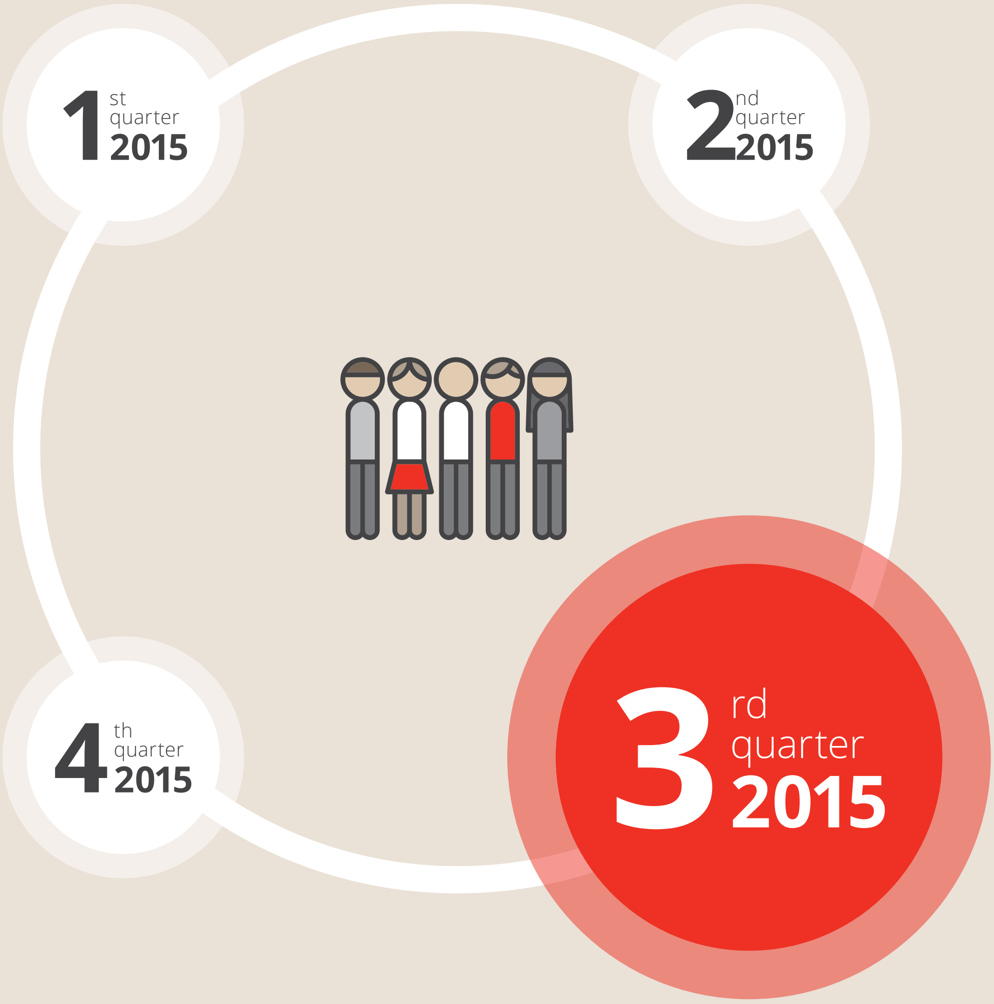
storebrand



Interim report 2015

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 176m for the 3rd quarter and NOK 1085m year to date**
- **Growth of 8.5% in fee and administration income relative to third quarter last year[2]**
- **Solvency II margin of 146%**

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[3]

	2015			2014		01.01 - 30.09		Full year
(NOK million)	3Q	2Q	1Q	4Q	3Q	2015	2014	2014
Fee and administration income	1,046	1,065	1,044	1,116	1,045	3,155	3,044	4,160
Risk result life & pensions	40	54	9	323	37	103	157	480
Insurance premiums f.o.a.	894	947	867	802	773	2,708	2,313	3,115
Claims f.o.a.	-697	-683	-652	-613	-564	-2,031	-1,614	-2,226
Operational cost	-755	-799	-803	-207	-732	-2,357	-2,238	-2,446
Financial result	-90	76	81	-21	95	68	370	349
Result before profit sharing and loan losses	440	661	546	1,400	655	1,646	2,032	3,431
Net profit sharing and loan losses	-167	-51	59	-356	67	-159	348	-8
Provision longevity	-96	-151	-154	-121	-90	-402	-270	-391
Result before amortisation and write-downs	**176**	**459**	**450**	**923**	**632**	**1,085**	**2,110**	**3,032**
Amortisation and write-downs of intangible assets	-108	-103	-105	-105	-108	-316	-326	-431
Result before tax	67	356	346	818	524	768	1,783	2,601
Tax	-3	-97	-87	-115	-147	-187	-401	-516
Sold/liquidated business	-0	-0	-0	-0	-0	-0	-1	-1
Profit after tax	**64**	**258**	**258**	**703**	**376**	**581**	**1,382**	**2,085**

Group result before amortisation was NOK 176m[4] (632m) in the 3rd quarter and NOK 1085m year to date. The figures in parentheses are from the corresponding period last year. Fee and administration income increased 8.5% year to date adjusted for business being discontinued and foreign exchange. The market movements caused negative results for finance and profit sharing. The overall result for the quarter was weak as a result of the higher interest premium for credit risk, low interest rates and negative equity markets.

Storebrand has set a target for costs as a percentage of income of under 60%. In the third quarter the 12-month rolling average was 59.3%. The costs increased 0.7% based on a 12-month rolling average. A reorganisation of Customer Area Norway has been announced, and a reduction of 65 full-time equivalents is expected in this business area. Strengthening of competitiveness through continued efficiency improvement is prioritised. Storebrand is negotiating a strategic partnership with potential external partners, including part-ownership of the offshore business center in Baltic. The aim is to establish a foundation for a customer-oriented development of the Group's IT solutions and enhance the efficiency of business operations.

1) *Earnings before amortisation and tax.*
2) *Adjusted for business being discontinued and foreign exchange.*
3) *The income statement is based on reported IFRS results for the individual group companies. The statement differs from the official accounts layout.*
4) *The abbreviations NOK for Norwegian kroner, m for million, bn for billion and % for per cent are used throughout the report.*

GROUP RESULT BY RESULT AREA

	2015			2014		01.01 - 30.09		Full year
(NOK million)	3Q	2Q	1Q	4Q	3Q	2015	2014	2014
Savings - non-guaranteed	264	237	218	469	240	720	622	1,091
Insurance	120	192	159	159	135	471	516	675
Guaranteed pension	-76	32	81	227	233	37	847	1,074
Other result	-133	-3	-8	68	24	-143	124	193
Profit before amortisation	**176**	**459**	**450**	**923**	**632**	**1,085**	**2,110**	**3,032**

The Savings segment reported a result of NOK 264m (240m). The result was strengthened as a result of volume growth in defined contribution pensions and asset management. The Insurance segment reported a result of NOK 120m (135m). Premium growth had a positive effect on the result, while the claims ratio increased due to specific large claims. The financial result was weakened as a result of the lower interest rates and higher credit spread.

The Guaranteed Pension segment reported a result of NOK -76m (233m). Higher costs for increased longevity have been charged to the result. The reversal of previously allocated profit sharing in guaranteed portfolios, as well as equity set aside for certain contracts with inadequate reserves in Sweden, yielded a negative profit sharing result overall. The Other segment reported a weaker result due to the negative return on the company portfolios during the quarter.

MARKET AND SALES PERFORMANCE

Sales of savings products, loans and property and casualty insurance are good. Storebrand is succeeding with sales to retail customers with occupational pension in Storebrand. Over half of the customers who purchase retail products are employed in companies with an occupational pension from Storebrand. In Norway, Storebrand is the market leader in defined contribution schemes with 33% of the market share of gross premiums written.[1)]

SPP is the third largest actor in the Swedish unit linked insurance market in the area of Other Occupational Pension with a market share of 15% of new contracts.

CAPITAL SITUATION AND TAXES

The Storebrand Life Insurance Group's solvency margin was 179% at the end of the 3rd quarter, a reduction of 4.0 percentage points during the quarter. The decline is partly attributed to the weak quarterly result and decline in long-term interest rates. A fall in the interest rate level increases the Swedish insurance liabilities in the solvency calculations. Year to date, the solvency margin has improved by 4.0 percentage points.

The Solvency II regulations will be effective from January 2016. The Group's target solvency margin in accordance with the new regulations is 130%, including use of the transitional rules. From the 3rd quarter of 2015, Storebrand will be reporting the solvency position for the entire Storebrand Group. At the end of the 3rd quarter, this was calculated to be 146% (without transitional rules, the solvency margin is estimated to be 104%). The solvency position weakened during the quarter as a result of the falling interest rate level and weak equity market performance. Under Solvency II, all liabilities are discounted by the market interest rate. A standard model and the company's interpretation of the proposed transitional rules from Finanstilsynet (The Financial Supervisory Authority of Norway) have been used. There may be changes to the regulations, methods and interpretations of this up until the date of implementation.

The income tax expense has been estimated based on an expected effective tax rate for 2015. The effective tax rate is influenced by the fact that the Group has operations in countries with tax rates that are different from Norway (27%), and it varies from quarter to quarter depending on each legal entity's contribution to the Group result. The tax rate is calculated to be in the range of 20-25% for the year. For more information on calculation of the income tax expense for the quarter, see Note 8 to the accounts.

[1)] *Premium income as at 2nd quarter 2015. Source: Finance Norway and Insurance Sweden.*

STRENGHTENING RESERVES FOR INCREASED LONGEVITY

Due to the development of longevity, Storebrand needs to strengthen its reserves for group pensions for increased longevity by NOK 12.4bn. At the end of the 3rd quarter, NOK 8.3bn has been allocated preliminarily and the remaining required strengthening of reserves is NOK 4.1bn. The profit for the owner has been charged with NOK 96m (90m) in the 3rd quarter and NOK 402m (270m) year to date for longevity reserves. The total cost to the owner, including lost profit sharing and use of the risk equalisation reserve, is NOK 96m for the 3rd quarter, NOK 600m year to date and NOK 1475m since Storebrand started to strengthen its reserves. In accordance with the new prerequisites from the Financial Supervisory Authority of Norway on use of the risk equalisation reserve to strengthen reserves in the 3rd quarter of 2015, accumulated use of the risk equalisation reserve totalled NOK 378m. During the quarter, a corresponding amount, which was previously set aside and charged to distributable equity in connection with the strengthening of reserves, was reversed. The estimated direct negative result effect is reduced from, on average, NOK 90m pr. quarter to NOK 65m pr. quarter for the remaining reserve strengthening period until 2020. Use of the Risk equalisation fund will give a periodisation effect with higher result contribution in 2015 and 2016, which is countered by a corresponding lower result contribution in the period 2017-2020. For more information on strengthening of reserves for increased longevity, see Note 2.

