Interim report
Storebrand Group

1st quarter
2014

storebrand

Interim report - 1Q 2014:

Storebrand Group

Contents

Important notice:

This document may contain forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances that may be beyond the Storebrand Group's control. As a result, the Storebrand Group's actual future financial condition, performance and results may differ materially from the plans, goals and expectations set forth in these forward-looking statements. Important factors that may cause such a difference for the Storebrand Group include, but are not limited to: (i) the macroeconomic development, (ii) change in the competitive climate, (iii) change in the regulatory environment and other government actions and (iv) market related risks such as changes in equity markets, interest rates and exchange rates, and the performance of financial markets generally. The Storebrand Group assumes no responsibility to update any of the forward-looking statements contained in this document or any other forward-looking statements it may make.

Storebrand Group

- **Group result[1] of NOK 728 million for first quarter**
- **Shareholders direct contribution for strengthening longevity reserves of NOK 90 million**
- **Transfers out of NOK 6 billion in the public sector**
- **Premium growth of 16 per cent in non-guaranteed occupational pensions**

Storebrand's ambition is to be the best provider of pension savings. The group offers a broad range of products within life insurance, property and casualty insurance, asset management and banking, to companies, public sector entities and private individuals. The group is divided into the segments Savings, Insurance and Guaranteed pension and Other.

Group result[2]

	2014	2013				Full year
NOK million	1Q	4Q	3Q	2Q	1Q	2013
Fee and administration income	1,057	1,114	1,067	1,051	1,021	4,253
Risk result life & pensions	75	17	-35	-8	43	17
Insurance premiums f.o.a.	770	796	773	707	758	3,034
Claims f.o.a.	-492	-569	-375	-430	-566	-1,940
Operational cost	-785	-494	-798	-830	-816	-2,938
Financial result	121	10	92	-25	20	97
Result before profit sharing and loan losses	**747**	**875**	**724**	**464**	**459**	**2,522**
Net profit sharing and loan losses	71	180	86	55	95	416
Provision longevity	-90	-	-	-	-	-
Result before amortisation and write-downs	**728**	**1,055**	**810**	**520**	**553**	**2,938**
Amortisation and write-downs of intangible assets	-111	-417	-112	-105	-104	-739
Result before tax	617	638	698	414	449	2,199
Tax	-108	-236	-10	126	-88	-209
Sold/liquidated business	0	-2	0	-2	-1	-4
Profit after tax	**509**	**400**	**688**	**538**	**361**	**1,987**

The Group result before amortisation was NOK 728 million (NOK 553 million) for the first quarter of 2014. Figures in parentheses show the corresponding period last year. Underlying fee and administration income increased by 1.8 per cent[3]. Costs during the same period were reduced by 5.4 per cent[3]. Building of reserves for longevity in the quarter has affected the result directly by negative NOK 90 million and NOK 149 million indirectly through foregone profit sharing. This is based on an estimate of the total need over a seven-year period, given the current asset allocation and an expected return of 4.4 per cent.

Group result by result area[2]

	2014	2013				Full year
NOK million	1Q	4Q	3Q	2Q	1Q	2013
Sparing (ikke-garantert)	186	296	146	138	90	670
Forsikring	226	182	315	181	95	774
Garantert pensjon	302	448	293	255	380	1 376
Øvrig	14	128	56	-54	-11	119
Resultat før amortisering	**728**	**1 055**	**810**	**520**	**553**	**2 938**

The result in Savings was strengthened by NOK 96 million during the quarter in comparison with the same period in 2013. The increase is due to a growth in income driven by growth in assets under management, increased interest margin in the bank and cost-reduction measures.

Insurance is reporting a combined ratio of 80 per cent for the quarter. The cost percentage totalled 16 per cent during the quarter. Growth in premium income in the retail market is still strong.

For Guaranteed pensions, the fee and administration income will be reduced in line with the balance sheet being reduced. During the quarter, customer assets of approximately NOK 7 billion have been transfered from Storebrand. The risk results have been strengthened with the introduction of a new mortality tariff. Positive development in the equity and credit markets as well as a reduction in the long-term market interest rates contributed to profit sharing in the Swedish business.

In the Norwegian business, all group profiles had a market return and booked return exceeding the average interest rate guarantee.

1) Result before amortisation and tax.
2) The income statement is based on reported IFRS results for the individual companies in the Group. The statement differs from the official financial statements. Principal changes in accounting standards and changes between segments are reflected and figures have been reworked in displayed results For more information see note 1 and note 6.
3) Currency-adjusted.

There has been no use of either additional statutory reserves or equity in order to cover the ordinary guarantee in the portfolio. Owner's direct costs for building up reserves for increased life expectancy are NOK 90 million.

The Other segment reports a lower fee and administration income due to reduced activity associated with bank lending to corporate market customers. A loan loss provision of NOK 52 million was incurred in the quarter. Improved returns strengthen the financial results in the company portfolios.

Changed segment reporting

Beginning with the first quarter of 2014, sickness insurance and one-year life assurance at SPP have been transferred from the Guaranteed Pension segment to the Insurance segment. The historical figures have been reworked and reflect the changes above.

Market and sales performance

The shift from products with guaranteed interest rates to unit linked insurance products continues in the life insurance businesses. These products are showing good growth in Storebrand Life Insurance and in SPP. The Group's premium income for guaranteed pension products has declined by 8 per cent, while the premium income for non-guaranteed occupational pensions increased by 16 per cent during the quarter. Storebrand is maintaining its position as the market leader in non-guaranteed pensions within the Norwegian market for occupational pensions, whereas SPP has a challenger position in the Swedish market. Storebrand has a market share of 30 per cent in the Norwegian market for defined contribution pensions. SPP's market share for new subscriptions to unit linked insurance within the Other occupational pensions segment is nearly 15 per cent. This means that SPP is the second largest actor in this market, as measured by new sales[1].

Capital situation and taxes

The Storebrand Life Insurance Group's solvency margin was 182 per cent at the end of the quarter. This is an improvement of 6 percentage points during the quarter. The increase is primarily due to the quarter's result. Lower long-term interest rates in Sweden have contributed negatively to the solvency margin during the quarter. A reduction in the level of interest rates increases the insurance obligations in the solvency calculation for the Swedish part of the business.

During the course of the quarter, SPP and Storebrand Livsforsikring AS have issued perpetual subordinated loan capital of SEK 700 million and NOK 1,100 million respectively. The Swedish loan has an early repurchase right (call) after 5 years, whereas the Norwegian loan has a call after 10 years. These loans have been issued as compensation for subordinated loan of NOK 1,700 million having calls in June 2014.

This loan has been taken out of the solvency capital in the solvency calculation. Capital adequacy and core capital adequacy for the Storebrand Group at the end of the first quarter were 14.4 per cent and 11 per cent, respectively, an increase of 1.0 and 0.7 percentage points during the quarter.

The tax expenses during the first quarter have been estimated based upon an expected effective tax rate for the year of 2014 adjusted for a smaller tax-reducing one-off effect. The tax rate is calculated to lie in the range of 20-25 % for the year.

Financial targets

ROE	>10%
Solvency margin (Storebrand Life Group)	>150%
Dividend on result after tax before amortisation	>35%
Rating	A

Build-up of reserves for increased life expectancy

The Financial Supervisory Authority of Norway determined in March 2013 that a new mortality tariff would be introduced for group pension insurance in life insurance companies and pension funds effective from 1 January 2014. This requires increased premiums and higher insurance technical reserves to have sufficient funds to cover future liabilities. On April 2, 2014, the Financial Supervisory Authority of Norway published its final guidelines for reservation. These are based upon a letter from the Ministry of Finance of 27 March 2014. See note 2 for details on the most important preconditions in the reserve strengthening. Storebrand has applied to the Financial Supervisory Authority of Norway in April 2014 for a 7 year build up period of reserves for increased life expectancy.

Storebrand needs to build reserves of NOK 12.4 billion. In total, NOK 4.1 billion was allocated in 2013 for building future reserves. Booked return in the first quarter of 2014 was good, and together with a good risk result this comprises a total of NOK 1.8 billion, where the majority will be available as longevity reserves upon the final allocations of the result for 2014. Storebrand has other buffers that can be used to strengthen the reserves. An ongoing effort to allocate longevity reserves to each contract could reduce the total allocated amount by apporximately NOK 500 million. The total contribution from owners will depend upon risk results and the booked return on invested customer assets during the seven-year period. Depending upon the booked return, the expected effect on results will be:

Annual booked return	Expected total effect on result[2]	Annual effect on result[2]
4%	~3 500	~500
4.5%	~2 100	~300
5%	~1 100	~160

Group - Key figures

	2014	2013				Full year
NOK million	1Q	4Q	3Q	2Q	1Q	2013
Earnings per share adjusted (NOK) [3]	1.38	1.82	1.78	1.43	1.03	3.15
ROE, annualised [3]	11.3 %	17.0 %	11.9 %	9.6 %	3.7 %	7.5%
Equity	23,080	22,775	22,274	21,301	20,939	22,775
Solvency margin (Storebrand Life Group)	182%	176%	178%	174%	165%	176%

[1] *Premium income as at the 4th quarter of 2013. Source: Finance Norway and Insurance Sweden.*
[2] *All numbers NOK million. Excluding loss of profit sharing.* [3] *After tax, adjusted for amortisation and write-downs of intangible assets.*

Savings

Good earnings performance driven by earnings growth and increased interest margin. Solid additional returns in the investment portfolios and stronger competitiveness in the Swedish market.

The Savings business area includes products for retirement savings with no interest rate guarantees. The business area consists of defined contribution pensions in Norway and Sweden, asset management and retail banking products.

Savings

	2014	2013				Full year
NOK million	1Q	4Q	3Q	2Q	1Q	2013
Fee and administration income	509	489	490	461	448	1,888
Risk result life & pensions	-2	3	0	4	0	7
Operational cost	-321	-294	-328	-322	-335	-1,279
Financial result	-	-	-	-	-	-
Result before profit sharing and loan losses	186	199	162	143	113	616
Net profit sharing and loan losses	0	98	-16	-5	-24	54
Result before amortisation	186	296	146	138	90	670

Results

The result in Savings is significantly strengthened during the first quarter of 2014, compared to the first quarter last year, due to earnings growth in all parts of the segment, improved margins in banking and cost-reduction measures.

Defined contribution pensions are growing in Norway and Sweden due to a continued increase in number of companies choosing defined contribution-based schemes. This makes for an increased number of members in the pension schemes and increased pension funds. The revenues for defined-contribution pension and other unit linked-based savings have increased by 23 per cent so far this year in comparison with the same period in 2013.

The retail bank products shows good growth in interest income. This is due to an interest margin of 1.25 per cent so far this year in contrast to 1.08 per cent for the same period last year. The lending portfolio of NOK 23.5 billion consists primarily of low-risk home mortgages. As of the first quarter, loan losses in the retail market were a positive NOK 0.8 million due to a reversal of previous reserves.

The asset management business has achieved excess returns for its customers during the first quarter of NOK 963 million. Interim return-based fees of around NOK 22 million for the quarter have not been recognised as income.

In total, fee and administrative revenues increased by nearly 14 per cent in comparison with the first quarter of 2013. Measures initiated for rationalisation with respect to the Group's cost programme are providing cost reductions, however increased sales are causing higher distribution costs.

Balance sheet and market trends

Premium income for non-guaranteed life insurance-related saving amounts to NOK 2.5 billion during the first quarter, which is 6 per cent higher than the same period last year. Total reserves within unit linked have grown by 2 per cent since the end of 2013.

In the Norwegian market, Storebrand is the market leader in defined contribution schemes, with around 30 per cent of the market. There is strong competition in the market for defined contribution pensions. Beginning 1 January 2014, maximum limits for savings for employees is increased in defined contribution pensions.

SPP's market share for new subscriptions to unit linked insurance within the segment of Other occupational pensions is 15 per cent. This makes SPP the second-largest participant in this market. SPP's new sales of unit linked insurance is 7 per cent lower than in the first quarter of 2013, and this is due to lower conversions from defined-benefit schemes. If such conversions are ignored, with the associated premium payments, new sales are 19 per cent higher that in the first quarter of 2013. SPP was selected in 2013 to be one of several suppliers in the largest pension platform in Sweden (the ITP Plan), and activities commenced to increase customer contacts have yielded a positive effect on new sales so far this year.

