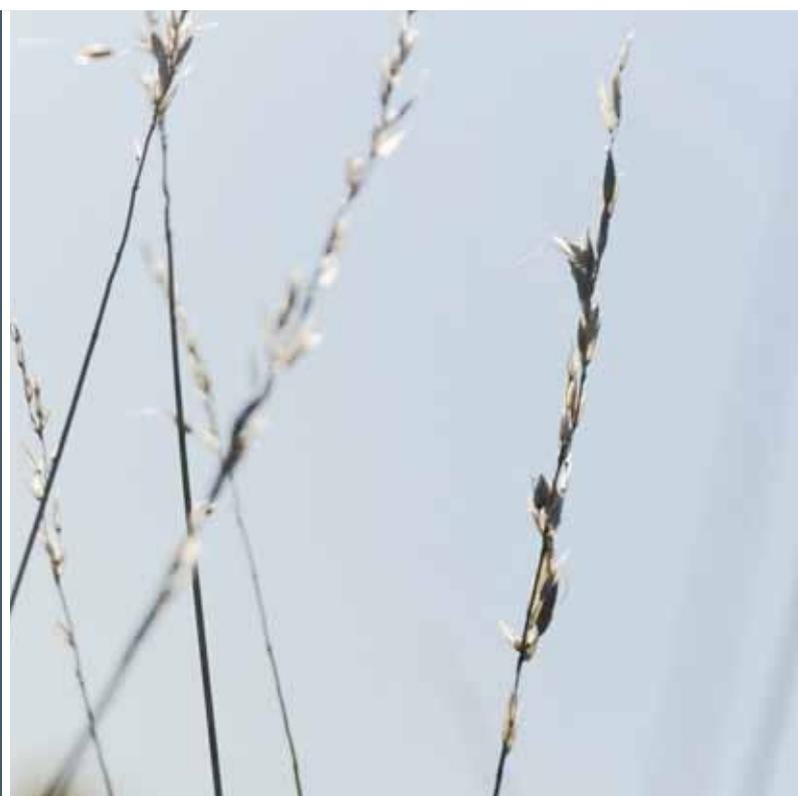


Interim report Storebrand Group

1st quarter 2011



1Q
2011



Interim report - 1Q 2010: Storebrand Group

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Important notice:

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

Storebrand Group

- **Group result¹⁾ of NOK 514 million for 1Q**
- **Administration result improved by NOK 52 million in Nordic life and pensions**
- **Good financial position: solvency margin of 161 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

NOK million	1Q		Full year
	2011	2010	2010
Storebrand Life Insurance	139	153	730
SPP	281	113	464
Asset Management	77	54	333
Bank	49	28	158
Insurance	33	-15	155
Other activities	-66	-59	-231
Group result before amortisation	514	274	1,608
Write-downs and amortisation intangible assets	-100	-93	-390
Group pre-tax profit/loss	414	181	1,217

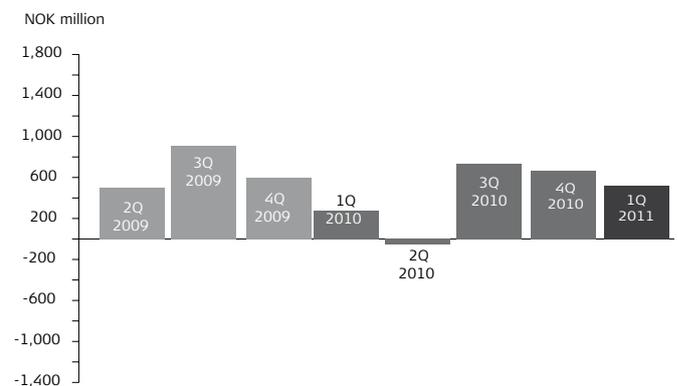
Result

The group result before the amortisation of intangible assets and tax amounted to NOK 514 million (NOK 274 million) for 1Q. After amortisation the result for the quarter amounted to NOK 414 million (NOK 181 million). Figures in brackets show the result for the same period in 2010.

The quarter's result is characterised by good value creation in SPP, insurance, asset management and bank. SPP has a strong result improvement of NOK 168 million compared to 1Q 2010. The administration result in SPP is improved by NOK 37 million and in addition good risk and financial result contribute positively in the quarter. Storebrand Life Insurance is enjoying good underlying financial performance, but the result for 1Q was negatively impacted by a reduction in the risk result within defined contribution pensions. An increase in the number of approved disability claims affects the result for defined contribution pensions. The development is especially influenced by the product being in a growth phase.

The return on investments in customer portfolios in Storebrand Life Insurance contributed to a good financial result, and a NOK 0.3 billion increase in the customers' buffer capital in the quarter. The booked return for all portfolios was high enough to cover the guaranteed interest, and provide profits of NOK 0.9 billion for customers.

Group result before amortisation and write-downs per quarter



Asset management's result was positively affected in the quarter by changes to internal customers' asset management contracts. Storebrand Asset Management produced NOK 300 million in out-performance for the Group's pension customers during the quarter, an improvement of NOK 180 million compared to last year.

Storebrand Bank delivered a quarterly result characterised by improved net interest income, higher other income and a low level of losses.

Insurance was established as a separate business area on 1 March and comprises the areas P&C and health insurance, as well as personal risk insurance. Storebrand Insurance's result improved strongly compared with last year and is developing in line with expectations for the area.

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

Improved result - operational income statement

Operational income statement Storebrand Group¹⁾

NOK million	1Q		Full year
	2011	2010	2010
Fee and administration income	1,014	904	3,856
Operational cost	- 727	- 681	-2,753
Fee and administration result	287	224	1,104
Risk and insurance result	108	105	597
Result holding company and company portfolios	- 54	- 64	- 249
Result before profit sharing and loan losses	341	266	1,452
Net profit sharing and loan losses	173	9	156
Group profit before amortisation	514	274	1,608
Write-downs and amortisation of intangible assets	- 100	- 93	- 390
Group pre-tax profit/loss	414	181	1,217

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 the end of 2013. The target consists of result components that, to a large extent, can be affected by the company itself. The result effects of the operational improvement programme amounted to NOK 75 million in 1Q. The work on improving productivity and results will, together with continued growth within fund-based products, further strengthen the quality of the company's earnings.

Market and sales performance

Total new premiums (APE²⁾ in Storebrand Life Insurance amounted to NOK 306 million in 1Q. The net booked inflow to Storebrand Life Insurance amounted to minus NOK 2.4 billion in 1Q. This was primarily due to three municipalities choosing to transfer their pension schemes in 4Q 2010 with effect from 2011. Defined contribution pensions shoved underlying premium growth in the quarter.

SPP was named best unit linked insurance provider by the independent pensions advisor Söderberg & Partners for the third year

in a row. Premium income from unit linked insurance was up 12 per cent in the quarter. Overall premium income decreased due to a fall in guaranteed business.

Net new sales in asset management (external discretionary assets and mutual funds) amounted to NOK 2.6 billion in the quarter.

Capital situation

The Storebrand Group was in a sound financial position at the end of the quarter. The Storebrand Life Insurance Group's (Storebrand Life Insurance and SPP) solvency margin was 161 per cent. Capital adequacy was 13.3 per cent. The solvency margin was down 3 percentage points compared with year-end 2010. The reduction was primarily due to increased solvency requirements for both Storebrand Life Insurance and SPP due to an increase in the policyholders' funds, as well as a strengthening of SEK against NOK.

The bank's core (tier 1) capital ratio was 10.3 per cent at the end of the quarter. The Storebrand Group's capital adequacy was 12.8 per cent and its core (tier 1) capital ratio was 9.6 per cent.

Key Figures

NOK million	1Q		Full year
	2011	2010	2010
Earnings per share adjusted (NOK) ³⁾	1.10	0.62	4.17
Return on equity, annualised ³⁾	11.4%	6.6%	10.8%
Equity	18,832	17,460	18,417
Capital adequacy Storebrand Group	12.8%	13.4%	13.1%
Solvency margin Storebrand Life Group	161%	167%	164%
Core capital adequacy Bank Group	10.3%	10.3%	10.6%

¹⁾ The income statement is based on reported IFRS results for the individual companies in the Group. The consolidation departs from the official financial statements.

²⁾ Annual premium equivalent. Periodic 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**
- **Good return resulted in NOK 0.9 billion in excess of the guaranteed interest for customers**
- **Weak risk result for defined contribution pensions in the quarter**

The business area Storebrand Life Insurance¹⁾ 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	1Q		Full year
	2011	2010	2010
Administration result	8	-7	58
Risk result	-1	40	131
Financial result ²⁾	4	-8	26
Price of interest guarantee and profit risk	134	138	557
Other	-5	-10	-43
Pre-tax profit/loss	139	153	730

Administration result

The administration result is continuing to develop well. The productivity measures implemented through better work processes, staff reductions, the transfer of tasks, and lower purchasing costs are the main drivers behind the improvement in the result, together with income growth.