Financial targets	
ROE	>10 %
Solvency II margin	> 130 %
Dividend on result after tax before amortisation[1]	>35 %
Rating level (Storebrand Life Group)	A

GROUP - KEY FIGURES

	2015			2014		01.01 - 30.09		Full year
(NOK million)	3Q	2Q	1Q	4Q	3Q	2015	2014	2014
Earnings per share adjusted (NOK) [1]	0.37	0.80	0.78	1.78	1.08	1.96	3.79	5.57
Equity	25,982	25,275	24,745	24,741	23,618	25,982	23,618	24,741
ROE, annualised	2.8%	5.9%	6.0%	13.6%	8.9%	4.9%	11.3%	10.8%
Solvency margin (Storebrand Life Group)	179%	183%	173%	175%	182%	179%	182%	175%

[1] *After tax, adjusted for amortization and write-downs of intangible assets.*

Savings

Solid earnings growth due to a higher volume

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

	2015			2014		01.01 - 30.09		Full year
(NOK million)	3Q	2Q	1Q	4Q	3Q	2015	2014	2014
Fee and administration income	646	627	628	679	588	1,902	1,696	2,375
Risk result life & pensions	-5	4	-4	-10	7	-4	-1	-11
Operational cost	-381	-394	-408	-214	-354	-1,183	-1,075	-1,289
Financial result	0	0	0	0	0	0	0	0
Result before profit sharing and loan losses	**261**	**238**	**216**	**455**	**240**	**715**	**620**	**1,075**
Net profit sharing and loan losses	3	-0	2	14	-1	5	2	16
Result before amortisation	**264**	**237**	**218**	**469**	**240**	**720**	**622**	**1,091**

RESULTS

The result for Savings corresponds to growth of 10% compared with the same quarter last year. Fee and administration income increased 10% during the 3rd quarter. Weak financial markets in the 3rd quarter reduced the return on customer assets compared with prior quarters. The customers' conversion from defined-benefit to defined-contribution pension schemes in combination with good sales contribute to continued good earnings growth year to date.
At the end of the 3rd quarter, total income from Unit Linked was 18% higher than the corresponding period in 2014.

Performance-based fees in the asset management operations are not recognised until 31 December 2015 and amount to NOK 75m year to date. Increased competition contributed to a reduction in the net interest income in the Bank's retail market for the quarter. Net interest income as a percentage of the average total assets was 1.21%, compared with 1.39% for the 3rd quarter 2014. Higher selling costs and higher volume-driven costs explain the cost increase in the Savings segment compared with the same period last year.

BALANCE SHEET AND MARKET TRENDS

Premium income for non-guaranteed savings was NOK 3.2bn in the 3rd quarter, an increase of 27% compared with the 3rd quarter of 2014. Total reserves within unit linked insurance have increased 26% over the last year. Assets under management in the United Linked business in Norway increased NOK 11.5bn (30%) relative to the 3rd quarter of 2014. The growth is driven by premium payments for existing contracts, a good investment return, and conversion from defined benefit schemes. In Norway, Storebrand is the market leader in defined contribution schemes with 33% of the market share of gross premiums written.

The customers' capital increased NOK 13bn (24%) in the Swedish unit linked insurance business last year. The volume increase is driven by a good investment return and good new sales. Transfers out declined compared with the same period last year. SPP is the third largest player in the Swedish unit linked insurance market in the segment Other Occupational Pension with a market share of 15% of new contracts.

Storebrand Asset Management's assets under management increased by NOK 27bn year to date to NOK 562bn. This growth is driven by sales and a good investment return, as well as foreign exchange fluctuations. The lending portfolio in the retail banking market reported a positive development in the 3rd quarter. The portfolio primarily consists of low-risk home mortgages.

SAVINGS - KEY FIGURES

	2015			2014	
(NOK million)	3Q	2Q	1Q	4Q	3Q
Unit linked Reserves	118,695	117,452	115,816	105,369	93,976
Unit linked Premiums	3,153	3,035	2,871	2,594	2,483
AuM Asset Management	562,136	551,587	557,989	534,523	502,840
Retail Lending	25,417	24,833	24,100	24,441	24,391

Insurance

Solid top line growth attributed to good sales.

Insurance has responsibility for the Group's risk products in Norway and Sweden[1]. 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

	2015			2014		01.01 - 30.09		Full year
(NOK million)	3Q	2Q	1Q	4Q	3Q	2015	2014	2014
Insurance premiums f.o.a.[2]	894	947	867	802	773	2,708	2,313	3,115
Claims f.o.a. [2]	-697	-683	-652	-613	-564	-2,031	-1,614	-2,226
Operational cost	-122	-136	-128	-9	-122	-387	-378	-387
Financial result	45	64	72	-22	48	181	195	173
Result before amortisation	**120**	**192**	**159**	**159**	**135**	**471**	**516**	**675**
Claims ratio	78%	72%	75%	76%	73%	75%	70%	71%
Cost ratio	14%	15%	15%	1%	16%	14%	17%	13%
Combined ratio	92%	87%	90%	78%	89%	89%	86%	84%

RESULTS

For the 3rd quarter, Insurance reported a good result before amortisation of NOK 120m (135m), with a total combined ratio of 92% (89%). Premium income increased 17% year to date, compared with the corresponding period last year. The solid premium growth is driven by good sales of individual property and casualty insurance policies and the new agreement with Akademikerne (Federation of Norwegian Professional Associations).

The result in Norway has been affected this quarter by the accrual of premium income between the quarters. Pension-related group disability insurance is influenced by a market with strong competition and lower margins. The cost percentage was 14% (16%) for the 3rd quarter.

The risk result for the quarter gives a claims ratio of 78% (73%). The claims ratio for the quarter is influenced by accrual effects of premium income within the group life segment. The underlying risk performance of the P&C insurance portfolio is still good year to date.

The investment portfolio of Insurance in Norway amounts to NOK 6.5bn, which is primarily invested in fixed income securities with a short or medium duration. The financial income shows a satisfactory return, but it has been impacted negatively by the increased credit spreads in the Norwegian bond market.

[1] *Health insurance is owned 50 per cent each by Storebrand ASA and Munich Health and is consolidated according to the equity method.*
[2] *For own account*

BALANCE SHEET AND MARKET TRENDS

In the retail market, Storebrand has been very successful, and the premium income increased 18% at the end of the first half year. Storebrand exceeded 100,000 P&C customers in the 2nd quarter, and there has been good growth in the 3rd quarter. This growth is driven by competitive prices, and simple and relevant products, as well as good cover. The agreement with Akademikerne (Federation of Norwegian Professional Associations), which entered into force on 1 January 2015, also helps ensure Storebrand of a solid position in the organisational market. Health-related insurance is growing and Storebrand is succeeding well in the market. For risk cover in connection with defined contribution pensions in Norway, growth is driven by conversions from defined benefit to defined contribution pensions. The new disability pension regulations, which enter into force at the turn of the year, will entail a somewhat lower premium volume in the future.

INSURANCE - KEY FIGURES

	2015			2014	
(NOK million)	3Q	2Q	1Q	4Q	3Q
P&C & Individual life*	1,657	1,607	1,531	1,407	1,375
Health & Group life**	1,477	1,471	1,451	1,235	1,228
Pension related disability insurance Nordic***	1,141	1,096	1,071	1,057	1,054
Total written premiums	**4,275**	**4,174**	**4,053**	**3,699**	**3,657**
Investment portfolio	6,512	6,124	6,080	5,683	5,415

** Individual life disability, property and casualty insurance. ** Group disability, workers comp. and health insurance. *** Defined contribution risk premium.*

Guaranteed pension

Negative profit sharing result due to lower interest rates and weak performance of the equity and credit markets.

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

GUARANTEED PENSION

	2015			2014		01.01 - 30.09		Full year
(NOK million)	3Q	2Q	1Q	4Q	3Q	2015	2014	2014
Fee and administration income	428	457	432	457	471	1,317	1,384	1,842
Risk result life & pensions	20	47	16	331	26	83	152	483
Operational cost	-266	-281	-277	-84	-275	-824	-837	-921
Financial result	-	-	-	-	-	-	-	-
Result before profit sharing and loan losses	**182**	**223**	**171**	**705**	**222**	**576**	**699**	**1,404**
Net profit sharing and loan losses	-162	-40	64	-357	101	-137	418	61
Provision longevity	-96	-151	-154	-121	-90	-402	-270	-391
Result before amortisation	**-76**	**32**	**81**	**227**	**233**	**37**	**847**	**1,074**

RESULTS

Fee and administration income has performed consistent with the fact that a large part of the portfolio is mature and in long-term decline. Income was NOK 428m (471m) for the 3rd quarter and NOK 1,317m (1,384m) year to date. This corresponds to a reduction of 4.9% at the end of the 3rd quarter, compared with the corresponding period in 2014. The operating costs show a declining trend. The risk result was NOK 20m (26m) for the 3rd quarter and NOK 83m (152m) year to date. In the Norwegian business, most of the result that would have normally passed to the owner through the risk equalisation reserve was allocated to the longevity reserve.

The profit sharing result is generated in the Swedish business and amounted to minus NOK 162m (101m) in the 3rd quarter and minus NOK 137m (418m) year to date. The weak financial performance has been driven by lower interest rates and weak equity and credit markets throughout the quarter. The degree of consolidation has been sufficient to give an indexing fee of NOK 22m for the Swedish defined-benefit portfolio. However, negative profit sharing in the guaranteed portfolios, as well as significant strengthening of the deferred capital contribution, yielded a negative profit sharing result overall.

The Norwegian business is prioritising the build-up of buffers and reserves instead of profit sharing between customers and owners. The profit for the owner has been charged NOK 96m (90m) in the 3rd quarter and NOK 402m (270m) year to date for longevity reserves. The cost of strengthening the reserves for contracts that are converted to paid-up policies with investment choice accounts for NOK 157m of this amount year to date. The total cost to the owner of strengthening the reserves, including lost profit sharing, is NOK 96m for the 3rd quarter and NOK 600m year to date.

BALANCE SHEET AND MARKET TRENDS

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. Customer reserves for guaranteed pensions amounted to NOK 263bn at the end of the 3rd quarter, which corresponds to a reduction of NOK 1bn since the end of the year. Paid-up policies is the only guaranteed portfolio that is growing, and it totalled NOK 99.3bn at the end of the 3rd quarter, which corresponds to an increase of NOK 6.8bn and 7% since the end of the year. Defined benefit pensions in Norway have declined NOK 10.0bn year to date, which corresponds to 15%, and amounted to NOK 57.7bn at the end of the 3rd quarter.

Guaranteed portfolios in the Swedish business totalled NOK 90.5bn, which corresponds to an increase of NOK 2.8bn. The increase is attributed to the currency exchange fluctuations, while the underlying performance shows a declining trend. Transfers out from guaranteed pensions have totalled NOK 6.5bn (5.0bn) year to date and NOK 0.2bn (0.0bn) in the 3rd quarter.

From the 4th quarter of 2014, the customers were given an offer to convert from paid-up policies to paid-up policies with investment choice. Insurance reserves for paid-up policies with investment choice rose by approximately NOK 1.5bn in the 3rd quarter and total NOK 4.25bn. Total premium income from guaranteed pensions was NOK 6.5bn (8.1bn) year to date and NOK 1.4bn (1.6bn) for the 3rd quarter. This represents a decline of 20% year to date.

