m2	Leased amount in % [1]
Office buildings (including parking and storage):					
Oslo-Vika/Filipstad Brygge	4,930	4,685	5.8	110,610	92
Rest of greater Oslo	6,180	6,161	5.7	205,750	93
Rest of Norway	3,856	1,131	7.0	509,790	93
Shopping centres (including parking and storage)	10,656	11,180	3.3	468,735	92
Multi-storey car parks	696	692	5.8	44,085	100
Shopping centres in Sweden	387		0.5	16,000	3
Cultural/conference centres and commercial in Sweden	354	311	19.0	18,500	86
Taken over properties [2]	43	165			
Total investment properties	**27,102**	**24,325**		**1,373,470**	
Properties for own use	1,668	1,718	9.3	50,000	
Total properties	**28,770**	**26,043**		**1,423,470**	

[1] The leased amount is calculated in relation to floor space.
[2] Storebrand Bank Group has taken over properties in connection with defaulted loans. The properties are valued individually on the basis of the estimated income and costs associated with the completion/sale of the property projects.

Geographical location:

NOK million	2010	2009
Oslo - Vika/Fillipstad Brygge	5,625	5,377
Rest of Greater Oslo	7,603	8,903
Rest of Norway	14,512	11,452
Sweden	742	311
Other	289	
Total properties	**28,770**	**26,043**

A further NOK 450 million was agreed for property purchases in 2010, but the assumption of the risk and final conclusion of contracts will occur in later quarters in 2011. NOK 372 million in Storebrand and SEK 1,302 million in SPP have been committed but not drawn on in international real estate funds.

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

Internal value calculations:
An internal cash flow model is used to calculate fair value based on the following assumptions:

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

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

- Transactions in the market
- Perceptions in the market
- Lease status (vacancy, tenant's solvency)
- Location
- Standard
- Rent level in relation to market rent
- Value per m2
- All other information about property values, the market and the individual property

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

External valuations:
A representative selection of properties is subject to an external valuation. In periods of low activity in the property market when it is difficult to find sales of properties that can be compared with the types of properties Storebrand owns, valuations are obtained from external valuers to verify the values calculated using the internal valuation model. As per 31 December 2010, valuations were obtained for the equivalent of 37 per cent of Storebrand's property portfolio and which represent all the segments described at the next page.

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

	Required rate of return		Volume	
Segment	2010	2009	2010	2009
Office buildings (including parking and storage):				
Oslo-Vika/Filipstad Brygge	7.50-8.50	7.75-9.25	5,625	5,377
Rest of greater Oslo	8.25-10.00	7.75-10.00	7,559	7,611
Rest of Norway	8.75-9.75	8.75-10.00	3,856	1,131
Shopping centres in Sweden	8.00-9.25	8.25-9.25	10,656	11,180
Cultural/conference centres and commercial in Sweden			742	311
Other			289	268

Sensitivities

Valuations are particularly sensitive to changes in the required rate of return and assumed future cash flows. A change of 0.25% in the required rate of return, where everything else remains the same, would result in a change in value in the real estate portfolio of approx. NOK 931 million, which corresponds to 3.36%. Around 25 per cent of the property's cash flow is linked to signed leases. This means that changes in the uncertain parts of the cash flow of 1 per cent result in a 0.75 per cent change in value.

NOTE 16: CONTINGENT LIABILITIES

NOK million	2010	2009
Guarantees	302	248
Unused credit limit lending	5,844	2,984
Uncalled residual liabilities re limited partnership	5,635	4,483
Other contingent liabilities	817	468
Total contingent liabilities	**12,597**	**8,182**

Guarantees principally concern payment guarantees and contract guarantees.
Unused credit facilities concern granted and unused overdrafts and credit cards, as well as unused facility for credit loans secured by property.