For the asset management business, assets under management have increased by NOK 8 billion to NOK 495 billion as at the end of the first quarter. The growth has been driven by good financial markets, excess returns and new sales.

Savings - Key figures

	2014	2013			
NOK million	1Q	4Q	3Q	2Q	1Q
Unit Linked Reserves	87,105	85,452	79,341	73,542	70,458
Unit Linked Premiums	2,463	2,273	2,296	2,768	2,318
AuM Asset Management	495,244	487,384	471,278	455,701	453,828
Retail Lending	23,537	23,906	24,110	24,036	23,922

Insurance

Establishment of Nordic organisation for Insurance and amended rules for consolidation of Storebrand Helseforsikring[1).] Underlying good risk result and good financial result.

Insurance has responsibility for the Group's risk products in Norway and Sweden. The unit provides health insurance in the Norwegian and Swedish corporate and retail markets, P&C insurance and personal risk products in the Norwegian retail market and employee-related and pension-related insurance in the Norwegian and Swedish corporate markets.

Insurance

NOK million	2014 1Q	2013 4Q	3Q	2Q	1Q	Full year 2013
Insurance premiums f.o.a.	770	796	773	707	758	3,034
Claims f.o.a.	-492	-569	-375	-430	-566	-1,940
Operational cost	-125	-77	-126	-132	-128	-463
Financial result	74	31	44	36	32	143
Result before amortisation	226	182	315	181	95	774
Claims ratio	64%	71%	49%	61%	75%	64%
Cost ratio	16%	10%	16%	19%	17%	15%
Combined ratio	80%	81%	65%	80%	92%	79%

Results

Insurance has delivered a result before amortisation in the first quarter of NOK 226 million (95 million), with a total combined ratio of 80 per cent (92 per cent).

The risk result during the quarter was good with a claims ratio of 64 per cent (75 per cent). In Sweden, reserves releases primarily explain the low claims ratio. In Norway, the underlying risk trend for both mortality and disability risk in the portfolio is good. For group pensions (the risk coverage associated with defined-contribution pensions) the risk result has improved after building up reserves in 2013 and a positive trend in the result is expected in future. The mild winter in the south east with little precipitation and good driving conditions has given a lower claims frequency than expected, however this is counterbalanced in part by a negative natural perils result of minus NOK 4.5 million. The underlying trend in risk in the P&C insurance portfolio is good.

The cost ratio was 16 per cent (17 per cent) for the first quarter. The area continues to strengthen its competitiveness through rationalisations. Important measures are increased automation, sourcing of services and increased economies of scale provided by increased volume.

The investment portfolio of Insurance in Norway totals NOK 5.5 billion, which is primarily invested in fixed income securities with short and medium term duration. The financial revenues are higher than for the corresponding period last year due to good yields and realisation of gains.

Balance sheet and market trends

Premium income growth is still strong in the retail market and the insurance business showed good growth during the quarter. There is increasing competition in P&C insurance and developments are being followed closely. Health-related insurance is growing and Storebrand is succeeding well in the market. This is driven by companies desire to reduce sick leave, increase job satisfaction and reduce overall insurance costs. However, the market, especially for personal insurance, is marked by many participants and there being a number of new entrants who desire to establish themselves in the market. This creates a new dynamic and increases competition.

For risk coverage in connection with defined contribution pension high growth is expected in future driven by conversions from defined benefit to defined contribution based pensions. In Sweden, the disability trend has been downward for a long period of time, which has led to reduced premiums in general. As a response to this, the health insurance premium at SPP has been reduced by 30 % during the first quarter in order to strengthen its competitiveness.

Insurance - Key figures

NOK million	2014 1Q	2013 4Q	3Q	2Q	1Q
P&C & Individual life *	1,314	1,297	1,275	1,250	1,197
Health & Group life **	1,211	1,227	1,221	1,197	1,184
Pension related disability insurance ***	1,027	1,046	1,012	1,001	985
Total written premiums	3,551	3,569	3,509	3,448	3,366
Reserves	5,317	5,144	5,079	5,148	4,458

** Individual life disability, property and casualty insurance. ** Group disability, workers comp. and health insurance. *** DC risk premium.*
[1)] Health insurance is owned 50 per cent each by Storebrand ASA and Munich Health and is consolidated according to the equity method.

Guaranteed pension

Solid margins in administration, risk cover and profit sharing. Longevity reserve strengthening reduces the result.

The Guaranteed pension business area includes long-term pension savings products that give customers a guaranteed rate of return. The business area covers defined benefit pensions in Norway and Sweden, paid-up policies and individual capital and pension insurance.

Guaranteed pension

	2014	2013				Full year
NOK million	1Q	4Q	3Q	2Q	1Q	2013
Fee and administration income	474	535	491	496	491	2,013
Risk result life & pensions	78	16	-31	-18	40	7
Operational cost	-281	-199	-272	-275	-271	-1,016
Financial result	-	-	-	-	-	-
Result before profit sharing and loan losses	**272**	**352**	**188**	**203**	**260**	**1,003**
Net profit sharing and loan losses	120	96	105	52	119	373
Provision longevity	-90	-	-	-	-	-
Result before amortisation	**302**	**448**	**293**	**255**	**380**	**1,376**

Results

New subscriptions for guaranteed pensions have been closed for most products and work is actively being done to inform the customers of the possibilities of converting to non-guaranteed savings.

While fee and administration revenues showed growth throughout the 2013 due to increased fees and low level of conversions to non-guaranteed products, the trend during the first quarter of 2014 is in as expected with a large part of the portfolios being mature and in long-term decline. Total revenues fell 3.5 per cent in comparison with the corresponding quarter in 2013. The revenues have been reduced in both the Norwegian and Swedish businesses. This is due to a falling business volume because of customers transitioning to non-guaranteed solutions. In addition, insured pension schemes for the public sector are being discontinued in Norway, and during the first quarter 42 customers with a total of NOK 5 billion in reserves were moved out.

The operating costs for the area were NOK 281 million for the quarter, which is an increase of 3.7% from the preceding year, due primarily to the effects of exchange rates. Underlying cost control is good.

The risk result is strong for the first quarter, driven by a new mortality tariff in Norway (K2013), good disability results and reserve changes. As regards the reserve changes, a dissolution was carried out of insurance reserves at SPP and the reserves for public sector pensions were strengthened with a positive net effect of NOK 15 million.

The result from net profit sharing has been generated in the Swedish business. The development in the equity and credit markets as well as the fall in interest rates has caused the open portfolio (IF P250) and IF P300 to contribute 122 million to profit sharing in the quarter. In addition, the consolidation exceeds 107 per cent of all the sub-portfolios within defined benefit pensions. This means that the pensions can be indexed and that the indexing fees will accrue to SPP. The result includes accrual accounting of this fee of NOK 39 million. The change in deferred capital contribution (DCC) gave a negative contribution in the quarter.
The Norwegian business is prioritising the build-up of buffers and reserves for longevity instead of profit sharing between clients and owners. The result for the quarter incurred a charge of NOK 90 million, NOK 50 million in paid-up policies and NOK 40 million in group defined benefit private sector and public sector, in direct longevity result effect in the quarter.

Balance sheet and market trends

Customer reserves for guaranteed pensions comprise NOK 259 billion as at the first quarter, a reduction the last 12 months of 1 per cent. During the quarter, customer assets fell by NOK 4.4 billion caused by transfers from guaranteed pensions of NOK 7.2 billion. Storebrand's discontinuation of defined benefit pensions for the public sector in Norway is behind the greatest part of the transfers. The premium revenues for guaranteed pensions were NOK 4.2 billion during the first quarter, which is a decline of 8 per cent in comparison with the preceding year. The majority of products are closed for new business and the customers' choices about transferring from guaranteed to non-guaranteed products are in line with the Group's strategy.

Guaranteed pension - Key figures

	2014	2013			
NOK million	1Q	4Q	3Q	2Q	1Q
Guaranteed reserves	259,353	263,776	262,126	258,654	261,502
Guaranteed reseves in % of total reserves	74.9 %	75.5 %	76.8 %	77.9 %	78.8 %
Transfer out of guaranteed reserves	7,192	967	710	998	7,279
Buffer capital in % of customer reserves SBL	4.2 %	4.8 %	4.0 %	3.7 %	4.1 %
Buffer capital in % of customer reserves SPP	14.6 %	15.1 %	14.5 %	13.5 %	13.1 %

Other

The result for Storebrand ASA is reported under Other, as well as the result for smaller subsidiaries and the company portfolios of Storebrand Life Insurance and SPP. In addition, the results associated with lending to commercial enterprises by Storebrand Bank and the activities at BenCo are reported in this segment.

Other result

	2014	2013				Full year
NOK million	1Q	4Q	3Q	2Q	1Q	2013
Fee and administration income	74	90	86	94	82	353
Risk result life & pensions	-1	-2	-4	6	2	3
Operational cost	-58	75	-72	-102	-82	-180
Financial result	47	-21	48	-61	-12	-46
Result before profit sharing and loan losses	**62**	**143**	**59**	**-63**	**-10**	**129**
Net profit sharing and loan losses	-48	-14	-3	8	-1	-11
Result before amortisation and write-downs	**14**	**128**	**56**	**-54**	**-11**	**119**

Fee and administration income was weakened by reduced activity associated with lending to corporate market customers. The corporate market portfolio comprises 24 per cent of the total lending by the bank, a reduction of 4 percentage points from the prior quarter. The corporate market portfolio has been reduced by 18 per cent (2.7 billion) since the exit began in the first quarter of 2013. During the quarter, a reserve for losses associated with one single commitment has been included of NOK 52 million.

The operating costs for the segment have been reduced in comparison with the same period for the prior year.

In total, the financial result in the segment Other includes the company portfolios for SPP and Storebrand Life, the financial results for Storebrand ASA and the net results for subsidiaries being wound up and started up at SPP. The net gain associated with concluding the sale of municipal pension plans to KPA increases the result for the company portfolio at SPP by SEK 20 million.

The Storebrand Life Insurance Group is funded by a combination of equity and subordinated loans. The proportion of subordinated loans of approximately 24 per cent[1)] and interest charges comprise a net amount of approximately NOK 125 million per quarter at the current interest rate level. The company portfolios comprised NOK 23.2 billion, including subordinated loans of NOK 1.7 billion with calls in June 2014, at the end of the quarter. The investments are primarily in short-term interest-bearing securities in Norway and Sweden.

[1)] Less loans and associated interest costs for loans of NOK 1,700 million with calls in June 2014.

Balance sheet, solidity and capital adequacy

Solvency margin 182 per cent in life group, NOK 55.5 billion in solidity capital

Continuous monitoring and active risk management is a core area of Storebrand's business. Risk and solidity are both followed up on at the Group level and in the legal entities. Regulatory requirements for financial strength and risk management follow to a large extent the legal entities. The section is thus divided up by legal entities.

Storebrand ASA

Storebrand ASA held liquid assets of approximately NOK 2.2 billion at the end of the quarter. Liquid assets consist primarily of short-term fixed income securities. During the course of the quarter, the company has received net Group contributions and dividends from subsidiaries totalling NOK 524 million. Storebrand ASA's total interest-bearing liabilities were NOK 3.4 billion at the end of the quarter. The next maturity date for bond debt is in July 2014. Storebrand ASA owned 0.60 per cent (2,716,273) of the company's own shares at the end of the quarter.

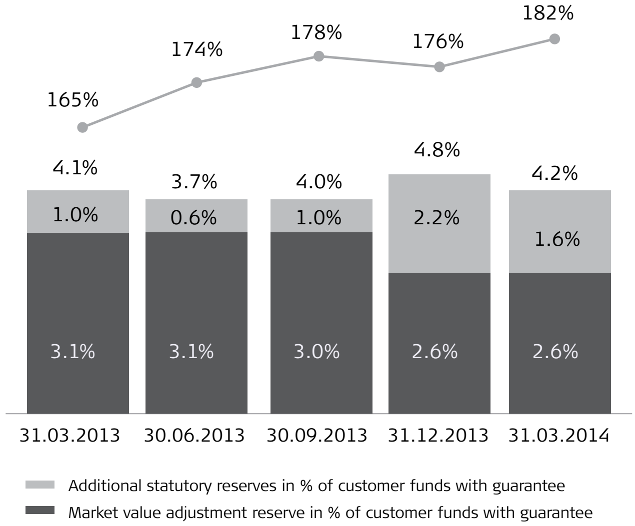
Storebrand Life Insurance Group[1)]

The Storebrand Life Insurance Group's solvency margin was 182 per cent at the end of the quarter. This is an improvement of 6 percentage points during the quarter. The increase is due primarily to the quarterly result, an increase in risk equalisation fund as well as consolidation of a minority interest. Lower long-term interest rates in Sweden have contributed negatively to the solvency margin during the quarter. A reduction in the level of interest rates increases the insurance obligations in the solvency calculation for the Swedish part of the business.

