Interim report

Storebrand Group
(unaudited)

4th quarter 2013

storebrand

Interim report - 4Q 2013:
Storebrand Group

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Storebrand Group

- **Group profit of NOK 1,054 million in the 4th quarter and NOK 2,935 million for 2013**
- **Earnings growth of 11.5 per cent and reduced costs**
- **Board of Directors recommends that no dividend be paid for 2013**
- **Changes in pension and distribution give positive result effect of NOK 275 million[1)]**

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

Group result[2)]

	2013				2012	Full year	
NOK million	4Q	3Q	2Q	1Q	4Q	2013	2012
Fee and administration income	1,141	1,093	1,077	1,045	974	4,355	3,907
Risk result life & pensions	50	143	42	63	95	298	335
Insurance premiums f.o.a.	754	731	665	717	671	2,868	2,510
Claims f.o.a.	-577	-517	-448	-556	-544	-2,098	-1,774
Operational cost	-503	-809	-843	-828	-939	-2,983	-3,647
Financial result	10	83	-30	16	53	79	177
Result before profit sharing and loan losses	**874**	**724**	**463**	**457**	**309**	**2,519**	**1,508**
Net profit sharing and loan losses	180	86	55	95	180	416	451
Result before amortisation and write-downs	**1,054**	**810**	**518**	**552**	**489**	**2,935**	**1,960**
Amortisation and write-downs of intangible assets	-417	-113	-106	-105	-101	-741	-401
Result before tax	637	697	412	447	388	2,194	1,559
Tax	-237	-13	124	-89	-320	-214	-550
Sold/liquidated business	-2	0	-2	-1	1	-4	3
Profit after tax	**398**	**685**	**535**	**357**	**69**	**1,976**	**1,012**

The Group result before amortisation was NOK 1,054 million (489 million) for the 4th quarter and NOK 2,935 million (1,960 million) for 2013. The figures in brackets show the corresponding period last year. It is primarily the improved result before profit sharing and loan losses that have contributed to this through strong earnings growth of 11.5 per cent, at the same time as the Group has succeeded in reducing costs through its cost programme.

Embedded value for Storebrand for life and pensions was NOK 27.7 billion at the end of 2013, an increase of NOK 5.9 billion during 2013. The embedded value (EV) is an actuarial calculation that measures the value of a life insurance company, excluding the value of future new sales. This value is calculated based on a number of assumptions related to the operations, microeconomic and macroeconomic conditions, and the status of the financial markets. Storebrand publishes a separate EV report with detailed information.

The result in Savings was strengthened by NOK 151 million for the quarter and by NOK 382 million for the year, compared with the same period in 2012. This improvement is attributed to earnings growth, recognition of performance-based fees, a higher interest margin and cost-reducing measures.

Insurance reported a combined ratio of 85 per cent for the quarter and 88 per cent for the year. The cost ratio totalled 15 per cent for the year, while the premium income increased by 14 per cent.

For Guaranteed Pensions, fee and administration income increased by 14 per cent for the year. During the same period of time, costs have been nominally reduced. The risk results were somewhat weaker for the year, primarily as a result of the weakened longevity results and a lower release of reserves compared with the previous year. The result for SPP has been sufficient to create profit sharing and indexing fees. In the Norwegian operations, the build-up of buffers and reserves for greater life expectancy is given priority over profit sharing between customers and owners. Earnings for the business area has in totalled improved by NOK 472 million for the year.

Group result by result area[2)]

	2013				2012	Full year	
NOK million	4Q	3Q	2Q	1Q	4Q	2013	2012
Savings (non-guaranteed)	296	146	138	90	145	670	288
Insurance	150	136	132	74	88	492	417
Guaranteed pension	481	474	306	403	287	1,665	1,193
Other	126	53	-58	-14	-32	108	62
Result before amortisation and write-downs	**1,054**	**810**	**518**	**552**	**489**	**2,935**	**1,960**

[1)] See the stock exchange announcement sent on 20 December 2013: Non-recurring effect related to the changed pension terms for its own employees gives reduced costs of NOK 352 million for the quarter. Changes in the distribution resulted in a non-recurring cost of approximately NOK 75 million. This resulted overall in reduced costs of approximately NOK 275 million for the quarter.
[2)] The income statement is based on reported IFRS results for the individual companies in the Group. The statement differs from the official financial statements.

In the Other segment, fee and administration income was weakened due to reduced activity associated with lending to corporate market customers.

Market and sales performance

The shift from products with guaranteed interest rates to unit linked insurance products continues in the life insurance businesses. These products are showing good growth in Storebrand Life Insurance and in SPP. The Group's premium income for guaranteed pension products was reduced by 9 per cent in 2013, while premium income for non-guaranteed occupational pensions increased by 20 per cent during the quarter and by 17 per cent in 2013. Storebrand is maintaining its position as the market leader in non-guaranteed pensions within the Norwegian market for occupational pensions, whereas SPP has a challenger position in the Swedish market. Storebrand has a market share of 30 per cent in the Norwegian market for defined contribution pensions. SPP's market share for new subscriptions to unit linked insurance within the Other occupational pensions segment is nearly 15 per cent. This means that SPP is the third largest actor in this market, as measured by new sales[1)].

At the end of the 4th quarter, corporate customers and retail market customers with guaranteed pensions at Storebrand and SPP had transferred reserves totalling NOK 10.0 billion from guaranteed pensions, of which NOK 1.0 billion was during the 4th quarter.

Capital situation and taxes

The Storebrand Life Insurance Group's solvency margin was 176 per cent at the end of the quarter. This represents a decline of 2.0 percentage points during the quarter. This decline is attributed primarily to a new yield curve for discounting the Swedish insurance liabilities in the solvency calculations[2)]. Replacement of the yield curve has a negative effect on the Group's solvency margin of approximately 8 percentage points. The use of additional statutory reserves also made a negative contribution during the quarter, but the quarterly results made a positive contribution.

The solvency margin improved by 14 percentage points during the year. In addition to the result for the year, the strengthening of the solvency margin is chiefly related to an increase in long-term interest rates in Sweden. Higher interest rates reduces the insurance liabilities in the solvency calculations. Capital adequacy and core capital adequacy for the Storebrand Group at the end of the 4th quarter were 13.4 per cent and 10.2 per cent, respectively, unchanged and a reduction of 0.1 for the quarter.

In the fourth quarter, goodwill linked to Storebrand Bank was written down by NOK 322 million (from NOK 422 million to NOK 100 million). This goodwill arose as a result of the acquisition of Finansbanken in 1999, a bank that dealt primarily with corporate loans. As a result of the discontinuation of corporate market operations in the bank, it was acknowledged that the value could no longer be justified.

The Group is in a situation where it needs to strengthen its reserves for higher life expectancy. Therefore, the return in 2013 has been used to strengthen the reserves for higher life expectancy. Given this, the Board has decided to propose to the Annual General Meeting that no dividend be paid and that the net profit for 2013 be allocated to other equity.

The income tax expense for 2013 totalled NOK 214 million. There were tax-free real estate sales transactions during the year, where allocations had previously been made for deferred tax. The reversal of this deferred tax reduces the income tax expense for 2013. The accrual effects between the quarters gives a high income tax expense of NOK 237 million in the 4th quarter. The Norwegian Parliament (Storting) passed a resolution in December 2013 to reduce the corporate tax rate from 28 to 27 per cent effective 1 January 2014. When deferred tax / tax assets are recognised on the balance sheet, 27 per cent is therefore used, which reduces the income tax expense for 2013 by NOK 24 million.

Strategic priorities

The European life insurance industry is currently facing substantial changes. Low interest rates and altered framework for pensions have led to a shift away from traditional pension schemes with interest rate guarantees to unit linked savings without interest rate guarantees. This involves each individual customer having to take a greater responsibility for their own pension. The Board has approved four strategic primary priorities in order to support the 'our customers recommend us' vision. Storebrand intends to become more customer-oriented through defined customer promises, concepts and products. The business will be commercialised through gathering together all sales, concept development and customer contact into one organisation. In order to meet new capital requirements without procuring new equity capital, comprehensive capital rationalisation measures are being carried out. Storebrand is continuously adapting to maintain its competitiveness and earnings from its business operations. The Board thus decided during the second quarter of 2012 to implement a new programme to reduce the Group's costs by at least NOK 400 million before the end of 2014. To read more about the Group's strategy, see Storebrand's Annual Report for 2012, p. 24.

Financial targets

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

Group - Key figures

	2013				2012	Full year	
NOK million	4Q	3Q	2Q	1Q	4Q	2013	2012
Earnings per share adjusted (NOK) [3)]	1.82	1.78	1.43	1.03	0.38	6.06	3.15
ROE, annualised [3)]	10.5%	17.0%	11.9%	9.6%	3.7%	12.1%	7.5%
Equity	22,514	22,274	21,301	20,696	19,936	22,514	19,936
Solvency margin (Storebrand Life Group)	175.8%	177.8%	173.8%	165.4%	161.9%	175.8%	161.9%

[1)] Premium income as at the 3rd quarter of 2013. Source: Finance Norway and Insurance Sweden
[2)] For a description of the new yield curve, see p. 9 *[3)] After tax, adjusted for amortisation and write-downs of intangible assets*

Savings

Good earnings performance driven by earnings growth, recognition of performance-based fees and increased interest margin. Solid excess return in the investment portfolios and good cost control.

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

Savings

	2013				2012	Full year	
NOK million	4Q	3Q	2Q	1Q	4Q	2013	2012
Fee and administration income	489	490	461	448	424	1,888	1,638
Risk result life & pensions	3	0	4	0	2	7	3
Operational cost	-294	-328	-322	-335	-361	-1,279	-1,417
Financial result	-	-	-	-	-	-	-
Result before profit sharing and loan losses	199	162	143	113	65	616	224
Net profit sharing and loan losses	98	-16	-5	-24	80	54	63
Result before amortisation	296	146	138	90	145	670	288

Results

The result from Savings was significantly stronger in the 4th quarter and overall for 2013, compared with the same periods in 2012. This is attributed to volume growth in all parts of the operations, improved margins in banking and cost-reducing measures. Defined contribution pensions are undergoing strong growth in Norway and Sweden by a continually increasing number of companies choosing to transition to defined contribution-based schemes. This makes for an increased number of members in the pension schemes and an increase in the pension funds. The income for the defined contribution pensions and other unit linked savings increased by 31 per cent in the 4th quarter, compared with the same period last year. The total income for 2013 is 26 per cent higher than in 2012. The retail banking products had a satisfactory growth in lending and deposits, combined with an interest margin of 1.21 per cent in 2013, as compared with 1.02 per cent in 2012. The lending portfolio of NOK 23.9 billion consists primarily of low-risk home mortgages. Lending losses totalled NOK 7.2 million in 2013.

The asset management business, had total excess return to customers of NOK 0.9 billion in the quarter and 3.2 billion for the year. Performance-based fees of NOK 96.5 million in total were recognised at the end of December 2013. Other performance-based income totalled NOK 20 million for the quarter. Overall, fee and administration income grew by 15 per cent in both the 4th quarter and for the year, compared with 2012. A number of measures have been implemented in 2013 for rationalisation and savings with respect to the Group's cost programme. These measures have yielded cost reductions, while increased sales have led at the same time to higher distribution costs. A change in the pension plan for employees in Norway resulted in a reduction in the pensions costs in the accounts in the 4th quarter of 2013, and it will also entail lower pension costs in the future[1)].

Balance sheet and market trends

Premium income for non-guaranteed life insurance-related savings was NOK 2.3 billion in the 4th quarter and NOK 9.7 billion for the full year 2013. This represents an increase of 8 percent compared with 2012. Total reserves in unit linked have grown by 35 per cent since 2012. In the Norwegian market, Storebrand is the market leader for defined contribution plans, with around 30 per cent of the market. There is strong competition in the market for defined contribution pensions. The maximum savings limits for companies for employee savings in defined contribution pensions will increase from 2014, and this is expected to result in additional growth.

