Interim report Storebrand Group

First half 2011

storebrand

2Q

2011

Interim report - 2Q and 1H 2011:

Storebrand Group

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FINANCIAL PERFORMANCE BUSINESS AREAS

FINANCIAL STATEMENTS/ NOTES

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Storebrand Group

- **Group result[1)] of NOK 1,056 million for 1H and NOK 542 million for 2Q**
- **Administration result for 1H NOK 63 million higher in Nordic life and pensions**
- **Good financial position: solvency margin of 162 per cent for life and pensions**

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

Group result

	2Q		01.01 - 30.06		Full year
NOK million	2011	2010	2011	2010	2010
Storebrand Life Insurance	149	59	289	212	730
SPP	278	-168	560	-55	464
Asset Management	53	42	130	96	333
Bank	59	35	108	63	158
Insurance	75	47	108	32	155
Other activities	-73	-54	-138	-114	-231
Group result before amortisation	542	-39	1,056	235	1,608
Write-downs and amortisation intangible assets	-108	-96	-208	-189	-390
Group pre-tax profit/loss	434	-135	848	46	1,217

Result

The Group's result before amortisation of intangible assets and write-downs was NOK 542 million (minus NOK 39 million) for 2Q and NOK 1,056 million (NOK 235 million) for 1H. Figures in brackets show the result in the same period in 2010.

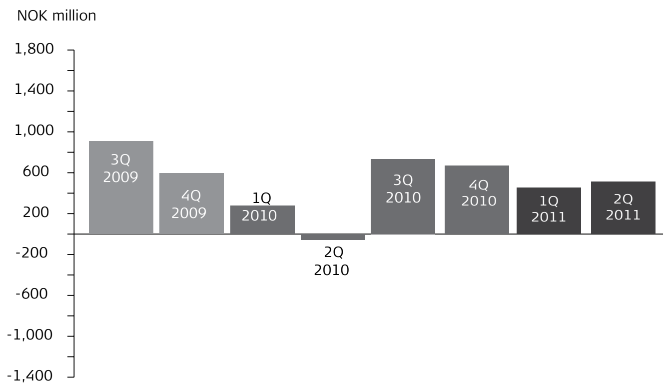
The Group's results were characterised by good underlying operations in the business areas. The transition to less capital intensive products continues to improve the quality of underlying earnings in life and pensions in both Norway and Sweden.

The quarter's return in Storebrand Life Insurance was sufficient to cover the interest guarantees in all portfolios, while the financial result was affected by the result allocated to owner being charged with parts of the build up of reserves for longevity year-to-date. The work on improving operations is producing positive administration results, and the risk result is developing as expected.

SPP's administration result improved by NOK 13 million in 2Q and NOK 49 million in 1H. The risk result was slightly lower than the year before, as expected. The combination of good returns and a strong financial result produced a strong overall result for SPP.

Asset management's result improved by NOK 11 million in the quarter and by NOK 34 million in the year-to-date due to higher management fees.

Group result before amortisation and write-downs per quarter



Storebrand Bank's half-year result improved by NOK 45 million compared to the same period last year due to higher net interest income and low losses.

Insurance was established as a separate business area on 1 March 2011 and comprises of the areas P&C and health insurance, as well as personal and group life risk insurance. The result from the Insurance area improved by NOK 28 million in the quarter and NOK 76 million in the first half of 2011 compared with last year. Both the costs and claims ratio decreased in the first half of the year.

[1)] Group result before write-downs and the amortisation of intangible assets.

Operational income statement Storebrand Group

In 2011, Storebrand introduced an alternative income statement. In the alternative income statement, the result elements from the business areas are merged based on the characteristics of the income and costs. This makes it easier to differentiate between result items that are primarily influenced by Storebrand and result items that are too a greater degree influenced by the financial markets.

Operational income statement Storebrand Group[1)]

	2Q		01.01 - 30.06		Full year
NOK million	2011	2010	2011	2010	2010
Fee and admininstration income	1 018	958	2 033	1 862	3 868
Operational cost	- 714	- 674	-1 441	-1 355	-2 766
Fee and admininstration result	**304**	**284**	**592**	**508**	**1 102**
Risk and insurance result	144	202	252	308	597
Holding company and company portfolios	- 26	- 81	- 80	- 145	- 249
Result before profit sharing and loan losses	**422**	**405**	**764**	**671**	**1 450**
Net profit sharing and loan losses	120	- 444	292	- 436	158
Group profit before amortisation	**542**	**- 39**	**1 056**	**235**	**1 608**
Write-downs and amortisation of intangible assets	- 108	- 96	- 208	- 189	- 390
Group pre-tax profit/loss	**434**	**- 135**	**848**	**46**	**1 217**

Result improvement programme

On 9 March at the Capital Markets Day, Storebrand announced its goal of improving the result before profit sharing and loan losses by around NOK 1 billion by year-end 2013. The effect of the result improvement programme on the result was NOK 17 million in 2Q and NOK 93 million in the year-to-date. The stated result improvement target is maintained.

Costs have developed in the year-to-date in line with established plans, while income is lagging somewhat. Market turmoil and low returns in equity markets have caused a slower growth in assets under management than expected. The risk result was also slightly weaker than anticipated. It is expected to stabilise and improve going forward. With active repositioning and continued cost focus, the quality of the company's earnings is expected to improve further.

Market and sales performance

Sales and premium income in Storebrand Life Insurance and SPP reflect a movement away from traditional guaranteed to non guaranteed fund-based business.

Storebrand Life Insurance's new premiums (APE[2)]) amounted to NOK 103 million (NOK 226 million) for 2Q and NOK 409 million (NOK 951 million) for 1H. Premiums in occupational pension products, defined benefit and defined contribution pensions, have grown year-to-date, while in traditional individual life insurance products premiums have decreased. Total premium income is down by 5 per cent.

SPP premium income within Unit linked increased by 8 per cent year-to-date, and within guaranteed business is down by 26 per cent. Total premium income is down by 9 per cent.

Net new sales in asset management (external discretionary assets and mutual funds) totalled NOK 0.9 billion for the quarter and NOK 3.5 billion for the year-to-date. Premium income in the Insurance business area has increased by 11 per cent in the year-to-date. The bank's loan portfolio has a stable development.

Capital situation

The Storebrand Group was in a sound financial position at the end of the quarter. The solvency margin of the Storebrand Life Insurance Group (Life and Pensions Norway and Life and Pensions Sweden) was 162 per cent and its capital adequacy was 13.6 per cent. This represents an increase in the solvency margin of 1 percentage point compared with 1Q.

The bank's core (tier 1) capital ratio was 10.8 per cent at the end of the quarter. The Storebrand Group's capital adequacy was 13.2 per cent and its core (tier 1) capital ratio was 10.0 per cent.

Key Figures

	2Q		01.01 - 30.06		Full year
NOK million	2011	2010	2011	2010	2010
Earnings per share adjusted (NOK) [3)]	1.24	-0.36	2.34	0.27	4.17
Return on equity, annualised [3)]	13,0 %	-3.6 %	12,0 %	1,4 %	10,8 %
Equity			18,736	17,154	18,417
Capital adequacy Storebrand Group			13.2%	13.0%	13.1 %
Solvency margin Storebrand Life Group			162 %	159 %	164 %
Core capital adequacy Bank Group			10.8 %	10.4 %	10.6 %

1) The income statement is based on reported IFRS results for the individual companies in the Group. The statement departs from the official financial statements.
2) Annual Premium Equivalent. Current premiums + 10 per cent of single premiums.
3) Adjusted for write-downs and amortisation of intangible assets.

STOREBRAND LIFE INSURANCE

- **Cost reductions and income growth produced better administration result in 1H**
- **Investment returns produced a result for customers in excess of the interest guarantees of NOK 0.5 billion in 2Q and NOK 1.4 billion as per 1H**
- **The risk result was positive in 2Q and 1H**

The business area Storebrand Life Insurance[1] offers a wide range of products within occupational pensions, private pension savings and life insurance to companies, public sector entities and private individuals.

Financial performance

Financial performance Storebrand Life Insurance

NOK million	2Q 2011	2Q 2010	01.01 - 30.06 2011	01.01 - 30.06 2010	Full year 2010
Administration result	23	25	30	16	58
Risk result	26	81	24	121	131
Financial result [2]	-28	-166	-25	-172	26
Price of interest guarantee and profit risk	130	138	265	276	557
Other	-1	-19	-6	-29	-43
Pre-tax profit/loss	149	59	289	212	730

Administration result

The administration result improved in 1H. The organisation is cost focused and productivity measures, such as staff downsizing, transferring tasks to Storebrand Baltic and lower purchasing costs, are continuously being implemented. Growth in unit linked and defined contribution pensions continue to increase income.

Risk result

Overall, the risk result normalised during the quarter. The result in defined contribution pensions was still negative in 2Q, but improved in relation to 1Q. Because of increased allocations to IBNR[3] and RBNS[4] , the risk result is expected to develop more stably and a positive result is expected going forward.

2Q saw a good risk result for group pensions and a zero result for paid-up policies, which resulted in an allocation of NOK 32 million to the risk equalisation fund in 2Q. The allocation to the risk equalisation fund totalled NOK 94 million as per 1H.

Financial result

Short-term interest rates rose in Norway and internationally during 1H. Long-term interest rates rose in 1Q, but this rise was reversed in 2Q meaning rates at the end of 1H were almost the same as there were at the start of the year. An increase in interest rates lower returns in the short-term, but produce higher expected returns going forward.

Overall, the equity markets produced almost no change to somewhat negative returns in 1H. In 2Q, the debt situation in Greece was a major cause of the instability in the market, although much of the fall was recovered towards the end of the quarter.

Return on investment portfolios with an interest guarantee

Portolio	2Q 2011 Market return	2Q 2011 Booked return	2Q 2010 Market return	2Q 2010 Booked return	01.01-30.06 2011 Market return	01.01-30.06 2011 Booked return	01.01-30.06 2010 Market return	01.01-30.06 2010 Booked return	Full year 2010 Market return	Full year 2010 Booked return
Total Group (DB)	1.1 %	1.4 %	-0.3 %	0.6 %	2.7 %	2.8 %	1.6 %	1.6 %	6.4 %	4.6 %
Paid-up policies	1.2 %	1.1 %	0.0 %	0.5 %	2.6 %	2.4 %	1.7 %	1.6 %	6.0 %	4.9 %
Individual	1.4 %	1.1 %	-0.4 %	0.8 %	2.9 %	2.5 %	1.4 %	1.8 %	6.0 %	6.0 %

The booked return for all portfolios was sufficient to cover the guaranteed interest, and provide undistributed profits for customers of NOK 0.5 billion for 2Q and NOK 1.4 billion for 1H. The average annual interest guarantee in the various customer portfolios is between 3.3 per cent and 3.7 per cent.

There is a need to build up reserves for individual pension insurance and paid-up policies because of assumed lower mortality in the future. NOK 77 million was allocated in 2Q and NOK 154 million in 1H, which is in line with the plan. As per the end of 1H, the amount by which the reported reserves still need to be built up was calculated to around NOK 380 million: around NOK 330 million for individual pension insurance and around NOK 50 million for paid-up policies. The plan is to complete the build up of the reserves by the end of 2012. This build up of reserves can be covered by positive booked return results, and if the booked return for the individual portfolio is higher than 5.8 per cent, this build up of the reserves will take place at no direct cost to the owner. Profit sharing resulted in a net charge to the owner of NOK 38 million in 2Q and NOK 5 million in 1H.