During the course of the quarter, SPP and Storebrand Livsforsikring AS have issued perpetual subordinated loan capital of SEK 700 million and NOK 1,100 million respectively. The Swedish loan has an early repurchase right (call) after 5 years, whereas the Norwegian loan has a call after 10 years. These loans have been issued as compensation for subordinated loan of NOK 1,700 million having calls in June 2014. This loan has been pulled out of the solvency capital in the solvency calculation.

The solidity capital[2)] comprised NOK 55.5 billion at the end of the first quarter of 2014, an increase of NOK 1.4 billion during the first quarter due among other things to the addition of the year's result.

Solidity

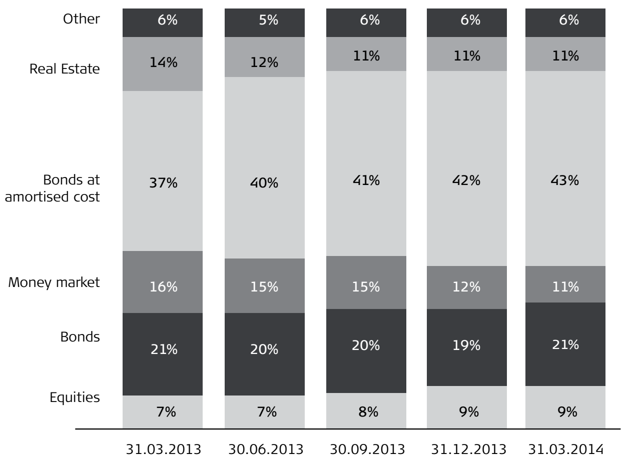


Storebrand Livsforsikring AS

The market value adjustment reserve was reduced during the first quarter by NOK 1.0 billion and comprised NOK 2.8 billion at the end of the first quarter of 2014. The additional statutory reserves were unchanged during the quarter and comprise NOK 4.4 billion at the end of the first quarter of 2014. The excess value of held-to-maturity bonds valued at amortised cost increased by NOK 1.5 billion during the quarter and comprised NOK 6.7 as at the first quarter. The excess value of held-to-maturity bonds is not included in the financial statements

For the customer portfolios with guarantees, the allocation to bonds and held-to-maturity bonds have increased during the course of the first quarter of 2014. Allocations to money markets have been reduced somewhat.

Asset allocation in customer portfolios with interest rate guarantee

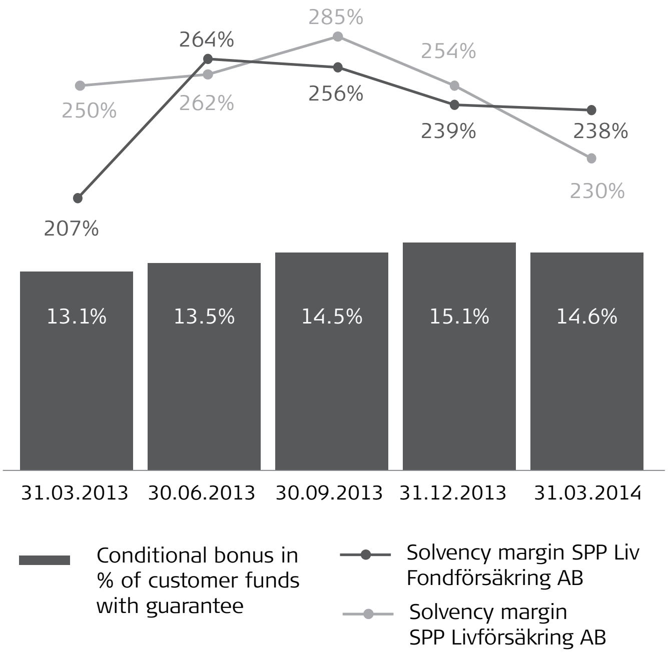


1) Storebrand Life Insurance, SPP and BenCo.
2) The term solidity capital encompasses equity, subordinated loan capital, the risk equalisation fund, the market value adjustment reserve, additional statutory reserves, conditional bonuses, excess value/deficit related to bonds at amortised cost and accrued profit.

The total customer funds were unchanged during the first quarter and comprised NOK 206 billion at the end of the first quarter of 2014. Customer funds in non-guaranteed Savings increased by NOK 1 billion during the first quarter.

SPP

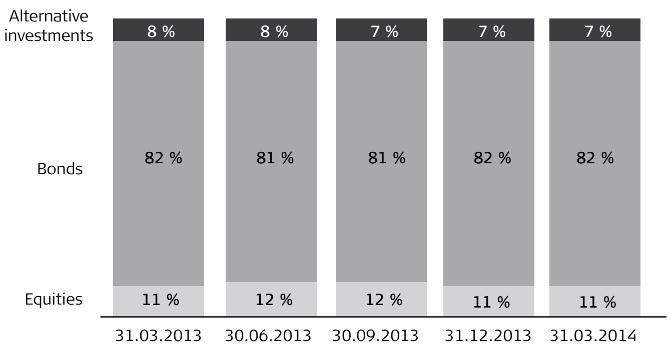
Solidity



The solvency margin in SPP Livförsäkring AB was 230 per cent (254 per cent), and 238 per cent (239 per cent) in SPP Liv Fondförsäkring AB at the end of the year. The figures in parentheses show the solvency margin for the preceding quarter. For solvency calculations in Sweden, insurance liabilities are discounted by a market interest rate.

The buffer capital (conditional bonuses) was reduced by 0.5 percentage points from the preceding quarter.

Asset allocation in customer portfolios with interest rate guarantee



Total customer funds at SPP comprised NOK 133 billion, an increase of 1 billion from the preceding quarter. Unit linked insurance comprises 40 per cent of customer assets and increased capital under management by 3 % in comparison with the preceding quarter.

Storebrand Bank

There was a reduction in the loan portfolio for the retail market in the quarter, and a continued decrease in lending to the corporate market. Gross lending to customers totalled NOK 32.4 billion (NOK 33.7 billion) at the end of the first quarter). As part of the strategy of exiting the corporate market portfolio, Storebrand Bank sold NOK 1.7 billion of corporate loans to Storebrand Livsforsikring in the first quarter. The volume syndicated to Storebrand Livsforsikring amounted to NOK 4.9 billion at the end of the first quarter.

The Storebrand Bank Group had a net capital base of NOK 2.8 billion at the end of the first quarter. The capital adequacy ratio was 15.0 per cent and the core capital ratio was 14.1 per cent, compared to 13.6 per cent and 12.8 per cent respectively at the end of 2013.

Outlook

Earnings performance

Low interest rates are challenging for insurance companies that have to cover an annual interest rate guarantee. There continue to be investment opportunities in the bond market with expected returns that exceed the interest rate guarantee. Storebrand has a strategy of pursuing growth in products where the results are less affected by short-term fluctuations in the financial markets. Financial performance will also be impacted by the changes that are occurring in the regulations for Norwegian occupational pensions in coming years, and how the customers choose to adapt to these changes. Growth is still expected in Storebrand's core markets, driven by low unemployment and good wage growth.

Storebrand is continuously adapting to enhance its competitiveness and earnings from its business operations. Among other things, through a cost programme that will reduce the Group's costs by at least NOK 400 million before the end of 2014. Storebrand's results will during the period from 2014 to 2020 be reduced by a minimum of 20 per cent of the costs associated with the build-up of reserves for expected increased longevity. The final amount will, among other things, depend upon risk results and returns to the customer portfolios. The building up of reserves for expected increased longevity are described in further detail in the introduction and in note 2 in interim report.

Risk

Storebrand is exposed to several types of risk through its business areas. Trends in interest rates and the property and share markets are assessed to be the most significant risk factors that can affect the Group's result. Over time, it is important to be able to deliver a return that exceeds the interest rate guarantees of the products. Risk management is therefore a prioritised core area for the group. In addition, the disability and life expectancy trends are key risks.

Regulatory changes in private occupational pensions

Occupational pension statutes in Norway are undergoing a series of changes in order to adapt them to National Insurance reforms.

The Banking Law Commission's proposal in NOU 2013:12 Disability pension in private occupational pension schemes was submitted for consultation. The matter is now sitting in the Ministry of Finance, and a draft law with a new code of regulations is expected to apply beginning in 2015, at the same time as the new disability benefits are being introduced in the National Insurance scheme. The proposal involves the current disability product being replaced by a one-year risk-based product that gives full benefits regardless of the period of service, and other benefits.

On 25 November the Ministry of Finance sent a memorandum from the Financial Supervisory Authority of Norway on paid-up policies with investment options for consultation until 17 January 2014. It proposed that the reserves for paid-up policies must be in line with the new mortality tariff, K2013, before the paid-up policies can be converted to products with investment choice. Furthermore, the Financial Supervisory Authority of Norway proposes a regulatory provision requiring the pension scheme to give the paid-up policyholder written examples showing how large the annual return of a given investment portfolio must be, as a minimum, to attain certain pension benefits. A proposal for regulations concerning disbursement rules has been submitted for consultation until 21 May. The amendments to legislation which allow for paid-up policies with investment options, and associated provisions in regulations, are expected to enter into force during 2014.

Occupational pensions have been a theme in the negotiations between the Norwegian Confederation of Trade Unions (LO) and the Confederation of Norwegian Enterprise (NHO) for the year's wage bargaining. The Norwegian Confederation of Trade Unions has demanded standardisation of the occupational pensions in the private sector, and establishment of so-called broad schemes that are governed by the parties jointly. The Confederation of Norwegian Enterprise has rejected standardisation of occupational pensions. The Norwegian United Federation of Trade Unions and the Federation of Norwegian Industries have, regardless, agreed to assess occupational pensions up to the next primary bargaining in 2016. The assessment will be based upon the Norwegian Defined Contribution Pensions Act, and that the pension schemes will not be entered on the balance sheets or give increased costs for the companies. The Enterprise Federation of Norway, an employer organisation, and "Handel og Kontor", associated with the Norwegian Confederation of Trade Unions, have also agreed on a corresponding assessment.

Solvency II

Solvency II is a set of rules covering solvency that will apply to all insurance companies in the EU and EEA. The Directive, also called Omnibus II, was adopted by the European Parliament on 11 March 2014 and will be implemented in Norwegian law. The regulations will enter into effect beginning in 1 January 2016. The European supervisory authority EIOPA has made recommendations for ensuring continued progress in preparations for Solvency II. The Financial Supervisory Authority of Norway has determined that the recommendations must be followed beginning 1 January 2014. This involves the requirements in Solvency II for risk management and controls (pillar 2) being phased in, including requirements for self-assessment of risks and solidity (ORSA), and that parts of the requirements for reporting to the supervisory authorities (pillar 3) be introduced for the annual reporting as at 31.12.2014. The capital requirements (pillar 1) and the reporting requirements for the market will not apply before formal Solvency II implementation as at 1.1.2016.

The regulations contains transition rules, including provisions that take into account the difference between the value of the insurance obligation after Solvency II and Solvency I at the point in time of the transition, which could increase the available solvency capital. It also allows for an adjustment to the interest rate curve in order to reduce the effect of short-term market fluctuations on the solvency position (Volatility Adjustment). As the proposed regulations are currently worded they are somewhat better suited to companies that have long-term guaranteed returns than earlier proposals, particularly if the Norwegian authorities choose to utilise the leeway permitted in the transitional rules.