SPP's market share for new subscriptions to unit linked insurance within the Other occupational pensions segment is nearly 15 per cent. SPP's sales of unit linked insurance are 40 per cent higher in 2013 than in 2012, and it is the company's own internal sales channels that have experienced the greatest increases. SPP was selected earlier this year to be one of several suppliers to the largest pension platform in Sweden (the ITP Plan) and activities to increase customer contact have been commenced in connection with this.

For Asset Management, AuM increased by NOK 17 billion in the 4th quarter and NOK 45 billion in 2013, totalling NOK 487 billion. A total of NOK 18 billion of the increase is attributed to the appreciation of the SEK, whereas growth in general has been driven by good financial markets, excess returns and new sales. Within retail banking, growth in the portfolio comprises NOK 157 million overall in 2013, after a decline of NOK 204 million in the 4th quarter.

Savings - Key figures

	2013				2012
NOK million	4Q	3Q	2Q	1Q	4Q
Unit Linked Reserves	85,452	79,341	73,542	70,458	63,387
Unit Linked Premiums	2,273	2,296	2,768	2,318	2,480
AuM Asset Management	487,384	471,278	455,701	453,828	442,162
Retail Lending	23,906	24,110	24,036	23,922	23,734

[1)] Non-recurring effect related to the changed pension terms for the Group's own employees of NOK 72 million.

Insurance

Good underlying results, positive non-recurring effects, good cost control

The Insurance business area includes the Group's risk products[1]. This business area offers health insurance in the Norwegian and Swedish corporate and retail markets, P&C insurance and personal risk products in the Norwegian retail market and employee insurance and pensions-related insurance in the Norwegian corporate market.

Insurance

	2013				2012	Full year	
NOK million	4Q	3Q	2Q	1Q	4Q	2013	2012
Insurance premiums f.o.a.	754	731	665	717	671	2,868	2,510
Claims f.o.a.	-577	-517	-448	-556	-544	-2,098	-1,774
Operational cost	-60	-114	-120	-118	-116	-413	-470
Financial result	33	37	34	31	78	135	150
Result before profit sharing and loan losses	**150**	**136**	**132**	**74**	**88**	**492**	**417**
Net profit sharing and loan losses	-	-	-	-	-	-	-
Result before amortisation	**150**	**136**	**132**	**74**	**88**	**492**	**417**
Claims ratio	76%	71%	67%	78%	81%	73%	71%
Cost ratio	8%	16%	18%	17%	18%	15%	19%
Combined ratio	**85%**	**87%**	**86%**	**94%**	**99%**	**88%**	**90%**

Results

For the 4th quarter, Insurance delivered a result before amortisation of NOK 150 million (88 million), and NOK 492 million (417 million) in 2013 with a total combined ratio of 88 per cent (90 per cent). The risk result is stable with a claims ratio for the quarter of 76 per cent (81 per cent) and 73 per cent (71 per cent) for the year, with a frequency and average claims as expected. The underlying risk performance is good for both mortality and disability risk in the portfolio. The exception is in the area of group pensions (risk cover for defined contribution pensions), where there is a weak risk result. Claim payments were higher as a result of the storm. However, there are fewer reported claims than expected related to the cold weather and poor driving conditions in urban areas. The natural disaster claims totalled NOK 9.7 million during the quarter. The underlying risk performance of the P&C insurance portfolio is otherwise good, and we are experiencing both a lower frequency and lower average claims. The cost percentage was 8 per cent (18 per cent) for the 4th quarter, and 15 per cent (19 per cent) in 2013. The change in the pension regulations for the employees and former employees of the Storebrand Group has also entailed a positive non-recurring effect[2]. Adjusted for this non-recurring effect, the cost percentage is 16 per cent for the quarter and 17 per cent for the year. We continue to enhance the efficiency of our operations and strengthen our competitiveness through cost measures. The cost base will be further streamlined through increased automation and end-to-end processes, sourcing of services and exploitation of economies of scale with increased volume. The investment portfolio of Insurance totals NOK 5.4 billion and is primarily invested in fixed income securities with a short to medium term duration. The portfolio has yielded satisfactory returns.

Balance sheet and market trends

Premium income for own account increased by 13 per cent compared with the corresponding quarter last year. The customers' demand for product solutions that cover a range of health and employee insurance, as well as disability cover, is expected to increase. This is driven by the companies' desire to reduce absence due to illness, increase job satisfaction and reduce the overall insurance costs. Price pressures in the larger tender competitions are high and maintaining the level of profitability is challenging. The greatest portfolio growth in 2013 was in the area of P&C and personal insurance in the private market, where we have been successful with our focus on employees in a corporate relationship. There are, however, signs of increasing competition in the P&C insurance segment, which is the retail market segment subject to the most competition. For risk cover linked to defined contribution pensions, relatively high growth is expected in the future, driven by conversion from defined benefit to defined contribution pensions.

Insurance - Key figures

	2013				2012
NOK mill.	4Q	3Q	2Q	1Q	4Q
Written premiums P&C & Individual life *	1,297	1,275	1,250	1,197	1,155
Written premiums Health & Group life **	1,227	1,221	1,197	1,184	1,182
Written premiums pension related disability insurance ***	675	644	634	614	596
Total written premiums	**3,199**	**3,140**	**3,080**	**2,995**	**2,933**
Reserves	5,144	5,079	5,148	4,458	3,894

** Individual life disability, property and casualty insurance ** Group disability, workers comp. and health insurance *** DC risk premium Norwegian line of business*
1) Health insurance is owned 50 per cent each by Storebrand ASA and Munich Health.
2) Non-recurring effect related to the changed pension terms for the Group's own employees of NOK 55 million.

Guaranteed pension

Pricing and cost measures are yielding better profitability. Contribution from profit sharing between customers and owners further strengthens the result.

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

Guaranteed pension

	2013				2012	Full year	
NOK million	4Q	3Q	2Q	1Q	4Q	2013	2012
Fee and administration income	561	517	522	515	456	2,115	1,861
Risk result life & pensions	49	147	32	60	88	288	318
Operational cost	-225	-295	-299	-292	-354	-1,111	-1,375
Financial result	-	-	-	-	-	-	-
Result before profit sharing and loan losses	385	369	254	283	190	1,292	804
Net profit sharing and loan losses	96	105	52	119	97	373	389
Result before amortisation	481	474	306	403	287	1,665	1,193

Results

New subscriptions for guaranteed pensions have been closed for most products, however, premium payments and the accumulation of returns for existing customers is leading to a moderate increase in reserves. We are working actively to inform customers of the opportunities of converting to non-guaranteed savings, both in the Norwegian and Swedish businesses. Fee and administration income increased almost 14 per cent in 2013, compared with the previous year. Income performance is marked by the Norwegian operations having strong income from the price of interest rate guarantees / profit for risk, as well as good administration income from group defined benefit pensions. Both parts are driven by a low rate of conversion from defined benefit to defined contribution pensions, as a result of the market awaiting new regulations. In the Swedish operations, income is somewhat lower than last year due to transfers from guaranteed to non-guaranteed products. The overall income growth in 2013 is significantly higher than the expected future trend, because most of the portfolio is mature and in long-term decline. The operating costs for the area are NOK 225 million for the quarter and NOK 1,111 million for 2013. This is significantly lower than last year, driven by cost-reducing measures and positive non-recurring effects related to the reduced pension costs[1)]. The risk result for the 4th quarter and the year is somewhat weaker than in 2012. For group defined-benefit pensions in Norway, the disability and reactivation (disabled individuals who return to working life) results in particular that drives the results up, while the longevity result is still negative. In the Swedish operations, the disability segment also drives the results.

The result from net profit sharing is generated essentially in the Swedish operations. The portfolio that is open to new sales (designated as P250) has contributed to the result through profit sharing. In addition to this, changes in the deferred capital contribution made a positive contribution to the result. In addition, the consolidation exceeds 107 per cent of all the sub-portfolios within defined benefit pensions. This means that the pensions can be indexed and that the indexing fees will accrue to SPP. The indexing fees totalled NOK 147 million for the year. In the Norwegian operations, the build-up of buffers and reserves (longevity) is given priority over profit sharing between customers and owners.

Balance sheet and market trends

Customer reserves for guaranteed pensions totalled NOK 264 billion at the end of the 4th quarter, which represents growth of 1.5 per cent during the last 12 months. Customer assets increased by NOK 1.6 billion in the 4th quarter. Transfers from guaranteed pensions amounted to NOK 1.0 billion in the 4th quarter and NOK 10.0 billion in 2013. Storebrand's discontinuation of defined benefit pensions for the public sector in Norway is the reason for the greatest part of the transfers. In addition, individual customers have chosen to move to products with higher expected returns. Premium income from guaranteed pensions amounted to NOK 1.8 billion in the 4th quarter and NOK 10.9 billion in 2013. For the year as a whole, this represents a reduction of 9 per cent compared with 2012. Most of the products are closed for new sales, and the customers' choice to transfer from guaranteed to non-guaranteed products is in accordance with the Group's strategy.

Guaranteed pension - Key figures

	2013				2012
NOK million	4Q	3Q	2Q	1Q	4Q
Guaranteed reserves	263,776	262,126	258,654	261,502	259,858
Guaranteed reseves in % of total reserves	75.5 %	76.8 %	77.9 %	78.8 %	80.4 %
Transfer out of guaranteed reserves	967	710	998	7,279	1,360
Buffer capital in % of customer reserves SBL	4.8 %	4.0 %	3.7 %	4.1 %	4.0 %
Buffer capital in % of customer reserves SPP	15.1 %	14.5 %	13.5 %	13.1 %	11.9 %

[1)] Non-recurring effect related to the changed pension terms for the Group's own employees of NOK 106 million.

Other

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

Other result

	2013				2012	Full year	
NOK million	4Q	3Q	2Q	1Q	4Q	2013	2012
Fee and administration income	90	86	94	82	94	353	408
Risk result life & pensions	-2	-4	6	2	5	3	14
Operational cost	75	-72	-102	-82	-107	-180	-385
Financial result	-23	46	-64	-16	-26	-57	27
Result before profit sharing and loan losses	**141**	**57**	**-66**	**-13**	**-34**	**118**	**63**
Net profit sharing and loan losses	-14	-3	8	-1	3	-11	-1
Result before amortisation and write-downs	**126**	**53**	**-58**	**-14**	**-32**	**108**	**62**

Fee and administration income was weakened by reduced activity associated with lending to corporate market customers. The corporate market portfolio represents 29 per cent of the bank's total lending, and this percentage is shrinking. The income was reduced due to lower lending volume, however it was first and foremost due to lower fees associated with the arranging and issuance of corporate market loans. The income from BenCo remains stable at around NOK 30 million per quarter.

For the 4th quarter and 2013, the operating costs have declined as a result of the changed pension plan for the Group's own employees[1]. The underlying costs have also been reduced as a result of a workforce reduction in the bank's Corporate Market.

The financial result includes the company portfolios of SPP and Storebrand Life, the financial result of Storebrand ASA as well as the net result for subsidiaries currently being wound up and started up at SPP. The sales of SPP Liv Pensionstänst AB to KPA affects the result positively by 55 million for 2013. For the 4th quarter in isolation, accrual effects with regard to investment income tax in SPP made a negative contribution of around NOK 20 million. The Storebrand Life Insurance Group is funded by a combination of equity and subordinated loans. The proportion of subordinated loans is around 25 per cent and the interest expenses are on the order of a net NOK 120 million for the quarter at the current level of interest. The company portfolios totalled NOK 20.3 billion at the end of the 4th quarter. The investments are primarily in short-term interest-bearing securities in Norway and Sweden.

[1] Non-recurring effect related to the changed pension terms for the Group's own employees of NOK 119 million.

Balance sheet, solidity and capital adequacy

Solvency margin of 176 per cent in the Life Group, solid buffers, new method for the calculation of solvency in Sweden

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

Storebrand ASA

Storebrand ASA held liquid assets of approximately NOK 1.8 billion at the end of the quarter. Liquid assets consist primarily of short-term fixed income securities. In October, senior unsecured bonds were issued by Storebrand ASA for a total of NOK 750 million in two tranches of 5 and 7 years, respectively. In connection with their issuance, Storebrand ASA bought back NOK 10 million of STB06 and NOK 253.5 million of STB07. Storebrand ASA's total interest-bearing liabilities were NOK 3.5 billion at the end of the quarter. The next maturity date for bond debt is in July 2014. Storebrand ASA owned 0.60 per cent (2,716,273) of the company's own shares at the end of the quarter.