Risk result

The quarter's risk result is negatively impacted by an increase in the number of approved disability claims within defined contribution pensions. The development is especially influenced by the product being in a growth phase. During the quarter, the company has handled a significantly higher number of claims than normal, which resulted in reduced lead time. This implies that applicants reported off the sick list (reactivation) to a lesser extent are included. It has been implemented measures to adjust the price, pay out principles and reserving principles for defined contribution pensions to secure a more stable development going forward. The risk results for group pensions and paid-up policies were good, and NOK 62 million was allocated to the risk equalisation fund. Storebrand follows the development in Norway and Sweden closely, and we have observed over the last two years that the development in disability and sickness result is different and partly off-set each other.

Financial result

The financial markets developed positively during the quarter with good returns on Norwegian and global equities. Interest rates rose in both Norway and internationally in the quarter. Hikes in interest rates lower returns in the short-term, but produce higher expected returns going forward.

Financial return

Portfolio	1Q 2011		1Q 2010		Full year 2010	
	Market return	Booked return	Market return	Booked return	Market return	Booked return
Total Group (DB)	1.5 %	1.4 %	1.9 %	0.9 %	6.4 %	4.9 %
Paid-up policies	1.4 %	1.3 %	1.7 %	1.1 %	6.0 %	4.9 %
Individual	1.5 %	1.4 %	1.9 %	1.1 %	6.0 %	6.0 %

Profit sharing gave a net positive contribution of NOK 32 million to the owner in 1Q. There is a need to strengthen reserves for individual pension insurance and paid-up policies because of assumed lower mortality in the future. NOK 77 million was allocated in 1Q, in line with the plan. At the end of 1Q, the amount by which the reserves still need to be strengthened was calculated at around NOK 450 million: around NOK 380 million for individual pension insurance and around NOK 70 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 5.9 per cent this could result in profit sharing for the owner.

The booked return for all portfolios was sufficient to cover the guaranteed interest rate, and provide undistributed profits for customers of NOK 0.9 billion. The average annual interest rate guarantee in the various customer portfolios is between 3.3 per cent and 3.7 per cent.

The company portfolio's result was minus NOK 29 million (minus NOK 15 million) for the quarter. The company portfolio achieved a gross return of 1.4 per cent for the quarter. Storebrand Life Insurance's funding costs will amount to around a net NOK 140 million per quarter for the next 12 months. Total interest-bearing liabilities amounted to NOK 6.6 billion at the end of 1Q.

¹⁾ Storebrand Life Insurance includes the legal entity Storebrand Livsforsikring AS with the exception of results from one-year personal risk and employee insurance policies, which are included in Insurance. Results from the subsidiaries SPP and Storebrand Eiendom are not included either. These are included in Asset management.

²⁾ Investment result and profit sharing.

Market return defined contribution pensions

NOK million	1Q		Full year
	2011	2010	2010
Careful pension	0.7%	2.1%	6.7%
Balanced pension	1.0%	3.2%	10.3%
Aggressive pension	1.2%	3.9%	13.4%

Price of interest rate guarantee and profit risk

NOK 134 million was recognised as income from upfront pricing of the interest rate guarantee and profit from risk for group defined benefit in 1Q. This is a reduction of NOK 4 million compared to the same period the last year. The reduction was due to price changes that have been implemented because of the increased buffer capital.

Other result

The other result amounted to minus NOK 5 million (minus NOK 10 million) for 1Q, and primarily consists of the result from subsidiaries.

Balance sheet

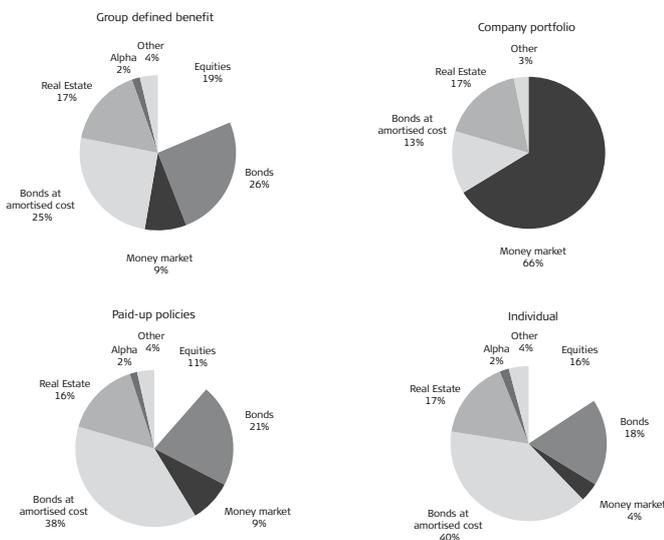
The proportion of equities in portfolios with a guarantee increased in the quarter. Changes in equity allocations corresponded to changes in short-term bond and money market allocations.

Equity proportion in customer portfolios with a guaranteed return

	31.03.2011	31.12.2010
Aggressive profile	24%	25%
Standard profile	20%	18%
Careful profile	14%	9%
Paid-up policy profiles	11%	11%
Individual profiles	16%	12%

An increase was allocated in loans and receivables for the company portfolio in the quarter.

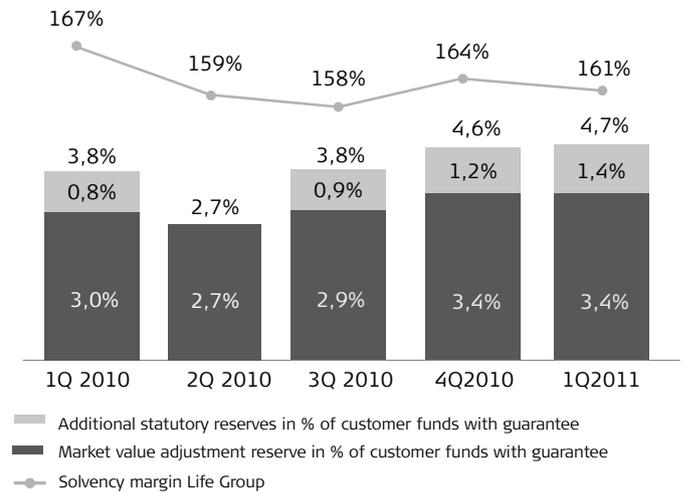
Asset profile



Assets under management increased by NOK 2 billion in the quarter and amounted to NOK 202 billion at the end of 1Q. The increase was due to the positive return in the quarter.

Finanstilsynet has reviewed the valuations of investment property in the regular reporting to some listed companies, among them Storebrand. The review was based on commercial office property in 2008. Investment property in Storebrand is carried at fair value and in note 16 to the quarterly accounts it is given a detailed description of methods and assumptions used for calculating the fair value.

Solvency



Solidity capital¹⁾ increased by NOK 0.7 billion in the quarter due to a positive financial performance and increased customer buffers. It amounted to NOK 43.4 billion at the end of 1Q. Additional statutory reserves amounted to NOK 5.4 billion at the end of 1Q, and were unchanged during the quarter. The market value adjustment reserve increased by NOK 0.3 billion during the quarter and amounted to NOK 2.2 billion at the end of 1Q. Excess value on loans and receivables in the quarter decreased by NOK 640 million due to hikes in interest rates, and amounted to NOK 92 billion at the end of 1Q.

Storebrand Life Insurance Group's capital adequacy was 13.3 per cent at the end of 1Q, a marginal reduction during the quarter due to balance sheet growth and higher proportions of equities. Storebrand Life Insurance Group achieved a solvency margin of 161 per cent, down 3 percentage points in the quarter.

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 income¹⁾

NOK million	1Q		Full year
	2011	2010	2010
Group Defined Benefit	4,021	3,967	8,154
Paid-up policies	71	46	98
Group with investment choice	976	1,121	3,409
Individual endowment insurance and pensions	185	229	761
Individual with investment choice	271	508	1,993
Total	5,525	5,870	14,415

Premium income from group defined benefit pensions will gradually decline due to the transition to defined contribution pensions. The increase in the year-to-date was due to factors such as wages growth. Contribution-based schemes for companies experienced underlying growth in premium income. The decrease in premium income was due to the transition 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 the result line 'Individual with investment choice' was due to good sales of guarantee accounts last year.

Sales

The net booked inflow to Storebrand amounted to minus NOK 2,390 million (NOK 1,653 million) in 1Q. The transfer balance within the public sector was weak because three municipalities chose to transfer their pension schemes with effect from 2011.

Reported net sales in 1Q were good for both group occupational pensions and one-year risk products. The market was characterised by the transition from defined benefit pensions to defined contribution pensions. Storebrand has maintained a strong position in the market.

Sales to the employees of our corporate customers are an important part of our overall distribution strategy. Sales continue to develop well in this area.

A new strategy for sales of savings, insurance, and bank products in the retail market is being drawn up. As part of this work, sales have been gathered in a new sales organisation and an improved customer follow-up programme is being established. The measures are expected to contribute to sales growth and profitability in the retail market.

New subscriptions

New premiums (APE) worth NOK 306 million (NOK 725 million) were signed in 1Q. The reduction in relation to 2010 was primarily due to lower APE for group defined benefit pensions and defined contribution pensions.

New premiums (APE) in the period:

- Guaranteed products: NOK 224 million (NOK 487 million) for the quarter.
- Unit linked insurance: NOK 82 million (NOK 238 million) for the quarter.