Market return defined contribution pensions

NOK million	2Q 2011	2Q 2010	01.01 - 30.06 2011	01.01 - 30.06 2010	Full year 2010
Careful pensjon	1,0 %	-1.4 %	1,7 %	0.7 %	6.7 %
Balansert pensjon	0.2 %	-5.4 %	1.2 %	-2.0 %	10.3 %
Aggressive pensjon	-1.1 %	-9.4 %	0.1 %	-5.0 %	13.4 %

[1] Includes the companies in the Storebrand Life Insurance Group, except Storebrand Eiendom AS, Storebrand Realinvesteringer AS and Storebrand Holding AB, and personal risk and employee cover in Storebrand Livsforsikring AS.
[2] Investment result and profit sharing.
[3] Incurred but not settled.
[4] Reported but not settled.

Norwegian life insurance companies are normally financed by a combination of equity and subordinated loans. The proportion of subordinated loans is around 30 per cent and amounted to NOK 6.6 billion at the end of 1H. The interest costs on subordinated loans will amount to around NOK 140 million per quarter for the next 12 months. The company portfolio experienced a gross return of 1.5 per cent in 2Q and 3.0 per cent in 1H. The company portfolio achieved a net result of NOK 7 million (minus NOK 32 million) in 2Q and minus NOK 23 million (minus NOK 49 million) in 1H.

Price of interest rate guarantee and profit risk

NOK 130 million was recognised as income from upfront pricing of the interest guarantee and profit from risk for group defined benefit in 2Q. NOK 265 million was recognised as income in 1H, a reduction of NOK 11 million compared to the same period last year. The reduction was due to implementation of previously communicated price changes.

Balance sheet

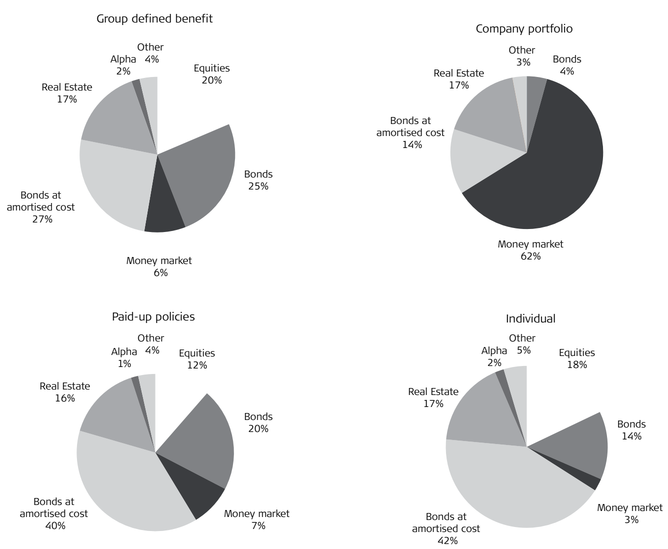
The allocation to equities and bond at amortized costs in the quarter and half-year increased. The increase was mirrored by a corresponding reduction in allocations to short-term bonds and the money market.

Equity propotion in customer portfolios with a guaranteed return

	30.06.2011	31.12.2010
Aggressive profile	26%	25%
Standard profile	21%	18%
Careful profile	10%	9%
Paid-up policy profiles	12%	11%
Individual profiles	18%	12%

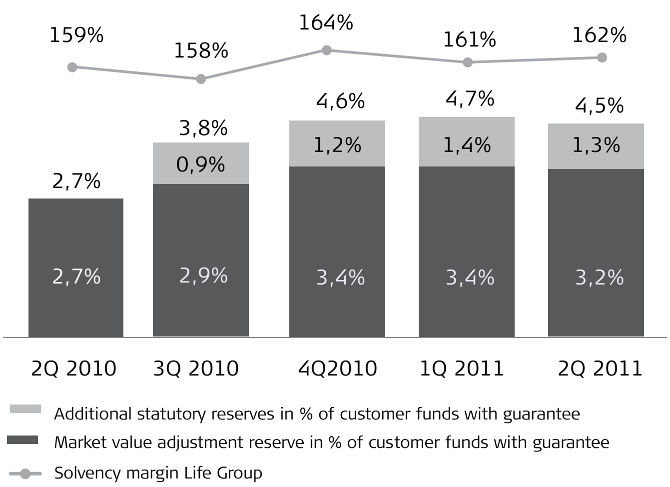
There was an increase in the allocation to bonds at amortized costs the company portfolio in the quarter and half-year. The money market portfolio was reduced correspondingly.

Asset profile



Assets under management increased by around NOK 2 billion in 2Q and by around NOK 3 billion in 1H. Assets under management amounted to NOK 204 billion at the end of 1H. The increase was due to the positive return in the quarter.

Solvency



Storebrand Life Insurance Group's capital adequacy was 13.6 per cent at the end of 1H. There was a marginal increase in the quarter and half-year due to the positive result. Storebrand Life Insurance Group had a solvency margin of 162 per cent, an increase of 1 percentage point in the quarter.

Additional statutory reserves amounted to NOK 5.2 billion at the end of 1H, a reduction of NOK 0.2 billion in 2Q and 1H. The market value adjustment reserve fell by NOK 73 million in 2Q, while overall it grew by NOK 184 million in 1H. The market value adjustment reserve amounts to NOK 2,156 million at the end of 1H. Because of the fall in interest rates, the excess value on bonds at amortized cost grew by NOK 696 million in 2Q. The increase at the end of 1H was NOK 56 million. The excess value on bonds at amortized cost amounted to NOK 788 million at the end of 1H, and has not been included in the financial statements. Despite the instability in the market, solidity capital[1)] increased by NOK 1.1 billion in 2Q due to a positive financial performance and increased customer buffers. It amounted to NOK 44.5 billion at the end of 1H.

[1)] The term solidity capital encompasses equity, subordinated loan capital, the market value adjustment reserve, additional statutory reserves, conditional bonuses, excess value/deficit related to bonds at amortised cost and accrued profit.

Market

Premium income [1)]

NOK million	2Q 2011	2Q 2010	01.01 - 30.06 2011	01.01 - 30.06 2010	Full year 2010
DB (fee based)	1,564	1,305	5,585	5,272	8,154
DC (Unit Link based)	902	724	1,878	1,845	3,409
Sum occupational pension	2,466	2,029	7,464	7,117	11,563
Paid up policies	12	12	83	58	98
Traditional individual life and pensions	134	240	319	469	761
Unit Link (retail)	306	715	577	1,223	1,993
Sum Individual pension and savings	451	967	979	1,750	2,852
Sum	2,918	2,996	8,442	8,866	14,415

Premium income from group defined benefit pensions is gradually falling due to the transition to defined contribution pensions. The increase in the year-to-date was due to other factors such as wages growth. Premium income in defined contribution for companies is enjoying underlying growth. The lack of premium growth is technical, and is due to the fact that this year there was a change from annual to monthly invoicing. New subscriptions are no longer being sold for pension accounts and life accounts, which also decreased premium income from traditional individual pensions compared to the year before. The decrease in 'Unit Link (retail)' was due to good sales of the product 'guarantee account' last year.

Sales

In 2010, three local municipalities chose to transfer their pension schemes from Storebrand with accounting effect from 1 January 2011. This gives a negative effect 1H of 2011. The net booked transfer to Storebrand was minus NOK 896 million (NOK 309 million) in 2Q and minus NOK 3,286 million (NOK 1,962 million) for the year-to-date.

Reported new sales in 2Q and the year-to-date were good and in line with the targets for group occupational pensions. The market continued to be characterised by a transition from defined benefit pensions to defined contribution pensions. Storebrand has maintained a strong position in the market, both in defined benefit pensions and defined contribution pensions.

New premiums (APE) worth NOK 103 million (NOK 226 million) were signed in 2Q, and NOK 409 million (NOK 951 million) in 1H. The reduction was primarily due to lower APE for group defined benefit pensions and defined contribution pensions.

- Guaranteed products: NOK 48 million (NOK 126 million) in the quarter and NOK 272 million (NOK 613 million) for 1H.
- Unit linked insurance: NOK 56 million (NOK 100 million) in the quarter and NOK 138 million (NOK 338 million) for 1H.

[1)] *Exclusive transfer of premium reserves.*

SPP

- **Administration result increased by NOK 49 million in 1H**
- **Good return and profit sharing in all portfolios**
- **Premium income in unit linked has grown by 8 per cent in the year-to-date**

The business area SPP[1)] offers pension and insurance solutions, and advice to companies in the competitive segment of the occupational pensions market. The company also offers private pension savings, sickness- and health insurance.

Result

Financial performance SPP

	2Q		01.01 - 30.06		Full year
NOK million	2011	2010	2011	2010	2010
Administration result	40	27	84	35	84
Risk result	43	74	119	154	311
Financial result	155	-268	276	-253	31
Other	40	-2	80	9	38
Result before amortisation	278	-168	560	-55	464
Amortisation intangible assets	-90	-86	-181	-170	-348
Pre-tax profit/loss	188	-254	378	-225	116

Administration result

The administration result amounted to NOK 40 million (NOK 27 million) for 2Q and NOK 84 million (NOK 35 million) for 1H. The result improved by NOK 49 million due to 12 per cent higher income, while costs only rose by 3 per cent[2)] . Half of the growth in income came from increased assets under management. The other half came from greater fee-based charges. The increase in costs was due to higher increased fee and commission expenses and temporarily higher consultancy costs. Costs, excluding fee and commission expenses, are increased by 1 per cent.

Risk result

The risk result amounted to NOK 43 million (NOK 74 million) for 2Q and NOK 119 million (NOK 154 million) for 1H. The sickness result, which constitutes the largest part of the risk result, remains good. The sickness result fell during the quarter due to an anticipated reduction in dissolution of reserves.

Financial result

The financial result amounted to NOK 155 million (minus NOK 268 million) for 2Q and NOK 276 million (minus NOK 253 million) for 1H.

Falling market interest rates in the quarter resulted in higher returns in customer portfolios. The returns in the various portfolios in the quarter ranged between 2.2 per cent and 3.2 per cent. Profit sharing has accrued in all portfolios with an interest guarantee and amounted to NOK 160 million, NOK 28 million of which were indexing fees for the defined benefit portfolio. Falling equity markets increased the need for deferred capital contributions (DCC), while increased swap spreads had the opposite effect. In total, the DCC increased by NOK 44 million during the quarter and resulted in a negative contribution to the result. Other financial market effects totalled NOK 39 million.

The result for 1H was primarily a consequence of good returns, with the associated profit sharing, and an increase in swap spreads that resulted in a reversal of DCC.

Financial return

	2Q		01.01 - 30.06		Full year
Portfolio	2011	2010	2011	2010	2010
Defined Benefit (DB)	2.6	0.0	3.4	3.3	6.0
Defined Contribution (DC)					
P250*	2.2	-1.9	2.7	1.6	7.0
P300*	2.6	-0.1	3.3	2.8	5.3
P 520*	3.2	2.3	3.7	5.0	3.4
RP (Retirement Pension)	0.8	0.1	0.9	0.1	0.1

** Maximum interest rate guarantee in the portfolios P250, P300 and P520 is 2.5 per cent, 4 per cent and 5.2 per cent respectively.*

Other result

The other result was NOK 40 million (minus NOK 2 million) for 2Q and NOK 80 million (NOK 9 million) for 1H. The result consists of the return in the company portfolio, which is entirely invested in short-term interest-bearing securities. Market rates have risen significantly during the last year, which is producing a higher current return in the company portfolio.