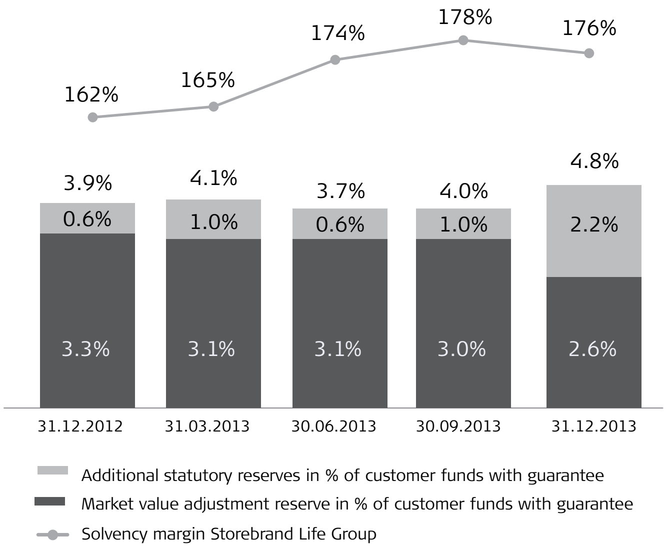
Storebrand Life Insurance Group[1)]

The Storebrand Life Insurance Group's solvency margin was 176 per cent at the end of the quarter. This represents a decline of 2.0 percentage points during the quarter. This decline is attributed primarily to a new yield curve for discounting the Swedish insurance liabilities in the solvency calculations. The new discount rate is based on the yield curve for swap interest rates adjusted for credit risk and a modelled long-term forward interest rate. The market interest rates are given full weight up to 10 years, then they will be phased out on a linear basis up to 20 years, before the curve fully converges with the long-term forward interest rate. The Swedish Financial Supervisory Authority's intention with the change is to provide a more stable value for the liabilities, while the new yield curve is at the same time also more in accordance with the expectations to the discount curve under the solvency regulations (Solvency II). Replacement of the yield curve has a negative effect on the Group's solvency margin of approximately 8 percentage points. The use of additional statutory reserves also made a negative contribution during the quarter, but the quarterly results made a positive contribution.

The solvency margin improved by 14 percentage points during the year. In addition to the result for the year, the strengthening of the solvency margin is chiefly related to an increase in long-term interest rates in Sweden. Higher interest rates reduces the insurance liabilities in the solvency calculations.

The solidity capital[2)] totalled NOK 54.1 billion at the end of 2013, an increase of NOK 3.4 billion during the 4th quarter and NOK 7.2 billion for the full year 2013 in consequence of, among other things, increased customer buffers and the result for the year.

Solidity



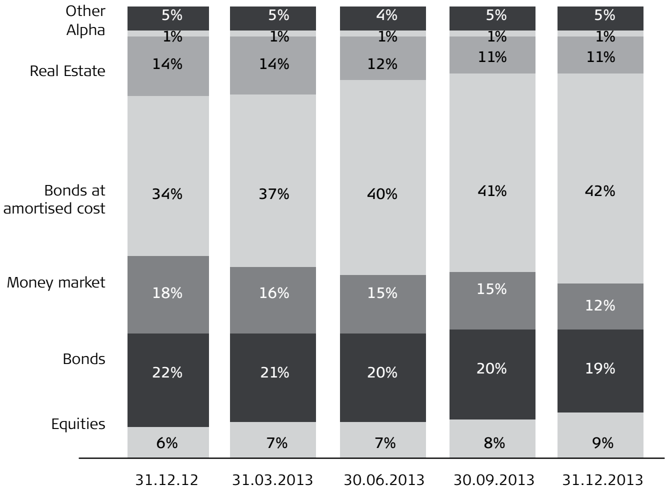
Storebrand Livsforsikring AS

The market value adjustment reserve increased by NOK 2.1 billion in the 4th quarter and NOK 2.8 billion for the full year, and it totalled NOK 3.8 billion at the end of the year. The additional statutory reserves totalled NOK 4.5 billion at the end of the year, a reduction during the quarter of NOK 0.7 billion, which was due to drawing on the additional statutory reserves in consequence of low returns having been recognised for paid-up policies. The reduction in the additional statutory reserves for the year totalled NOK 1.3 billion. Excess value of held-to-maturity bonds that are assessed at amortised cost increased by NOK 0.5 billion during the quarter and reduced 0.1 billion for the year, and it totalled NOK 5.2 billion as at 31 December. The excess value of held-to-maturity bonds is not included in the financial statements.
Storebrand has and estimated need to increase reserves by NOK 12.5 billion in consequence of the introduction of new mortality tables beginning in 2014. The Financial Supervisory Authority of Norway is planning a period of five years to build this up starting on 1 January 2014. The longevity reserves totalled NOK 4.8 billion as at 31 December 2013. During the period from 2011 to 2012, a total of NOK 4.3 billion has been set aside for the future build-up of reserves from customer surpluses. NOK 0.5 billion will be set aside for 2013. NOK 0.5 billion has been used to build up reserves on contracts transferring out of Storebrand in 2013 and January 2014.

For the customer portfolios with interest guarantees, allocations to equities and held-to-maturity bonds increased during the course of the quarter. Allocations to the money market and short-term bonds declined.

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

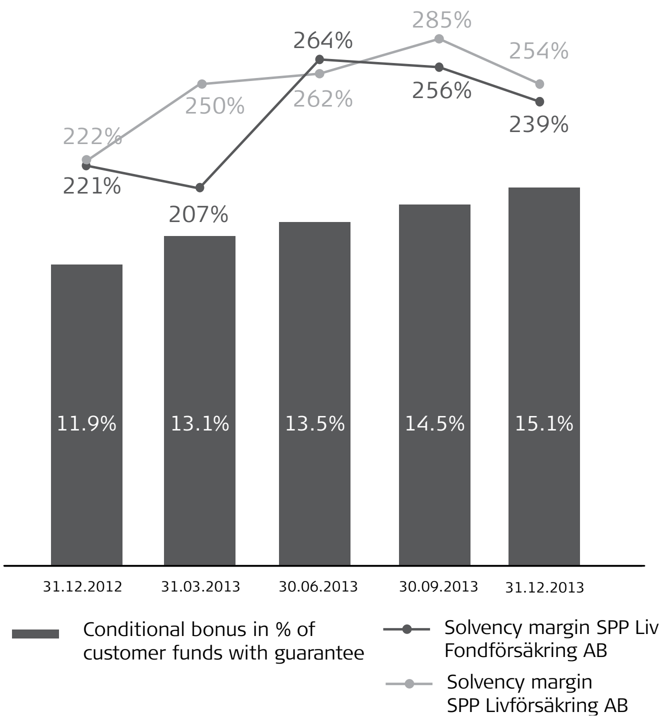
Asset allocation in customer portfolios with interest rate guarantee



Assets under management increased by NOK 3 billion during the 4th quarter, of which NOK 2 billion was within non-guaranteed savings, which totalled NOK 223 billion at the end of 2013.

SPP

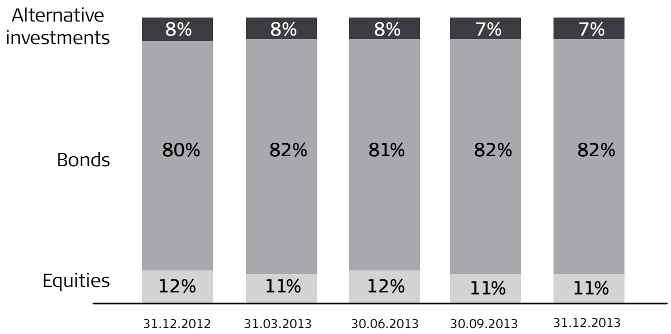
Solidity



The solvency margin in SPP Livförsäkring AB was 254 per cent (285 per cent) and 239 per cent (256 per cent) in SPP Liv Fondförsäkring AB at the end of the year. The figures in parentheses show the solvency margin for the preceding quarter. For solvency calculations in Sweden, insurance liabilities are discounted by a market interest rate. The Swedish Financial Supervisory Authority decided in December 2013 to introduce a new discount rate for solvency purposes. See a more detailed explanation of this change under the discussion of solvency for the Storebrand Life Insurance Group above. The new calculation method reduces the solvency of SPP by approximately 25 per cent.

The buffer capital (conditional repayment) comprises NOK 11.0 billion (NOK 10.6 billion). The increase is primarily due to rising share markets

Asset allocation in customer portfolios with interest rate guarantee



Total customer assets in SPP amounted to NOK 136 billion, an increase of NOK 5 billion from the previous quarter. Unit linked insurance accounts for 38 per cent of the customer assets and increased the assets under management by 7 per cent compared with the previous quarter.

Storebrand Bank

Gross lending to customers totalled NOK 33.7 billion at the end of the 4th quarter, a reduction of NOK 1.1 billion compared with the previous quarter. Retail market lending comprises 71 per cent (69 per cent) of the portfolio. Few of the customers are in default and the portfolio has a low level of losses. The volume of defaults declined during the quarter and comprises 1.4 percent (1.6 percent) of the gross lending, compared with the previous quarter.

The banking group's capital adequacy was 13.6 per cent and the core (tier 1) capital ratio was 12.8 per cent at the end of the quarter.

Outlook

Earnings performance

Low interest rates are challenging for insurance companies that have to cover an annual interest rate guarantee. The interest rates increased in 2013, while credit spreads for bonds narrowed. There are still investment opportunities in the bond market with an expected return that exceeds the interest rate guarantee. Storebrand has a strategy of pursuing growth in products where the results are less affected by short-term fluctuations in the financial markets. Financial performance will also be impacted by the future changes in the regulations for Norwegian occupational pensions and how the customers will choose to adapt to these changes. Growth is still expected in Storebrand's core markets, driven by low unemployment and good wage growth.

Storebrand is continuously adapting to enhance its competitiveness and earnings from its business operations. Among other things, through a cost programme that aims to reduce the Group's costs by at least NOK 400 million before the end of 2014. Storebrand's results will in the period from 2014 include a minimum 20 per cent cost related to the reserving for higher life expectancy. Part of this will occur through a reduced profit sharing.

Risk

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

Regulatory changes in private occupational pensions

Occupational pension statutes in Norway will undergo a series of changes in order to adapt them to National Insurance reforms. The Norwegian Parliament (Storting) passed the Ministry of Finance's proposed new act for occupational pensions. The new Occupational Pensions Act will give rise to a hybrid product in the Norwegian market. This hybrid product is adapted to the new National Insurance Scheme. It is based on the National Insurance principles of all-years accrual, annual contributions to pension holdings, death inheritance, flexible pension from the age of 62 and longevity adjustments. The new Act does not change anything about benefits already earned through a defined benefit pension scheme. The Act does not solve the challenges related to paid-up policies under Solvency II as described in NOU 2012:3. The maximum limits for contributions to the hybrid product are 7 per cent of salaries up to 7.1 G and 25.1 per cent of salaries between 7.1 and 12 G. At the same time as the Storting passed a new Occupational Pensions Act, it also increased the maximum limits for defined contribution pensions to the same levels. The new Occupational Pensions Act and the higher maximum limits for defined contribution pensions, entered into force on 1 January 2014. The Banking Law Commission published its report NOU 2013:12 Disability Pensions in Private Pension Schemes on 4 December 2013. The deadline for the submission of comments is 6 March. It is expected that new regulations will enter into force from 2015, at the same time as new disability benefits will be introduced to the National Insurance Scheme. On 25 November, the Ministry of Finance distributed a memorandum on paid-up policies with investment choice from the Financial Supervisory Authority of Norway for comments until 17 January 2014. It is proposed here that the paid-up policies should have full reserves in accordance with K2013 before they can be converted to policies with investment choice. The Financial Supervisory Authority of Norway also proposes regulatory provisions that require the pension fund to give the paid-up policy holder written examples illustrating how great a return a given investment portfolio for a given age group must at least have in order to achieve certain pension benefits. It is expected that the statutory amendments that will allow paid-up policies with investment choice will enter into force by the end of 2014.