¹⁾ Exclusive transfer of premium reserves.

- **Result excluding financial result increased from NOK 98 million to NOK 160 million**
- **Administration result increased by NOK 37 million**
- **Named best unit-linked insurance company for third year in a row**

The business area SPP¹⁾ offers pension and insurance solutions, and advice to companies in the competitive segment of the occupational pensions market and private pension products in the Swedish market.

Result

Financial performance SPP

NOK million	1Q		Full year
	2011	2010	2010
Administration result	44	7	84
Risk result	76	80	311
Financial result	121	15	31
Other	40	11	38
Result before amortisation	281	113	464
Amortisation intangible assets	-91	-84	-348
Pre-tax profit/loss	190	29	116

Administration result

The administration result amounted to NOK 44 million (NOK 7 million) for 1Q. The result improved by NOK 37 million due to 14 per cent higher income and a stable cost base. The increase in income was due to both growth in customer assets and pricing adjustments.

Risk result

The risk result amounted to NOK 76 million (NOK 80 million) for the quarter. The sickness result, which is the dominant component of the risk result, was still good, but slightly lower than in previous quarters. The other components of the risk result, primarily mortality and longevity, also delivered positive figures for the quarter.

Financial result

The financial result amounted to NOK 121 million (NOK 15 million) for the quarter. The quarter was characterised by slightly improving equity markets and rising short-term market interest rates. The difference between swap and government rates increased in the quarter. Around half of the interest rate sensitivity on the asset side is towards government rates, while the rest is linked to swap-related rates. The liabilities side is evaluated using only swap rates. This resulted in the assets side increasing in value relative to the liabilities side and NOK 97 million of deferred capital contribution could be recovered.

The customer's return for the quarter was affected by slightly improving equity markets.

Financial return

Portfolio	1Q		Full year
	2011	2010	2010
Defined Benefit (DB)	0.8%	3.3%	5.9%
Defined Contribution (DC)			
P250*	0.4%	3.5%	7.0%
P300*	0.7%	2.9%	5.3%
P 520*	0.5%	2.6%	3.4%
RP (Retirement Pension)	0.1%	0.0%	0.1%

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

Profit sharing amounts to NOK 29 million for the quarter. NOK 27 million of this was indexing fees for the defined benefit portfolio. As per 31 March, around 80 per cent of the defined benefit portfolio is indexed by the consumer price index. The rest of the profit sharing stemmed from pension insurance policies with a 1.25 per cent guarantee level.

Other result

The other result components amounted to NOK 40 million (NOK 11 million). 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 in the last year, producing a higher return in the company portfolio.

Balance sheet

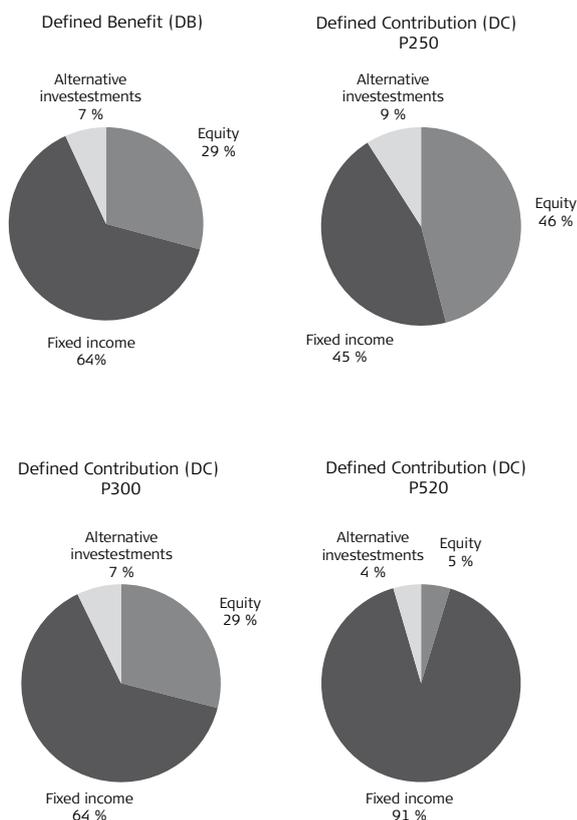
Equity exposure is adjusted in line with market trends via so-called dynamic risk management. Given the relatively flat trend in the equity markets, there was little change in the equity exposure in the customer portfolios.

Equity proportion in customer portfolios with a guaranteed return

	31.03.2011	31.12.2010
DB	29%	28%
DC P250	46%	46%
DC P300	29%	28%
DC P520	5%	5%

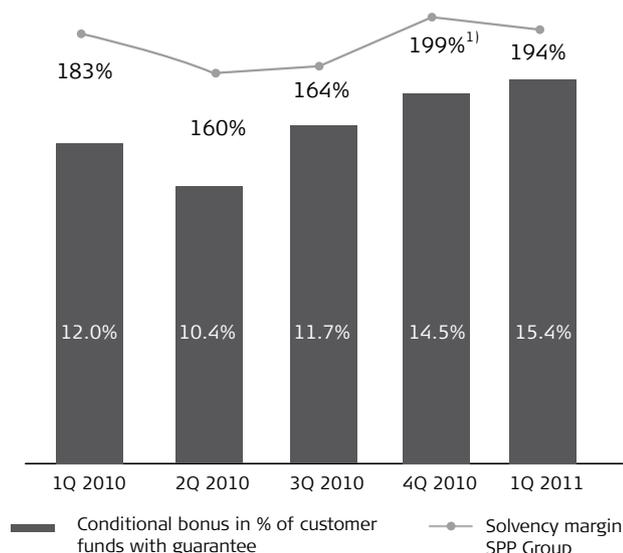
¹⁾ SPP includes all legal entities in Storebrand Holding Group excluding SPP Fonder which is included in Asset Management.

Asset profile customer portfolios with a guarantee



The buffer capital (conditional bonus) increased by 6 per cent in the quarter. The increase was due to rising interest rates which reduced the value of liabilities. At the end of the quarter, the buffer capital amounted to NOK 12.2 billion. SPP Group's solvency margin was 194 per cent at the end of 1Q, which is slightly lower than in the previous quarter because SPP payed group contributions in the first quarter.

Solvency



Total assets amounted to NOK 123 billion at the end of the quarter: up NOK 1 billion since year-end 2010 and up NOK 9 billion compared with the same period last year. The increase was due to continued good premium growth within unit linked

insurance and good returns in the customer portfolios. The SEK has also strengthened markedly against the NOK in the last year, which has had a positive effect on the capital under management measured in NOK.

Market

Premium income ²⁾

NOK million	1Q		Full year
	2011	2010	2010
Guaranteed products	687	896	3,030
Unit Link	821	734	3,388
BenCo	170	273	759
Total	1,677	1,903	7,177

Premium income amounted to NOK 1.7 billion, down 12 per cent compared with the same period last year. This was due to a decrease in guaranteed business. Premium income from unit linked insurance continues to increase and was 12 per cent higher than in the same period last year. Unit linked insurance accounted for 54 per cent (45 per cent) of SPP's premium income (excluding BenCo).

New subscriptions

New sales measured in APE amounted to NOK 331 million (NOK 353 million) for the quarter. Unit linked insurance accounted for 68 per cent (69 per cent) of total new contracts. Given the high proportion of unit linked insurance, SPP was pleased to be named Sweden's best unit linked insurance provider by the independent pensions advisor Söderberg & Partners for the third year in a row.

New premiums (APE) in the quarter:

- Guaranteed products: NOK 95 million (NOK 82 million) for the quarter
- Unit linked insurance: NOK 223 million (NOK 229 million) for the quarter
- BenCo: NOK 13 million (NOK 42 million) for the quarter

¹⁾ Before group contributions.

²⁾ Excluding inflow of premium reserves.

Asset management

- **Good 1Q result of NOK 77 million**
- **Positive one-off in the quarter of NOK 18 million**
- **Net new sales of NOK 2.6 billion in the quarter**

Asset management¹⁾ 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

NOK million	1Q		Full year
	2011	2010	2010
Operating revenue	166	154	645
Operating cost	-118	-101	-450
Operating result	48	53	195
Net performance fees	28	-2	122
Net financial income	1	3	16
Result before amortisation	77	54	333
Amortisation intangible assets	-2	-1	-6
Pre-tax profit/loss	74	53	327

Asset management achieved a profit before amortisation of NOK 77 million (NOK 54 million) for 1Q. The quarter's income of NOK 166 million is high compared with the same quarter last year (NOK 152 million). In addition net performance fees contributed with NOK 28 million. The primary reason for the new asset management contract between Storebrand Life Insurance and Storebrand Asset Management. It led to recognition of previously earned income amounting to NOK 28 million for 1Q and a periodisation effect in operating revenue of minus NOK 10 million.