Lysaker, 6 May 2014

Storebrand Group

PROFIT AND LOSS ACCOUNT

		1Q		Full year
NOK million	Note	2014	2013[1)]	2013[1)]
Net premium income		8,416	11,186	28,463
Net interest income - banking activities	7	127	129	547
Net income from financial assets and real estate for the company:				
- equities and other units at fair value	8	2	4	8
- bonds and other fixed-income securities at fair value	8	398	110	417
- financial derivatives at fair value	8	-227	-13	22
- net income from bonds at amortised cost	8	20	17	59
- net income from real estate		18	9	52
- result from investments in associated companies/joint controlled operation		6	10	89
Net income from financial assets and real estate for the customers:				
- equities and other units at fair value	8	1,679	5,285	16,772
- bonds and other fixed-income securities at fair value	8	2,239	784	2,942
- financial derivatives at fair value	8	1,595	-1,096	-3,598
- net income from bonds at amortised cost	8	922	812	3,526
- net interest income lending		29	35	130
- net income from real estate		281	103	907
- result from investments in associated companies		16	6	29
Other income		529	518	2,316
Total income		**16,049**	**17,900**	**52,681**
Insurance claims for own account		-13,162	-12,133	-29,851
Change in insurance liabilities		-2,739	-2,998	-12,176
To/from buffer capital		1,662	-1,066	-3,568
Losses from lending/reversal of previous losses		-45	-2	-11
Operating costs	9	-805	-923	-3,265
Other costs		-68	-67	-296
Interest expenses		-164	-156	-576
Total costs before amortisation and write-downs		**-15,321**	**-17,346**	**-49,743**
Profit before amortisation and write-downs		**728**	**553**	**2,938**
Amortisation and write-downs of intangible assets		-111	-104	-739
Group pre-tax profit		**617**	**449**	**2,199**
Tax cost	3	-108	-88	-209
Result after tax sold/wound up business			-1	-4
Profit/loss for the year		**509**	**361**	**1,987**
Profit/loss for the year due to:				
Majority's share of profit		506	357	1,971
Minority's share of profit		3	4	16
Total		**509**	**361**	**1,987**
Earnings per ordinary share (NOK)		1.13	0.80	4.41
Average number of shares as basis for calculation (million)		447.2	446.8	447.2
There is no dilution of the shares				

[1)] In consequence of the changes to the principles, the comparative figures have been reworked. See further information in note 1 Accounting policies.

Storebrand Group

STATEMENT OF TOTAL COMPREHENSIVE INCOME

	1Q		Full year
NOK million	2014	2013	2013
Profit/loss for the year	**509**	**361**	**1,987**
Change in pension experience adjustments	-3	8	-340
Adjustment of value of properties for own use	24	29	154
Total comprehensive income elements allocated to customers	-24	-29	-154
Tax on other result elements not to be classified to profit/loss			104
Total other result elements not to be classified to profit/loss	-3	9	-236
Translation differences	-200	387	840
Total other result elements that may be classified to profit/loss	-200	387	840
Total other result elements	**-203**	**396**	**604**
Total comprehensive income	**306**	**757**	**2,591**
Total comprehensive income due to:			
Majority's share of total comprehensive income	305	749	2,564
Minority's share of total comprehensive income	1	5	27
Total	**306**	**754**	**2,591**

Storebrand Group

STATEMENT OF FINANCIAL POSITION

NOK million	Note	31.03.14	31.03.13[1)]	31.12.13[1)]	1.1.13[1)]
Assets company portfolio					
Deferred tax assets		1	42	1	38
Intangible assets		5,773	6,250	5,987	6,096
Pension assets		1	152	1	152
Tangible fixed assets		112	141	118	143
Investments in associated companies		327	326	333	251
Receivables from associated companies					69
Financial assets at amortised cost:					
- Bonds		3,070	2,164	3,052	2,146
- Bonds held to maturity		348	223	347	222
- Lending to financial institutions		623	397	152	255
- Lending to customers	10	30,999	35,303	33,637	35,306
Reinsurers' share of technical reserves		156	159	151	155
Real estate at fair value	11	3,602	3,523	3,581	3,459
Real estate for own use	11	67	59	66	58
Biological assets		64	64	64	64
Accounts receivable and other short-term receivables		1,908	2,274	1,833	2,125
Financial assets at fair value:					
- Equities and other units	10	87	193	82	53
- Bonds and other fixed-income securities	10	26,485	22,195	23,294	21,312
- Derivatives	10	1,515	1,320	1,090	1,313
Bank deposits		4,984	4,726	4,067	3,279
Assets minority in securities' fund		11,738	9,622	13,063	5,909
Total assets company		**91,858**	**89,135**	**90,920**	**82,406**
Assets customer portfolio					
Tangible fixed assets		350	312	354	303
Investments in associated companies		36	106	34	115
Receivables from associated companies		182	674	186	596
Financial assets at amortised cost:					
- Bonds		64,720	57,116	63,919	54,557
- Bonds held to maturity		14,836	10,533	14,773	10,496
- Lending to customers	10	4,941	3,689	3,508	3,842
Real estate at fair value	11	20,728	25,332	20,856	25,504
Real estate for own use	11	2,414	2,237	2,425	2,173
Biological assets		618	550	626	535
Accounts receivable and other short-term receivables		2,556	3,122	3,531	2,699
Financial assets at fair value:					
- Equities and other units	10	94,355	78,972	92,615	72,166
- Bonds and other fixed-income securities	10	158,623	165,335	165,071	164,208
- Derivatives	10	1,852	1,376	1,129	2,745
Bank deposits		4,141	5,342	3,619	3,859
Total assets customers		**370,353**	**354,694**	**372,648**	**343,799**
Total assets		**462,211**	**443,828**	**463,567**	**426,205**

Continues on next page

Storebrand Group

STATEMENT OF FINANCIAL POSITION CONTINUE

NOK million	Note	31.03.14	31.03.13[1)]	31.12.13[1)]	1.1.13[1)]
Equity and liabilities					
Paid in capital		11,720	11,720	11,720	11,718
Retained earnings		11,006	8,872	10,705	8,119
Minority interests		354	346	350	337
Total equity		**23,080**	**20,939**	**22,775**	**20,175**
Subordinated loan capital	12	9,073	7,187	7,409	7,075
Buffer capital	16	20,392	19,533	22,447	18,037
Insurance liabilities		347,066	332,343	348,204	323,996
Pension liabilities		981	1,240	953	1,234
Deferred tax		909	817	825	717
Financial liabilities:					
- Liabilities to financial institutions	10	39	1,489	1,028	2,499
- Deposits from banking customers	14	20,584	21,419	20,728	19,860
- Securities issued	10	16,705	17,575	17,000	18,033
- Derivatives company portfolio		429	772	632	632
- Derivatives customer portfolio		1,224	1,720	1,911	725
Other current liabilities		9,992	9,172	6,592	7,315
Liabilities minority in securities' fund		11,738	9,622	13,063	5,909
Total liabilities		**439,131**	**422,890**	**440,792**	**406,029**
Total equity and liabilities		**462,211**	**443,828**	**463,567**	**426,205**

[1)] *In consequence of the changes to the principles, the comparative figures have been reworked. See further information in note 1 Accounting policies.*

Storebrand Group

RECONCILIATION OF GROUP'S EQUITY

	Majority's share of equity									
	Paid in capital				Retained earnings					
NOK million	Share capital[1)]	Own shares	Share premium	Total paid in equity	Pension experience adjustments	Restatement differences	Other equity[2)]	Total retained earnings	Minority interests	Total equity[3)]
Equity at 31 December 2012	**2,250**	**-16**	**9,485**	**11,718**	**-447**	**116**	**8,451**	**8,119**	**337**	**20,175**
Profit for the period							1,971	1,971	16	1,987
Change in pension experience adjustments					-236			-236		-236
Translation differences						829		829	11	840
Total other result elements					**-236**	**829**		**593**	**11**	**604**
Total comprehensive income for the period					**-236**	**829**	**1,971**	**2,564**	**27**	**2,591**
Equity transactions with owners:										
Own shares		2		2			24	24		26
Share issue									-27	-27
Purchase of minority interests							-5	-5		-5
Other							1	1	13	14
Equity at 31 December 2013	**2,250**	**-14**	**9,485**	**11,720**	**-683**	**945**	**10,442**	**10,705**	**350**	**22,775**
Profit for the period							506	506	3	509
Change in pension experience adjustments					-3			-3		-3
Translation differences						-198		-198	-2	-200
Total other result elements					**-3**	**-198**		**-201**	**-2**	**-203**
Total comprehensive income for the period					**-3**	**-198**	**506**	**305**	**1**	**306**
Equity transactions with owners:										
Own shares										
Provision for dividend										
Purchase of minority interests							-5	-5		-5
Other							1	1	2	3
Equity at 31 March 2014	**2,250**	**-14**	**9,485**	**11,720**	**-686**	**747**	**10,945**	**11,006**	**354**	**23,080**

1) 449,909,891 shares with a nominal value of NOK 5.

2) Includes undistributable funds in the risk equalisation fund amounting to NOK 839 million and security reserves amounting NOK 268 million. The risk equalisation reserve can only be used to increase allocations to the premium reserve with regard to risk linked to persons. The risk equalisation reserve and contingency reserves are not considered liabilities for accounting purposes in accordance with IFRS and are included in equity in their entirety. Allocations to the risk equalisation reserve and contingency reserves are tax deductible when the allocations are made, and these deductions are treated as permanent differences between the financial and tax accounts in accordance with IAS 12 so that provisions are not made for deferred tax related to permanent differences

3) In consequence of the changes to the principles, the comparative figures have been reworked. See further information in note 1 Accounting policies.

Equity at 31 December2012	**2,250**	**-16**	**9,485**	**11,718**	**-447**	**116**	**8,451**	**8,119**	**337**	**20,175**
Profit for the period							357	357	4	361
Change in pension experience adjustments					8			8		8
Translation differences						384		384	4	388
Total other result elements					**8**	**384**		**392**	**4**	**396**
Total comprehensive income for the period					**8**	**384**	**357**	**749**	**8**	**757**
Equity transactions with owners:										
Own shares		2		2			24	24		26
Provision for dividend										
Purchase of minority interests							-4	-4		-4
Other							-17	-17	1	-16
Equity at 31 March 2013	**2,250**	**-14**	**9,485**	**11,720**	**-439**	**500**	**8,811**	**8,872**	**346**	**20,939**

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 fnd other equity is evaluated and managed together. The share premium 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 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 goal is to achieve a solvency margin in life and pensions of more than 150 per cent 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 ANALYSIS

NOK million	1.1 - 31.3 2014	2014	1.1 - 31.12 2014
Cash flow from operational activities			
Net receipts - insurance	9,477	6,841	18,460
Net payments compensation and insurance benefits	-4,560	-4,400	-19,103
Net receipts/payments - transfers	-7,366	-4,059	-5,927
Receipts - interest, commission and fees from customers	396	396	1,697
Payments - interest, commission and fees to customers	-64	-135	-556
Payments relating to operations	-766	-805	-2,791
Net receipts/payments - other operational activities	2,560	576	1,163
Net cash flow from operations before financial assets and banking customers	**-323**	**-1,586**	**-7,057**
Net receipts/payments - lending to customers	1,134	130	2,011
Net receipts/payments - deposits bank customers	-171	1,683	795
Net receipts/payments - mutual funds	833	4,170	2,394
Net receipts/payments - real estate investments	419	383	5,562
Net change in bank deposits insurance customers	-524	-1,483	241
Net cash flow from financial assets and banking customers	**1,689**	**4,884**	**11,003**
Net cash flow from operational activities	**1,367**	**3,298**	**3,945**
Cash flow from investment activities			
Net receipts/payments - sale/purchase of property and fixed assets	-4	-1	-6
Net receits/payments - sale/purchase of fixed assets	-48	-47	-251
Net receits/payments - sale/purchase of associated companies and joint ventures			407
Net cash flow from investment activities	**-52**	**-48**	**150**
Cash flow from financing activities			
Payments - repayments of loans	-359	-980	-2,156
Receipts - new loans		500	1,250
Payments - interest on loans	-113	-140	-557
Receipts - subordinated loan capital	1,741		2,372
Payments - repayment of subordinated loan capital			-2,366
Payments - interest on subordinated loan capital	-207	-41	-473
Net receipts/payments - lending to and claims from other financial institutions	-989	-1,010	-1,470
Net receipts/payments - deposits from Norges Bank and other financial institutions		9	
Receipts - issuing of share capital			9
Payments - dividends			-26
Net cash flow from financing activities	**72**	**-1,660**	**-3,416**
Net cash flow for the period	**1,387**	**1,590**	**679**
- of which net cash flow in the period before financial assets and banking customers	-302	-3,300	-10,324
Net movement in cash and cash equivalents	1,387	1,590	679
Cash and cash equivalents at start of the period	4,219	3,534	3,539
Currency translation differences			2
Cash and cash equivalents at the end of the period [1)]	**5,606**	**5,124**	**4,219**
1) Consist of:			
Lending to financial institutions	623	397	152
Bank deposits	4,984	4,726	4,067
Total	**5,606**	**5,124**	**4,219**

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, subsidiaries, and associated companies. The financial statements are prepared in accordance with IAS 34 Interim Financial Reporting. The interim financial statements do not contain all the information that is required in full annual financial statements.