Solvency II

Solvency II is a set of rules covering solvency that will apply to all insurance companies in the EEA area. It appears to be clear now that final adoption by the EU Parliament could occur in early 2014, and that the regulations will be introduced from 2016. Transitional rules will probably be introduced that will allow the difference between the value of the insurance liabilities after Solvency II and Solvency I at the time of the transition to increase the solvency capital. It will also allow a mark-up on the yield curve that is used to discount the insurance liabilities. The way in which the proposed regulations are formulated, they are somewhat better adapted now to companies that have long-term guaranteed annual returns, especially if the authorities choose to exploit the opportunities permitted by the transitional rules.

Future reserves for a higher life expectancy

In March 2013 the Financial Supervisory Authority of Norway published a new mortality basis for group pension insurance, K2013. The new mortality basis is dynamic, i.e. it incorporates an expectation that mortality will fall further in the future. For defined benefit occupational pensions that have already been earned, the introduction of K2013 entails the need to build up reserves of approximately NOK 12.5 billion for Storebrand (approximately 8 per cent of the premium reserve). A build-up period will be permitted, which should, in the opinion of the Financial Supervisory Authority of Norway, not exceed five years from the start in 2014. At present, the transitional rules are unclear, however it will be permitted to use customer surpluses to cover increased reserves combined with a minimum coverage of 20 per cent from the company. The size of the owner's contribution is dependent on the length of the build-up plan, principles for building up reserves and the financial and risk profit during the build-up period, and the pension fund's share of the build-up of reserves can thus exceed 20 per cent of the reserves required. This will probably be clarified in the guidelines for the build-up plans that were announced by the Financial Supervisory Authority of Norway as being available early in 2014. During the period from 2011 to 2012, a total of NOK 4.3 billion has been set aside for the future build-up of reserves from customer surpluses. NOK 0.5 billion will be set aside for 2013. NOK 0.5 billion has been used to build up reserves on contracts transferring out of Storebrand in 2013 and January 2014. The Group also has other buffers and reserves that may be utilised to build up reserves, depending upon the final regulations.

Lysaker, 11 February 2014

Storebrand Group

PROFIT AND LOSS ACCOUNT

		4Q		1.1 - 31.12	
NOK million	Note	2013	2012	2013	2012
Net premium income		5,693	6,537	28,675	27,822
Net interest income - banking activities	12	139	133	547	490
Net income from financial assets and real estate for the company:					
- equities and other units at fair value	13	2	1	8	
- bonds and other fixed-income securities at fair value	13	102	134	422	658
- financial derivatives at fair value	13	18	-5	24	9
- net income from bonds at amortised cost	13	7	32	59	101
- net income from real estate	15	12	9	41	33
- result from investments in associated companies		-1	-1	74	-3
Net income from financial assets and real estate for the customers:					
- equities and other units at fair value	13	5,866	1,112	16,772	6,487
- bonds and other fixed-income securities at fair value	13	1,351	2,539	2,942	9,351
- financial derivatives at fair value	13	-225	307	-3,598	772
- net income from bonds at amortised cost	13	960	1,510	3,526	3,712
- net interest income lending		31	26	130	111
- net income from real estate	15	233	124	907	679
- result from investments in associated companies		10	2	29	48
Other income		482	522	2,316	2,207
Total income		**14,679**	**12,981**	**52,875**	**52,479**
Insurance claims for own account		-5,887	-6,251	-30,004	-22,870
Change in insurance liabilities		-5,102	-5,969	-12,176	-20,066
To/from buffer capital		-1,884	942	-3,568	-2,675
Losses from lending/reversal of previous losses		-12	7	-11	8
Operating costs	14	-489	-962	-3,310	-4,003
Other costs incl. currency bank		-158	-83	-296	-233
Interest expenses		-94	-176	-576	-680
Total costs before amortisation and write-downs		**-13,625**	**-12,492**	**-49,941**	**-50,519**
Profit before amortisation and write-downs		**1,054**	**489**	**2,935**	**1,960**
Amortisation and write-downs of intangible assets		-417	-101	-741	-401
Group pre-tax profit		**637**	**388**	**2,194**	**1,559**
Tax cost	9	-237	-320	-214	-550
Result after tax sold/wound up business		-2	1	-4	3
Profit/loss for the year		**398**	**69**	**1,976**	**1,012**
Profit/loss for the year due to:					
Majority's share of profit		397	68	1,971	1,006
Minority's share of profit		1	1	5	6
Total		**398**	**69**	**1,976**	**1,012**
Earnings per ordinary share (NOK)		0.89	0.15	4.41	2.25
Average number of shares as basis for calculation (million)				447.1	446.7
There is no dilution of the shares					

Storebrand Group

STATEMENT OF TOTAL COMPREHENSIVE INCOME

	4Q		1.1 - 31.12	
NOK million	2013	2012	2013	2012
Profit/loss for the year	**398**	**69**	**1,976**	**1,012**
Change in pension experience adjustments	-347	473	-340	443
Adjustment of value of properties for own use	95	19	154	89
Total comprehensive income elements allocated to customers	-95	-19	-154	-89
Tax on other result elements not to be classified to profit/loss	104	-142	104	-142
Total other result elements not to be classified to profit/loss	-243	331	-236	301
Translation differences	75	-157	840	-103
Total other result elements that may be classified to profit/loss	75	-157	840	-103
Total other result elements	**-168**	**174**	**604**	**198**
Total comprehensive income	**230**	**243**	**2,580**	**1,210**
Total comprehensive income due to:				
Majority's share of total comprehensive income	228	245	2,564	1,207
Minority's share of total comprehensive income	2	-1	16	3
Total	**230**	**243**	**2,580**	**1,210**

Storebrand Group

STATEMENT OF FINANCIAL POSITION

NOK million	Note	31.12.13	31.12.12
Assets company portfolio			
Deferred tax assets		1	38
Intangible assets		5,993	6,102
Pension assets		1	152
Tangible fixed assets		119	144
Investments in associated companies		205	121
Receivables from associated companies			69
Financial assets at amortised cost:			
- Bonds		3,052	2,146
- Bonds held to maturity		347	222
- Lending to financial institutions		152	255
- Lending to customers	16	33,637	35,306
Reinsurers' share of technical reserves		151	155
Real estate at fair value	15	1,084	1,208
Real estate for own use	15	66	58
Biological assets		64	64
Accounts receivable and other short-term receivables		1,890	2,172
Financial assets at fair value:			
- Equities and other units	8	82	53
- Bonds and other fixed-income securities	8	23,485	21,496
- Derivatives	8	1,091	1,313
Bank deposits		4,077	3,297
Total assets company		**75,498**	**74,372**
Assets customer portfolio			
Tangible fixed assets		354	303
Investments in associated companies		34	115
Receivables from associated companies		186	596
Financial assets at amortised cost:			
- Bonds		63,919	54,557
- Bonds held to maturity		14,773	10,496
- Lending to customers	16	3,508	3,842
Real estate at fair value	15	23,091	27,515
Real estate for own use	15	2,425	2,173
Biological assets		626	535
Accounts receivable and other short-term receivables		3,531	2,699
Financial assets at fair value:			
- Equities and other units	8	92,615	72,166
- Bonds and other fixed-income securities	8	165,071	164,208
- Derivatives	8	1,129	2,745
Bank deposits		3,619	3,859
Total assets customers		**374,883**	**345,810**
Total assets		**450,381**	**420,182**

Continues on next page

Storebrand Group

STATEMENT OF FINANCIAL POSITION CONTINUE

NOK million	Note	31.12.13	31.12.12
Equity and liabilities			
Paid in capital		11,720	11,718
Retained earnings		10,705	8,119
Minority interests		88	98
Total equity		**22,514**	**19,936**
Subordinated loan capital	6	7,409	7,075
Buffer capital	19	22,447	18,037
Insurance liabilities		348,314	324,089
Pension liabilities		958	1,239
Deferred tax		833	721
Financial liabilities:			
- Liabilities to financial institutions	6	1,028	2,499
- Deposits from banking customers	17	20,728	19,860
- Securities issued	6	17,000	18,033
- Derivatives company portfolio		632	632
- Derivatives customer portfolio		1,911	725
Other current liabilities		6,605	7,327
Liabilities sold/liquidated business		1	10
Total liabilities		**427,867**	**400,247**
Total equity and liabilities		**450,381**	**420,182**

Storebrand Group

RECONCILIATION OF GROUP'S EQUITY

	Majority's share of equity									
	Paid in capital				Retained earnings					
NOK million	Share capital[1]	Own shares	Share premium	Total paid in equity	Pension experience adjustments	Restatement differences	Other equity[2]	Total retained earnings	Minority interests	Total equity
Equity at 31 December 2011	**2,250**	**-17**	**9,485**	**11,717**	**-748**	**216**	**7,460**	**6,929**	**132**	**18,777**
Profit for the period							1,006	1,006	6	1,012
Change in pension experience adjustments					301			301		301
Translation differences						-100		-100	-3	-103
Total other result elements					**301**	**-100**		**200**	**-3**	**197**
Total comprehensive income for the period					**301**	**-100**	**1,006**	**1,206**	**3**	**1,210**
Equity transactions with owners:										
Own shares		2		2			22	22		24
Share issue									-26	-26
Purchase of minority interests							-6	-6	-11	-17
Other							-32	-32	-1	-32
Equity at 31 December 2012	**2,250**	**-16**	**9,485**	**11,718**	**-447**	**116**	**8,451**	**8,119**	**98**	**19,936**
Profit for the period							1,971	1,971	5	1,976
Change in pension experience adjustments					-236			-236		-236
Translation differences						829		829	11	840
Total other result elements					**-236**	**829**		**593**	**11**	**604**
Total comprehensive income for the period					**-236**	**829**	**1,971**	**2,564**	**16**	**2,580**
Equity transactions with owners:										
Own shares		2		2			24	24		26
Provision for dividend									-27	-27
Purchase of minority interests							-5	-5		-5
Other							1	1	3	4
Equity at 31 December 2013	**2,250**	**-14**	**9,485**	**11,720**	**-683**	**945**	**10,442**	**10,705**	**88**	**22,514**

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

[2] Includes undistributable funds in the risk equalisation fund amounting to NOK 776 million and security reserves amounting NOK 259 million. The risk equalisation reserve can only be used to increase allocations to the premium reserve with regard to risk linked to persons. The risk equalisation reserve and contingency reserves are not considered liabilities for accounting purposes in accordance with IFRS and are included in equity in their entirety. Allocations to the risk equalisation reserve and contingency reserves are tax deductible when the allocations are made, and these deductions are treated as permanent differences between the financial and tax accounts in accordance with IAS 12 so that provisions are not made for deferred tax related to permanent differences

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

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

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

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

The Group's 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 ANALYSIS

NOK million	1.1 - 31.12 2013	2012
Cash flow from operational activities		
Net receipts - insurance	18,672	22,888
Net payments compensation and insurance benefits	-19,252	-18,904
Net receipts/payments - transfers	-5,927	-751
Receipts - interest, commission and fees from customers	1,697	1,673
Payments - interest, commission and fees to customers	-556	-534
Payment of income tax	-4	-5
Payments relating to operations	-2,850	-3,430
Net receipts/payments - other operational activities	1,163	-1,643
Net cash flow from operations before financial assets and banking customers	**-7,057**	**-706**
Net receipts/payments - lending to customers	2,011	-2,739
Net receipts/payments - deposits bank customers	795	1,424
Net receipts/payments - mutual funds	2,393	1,359
Net receipts/payments - real estate investments	5,562	743
Net change in bank deposits insurance customers	241	1,330
Net cash flow from financial assets and banking customers	**11,002**	**2,117**
Net cash flow from operational activities	**3,945**	**1,411**
Cash flow from investment activities		
Net payments - sale/capitalisation of group companies		9
Net receipts/payments - sale/purchase of property and fixed assets	-6	-7
Net receits/payments - sale/purchase of fixed assets	-254	-236
Net receits/payments - sale/purchase of associated companies and joint ventures	407	-130
Net cash flow from investment activities	**147**	**-364**
Cash flow from financing activities		
Payments - repayments of loans	-2,156	-2,678
Receipts - new loans	1,250	5,925
Payments - interest on loans	-557	-718
Receipts - subordinated loan capital	2,372	149
Payments - repayment of subordinated loan capital	-2,366	-400
Payments - interest on subordinated loan capital	-473	-412
Net receipts/payments - lending to and claims from other financial institutions	-1,470	-3,521
Receipts - issuing of share capital	9	11
Payments - dividends	-26	-42
Net cash flow from financing activities	**-3,416**	**-1,687**
Net cash flow for the period	**675**	**-640**
- of which net cash flow in the period before financial assets and banking customers	-10,327	-2,757
Net movement in cash and cash equivalents	675	-640
Cash and cash equivalents at start of the period for new companies		-25
Cash and cash equivalents at start of the period	3,552	4,218
Currency translation differences	2	-1
Cash and cash equivalents at the end of the period [1)]	**4,229**	**3,552**
1) Consist of:		
Lending to financial institutions	152	255
Bank deposits	4,077	3,297
Total	**4,229**	**3,552**

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

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

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

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

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

Notes to the interim accounts Storebrand Group

NOTE 1: ACCOUNTING POLICIES

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

There have been no significant changes to the accounting policies in 2013. For further information, see the accounting policies in the 2012 annual report.