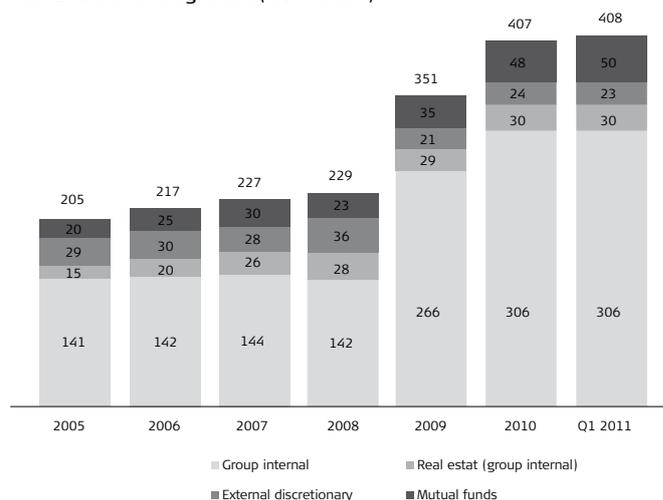
Operating costs increased in relation to last year and amounted to minus NOK 118 million (minus NOK 101 million) in the quarter. Costs increased due to investment in a higher degree of automation.

Assets under management

The total capital under management amounted to NOK 408 billion (NOK 379 billion) at the end of 1Q. This represents an increase of NOK 1 billion in the quarter:

- Mutual funds grew by NOK 2 billion.
- Management for external customers fell by NOK 1 billion.
- Management for intragroup customers was unchanged.

Assets under management (NOK billion)



The management of equities and hedge fund portfolios resulted in outperformance (return better than relevant benchmarks) of NOK 163 million in the quarter for Storebrand Livsforsikring AS. Similarly, SPP Livförsäkring AB achieved outperformance of NOK 137 million in the quarter.

The mutual funds managed by Storebrand Kapitalforvaltning AS for Storebrand Fondene AS experienced under-performance of minus NOK 8 million in the quarter. SPP Fonder AB experienced under-performance of minus NOK 27 million in the quarter. 40 per cent (81 per cent) of the mutual funds in Storebrand Fondene AS had outperformed their benchmark indices (calculated before management fees) at the end of 1Q. Correspondingly, 41 per cent (43 per cent) of the mutual funds in SPP Fonder AB had outperformed their benchmark indices at the end of 1Q.

Market

Net new sales in Asset Management (external discretionary assets and mutual funds) amounted to NOK 2.6 billion (minus NOK 0.5 billion) in the quarter. Net subscriptions in equity funds amounted to NOK 0.5 billion, and in bond funds they amounted to NOK 2.1 billion. NOK 2.7 billion of the sales volume came from the Norwegian business and minus NOK 0.1 billion from the Swedish business. The weak performance in Sweden was due to a high level of redemption in equity funds.

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

Banking

- **Increased net interest income and other income**
- **Good cost control**
- **Low loan losses**

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⁾

NOK million	1Q		Full year
	2011	2010	2010
Net interest income	116	106	457
Net commission income	20	18	74
Other operating income	35	20	101
Total income	171	144	632
Operating costs	-117	-114	-445
Result before loan losses	53	29	186
Loan loss provisions/investment properties	-4	-1	-29
Result before amortisation	49	28	158
Amortisation intangible assets	-4	-5	-28
Pre-tax profit/loss	45	23	129

The bank group's result before amortisation amounted to NOK 49 million (NOK 28 million) for 1Q. The result improvement was primarily due to higher net interest income, higher other income and a low level of losses.

Net interest income amounted to NOK 115 million (NOK 106 million) for 1Q. The bank group's performance was characterised by improved deposit margins and reduced borrowing costs compared with the same period last year. Net interest income as a percentage of average total assets amounted to 1.21 per cent (1.02 per cent) for 1Q. Net fee and commission income was on a par with the same period in 2010 and amounted to NOK 20 million (NOK 18 million) for 1Q.

Other income amounted to NOK 35 million (NOK 20 million) for 1Q. The bank sold a block of shares in a property development company, making accounting profit of almost NOK 8 million. The bank group's²⁾ operating costs amounted to NOK 95 million (NOK 85 million) in 1Q, primarily due to an increase in marketing campaigns. The bank group's cost ratio is falling and amounted to 64 per cent (73 per cent) for 1Q.

Lending write-downs worth a net NOK 4 million (NOK 1 million) were recognised as costs in the quarter. This includes a write-down on an investment property linked to a taken over commitment in the corporate market.

Balance sheet

Portfolio performance and credit risk

Gross lending to customers remained almost unchanged and amounted to NOK 34 billion at the end of 1Q. The retail market portfolio was reduced by NOK 0.6 billion to NOK 22 billion, while

the corporate portfolio grew by NOK 0.3 billion. The decrease in the retail market portfolio slowed in the quarter compared with the full-year 2010 in which it shrank by a total of NOK 2.5 billion. The movement in the direction of the corporate market is providing slightly higher margins. Corporate market lending accounts for 36 per cent of the portfolio. The quality of the corporate market portfolio improved in 1Q.

The volume of non-performing and loss-exposed commitments in the bank group amounted to NOK 423 million at the end of 1Q. This is equivalent to 1.2 per cent of gross lending, compared to 2.0 per cent at year-end 2010. The decrease in 1Q was primarily due to the conclusion of a commitment linked to a compulsory liquidation in January 2011, and a review of commitments subject to long-term monitoring.

Liquidity risk and funding

The volume of deposits amounted to NOK 19 billion at the end of the quarter. The deposit-to-loan ratio was 54 per cent. This is almost unchanged compared with year-end 2010. The bank has a robust funding profile and good access to funding.

Capital adequacy

The bank group's capital adequacy was 12.5 per cent at the end of the quarter. Its core (tier 1) capital ratio was 10.3 per cent.

Market

The competition for well-secured mortgages remained tough throughout the quarter. The bank's lending rates and deposit rates have largely remained unchanged. This is also reflected by the stable money market rates during the quarter. 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.

Other

Borgarting Court of Appeal's judgement in April 2011 rejected an appeal in the case in which two customers had invested in one of the bank's products in 2006. The customers' claims for compensation were rejected, while the bank's claim against the customers for payment of the outstanding loan succeeded.

In January 2011, it was decided to wind-up Storebrand Eiendomskreditt AS because Norges Bank's swap scheme was ending. Storebrand Bank ASA acquired the subsidiary's lending portfolio as part of this process. The transaction has had no result effects in the consolidated financial statements. On 12 April 2011, Storebrand Eiendomskreditt AS received approval from Finans-tilsynet to wind-up its activities as a mortgage company and return its licence.

¹⁾ Encompasses Storebrand Bank Group.

²⁾ Bank activities consist of Storebrand Bank ASA, Storebrand Boligkreditt AS and Storebrand Eiendomskreditt AS.

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, 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, group life and workers compensation solutions in the Norwegian corporate market, and treatment insurance in the Norwegian and Swedish corporate and retail markets through cost-effective distribution and customer-friendly online solutions.

Financial performance – Storebrand Insurance

NOK million	1Q		Full year
	2011	2010	2010
Premiums earned, net	424	386	1,651
Claims incurred, net	-335	-341	-1,278
Operating costs	-80	-86	-331
Insurance result	10	-41	42
Net financial result	24	27	113
Result before amortisation	33	-15	155
Amortisation intangible assets	-2	-2	-9
Pre-tax profit/loss	31	-17	146

Storebrand Insurance achieved a positive result before amortisation amounting to NOK 33 million (minus NOK 15 million) for the quarter. Premium income for own account was up 10 per cent in the quarter compared with the same period last year, which is in line with general market growth.

Key figures - Storebrand Insurance

In %	1Q		Full year
	2011	2010	2010
Claims ratio ¹⁾	79%	88%	77%
Cost ratio ¹⁾	19%	23%	21%
Combined ratio ¹⁾	98%	111%	98%

Storebrand Insurance achieved a satisfactory risk result for the quarter with a claims ratio for own account of 79 per cent (88 per cent). The improvement in the claims ratio in the quarter was primarily due to fewer seasonal winter claims compared with last year, and fewer large claims than expected. The claims ratios in other product areas have developed as expected.

The costs ratio amounted to 19 per cent (23 per cent) for the quarter. The cost base will be further streamlined through the automation of work process and further digitalisation of distribution solutions 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 2,013 million at the end of the quarter. Price competition in the insurance market is generally high.

The health insurance market is still growing strongly, while growth in other product areas is more limited. Storebrand Insurance is a major market player in health, personal risk and group life and workers compensation in, respectively, the retail and corporate market. Storebrand 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 Storebrand Insurance provides a stable, high level of service and has satisfied customers.

¹⁾ for own account

OTHER ACTIVITIES

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

Result

Financial performance – Storebrand ASA

NOK million	1Q		Full year
	2011	2010	2010
Storebrand ASA			
Interest income	11	9	45
Interest expenses	-32	-30	-131
Gains/losses securities	-4	1	-7
Other financial items	-1	-3	-433
Net financial items	-26	-24	-526
Operating costs	-40	-36	-131
Pre-tax profit/loss Storebrand ASA ¹⁾	-65	-59	-656
Eliminations	0	0	425
Pre-tax profit/loss other activities	-66	-59	-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.

Storebrand ASA (the holding company) achieved a result before group contributions of minus NOK 65 million (minus NOK 59 million) for 1Q. Operating costs amounted to minus NOK 40 million (minus NOK 36 million) in 1Q.