Notes to the interim financial statements Storebrand Group

NOTE 17: CAPITAL ADEQUACY AND SOLVENCY

The Storebrand Group is a cross-sectoral financial group subject to capital requirements pursuant to Basel I/II (capital adequacy) and the solvency rules on a consolidated basis. Pursuant to the solvency rules, solvency margin requirements are calculated for the insurance companies' in the group, while for the other companies a capital requirement pursuant the capital adequacy regulations is calculated. The calculations in the tables below conform to the regulations relating to the application of the solvency rules on a consolidate basis, etc., Section 7.

Primary capital consists of core (tier 1) capital and supplementary capital. Pursuant to the regulations for calculating primary capital, core (tier 1) capital is materially different to equity in the financial statements. The table below shows a reconciliation of core (tier 1) capital in relation to equity. Issued hybrid tier 1 capital can account for 15 per cent of the core (tier 1) capital, while any overshoot can be included in the tier 2 capital. A percentage of the conditional bonus is included in the core (tier 1) capital pursuant to the conditions stipulated by Finanstilsynet and this applies to that part of the insurance capital that is not guaranteed in SPP. Tier 2 capital which consists of subordinated loans cannot exceed more than 100 per cent of the core (tier 1) capital, while dated subordinated loan capital cannot exceed more than 50 per cent of the core (tier 1) capital.

Pursuant to Basel II the capital requirement for primary capital is 8 per cent of the basis for calculating the credit risk, market risk and operational risk. The insurance companies in the Group are included in capital adequacy with a capital requirement pursuant to the regulations in Basel I.

In a cross-sectoral financial group the sum of the primary capital and other solvency margin capital shall cover the sum of the solvency margin requirements for the insurance activities and the requirements for primary capital of financial institutions and securities firms.

In the solvency margin requirement that is used for the insurance companies, this requirement is calculated as 4 per cent of the gross insurance fund. The solvency margin capital in insurance differs slightly from primary capital which is used in capital adequacy. Primary capital includes a proportion of conditional bonuses, but this capital cannot be included in the solvency margin capital. A proportion of additional statutory reserves and the risk equalisation fund are also included in the solvency margin capital.

Primary capital in capital adequacy

NOK million	2010	2009
Share capital	2,250	2,250
Other equity	16,168	14,967
Equity	**18,417**	**17,217**
Hybrid tier 1 capital	1,779	1,715
Conditional bonus	3,359	2,755
Goodwill and other intangible assets	-6,918	-6,773
Deferred tax assets	-111	-213
Risk equalisation fund	-287	-225
Deductions for investments in other financial institutions	-44	
Security reserves	-132	-101
Minimum requirement reassurance allocation	-7	-46
Capital adequacy reserve	-399	-254
Dividend, not in the accounts	-491	
Other	118	-137
Core (tier 1) capital	**15,285**	**13,938**
Hybrid tier 1 capital		47
Perpetual subordinated capital	5,039	5,047
Ordinary subordinated capital	500	675
Deductions for investments in other financial institutions	-44	
Capital adequacy reserve	-399	-254
Tier 2 capital	**5,097**	**5,515**
Net primary capital	**20,382**	**19,453**

Notes to the interim financial statements Storebrand Group

Minimum requirements primary capital in capital adequacy

NOK million	2010	2009
Credit risk		
Of which by business area:		
Capital requirements insurance	10,672	9,406
Capital requirements banking	1,628	1,653
Capital requirements securities undertakings	14	17
Capital requirements other	60	36
Total minimum requirements credit risk	**12,373**	**11,113**
Operational risk/settlement risk	132	128
Deductions	-78	-58
Minimum requirements primary capital	**12,427**	**11,182**
Capital adequacy ratio	**13.1 %**	**13.9 %**
Core (tier 1) capital ratio	**9.8 %**	**10.0 %**