As a result of an amendment to IAS 1 – Presentation of Financial Statements, there are changes in 2013 to the presentation of items included in the Statement of Total Comprehensive Income. The statement specifies:
- items that will be reclassified to profit or loss in subsequent periods when special conditions have been met
- as well as items that will not subsequently be reclassified to profit or loss.

This amendment has not had any significant effect on the consolidated financial statements.

IFRS 13 Fair Value Measurement, entered into force in 2013 and entailed expanded note requirements linked to accounting information on fair value measurement. In addition, amendments have been introduced to IAS 19R Employee Benefits, which entail more requirements for the recognition of cost and income components on a gross basis.

The amendments described above have not had any significant effect on the consolidated financial statements.

IASB has been working for several years on a new accounting standard for insurance contracts, and the future standard is often referred to as IFRS 4, Phase II. A new Exposure Draft (ED) was published in June 2013. A new standard will probably be ready in 2015. It is uncertain when it will be implemented, but 2017 or 2018 are possible alternatives, since it is expected that an implementation period of three years will be allowed due to the significant amount of implementation work expected (prior periods will have to be restated).
It is assumed that the standard will probably require that the recognised value of insurance contracts consist of the following components:

- Probability weighted estimate of future receipts and payments related to the contracts
- The cash flows will be discounted at an interest rate that reflects the risk of the cash flows
- A supplement is added for the risk margin
- When entering into a contract, the expected profit is also set aside as a liability, contractual residual margin, and this is recognised as income over the duration of the contract (provided the contract is not regarded as a loss contract when it is issued).

The introduction of a new standard for insurance contracts may have a significant impact on Storebrand's consolidated financial statements. An implementation would entail changes to the income statements, a change in the profit or loss, a change in the value of the insurance liabilities, and it may affect the equity.

IFRS 9 Financial Instruments is another important standard for Storebrand's consolidated financial statements. The standard concerns the classification of financial instruments etc. (use of fair value and amortised cost), as well as the write-down of financial instruments. The standard will conceivably enter into effect from 2015, but the point in time is uncertain.

In 2014, the following new standards will affect the consolidated financial statements: IFRS 10 Consolidated Financial Statements, as well as IFRS 11 Joint Arrangements. It is expected that a greater share of the Group's investments will be consolidated as a result of IFRS 10, and it is also expected that joint ventures will be recognised in accordance with the equity method of accounting instead of the proportionate consolidation method. The incorporation of these standards is not expected to entail significant changes with regard to the Group's equity or results.

Other amendments to the IFRS regulations that apply or can be applied to IFRS accounts that are prepared after 1 January 2014 are listed below. The amendments are not expected to have any significant effect on the consolidated financial statements.

- Amendment of IAS 39: Amendment to the rules for the replacement of a counterparty in hedge accounting
- Amendment of IAS 36: Disclosure requirement for the recoverable amount – intangible assets or goodwill
- Amendment of IAS 32: Revised offset rules

NOTE 2: ESTIMATES

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

Actual results may differ from these estimates.

Notes to the interim accounts Storebrand Group

The Group's critical estimates and judgements that could result in material adjustment of recognised amounts are discussed below:

Life insurance in general

In the consolidated accounts, insurance liabilities with a guaranteed interest rate are included, but using different principles in the Norwegian and the Swedish activities. An intangible asset (value of business in force – VIF) linked to the insurance contracts in the Swedish activities is also included. This asset is related to Storebrand's acquisition of SPP (acquisition of a business). There are several factors that may have an impact on the size of the insurance liabilities including VIF, such as biometric factors relating to higher life expectancy and invalidity, as well as the development of future costs and legal aspects, such as amendments to legislation and judgments handed down in court cases etc. In the long term, a low interest rate will represent a challenge for insurance contracts with a guaranteed interest rate and, together with a reduced customer buffer, can have an impact on the amount recorded that is linked to the insurance contracts. The Norwegian insurance contracts with guaranteed interest rates are discounted at the premium calculation rate (around 3.5 per cent on average). For the Swedish insurance liabilities with a guaranteed interest rate, the discount is based on an estimated swap yield curve, where portions of the yield curve are not liquid. The non-liquid portion of the yield curve has been estimated based on long-term expectations regarding real interest rates and inflation.

In accordance with the accounting standard IFRS 4 Insurance Contracts, the insurance liabilities that are included shall be adequate and a liability adequacy test shall be performed. The Norwegian insurance liabilities are calculated in accordance with special Norwegian rules, including the Insurance Activity Act and regulations. For the Norwegian life insurance liabilities, a test is performed at a general level by conducting an analysis based on the Norwegian premium reserve principles. The established analysis is based on the assumptions that apply to the calculation of embedded value, in which the company uses the best estimates for the future basic elements based on the current experience. The test entails then that the company analyses the current margins between the assumptions used as a basis for reserves and the assumptions in the Embedded Value analysis. This test was also performed for the introduction of IFRS.

Upon the acquisition of the Swedish insurance group SPP, excess value related to the value of the SPP Group's insurance contracts was capitalised, while the SPP Group's recognised insurance reserves were maintained in Storebrand's consolidated financial statements. This excess value (value of business in force) as together with the associated capitalised selling costs and insurance liabilities are tested with regard to their adequacy. The test is satisfied if the recognised liabilities in the financial statements are greater than or equal to the net liabilities valued at an estimated market value, included the expected owner's profit. In this test, the embedded value calculations and IAS 37 are taken into account. A key element of this assessment involves calculating future profit margins using embedded value calculations. Embedded value calculations are affected, among other things, by volatility in the financial markets, interest rate expectations and the amount of buffer capital. Storebrand satisfies the adequacy tests for 2013, and they have thus no impact on the financial statements for 2013. There will be uncertainty related to the valuation of these capitalised values and the value of the associated insurance reserves.

In Storebrand's life insurance activities, a change in the estimates related to insurance reserves, financial instruments or investment properties allocated to life insurance customers will not necessarily affect the owner's result, but a change in the estimates and valuations may affect the owner's result. A key factor will be whether the assets of the life insurance customers, including the return for the year, exceed the guaranteed liabilities.

In the Norwegian life insurance activities, a significant share of the insurance contracts have a series of annual interest rate guarantees. Changes in estimates and valuations may entail a change in the return on the customer portfolios. Depending on the size of any impairment in value, such impairment may be offset by a reduction in the market value adjustment reserve and additional statutory reserves, so that the effect on the owner's result may be limited.

The Financial Supervisory Authority of Norway has determined that a new mortality basis K2013 will be introduced for group pension insurance in life insurance companies and pension funds effective from 2014. The build-up of reserves for new tariffs in connection with increased life expectancy, in which the build-up can be charged to the running return for a limited period of time. Any deficient future return in connection with this may reduce the owner's future profit.

In the Swedish activities (SPP) there are no contracts with an annual interest rate guarantee. However, there are insurance contracts with a terminal value guarantee. These contracts are discounted by a market-based interest rate. If the associated customer assets have a higher value than the recognised value of these insurance liabilities, then the difference will represent a conditional customer allocated fund – conditional bonus (buffer capital). Changes in estimates and valuations may entail a change in the return on the customer portfolios. Depending on the size of any impairment in value, such impairment may be offset by a reduction in the conditional bonus, so that the effect on the owner's result may be limited. If the value of the individual insurance contract is higher than the associated customer assets, the owner will have to cover the deficient capital.

There are also insurance contracts without an interest guarantee in the life insurance activities in which customers bear the return guarantee. Changes in estimates and valuations may entail a change in the return on the associated customer portfolios. The recognition of such value changes does not directly affect the owner's result.

Fixed-rate lending
In 2013, there has been growing uncertainty regarding the pricing of fixed-rate loans recognised at fair value, in which there is a large variation in the interest rate conditions offered by banks, while the demand for fixed-rate loans has decreased. As a result, it has been more difficult to find observable conditions. Please also refer to the discussions in notes 2 and 11 of the 2012 annual report.

NOTE 3: BUILD-UP OF RESERVES FOR LONGEVITY FOR STOREBRAND LIFE INSURANCE

In a letter of 8 March 2013, the Financial Supervisory Authority of Norway determined that a new mortality tariff K2013 would be introduced for group pension insurance in life insurance companies and pension funds effective from 2014. In its press release, the Financial Supervisory Authority of Norway states that increased expected longevity is a challenge to life insurance companies and pension funds. This requires increased premiums and higher insurance technical reserves in order to have sufficient funds to cover future liabilities.

The new mortality tariff will significantly increase the need for reserves, and an escalation period will be allowed. The escalation plans will apply from 2014, and they should not last more than five years in the opinion of the Financial Supervisory Authority of Norway. This allows the use of customer surpluses to cover the increased reserve requirements, but the Financial Supervisory Authority of Norway states that "a minimum of 20 per cent of the total requirement for the building up of reserves should be covered by pension funds".

The required build-up of reserves for group pensions is estimated to be NOK 12.7 billion or around 8 per cent of the premium reserves as at 31 December 2013. The company started to build up reserves in the accounts starting in 2011. In 2012 and 2013, Storebrand will set aside as much as possible from its financial and risk profits. It must also be expected that all profit available will be set aside for the build-up of reserves during the build-up period. A total of NOK 4.5 billion has been set aside as at 31 December 2013.

It is expected that a minimum of 20 per cent or NOK 2.5 billion of the total need for reserves will be covered by the owner. It is assumed that part of this will be financed through the forfeiture of profits for paid-up policies during the build-up period with the current profit sharing model (20% to the owner). The size of the owner's contribution is dependent on the length of the escalation plan and principles for the build-up of reserves, as well as the financial and risk profit during the escalation period.

Earlier it was a requirement that the contracts had full reserves when they were transferred. The Ministry of Finance determined in October that the transfer value shall follow the escalation plan. If more has been set aside, then this shall be included upon any transfer.

Clarification remains of the final conditions for the build-up of reserves and the requirements for reserves upon the conversion of paid-up policies with a guaranteed return to paid-up policies with investment options.

The Financial Supervisory Authority of Norway sent a letter to Finance Norway on 26 November 2013, in which it was stated that they intend to prepare guidelines for the escalation early in 2014. This letter was a follow-up to the Financial Supervisory Authority of Norway's letter of 8 March 2013 to the life insurance companies and pension funds concerning the new mortality basis for group pension insurance (K2013), in which they describe the prerequisites that apply to the introduction of a new mortality basis for group pension insurance. It has been assumed that the mortality basis will be introduced and made effective no later than 1 January 2014.