A description of the accounting policies applied in the preparation of the financial statements is provided in the 2012 annual report, and the interim financial statements are prepared with respect to these accounting policies with the exceptions discussed in more detail below.

There are new and amended accounting standards that entered into effect as at 1 January 2014, and Storebrand has implemented IFRS 10 and IFRS 11 with effect from the same date. Their effect for the Group is discussed in more detail below.

IFRS 10 – Consolidated financial statements
IFRS 10 replaces the parts of IAS 27 that address consolidated financial statements and include in addition companies for special purposes that were previously addressed in SIC-12.

IFRS 10 establishes a model for evaluating control that will apply to all companies, and the content of the control concept has changed in IFRS 10 in relation to IAS 27 and will entail an increased degree of assessment of units that are controlled by the company. Control exists when the investor has power over the investment object and possesses the right to variable yields from the investment object and simultaneously possesses the power and possibility to steer activities in the investment object that affect the yield.

In the Group's financial statements for the first quarter of 2014, funds in which Storebrand has an ownership percentage of around 40 per cent or more, and which are also managed by management companies in the Storebrand Group, are consolidated 100 per cent on the balance sheet. Minority ownership interests in consolidated securities funds are shown on a line for assets and correspondingly on a liabilities line. In consequence of other investors in the funds being able to request redemption of their ownership interests from the respective funds, such are deemed to be minority interests that are classified as liabilities in Storebrand's consolidated financial statements.

The balance sheet for the Storebrand Group as at 31.03.14 has increased by about NOK 12 billion due to consolidation of securities funds.

Investments that are included in the Group, and which have been treated previously as joint venture companies, have been deemed in accordance with IFRS 10 to be subsidiaries. Pursuant to IFRS 10, the companies are consolidated 100 per cent, and this has given rise to an increase in the minority's share of the equity of NOK 266 million as at 31.03.14.

IFRS 11 – Joint Arrangements
According to IFRS 11, the equity method must be used when consolidating joint ventures. With consolidation using the equity method, the result after tax is included on one line, and this brings about an altered content for the Group result before tax and tax expense in relation to consolidation using the proportionate consolidation method.
For Storebrand, this has meant a change in the consolidation of Storebrand Helseforsikring AS, where the proportionate consolidation method earlier was used.

Changes to other accounting standards
Other changes to the IFRS rules that now apply or can be used for IFRS financial statements prepared after 1 January 2014 are shown below. The changes have not caused significant effects on Storebrand's interim financial statements.

- New IFRS 12: Disclosure of interests in other entities
- Amendment in IAS 27: Separate financial statements
- Amendment in IAS 28: Investments in associates and joint ventures
- Amendment in IAS 32: Financial instruments – Presentation
- Amendment in IAS 36: Impairment of assets
- Amendment in IAS 39: Financial instruments

Notes to the interim accounts Storebrand Group

The tables below show the effect of IFRS 10/11 for the lines in the accounts that are affected of the changes

Profit and Loss

	Q1 2013			Full Year 2013		
Million NOK	Reported figures	Effect IFRS 10 and IFRS 11	Revised figures	Reported figures	Effect IFRS 10 and IFRS 11	Revised figures
Net premium income	11,236	-49	11,186	28,675	-212	28,463
Bonds and other fixed-income securities at fair value	111	-1	110	422	-5	417
Financial derivatives at fair value	-11	-1	-13	24	-3	22
Net income from real estate	6	3	9	41	11	52
Result from investments in associated companies/joint controlled operation	7	3	10	74	15	89
Other income	518		518	2,316		2,316
Insurance claims for own account	-12,169	36	-12,133	-30,004	152	-29,851
Operating costs	-935	12	-923	-3,310	45	-3,265
Other costs	-67		-67	-296	1	-296
Profit before amortisation and write-downs	**552**	**1**	**553**	**2,935**	**3**	**2,938**
Amortisation and write-downs of intangible assets	-105	1	-104	-741	2	-739
Group pre-tax profit	**447**	**2**	**449**	**2,194**	**5**	**2,199**
Tax cost	-89	1	-88	-214	6	-209
Profit/loss for the year	**358**	**3**	**361**	**1,976**	**11**	**1,987**

Balance sheet

	31.03.13			31.12.13		
Million NOK	Reported figures	Effect IFRS 10 and IFRS 11	Revised figures	Reported figures	Effect IFRS 10 and IFRS 11	Revised figures
Intangible assets	6,256	-6	6,250	5,993	-6	5,987
Tangible fixed assets	142	-1	141	119	-1	118
Investments in associated companies	194	132	326	205	128	333
Real estate at fair value	28,612	243	28,855	24,175	262	24,437
Accounts receivable and other short-term receivables	2,333	-59	2,274	1,890	-57	1,833
Bonds and other fixed-income securities	22,394	-199	22,195	23,485	-191	23,294
Derivatives	1,321	-1	1,320	1,091	-1	1,090
Bank deposits	4,744	-18	4,726	4,077	-10	4,067
Assets minority in securities' fund		9,622	9,622		13,063	13,063
Total assets	**434,116**	**9,712**	**443,828**	**450,381**	**13,186**	**463,567**
Equity and liabilities						
Minority interests	104	243	346	88	262	350
Total equity	**20,696**	**243**	**20,939**	**22,514**	**262**	**22,775**
Insurance liabilities	332,466	-123	332,343	348,314	-110	348,204
Pension liabilities	1,246	-6	1,240	958	-5	953
Deferred tax	823	-6	817	833	-9	825
Other current liabilities	9,182	-18	9,164	6,605	-14	6,591
Liabilities minority in securities' fund		9,622	9,622		13,063	13,063
Total equity and liabilities	**434,116**	**9,712**	**443,828**	**450,381**	**13,186**	**463,567**

Notes to the interim accounts Storebrand Group

Million NOK	Reported figures	31.12.12 Effect IFRS 10 and IFRS 11	Revised figures
Intangible assets	6,102	-6	6,096
Tangible fixed assets	144	-1	143
Investments in associated companies	121	130	251
Real estate at fair value	28,723	240	28,963
Accounts receivable and other short-term receivables	2,172	-47	2,125
Bonds and other fixed-income securities	21,496	-184	21,312
Derivatives	1,313	0	1,313
Bank deposits	3,297	-18	3,279
Assets minority in securities' fund	0	5,909	5,909
Total assets	**420,182**	**6,023**	**426,205**
Equity and liabilities			
Minority interests	98	240	337
Total equity	**19,936**	**240**	**20,175**
Insurance liabilities	324,089	-94	323,996
Pension liabilities	1,239	-6	1,234
Deferred tax	721	-5	717
Other current liabilities	7,327	-22	7,305
Liabilities minority in securities' fund	0	5,909	5,909
Total equity and liabilities	**420,182**	**6,023**	**426,205**

NOTE 2: ESTIMATES

Critical accounting estimates and judgements for the 2013 annual financial statements are described in note 2, building-up reserves for long life expectancy for Storebrand Life Insurance in note 3, insurance risk in note 7 and valuation of financial instruments at fair value is described in note 13.

In preparing the Group's financial statements the management are required to make judgements, estimates and assumptions of uncertain amounts. The estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical experience and expectations of future events and represent the management's best judgement at the time the financial statements were prepared. Actual results may differ from these estimates.

Building-up reserves for long life expectancy for Storebrand Life Insurance
In a letter dated 8 March, the Financial Supervisory Authority of Norway determined that a new mortality basis, K2013, would be introduced for group pension insurance in life insurance companies and pension funds effective from 2014. This requires increased premiums and higher insurance technical reserves so as to have sufficient funds to cover future liabilities. See the description in note 3 in the annual financial statements for 2013.

On 2 April 2014, the Financial Supervisory Authority of Norway published guidelines for escalation plans for provisions for long life, with a basis in a letter from the Financial Supervisory Authority of Norway of 27 March 2014. The build-up period for reserves may have a duration of up to 7 years (up to and including 2020). Applications for build-up periods for reserves must be approved by the Financial Supervisory Authority of Norway. The building up of reserves may be financed through withholding of customer surpluses. The yield surplus on a contract may not be utilised to improve the yields on other contracts. The company's contribution of a minimum of 20 per cent of the requirement for reserves to be built up must be added at the contract level. The build-up of reserves must at a minimum occur linearly during the period.

Requirements that the entire yield be added on a contract basis will, all other things being equal, require a higher yield given that the owner's costs must be unchanged. The possibility to be able to apply for an build-up period of up to 7 years will pull in the opposite direction. On the overall, the owner's expected costs for building up reserves for a given level of yield have increased in relation to earlier estimates.

Guidelines for building up reserves
- The period for building up reserves may have a duration of up to 7 years (up to and including 2020). Applications for build-up periods for reserves must be approved by the Financial Supervisory Authority of Norway.

- The building up of reserves may be financed through withholding of customer surpluses. The yield surplus on a contract may not be utilised to improve the yields on other contracts (no "solidarity").
- The company's contribution of a minimum of 20 per cent of the escalation requirement must be added at the contract level.
- The build-up of reserves must at a minimum occur linearly during the period.

Consequences for Storebrand
- Total requirements for building up reserves of around NOK 12.4 billion.
- During the period from 2011 to 2013, Storebrand has allocated NOK 4.1 billion in total for the building up of future reserves, and has in addition allocated about NOK 1.8 billion of customer surpluses so far in 2014. Based on that solidarity cannot be applied for with customer surpluses, there is a work in progress that allocate reserves for long life expectancy at contract level, and it is expected that this can reduce the total allocated amount with about NOK 500 million.
- Storebrand also possesses other buffers that would be able to be used in order to raise the booked returns during the period.
- The total contribution from the owner will depend upon the annual booked return on invested customer assets during the period for building up reserves, the volatility in the booked return, trend in the insurance portfolio, risk results during the period, etc.
- The table below shows the estimated result effects for owner for different average booked returns expectations during the period. If booked annual returns are to be lower than 4 per cent, then the owner's charges would be able to increase significantly. The result effect is estimated based upon an option pricing model where among other factors a volatility of 1 per cent in the booked returns and a yearly estimated risk result to customers which can be used to build-up of reserves are utilised. The estimated total and yearly impact on the result does not include estimated loss of profit sharing related to paid-up policies. The estimates are encumbered with uncertainty.

Annual booked return	Expected total result effect	Annual result effect
4.0%	~ 3 500	~ 500
4.5%	~ 2 100	~ 300
5.0%	~ 1 100	~ 160

- In the financial statements for the first quarter, a long-term average yield of 4.4 per cent, an estimated risk result and an expected build-up period of 7 years have been taken as a basis.

NOTE 3: TAX

The tax expenses during the first quarter have been estimated based upon an expected effective tax rate for the year of 2014 adjusted for a smaller tax-reducing one-off effect. There will be uncertainty associated with these estimates.

NOTE 4: INFORMATION ABOUT CLOSE PARTIES

Storebrand conducts transactions with close associates as part of its normal business activities. These transactions take place on commercial terms. The terms for transactions with senior employees and close parties are stipulated in notes 25 and 55 in the 2013 annual report.

Storebrand had not carried out any material transactions with close associates as at the end of the first quarter.

NOTE 5: FINANCIAL MARKET RISK

Financial risk is described in the 2013 annual report in notes 8 (Financial market risk), 9 (Liquidity risk), 10 (Credit risk) and 11 (Concentration risk). Conditions that are of significance to the financial risk are also described in note 2 (Critical accounting estimates and judgements).

As regards Building-up reserves for long life expectancy for Storebrand Life Insurance, this is described in note 2 (Estimates).