Balance sheet

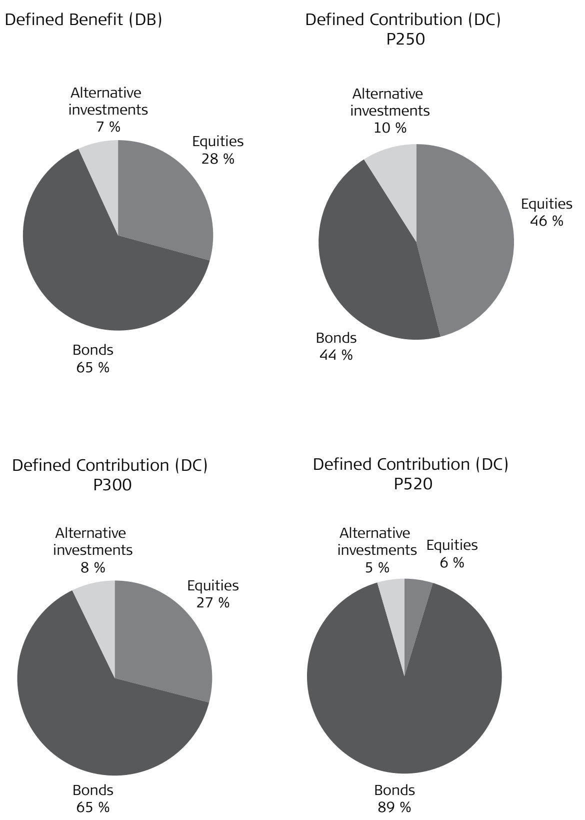
SPP adjusts its exposure to equities in line with developments in the market by dynamic risk management.

Equity propotion in customer portfolios with a guaranteed return

	30.06.2011	31.12.2010
DB	28%	28%
DC P250	46%	46%
DC P300	27%	28%
DC P520	6%	5%

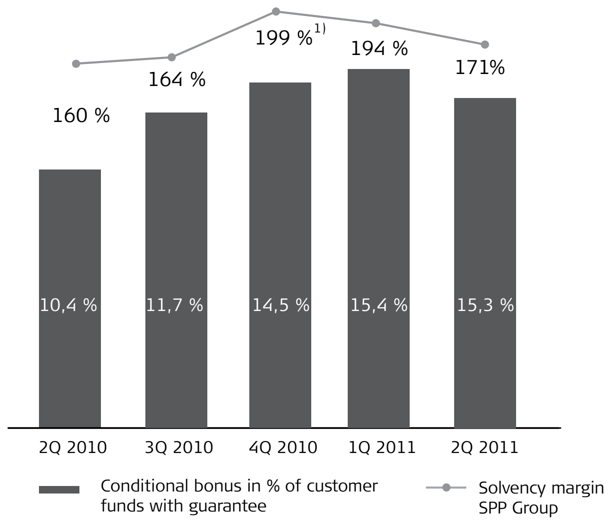
[1)] SPP includes all legal entities in Storebrand Holding Group excluding SPP Fonder which is included in Asset Management.
[2)] All percentage changes are in local currency (SEK).

Asset profile customer portfolios with a guarantee



The buffer capital (conditional bonus) remained unchanged in the quarter and has increased by 6 per cent since the start of the year. At the end of the quarter, the buffer capital amounted to NOK 12 billion. The SPP Group's solvency margin was 171 per cent at the close of 1H. The reduction was due to SPP's NOK 346 million group contribution and a fall in long-term Swedish base rates.

Solvency



Total assets amounted to NOK 122 billion at the end of 1H, which is unchanged since year-end 2010 and up NOK 7 billion compared with the same period last year. The fall in the equity markets in 1H implied that the value of customer assets in unit linked insurance fell.

[1] Before group contributions.
[2] Excluding inflow of premium reserves.

Market

Premium income [2]

	2Q		01.01 - 30.06		Full year
NOK million	2011	2010	2011	2010	2010
Guaranteed products	602	839	1,289	1,735	3,030
Unit Link	1,301	1,236	2,122	1,970	3,388
BenCo 1)	199	158	369	431	759
Total	2,103	2,233	3,780	4,136	7,177

The transition to fund-based business is continuing. Premium income amounted to NOK 2,103 million (NOK 2,233 million) for 2Q and NOK 3,780 million (NOK 4,136 million) for 1H. This reduction was entirely due to a fall in guaranteed business. Premium income from unit linked continues to increase and was 8 per cent higher than in the same period last year. Unit linked accounted for 62 per cent (53 per cent) of SPP's premium income (excluding BenCo).

Sales

New sales measured in APE amounted to NOK 237 million (NOK 216 million) for the quarter, an increase of 10 per cent. New sales were unchanged at NOK 568 million (NOK 569 million) for the year-to-date. Unit linked accounted for 67 per cent (69 per cent) of total new contracts in 1H.

New premiums (APE) in the quarter:

- Guaranteed products: NOK 71 million (NOK 65 million) for the quarter. NOK 166 million (NOK 147 million) for the half-year.
- Unit linked: NOK 155 million (NOK 162 million) for the quarter. NOK 378 million (NOK 391 million) for the half-year.
- BenCo: NOK 11 million (minus NOK 11 million) for the quarter. NOK 24 million (NOK 31 million) for the half-year.

Asset management

- **Stable profit growth**
- **Volatile financial markets negatively affected sales in 2Q**
- **Good value creation in 1H**

Asset management[1] in Storebrand offers a full spectrum of savings and investment products to external and internal institutional customers. The business area also offers mutual funds to the retail market.

Result

Financial performance asset management

	2Q		01.01 - 30.06		Full year
NOK million	2011	2010	2011	2010	2010
Operating revenue	171	150	336	303	645
Operating cost	-123	-106	-241	-207	-450
Operating result	48	44	95	96	195
Net performance fees	3	-2	31	-4	122
Net financial income	2	1	3	4	16
Result before amortisation	53	42	130	96	333
Amortisation intangible assets	-2	-1	-5	-3	-6
Pre-tax profit/loss	51	41	125	93	327

Asset management achieved a profit before amortisation of NOK 53 million (NOK 42 million) for 2Q and NOK 130 million (NOK 96 million) for 1H. The trend in income is positive compared with last year at NOK 171 million (NOK 150 million) in the quarter and NOK 336 million (NOK 303 million) in the year-to-date.Operating costs increased in the quarter compared to last year and amounted to NOK 123 million (NOK 106 million) in 2Q and NOK 241 million (NOK 207 million) in 1H. Operating costs were in line with the established plan and the increase was due to strengthening of the real estate department in Sweden, which is aimed at expanding business in the Swedish market, and investments in Norway associated with improved customer reporting solutions and a higher degree of automation. Costs are expected to stabilise in the 2H 2011.

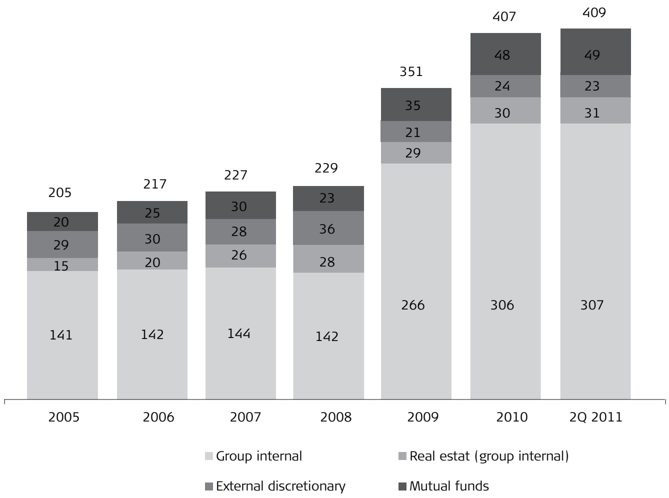
Assets under management

The total assets under management amounted to NOK 409 billion (NOK 384 billion) at the end of 2Q. This represents an increase of NOK 1 billion in the quarter:

- Intragroup customers, including property, grew by NOK 2 billion in the quarter.
- Mutual funds decreased by NOK 1 billion in the quarter, primarily due to exchange rate fluctuations.
- Management for external discretionary customers was stable during the quarter.

The Norwegian NOK strengthened against the Swedish SEK during the quarter. The currency effect on the assets under management totalled minus NOK 3 billion in the quarter. The quarter experienced a jittery start with greater uncertainty about the rate of future economic growth, fear concerning debt-laden countries in Southern Europe, and a heavy fall in commodity prices. The markets stabilised towards the end of June. Outperformance (a return better than relevant benchmark indices) in 2Q was positive in the amount of NOK 193 million (minus NOK 240 million) and NOK 403 million (NOK 34 million) in 1H. The outperformance was primarily provided by the money market, credit bonds and hedge funds. The mutual funds managed for Storebrand Fondene AS experienced outperformance of NOK 29 million (NOK 95 million) in the quarter and NOK 21 million (NOK 239 million) in 1H. SPP Fonder experienced outperformance of NOK 38 million (minus NOK 67 million) for the quarter and NOK 11 million (NOK 121 million) in 1H. 67 per cent (65 per cent) of the mutual funds in Storebrand Fondene AS have outperformed their benchmark indices (calculated before management fees) in the year-to-date. Correspondingly, 71 per cent (29 per cent) of the mutual funds in SPP Fonder AB have outperformed their benchmark indices at the close of the quarter.

Assets under management (NOK billion)



Market

Net new sales in asset management (external discretionary assets and mutual funds) amounted to NOK 909 million (NOK 6.5 billion) in the quarter and NOK 3.5 billion (NOK 4,9 billion) in 1H. Sales in 2Q 2010 were very high because of significant discretionary subscriptions in bond funds. NOK 207 million (NOK 5.1 billion) of the sales volume in 2Q came from Norwegian business and NOK 703 million (NOK 1.4 billion) from Swedish business. The weak performance in Norway was due to a high level of redemption in equity funds. This is because investors are seeking safer investments such as banks and bond funds in a period of unstable equity markets. Sales of equity funds in Sweden improved towards the end of 2Q. Two new index funds were launched in 2Q: Storebrand Indeks Nye Markeder (emerging markets) and Storebrand Indeks Alle Markeder (all markets). Both funds comply with the requirements set for sustainable investments.

[1] The business area comprises the companies Storebrand Kapitalforvaltning AS, Storebrand Fondene AS, SPP Fonder AB, Storebrand Eiendom AS and Storebrand Realinvestering AS.

Banking

- **Good result improvement**
- **Stable loan volume in retail**
- **Quality of loan book improves**

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

Result

Financial performance - Bank [1)]

	2Q		01.01 - 30.06		Full year
NOK million	2011	2010	2011	2010	2010
Net interest income	111	125	226	231	457
Net commission income	17	18	37	35	74
Other income	33	13	68	33	101
Total income	161	156	331	299	632
Operating costs	-106	-110	-223	-224	-445
Result before losses	55	45	108	75	186
Losses on lending/investment properties	4	-10	0	-11	-29
Result before amortisation	59	35	108	63	158
Amortisation intangible assets	-12	-7	-17	-13	-28
Pre-tax profit/loss	46	28	91	51	129

The Bank Group achieved a result before amortisation of NOK 59 million (NOK 35 million) for the quarter and NOK 108 million (NOK 63 million) for the year-to-date. The half-year result improved by NOK 45 million compared to the same period last year due to higher net interest income and low loan losses. Net interest income amounted to NOK 111 million (NOK 125 million) for 2Q and NOK 226 million (NOK 231 million) for 1H. The performance was characterised by reduced loan margins and better deposit margins compared with the same period in 2010. Net interest income as a percentage of average total assets was 1.12 per cent (1.14 per cent) for the quarter and 1.17 per cent (1.08 per cent) for 1H.