Balance sheet

Storebrand ASA held liquid assets of NOK 1.5 billion at the end of the quarter, an increase of NOK 153 million during the quarter. The increase was due to group contributions from subsidiaries. The remaining group contributions were made in April, which has further strengthened liquidity by NOK 0.9 billion. Liquid assets consist primarily of short-term interest-bearing securities with good credit ratings.

Total interest-bearing liabilities in Storebrand ASA amounted to NOK 2.9 billion at the end of the quarter. The first bond debt falls due in September 2011. Since the end of the quarter, Storebrand ASA has issued a new bond issue worth NOK 1 billion to refinance loans maturing in September. Bond units worth a total of NOK 94 million in STB04 and NOK 123.5 million in STB05 were bought back in connection with the issue.

Storebrand ASA owned 0.84 per cent (3,796,588) of the company's own shares at the end of the quarter.

¹⁾ Pre-tax profit/loss excluding group contribution

OUTLOOK

The economy in both Norway and Sweden performed well during 2010, and continue to enjoy good growth at the start of 2011. The underlying trends in the financial markets have been positive in the first part of 2011. Increased economic activity has resulted in hikes in both short-term and long-term interest rates in Norway and Sweden so far in 2011. The healthy state of the economies and the development in financial markets thus far in 2011 provide a basis for continued positive growth in Storebrand's core markets.

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

The life insurance industry in Norway is facing comprehensive regulatory changes. The rules for occupational pension schemes are about to be adapted to the pension reform in Norway and the European Solvency II regulations are going to be introduced in both Norway and Sweden. The first phase of the adaptation of the occupational pension schemes to the pension reform came into effect from 1 January 2011. It involved the introduction of flexible withdrawal in line with the same principles applied in the National Insurance Scheme. In the next phase, there will be changes to the product rules themselves. The Banking Law Commission is currently examining legislative amendments on behalf of the Ministry of Finance. Proposals will probably be presented during 2011.

On 10 March 2011, Finanstilsynet submitted proposed changes to the business rules for life insurance to the Ministry of Finance. The proposals were submitted because of the need to adapt Norwegian business rules to Solvency II. They include the introduction of a new flexible buffer fund, which can also cover negative returns, and allowing the voluntary conversion of paid-up policies to policies with investment choice (without guarantees). Storebrand views this process positively and is maintaining an active dialogue with the authorities with the aim of establishing general conditions that preserve the effective long-term management of customers' assets.

The new group management model was introduced on 1 March 2011. The new model is intended to ensure strength and pace in the implementation of strategic choices made in 2010. As part of the retail customer efforts, all customer activities will be gathered in the life insurance companies. Furthermore, centers of excellence linked to balance sheet management, web design and unit linked insurance will be gathered across Norway and Sweden. The changes are intended to ensure more efficient resource utilisation and result in improved customer service which will strengthen Storebrand's position in the market.

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

Storebrand has implemented a number of productivity measures in recent years aimed at reducing the relative cost level in both the Norwegian and Swedish businesses. A new operational target, result before profit sharing and lending losses, was introduced on Capital Markets Day 9 March 2011. The target consists of relatively stable income components that, to a large extent, the company can influence itself. The result before profit sharing and loan losses will be increased by around NOK 1 billion to NOK 2.5 billion by the end of 2013. In addition there is expected net contributions from profit sharing and loan losses. The most important levers to achieve the NOK 1 billion operational target will be cost reducing measures, growth in customer assets, the movement towards fixed result components, and revenue increasing measures.

Lysaker, 10 May 2011

Storebrand Group

PROFIT AND LOSS ACCOUNT

NOK million	1Q		Full year
	2011	2010	2010
Net premium income	9,586	11,603	28,661
Net interest income - banking activities	115	106	457
<i>Net income from financial assets and property for the company:</i>			
- equities and other units at fair value		11	64
- bonds and other fixed-income securities at fair value	153	57	265
- financial derivatives at fair value	22	52	221
- net income from bonds at amortised cost	1	2	15
- net income from properties	15	7	52
- result from investments in associated companies	2	1	2
<i>Net income from financial assets and real estate for the customers:</i>			
- equities and other units at fair value	-1,041	3,402	9,031
- bonds and other fixed-income securities at fair value	105	1,862	3,197
- financial derivatives at fair value	2,406	754	2,494
- to (from) market value adjustment reserve	-257	-1,271	-1,940
- net income from bonds at amortised cost	484	479	2,069
- net interest income lending	29	28	114
- net income from properties	467	299	1,389
- result from investments in associated companies	17	2	58
Other income incl. fixed income and currency bank company	535	413	1,995
Other income incl. fixed income and currency bank customers	60	-75	96
Total income	12,699	17,732	48,241
Insurance claims for own account	-8,484	-5,718	-21,956
Change in insurance liabilities excl. guaranteed return	157	-8,433	-10,283
To/from additional statutory reserves - life insurance	89	20	-766
Guaranteed return and allocation to insurance customers	-2,842	-2,267	-9,284
Losses from lending/reversal of previous losses	3	6	-15
Operating costs	-871	-834	-3,388
Other costs incl. currency bank	-65	-82	-294
Interest expenses	-171	-151	-648
Total costs before amortisation and write-downs	-12,185	-17,458	-46,634
Profit before amortisation and write-downs	514	274	1,608
Amortisation and write-down of intangible assets	-100	-93	-390
Group pre-tax profit	414	181	1,217
Tax cost	-22	-1	300
Result after tax sold/wound up business		4	-37
Profit/loss for the year	392	184	1,480
Profit/loss for the year due to:			
Majority's share of profit	390	184	1,471
Minority's share of profit	2		9
Total	392	184	1,480
Earnings per ordinary share (NOK)	0.87	0.41	3.30
Average number of shares as basis for calculation (million)	446	446	446
There is no dilution of the shares			

Storebrand Group

STATEMENT OF TOTAL COMPREHENSIVE INCOME

NOK million	1Q		Full year
	2011	2010	2010
Profit/loss for the year	392	184	1,480
Other result elements			
Change in pension experience adjustments, net of tax	-10	7	-327
Translation differences, after tax	20	11	59
Adjustment of value of properties for own use, net of tax	12	39	-57
Gains/losses available-for-sale bonds	-205	53	-52
Total comprehensive income elements allocated to customers	193	-64	110
Total other result elements	10	47	-268
Total comprehensive income	402	231	1,212
Total comprehensive income due to:			
Majority's share of total comprehensive income	398	231	1,207
Minority's share of total comprehensive income	4		5
Total	402	231	1,212

Storebrand Group

STATEMENT OF FINANCIAL POSITION

NOK million	31.03.11	31.12.10
Assets company portfolio		
Deferred tax assets	118	132
Intangible assets	6,838	6,840
Pension assets	30	30
Tangible fixed assets	164	193
Investments in associated companies	127	148
Claims from associated companies	38	39
<i>Financial assets at amortised cost:</i>		
- Bonds	1,027	299
- Bonds held to maturity	32	
- Lending to financial institutions	395	701
- Lending to customers	34,047	34,209
Reinsurers' share of technical reserves	217	185
Real estate at fair value	1,244	1,231
Properties for own use	357	352
Other assets	639	589
Accounts receivable and other short-term receivables	1,720	1,900
<i>Financial assets at fair value:</i>		
- Equities and other units	338	351
- Bonds and other fixed-income securities	18,833	19,013
- Derivatives	1,070	1,285
Bank deposits	3,207	2,472
Assets sold/wound up business		73
Total assets company	70,442	70,041
Assets customer portfolio		
Investments in associated companies	64	60
Claims from associated companies	303	227
<i>Financial assets at amortised cost:</i>		
- Bonds	50,397	47,895
- Bonds held to maturity	5,166	
- Lending to customers	3,120	3,219
Real estate at fair value	26,283	25,871
Properties for own use	1,323	1,316
Accounts receivable and other short-term receivables	5,655	1,964
<i>Financial assets at fair value:</i>		
- Equities and other units	94,529	92,492
- Bonds and other fixed-income securities	131,759	137,732
- Derivatives	2,553	3,679
Bank deposits	5,033	5,918
Total assets customers	326,184	320,372
Total assets	396,626	390,414

Continues on next page

Storebrand Group

STATEMENT OF FINANCIAL POSITION CONTINUE

NOK million	31.03.11	31.12.10
Equity and liabilities		
Paid in capital	11,716	11,715
Retained earnings	6,930	6,530
Minority interests	186	172
Total equity	18,832	18,417
Subordinated loan capital	7,649	7,606
Market value adjustment reserve	2,228	1,971
Insurance reserves - life insurance	316,626	313,377
Insurance reserves - P&C insurance	1,079	936
Pension liabilities	1,476	1,456
Deferred tax	167	169
Financial liabilities:		
- Liabilities to financial institutions	7,639	8,053
- Deposits from banking customers	18,567	18,799
- Securities issued	11,412	11,623
- Derivatives company portfolio	249	401
- Derivatives customer portfolio	548	851
Other current liabilities	10,157	6,718
Liabilities sold/wound up business		37
Total liabilities	377,794	371,997
Total equity and liabilities	396,626	390,414