GUARANTEED PENSION - KEY FIGURES

	2015			2014	
(NOK million)	3Q	2Q	1Q	4Q	3Q
Guaranteed reserves	263,198	258,825	261,277	264,290	257,425
Guaranteed reserves in % of total reserves	68.9 %	68.8 %	69.3 %	71.5 %	73.3 %
Net transfers	-815	-1,432	-5,031	-2,229	-5,452
Buffer capital in % of customer reserves Norway	5.4 %	5.7 %	6.5 %	6.6 %	4.8 %
Buffer capital in % of customer reserves Sweden	11.1 %	12.4 %	12.5 %	11.7 %	15.0 %

Other

The result for Storebrand ASA is reported under Other, as well as the result for the company portfolios and small subsidiaries 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

	2015			2014		01.01 - 30.09		Full year
(NOK million)	3Q	2Q	1Q	4Q	3Q	2015	2014	2014
Fee and administration income	31	35	45	59	57	111	174	233
Risk result life & pensions	25	3	-4	2	4	25	6	8
Operational cost	-46	-43	-48	20	-51	-137	-158	-138
Financial result	-135	12	9	0	48	-115	175	175
Result before profit sharing and loan losses	**-125**	**8**	**2**	**81**	**57**	**-116**	**197**	**278**
Net profit sharing and loan losses	-8	-11	-8	-13	-33	-27	-72	-85
Result before amortisation	**-133**	**-3**	**-6**	**68**	**24**	**-143**	**124**	**193**

In the Other segment, the decline in fee and administration income is linked to the discontinuation of the corporate bank operation.

The financial result for the Other segment includes the company portfolios of SPP and Storebrand Life Insurance and the financial result of Storebrand ASA. The Storebrand Life Insurance Group is funded by a combination of equity and subordinated loans. Interest rate levels as of 3rd quarter 2015 gives an expectation of approximately NOK 90 mill. in interest expense per quarter.

The company portfolios totalled NOK 22,9 bn for the Group at the end of the 3rd quarter. The investments are primarily in interest-bearing securities in Norway and Sweden with a short interest rate duration. The credit margins for Norwegian investment grade bonds increased during the quarter. This resulted in a negative return on the company funds for the quarter of -0.37 %. The Swedish company portfolio is invested in fixed income securities with negative interest rates. Overall, this resulted in a return of -0.21% for the Swedish portfolio.

[1)] *The costs have been reduced by NOK 54m as a result of the introduction of a new pension scheme. This is a non-recurring effect for the quarter.*

Balance sheet, solidity and capital adequacy

Solvency margin of 179%, NOK 64bn in solvency 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 the legal entities to a large extent. The section is thus divided up by legal entities.

STOREBRAND ASA

Storebrand ASA held liquid assets of approximately NOK 2.3bn at the end of the quarter. Liquid assets consist primarily of short-term fixed income securities. Storebrand ASA's total interest-bearing liabilities were NOK 3.1bn at the end of the quarter. This corresponds to a net debt-equity ratio of 4.8%. The next maturity date for bond debt is in April 2016. Storebrand ASA owned 0.46% (2,062,721) of the company's treasury shares at the end of the quarter.

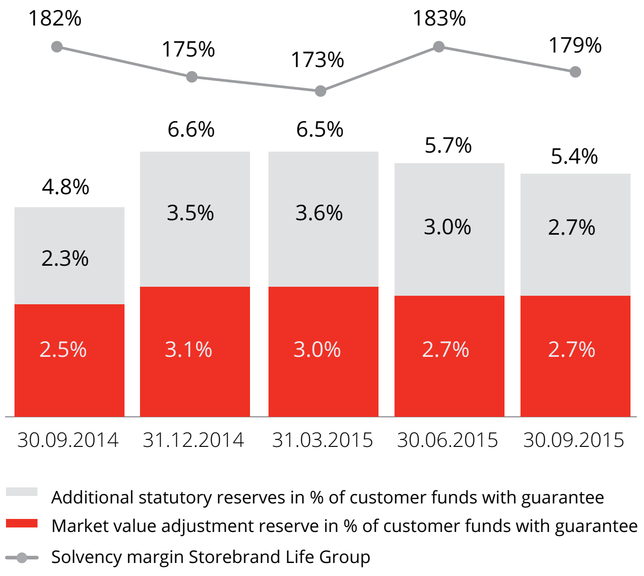
Capital adequacy and the core (tier 1) capital ratio for the Storebrand Group were 13.6% and 11.1%, respectively, at the end of the 3rd quarter.

STOREBRAND LIFE INSURANCE GROUP[1)]

The Storebrand Life Insurance Group's solvency margin was 179% at the end of the 3rd quarter, a reduction of 4.0 percentage points during the quarter. The decline is attributed primarily to a decline in long-term interest rates. A fall in the interest rate level increases the insurance liabilities in the solvency calculations. Year to date, the solvency margin has improved by 4.0 percentage points.

The solidity capital[2)] totalled NOK 64bn at the end of the 3rd quarter of 2015, an increase of NOK 1.6bn in the 3rd quarter, primarily as a result of the higher excess value of bonds recognised at amortised cost. The reduction totalled NOK 0.6bn year to date.

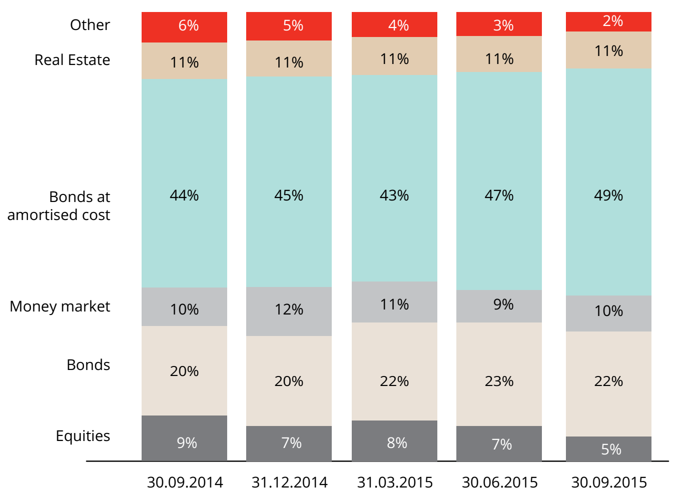
SOLIDITY



STOREBRAND LIVSFORSIKRING AS

The market value adjustment reserve declined by NOK 0.6bn during the 3rd quarter and NOK 1.5bn year to date, and it amounted to NOK 4.4bn at the end of the 3rd quarter of 2015. The additional statutory reserves remained unchanged during the quarter and declined by NOK 0.6bn year to date, which is primarily attributed to conversion to paid-up policies with investment choice. The additional statutory reserves totalled NOK 4.5bn at the end of the 3rd quarter of 2015. Excess value of held-to-maturity bonds that are assessed at amortised cost have increased by NOK 1.4bn during the 3rd quarter and declined by NOK 2.2bn year to date, comprising NOK 11.1bn as of the 3rd quarter. The excess value of bonds at amortised cost is not included in the financial statements.

ASSET ALLOCATION IN CUSTOMER PORTFOLIOS WITH INTEREST RATE GUARANTEE

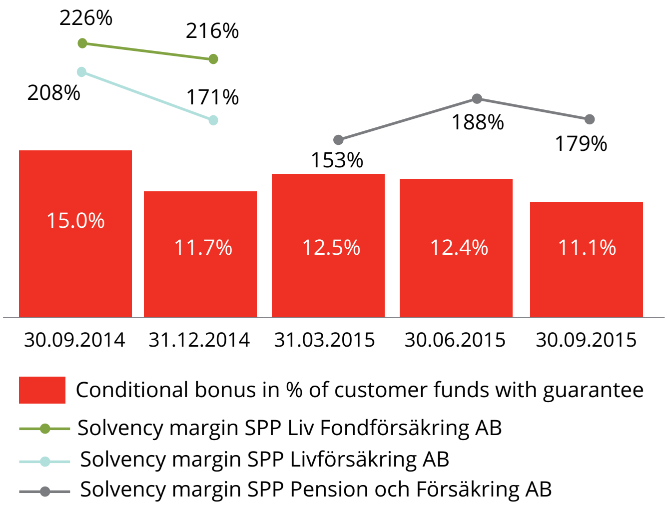


Customer assets declined by NOK 0.8bn during the 3rd quarter as a result of the weak financial markets, but still show an increase of NOK 4.3bn year to date. Customer assets totalled NOK 223bn at the end of the 3rd quarter of 2015. Customer assets within non-guaranteed Savings increased NOK 0.6bn in the 3rd quarter and NOK 8.2bn as at the end of the 3rd quarter of 2015. Guaranteed customer assets declined NOK 1.4bn in the 3rd quarter and NOK 3.9bn as at the end of the 3rd quarter of 2015.

[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.*

SPP

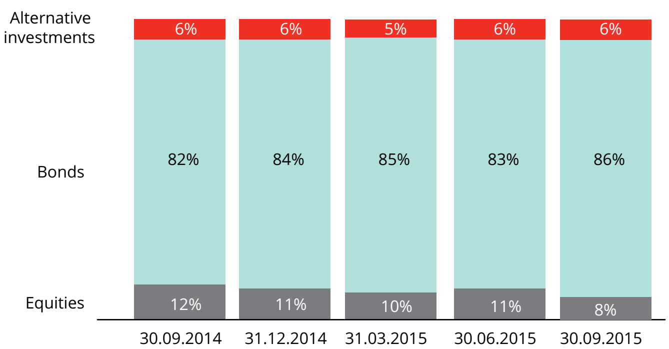
SOLIDITY



The solvency margin of SPP Pension og Försäkring AB was 179% at the end of the 3rd quarter. SPP Livförsäkring AB and SPP Livfondförsäkring AB merged effective 1 January 2015.

The buffer capital totalled NOK 8.8bn (10.6bn) at the end of the 3rd quarter. The decline is attributed primarily to the fall in the equity market.

ALLOCATION OF GUARANTEED CUSTOMER ASSETS IN SPP



Total assets under management in SPP were NOK 155.2bn. This corresponds to an increase of 5% compared with the 4th quarter of 2014. For unit linked insurance, the assets under management totalled NOK 68.6bn at the end of the 3rd quarter, which corresponds to an increase of 8%, compared with the 4th quarter of 2014. This increase is attributed in part to currency exchange.

STOREBRAND BANK

The loan portfolio in the retail market increased in the 3rd quarter and the corporate market portfolio continues to shrink as planned. Gross lending to customers totalled NOK 28.2bn (28.5bn) at the end of the 3rd quarter. The banking group's retail market portfolio totalled NOK 25.4bn, which is equivalent to 90% of the bank's total lending.

The bank has had declining risk-weighted assets throughout the year as a result of the planned downscaling of the corporate market portfolio. The Storebrand Bank Group had net primary capital of NOK 2.5bn at the end of the 3rd quarter. The capital adequacy ratio was 16.7% and the core (tier 1) capital ratio was 14.9% at the end of the 3rd quarter of 2015, compared with 15.0% and 13.3%, respectively, at the end of 2014.

Outlook

EARNINGS PERFORMANCE

Growth in Insurance and Savings is good and strengthens Storebrand's market position. Storebrand's ambition is to be the best provider of pension savings. Continued growth is expected in the Savings and Insurance segments, while guaranteed pensions are in long-term decline.