Net fee and commission income was on a par with last year and amounted to NOK 17 million (NOK 18 million) for 2Q and NOK 37 million (NOK 35 million) for 1H. Other income amounted to NOK 33 million (NOK 13 million) for 2Q and NOK 68 million (NOK 33 million) for 1H. Net losses from financial instruments amounted to NOK 1 million (loss of NOK 18 million) in 2Q, but the result for 1H was a gain of NOK 5 million (loss of NOK 21 million). Other income was affected by an accounting gain of NOK 8 million from the sale of a block of shares in a property development company in 1Q. Operating costs amounted to NOK 106 million (NOK 110 million) for 2Q and NOK 223 million (NOK 224 million) for 1H. Costs are developing well and show a nominal decrease despite higher marketing costs. The Banking activities[2)] cost ratio fell in 1H and amounted to 62 per cent (68 per cent) for the quarter and 63 per cent (70 per cent) for 1H.

Lending write-downs worth a net NOK 4 million (NOK 10 million recognised as costs) were recognised as income in the quarter. This includes a write-down on an investment property linked to a taken over commitment in the corporate market. NOK 0.2 million (NOK 11 million) was recognised as costs in the first half of 2011.

Balance sheet

Portfolio performance and credit risk

Gross lending to customers at the close of 1H amounted to NOK 33.2 billion. Corporate market lending amounted to 34 per cent of the portfolio. The volume of non-performing and loss-exposed commitments in the bank group amounted to NOK 363 million at the close of 2Q. This is equivalent to 1.1 per cent of gross lending, compared to 2.0 per cent at year-end 2010 and 1.2 per cent at the close of 1Q. The decrease in 1Q was primarily due to the conclusion of a commitment linked to a bankruptcy in January 2011. The development in 2Q was a result of continually improving portfolio quality, and a review and evaluation of commitments subject to long-term monitoring.

Liquidity risk and funding

The bank has a robust funding profile and good access to funding. The volume of deposits amounted to NOK 19.2 billion at the end of the quarter. The deposit-to-loan ratio was 58 per cent, an increase compared with year-end 2010.

Capital adequacy

The Bank Group's capital adequacy was 13.2 per cent and Its core (tier 1) capital ratio was 10.8 per cent at the end of the quarter.

Market

The competition for well-secured mortgages remained tough throughout the quarter. The bank's lending rates and deposit rates have generally remained unchanged, but a decision has been made to raise rates with effect from July 2011.

The number of used homes on the market was at an all-time low during the first half of 2011 and competition for commissions is intense, although we saw a significant increase in home for sales in 2Q. There are currently around 14,500 homes for sale on the market compared to just 9,500 in January and February. Prices are 8.8 per cent higher in the year-to-date than in December 2010. The level of activity regarding new build projects currently on sale remain good and more new projects are being launched. Ring Eiendomsmegling maintained its market share of more than 2 per cent on a nationwide basis. The market for commercial properties is considered good. The number of vacancies is modest and rent levels are rising. Housing projects have experienced good off-plan sales.

[1)] Encompasses Storebrand Bank Group.

[2)] Banking activities consist of Storebrand Bank ASA, Storebrand Boligkreditt AS and Storebrand Eiendomskreditt AS under liquidation.

Insurance

- **Good risk result**
- **Continued stable growth**
- **High level of customer satisfaction**

The Insurance business area is responsible for the Group's one-year risk products. These include P&C and health insurance[1], as well as personal risk and group life and workers compensation

The business area offers P&C and personal risk insurance in the Norwegian retail market, employee insurance in the Norwegian corporate market, and treatment insurance in the Norwegian and Swedish markets through cost-effective distribution and customer-friendly online solutions.

Financial performance – Storebrand Insurance

	2Q		01.01 - 30.06		Full year
NOK million	2011	2010	2011	2010	2010
Premiums earned, net	466	418	891	804	1,651
Claims incurred, net	-335	-310	-671	-651	-1,278
Operating costs	-84	-89	-164	-175	-331
Insurance result	47	19	56	-22	42
Net financial result	28	27	52	54	113
Result before amortisation	75	47	108	32	155
Amortisation intangible assets	-3	-2	-5	-4	-9
Profit before tax	72	44	103	28	146

Insurance achieved a result before amortisation amounting to NOK 75 million (NOK 47 million) for the quarter. In the year-to-date the business area has experience an improvement of NOK 76 million in its result compared with last year. Premium income for own account was up 11 per cent in the quarter and 11 per cent in 1H compared with the same periods last year, which is in line with general market growth.

Key figures - Storebrand Insurance

	2Q		01.01 - 30.06		Full year
In %	2011	2010	2011	2010	2010
Claims ratio [2]	72%	74%	75%	81%	77%
Cost ratio [2]	19%	22%	19%	22%	21%
Combined ratio [2]	91%	96%	94%	103%	98%

Insurance achieved a satisfactory risk result for the quarter with a claims ratio for own account of 72 per cent (74 per cent), and this has not been materially affected by the flood damage in Eastern Norway. The claims ratio for own account for the year-to-date is 75 per cent (81 per cent). The improvement was primarily due to fewer seasonal winter claims in Motor and Property, and fewer large claims in general. The claims ratios in other product areas have developed as expected.

The costs ratio amounted to 19 per cent (22 per cent) for 2Q, and is 3 percentage points lower in the year-to-date compared with the same period last year. The costs base will be further streamlined through the automation of work processes and increased sales through digital channels through a continuous improvement programme.

Market

Insurance policy sales were in line with growth in the market. The annual premium increased by 2 per cent in the period to NOK 2.1 billion at the end of the quarter. The competition situation in the insurance market is normal.

The health insurance market is still growing strongly. The growth in other product areas is on par with 2010 levels. Insurance is a significant market player in health, personal risk and employee insurance. Insurance is still in a challenger position within the property and motor vehicles product areas, and is experiencing satisfactory growth in premium volume.

Customer satisfaction surveys show that Insurance provides a stable, high level of service and has satisfied customers.

[1] Health Insurance is owned 50/50 by Storebrand ASA and Deutsche Krankversicherung.
[2] For own account.

OTHER ACTIVITIES

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

Result

Financial performance other activities[1)]

	2Q		01.01 - 30.06		Full year
NOK million	2011	2010	2011	2010	2010
Storebrand ASA					
Interest income	21	12	32	21	45
Interest expenses	-42	-33	-75	-63	-131
Gains/losses securities	0	-5	-4	-4	-7
Other financial items	-8	5	-9	2	-433
Net financial items	-30	-21	-56	-45	-526
Operating costs	-43	-33	-83	-69	-131
Pre-tax profit/loss Storebrand ASA [1)]	-73	-54	-138	-114	-656
Eliminations					425
Pre-tax profit/loss other activities	-73	-54	-138	-114	-231

Result

Storebrand ASA's result pursuant to IFRS is shown in the table above. The official financial statements are prepared pursuant to Norwegian accounting law and presented in full in the financial statements section in this report.

Storebrand ASA (the holding company) achieved a result before group contributions of minus NOK 73 million (minus NOK 54 million) for 2Q. Operating costs amounted to NOK 43 million (NOK 33 million) in 1Q.

Balance sheet

Storebrand ASA held liquid assets of NOK 2.7 billion at the end of the quarter, an increase of NOK 1.1 billion during the quarter. The increase was primarily due to a NOK 850 million group contribution from Storebrand Life Insurance, and the issuing of new bonds worth NOK 1 billion. Dividend payments totalling NOK 460 million, and the buyback of bond units worth NOK 94 million in STB04 and NOK 123.5 million in STB05, reduced liquid assets. Liquid assets consist primarily of short-term interest-bearing securities with good credit ratings.

Total interest-bearing liabilities in Storebrand ASA amounted to NOK 3.7 billion at the end of the quarter. The first bond debt falls due in September 2011.

Storebrand ASA owned 0.78 per cent (3,504,654) of the company's own shares at the end of the quarter.

[1)] Profit and loss, Storebrand ASA, before group contributions.

OUTLOOK

The uncertainty in the development of the international capital markets has been confirmed during the last few weeks. In Europe, moderate growth is expected, and the debt situations in some Southern European countries are contributing to the uncertainty. In the USA, the macro economic prospect is weakening. The macro economic situations in Norway and Sweden, which are the home markets of Storebrand, are however positive and good economic growth is expected in the next few years. The central banks of Norway and Sweden have raised their key interest rates by 0.25 and 0.75 percentage points respectively so far this year, and are expected to continue raising interest rates. Meanwhile, the interest rate on ten-year government bonds fell in 2Q.

The macro economic and financial performance provide a basis for continued positive growth in Storebrand's core markets. Wage growth in Norway is strong and expected to be around 4 per cent in 2011, and increase in the next few years. The savings rate has also been rising after the financial crisis. Good overall growth is expected in life and pensions in the next few years, and will be characterised by demand moving away from defined benefit pensions with an interest guarantee to contribution-based products without an interest guarantee. Low growth is expected in assets under management for defined benefit products, while double digit growth is expected in defined contribution pensions.

The transition to products in which financial performance is less influenced by short-term market fluctuations will gradually strengthen the quality of the Group's earnings. Storebrand's goal is to improve the result before profit sharing and loan losses to more than NOK 2.5 billion by year-end 2013. Measures have been implemented to increase income, increase fixed earnings elements, and adjust the level of costs. The group result will also be affected by net profit sharing, return-dependent fees, and loan losses, which in total are expected to make a positive contribution in excess of NOK 500 million in normalised market conditions in 2013.

Storebrand is exposed to several types of risk through its business areas. Developments in the level of interest rates and the property and equity markets are considered the most important risk factors that could affect the Group's result, in addition to trends in life expectancy and sickness benefits. The level of investment return is important with respect to being able to deliver a return that exceeds the interest guarantee in the products over time. Risk management is a prioritised core area in the Group. Systems for risk management have been proven to work well through market turmoil. During the last quarter, Storebrand has actively built buffer capital to manage the type of market turmoil that we now observe.

The introduction of the European Solvency II regulations will change the way risk management is practised, and this will be a prioritised area in this autumn's process for setting risk limits for 2012.

The life insurance industry in Norway is facing extensive regulatory changes. The Banking Law Commission is currently examining harmonisation of the industry and product regulation due to Solvency II, including the proposal advanced by Finanstilsynet on 10 March 2011 concerning a new flexible buffer fund for covering negative returns and the voluntary conversion of paid-up policies to ones with investment choice. Draft regulations that increase the opportunity to build up additional statutory reserves individually were circulated for comment in June 2011. A more comprehensive proposal concerning legislative amendments linked to paid-up policies is expected around the end of 2011. Storebrand is closely monitoring this process and maintaining an active dialogue with the authorities with the aim of ensuring general conditions that secures effective long-term management of customers' assets.

Lysaker, 13. July 2011.