Storebrand Group

RECONCILIATION OF GROUP'S EQUITY

NOK million	Majority's share of equity									
	Paid in capital				Retained earning					
	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
Equity at 31 December 2009	2,250	-20	9,485	11,714	-473	37	5,765	5,329	174	17,217
Profit for the period							1,471	1,471	9	1,480
Change in pension experience adjustments					-328			-328		-328
Translation differences						64		64	-4	59
Total other result elements					-328	64		-264	-4	-268
Total comprehensive income for the period					-328	64	1,471	1,207	5	1,212
Equity transactions with owners:										
Own shares		1		1			14	14		15
Share issue									5	5
Purchase of minority interests							9	9	-11	-2
Other							-29	-29		-29
Equity at 31 December 2010	2,250	-19	9,485	11,715	-801	101	7,230	6,530	172	18,417
Profit for the period							390	390	2	392
Change in pension experience adjustments					-10			-10		-10
Translation differences						18		18	2	20
Total other result elements					-10	18		8	2	10
Total comprehensive income for the period					-10	18	390	398	4	402
Equity transactions with owners:										
Own shares		2		2			17	17		19
Purchase of minority interests							-3	-3		-3
Other							-13	-13	10	-3
Equity at 31 March 2011	2,250	-18	9,485	11,716	-811	119	7,622	6,930	186	18,832

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

²⁾ Includes undistributable funds in the risk equalisation fund amounting to NOK 356 million and security reserves amounting NOK 216 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 20.

Storebrand Group

CASH FLOW STATEMENT

NOK million	1Q	
	2011	2010
Cash flow from operational activities		
Net receipts - insurance	6,085	5,961
Net payments compensation and insurance benefits	-4,340	-1,357
Net receipts/payments - transfers	-2,572	1,528
Receipts - interest, commission and fees from customers	272	364
Payments - interest, commission and fees to customers	-119	-116
Payment of income tax	-3	
Payments relating to operations	-697	-714
Net receipts/payments - other operational activities	284	1,311
Net cash flow from operations before financial assets and banking customers	-1,088	6,978
Net receipts/payments - lending to customers	412	554
Net receipts/payments - deposits bank customers	-149	751
Net receipts/payments - mutual funds	1,280	-6,203
Net receipts/payments - real estate investments	-141	33
Net change in bank deposits insurance customers	885	-368
Net cash flow from financial assets and banking customers	2,287	-5,233
Net cash flow from operational activities	1,199	1,745
Cash flow from investment activities		
Net payments - sale/capitalisation of group companies	-22	27
Net receipts/payments - sale/purchase of property and fixed assets	-3	-30
Net cash flow from investment activities	-25	-3
Cash flow from financing activities		
Payments - repayments of loans	-890	-1,450
Receipts - new loans	699	600
Payments - interest on loans	-92	-144
Payments - repayment of subordinated loan capital		-47
Payments - interest on subordinated loan capital	-61	-8
Net receipts/payments - lending to and claims from other financial institutions	-415	-860
Receipts - issuing of share capital	15	2
Net cash flow from financing activities	-745	-1,907
Net cash flow for the period	429	-165
- of which net cash flow in the period before financial assets and banking customers	-1,858	5,068
Net movement in cash and cash equivalents	429	-165
Cash and cash equivalents at start of the period for new companies	1	
Cash and cash equivalents at start of the period	3,171	3,613
Cash and cash equivalents at the end of the period ¹⁾	3,602	3,448
¹⁾ Consist of:		
Lending to financial institutions	395	358
Bank deposits	3,207	3,090
Total	3,602	3,448

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 close of 1Q.

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. 298,979 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 13 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).

Interest rates rose in Norway and Sweden during 1Q. This is positive with respect to risk. 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 positive returns in 1Q, meaning the effect on the risk was small in relation to the situation at the start of the year. The earthquake catastrophe in Japan in March resulted in a temporary fall in the markets, but they recovered quickly.

Notes to the interim accounts Storebrand Group

NOTE 7: SEGMENTS - RESULT BY BUSINESS AREA

NOK million	1Q		Full Year
	2011	2010	2010
Storebrand Life Insurance	139	153	730
SPP	281	113	464
Asset management	77	54	333
Storebrand Bank	49	28	158
Insurance	33	-15	155
Other activities	-66	-59	-231
Group result	514	274	1,608
Write-down and amortisation of intangible assets	-100	-93	-390
Group pre-tax profit	414	181	1,217

Segment information as of 31 march

NOK million	Storebrand Life Insurance ¹⁾		SPP ¹⁾		Asset management		Banking	
	2011	2010	2011	2010	2011	2010	2011	2010
Revenue from external customers	9,928	11,332	1,714	5,467	152	108	163	135
Revenue from other group companies ²⁾	8	48			51	50	1	2
Group result before amortisation and write-downs of intangible assets	139	153	281	113	77	54	49	28
Amortisation and write-downs			-91	-84	-2	-1	-4	-5
Group pre-tax profit	139	153	190	29	74	53	45	23
Assets	207,148	199,971	144,375	134,198	928	837	38,842	42,374
Liabilities	196,689	189,457	138,791	129,195	677	586	36,565	40,082

NOK million	Insurance		Other		Eliminations		Storebrand Group	
	2011	2010	2011	2010	2011	2010	2011	2010
Revenue from external customers	779	721	8	9	-44	-40	12,699	17,732
Revenue from other group companies ²⁾			1,158	800	-1,218	-899		
Group result before amortisation and write-downs of intangible assets	33	-15	1,092	741	-1,157	-800	514	274
Amortisation and write-downs	-2	-2					-100	-93
Group pre-tax profit	31	-17	1,092	741	-1,157	-800	414	181
Assets	3,399	3,812	19,218	18,343	-17,285	-16,318	396,626	383,217
Liabilities	3,103	3,554	3,120	3,482	-1,151	-599	377,794	365,757

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. Asset management includes the income in Storebrand Fondene AS and Storebrand Kapitalforvaltning AS, while the group result before amortisation also includes the proportion of the results from Storebrand Eiendom AS, Storebrand Realinvesteringer AS and SPP Fonder AB. 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 Livsforsikring, SPP, asset management, bank 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, 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 Insurance offers standard insurance products in the Norwegian retail market, and some corporate insurance in the SMB market. Storebrand Health Insurance 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 8: KEY FIGURES BY BUSINESS AREA - CUMULATIVE FIGURES

NOK million	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009
Group								
Earnings per ordinary share	0.87	3.30	1.16	-0.16	0.41	2.08	0.88	-0.94
Equity	18,832	18,417	17,755	17,154	17,460	17,217	16,514	15,722
Capital adequacy	12.8%	13.1%	13.0%	13.0%	13.4%	13.9%	14.1%	13.8%
Storebrand Life Insurance								
Premium income after reinsurance	5,525	14,415	11,847	8,866	5,871	15,033	11,897	8,880
Net inflow of premium reserves	-2,390	1,857	1,543	1,962	1,653	82	527	1,102
Policyholders' fund incl. accrued profit	191,599	189,223	185,827	182,060	182,128	174,171	171,498	168,276
- of which products with guaranteed return	164,971	163,455	162,470	160,297	160,214	153,603	154,572	153,389
Market return customer funds with guarantee	1.5%	6.1%	4.1%	1.6%	1.8%	4.7%	3.1%	1.5%
Booked investment yield customer funds with guarantee	1.3%	4.9%	3.2%	1.6%	1.1%	4.7%	3.1%	1.5%
Investment yield company portfolio	1.4%	5.8%	4.1%	2.2%	1.0%	5.2%	3.5%	2.2%
Solvency capital ¹⁾	43,375	42,710	40,413	36,102	38,510	35,321	33,554	31,040
Capital adequacy (Storebrand Life Insurance Group)	13.3%	13.6%	13.8%	14.9%	14.3%	14.9%	15.9%	15.8%
Solvency margin (Storebrand Life Insurance Group)	161%	164%	158%	159%	167%	170%	161%	154%
SPP								
Premium income after reinsurance	1,677	7,177	5,658	4,136	1,903	7,397	5,841	4,164
Net inflow of premium reserves	-176	-829	-485	-224	-115	-645	-559	-406
Policyholders' fund incl. accrued profit (excl. conditional bonus)	113,083	113,029	115,347	109,387	106,803	108,778	108,815	103,882
- of which products with guaranteed return	79,372	79,569	83,780	80,175	76,462	77,415	78,674	73,013
Return Defined Benefit	0.8%	6.0%	7.1%	3.3%	3.3%	4.1%	2.6%	-1.4%
Return Defined Contribution	0.5%	5.1%	6.2%	3.2%	2.9%	5.0%	3.3%	-1.1%
Conditional bonus	12,247	11,503	10,009	8,456	9,304	8,689	8,234	6,869
Deferred capital contribution	2,139	2,233	2,569	2,671	2,816	2,286	2,181	2,604
Solvency margin (SPP Life Insurance Group)	194%	199%	164%	160%	183%	194%	200%	207%
Asset management								
Total funds under management	408,376	406,922	396,326	383,590	378,446	351,160	351,588	335,731
Funds under management for external clients	72,834	71,657	64,980	61,891	55,756	56,004	80,483	70,799
Costs/AuM bp ²⁾	11.9	10.4	11.3	11.6	11.4	12.2	9.6	9.1
Bank								
Net interest income as a percentage of average total assets	1.21%	1.10%	1.09%	1.08%	1.02%	0.95%	0.94%	0.93%
Costs/income % (banking) ³⁾	64%	68%	67%	70%	73%	71%	75%	74%
Deposits from and due customers as % of gross lending	54%	55%	54%	55%	53%	51%	51%	53%
Gross defaulted and loss-exposed loans as % of gross lending	1.2%	2.0%	1.6%	1.6%	2.3%	2.5%	1.4%	1.5%
Gross lending	34,229	34,460	34,282	35,005	35,696	36,123	37,222	37,751
Core (tier 1) capital ratio	10.3%	10.6%	10.9%	10.4%	10.3%	10.4%	9.1%	8.8%
Insurance								
Claims ratio	78.8%	77.4%	78.0%	80.9%	88.4%	73.4%	70.4%	72.6%
Cost ratio	19.2%	20.6%	20.6%	22.3%	22.7%	26.6%	26.3%	26.5%
Combined Ratio	98.0%	98.0%	98.6%	103.2%	111.0%	100.1%	96.8%	99.1%