The financial markets have been marked by major fluctuations in the third quarter. The central banks in Norway and Sweden have lowered their key rates during the quarter to the lowest levels in history. The key rate in Sweden is currently -0.35%, while the key rate in Norway is 0.75%. In spite of the interest rate cut by Norges Bank on 24 September 2015, the 10-year interest swap rate is higher at the end of the 3rd quarter than at the start of the year. The interest rate cut has resulted in a substantial depreciation of the Norwegian krone. The credit spread in the market for companies with a high credit rating has increased throughout the year from approximately 65 basis points to over 80 basis points and compensates for the low interest rate level. The equity markets have shown a weak performance year to date.

There is great uncertainty in the development of international economy marked by a division with the USA and UK on the one side and Europe and the emerging economies on the other side. The market is expecting rising interest rates in the USA in the spring of 2016, while continued easing of the European monetary policy is expected. The Norwegian economy is marked by the price of oil falling by approximately 50% since the summer of 2014. Initially, this has affected the oil and service companies in the capital markets and in the regions where oil-related industries are prominent. For Mainland Norway the consequences for unemployment and economic growth have so far been moderate, but economic growth will decline over time without a major restructuring of the economy.

Storebrand has adapted to the historically low interest rates through building up buffer capital, risk reduction on the investment side and changes to the products. Especially it is over time built a significant portfolio of bonds held to maturity that will ensure returns going forward.The solvency level is improved over the last years, which shows that the Group is robust in relation to low interest rates in the long term. The level of the annual interest rate guarantee will decline over time. A change in the interest rate level will affect the value of the products for which Storebrand is required to cover an annual interest rate guarantee, and it will be reflected in the sensitivity of the solvency level to interest rate changes.

Conversions from defined benefit to defined contribution pension schemes cause issuance of paid-up policies, which reduces the Group's earnings. The termination of activities related to defined benefit pensions for the public sector and the business bank will also result in lower income for a transitional period.

The cost performance must be adapted to the earnings performance, and a target has been set that the cost performance shall be less than 60% of the income in the coming years. Increasing competitiveness through continued efficiency is a priority. Storebrand is negotiating a strategic partnership with potential external partners, including part-ownership of the offshore business center in Baltic. The aim is to establish a foundation for a customer-oriented development of the Group's IT solutions and enhance the efficiency of business operations.

During the period from 2014 to 2020, Storebrand's results will be burdened by a minimum of 20% of the costs associated with the strengthening of reserves for increased longevity. The final amount will, among other things, depend on risk results and investment returns in the customer portfolios. The building up of reserves for increased longevity is described in further detail in the introduction.

Sales of pensions and insurance have been good in the third quarter. Thanks to reduced costs, adjustments to new solvency requirements, and a commitment to non-guaranteed savings and insurance, the Group has built a solid foundation for continued profitable growth.

RISK

Storebrand is exposed to several types of risk through its business areas. Trends in interest rates and the property and equity markets are deemed 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

TAX REFORM – VALUE-ADDED TAX ON FINANCIAL SERVICES

The Government has proposed a tax reform in connection with the government budget. A reduction of the company tax to 25% in 2016 and an additional reduction to 22% in 2018 has, for example, been proposed.

The Government proposes to follow up the Scheel Committee's proposal to introduce value-added tax on financial services at the same time. It is estimated that this will result in revenues of NOK 3.5bn and contribute to financing the overall reductions of NOK 13.8bn under the proposed tax reform. It has been argued that the current exemption from value-added tax results in the overconsumption of financial services by consumers.

The Government will continue to work on:

- Value-added tax on fee-based services.
- Property and casualty insurance: A solution is outlined in which value-added tax is based on the difference between premium income and claims payments.
- Life insurance: It is considered more challenging to introduce value-added tax on life insurance. It is pointed out that no other country has included life insurance in the value-added tax system. Reference is made to the fact that in the continuing work, a distinction must be established between property and casualty insurance, which is to be subject to value-added tax, and other types of insurance, such as life insurance, which are not to be included in the value-added tax obligation.
- Tax on margin income, such as interest rate margins.
- The Government aims to put forward a proposal to the Storting in connection with the 2017 budget at the earliest. However, it is pointed out several places in the report that a great deal of work remains before a proposal can be circulated for comment and put forward to the Storting.

TAXATION RULES FOR INSURANCE COMPANIES

Earlier this year, the Ministry of Finance proposed to change the taxation rules for insurance companies so that they would be more in accordance with the Solvency II requirements for technical insurance reserves. The proposal met strong resistance during the consultation period, due to the proposal being inadequately studied, among other things. The Ministry of Finance concluded earlier this autumn that it will not be relevant to make any changes for 2016, but that they will continue to work on this matter. It was stated in connection with the government budget that there was a need for a comprehensive review of the taxation rules for insurance companies. Any changes will not take effect until the 2017 tax year at the earliest.

During the consultation period, the Directorate of Taxes stated that the life insurance companies have received a greater than necessary deduction to protect the customers' assets and therefore proposes a broader review to ensure that deductions are not allowed beyond what is necessary. It is under discussion whether the company's accounting result is a more correct basis for taxation. It is expected that the Ministry will consider such a solution, in which the company's result is taxed and changes in customer assets and customer liabilities will not be taken into account.

NEW DISABILITY PENSION RULES FROM THE TURN OF THE YEAR

It looks like the new disability pension rules associated with the occupational pension schemes in the private sector will entered into force from 1 January 2016, with a transitional period of one year to adapt the companies' pension plans to the new regulations. This follows from proposed new regulations prepared by the Financial Supervisory Authority of Norway, which have been circulated for comment now.

Lysaker, 27 October 2015

Storebrand Group
Income statement

		3Q		01.01 - 30.09		Full year
(NOK million)	Note	2015	2014	2015	2014	2014
Net premium income		5,954	5,266	19,994	19,449	25,220
Net interest income - banking activities		92	110	281	352	462
Net income from financial assets and real estate for the company:						
- equities and other units at fair value		-3	2		14	17
- bonds and other fixed-income securities at fair value		-106	118	-8	679	774
- financial derivatives at fair value		41	28	94	-201	-208
- bonds at amortised cost		17	22	63	64	90
- real estate		15	42	83	74	92
- profit from investments in associated companies/joint controlled operation		114	17	116	21	40
Net income from financial assets and real estate for the customers:						
- equities and other units at fair value		-5,274	2,410	2,817	10,646	20,735
- bonds and other fixed-income securities at fair value		306	1,872	2,192	7,270	9,516
- financial derivatives at fair value		-1,295	551	-3,775	2,426	-1,328
- bonds at amortised cost		1,023	920	2,847	2,786	3,784
- interest income lending		28	45	93	118	171
- real estate		337	353	1,605	936	1,582
- profit from investments in associated companies		-51	6	10	15	25
Other income		538	613	1,967	1,893	2,698
Total income		**1,736**	**12,374**	**28,379**	**46,540**	**63,669**
Insurance claims for own account		-5,406	-10,738	-19,681	-29,220	-35,918
Change in insurance liabilities		3,372	-570	-6,017	-12,769	-21,417
To/from buffer capital		1,558	726	1,811	901	781
Losses from lending/reversal of previous losses		-7	-34	-24	-71	-74
Operating costs	7	-851	-902	-2,662	-2,614	-2,913
Other costs		-127	-135	-378	-238	-498
Interest expenses		-99	-88	-344	-421	-597
Total costs before amortisation		**-1,560**	**-11,742**	**-27,294**	**-44,431**	**-60,637**
Group profit before amortisation		**176**	**632**	**1,085**	**2,110**	**3,032**
Amortisation of intangible assets		-108	-108	-316	-326	-431
Group pre-tax profit		**67**	**524**	**768**	**1,783**	**2,601**
Tax cost	8	-3	-147	-187	-401	-516
Profit after tax sold/wound up business					-1	-1
Profit/loss for the period		**64**	**376**	**581**	**1,382**	**2,085**
Profit/loss for the period attributable to:						
Share of profit for the period - shareholders		59	377	560	1,368	2,063
Share of profit for the period - hybrid capital investors		3		6		
Share of profit for the period - minority		2		15	13	22
Total		**64**	**376**	**581**	**1,382**	**2,085**
Earnings per ordinary share (NOK)		0.13	0.84	1.25	3.06	4.61
Average number of shares as basis for calculation (million)				447.6	447.3	447.4
There is no dilution of the shares						

Storebrand Group
Statement of comprehensive income

	3Q		01.01 - 30.09		Full year
(NOK million)	2015	2014	2015	2014	2014
Profit/loss for the period	**64**	**376**	**581**	**1,382**	**2,085**
Change in actuarial assumptions	-5	-2	-9	-13	-522
Adjustment of value of properties for own use	10	24	15	52	51
Gains/losses available-for-sale bonds					168
Total comprehensive income elements allocated to customers	-10	-24	-15	-52	-22
Gains/losses from cash flow hedging	90		23		
Tax on other result elements not to be classified to profit/loss	-24		-6		80
Total other result elements not to be classified to profit/loss	61	-2	8	-13	-245
Translation differences	592	-257	468	-508	138
Tax on other result elements that may be classified to profit/loss		-3	2	-2	-1
Total other result elements that may be classified to profit/loss	592	-260	470	-510	137
Total other result elements	**653**	**-262**	**478**	**-524**	**-109**
Total comprehensive income	**718**	**114**	**1,059**	**858**	**1,976**
Total comprehensive income attributable to:					
Share of total comprehensive income - shareholders	707	117	1,033	849	1,950
Share of total comprehensive income - hybrid capital investors	3		6		
Share of total comprehensive income - minority	8	-3	20	9	26
Total	**718**	**114**	**1,059**	**858**	**1,976**

Storebrand Group
Statement of financial position

(NOK million)	Note	30.9.15	30.9.14	31.12.14
Assets company portfolio				
Deferred tax assets		132	1	
Intangible assets and excess value on purchased insurance contracts		5,740	5,428	5,710
Pension assets			1	
Tangible fixed assets		73	96	91
Investments in associated companies		*446*	*365*	*381*
Financial assets at amortised cost:				
- Bonds	6	2,806	3,186	2,883
- Lending to financial institutions	6	281	280	207
- Lending to customers	6.9	27,006	27,794	27,479
Reinsurers' share of technical reserves		178	145	144
Real estate at fair value	6	693	4,225	4,456
Real estate for own use	6	75	68	68
Biological assets		64	64	64
Accounts receivable and other short-term receivables		3,094	1,940	1,522
Financial assets at fair value:				
- Equities and other units	6	151	104	109
- Bonds and other fixed-income securities	6	28,395	25,411	26,699
- Derivatives	6	1,593	1,265	1,741
- Lending to customers	6.9	1,160	1,062	989
Bank deposits		2,822	3,602	5,266
Minority interests in consolidated securities funds		18,103	16,211	17,036
Total assets company portfolio		**92,813**	**91,248**	**94,846**
Assets customer portfolio				
Tangible fixed assets		392	293	363
Investments in associated companies		1,419	43	40
Receivables from associated companies		12	175	11
Financial assets at amortised cost:				
- Bonds	6	69,942	64,251	64,136
- Bonds held-to-maturity	6	15,730	15,140	15,131
- Lending to customers	6.9	2,556	5,729	4,679
Real estate at fair value	6	22,545	21,356	21,963
Real estate for own use	6	2,825	2,411	2,514
Biological assets		696	566	646
Accounts receivable and other short-term receivables		2,381	1,859	3,928
Financial assets at fair value:				
- Equities and other units	6	115,955	98,972	118,334
- Bonds and other fixed-income securities	6	168,440	156,639	157,576
- Derivatives	6	3,740	3,527	4,714
Bank deposits		3,700	4,487	3,405
Total assets customer portfolio		**410,334**	**375,448**	**397,441**
Total assets		**503,147**	**466,696**	**492,287**