Financial markets have been marked by weak growth figures from China and the unrest in Ukraine. On the other hand, the prospects for growth in Europe have improved. During the first quarter, global share markets (MSCI) rose 1 per cent, Norwegian shares (OSE) 2 per cent and Swedish shares (OMXS30) 4 per cent.

Interest rates have shown a somewhat falling through the first quarter. Swedish 10-year swaps have fallen to 2.5 per cent (-0.4pp), whereas Norwegian 10-year swaps have fallen to 3.2 per cent (-0.1 pp).

For the Norwegian activities, the company's return on the guaranteed customer portfolio is the greatest risk. At the end of the first Quarter, returns (market based) on the various guaranteed portfolios are somewhat higher than the accrued guarantee, helped by good equity markets and a decline in interest rates. In addition, unrealised gains have been realised, which makes the booked return a bit higher than the market return during the first quarter. Lower interest rates are negative for the risk in the long run, because it will make it more difficult to reach the guaranteed return.

For the Swedish business, the financial result in little affected by the interest rate decline, however this is somewhat negative for the solvency position.

The investment allocation is has changed little during the first quarter in both the Norwegian as well as the Swedish businesses.

NOTE 6: SEGMENTS - RESULT BY BUSINESS AREA

Storebrand's activities are divided into the segments Savings, Insurance, Guaranteed pension and Other.

Changes in segments
Beginning 1 January 2014, certain follow-ups including sickness insurance, one-year life assurance and survivor insurance at SPP have been transferred from the Guaranteed Pension segment to Insurance. The result for these products will beginning 1 January 2014 be reported under Insurance. In addition, new the accounting standards IFRS 10 and IFRS 11 have been implemented, which is described in further detail in note 1 Accounting policies. Figures for previous periods have been reworked, see the table with reworked comparative figures at the bottom of the note.

Savings
Consists of products that include long-term saving for retirement with no explicit interest rate guarantees. The area includes defined contribution pensions in Norway and Sweden, asset management and bank products to private individuals.

Insurance
Insurance is responsible for the group's risk products in Norway and Sweden. The unit provides treatment insurance in the Norwegian and Swedish corporate and retail markets, P&C insurance and personal risk products in the Norwegian and Swedish retail market and employee- and pension-related insurances in the Norwegian and Swedish corporate market.

Guaranteed pension
Guaranteed pension consists of products that include long-term saving for retirement, where customers have a guaranteed return or performance of savings funds. The area includes defined contribution pensions in Norway and Sweden, paid-up policies and individual capital and pension insurances.

Other
Under the other category, the result from Storebrand ASA and the result from the company's portfolios in Storebrand Livsforsikring and SPP are reported. In addition, the results linked to lending to business activities in Storebrand Bank, the operation in BenCo and minority in securities' fund are included.

Reconciliation with the official profit and loss accounting
Results in the segments are reconciled with the corporate results before amortization and write-downs of intangible assets. The corporate profit and loss account includes gross income and gross costs linked to both the insurance customers and owners. In addition are the savings element in premium income and in costs related to insurance. The various segments are to a large extent followed up in the follow-up of net profit margins, including follow-up of risk and administration results. The result lines that are used in segment reporting will therefore not be identical with the result lines in the corporate profit and loss account.

	1Q		Year
NOK million	2014	2013	2013
Savings	186	90	670
Insurance	226	95	774
Guaranteed pension	302	380	1,376
Other	14	-11	119
Group result	**728**	**554**	**2,938**
Write-downs and amortization of intangible assets	-111	-104	-739
Group pre-tax profit	**617**	**449**	**2,199**

Notes to the interim accounts Storebrand Group

Segment information as of 01.01 - 31.03

	Savings		Insurance		Guaranteed pension	
NOK million	31.03.14	31.03.13	31.03.14	31.03.13	31.03.14	31.03.13
Fee and administation income	509	448			474	491
Risk result life & pensions	-2				78	40
Insurance premiums f.o.a			770	758		
Claims f.o.a			-492	-566		
Operational cost	-321	-335	-125	-128	-281	-271
Financial result			74	32		
Result before profit sharing and loan losses	**186**	**113**	**226**	**95**	**272**	**260**
Net profit sharing and loan losses		-24			120	119
Provision longevity					-90	
Group result before amortization	**186**	**90**	**226**	**95**	**302**	**380**
Write-downs and amortization of intangible assets [1]						
Group pre-tax profit						
Assets	113,161	97,821	5,655	4,057	264,483	273,069
Liabilities	100,775	84,345	5,066	3,510	256,290	265,151

	Other		Storebrand Group	
NOK million	31.03.14	31.03.13	31.03.14	31.03.13
Fee and administation income	74	82	1,057	1,021
Risk result life & pensions	-1	2	75	43
Insurance premiums f.o.a			770	758
Claims f.o.a			-492	-566
Operational cost	-58	-82	-785	-816
Financial result	47	-12	121	20
Result before profit sharing and loan losses	**62**	**-10**	**747**	**459**
Net profit sharing and loan losses	-48	-1	71	95
Provision longevity			-90	
Group result before amortization	**14**	**-11**	**728**	**554**
Write-downs and amortization of intangible assets [1]			-111	-104
Group pre-tax profit			**617**	**449**
Assets	78,912	68,881	462,211	443,828
Liabilities	77,001	69,884	439,131	422,890

[1] *Write-downs and amortization of intangible assets are included in Storebrand Group*

Notes to the interim accounts Storebrand Group

REVISED SEGMENT FIGURES

Profit and Loss

NOK million	31.03.2013 Reported figures	Change IFRS	Change in segment	Revised figures	31.12.2013 Reported figures	Change IFRS	Change in segment	Revised figures
Savings	87			90	670			670
Insurance	74	-2	22	95	492	-8	289	774
Guaranteed pension	399		-22	380	1,665		-289	1,376
Other	-8	3		-11	108	11		119
Group result before amortization	**552**	**1**		**553**	**2,935**	**3**		**2,938**
Write-downs and amortization of intangible assets	-105	1		-104	-741	2		-739
Group pre-tax profit	**447**	**2**		**449**	**2,194**	**5**		**2,199**

Balance sheet

NOK million	31.03.2013 Reported figures	Change IFRS	Revised figures	31.12.2013 Reported figures	Change IFRS	Revised figures
Savings	97,821		97,821	110,067		110,067
Insurance	4,210	-152	4,057	5,533	-138	5,395
Guaranteed pension	273,069		273,069	274,406		274,406
Other	59,016	9,865	68,881	60,374	13,324	73,699
Assets	**434,116**	**9,712**	**443,828**	**450,381**	**13,186**	**463,567**
Savings	84,345		84,345	96,951		96,951
Insurance	3,663	-152	3,510	4,944	-138	4,806
Guaranteed pension	265,151		265,151	266,303		266,303
Other	60,261	9,622	69,884	59,669	13,063	72,732
Liabilities	**413,420**	**9,470**	**422,890**	**427,867**	**12,925**	**440,792**

Notes to the interim accounts Storebrand Group

Key figures by business area

NOK million	1Q 2014	4Q 2013	3Q 2013	2Q 2013	1Q 2013	4Q 2012	3Q 2012	2Q 2012
Group								
Earnings per ordinary share [1]	1.13	4.41	3.52	1.99	0.80	2.25	2.10	1.47
Equity	23,080	22,775	22,274	21,301	20,939	20,175	19,706	19,335
Savings								
Premium income Unit Linked [5]	2,463	2,273	2,296	2,768	2,318	2,480	2,121	2,439
Unit Linked reserves	87,105	85,452	79,341	73,542	70,458	63,387	61,007	57,897
AuM asset management	495,244	487,384	471,278	455,701	453,828	442,162	438,878	423,872
Retail lending	23,537	23,906	24,110	24,036	23,922	23,734	23,256	22,910
Insurance								
Portfolio premium	3,551	3,569	3,509	3,448	3,366	3,308	3,232	3,116
Claims ratio [5]	64%	71%	49%	61%	75%	75%	63%	63%
Cost ratio [5]	16%	10%	16%	19%	17%	18%	22%	18%
Combined ratio [5]	80%	81%	65%	80%	92%	93%	85%	81%
Guaranteed pension								
Guaranteed reserves	259,353	263,776	262,126	258,654	261,502	259,858	259,671	254,063
Guaranteed reseves in % of total reserves	74.9%	75.5%	76.8%	77.9%	78.8%	80.4%	81.0%	81.4%
Transfer out of guaranteed reserves [5]	7,192	967	710	998	7,279	1,360	654	420
Buffer capital in % of customer reserves SBL [2]	4.2%	4.8%	4.0%	3.7%	4.1%	4.0%	4.6%	3.9%
Buffer capital in % of customer reserves SPP [3]	14.6%	15.1%	14.5%	13.5%	13.1%	11.9%	11.7%	11.1%
Solidity								
Capital adequacy Storebrand Group	14.4%	13.4%	13.4%	13.1%	12.8%	11.7%	11.5%	11.9%
Solidity capital (Storebrand Life Group) [4]	54,828	54,102	51,717	49,718	49,513	46,860	48,938	43,210
Capital adequacy (Storebrand Life Group)	14.8%	13.6%	13.9%	13.7%	13.5%	12.2%	11.9%	11.7%
Solvency margin (Storebrand Life Group)	182%	176%	178%	174%	165%	162%	153%	152%
Solvency margin (SPP Life Insurance AB)	230%	254%	285%	262%	250%	222%	216%	225%
Capital adequacy Storebrand Bank	15.0%	13.6%	13.1%	12.9%	11.9%	11.8%	12.0%	12.7%
Core Capital adequacy Stobrand Bank	14.1%	12.8%	12.4%	12.2%	11.2%	11.2%	10.7%	11.3%

[1] *Accumulated*
[2] *ASR + MVAR*
[3] *Conditional bonuses*
[4] *The term solidity capital encompasses equity, subordinated loan capital, the risk equalisation fund, the market value adjustment reserve, additional statutory reserves, conditional bonuses, excess value/deficit related to bonds at amortised cost and accrued profit.*
[5] *Quarterly figures*

Notes to the interim accounts Storebrand Group

NOTE 7: NET INTEREST INCOME - BANKING

	1Q		Year
NOK million	2014	2013	2013
Total interest income	361	379	1,549
Total interest costs	-234	-250	-1,002
Net interest income	**127**	**129**	**547**

NOTE 8: NET INCOME ANALYSED BY CLASS OF FINANCIAL INSTRUMENTS

				1Q		
NOK million	Dividend/ interest income	Net gain/losses on disposals	Net unrealised gains/losses	2014	2013	Year 2013
Net income from equities and units	118	2,782	-1,219	1,681	5,289	16,780
Net income from bonds, bond funds and other fixed-income securities	1,140	306	1,190	2,636	894	3,360
Net income from financial derivatives, FVO	122	34	1,211	1,368	-1,108	-3,577
Net income and gains from financial instruments at fair value	**1,381**	**3,122**	**1,182**	**5,685**	**5,075**	**16,563**
Net income from bonds at amortised cost	**943**	**-2**		**942**	**829**	**3,585**

NOTE 9: OPERATING COSTS

	1Q		Year
NOK million	2014	2013	2013
Personnel costs	-516	-532	-1,797
Amortisation	-38	-32	-144
Other operating costs	-251	-359	-1,324
Total operating costs	**-805**	**-923**	**-3,265**

Notes to the interim accounts Storebrand Group

NOTE 10: VALUATION OF FINANCIAL INSTRUMENTS AND REAL ESTATE

The Group conducts a comprehensive process to ensure that financial instruments are valued as closely as possible to their market value. Publicly listed financial instruments are valued on the basis of the official closing price on stock exchanges, supplied by Reuters and Bloomberg. Fund units are generally valued at the updated official NAV prices when such prices exist. Bonds are generally valued based on prices obtained from Reuters and Bloomberg. Bonds that are not regularly quoted will normally be valued using recognised theoretical models. The latter is particularly applicable to bonds denominated in Norwegian kroner. Discount rates composed of the swap rates plus a credit premium are used as a basis for these types of valuations. The credit premium will often be specific to the issuer, and will normally be based on a consensus of credit spreads quoted by a selected brokerage firm.

Unlisted derivatives, including primarily interest rate and foreign exchange instruments, are also valued theoretically. Money market rates, swap rates, exchange rates and volatilities that form the basis for valuations are supplied by Reuters and Bloomberg.