Storebrand Group

PROFIT AND LOSS ACCOUNT

	2Q		01.01 - 30.06		Full year
NOK million	2011	2010	2011	2010	2010
Net premium income	5,662	6,452	15,248	18,055	28,661
Net interest income - banking activities	111	125	226	231	457
Net income from financial assets and property for the company:					
- equities and other units at fair value	6	5	6	16	64
- bonds and other fixed-income securities at fair value	133	23	286	80	265
- financial derivatives at fair value	21	61	43	112	221
- net income from bonds at amortised cost	12	11	12	13	15
- net income from properties	25	11	39	18	52
- result from investments in associated companies	1	3	3	4	2
Net income from financial assets and real estate for the customers:					
- equities and other units at fair value	-815	-2,655	-1,856	747	9,031
- bonds and other fixed-income securities at fair value	2,578	2,670	2,683	4,533	3,197
- financial derivatives at fair value	1,080	-2,504	3,485	-1,750	2,494
- to (from) market value adjustment reserve	73	1,302	-184	31	-1,940
- net income from bonds at amortised cost	601	737	1,085	1,216	2,069
- net interest income lending	30	28	59	56	114
- net income from properties	539	320	1,006	619	1,389
- result from investments in associated companies	-8	5	9	7	58
Other income incl. fixed income and currency bank company	583	447	1,118	861	1,995
Other income incl. fixed income and currency bank customers	64	139	124	64	96
Total income	**10,695**	**7,179**	**23,394**	**24,911**	**48,241**
Insurance claims for own account	-5,586	-5,281	-14,070	-10,999	-21,956
Change in insurance liabilities excl. guaranteed return	-402	1,087	-245	-7,345	-10,283
To/from additional statutory reserves - life insurance	81	439	170	458	-766
Guaranteed return and allocation to insurance customers	-3,150	-2,372	-5,992	-4,639	-9,284
Losses from lending/reversal of previous losses	4	-5	7	1	-15
Operating costs	-883	-844	-1,754	-1,679	-3,388
Other costs incl. currency bank	-47	-78	-113	-159	-294
Interest expenses	-170	-163	-341	-314	-648
Total costs before amortisation and write-downs	**-10,153**	**-7,218**	**-22,338**	**-24,676**	**-46,634**
Profit before amortisation and write-downs	**542**	**-39**	**1,056**	**235**	**1,608**
Amortisation and write-downs of intangible assets	-108	-96	-208	-189	-390
Group pre-tax profit	**434**	**-135**	**848**	**46**	**1,217**
Tax cost	13	-119	-10	-119	300
Result after tax sold/wound up business				4	-37
Profit/loss for the year	**447**	**-254**	**839**	**-69**	**1,480**
Profit/loss for the year due to:					
Majority's share of profit	445	-254	835	-69	1,471
Minority's share of profit	2		4		9
Total	**447**	**-254**	**839**	**-69**	**1,480**
Earnings per ordinary share (NOK)	1.00	-0.57	1.87	-0.16	3.30
Average number of shares as basis for calculation (million)			446.2	446.0	446.04
There is no dilution of the shares					

Storebrand Group

STATEMENT OF TOTAL COMPREHENSIVE INCOME

	2Q		01.01 - 30.06		Full year
NOK million	2011	2010	2011	2010	2010
Profit/loss for the year	447	-254	839	-69	1,480
Other result elements					
Change in pension experience adjustments, net of tax		4	-10	11	-327
Translation differences, after tax	-42	-39	-22		59
Adjustment of value of properties for own use, net of tax	20	12	32	23	-57
Gains/losses available-for-sale bonds	-10	-2	-215	50	-52
Total comprehensive income elements allocated to customers	-10	-10	183	-74	110
Total other result elements	**-42**	**-36**	**-32**	**11**	**-268**
Total comprehensive income	**405**	**-290**	**807**	**-59**	**1,212**
Total comprehensive income due to:					
Majority's share of total comprehensive income	407	-289	805	-57	1,207
Minority's share of total comprehensive income	-2	-1	2	-1	5
Total	**405**	**-290**	**807**	**-59**	**1,212**

Storebrand Group

STATEMENT OF FINANCIAL POSITION

NOK million	30.06.11	31.12.10
Assets company portfolio		
Deferred tax assets	75	132
Intangible assets	6,569	6,840
Pension assets	30	30
Tangible fixed assets	146	193
Investments in associated companies	128	148
Claims from associated companies	38	39
Financial assets at amortised cost:		
- Bonds	1,310	299
- Bonds held to maturity	31	
- Lending to financial institutions	437	701
- Lending to customers	33,019	34,209
Reinsurers' share of technical reserves	196	185
Real estate at fair value	1,237	1,231
Properties for own use	368	352
Other assets	603	589
Accounts receivable and other short-term receivables	1,996	1,900
Financial assets at fair value:		
- Equities and other units	326	351
- Bonds and other fixed-income securities	20,562	19,013
- Derivatives	1,062	1,285
Bank deposits	3,096	2,472
Assets sold/wound up business		73
Total assets company	**71,230**	**70,041**
Assets customer portfolio		
Investments in associated companies	78	60
Claims from associated companies	371	227
Financial assets at amortised cost:		
- Bonds	54,589	47,895
- Bonds held to maturity	5,064	
- Lending to customers	3,757	3,219
Real estate at fair value	27,022	25,871
Properties for own use	1,322	1,316
Accounts receivable and other short-term receivables	4,363	1,964
Financial assets at fair value:		
- Equities and other units	94,508	92,492
- Bonds and other fixed-income securities	126,635	137,732
- Derivatives	2,272	3,679
Bank deposits	5,265	5,918
Total assets customers	**325,245**	**320,372**
Total assets	**396,474**	**390,414**

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STATEMENT OF FINANCIAL POSITION CONTINUE

NOK million	30.06.11	31.12.10
Equity and liabilities		
Paid in capital	11,717	11,715
Retained earnings	6,849	6,530
Minority interests	171	172
Total equity	**18,736**	**18,417**
Subordinated loan capital	7,390	7,606
Market value adjustment reserve	2,156	1,971
Insurance reserves - life insurance	315,762	313,377
Insurance reserves - P&C insurance	1,124	936
Pension liabilities	1,458	1,456
Deferred tax	151	169
Financial liabilities:		
- Liabilities to financial institutions	7,071	8,053
- Deposits from banking customers	19,210	18,799
- Securities issued	12,770	11,623
- Derivatives company portfolio	307	401
- Derivatives customer portfolio	529	851
Other current liabilities	9,811	6,718
Liabilities sold/wound up business		37
Total liabilities	**377,738**	**371,997**
Total equity and liabilities	**396,474**	**390,414**

Storebrand Group

RECONCILIATION OF GROUP'S EQUITY

NOK million	Share capital [1]	Own shares	Share premium reserve	Total paid in equity	Pension experience adjustments	Re-statement differences	Other equity [2]	Total retained earnings	Minority interests	Total equity
	Majority´s share of equity									
	Paid in capital				Retained earnings					
Equity at 31 Dec. 2009	**2,250**	**-20**	**9,485**	**11,714**	**-473**	**37**	**5,765**	**5,329**	**174**	**17,217**
Profit for the period							1,471	1,471	9	1,480
Change in pension experience adjustments					-328			-328		-328
Translation differences						64		64	-4	59
Total other result elements					**-328**	**64**		**-264**	**-4**	**-268**
Total comprehensive income for the period					**-328**	**64**	**1,471**	**1,207**	**5**	**1,212**
Equity transactions with owners:										
Own shares		1		1			14	14		15
Share issue									5	5
Purchase of minority interests							9	9	-11	-2
Other							-29	-29		-29
Equity at 31 Dec. 2010	**2,250**	**-19**	**9,485**	**11,715**	**-801**	**101**	**7,230**	**6,530**	**172**	**18,417**
Profit for the period							835	835	4	839
Change in pension experience adjustments					-10			-10		-10
Translation differences						22		-20	-2	-22
Total other result elements					**-10**	**22**		**-30**	**-2**	**-32**
Total comprehensive income for the period					**-10**	**22**	**835**	**805**	**2**	**807**
Equity transactions with owners:										
Own shares		2		2			19	19		21
Provision for dividend							-491	-491		-491
Purchase of minority interests							1	1	-9	-8
Other							-16	-16	6	-10
Equity at 30 June 2011	**2,250**	**-17**	**9,485**	**11,717**	**-811**	**123**	**7,579**	**6,849**	**171**	**18,736**

1) 449,909,891 shares with a nominal value of NOK 5.
2) Includes undistributable funds in the risk equalisation fund amounting to NOK 396 million and security reserves amounting NOK 220 million.

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

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

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

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

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

For further information on the Group's fulfilment of the capital requirements, see note 21.

Storebrand Group

CASH FLOW ANALYSIS

NOK million	01.01 - 30.06 2011	2010
Cash flow from operational activities		
Net receipts - insurance	11,438	16,668
Net payments compensation and insurance benefits	-8,619	-8,403
Net receipts/payments - transfers	-3,674	1,724
Receipts - interest, commission and fees from customers	795	773
Payments - interest, commission and fees to customers	-236	-232
Payment of income tax	-4	
Payments relating to operations	-1,398	-1,403
Net receipts/payments - other operational activities	1,491	721
Net cash flow from operations before financial assets and banking customers	**-208**	**9,849**
Net receipts/payments - lending to customers	812	1,309
Net receipts/payments - deposits bank customers	408	959
Net receipts/payments - mutual funds	454	-8,833
Net receipts/payments - real estate investments	-534	48
Net change in bank deposits insurance customers	653	689
Net cash flow from financial assets and banking customers	**1,793**	**-5,828**
Net cash flow from operational activities	**1,585**	**4,020**
Cash flow from investment activities		
Net payments - sale/capitalisation of group companies	36	
Net receipts/payments - sale/purchase of property and fixed assets	-148	-6
Net receits/payments - sale/purchase of fixed assets	-19	-70
Net cash flow from investment activities	**-131**	**-76**
Cash flow from financing activities		
Payments - repayments of loans	-1,651	-2,260
Receipts - new loans	2,795	692
Payments - interest on loans	-358	-528
Payments - interest on subordinated loan capital	-454	-472
Net receipts/payments - lending to and claims from other financial institutions	-986	-830
Receipts - issuing of share capital	16	
Payments - repayment of share capital	-455	3
Net cash flow from financing activities	**-1,093**	**-3,396**
Net cash flow for the period	**361**	**549**
- of which net cash flow in the period before financial assets and banking customers	-1,432	6,377
Net movement in cash and cash equivalents	361	549
Cash and cash equivalents at start of the period for new companies	1	
Cash and cash equivalents at start of the period	3,171	3,609
Cash and cash equivalents at the end of the period [1)]	**3,534**	**4,158**
[1)] Consist of:		
Lending to financial institutions	437	511
Bank deposits	3,096	3,647
Total	**3,534**	**4,158**

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

Operational activities

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

Investment activities

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

Financing activities

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

Cash/cash equivalents

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

Notes to the interim accounts Storebrand Group

NOTE 1: ACCOUNTING POLICIES

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

The Group has not made any changes to the accounting policies applied in 2011. A description of the accounting policies applied in the preparation of the financial statements is provided in the 2010 annual report.

NOTE 2: ESTIMATES

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

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

Please also refer to the discussions in notes 3 and 9 of the 2010 annual report.

NOTE 3: TAX

The Storebrand Group has a significant tax-related deficit linked to the Norwegian life insurance activities. This is due to the fact that there are major differences between accounting-related and tax-related income and losses associated with investments in equities within the EEA area. Deferred tax assets associated with the deficits that can be carried forward are not recognised in the balance sheet since there is some uncertainty about whether or not taxable income will reach a level that enables the deficits that can be carried forward to be used.

Because of this, the Group's tax is low in relation to the accounting result before tax.

NOTE 4: INFORMATION ABOUT CLOSE ASSOCIATES

Storebrand conducts transactions with close associates as part of its normal business activities. These transactions take place on commercial terms. The same terms that apply to Storebrand's other customers and encompass lending, bank deposits, insurance and asset management. The terms for transactions with senior employees and close associates are stipulated in notes 22 and 54 in the 2010 annual report.

With the exception of these transactions, Storebrand had not carried out any material transactions with close associates at the end of 1H.

NOTE 5: SHARES FOR EMPLOYEES

In March, Storebrand employees were given an option to purchase shares in Storebrand ASA at a discount. The purchase price was fixed on the basis of the weighted, quoted price between 17 March and 21 March. The employee discount was 20 per cent of this price. Senior employees bought shares in Storebrand ASA in connection with the payment of the bonus in March in accordance with the statement on the pay of management provided in note 22 of the 2010 annual report for the Group. 334,278 shares from its own holdings have been sold in 2011.