Continue next page

Storebrand Group
Statement of financial position (continue)

(NOK million)	Note	30.09.15	30.09.14	31.12.14
Equity and liabilities				
Paid-in capital		11,724	11,722	11,722
Retained earnings		13,695	11,546	12,652
Hybrid capital		226		
Minority interests		337	350	366
Total equity		**25,982**	**23,618**	**24,741**
Subordinated loan capital	5	7,653	7,607	7,826
Buffer capital	10	20,933	20,697	22,213
Insurance liabilities		385,046	351,645	369,963
Pension liabilities		527	935	555
Deferred tax		1,379	1,087	1,228
Financial liabilities:				
- Liabilities to financial institutions	5	359	10	19
- Deposits from banking customers		18,492	20,075	19,358
- Securities issued	5	14,323	14,499	13,986
- Derivatives company portfolio		802	507	884
- Derivatives customer portfolio		2,367	1,415	3,941
Other current liabilities		7,180	8,390	10,537
Minority interests in consolidated securities funds		18,103	16,211	17,036
Total liabilities		**477,165**	**443,078**	**467,546**
Total equity and liabilities		**503,147**	**466,696**	**492,287**

Storebrand Group
Statement of changes in equity

(NOK million)	Share capital [1]	Own shares	Share premium	Total paid in equity	Restatement differences	Other equity [2]	Total retained earnings	Hybrid capital	Minority interests	Total equity
	Majority's share of equity									
Equity at 31 December 2013	**2,250**	**-14**	**9,485**	**11,720**	**945**	**9,760**	**10,705**		**350**	**22,775**
Profit for the period						2,063	2,063		22	2,085
Total other profit elements					133	-246	-112		4	-109
Total comprehensive income for the period					**133**	**1,817**	**1,950**		**26**	**1,976**
Equity transactions with owners:										
Own shares		2		2		18	18			20
Dividend paid									-2	-2
Purchase of minority interests						-21	-21			-21
Other						-1	-1		-7	-8
Equity at 31 December 2014	**2,250**	**-12**	**9,485**	**11,722**	**1,078**	**11,574**	**12,652**		**366**	**24,741**
Profit for the period						560	560	6	15	581
Total other profit elements					465	8	473		5	478
Total comprehensive income for the period					**465**	**568**	**1,033**	**6**	**20**	**1,059**
Equity transactions with owners:										
Own shares		2		2		21	21			23
Hybrid capital classified as equity [3]						1	1	226		227
Paid out interest hybrid capital								-6		-6
Dividend paid									-25	-25
Purchase of minority interests									-25	-25
Other						-12	-12			-11
Equity at 30 September 2015	**2,250**	**-10**	**9,485**	**11,724**	**1,543**	**12,152**	**13,695**	**226**	**338**	**25,982**

[1] 449,909,891 shares with a nominal value of NOK 5.
[2] Includes undistributable funds in the risk equalisation fund amounting to NOK 512 million and security reserves amounting NOK 292 million.
[3] Storebrand Bank ASA has two hybrid tier 1 capital bonds that were issued in 2013 and 2014 for NOK 150m and NOK 75m, respectively. The instruments are perpetual, but the bank can repay the capital at given times, not before 5 years after issuance at the earliest. The interest rate on the loans is adjustable plus a margin of 3.30% and 3.95%, respectively. The instruments are included in the core (tier 1) capital and are hybrid capital instruments in accordance with Section 3a of the Calculation Regulations. Storebrand Bank ASA has the right to not pay interest to the investors. These hybrid tier 1 capital bonds are included as hybrid capital within the Group's equity as of the 2nd quarter 2015. Interest after tax is not included in the income statement, but is presented directly in the equity. Accrued interest is included in the hybrid capital until the interest has been paid to the hybrid capital investors.

Equity at 31 December 2013	**2,250**	**-14**	**9,485**	**11,720**	**945**	**9,760**	**10,705**		**350**	**22,775**
Profit for the period						1,368	1,368		13	1,382
Total other profit elements					-506	-14	-519		-4	-524
Total comprehensive income for the period					**-506**	**1,355**	**849**		**9**	**858**
Equity transactions with owners:										
Own shares		2		2		18	18			20
Dividend paid									-2	-2
Purchase of minority interests						-21	-21			-21
Other						-5	-5		-8	-13
Equity at 30 September 2014	**2,250**	**-12**	**9,485**	**11,722**	**439**	**11,107**	**11,546**		**350**	**23,618**

Storebrand Group
Statement of cash flow

(NOK million)	01.01 - 30.09 2015	2014
Cash flow from operational activities		
Net receipts premium - insurance	22,817	19,059
Net payments compensation and insurance benefits	-15,350	-14,566
Net receipts/payments - transfers	-4,313	-13,342
Receipts - interest, commission and fees from customers	832	1,170
Payments - interest, commission and fees to customers	-77	-152
Payments relating to operations	-2,371	-2,331
Net receipts/payments - other operational activities	-1,577	2,492
Net cash flow from operations before financial assets and banking customers	**-39**	**-7,671**
Net receipts/payments - lending to customers	2,376	2,552
Net receipts/payments - deposits bank customers	-1,051	-920
Net receipts/payments - mutual funds	-2,093	12,331
Net receipts/payments - real estate investments	-667	-253
Net change in bank deposits insurance customers	-292	-871
Net cash flow from financial assets and banking customers	**-1,727**	**12,839**
Net cash flow from operational activities	**-1,766**	**5,168**
Cash flow from investment activities		
Net receipts - sale of subsidaries	7	
Net payments - purchase of group companies	-2	-5
Net receits/payments - sale/purchase of fixed assets	-137	-59
Net receipts/payments - sale of insurance portfolios		-1,475
Net receits/payments - sale/purchase of associated companies and joint ventures	-245	-29
Net cash flow from investment activities	**-377**	**-1,567**
Cash flow from financing activities		
Payments - repayments of loans	-2,504	-2,801
Receipts - new loans	2,604	499
Payments - interest on loans	-293	-371
Receipts - subordinated loan capital	997	1,918
Payments - repayment of subordinated loan capital	-1,033	-1,731
Payments - interest on subordinated loan capital	-425	-442
Net receipts/payments - lending to and claims from other financial institutions	341	-1,018
Receipts - issuing of share capital / sale of shares to own employees	10	11
Payments - group contribution as a capital contribution		-2
Payments - dividends	-16	
Payments - interest on hybrid capital	-6	
Net cash flow from financing activities	**-324**	**-3,937**
Net cash flow for the period	**-2,467**	**-337**
- of which net cash flow in the period before financial assets and banking customers	-741	-13,176
Net movement in cash and cash equivalents	-2,467	-337
Cash and cash equivalents at start of the period	5,569	4,219
Currency translation differences	1	-1
Cash and cash equivalents at the end of the period [1)]	**3,102**	**3,882**
1) Consist of:		
Lending to financial institutions	281	280
Bank deposits	2,822	3,602
Total	**3,102**	**3,882**

Notes to the interim accounts Storebrand Group

Note 01 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 2014 annual report, and the interim financial statements are prepared with respect to these accounting policies.

There is none new or amended accounting standards that entered into effect as at 1 January 2015 that have caused significant effects on Storebrand's interim financial statements.

Note 02 Estimates

Critical accounting estimates and judgements for the 2014 annual financial statements are described in note 2, strengthening longevity reserves for Storebrand Life Insurance in note 3, insurance risk in note 7 and valuation of financial instruments at fair value is described in note 14.

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.

Strengthening longevity reserves for Storebrand Life Insurance
As stated in note 3 in the 2014 annual report, which deals with the strengthening of reserves for increased longevity, the owner's contribution in the period for strengthening reserves will be contingent on a minimum level future returns in customer portfolios and other factors and assumptions. The estimated future contribution is still uncertain. The Financial Supervisory Authority of Norway approved the application for the strengthening of reserves in the 3rd quarter.

In general, approval has been granted to use up to seven years to complete the strengthening of reserves through the application of profit and direct equity contributions. The reserve strengthening period is from 1 January 2014 to 1 January 2021. For contracts that are or will be fully reserved during the escalation period, the remaining equity contributions shall be paid within three years and not later than 1 January 2021. For contracts that have been transferred to a new provider of public sector occupational pension schemes with termination of risk from the end of 2013, Storebrand will make the remaining equity contribution to the contract immediately. Risk surpluses will be used in their entirety for the strengthening of longevity reserves for contracts that are not fully reserved. Storebrand will use the funds accumulated in the risk equalisation reserve from 2008 to 2013 (NOK 776m) as a contribution to financing the strengthening of reserves for the years 2015 and 2016. By the end of 2015, a minimum of NOK 500 million will be used to finance the strengthening of reserves. The remaining amount will be used in 2016. A total of NOK 378m has been used from the risk equalisation reserve at the end of the 3rd quarter. During the quarter, a corresponding amount, which was previously set aside and charged other equity in connection with the strengthening of reserves, was also reversed.

Information at the end of the 3rd quarter does not indicate any significant change to the future charge to the owner other than what is stated as an expectation in Note 3 to the annual financial statements for 2014. Storebrand had a need to strengthen its reserves by NOK 12.4bn for the Norwegian business. A total of NOK 6.2bn had been allocated at the end of 2014 and NOK 2.1bn to date in 2015. The remaining required strengthening of reserves at the end of the 3rd quarter is NOK 4.1bn.

Note 03 Segments

Storebrand's operation include the business areas Savings, Insurance , Guaranteed Pension and Other.

Changes in segments

Storebrand has made minor changes to the segment reporting as of the 2nd quarter 2015. Figures for previous periods have been restated, see the table with restated comparative figures at the bottom of the note.

Savings

Consists of products that include 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 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 mutual funds and real estate funds 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, the savings element is part of the 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.