NOTE 4: SEGMENTS

In the second quarter of 2013, Storebrand changed its corporate organisation so that it consisted of the following business areas: Savings, Insurance, Guaranteed Pensions and Other. These business areas will be the main lines for financial reporting by segment.

Savings
Consists of products that include long-term savings for retirement with no explicit interest rate guarantees. The area includes fund-based insurance (unit linked and defined contribution pensions) for private individuals and corporations in Norway and Sweden, asset management and bank products for private individuals.

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

Guaranteed pensions
Guaranteed pensions consist of products encompassing long-term savings for pensions, where the customers have a guaranteed return or benefit on the saved funds. The area includes defined contribution pensions in Norway and Sweden, paid-up policies and individual capital and pension insurances.

Notes to the interim accounts Storebrand Group

Other

Under the other category, the results of Storebrand ASA and the results of the company's portfolios in Storebrand Life Insurance and SPP are reported. In addition, the results associated with lending to commercial enterprises by Storebrand Bank and the activities of BenCo, which consists of the subsidiaries Euroben and Nordben, are also included.

Reconciliation with the official profit and loss accounts

Results in the segments are reconciled with the Group results before amortisation and the write-down of intangible assets. The consolidated income statement includes gross income and gross costs linked to both the insurance customers and owners. In addition, savings elements are included in premium income and costs related to insurance. The various segments are to a large extent followed up in the follow-up of net profit margins, including follow-up of risk and administration results. The profit and loss lines that are used in segment reporting will therefore not be identical to the profit and loss lines in the consolidated income statement.

The figures for previous periods have been restated.

	4Q		1.1 - 31.12	
NOK million	2013	2012	2013	2012
Savings	296	145	670	288
Insurance	150	88	492	417
Guaranteed pension	481	287	1,665	1,193
Other	126	-32	108	62
Group result	**1,054**	**489**	**2,935**	**1,960**
Write-downs and amortization of intangible assets	-417	-101	-741	-401
Group pre-tax profit	**637**	**388**	**2,194**	**1,559**

Segment information as of 4Q

	Savings		Insurance		Guaranteed pension	
NOK million	31.12.13	31.12.12	31.12.13	31.12.12	31.12.13	31.12.12
Fee and administation income	489	424			561	456
Risk result life & pensions	3	2			49	88
Insurance premiums f.o.a			754	671		
Claims f.o.a			-577	-544		
Operational cost	-294	-361	-60	-116	-225	-354
Financial result			33	78		
Result before profit sharing and loan losses	**199**	**65**	**150**	**88**	**385**	**190**
Net profit sharing and loan losses	98	80			96	97
Group result before amortization	**296**	**145**	**150**	**88**	**481**	**287**
Write-downs and amortization of intangible assets [1]						
Group pre-tax profit						

	Other		Storebrand Group	
NOK million	31.12.13	31.12.12	31.12.13	31.12.12
Fee and administation income	90	94	1,141	974
Risk result life & pensions	-2	5	50	95
Insurance premiums f.o.a			754	671
Claims f.o.a			-577	-544
Operational cost	75	-107	-503	-939
Financial result	-23	-26	10	53
Result before profit sharing and loan losses	**141**	**-34**	**874**	**309**
Net profit sharing and loan losses	-14	3	180	180
Group result before amortization	**126**	**-32**	**1,054**	**489**
Write-downs and amortization of intangible assets [1]			-417	-101
Group pre-tax profit			**637**	**388**

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

Notes to the interim accounts Storebrand Group

Segment information as of 01.01 - 31.12

	Savings		Insurance		Guaranteed pension	
NOK million	31.12.13	31.12.12	31.12.13	31.12.12	31.12.13	31.12.12
Fee and administation income	1,888	1,638			2,115	1,861
Risk result life & pensions	7	3			288	318
Insurance premiums f.o.a			2,868	2,510		
Claims f.o.a			-2,098	-1,774		
Operational cost	-1,279	-1,417	-413	-470	-1,111	-1,375
Financial result			135	150		
Result before profit sharing and loan losses	**616**	**224**	**492**	**417**	**1,292**	**804**
Net profit sharing and loan losses	54	63			373	389
Group result before amortization	**670**	**288**	**492**	**417**	**1,665**	**1,193**
Write-downs and amortization of intangible assets [1]						
Group pre-tax profit						
Assets	110,067	89,102	5,533	4,441	274,406	271,202
Liabilities	96,951	68,112	4,944	3,905	266,303	263,869

	Other		Storebrand Group	
NOK million	31.12.13	31.12.12	31.12.13	31.12.12
Fee and administation income	353	408	4 355	3 907
Risk result life & pensions	3	14	298	335
Insurance premiums f.o.a			2 868	2 510
Claims f.o.a			-2 098	-1 774
Operational cost	-180	-385	-2 983	-3 647
Financial result	-57	27	79	177
Result before profit sharing and loan losses	**118**	**63**	**2 519**	**1 508**
Net profit sharing and loan losses	-11	-1	416	451
Group result before amortization	**108**	**62**	**2 935**	**1 960**
Write-downs and amortization of intangible assets [1]			-741	-401
Group pre-tax profit			**2 194**	**1 559**
Assets	60 374	55 437	450 381	420 182
Liabilities	59 669	64 360	427 867	400 247

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

Notes to the interim accounts Storebrand Group

Key figures by business area

NOK million	4Q 2013	3Q 2013	2Q 2013	1Q 2013	4Q 2012	3Q 2012	2Q 2012	1Q 2012
Group								
Earnings per ordinary share [1]	4.41	3.52	1.99	0.80	2.25	2.10	1.47	1.17
Equity	22,514	22,274	21,301	20,696	19,936	19,706	19,335	19,202
Savings								
Premium income Unit Linked [5]	2,273	2,296	2,768	2,318	2,480	2,121	2,439	1,919
Unit Linked reserves	85,452	79,341	73,542	70,458	63,387	61,007	57,897	56,954
AuM asset management	487,384	471,278	455,701	453,828	442,162	438,878	423,872	425,816
Retail lending	23,906	24,110	24,036	23,922	23,734	23,256	22,910	22,444
Insurance								
Total written premiums	3,199	3,140	3,080	2,995	2,933	2,851	2,732	2,698
Claims ratio [5]	76%	71%	67%	78%	81%	66%	68%	66%
Cost ratio [5]	8%	16%	18%	17%	18%	22%	18%	18%
Combined ratio [5]	85%	87%	86%	94%	99%	88%	86%	84%
Guaranteed pension								
Guaranteed reserves	263,776	262,126	258,654	261,502	259,858	259,671	254,063	252,862
Guaranteed reseves in % of total reserves	75.5%	76.8%	77.9%	78.8%	80.4%	81.0%	81.4%	81.6%
Transfer out of guaranteed reserves [5]	967	710	998	7,279	1,360	654	420	1,640
Buffer capital in % of customer reserves SBL [2]	4.8%	4.0%	3.7%	4.1%	4.0%	4.6%	3.9%	4.4%
Buffer capital in % of customer reserves SPP [3]	15.1%	14.5%	13.5%	13.1%	11.9%	11.7%	11.1%	11.8%
Solidity								
Capital adequacy Storebrand Group	13.4%	13.4%	13.1%	12.8%	11.7%	11.5%	11.9%	14.3%
Solidity capital (Storebrand Life Group) [4]	54,102	51,717	49,718	49,513	46,860	48,938	43,210	43,687
Capital adequacy (Storebrand Life Group)	13.6%	13.9%	13.7%	13.5%	12.2%	11.9%	11.7%	14.2%
Solvency margin (Storebrand Life Group)	176%	178%	174%	165%	162%	153%	152%	163%
Solvency margin (SPP Life Insurance AB)	254%	285%	262%	250%	222%	216%	225%	226%
Capital adequacy Storebrand Bank	13.6%	13.1%	12.9%	11.9%	11.8%	12.0%	12.7%	13.9%
Core Capital adequacy Stobrand Bank	12.8%	12.4%	12.2%	11.2%	11.2%	10.7%	11.3%	11.6%

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

Notes to the interim accounts Storebrand Group

NOTE 5: FINANCIAL MARKET RISK

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

Guaranteed pensions
Basic interest rate (discount rate)
Storebrand Life Insurance
The Financial Supervisory Authority of Norway sets the highest basic interest rate permitted for new policies and for new members/new accrual of benefits in group pension insurance. The highest basic interest rate for new policies was set at 3 per cent in 1993 and subsequently reduced in 2005 to 2.75 per cent for policies entered into after 1 January 2006. The highest basic interest rate for new members/new accrual of benefits in group pension insurance was reduced from 4 per cent to 3 per cent with effect from annual renewals in 2004. The basic interest rate has been set at 2.5 per cent for new contracts with effect from 2011. The Financial Supervisory Authority of Norway proposed a reduction of the basic interest rate to 2.0 per cent from 1 January 2014, while the Ministry of Finance decided to keep the basic interest rate unchanged at 2.5 per cent. The basic interest rate is the annual guaranteed return to the customers.

SPP Life Insurance
The guaranteed interest rate is determined by the insurance company. The guaranteed interest rate is used for calculation of the premium and the guaranteed benefits. The guaranteed interest rate does not entail an annual minimum return guarantee as in Norway.

In Norway, a new mortality tariff is being introduced for defined-benefit pensions and paid-up policies from 2014. For the existing reserves, there is a five-year escalation plan, and returns for customers beyond the guarantee can contribute to the build-up of reserves. During the escalation period, this will increase the risk and can be compared with increasing the guaranteed interest rate.

In order to achieve an adequate return, it is necessary to assume an investment risk (market risk), primarily by investing in equities, real estate and corporate bonds. It is possible to reduce this market risk in the short term, but the probability of achieving the required return level is also reduced then. Risk management should balance these considerations, including the effect of the need to build-up of reserves on the required rate of return. Dynamic risk management is also used for the equity portion.

The interest rate risk has a special standing, because interest rate fluctuations also affect the value of the insurance liabilities. Since pension payments may be far into the future, the insurance liabilities are highly interest rate sensitive. Risk management should reduce the risk by investing in objects with correspondingly high interest rate sensitivity. In Sweden, management of the interest rate risk is based on this principle, and the financial result has a low interest rate risk. Because the solvency accounts are based on a different yield curve, there is an interest rate risk linked to solvency.

In Norway, the increased interest rate sensitivity will result in a greater risk for the guaranteed return. Risk management should therefore balance the risk of the profit for the year (interest rate up) with the reinvestment risk if the rate falls below the guaranteed rate in the future. Bonds at amortised cost are an important risk management tool.

Savings
The customer bears the financial market risk for non-guaranteed pension products.

The market risk for non-guaranteed pensions is related primarily to the risk of changes in future income and costs. Therefore there is an indirect market risk, because the negative investment return, especially due to weak equity markets, will reduce future income.

Insurance
The market risk for the insurance area is low because most of the investments are in investment-grade short-term fixed income securities.

Notes to the interim accounts Storebrand Group

NOTE 6: LIQUIDITY RISK

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

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

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

In addition to clear strategies and the risk management of liquidity reserves in each subsidiary, the Group's holding company has established a liquidity buffer. The development of the liquid holdings is continuously monitored at the Group level in relation to internal limits. A special risk for Storebrand ASA is the fact that the financial markets may be closed to new borrowing for periods of time. Measures to minimise the liquidity risk include maintaining an even maturity structure for loans, low costs in Storebrand ASA, an adequate liquidity buffer and credit agreements with banks that the company can draw on, if necessary.