Solvency requirements for cross-sectoral financial group

NOK million	2010	2009
Requirements re primary capital and solvency capital		
Capital requirements Storebrand Group from capital adequacy statement	12,427	11,182
- capital requirements insurance companies	-10,672	-9,406
Capital requirements pursuant to capital adequacy regulations	1,755	1,776
Requirements re solvency margin capital insurance	10,905	10,208
Total requirements re primary capital and solvency capital	**12,660**	**11,984**
Primary capital and solvency capital		
Net primary capital	20,382	19,453
Change in solvency capital for insurance in relation to primary capital		
Conditional bonus - not approved as solvency capital	-3,359	-2,755
Other solvency capital	2,955	2,513
Total primary capital and solvency capital	**19,978**	**19,211**
Surplus solvency capital	**7,318**	**7,227**

NOTE 18: LIQUIDATED BUSINESS

In 2010, Storebrand Skadeforsikring AS sold the company Oslo Reinsurance Company LTD. An application for the UK authorities' approval has been submitted and a reply is awaited. According to the rules in IFRS 5 the total net profit after tax up to and including the time of the sale is shown on a separate line in the group result after the tax cost line. At the same time assets and liabilities are separated out in separate lines in the statement of financial position until the sale has been is completed. Sales of equities resulted in a group loss of NOK 11 million. In addition to this, the accumulated amount for translation differences that were previously booked against total comprehensive income are included in the result in the amount of minus NOK 32 million, cf. IAS 21.

Storebrand ASA

PROFIT AND LOSS ACCOUNT

	4Q		Full year	
NOK million	2010	2009	2010	2009
Operating income				
Income from investments in subsidiaries	1,158	835	1,158	835
Net income and gains from financial instruments:				
- shares and other equity participations		5	11	-10
- bonds and other fixed-income securities	17	36	41	292
- financial derivatives/other financial instruments	-8	-29	-8	-244
Other financial instruments		-1	1	2
Operating income	**1,168**	**845**	**1,204**	**874**
Interest expenses	-33	-31	-131	-129
Other financial expenses	-431	-1	-441	-14
Operating costs				
Personnel costs	-8	-14	-23	-54
Amortisation	-1		-2	
Other operating costs	-25	-40	-106	-108
Total operating costs	**-34**	**-54**	**-131**	**-162**
Total costs	**-498**	**-86**	**-703**	**-306**
Pre-tax profit	**670**	**760**	**502**	**568**
Tax cost				
Profit for the period	**670**	**760**	**502**	**568**

Storebrand ASA

STATEMENT OF FINANCIAL POSITION

NOK million	2010	2009
Fixed assets		
Pension assets	30	367
Tangible fixed assets	45	41
Shares in subsidiaries	16,609	16,947
Total fixed assets	**16,683**	**17,355**
Current assets		
Owed within group	1,158	953
Lending to group companies	17	17
Other current receivables	22	11
Investments in trading portfolio:		
- shares and other equity participations		59
- bonds and other fixed-income securities	1,313	1,152
- financial derivatives/other financial instruments	37	11
Bank deposits	74	48
Total current assets	**2,621**	**2,251**
Total assets	**19,304**	**19,606**
Equity and liabilities		
Share capital	2,250	2,250
Own shares	-19	-20
Share premium reserve	9,485	9,485
Total paid in equity	**11,715**	**11,714**
Other equity	3,919	4,313
Total equity	**15,634**	**16,026**
Non-current liabilities		
Pension liabilities	183	186
Securities issued	2,898	2,256
Total non-current liabilities	**3,081**	**2,442**
Current liabilities		
Liabilities to financial institutions		914
Debt within group	54	142
Other financial liabilities		16
Provision for dividend	491	
Other current liabilities	44	65
Total current liabilities	**589**	**1,137**
Total equity and liabilities	**19,304**	**19,606**