The Group carries out continual checks to safeguard the quality of market data that has been collected from external sources. These types of checks will generally involve comparing multiple sources as well as controlling and assessing the likelihood of unusual changes.

The Group categorises financial instruments on three different levels, for further information see note 13 in the 2013 annual report. The levels express the differing degrees of liquidity and different measurement methods used. The company has established valuation models to gather information from a wide range of well-informed sources with a view to minimising the uncertainty of valuations.

Valuation of financial instruments to amortised cost

NOK million	Level 1 Quoted prices	Level 2 Observable assump-tions	Level 3 Non-observable assump-tions	Total fair value 31.3.14	Total fair value 31.12.13	Book value 31.3.14	Book value 31.12.13
Financial assets							
Loans to and due from financial institutions		623		623	152	623	152
Lending to customers		34,637		34,637	35,771	34,723	35,856
Bonds held to maturity		16,373		16,373	15,942	15,184	15,120
Bonds classified as loans and receivables	2,216	71,091		73,306	71,313	67,790	66,971
Total fair value 31.12.13	1,242	121,937					
Financial liabilities							
Debt raised by issuance of securities		16,920		16,920	17,228	16,705	17,000
Liabilities to financial institutions		39		39	31	39	31
Deposits from banking customers		20,584		20,584	20,728	20,584	20,728
Subordinatd loan capital		9,644		9,644	7,956	9,074	7,409
Total fair value 31.12.13		45,943					

Notes to the interim accounts Storebrand Group

Valuation of financial instruments and real estate at fair value

NOK million	Level 1 Quoted prices	Level 2 Observable assumptions	Level 3 Non-observable assumptions	31.3.14	31.12.13
Assets:					
Equities and units					
- Equities	17,013	438	3,300	20,751	16,708
- Fund units	112	64,782	1,322	66,216	68,399
- Private equity fund investments		163	6,244	6,407	6,373
- Real estate fund		6	1,062	1,068	1,217
Total equities and units	**17,125**	**65,390**	**11,927**	**94,442**	
Total equities and units 2013	13,135	67,617	11,945		92,697
Lending to customers [1]			**1,217**	**1,217**	
Lending to customers 2013 [1]			1,289		1,289
Bonds and other fixed-income securities					
- Government and government guaranteed bonds	36,670	20,559		57,229	62,312
- Credit bonds	100	24,198	690	24,988	25,966
- Mortage and asset backed securities	151	47,695		47,846	45,433
- Supranational organisations	46	9,685		9,731	7,313
- Bond funds		45,316		45,316	47,342
Total bonds and other fixed-income securities	**36,967**	**147,452**	**690**	**185,109**	
Total bonds and other fixed-income securities 2013	27,270	159,426	1,669		188,365
Derivatives:					
- Interest derivatives		1,133		1,133	-358
- Currency derivatives		581		581	35
Total derivatives		**1,715**		**1,715**	
- of which derivatives with a positive market value		3,368		3,368	2,211
- of which derivatives with a negative market value		-1,653		-1,653	-2,533
Total derivatives 2013		-323			-323
Real Estate:					
Investment properties			24,330	24,330	24,175
Owner-occupied properties			2,481	2,481	2,491
Total real estate			**26,811**	**26,811**	
Total real estate 2013			26,666		26,666
Liabilities:					
Liabilities to financial institutions [1]					997
Liabilities 2013 [1]		997			997

[1] *Includes lending to customers/liabilities to financial institutions classified at fair value through profit and loss*

Movements between quoted prices and observable assumptions

NOK million	From quoted prices to observable assumptions	From observable assumptions to quoted prices
Equities and units	34	224
Bonds and other fixed-income securities		5,654

Movements from level 1 to level 2 reflect reduced sales value in the relevant equities and bonds in the last measuring period. On the other hand, movements from level 2 to level 1 indicate increased sales value in the relevant equities and bonds in the last measuring period.

Notes to the interim accounts Storebrand Group

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

NOK million	Equities	Fund units	Private equity fund	Indirect real estate fund	Lending to customers	Credit bonds	Investment properties	Owner-occupied properties
Book value 01.01	**3,269**	**1,327**	**6,132**	**1,217**	**1,289**	**1,669**	**24,437**	**2,491**
Net gains/losses on financial instruments	21	5	109	267	2	27	2	17
Supply	56	27	275	7	5	43	43	4
Sales	-22	-25	-252	-429	-78	-1,035	-119	-8
Transferred to/from non-observable assumptions to/from observable assumptions	8							
Translation differences	-32	-12	-20			-14	-33	-23
Book value 31.3.14	**3,300**	**1,322**	**6,244**	**1,062**	**1,217**	**690**	**24,330**	**2,481**

The value of fixed-rate loans is determined by agreed cash flows discounted over the remaining fixed-rate period at a discount rate that is adjusted for an estimate of the market's margin requirements. No negative development in the borrower's ability to repay, or negative development in underlying collateral securities has been observed.

NOTE 11: REAL ESTATE

Type of real estate

				31.03.14			
NOK million	31.3.14	31.3.13	31.12.13	Required rate of return % 2)	Average duration of lease (years) 4)	m2	Leased amount in % 1)
Office buildings (including parking and storage):							
Oslo-Vika/Filipstad Brygge	6,236	6,211	6,196	7.85%	4.6	140,900	89%
Rest of Greater Oslo	7,108	8,499	7,148	8.68%	7.1	487,767	96%
Rest of Norway	2,484	2,416	2,478	8.73%	6.9	122,168	97%
Office buildings in Sweden	966	755	985		11.5	41,011	99%
Shopping centres (including parking and storage)							
Oslo-Vika/Filipstad Brygge	1,126	1,150	1,176	8.09%	3.2	66,519	92%
Rest of Greater Oslo	5,196	8,746	5,234	7.89%	3.0	183,120	97%
Other real estate:							
Multi-storey car parks in Oslo	674	656	671	7.95%	2.7	27,393	100%
Cultural/conference centres in Sweden	382	372	390		16.0	18,757	100%
Other real estate Sweden 3)	106		109		14.3	3,369	100%
Other real estate Norway	51	50	50				
Total investment real estate 5)	**24,330**	**28,855**	**24,437**			**1,091,004**	
Real estate for own use	2,481	2,295	2,491	8.05%	5,2-7,5	70,641	96%/99%
Total real estate	**26,811**	**31,150**	**26,928**			**1,161,645**	

1) The leased amount is calculated in relation to floor space.
2) The real estate are valued on the bsis of the following effective required rate of return (including 2.5 per cent inflation):
3) All of the properties in Sweden are appraised externally. This appraisal is based on the required rates of return in the market.
4) The average duration of the leases has been calculated proportionately based on the value of the individual properties.
5) Of which minority in securities' fund 2.378 NOK million. AS of 2014 the partisipants are able to claim redemption on a yearly basis. The redemption are conditioned to a total demand of NOK 100 million. The redemption is set to 98,75 per cent of VEK. Minority in securities' fund is included in other current liabilities.

Transactions:
Purchases: Further SEK 255 million of property acquisitions in SPP has been agreed in 1st quarter in addition to the figures that has been finalised and included in the financial statements as of 31 March 2014

Sales: No further sales has been agreed on in Storebrand/SPP in addition to the figures that has been finalised and included in the financial statements as of 31 March 2014.

Notes to the interim accounts Storebrand Group

NOTE 12: LIQUIDITY RISK

Specification of subordinated loan capital

NOK million	Nominal value	Currency	Interest rate	Call date	Book value
Issuer					
Hybrid tier 1 capital					
Storebrand Bank ASA	150	NOK	Variable	2017	151
Storebrand Livsforsikring AS	1,500	NOK	Variable	2018	1,502
Perpetual subordinated loan capital					
Storebrand Livsforsikring AS	1,000	NOK	Fixed	2015	1,111
Storebrand Livsforsikring AS	1,700	NOK	Variable	2014	1,701
Storebrand Livsforsikring AS	1,100	NOK	Variable	2024	1,095
SPP Livförsäkring AB	700	SEK	Variable	2019	643
Dated subordinated loan capital					
Storebrand Livsforsikring AS	300	EUR	Fixed	2023	2,440
Storebrand Bank ASA	107	NOK	Fixed	2014	111
Storebrand Bank ASA	168	NOK	Variable	2014	169
Storebrand Bank ASA	150	NOK	Variable	2018	150
Total subordinated loans and hybrid tier 1 capital 31.3.14					**9,073**
Total subordinated loans and hybrid tier 1 capital 31.3.13					7,187
Total subordinated loans and hybrid tier 1 capital 31.12.13					7,409

Specification of liabilities to financial institutions

	Book value		
NOK million	31.3.14	31.3.13	31.12.13
Maturity			
2013		2	
2014	39	496	1,028
2015		992	
Total liabilities to financial institutions	**39**	**1,489**	**1,028**

Notes to the interim accounts Storebrand Group

Specification of securities issued

	Book value		
NOK million	31.3.14	31.3.13	31.12.13
Call date			
2013		597	
2014	2,258	3,073	2,454
2015	3,069	3,274	3,206
2016	3,878	3,881	3,875
2017	4,519	4,523	4,520
2018	952	500	952
2019	1,718	1,727	1,687
2020	312		306
Total securities issued	**16,705**	**17,575**	**17,000**

The loan agreements contain standard covenants. In 2014 are Storebrand in compliance with all relevants covenants. Under the loan programme in Storebrand Boligkreditt AS the company's overcollateralisation requirement was 109.5 per cent fulfilled.

Credit facilities
Storebrand ASA has an unused credit facility of EUR 240 million.

Facilities for Storebrand Boligkreditt AS
Storebrand Bank has two overdraft facilities with Storebrand Boligkreditt AS. One of the agreements is used for general operations, such as the acquisition of home mortgages from Storebrand Bank. The other agreement may be used for repayment of interest and principal on bonds with pre-emptive rights and related derivatives.

At all times, the size of the available credit facility should cover the interest and repayment of bonds with pre-emptive rights for the coming 12 months.

NOTE 13: LENDING

NOK million	31.3.14	31.3.13	31.12.13
Corporate market	12,560	15,224	13,318
Retail market	23,540	23,922	23,940
Gross lending	**36,100**	**39,146**	**37,258**
Write-down of lending losses	-160	-154	-113
Net lending	**35,940**	**38,992**	**37,145**

Non-performing and loss-exposed loans

NOK million	31.3.14	31.3.13	31.12.13
Non-performing and loss-exposed loans without identified impairment	105	117	111
Non-performing and loss-exposed loans with identified impairment	283	126	356
Gross non-performing loans	**389**	**243**	**468**
Individual write-downs	-134	-107	-83
Net non-performing loans	**254**	**137**	**385**

Notes to the interim accounts Storebrand Group

NOTE 14: DEPOSITS FROM BANKING CUSTOMERS

NOK million	31.3.14	31.3.13	31.12.13
Corporate market	7,873	9,795	8,186
Retail market	12,711	11,624	12,542
Total	**20,584**	**21,419**	**20,728**

NOTE 15: CONTINGENT LIABILITIES

NOK million	31.3.14	31.3.13	31.12.13
Guarantees	233	245	242
Unused credit limit lending	3,982	5,711	4,060
Uncalled residual liabilities re limited partnership	3,553	3,791	4,038
Other liabilities/lending commitments	44	602	77
Total contingent liabilities	**7,812**	**10,348**	**8,417**

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.

Storebrand Group companies are engaged in extensive activities in Norway and abroad and may become a party in legal disputes. Please also refer to note 2 and note 52 in the 2013 annual report.

NOTE 16: BUFFER CAPITAL

NOK million	31.3.14	31.3.13	31.12.13
Additional statutory reserves	4,443	5,430	4,458
Market adjusment reserves	2,793	1,746	3,823
Conditional bonuses	13,157	12,357	14,167
Total	**20,392**	**19,533**	**22,447**

The excess value of held-to-maturity bonds valued at amortised cost totalled NOK 6.698 million at the end of the 1sth quarter 2014 - an increase of NOK 1.539 million since the turn of the year.
The excess value of bonds at amortised cost is not included in the financial statements.