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

²⁾ The key figures are 12 month rolling figures. AuM = Assets under Management (total assets under management). bp = basis points. Costs encompass Storebrand Fondene AS and Storebrand Kapitalforvaltning AS after eliminations. The income also includes the proportion of the results from Storebrand Eiendom AS and SPP Fonder AB.

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

Notes to the interim accounts Storebrand Group

NOTE 9: PROFIT AND LOSS BY QUARTER

NOK million	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
	2011	2010	2010	2010	2010	2009	2009	2009
Total income	12,699	11,043	12,287	7,179	17,732	11,872	14,581	13,018
Total costs	-12,185	-10,379	-11,578	-7,218	-17,458	-11,275	-13,673	-12,513
group pre-tax profit	414	562	609	-135	181	482	803	400
Profit for the period before other comprehensive income	392	960	589	-254	184	533	812	415
Profit by business area								
Storebrand Life Insurance	139	261	256	59	153	187	350	253
SPP	281	214	304	-168	113	307	484	216
Asset management	77	168	69	42	54	138	37	33
Banking	49	34	60	35	28	24	23	6
Insurance	33	49	74	47	-15	-10	59	23
Other activities	-66	-63	-55	-54	-59	-64	-49	-40
Profit before amortisation and write-downs	514	664	709	-39	274	583	905	492
Amortisation and write-downs of intangible assets	-100	-102	-99	-96	-93	-101	-102	-92
Group pre-tax profit	414	562	609	-135	181	482	803	400

NOTE 10: NET INTEREST INCOME - BANKING ACTIVITIES

NOK million	1Q		Full Year
	2011	2010	2010
Total interest income	373	370	1,522
Total interest expenses	-258	-264	-1,065
Net interest income	115	106	457

NOTE 11: NET INCOME ANALYSED BY CLASS OF FINANCIAL INSTRUMENTS

NOK million	Divident/interest income	Net gain/losses on disposals	Net unrealised gains/losses	1Q		Full year
				2011	2010	2010
Net income from equities and units	203	-977	-266	-1,040	3,414	9,095
Net income from bonds, bond funds and other fixed-income securities	1,091	-939	105	258	1,919	3,461
Net income from financial derivatives	50	2,550	-172	2,427	806	2,715
Net income and gains from financial instruments at fair value	1,344	634	-333	1,644	6,138	15,271
Net income from bonds at amortised cost	584	-99		485	481	2,084

Notes to the interim accounts Storebrand Group

NOTE 12: OPERATING COSTS

NOK million	1Q		Full Year
	2011	2010	2010
Personnel costs	-524	-465	-1,927
Amortisation	-27	-25	-109
Other operating costs	-320	-344	-1,351
Total operating costs	-871	-834	-3,388

NOTE 13: 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 31.03.11
Equities and units	
- Equities	3,199
- Fund units	1,820
- Private equity fund investments	4,870
- Hedge fund	37
- Indirect real estate fund	2,072
Total equities and units	11,998
Bonds and other fixed-income securities	
- State and state guaranteed bonds	1,115
- Financial and corporate bonds	979
Total bonds and other fixed-income securities	2,093

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

NOK million	Financial and						
	Equities	Fund units	Private equity fund	Hedge fund	Indirect real estate fund	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	-79	-77	179	-2	120	-19	52
Supply/disposal	141	55	61	39	11	88	
Sales/due settlements	-59		-35		-173	-1	-187
Translation differences	17	10	4			5	
Other	13						
Balance 31.03.2011	3,199	1,820	4,870	37	2,072	1,115	979

Notes to the interim accounts Storebrand Group

NOTE 14: LIQUIDITY RISK

Specification of subordinated loan capital

NOK million	Nominal value	Currency	Interest rate	Call date	Carrying amount 31.03.11
Issuer					
Hybrid tier 1 capital					
Storebrand Bank ASA	107	NOK	Fixed	2014	111
Storebrand Bank ASA	168	NOK	Variable	2014	169
Storebrand Livsforsikring AS	1,500	NOK	Variable	2018	1,500
Perpetual subordinated loan capital					
Storebrand Livsforsikring AS	300	EUR	Fixed	2013	2,581
Storebrand Livsforsikring AS	1,700	NOK	Variable	2014	1,703
Storebrand Livsforsikring AS	1,000	NOK	Fixed	2015	1,084
Dated subordinated loan capital					
Storebrand Bank ASA	100	NOK	Variable	2011	100
Storebrand Bank ASA	250	NOK	Variable	2012	251
Storebrand Bank ASA	150	NOK	Variable	2012	150
Total subordinated loans and hybrid tier 1 capital					7,649
Total subordinated loans and hybrid tier 1 capital 31.12.10					7,606

Specification of liabilities to financial institutions

NOK million	Carrying amount	
	31.03.11	31.12.10
Call date		
2011	2,564	2,949
2012	1,354	1,362
2013	2,743	2,752
2014	978	990
Total liabilities to financial institutions	7,639	8,053

Specification of securities issued

NOK million	Carrying amount	
	31.03.11	31.12.10
Call date		
2011	1,317	1,813
2012	1,785	2,087
2013	1,520	1,327
2014	3,452	3,053
2015	1,447	1,442
2016	864	865
2019	1,028	1,037
Total securities issued	11,412	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 15: LEADING

NOK million	31.03.11	31.12.10
Corporate market	15,427	15,187
Retail market	21,929	22,499
Gross lending	37,356	37,686
Write-down of lending losses	-188	-257
Net lending	37,168	37,428

Non-performing and loss-exposed loans

NOK million	31.03.11	31.12.10
Non-performing and loss-exposed loans without identified impairment	244	436
Non-performing and loss-exposed loans with identified impairment	179	262
Gross non-performing loans	423	698
Individual write-downs	-124	-174
Net non-performing loans	299	524

NOTE 16: REAL ESTATE

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

NOK million	1Q		Full Year
	2011	2010	2010
Rent income from properties ¹⁾	411	382	1,623
Operating costs (including maintenance and repairs) relating to properties that have provided rent income during the period ²⁾	-93	-74	-337
Result minority defined as liabilities	-31		
Total	287	308	1,286
Realised gains/losses	-2	-2	1
Change in fair value	197		154
Total income real estate	482	306	1,441
¹⁾ Of which properties for own use	18	17	67
²⁾ Of which properties for own use	-1	-3	-12
Distribution by company and customers:			
Company	15	7	52
Customer	467	299	1,389
Total income from investment properties	482	306	1,441

Notes to the interim accounts Storebrand Group

Change in value real estate investments

NOK million	1Q		Full Year
	2011	2010	2010
Wholly owned real estate investments - investment properties	204	7	154
Property equities and units in Norway and Sweden ¹⁾	11	23	96
Property units abroad ¹⁾	114	19	87
Total changes in value investment properties	329	49	336
Properties for own use			-104
Total changes in value in real estate	329	49	233
Realised gains/losses sold real estate	-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	31.03.11	31.12.10
Carrying amount 01.01	27,059	24,160
Supply due to purchases	338	2,503
Supply due to additions	254	476
Disposals	-375	-152
Net write-ups/write-downs	204	51
Exchange rate changes	11	21
Carrying amount	27,491	27,059

¹⁾ Consists of investment properties in Storebrand Life Insurance Group

Property type

NOK million	31.03.11		Duration of lease (years)	31.03.11	
	31.03.11	31.12.10		m2	Leased amount in % ¹⁾
<i>Office buildings (including parking and storage):</i>					
Oslo-Vika/Filipstad Brygge	5,150	4,930	5.7	110,610	92.1
Rest of Greater Oslo	6,324	6,180	5.8	191,700	94.1
Rest of Norway	3,876	3,856	7.0	509,790	93.0
Shopping centres (including parking and storage)	10,689	10,656	2.6	467,095	91.6
Multi-storey car parks	696	696	5.5	44,085	100.0
Shopping centres Sweden	396	387	0.5	16,000	3.0
Cultural/conference centres and offices in Sweden	361	354	18.8	18,500	86.0
Taken over properties ²⁾	37	43			
Total investment properties	27,527	27,102		1,357,780	
Properties for own use	1,679	1,668	9.1	50,000	91.0
Total properties	29,206	28,770		1,407,780	

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	31.03.11	31.12.10
Oslo - Vika/Fillipstad Brygge	5,845	5,625
Rest of Greater Oslo	7,746	7,603
Rest of Norway	14,565	14,512
Sweden	757	742
Other	294	289
Total properties	29,206	28,770

A further NOK 387 million was agreed for property purchases in Q1 2011, but the assumption of the risk and final conclusion of contracts will occur in later quarters in 2011.