	3Q		01.01 - 30.09		Year
(NOK million)	2015	2014	2015	2014	2014
Savings	264	240	720	622	1,091
Insurance	120	135	471	516	675
Guaranteed pension	-76	233	37	847	1,074
Other	-133	24	-143	124	193
Group profit before amortisation	**176**	**632**	**1,085**	**2,110**	**3,032**
Amortisation of intangible assets	-108	-108	-316	-326	-431
Group pre-tax profit	**67**	**524**	**768**	**1,783**	**2,601**

SEGMENT INFORMATION AS OF 3Q

(NOK million)	Savings Q3 2015	Savings Q3 2014	Insurance Q3 2015	Insurance Q3 2014	Guaranteed pension Q3 2015	Guaranteed pension Q3 2014
Fee and administation income	646	588			428	471
Risk result life & pensions	-5	7			20	26
Insurance premiums f.o.a			894	773		
Claims f.o.a			-697	-564		
Operational cost	-381	-354	-122	-122	-266	-275
Financial result			45	48		
Result before profit sharing and loan losses	**261**	**240**	**120**	**135**	**182**	**222**
Net profit sharing and loan losses	3	-1			-162	101
Provision longevity					-96	-90
Group profit before amortisation	**264**	**240**	**120**	**135**	**-76**	**233**
Amortisation of intangible assets [1)]						
Group pre-tax profit						

(NOK million)	Other Q3 2015	Other Q3 2014	Storebrand Group Q3 2015	Storebrand Group Q3 2014
Fee and administation income	-29	-14	1,046	1,045
Risk result life & pensions	25	4	40	37
Insurance premiums f.o.a			894	773
Claims f.o.a			-697	-564
Operational cost	14	20	-755	-732
Financial result	-135	48	-90	95
Result before profit sharing and loan losses	**-124**	**57**	**440**	**655**
Net profit sharing and loan losses	-8	-33	-167	67
Provision longevity			-96	-90
Group profit before amortisation	**-133**	**24**	**176**	**632**
Amortisation of intangible assets [1)]			-108	-108
Group pre-tax profit			**67**	**524**

[1)] *Amortization of intangible assets are included in Storebrand Group*

SEGMENT INFORMATION AS OF 01.01 - 30.09

	Savings		Insurance		Guaranteed pension	
(NOK million)	30.09.15	30.09.14	30.09.15	30.09.14	30.09.15	30.09.14
Fee and administation income	1,902	1,696			1,317	1,384
Risk result life & pensions	-4	-1			83	152
Insurance premiums f.o.a			2,708	2,313		
Claims f.o.a			-2,031	-1,614		
Operational cost	-1,183	-1,075	-387	-378	-824	-837
Financial result			181	195		
Profit before profit sharing and loan losses	**715**	**620**	**471**	**516**	**576**	**699**
Net profit sharing and loan losses	5	2			-137	418
Provision longevity					-402	-270
Group profit before amortisation	**720**	**622**	**471**	**516**	**37**	**847**
Amortisation of intangible assets [1]						
Group pre-tax profit						

[1] *Amortization of intangible assets are included in Storebrand Group*

	Other		Storebrand Group	
(NOK million)	30.09.15	30.09.14	30.09.15	30.09.14
Fee and administation income	-64	-36	3,155	3,044
Risk result life & pensions	25	6	103	157
Insurance premiums f.o.a			2,708	2,313
Claims f.o.a			-2,031	-1,614
Operational cost	36	52	-2,357	-2,238
Financial result	-113	175	68	370
Profit before profit sharing and loan losses	**-116**	**197**	**1,646**	**2,032**
Net profit sharing and loan losses	-27	-72	-159	348
Provision longevity			-402	-270
Group profit before amortisation	**-143**	**124**	**1,085**	**2,110**
Amortisation of intangible assets [1]			-316	-326
Group pre-tax profit			**768**	**1,783**

[1] *Amortization of intangible assets are included in Storebrand Group*

A total of NOK 378m has been used from the risk equalisation reserve for the strengthening of longevity reserves at the end of the 3rd quarter. During the quarter, a corresponding amount, which was previously set aside and charged to other equity in connection with the strengthening of reserves, was also reversed. This is presented on a net basis on the line for provision longevity in the table above.

RESTATED SEGMENT FIGURES

Profit and Loss

(NOK million)	3Q 2014 Reported figures	3Q 2014 Change in segment	3Q 2014 Restated figures	30.09.14 Reported figures	30.09.14 Change in segment	30.09.14 Restated figures	31.12.14 Reported figures	31.12.14 Change in segment	31.12.14 Restated figures
Savings	241	-2	240	612	10	622	1,047	44	1,091
Insurance	135		135	516		516	675		675
Guaranteed pension	233		233	847		847	1,074		1,074
Other	23	2	24	135	-10	124	236	-44	193
Group profit before amortisation	**632**		**632**	**2,110**		**2,110**	**3,032**		**3,032**
Amortisation of intangible assets	-108		-108	-326		-326	-431		-431
Group pre-tax profit	**524**		**524**	**1,783**		**1,783**	**2,601**		**2,601**

KEY FIGURES BY BUSINESS AREA

(NOK million)	3Q 2015	2Q 2015	1Q 2015	4Q 2014	3Q 2014	2Q 2014	1Q 2014	4Q 2013
Group								
Earnings per ordinary share [1]	1.25	1.12	0.55	4.61	3.06	2.22	1.13	4.41
Equity	25,982	25,275	24,745	24,741	23,618	23,528	23,080	22,775
Savings								
Premium income Unit Linked [5]	3,153	3,035	2,871	2,594	2,483	2,347	2,463	2,273
Unit Linked reserves	118,695	117,452	115,816	105,369	93,976	92,899	87,105	85,452
AuM asset management	562,136	551,587	557,989	534,523	502,840	501,539	495,244	487,384
Retail lending	25,417	24,833	24,100	24,441	24,391	24,103	23,743	24,389
Insurance								
Total written premiums	4,275	4,174	4,053	3,699	3,657	3,588	3,552	3,569
Claims ratio	78%	72%	75%	76%	73%	73%	64%	76%
Cost ratio	14%	15%	15%	1%	16%	17%	16%	1%
Combined ratio	92%	87%	90%	78%	89%	90%	80%	78%
Guaranteed pension								
Guaranteed reserves	263,198	258,825	261,277	264,290	257,425	263,370	259,799	264,125
Guaranteed reseves in % of total reserves	68.9%	68.8%	69.3%	71.5%	73.3%	73.9%	74.9%	75.6%
Net transfer out of guaranteed reserves [5]	815	1,432	5,031	2,229	5,452	72	7,070	415
Buffer capital in % of customer reserves Storebrand Life Group [2]	5.4%	5.7%	6.5%	6.6%	4.8%	4.6%	4.2%	4.8%
Buffer capital in % of customer reserves SPP [3]	11.1%	12.4%	12.5%	11.7%	15.0%	15.1%	14.6%	15.1%
Solidity								
Capital adequacy Storebrand Group	13.6%	13.6%	12.9%	13.0%	13.3%	14.1%	14.4%	13.4%
Solidity capital (Storebrand Life Group) [4]	64,020	62,293	66,052	64,664	61,904	60,850	55,472	54,102
Capital adequacy (Storebrand Life Group)	14.5%	14.6%	13.8%	13.5%	14.1%	14.1%	14.8%	13.6%
Solvency margin (Storebrand Life Group)	179%	183%	173%	175%	182%	178%	182%	176%
Solvency margin (SPP Life Insurance AB)	179%	188%	153%	171%	209%	211%	230%	254%
Capital adequacy Storebrand Bank	16.7%	16.3%	15.8%	15.0%	17.9%	15.7%	15.0%	13.6%
Core Capital adequacy Stobrand Bank	14.9%	14.5%	14.0%	13.3%	16.2%	14.8%	14.1%	12.8%

[1] *Accumulated*
[2] *Additional statutory reserves + market value adjustment reserve*
[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*

Note 04 Financial market risk and insurance risk

Risks are described in the annual report for 2014 in note 7 (Insurance risk), note 8 (Financial market risk), note 9 (Liquidity risk), note 10 (Lending and counterparty risk), note 11 (Currency exposure), note 12 (Credit exposure) and note 13 (Concentration of risk).

Market risk means changes in the value of assets as a result of unexpected volatility or changes in prices on the financial markets. It also refers to the risk that the value of the insurance liability develops differently to that of the assets.

The most significant market risks for Storebrand are share market risk, credit risk, property price risk, interest rate risk and currency exchange rate risk.
For the life insurance companies, the financial assets are invested in a variety of sub-portfolios. Market risk affects Storebrand's income and profit differently in the different portfolios. There are three main types of sub-portfolio: company portfolios, customer portfolios without a guarantee and customer portfolios with a guarantee.

The market risk in the company portfolios has a direct impact on Storebrand's profit, as does the market risk from the financial assets of Storebrand ASA and the subsidiaries that are not life insurance companies or included in customer portfolios.

The market risk in customer portfolios without a guarantee is at the customers' risk and expense, meaning Storebrand is not directly affected by changes in value. Nevertheless, changes in value do affect Storebrand's profit indirectly. Income is based largely on the size of the reserves, while the costs tend to be fixed. Lower returns on the financial market than expected will therefore have a negative effect on Storebrand's income and profit.

For customer portfolios with a guarantee, the net risk for Storebrand will be lower than the gross market risk. The extent of measures to reduce risk depends on several factors, the most important being the size and flexibility of the customer buffers and level and duration of the return guarantee. If the investment return is not sufficiently high to meet the guaranteed interest rate, the shortfall will be met by using customer buffers in the form of risk capital built up from previous years' surpluses. Risk capital primarily consists of unrealised gains, additional statutory reserves and conditional bonuses. The owner is responsible for meeting any shortfall that cannot be covered.
For guaranteed customer portfolios, the risk is affected by changes in the interest rate level. Falling interest rates are positive for the investment return in the short term due to price appreciation for bonds, but negative in the long term because it reduces the probability of achieving a return higher than the guarantee.

The equity market has been weak in the third quarter, with a decline of around 10 per cent from the high for the year this summer. The decline was triggered by fear of weaker growth in China and falling commodity prices. For the first three quarters of the year, the equity markets have been flat to down a little bit. The credit market was weak in the third quarter, with higher risk premiums. This had a negative impact on the return. The Norwegian and Swedish 10-year interest swap rates increased during the first half of the year, but fell 0.5 and 0.3 percentage points, respectively, during the third quarter. The 10-year interest swap rate is at approximately the same level now as at the start of the year in both Norway and Sweden. Short-term interest rates have fallen in the third quarter as well as the year as a whole, driven by interest rate cuts by the central banks. Both the Norwegian and Swedish central bank rates have been lowered to record-low levels and are currently at 0.75 per cent and -0.35 per cent, respectively. The yield curves also indicate that the interest rates will remain low longer than was expected at the start of the year.

The equity market fall in the third quarter has triggered the sale of equities in guaranteed customer portfolios in accordance with the established trading rules. The equity allocation is somewhat lower than at the end of the first half and start of the year.

For guaranteed portfolios in Norway, the return is still positive, and adequate for what has been used as the basis for the plan for the strengthening of reserves. Guaranteed portfolios in Sweden also have a positive return, but lower than what is necessary for profit sharing.

The customer buffers declined somewhat during the first three quarters of the year. This applies both to the market value adjustment reserve, additional statutory reserves, excess value of bonds that are assessed at amortised cost and conditional bonuses.

Insurance risk is the risk of higher than expected payments and/or an unfavourable change in the value of an insurance liability due to actual developments deviating from what was expected when premiums or provisions were calculated. Most of the insurance risk for the group is related to life insurance. Long life expectancy is the greatest risk because increased longevity means that the guaranteed benefits must be paid over a longer period. There are also risks related to disability and death.

The insurance risk is almost unchanged during the first three quarters.