NOTE 17: CAPITAL REQUIREMENTS AND SOLVENCY REQUIREMENTS

The Storebrand Group is a cross-sectoral financial group with capital requirements pursuant to Basel I/II (capital cover) and capital adequacy rules on a consolidated basis. According to the rules on solvency, margin requirements are calculated for the insurance companies in the Group, while for the other companies a capital requirement in relation to the capital adequacy rules is calculated. The calculations in the tables below are in accordance with the §7 of the Regulations concerning capital ratios on a consolidated basis etc.

Primary capital may consist of core capital and supplementary capital. According to the Regulations for calculating primary capital, core capital is significantly different from shareholders' equity in the accounts. The table below shows a reconciliation of core capital relative to equity. Issued hybrid tier 1 capital may account for 15 per cent of the core (tier 1) capital, while any amount exceeding 15 per cent may be included in the tier 2 capital. The core capital will be adjusted for the valuations that are used as the basis for credit calculations at a national level for foreign companies. (§4, 7th paragraph of the Regulations concerning capital adequacy.) For Storebrand Holding AB this will entail an adjustment of SPP AB's estimated insurance liabilities for which a different yield curve is used for credit assessment than is used in the financial accounts. Supplementary capital that consists of subordinated debt may not exceed 100 per cent of core capital, while time limited subordinated debt may not exceed 50 per cent of core capital.

The standard method is used for credit risk and market risk, and the basic method for operational risk. New capital requirements for banks came into force on 1 July 2013. The overall requirements for core tier 1 capital and equity and subordinated loan capital are 9 and 12.5 per cent respectively as of 1 July 2013, and 10 and 13.5 per cent respectively as of 1 July 2014. Additionally, it has been indicated that a counter-cyclical capital buffer of up to 2.5 percent core tier 1 capital will be introduced from the second half of 2014. Insurance companies in the Group are included in the capital adequacy of a capital requirement under the Basel I regulations.

In a cross-sectoral financial group, the sum of primary capital and other solvency margin capital, covers the sum of the solvency margin requirement for insurance operations and primary capital requirements for credit institutions and securities business.

In the solvency margin requirement used for the insurance companies, this requirement is calculated as 4 per cent of gross insurance fund. This applies to both Norwegian and Swedish operations. In Sweden, the requirement also includes 1 per cent of the conditional bonus and 0.1-0.3 per cent of mortality risk in the insurance funds. The solvency margin capital for insurance differs slightly from the primary capital that is used in the capital cover. The solvency capital includes a proportion of additional provisions and the risk equalization fund.

Primary capital in capital adequacy

NOK million	31.3.14	31.12.13[2)]
Share capital	2,250	2,250
Other equity	20,830	20,264
Equity	**23,080**	**22,514**
Hybrid tier 1 capital	1,926	1,927
Interest rate adjustment of insurance obligations	-1,253	-1,081
Goodwill and other intangible assets	-5,884	-6,111
Deferred tax assets	-1	-1
Risk equalisation fund	-839	-776
Deductions for investments in other financial institutions	-1	-1
Security reserves	-311	-301
Minimum requirement reassurance allocation	-4	-4
Capital adequacy reserve	-99	-96
Other	-249	-31
Core (tier 1) capital	**16,365**	**16,038**
Perpetual subordinated capital[1)]	2,746	2,700
Ordinary primary capital	2,388	2,388
Deductions for investments in other financial institutions	-1	-1
Capital adequacy reserve	-99	-96
Tier 2 capital	**5,034**	**4,990**
Net primary capital	**21,399**	**21,029**

Notes to the interim accounts Storebrand Group

Minimum requirements primary capital in capital adequacy

NOK million	31.3.14	31.12.13[2)]
Credit risk		
Of which by business area:		
Capital requirements insurance	10,314	10,813
Capital requirements banking	1,431	1,613
Capital requirements securities undertakings	20	24
Capital requirements other	45	44
Total minimum requirements credit risk	**11,810**	**12,494**
Operational risk/settlement risk	99	99
Deductions	-18	-18
Minimum requirements primary capital	**11,890**	**12,575**
Capital adequacy ratio	**14.4 %**	**13.4 %**
Core (tier 1) capital ratio	**11.0 %**	**10.2 %**

[1)] Perpetual loan of NOK 1,700 million that is planned to be redeemed in June 2014 is not included in viable perpetual primary capital.

Solvency requirements for cross-sectoral financial groups

NOK million	31.3.14	31.12.13[2)]
Requirements re primary capital and solvency capital		
Capital requirements Storebrand Group from capital adequacy statement	11,890	12,575
- capital requirements insurance companies	-10,314	-10,813
Capital requirements pursuant to capital adequacy regulations	1,577	1,762
Buffer requirements (4.5%)	887	991
Requirements re solvency margin capital insurance	12,094	12,140
Total requirements re primary capital and solvency capital	**14,557**	**14,892**
Primary capital and solvency capital		
Net primary capital	21,399	21,029
Change in solvency capital for insurance in relation to primary capital		
Other solvency capital	2,778	2,750
Total primary capital and solvency capital	**24,177**	**23,779**
Surplus solvency capital	**9,620**	**8,886**

[2)] Corresponding figures are not changed.

Storebrand ASA

PROFIT AND LOSS ACCOUNT

NOK million	1Q 2014	1Q 2013	Full year 2013
Operating income			
Income from investments in subsidiaries	13		626
Net income and gains from financial instruments:			
- bonds and other fixed-income securities	14	16	49
- financial derivatives/other financial instruments		-2	-14
Other financial instruments			2
Operating income	**27**	**14**	**663**
Interest expenses	-36	-38	-136
Other financial expenses	-6	-3	-156
Operating costs			
Personnel costs	-7	-12	83
Amortisation			-1
Other operating costs	-12	-22	-76
Total operating costs	**-19**	**-34**	**6**
Total costs	**-61**	**-76**	**-286**
Pre-tax profit	**-34**	**-61**	**377**
Tax	13	17	-96
Profit for the period	**-22**	**-44**	**281**

Storebrand ASA

STATEMENTS OF FINANCIAL POSITION

NOK million	31.03.14	31.03.13	31.12.12
Fixed assets			
Deferred tax assets	470	489	458
Pension assets	1	152	1
Tangible fixed assets	30	31	30
Shares in subsidiaries	17,245	17,355	17,241
Total fixed assets	**17,746**	**18,028**	**17,729**
Current assets			
Owed within group	9	80	519
Lending to group companies	17	17	17
Other current receivables	31	33	23
Investments in trading portfolio:			
- bonds and other fixed-income securities	2,124	1,246	1,757
- financial derivatives/other financial instruments	36	55	33
Bank deposits	122	138	37
Total current assets	**2,340**	**1,571**	**2,386**
Total assets	**20,087**	**19,598**	**20,115**
Equity and liabilities			
Share capital	2,250	2,250	2,250
Own shares	-14	-14	-14
Share premium reserve	9,485	9,485	9,485
Total paid in equity	**11,720**	**11,720**	**11,720**
Other equity	4,623	4,554	4,644
Total equity	**16,343**	**16,275**	**16,365**
Non-current liabilities			
Pension liabilities	156	155	156
Securities issued	3,492	3,019	3,476
Total non-current liabilities	**3,648**	**3,175**	**3,632**
Current liabilities			
Financial derivatives			10
Debt within group	33	134	34
Other current liabilities	62	15	74
Total current liabilities	**95**	**149**	**118**
Total equity and liabilities	**20,087**	**19,598**	**20,115**

Storebrand ASA

CASH FLOW STATEMENT

NOK million	01.01 - 31.03 2013	2012
Cash flow from operational activities		
Receipts - interest, commission and fees from customers	5	12
Net receipts/payments - securities at fair value	-371	490
Payments relating to operations	-33	-56
Net receipts/payments - other operational activities	524	149
Net cash flow from operational activities	**125**	**595**
Cash flow from investment activities		
Net payments - sale/capitalisation of subsidiaries	-4	-5
Net cash flow from investment activities	**-4**	**-5**
Cash flow from financing activities		
Payments - repayments of loans		-479
Payments - interest on loans	-36	-30
Receipts - issuing of share capital		9
Net cash flow from financing activities	**-36**	**-499**
Net cash flow for the period	**85**	**90**
Net movement in cash and cash equivalents	85	90
Cash and cash equivalents at start of the period	37	48
Cash and cash equivalents at the end of the period	**122**	**138**

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 2013. The accounting policies are described in the 2013 annual report.
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 4: EQUITY

NOK million	Share capital [1]	Own shares	Share premium	Other equity	Equity 31.03.14	31.03.13	31.12.12
Equity as per 1 January	**2,250**	**-14**	**9,485**	**4,644**	**16,365**	**16,310**	**16,310**
Profit for the year				-22	-22	-44	281
Experience pension							-235
Own share bought back [2]						26	26
Employee share is [2]						-17	-17
Total equity	**2,250**	**-14**	**9,485**	**4,623**	**16,343**	**16,275**	**16,365**

[1] 449,909,891 shares with a nominal value of NOK 5
[2] Holding of own shares as per 31 March 2014 was 2 716 273.

NOTE 4: BONDS ISSUED

NOK million	Interest rate	Currency	Net nominal value	31.03.14	31.03.13	31.12.12
Bond loan 2009/2014 [1]	Fixed	NOK	550	571	575	563
Bond loan 2009/2014 [1]	Fixed	NOK	297	307	594	304
Bond loan 2013/2020 [1]	Fixed	NOK	300	312		306
Bond loan 2011/2016	Variable	NOK	1,000	998	998	998
Bond loan 2012/2017	Variable	NOK	850	853	853	853
Bond loan 2013/2018	Variable	NOK	450	452		452
Total [2]				**3,492**	**3,019**	**3,476**

[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 240 million.

Deloitte.

Deloitte AS
Dronning Eufemias gate 14
Postboks 221 Sentrum
NO-0103 Oslo
Norway

Tlf: +47 23 27 90 00
Faks: +47 23 27 90 01
www.deloitte.no

Translation from the original Norwegian version

To the Board of Directors of Storebrand ASA

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

We have reviewed the consolidated statement of financial position of Storebrand ASA (the Group) as of March 31, 2014, and the related statement of income, the statement of comprehensive income, the statement of changes in equity, the statement of cash flow for the three-month period then ended and selected explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by EU. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information for the Group is not prepared, in all material aspects, in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by EU.

Oslo, 6 May 2014
Deloitte AS

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

HEADQUARTERS:

Storebrand ASA
Professor Kohts vei 9
P.O. Box 500
N-1327 Lysaker, Norway
Tel.: +47 22 31 50 50
www.storebrand.no

Call center:
+47 08880

OTHER GROUP COMPANIES:

SPP Livförsäkring AB
Vasagatan 10
S-105 39 Stockholm, Sweden
Tel.: +46 8 451 70 00
www.spp.se

Storebrand Livsforsikring AS,
- Swedish branch
Vasagatan 10
S-105 39 Stockholm, Sweden
Tel.: +46 8 700 22 00
www.storebrand.se

Storebrand Kapitalforvaltning AS
- Swedish branch
Vasagatan 10
S-105 39 Stockholm, Sweden
Tel.: +46 8 614 24 00
www.storebrand.se

Storebrand Helseforsikring AS
Professor Kohts vei 9
P.O. Box 464
N-1327 Lysaker, Norway
Tel.: +47 22 31 13 30
www.storebrandhelse.no

DKV Hälsa
Vasagatan 10
S-105 39 Stockholm, Sweden
Tel.: +46 8 619 62 00
www.dkvhalsa.se

Financial calender 2014

12	February	Results 4Q 2013 Embedded Value 2013
9	April	Annual General Meeting
10	April	Ex dividend date
7	May	Results 1Q 2014
16	July	Results 2Q 2014
29	October	Results 3Q 2014
	February 2015	Results 4Q 2014

Investor Relations contacts

TROND FINN ERIKSEN	Head of IR	trond.finn.eriksen@storebrand.no	+47 9916 4135
SIGBJØRN BIRKELAND	Finance Director	sigbjorn.birkeland@storebrand.no	+47 9348 0893
LARS LØDDESØL	CFO	lars.loddesol@storebrand.no	+47 2231 5624
KJETIL RAMBERG KRØKJE	IR Officer	kjetil.r.krokje@storebrand.no	+47 9341 2155

storebrand

Storebrand ASA

Professor Kohtsvei 9, P.O. Box 500, N-1327 Lysaker, Norway

Telephone: +47 22 31 50 50, www.storebrand.com/ir