NOK 365 million in Storebrand and SEK 519 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:

As per 31 March 2011, valuations had been obtained for approximately 15 per cent of Storebrand's property portfolio in Norway. As per 31 December 2010, valuations had been obtained for approximately 37 per cent of the 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):

Segment	Required rate of return		Volume	
	31.03.11	31.12.10	31.03.11	31.12.10
<i>Office buildings (including parking and storage):</i>				
Oslo-Vika/Filipstad Brygge	7.50 - 8.50	7.50 - 8.50	5,845	5,625
Rest of Greater Oslo	8.25 - 10.00	8.25 - 10.00	7,709	7,559
Rest of Norway	8.75 - 9.75	8.75 - 9.75	3,876	3,856
Shopping centre portfolio	8.00 - 9.25	8.00 - 9.25	10,689	10,656
Culture and conference Sweden	7.00 - 9.00	7.00 - 9.00	757	742
Other			294	289

NOTE 17: DEPOSITS FROM BANKING CUSTOMERS

NOK million	31.03.11	31.12.10
Corporate market	7,485	7,448
Retail market	11,082	11,351
Total	18,567	18,799

NOTE 18: CONTINGENT LIABILITIES

NOK million	31.03.11	31.12.10
Guarantees	334	302
Unused credit limit lending	5,565	5,844
Uncalled residual liabilities re limited partnership	4,860	5,635
Other liabilities/lending commitments	422	817
Total contingent liabilities	11,180	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 19: 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 20: 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 II.

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	31.03.11	31.12.10
Share capital	2,250	2,250
Other equity	16,582	16,168
Equity	18,832	18,417
Hybrid tier 1 capital	1,775	1,779
Conditional bonus	3,378	3,359
Goodwill and other intangible assets	-6,916	-6,918
Deferred tax assets	-98	-111
Risk equalisation fund	-356	-287
Deductions for investments in other financial institutions	-40	-44
Security reserves	-142	-132
Minimum requirement reinsurance allocation	-8	-7
Capital adequacy reserve	-432	-399
Dividend not allocated in financial statements	-491	-491
Other	-258	118
Core (tier 1) capital	15,246	15,285
Perpetual subordinated capital	5,055	5,039
Ordinary primary capital	500	500
Deductions for investments in other financial institutions	-40	-44
Capital adequacy reserve	-432	-399
Tier 2 capital	5,083	5,097
Net primary capital	20,329	20,382

Notes to the interim accounts Storebrand Group

Minimum requirements primary capital in capital adequacy

NOK million	31.03.11	31.12.10
Credit risk		
Of which by business area:		
Capital requirements insurance	10,860	10,672
Capital requirements banking	1,692	1,628
Capital requirements securities undertakings	11	14
Capital requirements other	46	60
Total minimum requirements credit risk	12,608	12,373
Operational risk/settlement risk	132	132
Deductions	-81	-78
Minimum requirements primary capital	12,659	12,427
Capital adequacy ratio	12.8 %	13.1 %
Core (tier 1) capital ratio	9.6 %	9.8 %

Solvency requirements for cross-sectoral financial groups

NOK million	31.03.11	31.12.10
Requirements re primary capital and solvency capital		
Capital requirements Storebrand Group from capital adequacy statement	12,659	12,427
- capital requirements insurance companies	-10,860	-10,672
Capital requirements pursuant to capital adequacy regulations	1,799	1,755
Requirements re solvency margin capital insurance	11,007	10,905
Total requirements re primary capital and solvency capital	12,806	12,660
Primary capital and solvency capital		
Net primary capital	20,329	20,382
Conditional bonus - not approved as solvency capital	-3,378	-3,359
Other solvency capital	2,953	2,955
Total primary capital and solvency capital	19,903	19,978
Surplus solvency capital	7,098	7,318

Storebrand ASA

PROFIT AND LOSS ACCOUNT

NOK million	1Q		Full year
	2011	2010	2010
Operating income			
Income from investments in subsidiaries			1,158
<i>Net income and gains from financial instruments:</i>			
-equities and other units		8	11
-bonds and other fixed-income securities	27	20	41
-financial derivatives/other financial instruments	-20	-19	-8
Other financial instruments	1		1
Operating income	8	9	1,204
Interest expenses	-32	-30	-131
Other financial expenses	-1	-3	-441
Operating costs			
Personnel costs	-8	-5	-23
Amortisation			-2
Other operating costs	-32	-30	-106
Total operating costs	-40	-36	-131
Total costs	-73	-69	-703
Pre-tax profit	-65	-59	502
Tax cost			
Profit for the period	-65	-59	502

Storebrand ASA

STATEMENT OF FINANCIAL POSITION

NOK million	31.03.11	31.12.10
Fixed assets		
Pension assets	30	30
Tangible fixed assets	43	45
Shares in subsidiaries	16,612	16,609
Total fixed assets	16,684	16,683
Current assets		
Owed within group	951	1,158
Lending to group companies	17	17
Other current receivables	25	22
<i>Investments in trading portfolio:</i>		
- equities and other units	0	0
- bonds and other fixed-income securities	1,297	1,313
- financial derivatives/other financial instruments	24	37
Bank deposits	244	74
Total current assets	2,559	2,621
Total assets	19,243	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	11,716	11,715
Other equity	3,866	3,919
Total equity	15,582	15,634
Non-current liabilities		
Pension liabilities	183	183
Securities issued	2,672	2,898
Total non-current liabilities	2,856	3,081
Current liabilities		
Debt within group	73	54
Provision for dividend	491	491
Other current liabilities	242	44
Total current liabilities	805	589
Total equity and liabilities	19,243	19,304

Storebrand ASA

CASH FLOW STATEMENT

NOK million	01.01 - 31.03	
	2011	2010
Cash flow from operational activities		
Receipts - interest, commission and fees from customers	4	-8
Net receipts/payments - securities at fair value	231	-180
Payments relating to operations	-45	-60
Net receipts/payments - other operational activities	210	645
Net cash flow from operational activities	401	397
Cash flow from investment activities		
Net payments - sale/capitalisation of subsidiaries	-7	-7
Net receipts/payments - sale/purchase of property and fixed assets	1	-2
Net cash flow from investment activities	-6	-9
Cash flow from financing activities		
Payments - repayments of loans	-218	-966
Receipts - new loans		600
Payments - interest on loans	-22	-16
Receipts - issuing of share capital	15	2
Net cash flow from financing activities	-225	-381
Net cash flow for the period	170	8
Net movement in cash and cash equivalents	170	8
Cash and cash equivalents at start of the period	74	48
Cash and cash equivalents at the end of the period	244	55

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	Other equity	Equity	
					31.03.11	31.12.10
Equity as per 1 January	2,250	-19	9,485	3,919	15,634	16,026
Profit for the year				-65	-65	502
Experience pension						-414
Own share bought back ¹⁾		2		17	19	15
Provision for dividend						-491
Employee share is ²⁾				-6	-6	-5
Total equity	2,250	-18	9,485	3,866	15,582	15,634

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

²⁾ In 2011, 298,979 of our own shares were sold to our own employees.

Holding of own shares as per 31 march 2011 was 3,539,953.

NOTE 4: BONDS ISSUED

NOK million	Interest rate	Currency	Net nominal value	31.03.11	31.12.10
Bond loan 2005/2011	Variable	NOK	750	658	752
Bond loan 2009/2012	Variable	NOK	405	282	406
Bond loan 2010/2013 ¹	Fixed	NOK	200	201	210
Bond loan 2010/2013 ¹	Variable	NOK	400	400	400
Bond loan 2009/2014 ¹⁾	Fixed	NOK	550	572	570
Bond loan 2009/2014	Fixed	NOK	550	559	560
Total ²⁾				2,672	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.

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 March 31, 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 three 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 is not prepared, in all material aspects, in accordance with International Accounting Standard No 34 "Interim Financial Reporting".

Oslo, May 10, 2011
Deloitte AS

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



Offices in Norway (incl. agents)

Tromsø, Trondheim, Kristiansund, Bergen, Stavanger, Kristiansand, Bø, Porsgrunn, Sandefjord, Tønsberg, Drammen, Asker, Sandvika, Oslo, Hønefoss, Hamar, Lillehammer, Jessheim, Sarpsborg, Fredrikstad, Molde, Ålesund, Lysaker, Ski.

Offices in Sweden

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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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