Note 05 Liquidity risk

SPECIFICATION OF SUBORDINATED LOAN CAPITAL

(NOK million)	Nominal value	Currency	Interest rate	Call date	Book value
Issuer					
Hybrid tier 1 capital [1]					
Storebrand Livsforsikring AS	1,500	NOK	Variable	2018	1,502
Perpetual subordinated loan capital					
Storebrand Livsforsikring AS	1,000	NOK	Variable	2020	999
Storebrand Livsforsikring AS	1,100	NOK	Variable	2024	1,097
SPP Livförsäkring AB	700	SEK	Variable	2019	709
Dated subordinated loan capital					
Storebrand Livsforsikring AS	300	EUR	Fixed	2023	3,069
Storebrand Bank ASA	150	NOK	Variable	2017	151
Storebrand Bank ASA	125	NOK	Variable	2019	126
Total subordinated loans and hybrid tier 1 capital 30.09.15					**7,653**
Total subordinated loans and hybrid tier 1 capital 30.09.14					7,607
Total subordinated loans and hybrid tier 1 capital 31.12.14					7,826

[1] *In addition, Storebrand Bank ASA has issued hybrid tier 1 capital bonds/hybrid capital that is classified as equity. See the statement of changes in equity.*

SPECIFICATION OF LIABILITIES TO FINANCIAL INSTITUTIONS

		Book value	
(NOK million)	30.09.15	30.09.14	31.12.14
Maturity			
2014		10	
2015	359		19
Total liabilities to financial institutions	**359**	**10**	**19**

SPECIFICATION OF SECURITIES ISSUED

	Book value		
(NOK million)	30.09.15	30.09.14	31.12.14
Call date			
2014		313	
2015		1,865	1,706
2016	2,740	3,653	3,606
2017	4,538	4,517	4,542
2018	2,345	1,540	1,539
2019	2,311	2,282	2,267
2020	2,390	328	327
Total securities issued	**14,323**	**14,499**	**13,986**

The loan agreements contain standard covenants. Storebrand is in compliance with all relevant covenants in 2015.
Under the loan programme in Storebrand Boligkreditt AS the company's overcollateralisation requirement of 109.5 per cent was fulfilled.

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

Facilities for Storebrand Boligkreditt AS
Storebrand Bank has two credit facilities with Storebrand Boligkreditt AS. One of these is an ordinary overdraft facility of up to NOK 6 billion. This has no fixed expiry date, but may be terminated by the bank with 15 months' notice. The other facility must at all times be sufficient to cover interest and principal on covered bonds and related derivatives for the next 12 months. The credit facility is not revocable by the bank until three months after the maturity of the longest covered bonds and related derivatives.

Note 06 Valuation of financial instruments and investment properties

The Group categorises financial instruments valued at fair value on three different levels. Criteria for the categorisation and processes associated with valuing are described in more detail in note 14 in the financial statements for 2014.

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)	Fair value 30.09.15	Fair value 31.12.14	Book value 30.09.15	Book value 31.12.14
Financial assets				
Loans to and due from financial institutions	281	207	281	207
Lending to customers	29,526	32,107	29,562	32,158
Bonds held to maturity	17,774	17,794	15,730	15,131
Bonds classified as loans and receivables	81,828	77,727	72,749	67,019
Total	**129,409**	**127,835**	**118,321**	**114,515**
Financial liabilities				
Debt raised by issuance of securities	14,316	14,156	14,323	13,986
Liabilities to financial institutions	359	19	359	19
Deposits from banking customers	18,492	19,358	18,492	19,358
Subordinatd loan capital	7,598	8,072	7,653	7,826
Total	**40,765**	**41,606**	**40,828**	**41,190**

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	30.09.15	31.12.14
Assets:					
Equities and units					
- Equities	17,134	628	2,658	20,420	20,659
- Other fund units	319	85,711	9,066	95,096	96,832
- Real estate fund			590	590	952
Total equities and units	**17,452**	**86,339**	**12,314**	**116,106**	
Total equities and units 2014	17,776	87,942	12,724		118,443
Lending to customers [1]			**1,160**	**1,160**	
Lending to customers 2014 [1]			989		989
Bonds and other fixed-income securities					
- Government and government guaranteed bonds	33,404	21,436		54,840	56,213
- Credit bonds	29	29,617	387	30,033	25,282
- Mortage and asset backed securities		47,119		47,119	45,194
- Supranational organisations	44	5,084		5,128	6,699
- Bond funds	904	58,811		59,715	50,886
Total bonds and other fixed-income securities	**34,381**	**162,068**	**387**	**196,835**	
Total bonds and other fixed-income securities 2014	36,435	147,501	339		184,275
Derivatives:					
- Interest derivatives		2,817		2,817	4,744
- Currency derivatives		-653		-653	-3,113
Total derivatives		**2,164**		**2,164**	
- of which derivatives with a positive market value		5,333		5,333	6,457
- of which derivatives with a negative market value		-3,169		-3,169	-4,826
Total derivatives 2014		1,631			1,631
Real Estate:					
Investment properties			23,238	23,238	26,419
Owner-occupied properties			2,900	2,900	2,583
Total real estate			**26,137**	**26,137**	
Total real estate 2014			29,001		29,001

[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	15	96

Movements from level 1 to level 2 reflect reduced sales volume 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.

FINANCIAL INSTRUMENTS AND REAL ESTATE AT FAIR VALUE - LEVEL 3

(NOK million)	Equities	Other fund units	Real estate fund	Lending to customers	Credit bonds	Investment properties	Owner-occupied properties
Book value 01.01	**2,414**	**9,359**	**952**	**989**	**339**	**26,419**	**2,583**
Net gains/losses on financial instruments	130	873	81	-10	37	41	111
Supply	282	709	1	429	15	825	15
Sales	-199	-2,078	-443	-247	-21	-105	
Transferred to/from non-observable assumptions to/from observable assumptions		60					
Translation differences	31	144			16	187	67
Other *)						-4,130	125
Book value 30.09.15	**2,658**	**9,066**	**590**	**1,160**	**387**	**23,238**	**2,900**

*) *Includes derecognition of NOK -4927 million in Storebrand Eiendomsfond Norge KS. As of 30.09.15, Storebrand Life Insurance had NOK 1450 million invested in Storebrand Eiendomsfond Norge KS. This investment is classified as "Investment in Associated Companies" in the Consolidated Financial Statements. Storebrand Eiendomsfond Norge KS invests exclusively in real estate at fair value.*

SENSITIVITY ASSESSMENTS

Equities

It is primarily investments in forests that are classified under equity at level 3. Forestry investments are characterised by, among other things, very long cash flow periods. There can be some uncertainty associated with future cash flows due to future income and costs growth, even though these assumptions are based on recognised sources. Nonetheless, valuations of forestry investments will be particularly sensitive to the discount rate used in the estimate. The company bases its valuation on external valuations. These utilise an estimated market-related required rate of return. As a reasonable alternative assumption with regard to the required rate of return used, a change in the discount rate of 0.25 per cent would result in an estimated change of around 3.10 per cent in value, depending on the maturity of the forest and other factors.

	Change in value at change in discount rate	
(NOK million)	Increase + 25 bp	Decrease - 25 bp
Change in fair value per 30.09.15	**-91**	**98**
Change in fair value per 31.12.14	-72	77

Other fund units

Large portions of the portfolio are priced using comparable listed companies, while smaller portions of the portfolio are listed. The valuation of the private equity portfolio will thus be sensitive to fluctuations in global equity markets. The private equity portfolio has an estimated Beta relative to the MSCI World (Net – currency hedged to NOK) of around 0.45.

	Change MSCI World	
(NOK million)	Increase + 10 %	Decrease - 10 %
Change in fair value per 30.09.15	**399**	**-399**
Change in fair value per 31.12.14	291	-291

Real estate fund

The valuation of indirect property investments will be sensitive to a change in the required rate of return and the expected future cash flow. The indirect property investments are leveraged structures. The portfolio is leveraged 58 per cent on average.

	Change in value underlying real estates	
(NOK million)	Increase + 10 %	Decrease - 10 %
Change in fair value per 30.09.15	**158**	**-157**
Change in fair value per 31.12.14	250	-247

Lending to customers

Fixed-rate lending is valued at fair value. The value of these loans is determined by discounting the agreed cash flows over the remaining fixed-interest-rate period. The discount rate is the associated swap curve adjusted for the market spread.

	Change in marketspread	
(NOK million)	+ 10 bp	- 10 bp
Change in fair value per 30.09.15	**-4**	**4**
Change in fair value per 31.12.14	-3	3

Credit bonds

Level 3 financial and corporate bonds include microfinance funds, private equity debt funds and convertible bonds. They are not priced by a discount rate as bonds normally are, and therefore these investments are included in the same sensitivity test as private equity.

	Change MSCI World	
(NOK million)	Increase + 10 %	Decrease - 10 %
Change in fair value per 30.09.15	**16**	**-16**
Change in fair value per 31.12.14	15	-15

Real estate

The sensitivity assessment for real estate includes both investments properties and owner occupied properties. The valuation of property is particularly sensitive to a change in the required rate of return and the expected future cash flow. A change of 0.25 per cent in the required rate of return when everything else remains unchanged will result in a change in the value of Storebrand's property portfolio of approximately 4.5 per cent. About 25 per cent of the property's cash flow is linked to lease contracts that have been entered into. This entails that the changes in the uncertain parts of the cash flow of 1 per cent will mean a change in value of 0.75 per cent.

	Change in required rate of return	
(NOK million)	+0,25%	-0,25%
Change in fair value per 30.09.15	**-1,127**	**1,252**
Change in fair value per 31.12.14	-1,288	1,203

Note 07 Operating costs

	3Q		01.01 - 30.09		Year
(NOK million)	2015	2014	2015	2014	2014
Personnel costs	-514	-509	-1,562	-1,528	-1,433
Amortisation	-34	-31	-103	-90	-113
Other operating costs	-303	-362	-997	-996	-1,367
Total operating costs	**-851**	**-902**	**-2,662**	**-2,614**	**-2,913**

Note 08 Tax

The tax expenses have been estimated based upon an expected effective tax rate per legal entity for the year of 2015. There will be uncertainty associated with these estimates.

The tax rate for the group will vary from quarter to quarter depending on the individual legal entities' contribution to earnings.

The net income tax expense for the quarter and year reflects effects that each gives a higher or lower effective tax rate, such as the use of the risk equalisation reserve (higher) and the capitalisation of deferred tax assets related to the Swedish business (lower).

Note 09

Lending

(NOK million)	30.09.15	30.09.14	31.12.14
Corporate market	5,384	10,367	8,647
Retail market	25,418	24,393	24,553
Gross lending	**30,802**	**34,761**	**33,200**
Write-down of lending losses	-79	-176	-54
Net lending	**30,723**	**34,584**	**33,147**

NON-PERFORMING AND LOSS-EXPOSED LOANS

(NOK million)	30.09.15	30.09.14	31.12.14
Non-performing and loss-exposed loans without identified impairment	80	85	76
Non-performing and loss-exposed loans with identified impairment	107	263	77
Gross non-performing loans	**187**	**349**	**153**
Individual write-downs	-48	-154	-33
Net non-performing loans	**139**	**195**	**120**

Note 10

Buffer capital

(NOK million)	30.09.15	30.09.14	31.12.14
Additional statutory reserves	4,479	4,298	5,118
Market adjusment reserves	4,352	3,812	5,814
Conditional bonuses	12,101	12,588	11,281
Total	**20,933**	**20,697**	**22,213**

The excess value of held-to-maturity bonds valued at amortised cost totaled NOK 11.124 million at the end of 3rd quarter 2015 - a decrease of NOK 2.240 million since the turn of the year.
The excess value of bonds at amortised cost is not included in the financial statements.