Share purchase schemes are recognised in the financial statements at fair value. The sale of shares to employees increased equity by NOK 15 million.

NOTE 6: FINANCIAL RISK

Financial risk is subscribed in the 2010 annual report in notes 6 (Market risk), 7 (Liquidity risk) and 8 (Credit risk).

Short-term interest rates rose in Norway and Sweden during 1H. Long-term interest rates rose in 1Q, but this rise was reversed in 2Q meaning rates at the end of 1H were almost the same as there were at the start of the year. A large proportion of the insurance obligations in both Norway and Sweden are subject to a nominal interest guarantee. Higher rates increase the probability of being able to meet the interest guarantee.

Overall, the various equity markets saw almost no change to slightly negative returns in 1H, meaning the effect on the risk was small in relation to the situation at the start of the year. In 2Q, the debt situation in Greece was a major cause of the instability in the market, although much of the fall was recovered towards the end of the quarter.

NOTE 7: DIVIDEND PAID

In May, Storebrand ASA paid out a dividend of NOK 1.10 per share for the 2010 financial year. The dividend amounted to NOK 491 million and was charged to the Group's equity.

Notes to the interim accounts Storebrand Group

NOTE 8: SEGMENTS - RESULT BY BUSINESS AREA

	2Q		01.01 - 30.06		Full Year
NOK million	2011	2010	2011	2010	2010
Storebrand Life Insurance	149	59	289	212	730
SPP	278	-168	560	-55	464
Asset management	53	42	130	96	333
Banking	59	35	108	63	158
Insurance	75	47	108	32	155
Other activities	-73	-54	-138	-114	-231
Group result	**542**	**-39**	**1,056**	**235**	**1,608**
Write-down and amortisation of intangible assets	-108	-96	-208	-189	-390
Group pre-tax profit	**434**	**-135**	**848**	**46**	**1,217**

Segment information as of 2Q

	Storebrand Life Insurance [1]		SPP [1]		Asset management		Banking	
NOK million	2011	2010	2011	2010	2011	2010	2011	2010
Revenue from external customers	5,268	4,341	4,720	2,229	127	106	123	149
Revenue from other group companies [2]	9	-33			48	44	1	2
Group result before amortisation and write-downs of intangible assets	149	59	278	-168	53	42	59	35
Amortisation and write-downs			-90	-86	-2	-1	-12	-7
Group pre-tax profit	**149**	**59**	**188**	**-254**	**51**	**41**	**46**	**28**

	Insurance		Other		Eliminations		Storebrand Group	
NOK million	2011	2010	2011	2010	2011	2010	2011	2010
Revenue from external customers	396	380	20	15	42	-40	10,695	7,179
Revenue from other group companies [2]				35	-57	-48		
Group result before amortisation and write-downs of intangible assets	75	47	-73	-19		-35	542	-39
Amortisation and write-downs	-3	-2				1	-108	-96
Group pre-tax profit	**72**	**44**	**-73**	**-19**		**-35**	**434**	**-135**

Notes to the interim accounts Storebrand Group

Segment information as of 01.01 - 30.06

	Storebrand Life Insurance [1]		SPP [1]		Asset management		Banking	
NOK million	2011	2010	2011	2010	2011	2010	2011	2010
Revenue from external customers	15,195	15,672	6,434	7,696	279	214	286	284
Revenue from other group companies [2]	17	15			99	94	2	3
Group result before amortisation and write-downs of intangible assets	289	212	560	-55	130	96	108	63
Amortisation and write-downs			-181	-170	-5	-3	-17	-13
Group pre-tax profit	**289**	**212**	**378**	**-225**	**125**	**93**	**91**	**51**
Assets	208,546	198,328	141,015	135,425	883	721	39,321	41,761
Liabilities	197,629	190,480	135,476	128,001	545	416	37,044	39,510

	Insurance		Other		Eliminations		Storebrand Group	
NOK million	2011	2010	2011	2010	2011	2010	2011	2010
Revenue from external customers	1,175	1,101	28	24	-2	-80	23,394	24,911
Revenue from other group companies [2]			1,158	835	-1,275	-948		
Group result before amortisation and write-downs of intangible assets	108	32	1,019	722	-1,158	-835	1,056	235
Amortisation and write-downs	-5	-4				1	-208	-189
Group pre-tax profit	**103**	**28**	**1,019**	**722**	**-1,158**	**-835**	**848**	**46**
Assets	3,502	3,055	19,481	18,121	-16,273	-15,009	396,474	382,402
Liabilities	3,192	2,774	3,945	3,129	-93	936	377,738	365,247

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

[2] ***Income from other group companies:*** *Storebrand Investments manages financial assets for other group companies. Asset management fees are made up of fixed management fees and performance-related fees. Performance-based fees apply to the portfolios qualifying for such fees at any given time, and are recognised as income when they are assured. Storebrand Livsforsikring AS earns revenue from other group companies for product sales and management. These services are priced on commercial terms.*

Notes to the interim accounts Storebrand Group

Storebrand's activities are operationally divided into five business areas: Storebrand Life Insurance, SPP, asset management, banking and insurance. Storebrand is the Nordic region's leading provider of life insurance and pensions, and offers a comprehensive range of products to retail customers, local authorities, and the public sector.

Storebrand Life Insurance
Includes the companies in the Storebrand Life Insurance Group, except Storebrand Eiendom AS, Storebrand Realinvesteringer AS and Storebrand Holding AB, and personal risk and employee cover in Storebrand Livsforsikring AS. Storebrand Life Insurance offers a wide range of products within occupational pensions, private pension savings and life insurance to companies, public sector entities and private individuals. Storebrand Life Insurance's branch in Sweden provides occupational pensions products based on Norwegian law in the Swedish market.

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

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

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

Insurance
The insurance segment comprises the companies Storebrand Forsikring AS, Storebrand Helseforsikring AS (50 per cent stake) and P&C insurance in Storebrand Livsforsikring AS. Storebrand Forsikring AS offers standard insurance products in the Norwegian retail market, and some corporate insurance in the SMB market. Storebrand Health Insurance AS offers treatment insurance in the Norwegian and Swedish corporate and retail markets. It also includes personal risk insurance in the Norwegian retail market and employee insurance in the corporate market in Norway, which is included in Storebrand Livsforsikring AS.

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

Notes to the interim accounts Storebrand Group

NOTE 9: KEY FIGURES BY BUSINESS AREA - CUMULATIVE FIGURES

NOK million	2Q 2011	1Q 2011	4Q 2010	3Q 2010	2Q 2010	1Q 2010	4Q 2009	3Q 2009
Group								
Earnings per ordinary share	1.87	0.87	3.30	1.16	-0.16	0.41	2.08	0.88
Equity	18,736	18,832	18,417	17,755	17,154	17,460	17,217	16,514
Capital adequacy	13.2%	12.8%	13.1%	13.0%	13.0%	13.4%	13.9%	14.1%
Storebrand Life Insurance								
Premium income after reinsurance	8,442	5,525	14,415	11,847	8,866	5,871	15,033	11,897
Net inflow of premium reserves	-3,286	-2,390	1,857	1,543	1,962	1,653	82	527
Policyholders' fund incl. accrued profit	192,530	191,599	189,223	185,827	182,060	182,128	174,171	171,498
- of which products with guaranteed return	*166,092*	*165,102*	*163,455*	*162,470*	*160,297*	*160,214*	*153,603*	*154,572*
Market return customer funds with guarantee	2.7%	1.5%	6.1%	4.1%	1.6%	1.8%	4.7%	3.1%
Booked investment yield customer funds with guarantee	2.6%	1.3%	4.9%	3.2%	1.6%	1.1%	4.7%	3.1%
Investment yield company portfolio	3.0%	1.4%	5.8%	4.1%	2.2%	1.0%	5.2%	3.5%
Solvency capital [1]	44,543	43,375	42,710	40,413	36,102	38,510	35,321	33,554
Capital adequacy (Storebrand Life Insurance Group)	13.6%	13.3%	13.6%	13.8%	14.9%	14.3%	14.9%	15.9%
Solvency margin (Storebrand Life Insurance Group)	162%	161%	164%	158%	159%	167%	170%	161%
SPP								
Premium income after reinsurance	3,780	1,677	7,177	5,658	4,136	1,903	7,397	5,841
Net inflow of premium reserves	-377	-176	-829	-485	-224	-115	-645	-559
Policyholders' fund incl. accrued profit (excl. conditional bonus)	111,505	113,083	113,029	115,347	109,387	106,803	108,778	108,815
- of which products with guaranteed return	*78,039*	*79,372*	*79,569*	*83,780*	*80,175*	*76,462*	*77,415*	*78,674*
Return Defined Benefit	3.4%	0.8%	6.0%	7.1%	3.3%	3.3%	4.1%	2.6%
Return Defined Contribution	3.3%	0.5%	5.1%	6.2%	3.2%	2.9%	5.0%	3.3%
Conditional bonus	11,982	12,247	11,503	10,009	8,456	9,304	8,689	8,234
Deferred capital contribution	2,105	2,139	2,233	2,569	2,671	2,816	2,286	2,181
Solvency margin (SPP Life Insurance Group)	171%	194%	199%	164%	160%	183%	194%	200%
Asset management								
Total funds under management	409,477	408,376	406,922	396,326	383,590	378,446	351,160	351,588
Funds under management for external clients	71,224	72,834	71,657	64,980	61,891	55,756	56,004	56,484
Costs/AuM bp [2]	12.1	11.9	11.6	11.2	11.5	11.6	11.9	12.0
Banking								
Net interest income as a percentage of average total assets	1.17%	1.21%	1.10%	1.09%	1.08%	1.02%	0.95%	0.94%
Costs/income % (banking) [3]	63%	64%	68%	67%	70%	73%	71%	75%
Deposits from and due customers as % of gross lending	58%	54%	55%	54%	55%	53%	51%	51%
Gross defaulted and loss-exposed loans as % of gross lending	1.1%	1.2%	2.0%	1.6%	1.6%	2.3%	2.5%	1.4%
Gross lending	33,185	34,229	34,460	34,282	35,005	35,696	36,123	37,222
Core (tier 1) capital ratio	10.8%	10.3%	10.6%	10.9%	10.4%	10.3%	10.4%	9.1%
Insurance								
Claims ratio	75.0%	78.8%	77.4%	78.0%	80.9%	88.4%	73.4%	70.4%
Cost ratio	19.0%	19.2%	20.6%	20.6%	22.3%	22.7%	26.6%	26.3%
Combined ratio	94.0%	98.0%	98.0%	98.6%	103.2%	111.0%	100.1%	96.8%

[1] Consists of equity, subordinated loan capital, market value adjustment reserve, risk equalisation fund, unrealised gains, bonds at amortised cost, additional statutory reserves, conditional bonus and accrued profit.
[2] Costs and AuM are 12 month rolling figures. Previous quarters are revised. AuM = Assets under Management (total assets under management). bp = basis points.
[3] Consists of the companies Storebrand Bank ASA, Storebrand Boligkreditt AS and Storebrand Eiendomskreditt AS under liquidation.