Storebrand ASA

CASH FLOW STATEMENT

NOK million	2010	2009
Cash flow from operational activities		
Receipts - interest, commission and fees from customers	37	65
Net receipts/payments - securities at fair value	-51	-452
Payments relating to operations	-231	-196
Net receipts/payments - other operational activities	965	147
Net cash flow from operational activities	**720**	**-436**
Cash flow from investment activities		
Net payments - sale/capitalisation of subsidiaries	-184	316
Net receipts/payments - sale/purchase of property and fixed assets	-5	-6
Net cash flow from investment activities	**-189**	**310**
Cash flow from financing activities		
Payments - repayments of loans	-966	-1,734
Receipts - new loans	601	1,488
Payments - interest on loans	-149	-142
Receipts - issuing of share capital	9	10
Net cash flow from financing activities	**-505**	**-379**
Net cash flow for the period	**26**	**-506**
Net movement in cash and cash equivalents	26	-506
Cash and cash equivalents at start of the period	48	553
Cash and cash equivalents at the end of the period	**74**	**48**

Notes to the financial statements Storebrand ASA

NOTE 1: ACCOUNTING POLICIES

The financial statements are presented in accordance with the accounting policies applied in the annual financial statements for 2009. The accounting policies are described in the 2009 annual report.

Storebrand ASA has since 1 January 2010 recognised actuarial gains and losses directly against equity. The entire effect of the change was recognised in 2010, and the comparable figures remain unchanged. Storebrand ASA does not apply IFRS to the parent company's financial statements.

NOTE 2: ESTIMATES

In preparing the interim accounts, Storebrand has used assumptions and estimates that affect reported amounts of assets, liabilities, revenues, and costs, and information in the notes to the financial statements. The final values realised may differ from these estimates.

NOTE 3: INCOME FROM INVESTMENTS IN SUBSIDIARIES

NOK million	2010	2009
Storebrand Livsforsikring AS	850	610
Storebrand Fondene AS	80	35
Storebrand Bank ASA [1]	50	35
Storebrand Kapitalforvaltning AS	178	155
Total	**1,158**	**835**
[1] Group contribution booked as equity transaction		130

NOTE 4: WRITE-DOWNS OF SHARES IN SUBSIDIARIES

The shares in Storebrand Bank AS were written down by NOK 425 million in 2010. A cash flow based valuation based on the expected pre-tax result is conducted when calculating the utility value for the banking group. The management have made use of Board adopted budgets and prognoses for the coming three-year period in the calculation. A stable growth rate of 2.5 per cent is assumed in the calculation of the terminal value, equal to expected inflation. The utility value is calculated using a required rate of return after tax of 9 per cent. The required rate of return is computed on the basis of risk-free interest and added to a premium that reflects the risk in the enterprise.

NOTE 5: EQUITY

NOK million	Share capital [1]	Own shares	Share premium	Other equity	Equity 2010	Equity 2009
Equity as per 1 January	2,250	-20	9,485	4,313	16,026	15,445
Profit for the year				502	502	568
Experience pension [1]				-414	-414	
Own share bought back [2]		1		14	15	32
Provision for dividend				-491	-491	
Employee share [3]				-5	-5	-19
Total equity	**2,250**	**-19**	**9,485**	**3,919**	**15,634**	**16,026**

[1] With effect from 1 January 2010 Storebrand ASA amended its policies such that actuarial gains and losses are recognised directly against equity, which at the time of the change resulted in an effect of minus NOK 356 million. The year's change in experience adjustments amounts to minus NOK 58 million.
[2] 449,909,891 shares with a nominal value of NOK 5
[3] In 2010, 329,539 of our own shares were sold to our own employees and 108,628 shares has been bought. Holding of own shares as per 31 December 2010 was 3,838,932.