Note 11

Contingent liabilities

(NOK million)	30.09.15	30.09.14	31.12.14
Guarantees	67	155	90
Unused credit limit lending	3,711	3,884	2,050
Uncalled residual liabilities re limited partnership	4,048	4,188	4,321
Other liabilities/lending commitments	21	31	31
Total contingent liabilities	**7,846**	**8,258**	**6,491**

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 51 in the 2014 annual report.

Note 12 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.

Overall requirements for core capital and primary capital for companies covered by CRD IV are 11 and 14.5 percent respectively as of 30 June 2015 through the introduction of a countercyclical capital buffer by one percent. Insurance companies in the Group are included in the capital adequacy with 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)	30.09.15	31.12.14
Share capital	2,250	2,250
Other equity	23,733	22,491
Equity	**25,982**	**24,741**
Hybrid tier 1 capital	1,500	1,725
Interest rate adjustment of insurance obligations	-1,969	-2,170
Goodwill and other intangible assets	-5,846	-5,844
Deferred tax assets	-531	-437
Risk equalisation fund	-512	-829
Deductions for investments in other financial institutions	-1	-1
Security reserves	-359	-318
Minimum requirement reassurance allocation	-3	-4
Other	-263	-33
Excess capital from third parties	-484	-245
Core (tier 1) capital	**17,514**	**16,584**
Perpetual subordinated capital	2,100	2,100
Ordinary primary capital	2,513	2,513
Deductions for investments in other financial institutions	-1	-1
Excess capital from third parties	-649	-271
Tier 2 capital	**3,963**	**4,341**
Net primary capital	**21,477**	**20,925**
Adjustment capital from third parties	1,095	509
Net primary capital conglomeratecapital requirements	**22,572**	**21,434**

CALCULATION BASIS

(NOK million)	30.09.15	31.12.14
Insurance companies	140,397	142,066
Other companies	17,558	18,838
Total calculation basis for capital adequacy	**157,955**	**160,904**
Capital requirements		
Insurance companies	11,232	11,365
Other companies	2,546	2,543
Total capital requirements	**13,778**	**13,908**
Capital adequacy ratio	**13.6%**	**13.0%**
Core (tier 1) capital ratio	**11.1%**	**10.3%**

SOLVENCY REQUIREMENTS FOR CROSS-SECTORAL FINANCIAL GROUPS

(NOK million)	30.09.15	31.12.14
Requirements re primary capital and solvency capital		
Capital requirements excluding insurance (14,5 %)	2,546	2,543
Requirements re solvency margin capital insurance	13,034	12,815
Total requirements re primary capital and solvency capital	**15,580**	**15,358**
Primary capital and solvency capital		
Net primary capital	22,572	21,434
Change in solvency capital for insurance in relation to primary capital		
Other solvency capital	2,782	3,111
Total primary capital and solvency capital	**25,354**	**24,546**
Surplus solvency capital	**9,774**	**9,188**

Note 13 Information about related parties

Storebrand conducts transactions with related parties as part of its normal business activities. These transactions take place on commercial terms. The terms for transactions with management and related parties are stipulated in notes 26 and 54 in the 2014 annual report.

Storebrand had not carried out any material transactions other than normal business transactions with related parties at the close of the 3rd quarter 2015.

Storebrand ASA
Income statement

	3Q		01.01. - 30.09		Full year
(NOK million)	2015	2014	2015	2014	2014
Operating income					
Income from investments in subsidiaries			21	13	490
Net income and gains from financial instruments:					
- bonds and other fixed-income securities	-1	10	21	35	45
- financial derivatives/other financial instruments	8	1		5	6
Other financial instruments			1	1	1
Operating income	**8**	**12**	**43**	**54**	**543**
Interest expenses	-24	-32	-80	-106	-136
Other financial expenses	-3	-4	-12	-14	-19
Operating costs					
Personnel costs	-6	-7	-21	-21	11
Amortisation			-1	-1	-1
Other operating costs	-13	-10	-40	-33	-48
Total operating costs	**-20**	**-17**	**-62**	**-54**	**-38**
Total costs	**-47**	**-53**	**-154**	**-174**	**-193**
Pre-tax profit	**-39**	**-42**	**-112**	**-120**	**351**
Tax	11	11	36	36	-77
Profit for the period	**-29**	**-30**	**-76**	**-84**	**273**

STATEMENT OF COMPREHENSIVE INCOME

	3Q		01.01. - 30.09		Full year
(NOK million)	2015	2014	2015	2014	2014
Profit for the period	-29	-30	-76	-84	273
Other result elements not to be classified to profit/loss					
Change in estimate deviation pension					-93
Tax on other result elements					25
Total other result elements					**-68**
Total comprehensive income	**-29**	**-30**	**-76**	**-84**	**206**

Storebrand ASA
Statement of financial position

(NOK million)	30.09.15	30.09.14	31.12.14
Fixed assets			
Deferred tax assets	435	494	400
Pension assets		1	
Tangible fixed assets	29	30	30
Shares in subsidiaries	17,038	17,261	17,041
Total fixed assets	**17,502**	**17,785**	**17,470**
Current assets			
Owed within group		5	752
Lending to group companies		18	17
Other current receivables	37	51	32
Investments in trading portfolio:			
- bonds and other fixed-income securities	2,261	2,021	1,635
- financial derivatives/other financial instruments	42	36	31
Bank deposits	43	36	82
Total current assets	**2,383**	**2,167**	**2,548**
Total assets	**19,886**	**19,952**	**20,018**
Equity and liabilities			
Share capital	2,250	2,250	2,250
Own shares	-10	-12	-12
Share premium reserve	9,485	9,485	9,485
Total paid in equity	**11,724**	**11,722**	**11,722**
Other equity	4,792	4,569	4,859
Total equity	**16,515**	**16,291**	**16,581**
Non-current liabilities			
Pension liabilities	168	156	168
Securities issued	3,149	3,445	3,128
Total non-current liabilities	**3,318**	**3,601**	**3,296**
Current liabilities			
Financial derivatives			
Debt within group			43
Other current liabilities	52	60	98
Total current liabilities	**53**	**60**	**141**
Total equity and liabilities	**19,886**	**19,952**	**20,018**

Storebrand ASA
Statement of changes in equity

(NOK million)	Share capital [1]	Own shares	Share premium	Other equity	Total equity
Equity at 31. December 2013	**2,250**	**-14**	**9,485**	**4,644**	**16,365**
Profit for the period				273	273
Total other result elements				-68	-68
Total comprehensive income				**206**	**206**
Own share bought back [2]		2		18	20
Employee share [2]				-9	-9
Equity at 31. December 2014	**2,250**	**-12**	**9,485**	**4,859**	**16,581**
Profit for the period				-76	-76
Total other result elements					
Total comprehensive income				**-76**	**-76**
Own share bought back [2]		2		21	23
Employee share [2]				-12	-12
Equity at 30. September 2015	**2,250**	**-10**	**9,485**	**4,792**	**16,515**

[1] *449 909 891 shares with a nominal value of NOK 5.*
[2] *In 2015, 348 071 shares were sold to our own employees. Holding of own shares 30. September 2015 was 2.062.721.*

Equity at 31. December 2013	**2,250**	**-14**	**9,485**	**4,644**	**16,365**
Profit for the period				-84	-84
Total other result elements					
Total comprehensive income				**-84**	**-84**
Own share bought back [2]		2		18	20
Employee share [2]				-9	-9
Equity at 30. September 2014	**2,250**	**-12**	**9,485**	**4,569**	**16,291**

Storebrand ASA

Statement of cash flow

	01.01 - 30.09	
(NOK million)	2015	2014
Cash flow from operational activities		
Receipts - interest, commission and fees from customers	21	44
Net receipts/payments - securities at fair value	-639	-273
Payments relating to operations	-92	-115
Net receipts/payments - other operational activities	766	524
Net cash flow from operational activities	**56**	**180**
Cash flow from investment activities		
Net payments - sale/capitalisation of subsidiaries	-23	-36
Net cash flow from investment activities	**-23**	**-36**
Cash flow from financing activities		
Payments - repayments of loans		-540
Receipts - new loans	4	499
Payments - interest on loans	-85	-114
Receipts - sold own shart to employees	10	11
Net cash flow from financing activities	**-71**	**-145**
Net cash flow for the period	**-38**	**-1**
Net movement in cash and cash equivalents	-38	-1
Cash and cash equivalents at start of the period	82	37
Cash and cash equivalents at the end of the period	**43**	**36**

Notes to the financial statements Storebrand ASA

Note 01 Accounting policies

The financial statements are presented in accordance with the accounting policies applied in the annual financial statements for 2014. The accounting policies are described in the 2014 annual report.

Note 02 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 03 Bonds issued

(NOK million)	Interest rate	Currency	Net nominal value	30.09.15	30.09.14	31.12.14
Bond loan 2009/2014 [1]	Fixed	NOK	297		313	
Bond loan 2013/2020 [1]	Fixed	NOK	300	338	328	327
Bond loan 2011/2016	Variable	NOK	1,000	1,007	999	999
Bond loan 2012/2017	Variable	NOK	850	853	853	853
Bond loan 2013/2018	Variable	NOK	450	452	452	452
Bond loan 2014/2019	Variable	NOK	500	499	499	496
Total [2]				**3,149**	**3,445**	**3,128**

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 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 30 September 2015, and the related income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flow for the nine-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 respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by EU.

Oslo, 27 October 2015
Deloitte AS

Henrik Woxholt
State Authorized Public Accountant (Norway)

Translation has been made for information purposes only

HOVEDKONTOR:

Storebrand ASA
Professor Kohts vei 9
Postboks 500
1327 Lysaker, Norge
Tlf.: 22 31 50 50
www.storebrand.no

Kundesenter: 08880

ØVRIGE SELSKAPER I KONSERNET:

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

Storebrand Livsforsikring AS
- filial Sverige
Vasagatan 10
S-105 39 Stockholm, Sverige
Tlf.: +46 8 700 22 00
www.storebrand.se

Storebrand Kapitalforvaltning AS -
filial Sverige
Vasagatan 10
S-105 39 Stockholm, Sverige
Tlf.: +46 8 614 24 00
www.storebrand.se

Storebrand Helseforsikring AS
Professor Kohts vei 9
Postboks 464
1327 Lysaker, Norge
Tlf.: 22 31 13 30
www.storebrandhelse.no

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

Financial calender 2016

17 February	Results 4Q 2015
13 April	Annual General Meeting
14 April	Ex dividend date
27 April	Results 1Q 2015
14 July	Results 2Q 2016
26 October	Results 3Q 2016
February 2017	Results 4Q 2016

Investor Relations contacts

Kjetil Ramberg Krøkje	Head of IR	kjetil.r.krokje@storebrand.no	+47 9341 2155
Sigbjørn Birkeland	Finance Director	sigbjorn.birkeland@storebrand.no	+47 9348 0893
Lars Løddesøl	CFO	lars.loddesol@storebrand.no	+47 2231 5624

Storebrand ASA
Professor Kohtsvei 9, P.O. Box 500,
N-1327 Lysaker, Norway
Telephone +47 22 31 50 50
www.storebrand.com/ir

storebrand