Notes to the interim accounts Storebrand Group

NOTE 10: PROFIT AND LOSS BY QUARTER

NOK million	2Q 2011	1Q 2011	4Q 2010	3Q 2010	2Q 2010	1Q 2010	4Q 2009	3Q 2009
Total income	10,695	12,699	11,043	12,287	7,179	17,732	11,872	14,581
Total costs	-10,153	-12,185	-10,379	-11,578	-7,218	-17,458	-11,275	-13,673
Group pre-tax profit	434	414	562	609	-135	181	482	803
Profit for the period before other comprehensive income	447	392	960	589	-254	184	533	812
Profit by business area								
Storebrand Life Insurance	149	139	261	256	59	153	187	350
SPP	278	281	214	304	-168	113	307	484
Asset management	53	77	168	69	42	54	138	37
Banking	59	49	34	60	35	28	24	23
Insurance	75	33	49	74	47	-15	-10	59
Other acitvities	-73	-66	-63	-55	-54	-59	-64	-49
Profit before amortisation and write-downs	**542**	**514**	**664**	**709**	**-39**	**274**	**583**	**905**
Amortisation and write-downs of intangible assets	-108	-100	-102	-99	-96	-93	-101	-102
Group pre-tax profit	**434**	**414**	**562**	**609**	**-135**	**181**	**482**	**803**

NOTE 11: NET INTEREST INCOME - BANKING

	2Q		01.01 - 30.06		Full Year
NOK million	2011	2010	2011	2010	2010
Total interest income	401	376	774	746	1,522
Total interest expenses	-290	-251	-547	-515	-1,065
Net interest income	**111**	**125**	**226**	**231**	**457**

NOTE 12: NET INCOME ANALYSED BY CLASS OF FINANCIAL INSTRUMENTS

				2Q		01.01 - 30.06		
NOK million	Dividend/ interest income	Net gain/losses on disposals	Net unrealised gains/losses	2011	2010	2011	2010	Full year 2010
Net income from equities and units	545	114	-1,468	-809	-2,650	-1,850	763	9,095
Net income from bonds, bond funds and other fixed-income securities	1,045	378	1,289	2,712	2,693	2,969	4,612	3,461
Net income from financial derivatives	49	473	579	1,101	-2,444	3,528	-1,638	2,715
Net income and gains from financial instruments at fair value	**1,639**	**965**	**400**	**3,003**	**-2,401**	**4,647**	**3,737**	**15,271**
Net income from bonds at amortised cost	**708**	**-95**		**613**	**748**	**1,098**	**1,229**	**2,084**

NOTE 13: OPERATING COSTS

	2Q		01.01 - 30.06		Full Year
NOK million	2011	2010	2011	2010	2010
Personnel costs	-501	-453	-1,025	-918	-1,927
Amortisation	-24	-29	-51	-53	-109
Other operating costs	-359	-363	-679	-707	-1,351
Total operating costs	**-883**	**-844**	**-1,754**	**-1,679**	**-3,388**

Notes to the interim accounts Storebrand Group

NOTE 14: VALUATION OF FINANCIAL INSTRUMENTS AT FAIR VALUE

The valuation classification of financial instruments at fair value is based on the general policies the company applies and which are described in the 2010 annual report.

The table below specifies level 3.

NOK million	Non observable assumptions 30.06.11
Assets:	
Equities and units	
- Equities	3,077
- Fund units	2,127
- Private equity fund investments	5,052
- Hedge fund	32
- Indirect real estate fund	2,072
Total equities and units	**12,360**
Bonds and other fixed-income securities	
- Financial and corporate bonds	1,110
- Asset backed securities	924
Total bonds and other fixed-income securities	**2,034**

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

NOK million	Equities	Fund units	Private equity fund	Hedge fund	Indirect real estate fund	Financial and corporate bonds	Asset backed securities
Balance 01.01.2011	3,168	1,832	4,661		2,113	1,042	1,114
Net gains/losses on financial instruments	-284	-78	256	-3	120	-4	104
Supply/disposal	389	387	273	39	11	114	
Sales/due settlements	-225	-24	-141	-4	-173	-47	-294
Translation differences	17	10	4			5	
Other	13						
Balance 30.06.2011	**3,077**	**2,127**	**5,052**	**32**	**2,072**	**1,110**	**924**

NOTE 15: LIQUIDITY RISK

Specification of subordinated loan capital

NOK million	Nominal value	Currency	Interest rate	Call date	Carrying amount
Issuer					
Hybrid tier 1 capital					
Storebrand Bank ASA	107	NOK	Fixed	2014	113
Storebrand Bank ASA	168	NOK	Variable	2014	169
Storebrand Livsforsikring AS	1,500	NOK	Variable	2018	1,500
Perpetual subordinated loan capital					
Storebrand Livsforsikring AS	300	EUR	Fixed	2013	2,399
Storebrand Livsforsikring AS	1,700	NOK	Variable	2014	1,703
Storebrand Livsforsikring AS	1,000	NOK	Fixed	2015	1,005
Dated subordinated loan capital					
Storebrand Bank ASA	100	NOK	Variable	2011	100
Storebrand Bank ASA	250	NOK	Variable	2012	251
Storebrand Bank ASA	150	NOK	Variable	2012	151
Total subordinated loans and hybrid tier 1 capital 30.06.11					**7,390**
Total subordinated loans and hybrid tier 1 capital 31.12.10					**7,606**

Specification of liabilities to financial institutions

NOK million	Carrying amount 30.06.11	Carrying amount 31.12.10
Call date		
2011	1,466	2,949
2012	1,361	1,362
2013	2,756	2,752
2014	1,487	990
Total liabilities to financial institutions	**7,071**	**8,053**

Specification of securities issued

NOK million	Carrying amount 30.06.11	Carrying amount 31.12.10
Call date		
2011	658	1,813
2012	1,792	2,087
2013	1,523	1,327
2014	3,491	3,053
2015	1,390	1,442
2016	2,852	865
2019	1,064	1,037
Total securities issued	**12,770**	**11,623**

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

Notes to the interim accounts Storebrand Group

NOTE 16: LEANDING

NOK million	30.06.11	31.12.10
Corporate market	14,992	15,187
Retail market	21,956	22,499
Gross lending	**36,949**	**37,686**
Write-down of lending losses	-173	-257
Net lending	**36,776**	**37,428**

Non-performing and loss-exposed loans

NOK million	30.06.11	31.12.10
Non-performing and loss-exposed loans without identified impairment	193	436
Non-performing and loss-exposed loans with identified impairment	170	262
Gross non-performing loans	**363**	**698**
Individual write-downs	-117	-174
Net non-performing loans	**246**	**524**

NOTE 17: REAL ESTATE

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

	2Q		01.01 - 30.06		Full Year
NOK million	2011	2010	2011	2010	2010
Rent income from properties [1]	436	395	846	777	1,623
Operating costs (including maintenance and repairs) relating to properties that have provided rent income during the period [2]	-89	-64	-181	-137	-337
Result minority defined as liabilitites			-32		
Total	**347**	**332**	**634**	**640**	**1,286**
Realised gains/losses	4		2	-2	1
Change in fair value	213	-1	410	-1	154
Total income real estate	**564**	**330**	**1,046**	**637**	**1,441**
[1] *Of which properties for own use*	18	17	37	34	67
[2] *Of which properties for own use*	-1	-3	-3	-6	-12
Distribution by company and customers:					
Company	25	11	39	18	52
Customer	539	320	1,006	619	1,389
Total income from investment properties	**564**	**330**	**1,046**	**637**	**1,441**

Notes to the interim accounts Storebrand Group

Change in value real estate investments

	2Q		01.01 - 30.06		Full Year
NOK million	2011	2010	2011	2010	2010
Wholly owned real estate investments - investment properties	213	4	410	-1	154
Property equities and units in Norway and Sweden [1]	9	26	20	49	96
Property units abroad [1]	8	-27	121	-8	87
Total changes in value investment properties	**230**	**3**	**551**	**39**	**336**
Properties for own use	-8		-8		-104
Total changes in value in real estate	**223**	**3**	**544**	**39**	**233**
Realised gains/losses sold real estate	**3**		**2**	**-2**	**16**

[1] Are in the statement of financial position classified as equities and other units

Book value of investment properties [1]

NOK million	30.06.11	31.12.10
Carrying amount 01.01	27,059	24,160
Supply due to purchases	748	2,503
Supply due to additions	407	476
Disposals	-375	-152
Net write-ups/write-downs	417	51
Exchange rate changes	-12	21
Carrying amount	**28,244**	**27,059**

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

Property type

			2011		
NOK million	30.06.11	31.12.10	Duration of lease (years)	m2	Leased amount in % [1]
Office buildings (including parking and storage):					
Oslo-Vika/Filipstad Brygge	5,632	4,930	5.8	110,610	92
Rest of Greater Oslo	6,468	6,180	5.7	191,700	94
Rest of Norway	3,521	3,856	7.2	509,790	93
Shopping centres (including parking and storage)	10,757	10,656	2.7	467,095	92
Multi-storey car parks	687	696	5.4	44,085	100
Office buildings in Sweden	831	387	0.5	37,000	3
Cultural/conference centres in Sweden	350	354	18.8	18,500	86
Taken over properties [2]	15	43			
Total investment properties	**28,259**	**27,102**		**1,378,780**	
Properties for own use	1,690	1,668	9.1	50,000	91
Total properties	**29,949**	**28,770**		**1,428,780**	

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

Notes to the interim accounts Storebrand Group

Geographical location:

NOK million	30.06.11	31.12.10
Oslo - Vika/Fillipstad Brygge	6,318	5,625
Rest of Greater Oslo	7,942	7,603
Rest of Norway	14,202	14,512
Sweden	1,181	742
Other	306	289
Total properties	**29,949**	**28,770**

A further NOK 1.283 million was agreed for property purchases in 2Q 2011, but the assumption of the risk and final conclusion of contracts will occur in later quarters in 2011.

NOK 323 million in Storebrand and SEK 258 million in SPP have been committed but not drawn on in international real estate funds.

Calculation of fair value for real estate

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

Cash flow

An internal cash flow model is used to calculate fair value. The individual properties' net cash flows are discounted by an individual required rate of return. In the case of office buildings, a future income and costs picture is estimated for the first 10 years, and a final value calculated at the end of that 10 year period, based on market rents and normal operating costs for the property. The net income stream takes into account existing and future reductions in income resulting from vacancy, necessary investments and an assessment of the future changes in market rents. Storebrand's average occupancy rate in its office properties portfolio is 95-98 per cent. Most contracts are for 5 or 10 years. The cash flows from these tenancy agreements (contractual rent) are included in the valuations. A forecast model has been developed to estimate long-term, future non-contractual rent. The model is based on historical observations from Dagens Næringsliv's property index (adjusted by CPI). A long-term, time-weighted average is calculated for the annual observations in which the oldest observations are afforded the least weight. Short-term, non-contractual rent forecasts are based on current market rents and conditions.

Required rate of return

An individual required rate of return is set for each property. The required rate of return should be viewed in relation to the property's cash flow. Cash flows are determined on the basis of data about the market's required rate of return, including transactions and valuations.

The required rate of return is divided into the following components:

Composition of the required rate of return:
Risk free interest rate
Risk markup, adjusted for:
- Type of property
- Location
- Standard
- Contract duration
- Quality of tenant
- All other information about property values, the market and the individual property

In the case of shopping centres, the property's value is calculated based on a market yield. In cases where it is known significant changes will occur to the expected cash flow in later years, this is taken account of in the valuation.

External valuations:

To ensure that every property will be taxated as a minimum every third year, there is a methodic approach in order to choose a representative selection of property to taxate every quarter. During 2Q, valuations had been obtained for approximately 13 percent of Storebrand's property portfolio in Norway.