Notes to the financial statements Storebrand ASA

NOTE 6: BONDS ISSUED AND BANK LOANS

NOK million	Interest rate	Currency	Net nominal value	2010	2009
Bond loan 2005/2011	Variable	NOK	750	752	751
Bond loan 2009/2012	Variable	NOK	405	406	405
Bond loan 2010/2013 [1)]	Fixed	NOK	200	210	
Bond loan 2010/2013	Variable	NOK	400	400	
Bond loan 2009/2014 [1)]	Fixed	NOK	550	570	555
Bond loan 2009/2014 [1)]	Fixed	NOK	550	560	546
Bank loan 2008/2010	Variable	EUR	110		914
Total [2)]				**2,898**	**3,171**

[1)] Loans with fixed rates are hedged by interest swaps, which are booked at fair value through profit and loss. Changes in values of loans that can be related to the hedged risk are included in the carrying amount and included in the result.
[2)] Loans are booked at amortised cost and include earned not due interest. Signed loan agreements have standard covenant requirements. The terms and conditions have been redeemed pursuant to signed loan agreements. Storebrand ASA has an unused drawing facility for EUR 210 million.

Offices in Norway (incl. agents)
Tromsø, Trondheim, Kristiansund, Bergen, Stavanger, Kristiansand, Bø, Porsgrunn, Sandefjord, Tønsberg, Drammen, Asker, Sandvika, Oslo, Hønefoss, Hamar, Lillehammer, Jessheim, Sarpsborg, Fredrikstad, Molde, Ålesund, Lysaker, Ski.

Offices in Sweden
Göteborg, Linköping, Malmö, Stockholm, Sundsvall, Örebro.

HEADQUARTERS:

Storebrand ASA
Professor Kohts vei 9
P.O. Box 500
N-0114 Oslo, Norway
Tel.: + 47 22 31 50 50
www.storebrand.no

Call center:
+47 08880

OTHER GROUP COMPANIES:

SPP Livförsäkring AB
Torsgatan 14
S-10539 Stockholm, Sweden
Tel.: +46 8 451 7000
www.spp.se

Storebrand Livsforsikring AS,
- Swedish branch
Torsgatan 14
Box 5541
S-114 85 Stockholm, Sweden
Tel.: + 46 8 700 22 00
www.storebrand.se

Storebrand Kapitalforvaltning AS
- Swedish branch
Torsgatan 14
Postboks 5541
S-114 85 Stockholm, Sweden
Tel.: +46 8 614 24 00
www.storebrand.se

Storebrand Helseforsikring AS
Filipstad Brygge 1
Postboks 1382 Vika
N-0114 Oslo, Norway
Tel.: +47 22 31 13 30
www.storebrandhelse.no

Storebrand Helseforsikring AS
- Swedish branch
Rålambsvägen 17, 14tr, DN huset
Box 34242
S-100 26 Stockholm, Sweden
Tel.: +46 8 619 62 00
www.dkvhalsa.se

Oslo Reinsurance Company AS
Ruseløkkveien 14
Postboks 1753 Vika
N-0122 Oslo, Norway
Tel.: +47 22 31 50 50
www.oslore.no

Financial calendar Storebrand 2011

16 February:	4th quarter 2010 results
9 March:	Embedded Value 2010
	Capital Markets Day
13 April:	Annual General Meeting
14. April:	Ex dividend date
11 May:	1st quarter results
14 July:	2nd quarter results
26 October:	3rd quarter results
February 2012:	4th quarter 2011 results

Investor Relations contacts

Trond Finn Eriksen	Head of IR	trond.finn.eriksen@storebrand.no	+47 9916 4135
Kjetil R. Krøkje	IR Officer	kjetil.r.krokje@storebrand.no	+47 9341 2155
Faisal Khan	Director Corporate Finance and IR	faisal.khan@storebrand.no	+47 9223 0067
Odd Arild Grefstad	Group Chief Financial Officer	odd.arild.grefstad@storebrand.no	+47 9340 3850

Address

Storebrand ASA

P.O. Box 500, N-1327 Lysaker, Norway

Visiting address: Professor Kohts vei 9, Lysaker

Telephone: +47 22 31 50 50

www.storebrand.com/ir

MILJØMERKET 241 Trykkeri 674