Specification of subordinated loan capital

NOK million	Nominal value	Currency	Interest rate	Call date	Book value
Issuer					
Hybrid tier 1 capital					
Storebrand Bank ASA	107	NOK	Fixed	2014	110
Storebrand Bank ASA	168	NOK	Variable	2014	169
Storebrand Bank ASA	150	NOK	Variable	2018	150
Storebrand Livsforsikring AS	1,500	NOK	Variable	2018	1,502
Perpetual subordinated loan capital					
Storebrand Livsforsikring AS	1,000	NOK	Fixed	2,015	1,086
Storebrand Livsforsikring AS	1,700	NOK	Variable	2,014	1,701
Dated subordinated loan capital					
Storebrand Livsforsikring AS	300	EUR	Fixed	2023	2,540
Storebrand Bank ASA	150	NOK	Variable	2017	151
Total subordinated loans and hybrid tier 1 capital 31.12.13					**7,409**
Total subordinated loans and hybrid tier 1 capital 31.12.12					7,075

Notes to the interim accounts Storebrand Group

Specification of liabilities to financial institutions

	Book value	
NOK million	31.12.13	31.12.12
Maturity		
2013		512
2014	1,028	990
2015		997
Total liabilities to financial institutions	**1,028**	**2,499**

Specification of securities issued

	Book value	
NOK million	31.12.13	31.12.12
Call date		
2013		1,287
2014	2,454	3,375
2015	3,206	3,263
2016	3,875	3,374
2017	4,520	4,523
2018	952	500
2019	1,687	1,710
2020	306	
Total securities issued	**17,000**	**18,033**

The concluded loan agreements contain standard covenants. In 2013, Storebrand Bank ASA and Storebrand Boligkreditt AS met all the terms and conditions with respect to concluded loan agreements. In accordance with the loan programme in Storebrand Boligkreditt AS, the company's overcollateralisation requirement is satisfied at 109.5 per cent.

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

Facilities for Storebrand Boligkreditt AS
Storebrand Bank have two overdraft facilities with Storebrand Boligkreditt AS. One of the agreements is used for general operations, such as the acquisition of home mortgages from Storebrand Bank. The other agreement may be used for repayment of interest and principal on bonds with pre-emptive rights and related derivatives. At all times, the size of the available credit facility should cover the interest and repayment of bonds with pre-emptive rights for the coming 12 months.

NOTE 7: CREDIT RISK

Credit risk is the risk of incurring losses due to a counterparty's unwillingness or inability to meet his obligations. Maximum limits for credit exposure to individual debtors and for overall credit exposure to rating categories are set by the boards of the individual companies in the Group. Particular attention is paid to ensuring diversification of credit exposure in order to avoid concentrating credit exposure on any particular debtors or sectors. Changes in the credit standing of debtors are monitored and followed up. The Group uses published credit ratings whenever possible, supplemented by its own credit evaluation when there are no published ratings. The Group has entered into framework agreements with all counterparties to reduce the risk inherent in outstanding derivative transactions. These regulate, inter alia, how collateral is to be pledged against changes in market values which are calculated on a daily basis.

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

NOTE 8: VALUATION OF FINANCIAL INSTRUMENTS AND REAL ESTATE

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

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

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

The Group categorises financial instruments valued at fair value on three different levels, which are described in more detail below. The levels express the differing degrees of liquidity and different measurement methods used. The company has established valuation models to gather information from a wide range of well-informed sources with a view to minimising the uncertainty of valuations.

Notes to the interim accounts Storebrand Group

Valuation of financial instruments and real estate at fair value

NOK million	Level 1 Quoted prices	Level 2 Observable assumptions	Level 3 Non-observable assumptions	31.12.13	31.12.12
Assets:					
Equities and units					
- Equities	12,969	471	3,269	16,708	12,771
- Fund units	167	66,905	1,327	68,399	51,972
- Private equity fund investments		241	6,132	6,373	6,090
- Real estate fund			1,217	1,217	1,387
Total equities and units	**13,135**	**67,617**	**11,945**	**92,697**	
Total equities and units 2012	9,305	51,325	11,589		72,220
Lending to customers [1]			**1,289**	**1,289**	
Lending to customers 2012 [1]		1,241			1,241
Bonds and other fixed-income securities					
- Government and government guaranteed bonds	26,374	35,951		62,325	51,879
- Credit bonds	20	24,402	1,669	26,091	26,721
- Mortage and asset backed securities		45,483		45,483	43,780
- Supranational organisations	159	7,157		7,316	3,757
- Bond funds	717	46,625		47,342	59,568
Total bonds and other fixed-income securities	**27,270**	**159,618**	**1,669**	**188,557**	
Total bonds and other fixed-income securities 2012	25,388	159,084	1,233		185,704
Derivatives:					
- Interest derivatives		-358		-358	2,106
- Currency derivatives		36		36	594
Total derivatives		**-322**		**-322**	
- of which derivatives with a positive market value		2,211		2,211	4,057
- of which derivatives with a negative market value		-2,533		-2,533	-1,356
Total derivatives 2012		2,701			2,701
Real Estate:					
Investment properties			24,175	24,175	28,723
Owner-occupied properties			2,491	2,491	2,231
Total real estate			**26,666**	**26,666**	
Total real estate 2012			30,954		30,954
Liabilities:					
Liabilities to financial institutions [1]		997		997	1,986
Liabilities 2012 [1]		1,986			1,986

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

Movements between quoted prices and observable assumptions

NOK million	From quoted prices to observable assumptions	From observable assumptions to quoted prices
Equities and units	52	65

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

Notes to the interim accounts Storebrand Group

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

NOK million	Equities	Fund units	Private equity fund	Indirect real estate fund	Lending to customers	Credit bonds	Investment properties	Owner-occupied properties
Book value 01.01	**2,958**	**1,695**	**5,406**	**1,372**		**1,233**	**28,723**	**2,231**
Net gains/losses on financial instruments	170	504	1,076	-2,490	-7	573	3	88
Supply	533	902	391	2,598	42	156	538	85
Sales	-537	-1,492	-816	-278	-123	-420	-5,202	
Transferred to/from non-observable assumptions to/from observable assumptions		-382	11	15	1,377	80		
Translation differences	145	100	64			47	113	88
Book value 31.12.13	**3,269**	**1,327**	**6,132**	**1,217**	**1,289**	**1,669**	**24,175**	**2,491**

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

Valuation of financial instruments to amortised cost

NOK million	Level 1 Quoted prices	Level 2 Observable assumptions	Level 3 Non-observable assumptions	Total fair value 31.12.13	Total fair value 31.12.12	Book value 31.12.13	Book value 31.12.12
Financial assets							
Loans to and due from financial institutions		152		152	255	152	255
Lending to customers		35,771		35,771	37,771	35,856	37,907
Bonds held to maturity		15,942		15,942	11,689	15,120	10,718
Bonds classified as loans and receivables	1,242	70,071		71,313	60,962	66,971	56,703
Total fair value 31.12.12	1,156	109,521					
Financial liabilities							
Debt raised by issuance of securities		17,228		17,228	18,249	17,000	18,033
Liabilities to financial institutions		31		31	513	31	513
Deposits from banking customers		20,728		20,728	19,860	20,728	19,860
Subordinatd loan capital		7,956		7,956	7,111	7,409	7,075
Total fair value 31.12.12		42,196	3,537				

Notes to the interim accounts Storebrand Group

NOTE 9: TAX

There were tax-free real estate sales transactions during the year, where allocations had previously been made for deferred tax. The reversal of this deferred tax reduces the income tax expense for 2013.

The Norwegian Parliament (Storting) passed a resolution in December 2013 to reduce the corporate tax rate from 28 to 27 per cent effective 1 January 2014. When deferred tax / tax assets are recognised on the balance sheet, 27 per cent is therefore used, which reduces the income tax expense for 2013 by NOK 24 million.

NOTE 10: INFORMATION ABOUT RELATED PARTIES

Storebrand conducts transactions with related parties as part of its normal business activities. These transactions take place on commercial terms. The conditions for transactions with executive personnel and related parties are stipulated in notes 24 and 55 in the 2012 annual report.

Storebrand had not carried out any material transactions with related parties at the close of the fourth quarter.

NOTE 11: PENSION SCHEMES FOR OWN EMPLOYEES

Storebrand has a closed defined-benefit scheme and a defined-contribution scheme for its employees. Parts of the defined-benefit scheme are secured, and parts are unsecured. The schemes are recorded following the IAS 19 accounting standard. Long-term assumptions such as future inflation, real interest rates, real wage growth and adjustment of the Basic Amount are particularly subject to a high degree of uncertainty.

Storebrand has used the covered bond interest rate as the discount rate as at 31 December 2013. The main assumptions made for calculation of the net pension liabilities are listed below:

	Storebrand Life Insurance		SPP	
NOK million	2013	2012	2013	2012
Discount rate	4.0 %	4.0 %	4.0 %	3.5 %
Expected return on pension fund assets in the period	4.0 %	4.0 %	4.0 %	3.5 %
Expected earnings growth	3.3 %	3.3 %	3.5 %	3.5 %
Expected annual increase in social security pensions	3.5 %	3.3 %	3.0 %	3.0 %
Expected annual increase in pensions in payment	0.1 %	1.5 %	2.0 %	2.0 %
Disability table	KU	KU	0.0 %	0.0 %
Mortality table	K2013BE	K2005	DUS06	DUS06

Storebrand (Norway) changed its pension regulations in 2013 for the group plans for employees and former employees of the company. This change entails that pensions in payment will no longer be adjusted annually by a minimum of 80 per cent of the change in the consumer price index. This results in a positive non-recurring effect on the profit for 2013, which is listed as a plan change in the pension costs.

NOTE 12: NET INTEREST INCOME - BANKING

	4Q		1.1 - 31.12	
NOK million	2013	2012	2013	2012
Total interest income	386	386	1,549	1,553
Total interest costs	-247	-253	-1,002	-1,063
Net interest income	**139**	**133**	**547**	**490**

Notes to the interim accounts Storebrand Group

NOTE 13: NET INCOME ANALYSED BY CLASS OF FINANCIAL INSTRUMENTS

				4Q		1.1 - 31.12	
NOK million	Dividend/ interest income	Net gain/ losses on disposals	Net unre-alised gains/ losses	2013	2012	2013	2012
Net income from equities and units	313	827	4,728	5,868	1,113	16,780	6,488
Net income from bonds, bond funds and other fixed-income securities	738	-639	1,353	1,453	2,673	3,365	10,009
Net income from financial derivatives, FVO	116	-286	-38	-207	302	-3,574	781
Net income and gains from financial instruments at fair value	**1,167**	**-97**	**6,043**	**7,114**	**4,087**	**16,571**	**17,278**
Net income from bonds at amortised cost	**934**	**32**		**966**	**1,542**	**3,585**	**3,814**

NOTE 14: OPERATING COSTS

	4Q		1.1 - 31.12	
NOK million	2013	2012	2013	2012
Personnel costs	-151	-572	-1,816	-2,385
Amortisation	-48	-30	-144	-118
Other operating costs	-290	-360	-1,350	-1,500
Total operating costs	**-489**	**-962**	**-3,310**	**-4,003**

Notes to the interim accounts Storebrand Group

NOTE 15: REAL ESTATE

Type of real estate

NOK million	31.12.13	31.12.12	31.12.13 Required rate of return % 2)	Average duration of lease (years) 4)	m2	Leased amount in % 1)
Office buildings (including parking and storage):						
Oslo-Vika/Filipstad Brygge	6,196	6,205	7,6-8,7	4	140,900	90%
Rest of Greater Oslo	6,886	8,168	8,5-10,3	7	494,925	94%
Rest of Norway	2,477	2,459	8,1-9,5	7	122,168	98%
Office buildings in Sweden	985	729		6	40,861	99%
Shopping centres (including parking and storage)						
Rest of Greater Oslo	1,176	1,151	8,1-8,4	3	66,519	93%
Rest of Norway	5,234	8,952	7,7-9,6	3	183,120	91%
Car Parks						
Multi-storey car parks in Oslo	671	650	7.9	3	27,393	100%
Cultural/conference centres in Sweden	390	359		16	18,757	100%
Other real estate:						
Other real estate Sweden 3)	109			15	3,369	100%
Other real estate Norway	50	50				
Total investment real estate	**24,175**	**28,723**			**1,098,012**	
Real estate for own use	2,491	2,231		8	70,640	100%
Total real estate	**26,666**	**30,954**			**1,168,652**	

1) The leased amount is calculated in relation to floor space.
2) The real estate are valued on the bsis of the following effective required rate of return (including 2.5 per cent inflation):
3) All of the properties in Sweden are appraised externally. This appraisal is based on the required rates of return in the market.
4) The average duration of the leases has been calculated proportionately based on the value of the individual properties.