Notes to the interim accounts Storebrand Group

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

	Required rate of return		Volume	
Segment	30.06.11	31.12.10	30.06.11	31.12.10
Office buildings (including parking and storage):				
Oslo-Vika/Filipstad Brygge	7,50 - 8,50	7,50 - 8,50	6,319	5,625
Rest of Greater Oslo	8,25 - 10,00	8,25 - 10,00	7,927	7,559
Rest of Norway	8,75 - 9,75	8,75 - 9,75	3,445	3,856
Shopping centre portfolio	8,00 - 9,25	8,00 - 9,25	10,757	10,656
Culture and conference Sweden	7,00 - 9,00	7,00 - 9,00	1,181	742
Other			305	289

Sensitivities

Valuations are particularly sensitive to changes in the required rate of return and assumed future cash flows. A change of 0.25 per cent in the required rate of return, where everything else remains the same, would result in a change in value in the real estate portfolio of NOK 956 million, which is equivalent to 3.36 per cent. Around 25 per cent of a property's cash flow is linked to signed leases. This means that changes in the uncertain components of the cash flow of 1 per cent result in a change in value of 0.75 per cent.

NOTE 18: DEPOSITS FROM BANKING CUSTOMERS

NOK million	30.06.11	31.12.10
Corporate market	7,718	7,448
Retail market	11,492	11,351
Total	**19,210**	**18,799**

NOTE 19: CONTINGENT LIABILITIES

NOK million	30.06.11	31.12.10
Guarantees	381	302
Unused credit limit lending	5,196	5,844
Uncalled residual liabilities re limited partnership	5,387	5,635
Other liabilities/lending commitments	435	817
Total contingent liabilities	**11,399**	**12,597**

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.

NOTE 20: SOLD BUSINESS

Agreement was reached on the sale of Oslo Reinsurance Company (UK) Ltd in December 2010. The sale was subject to the approval of the authorities. Approval was granted in February 2011 and control of the company was finally transferred to the buyer in March. The company changed its name to OX RE at the same time. The agreed transfer sum was transferred at the same time and Storebrand's result has not been affected by the transfer in 2011.

Notes to the interim accounts Storebrand Group

NOTE 21: CAPITAL REQUIREMENTS AND SOLVENCY REQUIREMENTS

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

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

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

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

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

Primary capital in capital adequacy

NOK million	30.06.11	31.12.10
Share capital	2,250	2,250
Other equity	16,487	16,168
Equity	**18,736**	**18,417**
Hybrid tier 1 capital	1,776	1,779
Conditional bonus	3,381	3,359
Goodwill and other intangible assets	-6,646	-6,918
Deferred tax assets	-55	-111
Risk equalisation fund	-396	-287
Deductions for investments in other financial institutions	-33	-44
Administration reserves	-145	-132
Minimum requirement reassurance allocation	-8	-7
Capital adequacy reserve	-432	-399
Dividend not allocated in financial statements		-491
Other	-488	118
Core (tier 1) capital	**15,690**	**15,285**
Hybrid tier 1 capital		
Perpetual subordinated capital	5,034	5,039
Ordinary primary capital	500	500
Deductions for investments in other financial institutions	-33	-44
Capital adequacy reserve	-432	-399
Tier 2 capital	**5,068**	**5,097**
Net primary capital	**20,758**	**20,382**

Notes to the interim accounts Storebrand Group

Minimum requirements primary capital in capital adequacy

NOK million	30.06.11	31.12.10
Credit risk		
Of which by business area:		
Capital requirements insurance	10,791	10,672
Capital requirements banking	1,630	1,628
Capital requirements securities undertakings	10	14
Capital requirements other	64	60
Total minimum requirements credit risk	**12,494**	**12,373**
Operational risk/settlement risk	132	132
Deductions	-79	-78
Minimum requirements primary capital	**12,547**	**12,427**
Capital adequacy ratio	**13.2 %**	**13.1 %**
Core (tier 1) capital ratio	**10.0 %**	**9.8 %**

Solvency requirements for cross-sectoral financial groups

NOK million	30.06.11	31.12.10
Requirements re primary capital and solvency capital		
Capital requirements Storebrand Group from capital adequacy statement	12,547	12,427
- capital requirements insurance companies	-10,791	-10,672
Capital requirements pursuant to capital adequacy regulations	1,756	1,755
Requirements re solvency margin capital insurance	11,119	10,905
Total requirements re primary capital and solvency capital	**12,875**	**12,660**
Primary capital and solvency capital		
Net primary capital	20,758	20,382
Change in solvency capital for insurance in relation to primary capital		
Conditional bonus - not approved as solvency capital	-3,381	-3,359
Other solvency capital	2,889	2,955
Total primary capital and solvency capital	**20,267**	**19,978**
Surplus solvency capital	**7,391**	**7,318**

Storebrand ASA

PROFIT AND LOSS ACCOUNT

	2Q		01.01 - 30.06		Full year
NOK million	2011	2010	2011	2010	2010
Operating income					
Income from investments in subsidiaries					1,158
Net income and gains from financial instruments:					
- equities and other units		1		9	11
- bonds and other fixed-income securities	11	-6	38	15	41
- financial derivatives/other financial instruments	8	19	-12		-8
Other financial instruments	2		2	1	1
Operating income	**20**	**15**	**28**	**24**	**1,204**
Interest expenses	-42	-33	-75	-63	-131
Other financial expenses	-8	-3	-9	-6	-441
Operating costs					
Personnel costs	-8	-7	-16	-12	-23
Amortisation		-1	-1	-1	-2
Other operating costs	-35	-26	-66	-56	-106
Total operating costs	**-43**	**-33**	**-83**	**-69**	**-131**
Total costs	**-93**	**-69**	**-166**	**-138**	**-703**
Pre-tax profit	**-73**	**-54**	**-138**	**-113**	**502**
Tax cost					
Profit for the period	**-73**	**-54**	**-138**	**-113**	**502**

Storebrand ASA

STATEMENTS OF FINANCIAL POSITION

NOK million	30.06.11	31.12.10
Fixed assets		
Pension assets	30	30
Tangible fixed assets	33	45
Shares in subsidiaries	16,615	16,609
Total fixed assets	**16,678**	**16,683**
Current assets		
Owed within group		1,158
Lending to group companies	18	17
Other current receivables	22	22
Investments in trading portfolio:		
- equities and other units		
- bonds and other fixed-income securities	2,587	1,313
- financial derivatives/other financial instruments	56	37
Bank deposits	95	74
Total current assets	**2,778**	**2,621**
Total assets	**19,456**	**19,304**
Equity and liabilities		
Share capital	2,250	2,250
Own shares	-18	-19
Share premium reserve	9,485	9,485
Total paid in equity	**11,717**	**11,715**
Other equity	3,794	3,919
Total equity	**15,511**	**15,634**
Non-current liabilities		
Pension liabilities	183	183
Securities issued	3,659	2,898
Total non-current liabilities	**3,842**	**3,081**
Current liabilities		
Debt within group	3	54
Provision for dividend	35	491
Other current liabilities	64	44
Total current liabilities	**103**	**589**
Total equity and liabilities	**19,456**	**19,304**

Storebrand ASA

CASH FLOW STATEMENT

NOK million	01.01 - 30.06 2011	2010
Cash flow from operational activities		
Receipts - interest, commission and fees from customers	55	-18
Net receipts/payments - securities at fair value	-1,284	-182
Payments relating to operations	-111	-93
Net receipts/payments - other operational activities	1,158	965
Net cash flow from operational activities	**-183**	**672**
Cash flow from investment activities		
Net payments - sale/capitalisation of subsidiaries	-59	-183
Net receipts/payments - sale/purchase of property and fixed assets	11	-6
Net cash flow from investment activities	**-48**	**-189**
Cash flow from financing activities		
Payments - repayments of loans	-218	-966
Receipts - new loans	997	601
Payments - interest on loans	-89	-85
Receipts - issuing of share capital	16	3
Payments - dividends	-455	
Net cash flow from financing activities	**252**	**-448**
Net cash flow for the period	**21**	**35**
Net movement in cash and cash equivalents	21	35
Cash and cash equivalents at start of the period	74	48
Cash and cash equivalents at the end of the period	**95**	**83**

Notes to the financial statements Storebrand ASA

NOTE 1: ACCOUNTING POLICIES

The financial statements are presented in accordance with the accounting policies applied in the annual financial statements for 2010. The accounting policies are described in the 2010 annual report.
Storebrand ASA does not apply IFRS to the parent company's financial statements.

NOTE 2: ESTIMATES

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

NOTE 3: EQUITY

NOK million	Share capital [1]	Own shares	Share premium fund	Other equity	Equity 30.06.11	Equity 31.12.10
Equity as per 1 January	2,250	-19	9,485	3,919	15,634	16,026
Profit for the year				-138	-138	502
Experience pension						-414
Own share bought back [1]		2		19	21	15
Provision for dividend						-491
Employee share is [2]				-6	-6	-5
Total equity	**2,250**	**-18**	**9,485**	**3,794**	**15,511**	**15,634**

[1] *449,909,891 shares with a nominal value of NOK 5*
[2] *In 2011, 334,278 of our own shares were sold to our own employees.*
Holding of own shares as per 30 June 2011 was 3,504,654.

NOTE 4: BONDS ISSUED

NOK million	Interest rate	Currency	Net nominal value	30.06.11	31.12.10
Bond loan 2005/2011	Variable	NOK	656	658	752
Bond loan 2009/2012	Variable	NOK	282	282	406
Bond loan 2010/2013 [1]	Fixed	NOK	200	205	210
Bond loan 2010/2013	Variable	NOK	400	400	400
Bond loan 2009/2014 [1]	Fixed	NOK	550	571	570
Bond loan 2009/2014 [1]	Fixed	NOK	550	547	560
Bond loan 2011/2016	Variable	NOK	1000	997	
Total [2]				**3,659**	**2,898**

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

The Storebrand Group and Storebrand ASA
– Declaration by the members of the Board and the CEO

On this date, the Board and CEO have considered and approved the half-yearly interim report and half-yearly financial statements for the Storebrand Group and Storebrand ASA for the first half of 2011 (interim report for 1H 2011).

The half-yearly interim report has been prepared in accordance with IAS 34 Interim Financial Reporting, as approved by the EU, and the additional Norwegian requirements in the Norwegian Securities Trading Act.

In the best judgement of the Board and CEO the half-yearly financial statements for 2011 have been prepared in accordance with applicable accounting standards, and the information in the financial statements provides a fair and true picture of the Group's and the company's assets, liabilities, financial standing and results as a whole as per 30 June 2011. In the best judgement of the Board and CEO the half-yearly interim report provides a fair and true overview of important events during the accounting period and their effects on the half-yearly financial statements. In the best judgement of the Board and CEO the descriptions of the most important risk and uncertainty factors the Group faces in the next accounting period, as well as the descriptions of related parties' significant transactions, also provide a fair and true overview.

Lysaker, 13 July 2011
The Board of Directors of Storebrand ASA

Birger Magnus
Chairman of the Board

Halvor Stenstadvold
Board member

John Staunsbjerg Dueholm
Board member

Heidi Skaaret
Board member

Jon Arnt Jacobsen
Board member

Birgitte Nielsen
Board member

Monica Caneman
Board member

Ann-Mari Gjøstein
Board member

Kirsti Valborgland
Board member

Knut Dyre Haug
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Translation from the original Norwegian version

To the board 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 June 30, 2011, and the related statement of income, the statement of comprehensive income, the statement of changes in equity, the statement of cash flow for the six-month period then ended and selected explanatory notes. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard No 34 "Interim Financial Reporting" 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 condensed interim financial information for the Group is not prepared, in all material aspects, in accordance with International Accounting Standard No 34 "Interim Financial Reporting".

Oslo, July 13, 2011
Deloitte AS

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

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Financial calender 2011

16 February	Results Q4 2010
9 March	Embedded Value 2010, Capital Markets Day
13 April	Annual General Meeting
14 April	Ex dividend date
11 May	Results Q1
14 July	Results Q2
26 October	Results Q3
February 2012	Results Q4 2011

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foto: Lena Wesslund