Transactions:
Purchases: Further SEK 278 million of property acquisitions in SPP has been agreed in 4 quarter in addition to the figures that has been finalised and included in the financial statements as of 31 December 2013

Sales: No further sales has been agreed on in Storebrand/SPP in addition to the figures that has been finalised and included in the financial statements as of 31 December 2013

Cash flow
An internal cash flow model is used to calculate fair value. The individual real estate' 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 real estate. 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 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 takes into consideration historical observations from Dagens Næringsliv's property index (adjusted by CPI) as well as market estimates. 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 real estate. The required rate of return should be viewed in relation to the cash flow. Cash flows are determined on the basis of data about the market's required rate of return, including transactions and valuations.

Composition of the required rate of return:
Risk free interest rate
Risk markup, adjusted for:i
- Type of real estate
- Location
- Structural standard
- Environmental standard
- Contract duration
- Quality of tentant
- All other information about real estate values, the market and the individual real estates

In the case of shopping centres, the real estate'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.

NOTE 16: LENDING

NOK million	31.12.13	31.12.12
Corporate market	13,318	15,517
Retail market	23,940	23,775
Gross lending	**37,258**	**39,292**
Write-down of lending losses	-113	-144
Net lending	**37,145**	**39,148**

Non-performing and loss-exposed loans

NOK million	31.12.13	31.12.12
Non-performing and loss-exposed loans without identified impairment	111	185
Non-performing and loss-exposed loans with identified impairment	356	115
Gross non-performing loans	**468**	**300**
Individual write-downs	-83	-105
Net non-performing loans	**385**	**195**

NOTE 17: DEPOSITS FROM BANKING CUSTOMERS

NOK million	31.12.13	31.12.12
Corporate market	8,186	7,549
Retail market	12,542	12,311
Total	**20,728**	**19,860**

NOTE 18: CONTINGENT LIABILITIES

NOK million	31.12.13	31.12.12
Guarantees	242	226
Unused credit limit lending	4,060	5,250
Uncalled residual liabilities re limited partnership	4,038	5,317
Other liabilities/lending commitments	77	796
Total contingent liabilities	**8,417**	**11,589**

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

Storebrand Group companies are engaged in extensive activities in Norway and abroad and may become a party in legal disputes.

Kaupting Bank
Storebrand Luxembourg SA (Storebrand) is being sued by the bankruptcy estate of Kaupthing Bank HF with a demand for payment of USD 11,812,109 plus interest and costs. Storebrand received the writ of summons on 25 June 2012. The claim is primarily against Guy Butler Ltd., secondarily against RBC Europe Limited, and thereafter against Storebrand. The case pertains to a sale of bonds with a nominal value of USD 11,000,000 issued by Kaupthing Bank HF (US48632FAC59), which was performed by Storebrand Active Credit Fund in September 2008. The complainant submits that Kaupthing Bank HF was the real or final buyer of the bonds and that this is therefore a case of forced repayment of a debt that can be reversed. It is assumed that the case will be subject to a legal substantive discussion at the earliest in 1st quarter 2014. No provisions have been made relating to this lawsuit.

Equity index bonds
An external legal assessment has been obtained with respect to Supreme Court judgements relating to structured products, and possibly the extent of the judgement, to determine the significance for Storebrand Bank's complaints now under consideration by the Norwegian Financial Services Complaints Board and complaints directly from customers. No concrete errors or defective performances of such significance have been discovered that they are believed to have had a decisive influence on the investors' investment decisions.

NOTE 19: BUFFER CAPITAL

NOK million	31.12.13	31.12.12
Additional statutory reserves	4,458	5,746
Market adjusment reserves	3,823	1,027
Conditional bonuses	14,167	11,264
Total	**22,447**	**18,037**

The excess value of held-to-maturity bonds valued at amortised cost totalled NOK 5.160 million at the end of the 4th quarter 2013 - a decrease of NOK 65 million since the turn of the year.

The excess value of bonds at amortised cost is not included in the financial statements.

Notes to the interim accounts Storebrand Group

NOTE 20: CAPITAL REQUIREMENTS AND SOLVENCY REQUIREMENTS

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

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

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

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

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

Primary capital in capital adequacy

NOK million	31.12.13	31.12.12
Share capital	2,250	2,250
Other equity	20,264	17,686
Equity	**22,514**	**19,936**
Hybrid tier 1 capital	1,927	1,779
Interest rate adjustment of insurance obligations	-1,081	-1,454
Goodwill and other intangible assets	-6,111	-6,213
Deferred tax assets	-1	-38
Risk equalisation fund	-776	-640
Deductions for investments in other financial institutions	-1	-3
Security reserves	-301	-267
Minimum requirement reassurance allocation	-4	-5
Capital adequacy reserve	-96	-141
Other	-31	-109
Core (tier 1) capital	**16,038**	**12,844**
Perpetual subordinated capital	2,700	4,901
Ordinary primary capital	2,388	149
Deductions for investments in other financial institutions	-1	-3
Capital adequacy reserve	-96	-141
Tier 2 capital	**4,990**	**4,907**
Net primary capital	**21,029**	**17,751**

Notes to the interim accounts Storebrand Group

Minimum requirements primary capital in capital adequacy

NOK million	31.12.13	31.12.12
Credit risk		
Of which by business area:		
Capital requirements insurance	10,813	10,218
Capital requirements banking	1,613	1,845
Capital requirements securities undertakings	103	10
Capital requirements other	-35	-27
Total minimum requirements credit risk	**12,494**	**12,046**
Operational risk/settlement risk	99	117
Deductions	-18	-26
Minimum requirements primary capital	**12,575**	**12,137**
Capital adequacy ratio	**13.4 %**	**11.7 %**
Core (tier 1) capital ratio	**10.2 %**	**8.5 %**

Solvency requirements for cross-sectoral financial groups

NOK million	31.12.13	31.12.12
Requirements re primary capital and solvency capital		
Capital requirements Storebrand Group from capital adequacy statement	12,575	12,137
- capital requirements insurance companies	-10,813	-10,218
Capital requirements pursuant to capital adequacy regulations	1,762	1,919
Requirements re solvency margin capital insurance	12,140	11,737
Total requirements re primary capital and solvency capital	**13,901**	**13,656**
Primary capital and solvency capital		
Net primary capital	21,029	17,751
Change in solvency capital for insurance in relation to primary capital		
Other solvency capital	2,750	3,315
Total primary capital and solvency capital	**23,779**	**21,066**
Surplus solvency capital	**9,877**	**7,410**

Storebrand ASA

PROFIT AND LOSS ACCOUNT

	4Q		Full year	
NOK million	2013	2012	2013	2012
Operating income				
Income from investments in subsidiaries	512	220	626	220
Net income and gains from financial instruments:				
- bonds and other fixed-income securities	6	19	49	67
- financial derivatives/other financial instruments	-2	-8	-14	13
Other financial instruments			2	1
Operating income	**516**	**232**	**663**	**300**
Interest expenses	-36	-40	-136	-170
Other financial expenses	-141	-5	-156	-17
Operating costs				
Personnel costs	116	-6	83	-26
Amortisation			-1	-1
Other operating costs	-19	-47	-76	-152
Total operating costs	**96**	**-53**	**6**	**-180**
Total costs	**-81**	**-98**	**-286**	**-366**
Pre-tax profit	**435**	**134**	**377**	**-66**
Tax	-144	-190	-96	-135
Profit for the period	**291**	**-57**	**281**	**-200**

Storebrand ASA

STATEMENTS OF FINANCIAL POSITION

NOK million	31.12.13	31.12.12
Fixed assets		
Deferred tax assets	458	472
Pension assets	1	152
Tangible fixed assets	30	31
Shares in subsidiaries	17,241	17,351
Total fixed assets	**17,729**	**18,007**
Current assets		
Owed within group	519	220
Lending to group companies	17	17
Other current receivables	23	51
Investments in trading portfolio:		
- bonds and other fixed-income securities	1,757	1,754
- financial derivatives/other financial instruments	33	52
Bank deposits	37	48
Total current assets	**2,386**	**2,143**
Total assets	**20,115**	**20,150**
Equity and liabilities		
Share capital	2,250	2,250
Own shares	-14	-16
Share premium	9,485	9,485
Total paid in equity	**11,720**	**11,718**
Other equity	4,644	4,591
Total equity	**16,365**	**16,310**
Non-current liabilities		
Pension liabilities	156	155
Securities issued	3,476	3,492
Total non-current liabilities	**3,632**	**3,648**
Current liabilities		
Financial derivatives	10	
Debt within group	34	127
Other current liabilities	74	65
Total current liabilities	**118**	**192**
Total equity and liabilities	**20,115**	**20,150**

Storebrand ASA

CASH FLOW STATEMENT

NOK million	2013	2012
Cash flow from operational activities		
Receipts - interest, commission and fees from customers	44	84
Net receipts/payments - securities at fair value	-10	-504
Payments relating to operations	-128	-210
Net receipts/payments - other operational activities	334	474
Net cash flow from operational activities	**240**	**-157**
Cash flow from investment activities		
Net payments - sale/capitalisation of subsidiaries	-119	315
Net cash flow from investment activities	**-119**	**315**
Cash flow from financing activities		
Payments - repayments of loans	-743	-909
Receipts - new loans	750	850
Payments - interest on loans	-148	-187
Receipts - issuing of share capital	9	11
Net cash flow from financing activities	**-132**	**-236**
Net cash flow for the period	**-11**	**-78**
Net movement in cash and cash equivalents	-11	-78
Cash and cash equivalents at start of the period	48	126
Cash and cash equivalents at the end of the period	**37**	**48**

Notes to the financial statements Storebrand ASA

NOTE 1: ACCOUNTING POLICIES

The financial statements are presented in accordance with the accounting policies applied in the annual financial statements for 2012. The accounting policies are described in the 2012 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: INCOME FROM INVESTMENTS IN SUBSIDIARIES

NOK million	2013	2012
Storebrand Finansiell Rådgivning AS	85	
Storebrand Asset Management AS	275	120
Storebrand Bank ASA	253	100
Storebrand Helseforsikring AS	14	
Total	**626**	**220**

NOTE 4: EQUITY

NOK million	Share capital [1]	Own shares	Share premium	Other equity	Equity 31.12.13	Equity 31.12.12
Equity as per 1 January	**2,250**	**-16**	**9,485**	**4,591**	**16,310**	**16,434**
Profit for the year				281	281	-200
Experience pension				-235	-235	65
Own share bought back [2]		2		24	26	24
Employee share is [2]				-17	-17	-13
Total equity	**2,250**	**-14**	**9,485**	**4,644**	**16,365**	**16,310**

[1] 449,909,891 shares with a nominal value of NOK 5
[2] In 2013, 408 208 of our own shares were sold to our own employees.
Holding of own shares as per 31 December 2013 was 2 716 273.

NOTE 5: BONDS ISSUED

NOK million	Interest rate	Currency	Net nominal value	31.12.13	31.12.12
Bond loan 2009/2014 [1]	Fixed	NOK	550	563	581
Bond loan 2009/2014 [1]	Fixed	NOK	550	304	573
Bond loan 2013/2020 [1]	Fixed	NOK	300	306	
Bond loan 2010/2013 [1]	Fixed	NOK	200		209
Bond loan 2010/2013	Variable	NOK	279		279
Bond loan 2011/2016	Variable	NOK	1000	998	998
Bond loan 2012/2017	Variable	NOK	850	853	853
Bond loan 2013/2018	Variable	NOK	450	452	
Total [2]				**3,476**	**3,492**

[1] Loans with fixed rates are hedged by interest swaps, which are booked at fair value through profit and loss. Changes in values of loans that can be related to the hedged risk are included in the carrying amount and included in the result.
[2] Loans are booked at amortised cost and include earned not due interest. Signed loan agreements have standard covenant requirements. The terms and conditions have been redeemed pursuant to signed loan agreements. Storebrand ASA has an unused drawing facility for EUR 240 million.

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 2014

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

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